

GOVERNMENT OF INDIA
RAILWAY DEPARTMENT
(RAILWAY BOARD)

REPORT
BY THE
RAILWAY BOARD
ON
INDIAN RAILWAYS
FOR
1925-26

Volume I



CALCUTTA: GOVERNMENT OF INDIA
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1926

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Statistics of railway working expenditure	G. DEUCHARS.
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Rules for the preparation of railway projects
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The central control systems for the scheduling of operations in locomotive repairs workshops in England	H. H. SAUNDERS.
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Technical education in relation to railways in America	H. L. JOLE.
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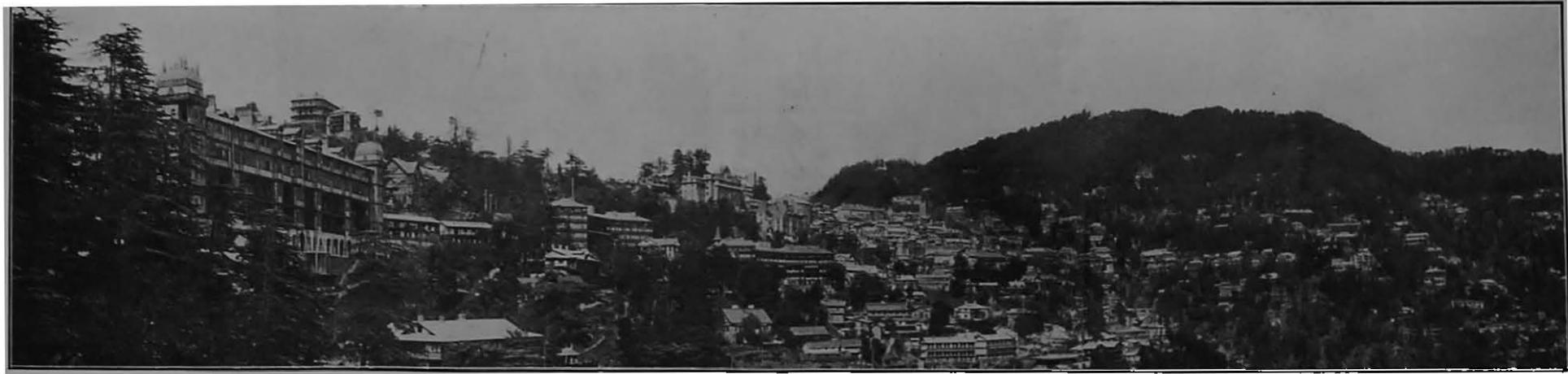
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Panoramic view of Simla with Railway Board's office in left foreground.

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APPENDIX A.

List showing Railways in India alphabetically arranged under each gauge according to system of working.

[NOTE.—The railways under construction or sanctioned for construction on the 31st March 1926, are shown in italics.]

I.—STATE LINES WORKED BY THE STATE.

- 5' 6" gauge.**
 Eastern Bengal.
 East Indian.*
 Great Indian Peninsula.†
 North Western.
 South Bihar.‡
Central Indian Coal-fields.
- 3' 3³/₈" gauge.**
 Aden.
 Cawnpore-Burhwal Link.
 Eastern Bengal (3' 3³/₈" and 2' 6").
- 2' 6" gauge.**
 Kalka-Simla.
Kangra Valley.
 Khanai-Hindubagh.
 Kohat-Thal.
 Trans-Indus (Kalabagh-Bannu).
- 2' 0" gauge.**
 Dera Ismail Khan-Tank Decauville.
 Jorhat (Provincial).

II.—STATE LINES WORKED BY COMPANIES.

- 5' 6" gauge.**
 Bengal-Nagpur.
 Bezwada Extension.
 Bombay, Baroda and Central India.
 Kolar Gold-fields.
 Madras and Southern Mahratta.
 South Indian.
- 3' 3³/₈" gauge.**
 Alnavar-Dandeli (Provincial).
 Alon-Saingbyin.
 Assam-Bengal.
 Bangalore-Harihar.
 Bombay, Baroda and Central India.
 Burma.
 Burma Extensions.
 Dhone-Kurnool.
 Hindupur (Yesvantpur-Mysore Frontier).
 Jodhpur-Hyderabad (British Section).††
 Lucknow-Bareilly.
 Madras and Southern Mahratta.
 Moulmein-Ye.
 Nilgiri.
 Palanpur-Deesa.§

* Taken over by the State with effect from 1st January 1925.

† Taken over by the State with effect from 1st July 1925.

‡ Although a leased line, it is, for convenience, shown under the head "State lines worked by the State".

†† The Indian State Section of this railway forms an integral part of the Jodhpur Railway. This line is worked by the administration of the Jodhpur Railway.

§ This line is owned jointly by Government and the Palanpur Durbar.

II.—STATE LINES WORKED BY COMPANIES—concl'd.

- 3' 3³/₈" gauge.—concl'd.**
Pegu-Kayan.
 Pynmana-Taungdwingyi.
 South Indian.
 Southern Shan States.
 Travancore (British Section).
 Travancore (Indian State Section).*
 Tirhoot.
- 2' 6" gauge.**
 Broach-Jambusar.
 Mandalay-Madaya Light.
 Morappur-Hosur.
 Purulia-Ranchi.
 Raipur-Dhamtari.
 Satpura.
 Tirupattur-Krishnagiri.

- 2' 0" gauge.**
 Tumsar-Tirodi Light.

III.—BRANCH LINE COMPANIES' RAILWAYS UNDER GUARANTEE TERMS.

(A) WORKED BY THE BRANCH LINE COMPANY.

- 2' 6" gauge.**
 Ahmadpur-Katwa.
 Arakan Light†.
 Bankura-Damoodar River.
 Burdwan-Katwa.
 Futwah-Islampur.
 Kalighat-Falta.

(B) WORKED BY THE MAIN LINE.

- 5' 6" gauge.**
 Hardwar-Dehra.
- 3' 3³/₈" gauge.**
 Chaparmukh-Silghat.‡
 Katakhal-Lalabazar.‡
- 2' 6" gauge.**
 Dasghara-Jamalpurgunj.

IV.—BRANCH LINE COMPANIES' RAILWAYS UNDER REBATE TERMS WORKED BY THE MAIN LINE.

- 5' 6" gauge.**
 Amritsar-Patti.
 Hoshiarpur-Doab (Jullundur-Mukerian).

* Although for convenience classed among State railways, this line is the property of the Travancore Durbar.

† Also receives a subsidy from the Arakan Flotilla Company, and a guarantee of one per cent. by the Burma Government for a period of 10 years.

‡ Also receives a subsidy from the Assam Government.

IV.—BRANCH LINE COMPANIES' RAILWAYS UNDER REBATE TERMS WORKED BY THE MAIN LINE—*concl'd.*

5' 6" gauge.—*concl'd.*

Hoshiarpur-Doab (Phagwara-Rahon).
Mandra-Bhaun.
Sara-Sirajganj.
Sialkot-Narowal.
Southern Punjab (Main Line).
Southern Punjab (Jullundur-Doab).
Southern Punjab (Ludhiana Extension).
Southern Punjab (Sutlej Valley).
Tapti Valley.

3' 3 $\frac{3}{4}$ " gauge.

Ahmedabad-Parantij.

2' 6" gauge.

Champaner-Shivrajpur-Pani Light.
Dhond-Baramati.
Ellichpur-Yeotmal.
Godhra-Lunavada.
Jacobabad-Kashmor.
Khulna-Bagerhat.
Larkana-Jacobabad.
Mayurbhanj.
Nadiad-Kapadvanj.
Pachora-Jamner.
Pulgaon-Arvi.

2' 0" gauge.

Darjeeling-Himalayan Extensions.
Matheran Light.

V.—BRANCH LINE COMPANIES' RAILWAYS UNDER GUARANTEE AND REBATE TERMS.

3' 3 $\frac{3}{4}$ " gauge.

Jamnagar and Dwarka.
Mymensingh-Bhairab Bazar.

VI.—COMPANIES' LINES SUBSIDIZED BY THE GOVERNMENT OF INDIA.

5' 6" gauge.

Delhi-Ambala-Kalka.

3' 3 $\frac{3}{4}$ " gauge.

Bengal and North-Western.*
Bengal-Dooars Extensions.*
Mirpur Khas Jhudo.*
Mirpur Khas Khadro.*
Robilkund and Kumaon.

2' 6" gauge.

Barsi Light.*
Dehri-Rohtas Light.
Shahdara (Delhi) Saharanpur Light.*

VII.—COMPANIES' LINES SUBSIDIZED BY LOCAL GOVERNMENTS.

3' 3 $\frac{3}{4}$ " gauge.

Dibru-Sadiya.

2' 0" gauge.

Darjeeling-Himalayan.

VIII.—UNASSISTED COMPANIES' LINES.

3' 3 $\frac{3}{4}$ " gauge.

Ledo and Tikak-Margherita Colliery.

2' 6" gauge.

Bengal Provincial.
Singri-Orang Light.

2' 0" gauge.

Jagadhri Light.
Kulasekarapatnam Light.
Tirupati-Tiruchanur Light.
Trivellore Light.

IX.—DISTRICT BOARD LINES.

5' 6" gauge.

Suramangalam-Salem.
Tenali-Repalle.

3' 3 $\frac{3}{4}$ " gauge.

Bezwada-Masulipatam.
Podanur-Pollachi.
Tanjore District Board.
Tinnevely-Tiruchendur.

X.—COMPANIES' LINES SUBSIDIZED BY DISTRICT BOARD.

3' 3 $\frac{3}{4}$ " gauge.

Bengal Dooars.

2' 6" gauge.

Arrah-Sasaram Light.
Baraset-Basirhat Light.
Bukhtiarpur-Bihar Light.
Jessore-Jhenidah.
Tezapore-Balipara Light.

2' 0" gauge.

Howrah-Amta Light.
Howrah-Shenkhala Light..

XI.—INDIAN STATE LINES WORKED BY INDIAN STATES.

3' 3 $\frac{3}{4}$ " gauge.

Bhavnagar State.
Bikaner State.
Gondal.
Jetalsar-Rajkot.
Jodhpur.
Junagad State.
Khijadiya-Dhari.
Morvi.
Mysore.
Porbandar State.
Udaipur-Chitorgarh.

2' 6" gauge.

Bodeli-Chhota Udaipur.
Cutch State.
Dholpur-Bari.
Gaekwar's Baroda State.
Kolar District.
Mohari-Barauli.*

* Although, for convenience, classed among Indian State Lines worked by Indian States, this line is the property of Government.

* Receives land only from Government.

XI.—INDIAN STATE LINES
WORKED BY INDIAN STATES.—
concl'd.

2' 0" gauge.

Gwalior Light.
Pipar-Bilara Light.
Tarikere-Narasimharajapura Light.

XII.—INDIAN STATE LINES
WORKED BY THE MAIN LINE.

5' 6" gauge.

Balharshah-Warangal.
Bhopal Itarsi (Indian State Section).
Bhopal-Ujjain.
Bina-Goonna-Baran.
Jammu and Kashmir (Indian State Section).^{*}
Jind-Panipat (Indian State Section).[†]
Karepalli-Kothagudium.
Khanpur-Chachran.
Ludhiana-Dhuri-Jakhal.
Nagda-Ujjain.
Petlad-Cambay (Anand-Tarapur Section).
Petlad-Cambay (Tarapur-Cambay Section).
Rajpura-Bhatinda.
Sirhind-Rupar (Indian State Section).

3' 3 $\frac{1}{2}$ " gauge.

Cooch Behar State.
Dhrangadra.
Gaekwar's Mehsana.
Hingoli Branch.
Jaipur State.

^{*} The British section of this railway forms an integral part of the North Western Railway.

[†] The section of this railway in British territory forms an integral part of the Delhi-Umbala-Kalka Railway.

XII.—INDIAN STATE LINES
WORKED BY THE MAIN
LINE—*concl'd.*

3' 3 $\frac{1}{2}$ " gauge.—*concl'd.*

Kolhapur State.
Okhamandal.
Palanpur-Deesa.[‡]
Rajkot-Jamnagar.
Sangli State.
Secunderabad-Gadwal.
Shoranur-Cochin.

2' 6" gauge.

Jhagadia-Thawe Road.
Parlakimedi Light.
Rajpipla State.

XIII.—COMPANIES' LINES GUA-
RANTEED BY INDIAN STATES.

5' 6" gauge.

Nizam's Guaranteed State.

3' 3 $\frac{1}{2}$ " gauge.

Hyderabad-Godavari Valley.

2' 6" gauge.

Bangalore-Chik Ballapur Light.

XIV.—LINES IN FOREIGN TERRI-
TORY WORKED BY BRITISH
INDIAN RAILWAY COMPA-
NIES.

3' 3 $\frac{1}{2}$ " gauge.

Peralam-Karaikkal.
Pondicherry.
West of India Portuguese.

[‡] This line is owned jointly by Government and the Palanpur Durbar.

APPENDIX B.

Notes on the relation of the Government to Railways in India.

(Reprinted from the Report for 1914-15.)

Diversity of Relations between the State and Railways.—One of the special features of the Indian Railway system is the diversity of conditions that prevails in the relation of the State to the various lines in respect of ownership and control. Of the important lines situated in British India or in which the Government of India is interested, three (the North-Western, Eastern Bengal and Oudh and Rohilkhand Railways) are owned and worked by the State; eight* (the East Indian, Great Indian Peninsula, Bombay, Baroda and Central India, Madras and Southern Mahratta, Assam-Bengal, Bengal-Nagpur, South Indian and Burma) are owned by the State but worked on its behalf by companies enjoying a guarantee of interest from the Government; three important lines (the Bengal and North-Western, Rohilkund and Kumaon and Southern Punjab) and many of less importance are the property of private companies, some being worked by the owning companies and some by the State or by the companies that work State-owned systems; several minor lines are the property of District Boards or enjoy a guarantee of interest granted by such Boards.

The diversity of conditions is in certain respects less important than might at first appear for the following reasons:—

The Government of India exercises under the Indian Railways Act, 1890, in respect of all railways in British India (and also, by virtue of arrangements with Indian States, in respect of the chief railways passing through such States), certain general powers. Thus a railway may not be opened until a Government Inspector has certified that it has been constructed so as to comply with requirements laid down by the Government and can be used for the public carriage of passengers without danger to them. The Government of India can also, in the interest of the safety of passengers, require a railway to be closed, or the use of particular rolling-stock to be discontinued, or may prescribe conditions for the use of the railway or the rolling-stock. They can appoint a Railway Commission to investigate complaints on certain matters such as the withholding of reasonable traffic facilities or the grant of undue preference.

In addition, the Government of India (or in some cases Local Governments) exercise under the provisions of contracts detailed control over the management of all Railways in British India greatly exceeding that which is secured by the Indian Railways Act. They also have a certain financial interest in all companies in British India, and a preponderating interest in most of the Railways which are of the first importance.

History of Relations of the Government and Companies.—The main causes which have led to the present diversity of conditions in regard to the agency by which railways are managed, and the relations of the Government with the various classes of companies now in existence, are summarised in the following paragraphs:—

The first proposals for the construction of railways in India were submitted in 1844 to the East India Company in England by Mr. R. M. Stephenson, afterwards Chief Engineer of the East Indian Railway, and others; they included the construction of lines by railway companies to be incorporated for the purpose and the guarantee by the East India Company of a specified return. A contract for the construction by the East Indian Railway Company of an experimental line of 100 miles from Calcutta towards Mirzapore or Rajmehal at an estimated cost of 1,000,000*l.* was made in 1849, and a return of 5 per cent. was guaranteed by the East India Company on the Capital; and a similar contract was made in the same year with the Great Indian Peninsula Railway Company for a line from Bombay to Kalyan at an estimated cost of 500,000*l.* But the policy of entrusting generally the construction of Indian railways to guaranteed companies was not adopted until 1854 on the recommendation of Lord Dalhousie, who, in a minute, dated 20th April 1853, explained his reasons for preferring the agency of companies, under the supervision and control of the Government, to the construction of lines on behalf of the Government by its own officers. He held that the State Engineer officers would make railways as well, and possibly as cheaply, and as expeditiously as companies; but that the withdrawal from other duties of the large number of officers required would be detrimental to the public interest, that the conduct of commercial undertakings did not fall within the proper functions of any Government and

* The East Indian and Great Indian Peninsula Railways have since been taken over by the State and are now owned and worked by the State.

least of all within the functions of the Government of India, since the dependence of the population on the Government was, in India, one of the greatest drawbacks to the advance of the country, and that the country would therefore benefit by the introduction of English energy and English capital for railway purposes, with the possibility that such energy and capital would in due course be encouraged to assist in the development of India in other directions.

Old Guaranteed Railways.—The policy supported by Lord Dalhousie was adopted, and between 1854 and 1860 contracts for the construction of Railways in India were made by the East India Company, or (after 1858) by the Secretary of State for India with the East Indian, Great Indian Peninsula, Madras, Bombay, Baroda and Central India, Scinde (afterwards, the Scinde, Punjab and Delhi), Eastern Bengal, Great Southern of India (afterwards, when amalgamated with the Carnatic Railway Company—see below—the South Indian) and Calcutta and South-Eastern Railway Companies. Under these contracts the railway companies undertook to construct and manage specified lines, while the East India Company (or the Secretary of State for India) agreed to provide land and guaranteed interest on the capital, the rate fixed being in various cases 5, 4½ and 4¼ per cent. according to the market rates prevailing when the various contracts were made. Half of any surplus profits earned was to be used towards repaying to the Government any sums by which it had been called upon to supplement the net earnings of any previous period in order to make good the guarantee of interest; and the remainder was to belong to the shareholders. In practically all matters of importance except the choice of staff, the companies were placed by the contracts under the supervision and control of the Government which had power to decide on the standard and details of construction: the rolling-stock to be provided, the number, time and speed of trains: the rates and fares to be charged: the expenditure to be incurred: the standard of maintenance; and the form of accounts. The railways were to be held by the companies on leases terminating at the end of 99 years, and on such termination the fair value of their rolling-stock, plant and machinery was to be paid to them. But provision was also made to enable the Government to purchase the lines after 25 or 50 years on terms calculated to be the equivalent of the companies' interests therein and also to enable the companies to surrender their lines to the Government and to receive in return their capital at par.

Early Attempts to Secure Funds for Railway Construction without a Guarantee.—An attempt to secure the construction of railways in India, on terms more favourable to the Government than those of the contracts with the original guaranteed companies, was first made in 1862, when a subsidy, but not a guarantee, was granted to the Indian Branch Railway Company which proposed to make feeders to the trunk lines in Northern India, and did actually make one such line. Similar assistance was granted later to the Indian Tramway Company, which made a short line in Madras. In 1864, the terms granted to the two companies mentioned were taken as a standard for general adoption with a view to the encouragement of similar companies. The chief provisions were that the Government, besides giving the necessary land free of costs, would grant an annual subsidy for 20 years at a rate not exceeding £100 per mile of line, with an addition in respect of large bridges costing more than £10,000. These terms failed to attract capital, and the two unguaranteed companies which had begun work found themselves after a few years unable to proceed without further assistance from the Government. Consequently, in 1867, a contract was entered into with the Indian Branch Railway Company (which soon after changed its name to the "Oudh and Rohilkhand Railway Company") by which the company was guaranteed interest at 5 per cent. per annum on the cost of certain lines to be carried out by it, on conditions similar to those laid down in the contracts of the period 1854—1860. Similarly, the Indian Tramway Company, after having been given in 1868 a guarantee of 3 per cent. per annum, went into liquidation in 1870, and became absorbed in a new company called the Carnatic Railway Company (afterwards amalgamated with the Great Southern of India Railway Company to form the South Indian Railway Company), with which the Secretary of State entered into a contract guaranteeing interest on its capital at 5 per cent. per annum. In 1869, Sir John Lawrence summed up the result of the experiment of the construction of railways by unguaranteed companies as follows:—"The Government of India has for several years been striving to induce capitalists to undertake the construction of railways in India at their own risk, and on their responsibility with a minimum of Government interference. But the attempt has entirely failed, and it has become obvious that no capital can be obtained for such undertakings otherwise than under a guarantee of interest fully equal to that which the Government would have to pay if it borrowed directly on its own account."

The attempt to encourage unguaranteed companies having thus been unsuccessful, it became necessary to decide whether the old practice of relying on guaranteed companies, of the type that had provided capital for, and had constructed, the first railways in India, should be continued. The Government of India expressed their objections to this course. They doubted whether their power of control over such companies secured the greatest possible economy in construction. They also disliked the arrangements

under which they guaranteed the interest on the capital of companies, and thus became responsible for loss on working while having only a comparatively remote prospect of profiting by the result of successful working. Two important changes were consequently made in the practice that had been followed since the beginning of railway construction in India:—

1. Arrangements were made with some of the most important of the guaranteed companies that, in lieu of the provision that half of any surplus profits was to be applied in repayment of sums advanced by the Government under the guarantee of interest, half of the surplus profits for each half-year should be the property of the Government. In consideration of this modification, the Government relinquished, in the case of three companies, the Great Indian Peninsula, the Bombay, Baroda and Central India and the Madras, its right to purchase the lines at the end of the first 25 years from the dates of the respective contracts.
2. It was decided by the Secretary of State that the time had arrived when in both raising and expending such additional capital as might be required for new lines in India, the Government should secure to itself the full benefit of its own credit and of the cheaper methods which it was expected that it would be able to use. Accordingly, for several years after 1869, the chief capital expenditure on railways was chiefly incurred direct by the State and no fresh contracts with guaranteed companies were made except for small extensions. Among the lines constructed or begun by State agency and from State capital between 1869 and 1880 were the Indus Valley, Punjab Northern, Rajputana-Mulwa, Northern Bengal, Rangoon and Irrawady Valley and Tirhoot.

Progress in the Construction of Railways.—By the end of 1879, in about 25 years from the introduction of railways in India, 6,128 miles of railway had been constructed by companies which had expended, approximately, £97,872,000 (these figures include the Calcutta and South-Eastern and Naihati Railways which were constructed by companies but were purchased by the Government in 1868 and 1872, respectively). By the same date 2,175 miles of railway had been constructed by the Government at a cost of £23,695,226.

Introduction of Modified Guarantee Terms.—In 1880, the necessity for great and rapid extension of the railway system was urged by the Famine Commissioners, appointed after the great famine of 1878, who estimated that at least, 5,000 miles were still necessary for the protection of the country from famine. It was held by the Government of the time that a limit was necessary on the capital borrowed annually; and it was clear that the limit fixed was not high enough to allow of such progress in railway construction as was desirable. With reference to this difficulty the Famine Commissioners remarked: "that there would be manifest advantages in giving free scope to the extension of railways by private enterprise if it were possible; and, though the original form of guarantee has been condemned, it may not be impossible to find some substitute which shall be free from its defects, and may secure the investment of capital in these undertakings without involving the Government in financial or other liabilities of an objectionable nature."

Action of the direction suggested by the Commission was taken by the formation of three companies without a guarantee (the Bengal Central in 1881 and the Bengal and North-Western and Rohilkund and Kumaon in 1882), and three new guaranteed companies (Southern Mahratta in 1882, the Indian Midland in 1885, and the Bengal-Nagpur in 1887). The Bengal and North-Western and the Rohilkund and Kumaon Railway Companies are referred to more fully, in a later paragraph. The Bengal Central Railway Company's operations were not successful at the outset, and a revised contract was entered into with the company, with effect from the 1st July 1885, under which the Secretary of State guaranteed interest at 3½ per cent. on the company's capital, the balance of net earnings remaining after payment of interest on advances by the Secretary of State and debenture capital (but not the share capital) being divided between the Secretary of State and the company in the proportions of three-quarters to the former and one-quarter to the latter. The new contract gave the Secretary of State the right to take possession of the line on the 30th June 1905, or subsequently at intervals of 10 years, on repaying the company's capital at par. The rate of interest guaranteed to the Southern Mahratta Railway Company was also 3½ per cent.; in this case the balance of net earnings remaining after payment of interest on advances by the Secretary of State (but not on share or debenture capital) was divisible in the same way as in the case of the Bengal Central Railway Company. The guarantee to the Indian Midland and Bengal-Nagpur Railway Companies was 4 per cent; and the Secretary of State was entitled to three-quarters of the surplus profits in excess of all interest charges. The lines constructed by the three companies last mentioned were declared to be the property of the Secretary of State, who had the right to determine the contracts at the end of approximately 25 years after their respective dates, or at subsequent intervals of 10 years, on repaying at par the capital provided by the companies.

The Assam-Bengal Railway Company was formed on similar lines in 1892, except that any surplus profits were to be divided between the Secretary of State and the company in proportion to the capital provided by each. The rate of guarantee in this case was $3\frac{1}{2}$ per cent. for the first six years and thereafter 3 per cent. The Burma Railways Company was formed in 1897 to manage and develop the line in that Province that had been constructed by the State. Interest at $2\frac{1}{2}$ per cent. was guaranteed on the share capital raised by the company, and the surplus profits were originally divisible in the proportion of four-fifths to the Secretary of State and one-fifth to the company, but since 1908 the division has been proportional to the capital invested by each in the undertaking. The contract with the Burma Railways Company is terminable by the Secretary of State in 1928, or on subsequent occasions, on repayment of the company's capital at par.

The terms of guarantee given to the companies formed since 1880 have thus been much more favourable to the Government than in the case of those formed before 1869.

Termination of Contracts of the Old Guaranteed Companies.—In dealing with the guaranteed companies formed before 1869 and with those formed in 1881 and subsequently, it has been the practice (except in the cases mentioned above, when the purchase of some of the old guaranteed lines was postponed in order to secure to the Government a share in surplus profits) to use in some way or other at the earliest possible date the right reserved by the Government of terminating the contracts of the various companies. The method of making use of this right has differed in different cases. The Eastern Bengal, Oudh and Rohilkhand and Scinde-Punjab and Delhi lines were purchased and transferred to State management, the last named now forming part of the North Western Railway. Similarly, the Bengal Central line was purchased and made part of the Eastern Bengal Railway. The Madras and the Indian Midland lines were acquired but left, after acquisition, under the management of companies working other lines with which it was advantageous to amalgamate them. In all other cases (East Indian, South Indian, Great Indian Peninsula, Bombay, Baroda and Central India, Southern Mahratta, and Bengal-Nagpur), the course adopted has been to arrange for the continuance of management by the original company (or by a new company closely related to the old one), but to secure more favourable financial conditions for the State by one or more of the following methods:—reduction of the amount of capital retained by the companies in the undertakings, reduction of the rate of interest guaranteed by the State on such capital and modification in favour of the Government of the clauses relating to the division of surplus profits.

Arrangements between the Government and Companies at present.
—The relations between the Government and the guaranteed companies now working railways may be summarised as follows:—

The lines that they work are the property of the State.

The greater part of the capital is the property of the Government, either through having been originally supplied by it or through the acquisition by the Government of the greater part of the companies' interests on the termination of old contracts.

When funds required for further capital expenditure, the Government has the option either of providing them or of calling on the company to provide them. The company receives guaranteed interest at a fixed rate on its capital; and similar payments out of the earnings are made to the Government. If, after these have been made, surplus profits remain, they are divided between the Government and the company in the various proportions provided for by the contracts. The company's share is in all cases only a small fraction of the Government's share.

All the contracts, except one, which is for a fixed term of 25 years, are terminable at the option of the Secretary of State, at specified dates; and on termination the company's capital is repayable at par.

The administrative control exercised by the Government over the companies is as follows:—

The company is bound to keep the line in good repair, in good working condition, and fully supplied with rolling-stock, plant, and machinery; to keep the rolling-stock in good repair and in good working condition; and to maintain a sufficient staff for the purposes of the line;—all to the satisfaction of the Secretary of State.

The Secretary of State may require the company to carry out any alteration or improvement in the line, or in the working that he may think necessary for the safety of the public or for the effectual working of the line.

The Secretary of State may require the company to enter into agreements, on reasonable terms and conditions, with the administrations of adjoining railways for the exercise of running powers, for the supply to one another of surplus rolling-stock, for the interchange of traffic and rolling-stock and

the settlement of through rates, and for additions and alterations to, or the redistribution of, existing accommodation in junctions or other stations in view to their convenient mutual use.

The train service is to be such as the Secretary of State may require. In order to secure a general control over the rates quoted by companies, the Secretary of State has retained power to settle the classification of goods and to authorise maximum and minimum rates within which the companies shall be entitled to charge the public for the conveyance of passengers and goods of each class.

The company has to keep such accounts as the Secretary of State may require, and these are subject to audit by the Secretary of State.

In all other matters relating to the line the company is made subject to the supervision and control of the Secretary of State, who may appoint such persons as he may think proper for the purpose of inspecting the line, auditing the accounts, or otherwise exercising the power of supervision and control reserved to him. In particular, the Secretary of State has the right to appoint a Government Director to the Board of the company, with a power of veto on all proceedings of the Board. All the moneys received by the company in respect of the undertaking, whether on capital or revenue account, have to be paid over to the Secretary of State.

All expenditure by the company has to be stated and submitted for the sanction of the Secretary of State.

Thus, the Government has the preponderating financial interest in the lines worked by the two classes of guaranteed companies, those formed before 1869 and retained as working agencies with reduced capital after purchase, and those formed on terms more favourable to the State after 1880; it has exceedingly wide control over the methods of working; and it has the right of taking possession of the lines at specified times on repayment at par of the capital of the companies.

Other Lines worked by Companies.—In addition to the lines referred to above, and apart from lines constructed by Branch line companies, District Boards and Indian States, two lines of some importance have been constructed by companies which receive no direct assistance by the Government, namely, the Bengal and North-Western Railway and the Rohilkund and Kumaon Railway. (The Rohilkund and Kumaon Railway Company was guaranteed interest at 4 per cent. during construction and received for 10 years thereafter a subsidy of Rs. 20,000 per annum. This ceased in 1894.) While, however, these companies have no guarantee or other direct payment from the Government, they derive some advantage (partly through direct participation in profits and partly through reduction of expenses) from the fact that the working of certain State lines has been entrusted to them, the Tirhoot Railway to the former company and the Lucknow-Bareilly Railway to the latter. Their lines can be purchased by the State in 1932 on terms which are different in respect of the different sections of the lines, but are, on the whole, much more favourable to the companies than those provided for in the contracts with the guaranteed companies. Failing purchase in 1932, the lines will become the property of the State in 1981 on terms much less favourable to the companies. The general administrative control exercised by the State over these companies and the control over expenditure are similar to that which is exercised, as explained above, over guaranteed companies.

APPENDIX C.

The Organisation for Government control.

The initial policy of the Government of India for the construction and working of railways was the establishment of guaranteed railway companies of English domicile. Control over the operations of these companies was at first secured through the appointment of a Consulting Engineer of Guaranteed Railways. Some years later local Consulting Engineers were appointed for the exercise of control over guaranteed railways and over State-owned railways in the construction of which the State had been financially interested and which had been leased to companies for working. These officers combined the duties of supervision and control on behalf of the Government of India and of an Inspector under the Government of India Railway Act. The Government of India were not directly concerned with the ownership of railways until 1868 when the Calcutta and South Eastern Railway was surrendered to the Indian Government under the terms of the contract between the Secretary of State and the Company.

Owing to the Government of India having in 1869 definitely adopted the policy of direct construction and ownership of railways, a period of rapid development of railway construction ensued and it became necessary to relieve the Public Works Department Secretariat of the Government of India in some measure of the detailed control of railways. Accordingly in 1874 a State Railway Directorate was established and the greater portion of the State Railway establishment and business connected with State Railway Administration was transferred to the control of the Director of State Railways, an officer who functioned on much the same lines as the head of a department under the Government of India. The Consulting Engineer to the Government of India for State Railways was at the same time associated with him but all important matters had still to be referred to the Public Works Department. A special Deputy Secretary in the Railway Branch of the Secretariat of the Public Works Department was also appointed to conduct the correspondence between the Government of India and these officers.

Early in 1877 a further change was made in the organisation responsible for the administration and control of State Railways and in the place of one Director of State Railways, three Directors of territorial systems and one Director of State Railways Stores, were appointed. These territorial divisions comprised the following systems:—

Central	1,179 miles.
Western, and	927 miles.
North Eastern	830 miles.

This division of the administration on a territorial basis proved unsatisfactory in practice as it resulted in the issue of conflicting orders as far as the management of open lines was concerned although no difficulty was experienced in the supervision of new construction.

As the number of lines under construction had decreased and in order to remedy the defect just mentioned, it was decided in 1880 to abolish the Directors of the Central and Western Systems and to transfer the work allotted to them to the Consulting Engineers of the neighbouring guaranteed railways. The abolition of these two appointments resulted in an increase in the administrative work of the Secretariat and it was found necessary to raise the status of the Deputy Secretary to whom the powers previously exercised by the Directors had been entrusted, to that of Director General of Railways.

In the revised organisation the Consulting Engineer to the Government of India for State Railways was associated with the Director General of Railways and assisted the latter primarily in an advisory capacity in matters of civil engineering while the Director of Stores similarly acted in matters concerning stores and rolling stock and at the same time was an adviser in matters affecting establishment. The Director of Traffic was appointed at the same time as an adviser on traffic problems and the accounts work of the department was placed under the Accountant General, Public Works Department.

Government control and supervision of the Guaranteed Railways continued to be exercised by the Local Consulting Engineers to Government. There were five such officers at the time with headquarters at Bombay, Madras, Calcutta, Lahore and Lucknow. The Consulting Engineers at Madras and Bombay worked directly under the Government of these Presidencies, while those at Calcutta, Lahore and Lucknow were under the immediate orders of the Government of India. Under this arrangement practically

all powers affecting the finances and day to day management of the railways were vested either in the Consulting Engineers or in the Government, both for the guaranteed railway companies and later on for State Railways which had been leased for working to railway companies.

The following is a list of the administrative appointments that existed in 1881:—

1. Member of the Governor General's Council, Public Works Department.
2. Secretary, Public Works Department.
3. Deputy Secretary, Railway Branch.
4. Under Secretary, Railway Branch.
5. Consulting Engineer of State Railways.
6. Director General of Railways.
7. Director of Construction.
8. Accountant General, Public Works Department.
9. Director of State Railways, Stores.
10. Three Assistants to the Director General of Railways.
11. Consulting Engineers for Guaranteed Railways at Calcutta, Lahore and Lucknow.
12. Deputy Consulting Engineers for Guaranteed lines, Calcutta, Lahore and Lucknow.

Madras and Bombay.

13. Joint Secretary, Railway Branch and Consulting Engineer for Railways.
14. Deputy Secretary, Public Works Department.

Punjab.

15. Secretary, Public Works Department.

By this time also Local Governments and Administrations had been induced to take a practical interest in the management of railways and in a few cases short extensions had been constructed from funds the interest of which Local Governments had accepted responsibility to pay. Such lines were controlled by the Local Governments concerned under the general supervision of the Government of India.

After 1881 further alterations of a more or less detailed character were made in the administrative organisation and by 1890 the following changes had taken place. Instead of a Deputy Secretary and Under Secretary, Railway Branch, there were then only an Under Secretary and an Assistant Secretary, Railways in the General Branch. The posts of Director of State Railways, Stores, and Director of Construction had disappeared and in their place there was an Under Secretary, who was an *ex-officio* Deputy Director General of Railways. The post of Accountant General, Railways, had also been abolished and the Accountant General, Public Works Department, was once more made responsible for this work.

Further changes were made in 1897. In that year the post of Director General of Railways was abolished and the post of a Secretary to the Government of India in the Public Works Department was created in its place. The other administrative and secretariat appointments at the headquarters of the Government of India at the time were:—

- (1) Director of Railway Construction and Deputy Secretary and *ex-officio* Director of Stores.
- (2) Director of Railway Traffic, and Deputy Secretary and *ex-officio* Director of Railway Statistics.
- (3) Two Under-Secretaries.
- (4) Two Assistant Secretaries.
- (5) One Mechanical Assistant.

The post of Consulting Engineer for State Railways was also abolished and his duties transferred to the two Directors. The supervision of the accounts work of the Department, however, still remained under the Accountant General, Public Works Department, who was also an *ex-officio* Deputy Secretary to the Government of India.

In October 1901, Sir Thomas Robertson, C.V.O., was appointed by His Majesty's Secretary of State for India in Council as Special Commissioner for Indian Railways to enquire into and report on the administration and working of Indian Railways. In his report, which became available in 1903, Sir Thomas recommended that the administration of the railways in India should be entrusted to a small Board consisting of a President or Chief Commissioner who should have a thorough practical knowledge of railway working, and should be a member of the Viceroy's Council for railway matters, and two other Commissioners who should be men of high railway standing

and should have a similar training to that of the President. He recommended that the Board should, in addition to the necessary office establishment, be provided with—

- (1) A Secretary who should have received a suitable training in the practical working of railways, and who should be *ex-officio* a Secretary to the Government of India.
- (2) A Chief Inspector of Railways, to advise on all technical, engineering and mechanical questions.
- (3) A suitable number of Government Inspectors.

Sir Thomas Robertson's recommendations were carefully considered by the Governor General in Council and the Secretary of State, and early in 1905 it was decided that the Railway Branch of the Public Works Department of the Government of India should be abolished and that the control of the railway systems in India should be transferred to a Railway Board consisting of three persons, a Chairman and two Members. The Chairman of the Board was vested with the general control of all questions committed to the Railway Board with power to act on his own responsibility subject to confirmation by the Board. The Railway Board were authorised to delegate to the Chairman or a Member the power of settling questions which might arise on any tour of inspection, such decision to be recorded subsequently as an act of the Railway Board. The Board was made subordinate and directly responsible to the Government of India in the Department of Commerce and Industry.

The Railway Board assumed office in March 1905 and were provided with the following establishment:—

1. Secretary.
2. Examiner of Accounts.
3. Under Secretary, Construction.
4. Under Secretary, Traffic.
5. Registrar.
6. Director of Railway Construction.

Certain changes were, however, made in the following year and the establishment then consisted of:—

- 1 Secretary.
- 3 Assistant Secretaries; one each for Establishment, Construction and Traffic.
- 1 Registrar.
- 1 Director of Railway Construction.
- 1 Railway Accounts Officer.

Sir Thomas Robertson had further suggested in his detailed recommendations that extended powers, both administrative and financial, should be delegated to Boards of Directors of Companies, that the appointments of Consulting Engineers should be abolished and that the work which they performed under the Railways Act should be entrusted to a body of Government Inspectors to be appointed for the purpose. These recommendations were given effect to in a modified form in 1908.

Within a short time after the constitution of the Railway Board, it was found that work was being hampered by having the Commerce and Industry Department between the Railway Board and the Governor General in Council and in October 1908 on the recommendations of the Railway Finance Committee presided over by Sir James Mackay (now Lord Inchcape), the following changes were introduced:—

1. The appointment of the Chairman of the Railway Board was changed into that of President of the Railway Board and enhanced powers were vested in the President.
2. The Board with its staff became collectively the Railway Department distinct from and independent of the Department of Commerce and Industry, though remaining under the administrative charge of the Hon'ble Member, Commerce and Industry Department, as the Railway Member.
3. The President of the Board was given direct access to the Viceroy as if he were a Secretary to the Government of India.

At the same time in consequence of the amalgamation of the Public Works Department Accounts and Civil Audit Establishments under the control of the Finance Member of the Government of India the appointment of Accountant General, Public Works Department, was abolished and the appointment of Accountant General, Railways, was revived.

In 1909 the post of Director of Railway Construction was abolished and the appointment of Chief Engineer with the Railway Board for the purpose of advising the Railway Board on technical matters connected with Civil Engineering was created.

In January 1914, it was decided that the importance of financial and commercial considerations in connection with the control of Indian railway policy justified a modification of the rule that the President and Members of the Railway Board should all be men of large experience in the actual working of railways. It was then decided that in future one member who equally with the others might be appointed President should be selected for commercial and financial experience and a member with the necessary qualifications was appointed.

This arrangement was, however, altered in 1920 when it was decided that all the three members of the Board should possess railway experience. To assist the Board, however, in the consideration of financial questions, the post of Financial Adviser to Railway Board was created.

Owing to the expansion of railways in India and the increased work thrown on the Board a second Assistant Secretary, Engineering, was appointed in 1914, and in 1916 the duties of the Construction Branch were divided between one branch dealing with Projects under an Assistant Secretary and a second branch dealing with Way and Works which was sometimes under a separate officer and at other times under the Secretary or Chief Engineer. In 1922 the charge of the Way and Works branch was divided between the Assistant Secretary in charge of Projects and the Assistant Secretary in charge of Stores.

In November 1922, the Board's establishment was strengthened by the appointment of a Chief Mechanical Engineer. This appointment was created to enable the Board to have at headquarters a reliable adviser on matters connected with mechanical engineering.

During 1921 a Committee presided over by Sir William Acworth visited India and one of the questions referred to was the evolution of a satisfactory authority for the administration of the varied functions which the Railway Board had to perform as:—

- (a) the directly controlling authority of the three State-worked systems aggregating 9,028 miles,
- (b) representative of the predominant owning partner in systems aggregating 22,949 miles,
- (c) the guarantor of many of the smaller companies,
- (d) the statutory authority over all railways in India.

The Acworth Committee recommended in their report:—

- (1) that a new Department of Communications responsible for railways, ports and inland navigation, road transport and posts and telegraphs under a Member of Council in charge of Communications should be created,
- (2) that under the Member of Council for Communications there should be a technical staff consisting on the railway side of a Chief Commissioner and four Commissioners and that of the four one should be in charge of finance and the organisation and staff of the office and the other three Commissioners should be in charge of three respective divisions, Western, Eastern and Southern,
- (3) that the technical staff attached to the Commission should be strengthened specially on the traffic side.

The Government of India, though they did not accept the first recommendation of the Acworth Committee, agreed to the re-organisation of the Railway Board being undertaken on the principles underlying the report of the Acworth Committee. The appointment of a Chief Commissioner was accordingly sanctioned in November 1922 and in accordance with the recommendations of the Acworth Committee he is solely responsible, under the Government of India, for arriving at decisions on technical questions and advising the Government of India on matters of Railway policy; he is not liable to be over-ruled, as the President was, by his colleagues in the Railway Board.

The first duty of the Chief Commissioner was to work out detailed proposals for the re-organisation of the Railway Board and as a first step he made recommendations to the Government of India for the immediate appointment of a Financial Commissioner. This recommendation was strongly endorsed by the Indian Retrenchment Committee and the appointment of the Financial Commissioner was made in April 1923 with the sanction of the Secretary of State. The further proposals of the Chief Commissioner for the re-organisation of the Railway Board were accepted by the Government of India and the Secretary of State and were introduced from the 1st April 1924. It was decided, however, for reasons connected with the present statutory position of the Railway Board, and to avoid confusion with the provisions for a Railway Commission under Chapter V of the Railways Act, to retain the name "Railway Board" for the headquarters organisation of the Railway Department instead of "Railway Commission" as recommended by the Acworth Committee.

The Railway Board as now constituted consists of the Chief Commissioner as President, the Financial Commissioner and two Members, the Chief Commissioner being

Secretary to the Government of India in the Railway Department. - The proposal of the Acworth Committee that the Indian Railways should be sub-divided into three territorial divisions with a Commissioner in charge of each was not accepted, and the work of the Members of the Board is now divided on the basis of subjects and not on a territorial basis. One Member deals with technical subjects and the other with general administration, personnel and traffic subjects, the Financial Commissioner representing the Finance Department on the Board and dealing with all financial questions.

The reorganisation carried out in 1924 had for one of its principal objects the relief of the Chief Commissioner and the Members from all but important work so as to enable them to devote their attention to larger questions of railway policy and to enable them to keep in touch with Local Governments, railway administrations and public bodies by touring to a greater extent than they had been able to do in the past. This object was effected by placing a responsible Director at the head of each of the main branches of the Board's work, namely Civil Engineering, Mechanical Engineering, Traffic and Establishment. The former Chief Engineer and the Chief Mechanical Engineer who had been employed mainly in consultative work, became Directors and together with the Directors of Traffic and Establishment have been made responsible for the direct disposal of the work of their branches under the general orders of the Railway Board.

The posts of Joint Secretary and 4 Assistant Secretaries were replaced by 6 Deputy Directors working under the Directors and in charge of branches dealing with Establishment, Works, Projects, Stores, Statistics and Traffic. One Assistant Director was also added to supervise the Technical Branch and the Drawing Office. The disposal of the general work of the Railway Board was provided for by the continuance of the post of Secretary in whose name all letters and orders of the Board are issued. The position of the Board as a Department of Government of India has been maintained and it works under the Member for Commerce and Railways. As already stated the Chief Commissioner is the Secretary to the Government of India in the Railway Department and orders issued by the Board over the signature of the Secretary are orders of the Government of India.

Experience of the working of this organisation during 1924-25 and the decision agreed to by the Legislative Assembly in September 1924 to separate railway finances from the general finances of the country made it necessary to appoint a Deputy Director and an Assistant Director of Finance. An Assistant Director of Statistics was also added during that year. Later a Director of Finance was added to the establishment occupying, as regards disposal of work, the same position as the Directors referred to above.

Further experience of the reduction of work resulting from the large delegation of powers and responsibility to the Agents of State-managed Railways and the Board of Directors of Company-managed railways enabled a re-arrangement of work to be made during 1925-26 accompanied by a reduction in the staff. Under this re-arrangement the posts of 3 Deputy Directors, an Assistant Director and the Assistant Secretary were held in abeyance. The personnel work was transferred from the Director of Establishment to the Secretary and a temporary post of Deputy Secretary was created. Further a separate technical office was established to take charge of the technical work of the engineering branches. The Technical Officer also acts as *ex-officio* Secretary to the permanent Standardisation Committees which have been appointed to deal progressively with all questions of standards of equipment.

The present superior staff under the Railway Board, therefore, consists of 5 Directors, 4 Deputy Directors, a Technical Officer, 2 Assistant Directors, a Secretary and a Deputy Secretary.

APPENDIX D.

Resolution regarding the separation of Railway from General Finances, adopted by the Legislative Assembly on the 20th September 1924.

" This Assembly recommends to the Governor General in Council that in order to relieve the general budget from the violent fluctuations caused by the incorporation therein of the railway estimates and to enable railways to carry out a continuous railway policy based on the necessity of making a definite return to general revenues on the money expended by the State on Railways.

- (1) The railway finances shall be separated from the general finances of the country and the general revenues shall receive a definite annual contribution from railways which shall be the first charge on the net receipts of railways.
- (2) The contribution shall be based on the capital at charge and working results of commercial lines, and shall be a sum equal to one per cent. on the capital at charge of commercial lines (excluding capital contributed by companies and Indian States) at the end of the penultimate financial year plus one-fifth of any surplus profits remaining after payment of this fixed return, subject to the condition that, if in any year railway revenues are insufficient to provide the percentage of one per cent. on the capital at charge surplus profits in the next or subsequent years will not be deemed to have accrued for purposes of division until such deficiency has been made good.

The interest on the capital at charge of, and the loss in working, strategic lines shall be borne by general revenues and shall consequently be deducted from the contribution so calculated in order to arrive at the net amount payable from railway to general revenues each year.

- (3) Any surplus remaining after this payment to general revenues shall be transferred to a railway reserve; provided that if the amount available for transfer to the railway reserve exceeds in any year three crores of rupees only two-thirds of the excess over three crores shall be transferred to the railway reserve and the remaining one-third shall accrue to general revenues.
 - (4) The railway reserve shall be used to secure the payment of the annual contribution to general revenues; to provide, if necessary, for arrears of depreciation and for writing down and writing off capital; and to strengthen the financial position of railways in order that the services rendered to the public may be improved and rates may be reduced.
 - (5) The railway administration shall be entitled, subject to such conditions as may be prescribed by the Government of India, to borrow temporarily from the capital or from the reserves for the purpose of meeting expenditure for which there is no provision or insufficient provision in the revenue budget subject to the obligation to make repayment of such borrowings out of the revenue budgets of subsequent years.
 - (6) A Standing Finance Committee for Railways shall be constituted consisting of one nominated official member of the Legislative Assembly who should be chairman and eleven members elected by the Legislative Assembly from their body. The members of the Standing Finance Committee for Railways shall be *ex-officio* members of the Central Advisory Council, which shall consist, in addition, of not more than one further nominated official member, six non-official members selected from a panel of eight elected by the Council of State from their body and six non-official members selected from a panel of eight elected by the Legislative Assembly from their body.
- The Railway Department shall place the estimate of railway expenditure before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demand for grants for railways and shall, as far as possible, instead of the expenditure programme revenue show the expenditure under a depreciation fund created as per the new rules for charge to capital and revenue.
- (7) The railway budget shall be presented to the Legislative Assembly if possible in advance of the general budget and separate days shall be allotted for its discussion, and the Member in charge of railways shall then make a general statement on railway accounts and working. The expenditure proposed in the railway budget, including expenditure from the depreciation fund and

the railway reserve, shall be placed before the Legislative Assembly in the form of demands for grants. The form the budget shall take after separation, the detail it shall give and the number of demands for grants into which the total vote shall be divided shall be considered by the Railway Board in consultation with the proposed Standing Finance Committee for Railways with a view to the introduction of improvements in time for the next budget, if possible.

- (8) These arrangements shall be subject to periodic revision but shall be provisionally tried for at least three years.
- (9) In view of the fact that the Assembly adheres to the resolution passed in February 1923, in favour of State management of Indian Railways, these arrangements shall hold good only so long as the East Indian Railway and the Great Indian Peninsula Railway and existing State-managed railways remain under State management. But if in spite of the Assembly's resolution above referred to Government should enter on any negotiations for the transfer of any of the above railways to Company management such negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly. If any contract for the transfer of any of the above railway to Company management is concluded against the advice of the Assembly, the Assembly will be at liberty to terminate the arrangements in this Resolution.

Apart from the above convention this Assembly further recommends—

- (i) that the railway services should be rapidly indianised, and further that Indians should be appointed as Members of the Railway Board as early as possible, and
- (ii) that the purchases of stores for the State railways should be undertaken through the organisation of the Stores Purchase Department of the Government of India.

APPENDIX E.

Government of India, Railway Department, Resolution No. 2131-F., dated the 19th February 1925, on the subject of the financing of branch lines of railways.

The Governor General in Council, with the sanction of His Majesty's Secretary of State for India, is pleased to issue the following orders on the subject of Financing of Branch Lines, in supersession of all previous orders on the subject.

1. Branch and Feeder Lines are constructed under an agreement by which the State guarantees a minimum return on the capital, or alternatively, undertakes that the line shall receive, out of the earnings of the main line from traffic contributed by the branch, such a sum, known as a rebate, as will make up the total earnings of the branch to a given sum, while the branch in each case shares with the main line any profits exceeding the guaranteed minimum.

2. This method of encouraging the construction of lines originated 30 years ago simply because the Government of India was unable to furnish the necessary capital.

3. The Acworth Committee pointed out that this method, while enabling lines to be built which would otherwise not have been built, has no other merit. The financial terms usual before the war are now quite inadequate and if the system is to continue they will have to be revised. All the witnesses before the Committee who asked for a revision of the terms admitted that, if the main line were in a position to build a given branch itself, they would prefer that it should be done by the main line rather than that it should be done as a separate undertaking.

4. Amongst the disadvantages pointed out by the Committee are the following:—

- (i) The Branch Line Company is usually a fifth wheel to the coach. It implies in some cases a separate construction staff; it always implies a separate Board of Directors, and separate accounts.
- (ii) Where the branch is worked by the main line, if its Directors feel that the management is unsatisfactory, they not only make representations to the main line administration, but in the last resort can appeal to the Railway Board which does not make for harmony.
- (iii) Capital raised by a small private undertaking, even with a Government guarantee, will cost more than money raised by the State.
- (iv) Inconceivable confusion results from the multiplication of independent Railway Companies—each company, small or great, desires to reserve for itself a separate sphere of influence; and jealously demands that, if any new-comer intrudes into that sphere, he shall pay toll to the original concessionaire. This only complicates a situation which ought to be considered solely from the point of view of the public interest. New proposals for the extension or connection of lines by small independent companies are either refused owing to protests by the old company or only permitted on a basis of elaborate accounting between the new company and the old for the profits which hypothetically would have belonged to the old line had the new line not been opened.

5. The only arguments urged in favour of the Branch Line Companies were:—

- (i) That money had been raised which the Government of India was unable to furnish.
- (ii) That a claim was made that the Branch Line Company obtained from local sources money that would never be subscribed to a Government loan.
- (iii) That there may be cases of a Branch Line of smaller gauge worked *independently*, which the Branch Line Company can operate more economically than a main line.

6. The Acworth Committee, therefore, so far from approving of this system considered that the aim of the Government should be to reduce by amalgamation the number of existing companies and that it should only be in cases where the State cannot or will not provide adequate funds that private enterprise in the direction should be encouraged.

7. The disadvantages pointed out by the Acworth Committee require to be even further amplified. The existing Branch Line Companies have ceased for some time to raise additional capital for capital requirements. They have either obtained overdrafts from various Banks for this purpose at heavy rates of interest or issued debentures at special rates of interest (usually about 7 per cent.) or in several cases asked

for money to be advanced to them by the Railway Board. So far, therefore, from reducing the amount that the Government of India have to raise in the open market, they are at present increasing that amount.

8. Another serious disadvantage which is not mentioned by the Acworth Committee is that the main line usually works the Feeder or Branch Line for a remuneration which, in most cases, is limited to a maximum of a fixed percentage of the gross earnings of the Branch Line (usually 40 per cent. or 50 per cent.)—terms of remuneration which at present are grossly inadequate. The result of this arrangement is that many of the main lines whose working expenses are from 60 to 80 per cent. of the gross earnings are saddled with heavy expenditure which ought to have been debited to Branch Line Companies. Where the Branch Line Companies are "successful," that is, where the shares stand at a high figure, their profits are inflated owing to their working expenses being thus artificially reduced. Again, where in the case of less "prosperous" Branch Line Companies, the Government has to make a direct subsidy in order to make up the guaranteed interest on the capital, the amount paid by way of subsidy does not reveal the true loss of the Government in connection with the Branch Line Company. To this subsidy should be added also the additional loss incurred from the main line working the Branch Line at less than the actual cost. Even this, however, does not give a complete statement of the loss sustained by Government in connection with these Companies. These Companies have been supplied with land free of charge and the cost of such land is not taken into account either in the Capital or the Revenue Accounts of the Companies concerned.

9. The only real argument in favour of these Companies is that they must be utilised in cases where the Government itself is unable or declines to raise the necessary amount of capital for new constructions. It is doubtful whether such a position is likely to recur in the future. It is admitted that to use the agency of these Companies is a far more expensive method of raising money for the construction of railways than direct Government loans can ever be. The amount of assistance given by Branch Line Companies in the past has been trivial; the total amount of capital raised through the agency of Branch Line Companies has only been about Rs. 10½ crores—an amount which in itself is less than the lapse that occurred last year in the provision for capital expenditure in the Railway Budget.

10. The difficulties and complications now experienced in connection with these Branch Line Companies are out of all proportion to the insignificant financial facilities offered by the Companies. The Government of India have therefore decided that the Branch line policy should be abandoned and that an endeavour should be made to reduce the number of the existing Branch Line Companies. If on any occasion the Government of India should be unable to find funds for construction (which is not the case at present), and should it be considered advisable to tap fresh sources for subscription to railway loans by offering terms different from those given to the ordinary Government loans, that is, by offering not only a fixed rate of interest but a share in the profits of a particular Branch Line, there appears to be no particular advantage of using a financial half-way house specially to float a loan on such terms; there appears to be no reason why the Government should not float the loan direct. But it will probably be found sufficient to raise short term debentures at a high rate of interest—to be liquidated when the loan market is favourable—a procedure adopted now by the Branch Line Companies, but at a higher rate of interest than would be necessary for the Government.

11. There remains the case of the District Board Railways for which some of the capital or the security for the capital is secured by a special cess levied by the District Board throughout the district.

The Acworth Committee pointed out that where a District Board was the promoter of a new Branch Line, considerations other than purely commercial came into play with the result of further complications and confusion. In a footnote to the report they referred to the views expressed by the Madras Government who had drawn attention to a case in which, although no short-circuiting was involved, there had been a delay of over 10 years in arriving at a decision in regard to the terms for working a District Board Railway by the South Indian Railway Company. The amount of capital raised by District Boards for such lines has been only Rs. 137 lakhs while the amount raised by Company lines subsidised by District Boards amounts to Rs. 2½ crores. These amounts are insignificant as compared with the total capital raised by the Government and it is clear that the relief afforded to the Government of India in raising the loans is quite disproportionate to the great complications which have resulted in the working of the railway administration. Loans raised direct by the District Boards do not relieve the market of the Government of India; the money is ultimately borrowed from the Government of India.

12. The legal position regarding the powers of District and Local Boards in the matter of railway construction and management depends in part on the Indian Railways Act, 1890, which, in the absence of express exclusion of its application; extends to all District Board railways and, in part on the nature of the provision made in the

matter in the District or Local Boards Act of the province concerned. It is only in the Madras Presidency that the question has assumed prominence and it will suffice to indicate briefly the nature of the provisions contained in the Madras Local Boards Act, 1920. Action under section 113 of that Act can only be taken "with the previous sanction of the Government of India." Having obtained such sanction, a District Board may either itself construct and maintain a railway within, or partly within, the local area under the control of the Board, or may subscribe to any debenture loan raised by the Government of India or by any other local authority or by any company for the construction or maintenance of any railway which the Board considers likely to be of benefit to the district, or may guarantee the payment from the district fund of such sums as it shall think fit as interest on capital expended on any such railway (that is, whether the railway is constructed by the Government of India or by any other local authority or by a Company).

Section 236 of the same Act provides that the accumulations of a local railway cess may be utilised for all or any of the purposes specified in section 113, including the guaranteeing of payment of interest on capital spent on a railway.

A District Board in Madras, therefore, can guarantee the payment from the district fund of the money sufficient to make up the minimum interest on capital expended on a railway within its area whether such railway is constructed by the Government of India or by a Company, the only disadvantage attaching to this particular form of guarantee being that the Act does not make the payment of the guaranteed interest a first charge on the District Board Fund.

13. The Government of India could not reasonably use their powers under the Indian Railways Act, 1890, or under *e.g.*, section 113 of the Madras Local Boards Act, 1920, to prevent a District Board or a local body from constructing a light railway or a tramway which had no physical connection with any existing main line and which that local body proposed to work itself or through a local company. But as things stand at present there is no reason for continuing the practice under which District Boards are allowed to make money out of Branch Lines connected with a main line when they themselves cannot make any arrangements for the working of the lines and require to have them run by the main lines.

14. These District Board railways must not be confused with the light and feeder railways which constitute a provincial subject under the Devolution Rules. The provincial subject in question comprises "light and feeder railways and extra-municipal tramways in so far as provision for their construction and management is made by provincial legislation." That is to say, it comprises only individual light or feeder railways or extra-municipal tramways for the construction and management of which specific provision has been made by an Act of the local legislature of the province concerned. Hitherto, no such legislation has been enacted with the result that the entry in question in the provincial schedule, as also the qualifying words in entry 5(a)* in the central schedule, have no operation, and all existing railways of every description are included in the central subject defined in the last-named entry. It should also be observed that the provincial subject in question is "subject to legislation by the Indian Legislature in the case of any such railway or tramway which is in physical connection with a main line or is built on the same gauge as an adjacent line," the effect being that a provincial bill designed to provide for the construction of a light or feeder railway or extra-municipal tramway in physical connection with a main line or built on the same gauge as an adjacent main line would require the previous sanction of the Governor General under clause (f) of sub-section (3) of section 80 A of the Government of India Act; and it may be presumed that few occasions are likely to arise in which provision will be made by local legislation for the construction of a light or feeder railway not answering one or other of these descriptions.

15. The proposals set forth in this Resolution are not designed to evade the legitimate operation of the legal position described, in the case of District Board railways, in paragraph 12 and in the case of provincial light and feeder railways, in paragraph 14; but it follows from the proposals that Local Governments and District or Local Boards should not, in the absence of special circumstances, be encouraged to build branch or feeder lines. In other words, the normal procedure will be the construction by the Government of India, or, at its cost, by a Company, of a branch line which a District Board or Local Government desires to have constructed and is prepared to guarantee. But, should the railway programme not permit the construction of such a line within a reasonable time, the possibility of permitting a District Board or Local Government to construct it from its own funds would require consideration.

Unremunerative Lines.

16. The above proposals relate to the procedure adopted in the past and the procedure which it is proposed to adopt in the future for the financing of the con-

* "Railways and extra-municipal tramways, in so far as they are not classified as provincial subjects under entry 6 (d) of Part II of this schedule."

struction of branch or feeder lines expected to prove remunerative from the point of view of railway earnings only. But there are cases where the Local Governments or local authorities may desire that a line should be constructed which will not be remunerative on railway earnings and the construction of which is desired by them for purely local reasons on account of the administrative advantages it is likely to confer or for the development of a particular area. It is proposed that in future the Railway Board in such circumstances should have power to arrange for the construction of the line from railway funds if the Local Government or the local authority guarantees the Railway Board against loss. The guarantee would be to the effect that the local authority would make up the difference between the net earnings and the interest and other charges payable. As it is not desirable that the Central Government should make any profit out of such contributions by local authorities, it is also proposed that where contributions have been made by a local authority for this purpose the repayment of such contributions should be a first charge on any net profits subsequently realised from the line, should the line prove remunerative.

17. The Central Government must, however, retain the power to decide whether a line is to be built or not; the proposals in the preceding paragraph must not be taken to imply that a Local Government by giving a guarantee can require the Railway Board to construct a line. Proposals of a Local Government might run counter to the general railway policy or might take the form of short-circuiting railway traffic and so lead to a reduction of receipts from existing lines.

18. These proposals have been circulated to Local Governments and have been generally welcomed by them as affording a suitable method of reconciling central and local interests and of providing for local bodies and Local Governments a method of securing the construction of railways which may be required for purely local reasons, and which, while not likely to prove remunerative on purely railway earnings, are likely to provide such indirect benefits to Local Governments and local bodies as will more than repay the amounts paid under the guarantee. Several such arrangements have already been made with Local Governments.

APPENDIX F.

Statement of Gazetted Officers and Officers of corresponding rank employed on Class I Railways (excluding Nizam's Guaranteed State and Jodhpur Railways) on the 1st April 1926 as compared with 1st April 1925.

Item.	A. B.		B. N.		D. & N. W.		D., B. & C. I.		BURMA.		E. B.		E. I.*		G. I. P.		M. & S. M.		N. W.		R. & K.		S. I.		By Board and Miscellaneous officers.		TOTAL.	
	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
1. Agency Department—																												
1-01. Europeans	2	2	4	4	2	2	7	7	3	3	4	3	0	6	6	6	4	4	7	8	1	1	3	3	1†	1	53	50
1-02. Statutory Indians—																												
(a) Hindus . . . . .	..	..	1	2	..	..	..	..	..	..	..	1	2	2	..	..	2	2	1	1	..	..	1	1	..	..	7	9
(b) Muslims . . . . .	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	1	..	..	..	..	..	..	..	..	..
(c) Other classes . . . . .	..	..	1	1	..	..	1	1	1	3	..	..	1	2	2	2	..	..	..	..	..	..	..	..	..	..	..	6
(d) Total . . . . .	..	..	2	3	..	..	1	1	1	3	..	1	3	5	2	2	2	2	1	2	..	..	1	1	..	..	13	20
1-03. GRAND TOTAL	2	2	6	7	2	2	8	8	4	6	4	4	12	11	8	8	6	6	8	10	1	1	4	4	1†	1	66	70
2. Engineering Department—																												
2-01. Europeans	21	21	71	71	21	21	57	51	34	36	28	31	60	61	59	69	46	46	68	72	5	4	43	53	43†	32	556	568
2-02. Statutory Indians—																												
(a) Hindus	1	2	10	12	..	..	8	12	1	1	15	17	20	27	5	9	4	12	32	37	..	..	9	14	8†	6	113	149
(b) Muslims	1	1	3	3	..	..	..	..	..	..	..	..	1	1	4	5	..	3	8	..	..	1	1	2†	1	16	20	
(c) Other classes . . . . .	..	2	12	10	..	..	5	7	4	5	4	3	2	7	7	8	1	1	12	20	..	..	..	2	6†	8	54	73
(d) Total	2	5	25	25	..	..	13	19	5	6	19	20	23	35	16	22	5	13	47	65	..	..	10	17	10†	15	181	242
2-03. GRAND TOTAL	23	26	96	96	21	21	70	70	39	42	47	51	83	96	75	91	51	59	116	137	5	4	53	70	59†	47	737	810
3. Transportation—																												
3-01. Europeans	9	10	34	34	9	11	35	33	23	25	23	24	65	38	39	45	24	23	42	39	..	..	3	12	6†	5	312	290
3-02. Statutory Indians—																												
(a) Hindus	1	..	10	10	2	2	5	6	..	..	10	10	7	5	1	2	4	5	7	8	..	..	2	1	..	1	49	50
(b) Muslims . . . . .	..	..	2	3	1	1	..	..	..	..	2	2	7	8	..	1	1	2	5	6	..	..	..	..	1†	2	19	25
(c) Other classes	1	2	2	1	..	..	4	5	5	6	1	1	4	4	4	3	2	2	6	5	..	..	..	1	1†	..	80	30
(d) Total	2	2	14	14	3	3	9	11	5	6	13	13	18	17	5	6	7	9	18	19	..	..	2	2	2†	3	98	103
3-03. GRAND TOTAL	11	12	48	48	12	14	44	44	28	31	36	37	83	55	44	51	31	32	60	58	..	..	5	14	6†	8	410	404

APPENDIX F—contd.

Statement of Gazetted Officers and Officers of corresponding rank employed on Class I Railways (excluding Nizam's Guaranteed State and Jodhpur Railways) on the 1st April 1926 as compared with 1st April 1925.

Item.	A. B.		B. N.		D. & N. W.		B., D. & C. I.		BURMA.		E. B.		E. I.*		G. I. P.		M. & S. M.		N. W.		R. & K.		S. I.		Ry. Board and Miscellaneous officers.		TOTAL.	
	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
8. Total—																												
8-01. Europeans	52	50	170	172	55	59	150	153	90	95	79	82	227	219	175	194	122	121	192	197	12	12	93	103	56†	43	1,435	1,509
8-02. Statutory Indians—																												
(a) Hindus	6	7	27	30	3	4	14	20	3	4	31	33	40	48	13	25	15	22	60	60	1	1	17	22	8†	7	222	204
(b) Muslims	1	1	5	6	1	1	..	..	..	..	3	2	12	12	5	7	1	2	13	21	..	..	1	1	3†	3	45	56
(c) Other classes	2	5	19	14	..	..	21	23	12	16	12	13	26	37	23	21	6	10	28	34	..	..	3	5	14†	13	166	193
(d) Total	9	13	51	50	4	5	35	43	15	20	46	55	87	97	41	53	22	34	101	121	1	1	21	28	24†	24	463	549
8-03. GRAND TOTAL	61	63	221†	222	59	64	194†	196	105	115	123	137	314	316	221	247	144	155	293†	318	13	13	114	134	84	77	1,943	2,017
9. Increase + Decrease—																												
9-01. Europeans . . . . .	..	-2	..	+2	..	+4	..	-6	..	+5	..	+3	..	-8	..	+10	..	-1	..	+5	..	..	..	+13	..	-10	..	+24
9-02. Statutory Indians—																												
(a) Hindus . . . . .	..	+1	..	+3	..	+1	..	+6	..	+1	..	+7	..	-1	..	+7	..	+7	..	+6	..	..	..	+5	..	-1	..	+42
(b) Muslims . . . . .	..	..	..	+1	..	..	..	..	..	..	..	-1	..	..	..	+2	..	+1	..	+8	..	..	..	..	..	..	..	+11
(c) Other classes . . . . .	..	+3	..	-5	..	..	..	+2	..	..	+4	..	+3	..	+11	..	-2	..	+4	..	+6	..	..	..	+2	..	+4	+32
(d) Total . . . . .	..	+4	..	-1	..	+1	..	+8	..	+5	..	+9	..	+10	..	+7	..	+12	..	+20	..	..	..	+7	..	+3	..	+85
9-03. GRAND TOTAL . . . . .	..	+2	..	+1	..	+5	..	+2	..	+10	..	+12	..	+2	..	+26	..	+11	..	+25	..	..	..	+20	..	-7	..	+109
10. Percentage of total—																												
10-01. Europeans	85.3	79.4	76.9	77.5	93.2	92.2	82.0	78.1	85.7	82.6	63.2	59.0	72.3	60.3	79.2	78.6	84.7	78.1	65.5	61.9	92.3	92.3	81.6	79.1	70.2	63.6	76.2	73.4
10-02. Statutory Indians—																												
(a) Hindus	9.8	11.1	12.2	13.5	5.1	6.2	7.2	10.2	2.9	3.5	24.8	27.7	15.6	15.2	8.1	10.1	10.4	14.2	20.5	20.8	7.7	7.7	14.9	10.4	9.5	9.1	13.0	14.3
(b) Muslims	1.6	1.0	2.3	2.7	1.7	1.6	..	..	..	..	2.4	1.5	3.8	3.8	2.3	2.8	0.7	1.3	4.4	6.6	..	..	0.9	0.8	3.6	3.0	2.3	2.7
(c) Other classes	3.3	7.9	8.6	6.3	..	..	10.8	11.7	11.4	13.9	9.0	10.9	8.3	11.7	10.4	8.5	4.2	6.4	9.6	10.7	..	..	2.6	3.7	16.7	23.4	8.5	9.6

* Includes Oudh and Rohilkhand Railway.
† Revised figures.

Statement of Subordinates, drawing Rs. 250 per mensem and over or on scales of pay rising to Rs. 250 per mensem and over, employed on Class I Railways (excluding Nizam's Guaranteed State and Jodhpur Railways) on 1st April 1926 as compared with 1st April 1925.

Item.	A. B.		D. N.		D. & N. W.		D., D. & C. I.		BURMA.		M. D.		N. Y.*		O. I. P.		M. & A. M.		N. W.		R. & K.		R. I.		TOTAL.	
	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
I. Agency Department—																										
1-01. Europeans	4	..	..	..	..	..	..	..	..	..	3	3	3	1	1	1	..	..	1	1	..	..	..	..	7	6
1-02. Statutory Indians—																										
(a) Hindus	4	4	4	4	1	1	2	2	3	4	3	3	11	11	2	2	2	2	3	3	1	1	4	4	42	46
(b) Muslims . . . . .	..	..	..	..	..	..	2	2	..	..	..	..	1	..	..	..	..	..	1	1	..	..	..	..	3	4
(c) Other classes	1	1	2	2	1	1	3	3	5	5	2	..	1	..	7	7	1	1	1	3	..	..	1	1	20	20
(d) Total	5	5	6	6	2	2	12	12	8	9	5	3	12	12	9	9	3	3	7	12	1	1	5	5	75	79
1-03. GRAND TOTAL	5	5	6	6	2	2	12	12	8	9	6	6	14	12	10	10	3	3	8	12	1	1	5	5	82	85
II. Engineering Department—																										
2-01. Europeans	4	2	11	11	6	5	14	14	1	1	12	14	74	55	13	10	14	12	55	24	2	2	11	11	221	162
2-02. Statutory Indians—																										
(a) Hindus	7	6	51	52	4	4	98	105	43	44	20	22	100	122	20	72	12	14	100	111	..	..	10	25	510	601
(b) Muslims	2	2	7	7	..	..	10	11	2	2	2	2	6	9	17	22	..	..	50	54	1	1	1	2	100	116
(c) Other classes	6	4	44	52	10	10	41	42	44	45	25	27	110	127	20	24	27	22	44	55	1	1	20	20	476	522
(d) Total	15	12	102	111	22	22	149	158	60	62	52	56	221	274	126	106	40	42	212	220	2	2	40	56	1,104	1,240
2-03. GRAND TOTAL	20	15	118	122	22	22	163	172	60	62	72	72	305	320	140	106	54	56	262	264	2	2	57	67	1,225	1,422
III. Transportation—																										
3-01. Europeans	4	1	20	20	9	10	42	45	5	7	22	21	460	141	214	225	9	..	122	100	Included under commercial		10	11	222	220
3-02. Statutory Indians—																										
(a) Hindus	2	5	12	12	1	2	77	82	9	9	21	22	46	45	27	12	1	2	22	25			5	5	221	225
(b) Muslims . . . . .	..	..	2	2	1	1	6	7	1	1	1	1	6	7	5	4	..	..	2	14			1	1	21	22
(c) Other classes	12	10	77	70	7	4	76	84	44	57	42	45	417	220	402	470	12	22	110	140			4	5	1,272	1,221
(d) Total	15	21	92	90	9	7	150	172	54	64	64	66	460	441	492	492	12	22	122	140			10	11	1,240	1,240
3-03. GRAND TOTAL	10	22	122	120	19	17	207	218	59	71	117	120	922	362	706	725	27	22	227	208			20	22	2,222	2,222

* Includes Oudh and Rohilkhand Railway.

SENIOR SUBORDINATES EMPLOYED ON CLASS I RAILWAYS.

APPENDIX F—concl'd.

Statement of Subordinates, drawing Rs. 250 per mensem and over or on scales of pay rising to Rs. 250 per mensem and over, employed on Class I Railways (excluding Nizam's Guaranteed State and Jodhpur Railways) on 1st April 1926 as compared with 1st April 1925.

Item.	A. B.		B. N.		B. & N. W.		B., D. & C. I.		B. R. M.		E. B.		E. I.*		G. I. P.		M. & S. M.		N. W.		R. & K.		S. I.		TOTAL.			
	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27		
4. Commercial—																												
4-01. Europeans . . . . .	..	..	Included under Transportation.		1	2	Included under Transportation.						15	8	3	13	Included under Transportation.		7	7	1	1	2	1	20	32
4-02. Statutory Indians—																												
(a) Hindus	1	1			..	1							36	31	23	34			7	11	..	..	7	4	74	82
(b) Muslims . . . . .	..	..			..	..							7	4	3	4			5	3	..	..	..	..	15	11
(c) Other classes . . . . .	..	..			..	..							19	14	16	19			3	4	5	7	1	..	44	44
(d) Total	1	1			..	1							62	40	42	57			15	18	5	7	8	4	133	137		
4-03. GRAND TOTAL	1	1			1	3							77	57	45	70			22	25	6	8	10	5	162	169		
5. Mechanical Engineering—																												
5-01. Europeans	11	8	264	259	12	12	81	77	20	17	72	65	201	395	45	50	56	57	198	163	2	1	30	32	1,001	1,145		
5-02. Statutory Indians—																												
(a) Hindus	2	3	19	19	1	1	21	34	4	5	15	16	18	19	8	18	2	5	73	51	2	1	18	18	163	100		
(b) Muslims	1	1	1	1	1	1	1	4	..	..	1	1	2	4	4	4	1	1	28	16	..	..	..	..	40	33
(c) Other classes	21	24	192	202	14	15	319	314	88	95	61	70	173	551	178	146	112	106	192	200	6	6	119	127	1,475	1,856		
(d) Total	24	28	212	222	16	17	341	352	92	100	77	87	193	574	190	168	115	112	293	267	8	7	137	145	1,698	2,079		
5-03. GRAND TOTAL	35	36	476	481	28	29	422	429	112	117	149	152	394	969	235	227	171	169	491	430	10	8	176	177	2,699	3,224		
6. Stores Department—																												
6-01. Europeans . . . . .	..	..	..	..	..	..	1	2	..	..	1	1	12	4	1	1	2	..	6	7	..	..	..	..	23	15
6-02. Statutory Indians—																												
(a) Hindus . . . . .	..	1	5	6	..	..	4	4	3	3	5	6	10	12	3	2	2	1	19	19	..	..	1	1	52	55
(b) Muslims . . . . .	..	..	..	..	..	..	1	..	..	..	..	..	1	..	..	..	..	..	7	8	..	..	..	..	0	8
(c) Other classes	1	1	10	10	1	1	0	8	..	..	6	6	12	25	7	7	2	4	7	0	..	..	2	2	34	73
(d) Total	1	2	15	16	1	1	11	12	3	3	11	12	23	37	10	0	4	5	33	36	..	..	3	3	113	130
6-03. GRAND TOTAL	1	2	15	17	1	1	12	14	3	3	12	13	35	41	11	10	6	5	30	43	..	..	3	3	138	151

7. Other Departments—

7-01. Europeans	3	6	28	21	3	3	11	9	2	1	..	..	66	74	9	6	4	3	1	1	..	..	1	1	148	123
7-02. Statutory Indians—																										
(a) Hindus	6	6	48	51	8	5	51	53	21	20	32	33	73	77	23	23	11	14	37	90	2	3	19	15	331	304
(b) Muslims . . . . .	..	..	3	..	..	..	5	4	6	5	..	..	5	6	..	..	..	..	15	23	..	..	..	..	32	37
(c) Other classes	5	4	78	78	17	10	56	50	17	19	27	23	48	68	52	41	14	23	12	11	1	1	5	3	332	331
(d) Total	11	10	129	129	25	21	112	116	44	44	59	56	124	151	75	69	25	37	114	123	3	3	24	23	745	762
7-03. GRAND TOTAL	14	16	157	150	28	24	123	125	46	45	59	56	210	225	84	75	29	40	115	124	3	3	25	24	693	607

8. Total—

8-01. Europeans	22	17	333	321	31	32	155	147	23	26	143	134	659	673	236	332	35	73	401	313	6	5	63	56	2,412	2,134
8-02. Statutory Indians—																										
(a) Hindus	23	26	140	144	16	14	253	231	33	32	106	109	300	323	125	175	31	38	323	325	5	4	73	72	1,482	1,593
(b) Muslims	4	4	13	10	2	2	25	28	9	9	5	5	25	31	29	35	1	1	123	118	1	1	3	3	239	247
(c) Other classes	46	50	403	420	50	56	506	515	198	221	163	171	789	1,184	603	774	173	186	378	441	13	15	158	172	3,689	4,207
(d) Total	73	80	556	574	76	72	784	824	290	312	274	235	1,114	1,538	957	984	205	237	829	884	19	20	233	247	5,410	6,047
8-03. GRAND TOTAL	95	97	889†	895	107	104	939†	971	313	338	417†	419	1,973	2,216	1,243†	1,316	290	500	1,230†	1,197	25	25	296	303	7,922†	8,181

9. Increase + Decrease—

9-01. Europeans . . . . .	..	-5	..	-12	..	+1	..	-8	..	-2	..	-9	..	-181	..	+46	..	-13	..	-33	..	-1	..	-7	..	-278
9-02. Statutory Indians—																										
(a) Hindus . . . . .	..	+3	..	+4	..	-1	..	+23	..	-1	..	+3	..	+23	..	+50	..	+7	..	-3	..	-1	..	-1	..	+111
(b) Muslims . . . . .	..	..	..	-3	..	..	..	+3	..	..	..	..	..	+6	..	+6	..	..	..	-5	..	..	..	+1	..	+3
(c) Other classes . . . . .	..	+4	..	+17	..	-3	..	+9	..	+23	..	+3	..	+395	..	-29	..	+15	..	+93	..	+2	..	+14	..	+518
(d) Total . . . . .	..	+7	..	+18	..	-4	..	+40	..	+22	..	+11	..	+424	..	+27	..	+22	..	+55	..	+1	..	+14	..	+637
9-03. GRAND TOTAL . . . . .	..	+2	..	+6	..	-3	..	+32	..	+20	..	+2	..	+243	..	+73	..	+10	..	-33	..	..	..	+7	..	+330

Percentage of total—

10-01. Europeans	23.2	17.5	37.6	35.0	20.0	30.3	16.5	15.1	8.8	7.7	34.3	32.0	43.5	30.0	23.0	25.2	20.3	24.3	32.6	26.1	24.0	20.0	21.3	18.5	30.3	26.1
10-02. Statutory Indians—																										
(a) Hindus	24.2	20.8	15.7	16.1	14.0	13.5	26.9	20.0	20.1	24.2	25.4	26.0	15.2	14.0	10.1	13.3	10.7	12.7	26.7	27.2	20.0	16.0	24.6	23.7	18.9	19.5
(b) Muslims	4.2	4.1	1.5	1.1	1.0	1.0	2.7	2.9	2.8	2.7	1.2	1.2	1.3	1.4	2.3	2.7	0.3	0.3	10.0	9.0	4.0	4.0	0.7	1.0	3.1	3.0
(c) Other classes	46.4	51.6	45.3	46.0	55.1	53.8	53.9	53.0	62.3	65.4	39.1	40.3	40.0	53.4	64.6	53.8	59.7	62.7	30.7	30.3	60.0	53.4	50.3	47.2	51.4	

* Includes Oudh and Rohilkhand Railway.
† Revised figures.

APPENDIX G.

Statement showing the number of appointments created and vacancies which occurred among officers of Gazetted rank on State Railways and of corresponding rank on Companies' Railways (Class I) excluding Nizam's Guaranteed State and Jodhpur Railways, and how they were filled during 1925-26.*

Departments.	Number of new appointments created during the year.	Number of vacancies which occurred during the year.	Number of appointments abolished during the year.	Number of vacancies not filled up during the year.	Net vacancies filled up during the year.	FILLED BY				
						Europeans.	STATUTORY INDIANS.			TOTAL.
							Hindus.	Muslims.	Other classes.	
1	2	3	4	5	6	7	8	9	10	11
<i>State Worked Railways.</i>										
1. Agency	2	1	..	..	3	..	1	2	..	3
2. Engineering	53	24	..	10	67	34	26	6	1	33
3. Transportation	9	6	..	4	11	8	3	..	..	3
4. Commercial	1	2	..	1	2	2	..	..	..	..
5. Mechanical	3	14	..	1	16	12	3	..	1	4
6. Stores . . . . .	..	6	..	5	1	1	..	..	..	..
7. Other Departments	4	7	..	4	7	3	3	..	1	4
8. TOTAL	72	60	..	25	107	60	36	8	3	47
9. Percentage of Europeans to number of vacancies filled.	50.1 per cent.									
10. Percentage of Statutory Indians to number of vacancies filled.	43.9 per cent.									
<i>Other Railways.</i>										
<i>Assam Bengal Railway.</i>										
1. Agency . . . . .	..	1	..	..	1	1	..	..	..	..
2. Engineering	1	4	1	..	4	1	1	..	2	3
3. Transportation	1	..	..	..	1	..	..	..	1	1
4. Commercial . . . . .	..	..	..	..	..	..	..	..	..	..
5. Mechanical . . . . .	..	..	..	..	..	..	..	..	..	..
6. Stores . . . . .	..	..	..	..	..	..	..	..	..	..
7. Other Departments . . . . .	..	2	..	..	2	2	..	..	..	..
8. TOTAL	2	7	1	..	8	4	1	..	3	4
9. Percentage of Europeans to number of vacancies filled.	50.0 per cent.									
10. Percentage of Statutory Indians to number of vacancies filled.	50.0 per cent.									
<i>Bengal and North-Western Railway.</i>										
1. Agency . . . . .	..	..	..	..	..	..	..	..	..	..
2. Engineering . . . . .	..	2	..	..	2	2	..	..	..	..
3. Transportation . . . . .	..	1	..	..	1	1	..	..	..	..
4. Commercial . . . . .	..	..	..	..	..	..	..	..	..	..
5. Mechanical . . . . .	..	..	..	..	..	..	..	..	..	..
6. Stores . . . . .	..	1	..	1	..	..	..	..	..	..
7. Other Departments	2	1	..	..	3	2	1	..	..	1
8. TOTAL	2	5	..	1	6	5	1	..	..	1
9. Percentage of Europeans to number of vacancies filled.	83.3 per cent.									
10. Percentage of Statutory Indians to number of vacancies filled.	16.7 per cent.									

* The figures shown in this Appendix are liable to revision.

Statement showing the number of appointments created and vacancies which occurred among officers of Gazetted rank on State Railways and of corresponding rank on Companies' Railways (Class I) excluding Nizam's Guaranteed State and Jodhpur Railways, and how they were filled during 1925-26—contd.

Departments.	Number of new appointments created during the year.	Number of vacancies which occurred during the year.	Number of appointments abolished during the year.	Number of vacancies not filled up during the year.	Net vacancies filled up during the year.	FILLED BY				
						Europeans.	STATUTORY INDIANS.			TOTAL.
							Hindus.	Muslims.	Other classes.	
1	2	3	4	5	6	7	8	9	10	11
<i>Madras and Southern Mahratta Railway.</i>										
1. Agency . . . . .	..	1	..	..	1(a)	..	..	..	..	..
2. Engineering	10	3	..	..	13	5	8	..	..	8
3. Transportation	2	2	..	1	3	2	1	..	..	1
4. Commercial . . . . .	..	..	..	..	..	..	..	..	..	..
5. Mechanical . . . . .	..	..	..	..	..	..	..	..	..	..
6. Stores	2	3	..	2	3	2	..	..	1	1
7. Other Departments	1	5	..	..	6	4	..	..	2	2
8. TOTAL	16	14	..	3	26	13	9	..	3	12
9. Percentage of Europeans to number of vacancies filled.	52.0 per cent.									
10. Percentage of Statutory Indians to number of vacancies filled.	48.0 per cent.									
<i>Rohilkund and Kumaon Railway.</i>										
1. Agency . . . . .	..	..	..	..	..	..	..	..	..	..
2. Engineering . . . . .	..	..	..	..	..	..	..	..	..	..
3. Transportation . . . . .	..	..	..	..	..	..	..	..	..	..
4. Commercial . . . . .	..	..	..	..	..	..	..	..	..	..
5. Mechanical . . . . .	..	..	..	..	..	..	..	..	..	..
6. Stores . . . . .	..	..	..	..	..	..	..	..	..	..
7. Other Departments . . . . .	..	..	..	..	..	..	..	..	..	..
8. TOTAL . . . . .	..	..	..	..	..	..	..	..	..	..
9. Percentage of Europeans to number of vacancies filled.	..									
10. Percentage of Statutory Indians to number of vacancies filled.	..									
<i>South Indian Railway.</i>										
1. Agency . . . . .	..	..	..	..	..	..	..	..	..	..
2. Engineering	16	6	..	1	20	13	7	..	..	7
3. Transportation . . . . .	..	1	..	1	..	..	..	..	..	..
4. Commercial . . . . .	..	..	..	..	..	..	..	..	..	..
5. Mechanical	1	2	..	1	2	1	1	..	..	1
6. Stores . . . . .	..	..	..	..	..	..	..	..	..	..
7. Other Departments	1	1	..	..	2	1	1	..	..	1
8. TOTAL	18	9	..	3	24	16	9	..	..	9
9. Percentage of Europeans to number of vacancies filled.	62.5 per cent.									
10. Percentage of Statutory Indians to number of vacancies filled.	37.5 per cent.									

(a) Filled by transfer of an officer from Traffic Department.

APPENDIX H.

List of officers of the Railway Department (Railway Board) on the 31st
March 1926.

The Hon'ble Sir Charles Innes, K.C.S.I., C.I.E., I.C.S.,
Member of Council of Governor General.

Railway Board.

Sir Clement Hindley	Chief Commissioner of Railways.
Sir Austen Hadow, C.V.O.	Member.
Mr. P. C. Sheridan, C.M.G.	Member.
Mr. G. G. Sim, C.I.E., I.C.S.	Financial Commissioner, Railways (on leave).
Mr. A. M. Hayman, O.B.E.	Offg. Financial Commissioner, Railways.

Officers.

Lt.-Col. L. E. Hopkins, D.S.O., R.E.	Director, Civil Engineering.
Mr. A. J. Chase, O.B.E.	Director, Mechanical Engineering.
Mr. S. D. Gupta, M.B.E.	Director, Establishment.
Mr. S. D. Manson	Director, Traffic.
Mr. P. R. Rau	Offg. Director of Finance.
Mr. P. H. Madin, O.B.E., M.G.	Secretary.
Mr. J. Kaul	Deputy Secretary.
Mr. H. Jackson	Deputy Director, Stores.
Mr. B. Moody	Deputy Director, Statistics.
Mr. H. L. Glass	Deputy Director, Programme.
Rai Sahib B. D. Puri	Offg. Deputy Director, Finance.
Rai Sahib K. M. Singha	Offg. Assistant Director, Finance.
Mr. E. C. Rundlett	Chief Superintendent.

Attached Officers.

Mr. A. F. Harvey	Technical Officer.
Mr. R. G. Marriott	Timber Advisory Officer.

Accountant General, Railways.

Mr. J. M. Hartley	Accountant General, Railways.
Mr. R. A. O'Connor	Deputy Accountant General (Inspection).
Mr. F. W. Wilby	Deputy Accountant General (Headquarters).
Mr. P. B. Chandwani	Assistant Accountant General.

Map of Railway Systems by Mr. J. H. Trott.

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