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Indian Road Development Committee

1927-28

Evidence

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Mr. D. R. H. Browne, O.B.E., Chief Engineer and Joint Secretary to the Government of Bombay, Public Works Department; and

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Col. W. Parker, C.B., C.M.G., D.S.O., Deputy Director of Transport, Q. M. G.'s Branch; and

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Mr. P. H. Tillard, Chief Engineer, Buildings and Roads, Government of the United Provinces, and Member, Board of Communications.

Mr. T. Gavin Jones, M.L.A., representing the Upper India Chamber of Commerce, and Member, Board of Communications.

Rai Sahib Rup Chand Jaini, Chairman, District Board, Cawnpore.

Sir Ivo Elliott, Secretary to the Government of the United Provinces, Local Self-Government Department.

Mr. J. R. Bhattacharya, District Engineer, District Board, Allahabad.

ALLAHABAD, THE 22ND NOVEMBER 1927.

The Hon'ble Sir Samuel O'Donnell, Member, Executive Council, Government of the United Provinces.

SHILLONG, THE 25TH NOVEMBER 1927.

The Hon'ble Khan Bahadur Kutub-ud-din Ahmad, Member in charge, Public Works Department;
The Hon'ble Maulavi Saiyid Muhammad Saadulla, Minister in charge of Education, etc; and
The Hon'ble Revd. J. J. M. Nichols-Roy, Minister in charge of Local Self-Government, etc.

Mr. H. M. Prichard, I.C.S., Financial Secretary to the Government of Assam, and
Mr. R. Friel, I.C.S., Secretary to the Government of Assam, Transferred Departments.

SHILLONG, THE 26TH NOVEMBER 1927.

Mr. A. K. Bhattacharjya, Resident Director, Commercial Carrying Co., Ltd., and
Mr. W. M Brierley, Manager, Commercial Carrying Co., Ltd.

Mr. K. Siakia, M.L.C.;
Babu G. L. Das Choudhuri, M.L.C.; and
Khan Sahib Maulvi Muhammad Abdul Latif, M.L.C.

(Mr. B. A. Blenkinsop, I.S.E., Offg. Chief Engineer, Assam and Mr. M. Little, I.S.E., Superintending Engineer were also present on both days).

CALCUTTA, THE 29TH NOVEMBER 1927.

Mr. J. G. Drummond, I.C.S., Secretary to the Government of Bengal, Local Self-Government Department.

Mr. G. Wrangham-Hardy, representing the Darjeeling Planters' Association.

The Hon'ble Mr. A. Marr, C.I.E., I.C.S., Finance Member, Government of Bengal.

Sir George Godfrey;
Mr. L. V. Heathcote;
Mr. A. K. Faulkner;
and
Mr. E. R. Park.
} representing the Indian Roads and Transport Development Association, Calcutta.

Mr. F. F. Lyall;
Mr. R. A. Towler;
Mr. W. H. Thompson;
and
Mr. L. V. Heathcote.
} representing the Bengal Chamber of Commerce.

CALCUTTA, THE 30TH NOVEMBER 1927.

Mr. C. H. Shelton;
Mr. Ross;
Mr. G. M. Paris; and
Mr. W. H. Lock.
} representing the Motor Industries Association, Calcutta.

Mr. J. N. Roy, representing the Bengal National Chamber of Commerce.

Mr. G. G. Dey, Chief Engineer and Secretary to the Government of Bengal, Public Works Department (B. and R. Br.).

The Hon'ble Sir P. C. Mitter, Kt., C.I.E., Minister, Public Works Department, Government of Bengal.

CALCUTTA, THE 1ST DECEMBER 1927.

Mr. S. J. Best, representing the Duars Planters' Association.

Mr. F. W. Kidd, Deputy Commissioner of Police, Public Vehicle Department, Calcutta.

PATNA, THE 2ND DECEMBER 1927.

The Hon'ble Mr. J. D. Sifton, C.I.E., I.C.S., Member, Executive Council;
The Hon'ble Babu G. D. Singh, Minister in charge, Local Self-Government;
The Hon'ble Sir Saiyid Muhammad Fakhr-ud-din, Kt., Minister in charge, Education;

Mr. H. K. Briscoe, C.I.E., I.C.S., Chief Secretary to the Government of Bihar and Orissa;
Mr. P. C. Tallents, I.C.S., Secretary to the Government of Bihar and Orissa, Finance Department;
Mr. H. A. Gubbay, Secretary to the Government of Bihar and Orissa, Public Works Department; and
Mr. G. E. Owen, I.C.S., Secretary to the Government of Bihar and Orissa, Local Self-Government Department.

The Hon'ble Mr. E. H. Berthoud, Excise and Registration Commissioner, Bihar and Orissa.

Mr. Chandreshvar Prasad Narayan Sinha, M.L.C., Chairman, District Board, Muzaffarpur.

Mr. E. R. J. R. Cousins, I.C.S., Chairman, District Local Board, Hazaribagh.

PATNA, THE 3RD DECEMBER 1927.

Mr. G. Danby, Chairman, Bihar Planters' Association.

Babu Lachmidas Mahante, Chairman, District Board, Cuttack, and
Mr. S. K. P. Sinha, District Engineer, Patna, representing Patna District Board.

Mr. K. C. De, representing the Bihar and Orissa Chamber of Commerce.

(Mr. H. A. Gubbay, Secretary to the Government of Bihar and Orissa, Public Works Department, was also present on both days).

CALCUTTA, THE 5TH DECEMBER 1927.

Representatives of Bengal District Boards.

Chittagong Division.

Mr. K. G. M. Faroqui, Chairman, District Board, Tipperah;
Moulvi Rezzaqul Haider Chowdhury, Chairman, District Board, Noakhali;
Syed Maqbul Hussian, Chairman, District Board, Chittagong; and
Babu Rupendra Lochan Mazumdar, Member, District Board, Tipperah.

Dacca Division.

Rai Sahib Umesh Chandra Chakladar, Vice-Chairman, District Board, Mymensingh;
Mr. Sarat Chandra Chakrabarty, representing the District Board, Dacca;
Khan Bahadur Alimuzzaman Chowdhury, Chairman, District Board, Faridpur, and
Mr. Abdul Wahab Khan, Vice-Chairman, District Board, Bakarganj.

Rajshahi Division.

Mr. Joy Govind Guha, Chairman, District Board, Jalpaiguri;
Raja Tankanath Chowdhuri, representing District Board, Dinajpur;
Rai Sahib R. P. Bhattacharya, Member, District Board, Darjeeling;
Khan Bahadur Md. Asaf Khan, Vice-Chairman, District Board, Rangpur;
Mr. Mobarak Ali Khan, Vice-Chairman, District Board, Rajshahi;
Mr. A. M. Abdul Hamid, Vice-Chairman, District Board, Pabna;
Mr. Altaf Ali, Chairman, District Board, Bogra; and
Mr. Idris Ahmad, representing District Board, Malda.

Burdwan Division.

Mr. Dwijendra Nath Dutta Munshi, representing District Board, Hooghly;
Mr. Atul Chandra Bose, representing District Board, Midnapur:
Raja Satya Niranjan Chakravarty Bahadur, Chairman, District Board, Birbhum;
Rai A. C. Banerji Bahadur, Member, District Board, Birbhum;
Raja Manilal Singh Roy, C.I.E., Chairman, District Board, Burdwan;
Mr. J. A. Beale, Member, District Board, Burdwan (Asansol); and
Mr. Manmatha Nath Roy, representing District Board, Howrah.

Presidency Division.

Mr. Abdus Samad, Vice-Chairman, District Board, Murshidabad;
Mr. Nagendra Nath Mukerji, Chairman, District Board, Nadia;
Rai Bahadur Jatindra Nath Ghose, Vice-Chairman, District Board, Khulna; and
Mr. Jogesh Chandra Sen, Chairman, District Board, 24 Parganas.

NAGPUR, THE 8TH DECEMBER 1927.

Col. H. de L. Pollard-Lowsley, C.I.E., D.S.O., Secretary to the Government of the Central Provinces, Irrigation Branch;
Mr. J. A. Baker, C.I.E., M.I.E., Secretary to the Government of the Central Provinces, Public Works Department (B. and R. Branch); and
Mr. J. F. Dyer, I.C.S., Commissioner, Nagpur Division.

Rai Bahadur V. M. Jakatdar, Chairman, District Council, Bhandara (C. P.);
Mr. B. R. Patil, Chairman, District Council, Buldana (Berar); and
Mr. Beohar Raghubir Sinha, Chairman, District Council, Jubbulpore (C. P.).

NAGPUR, THE 9TH DECEMBER 1927.

Mr. T. J. Kedar, M.L.C.;
Mr. R. S. Shukla, Chairman, District Council, Raipur;
Thakur Chedilal, M.L.C., Chairman, District Council, Bilaspur; and
Mr. S. C. Dube, Chairman, District Council, Hoshangabad.

The Hon'ble Mr. R. M. Deshmukh, Minister, Public Works Department and Local Self-Government Department;
Mr. G. P. Jaiswal, M.L.C.;
Mr. B. N. De, I.C.S., Secretary to the Government of the Central Provinces, Finance Department; and
Mr. J. A. Baker, C.I.E., M.I.E., Secretary to the Government of the Central Provinces, Public Works Department (B. and R. Br.).

Mr. A. E. Joyce, M.I.E., Superintending Engineer, Nagpur;
Diwan Bahadur B. C. Dube, Superintending Engineer, Jubbulpore; and
Mr. Sundar Lal, Superintending Engineer, Nagpur.

Mr. B. N. Deshmukh, representing the Central Provinces and Berar Farmers' Association.

MADRAS, THE 14TH DECEMBER 1927.

Road Board, Madras:
Mr. F. B. Evans, C.S.I., I.C.S., Secretary to the Government of Madras, Public Works and Labour Department; (President)
Mr. C. B. Cotterell, C.I.E., I.C.S., Secretary to the Government of Madras, Local Self-Government Department; (Secretary)
M. R. Ry. Rao Bahadur S. Bhaskara Ayyar Avargal, Acting Chief Engineer, Public Works Department (B. & R.);
Mr. R. Dann, M.T.P.I., Director of Town Planning;
Mr. T. M. Maidoo Sahib Bahadur, M.L.C., President, District Board, Malabar;
M. R. Ry. Rao Bahadur B. Munuswami Nayudu Garu, M.L.C., President, District Board, Chittoor;
M. R. Ry. Bhaskara Rajarajeswara Setupathi *alias* Muthuramalinga Sethupathi Avargal, the Raja of Ramnad, M.L.C., President, District Board, Ramnad;
M. R. Ry. M. R. Seturatnam Ayyar Avargal, M.L.C., President, District Board, Trichinopoly;
M. R. Ry. Rao Bahadur C. S. Ratnasabhapathi Mudaliyar Avargal, M.L.C., President, District Board, Coimbatore;
M. R. Ry. Diwan Bahadur P. C. Ethirajulu Nayudu Garu, M.L.C., Ex-President, District Board, Guntur;
Mr. D. B. Snowdon, representing the South Indian Motor Union; and
Mr. F. G. Luker, representing the Madras Trades Association.

Mr. F. G. Luker, representing the Madras Trades Association;
Mr. C. Gopala Menon, M.L.C., representing the Southern India Chamber of Commerce; and
Mr. Kulandaivelu Mudaliyar, representing the Southern India Chamber of Commerce.

Mr. R. T. H. Mackenzie, representing the Madras Chamber of Commerce;
Mr. G. W. F. MacGuire, representing the Burma Oil Company;
Mr. D. B. Snowdon, representing the South Indian Motor Union; and
Mr. W. Fyffe, representing the South Indian Motor Union.

(Mr. C. B. Cotterell, C.I.E., I.C.S., Secretary to the Government of Madras, Local Self-Government Department, was also present.)

MADRAS, THE 15TH DECEMBER 1927.

M. R. Ry. Rao Bahadur B. Munuswami Nayudu Garu, M.L.C., President, District Board, Chittoor;
M. R. Ry. Kotieth Krishnan, M.L.C., Chairman, Municipal Council, Tellicherry;
M. R. Ry. Bhaskara Rajarajeswara Setupathi *alias* Muthuramalinga Setupathi Avargal, the Raja of Ramnad, M.L.C., President, District Board, Ramnad; and
M. R. Ry. Rao Bahadur C. S. Ratnasabhapathi Mudaliyar Avargal, M.L.C., Chairman, Municipal Council and President, District Board, Coimbatore.

Rao Bahadur S. Bhaskara Ayyar, Chief Engineer to the Government of Madras, Public Works Department, (B. and R. Branch);
Mr. R. Foulkes, President, District Board, Madura;
Rao Bahadur C. V. Ranga Reddi Garu, President, District Board, Kurnool;
Mr. T. K. T. Viraraghavachariar, District Board Engineer, West Godavari; and
Mr. D. Daniel, District Board Engineer, Chingleput.

(Mr. C. B. Cotterell, C.I.E., I.C.S., Secretary to the Government of Madras, Local Self-Government Department, was also present).

MADRAS, THE 16TH DECEMBER 1927.

Mr. A. W. Acres, Chief Commercial Superintendent, South Indian Railway:
Mr. R. C. Moss, Deputy Agent, Madras and Southern Mahratta Railway; and
Mr. F. B. Wathen, General Traffic Manager, Madras and Southern Mahratta Railway.

The Hon'ble Dr. P. Subbaroyan, Chief Minister to the Government of Madras;
The Hon'ble Mr. N. Macmichael, C.S.I., I.C.S., Finance Member to the Government of Madras;
Mr. C. B. Cotterell, C.I.E., I.C.S., Secretary to the Government of Madras, Local Self-Government Department; and
Mr. H. A. Watson, I.C.S., Secretary to the Government of Madras, Finance Department.

BOMBAY, THE 19TH DECEMBER 1927.

Mr. T. R. S. Kynnersley, representing the Bombay Engineering Congress.

Mr. F. A. H. East, representing the Concrete Association;
Mr. Alan Moncrieff, representing the Concrete Association; and
Mr. E. J. M. Hudson, Honorary Secretary, Bombay Association of the Institution of Engineers (India).

Mr. W. H. Neilson, Chairman, Bombay Port Trust.

Diwan Bahadur K. R. Godbole, President, District Local Board, Poona, and
Mr. S. S. Naik, President, Bombay Suburban District Local Board.

Bombay Presidency Road Board:
The Hon'ble Sir Ghulam Husain Hidayatullah, Kt., Minister, Local Self-Government;
Mr. D. R. H. Browne, O.B.E., Chief Engineer and Joint Secretary to the Government of Bombay, Public Works Department;
Mr. J. Monteath, I.C.S., Secretary to the Government of Bombay, Home Department;
Mr. K. S. Framji, C.I.E., Chief Engineer, Back Bay Reclamation Scheme;
Diwan Bahadur K. R. Godbole, President, Poona District Local Board;
Mr. S. S. Naik, President, Bombay Suburban District Local Board;
Mr. C. B. Pooley, Superintending Engineer, Deccan Irrigation Circle;
Mr. A. X. Moraes, Superintending Engineer, Northern Circle; and
Mr. N. N. Ayyangar, Under Secretary to the Government of Bombay, Public Works Department.

BOMBAY, THE 20TH DECEMBER 1927.

Major-General Sir Reginald Ford, Bombay; and
Mr. H. G. Cocke, M.L.A., Bombay.

The Hon'ble Sir Ghulam Husain Hidayatullah, Kt., Minister, Local Self Government;
The Hon'ble Sir Chunilal Mehta, Kt., Member, Finance Department;
Mr. Gilbert Wiles, C.I.E., I.C.S., Secretary to the Government of Bombay, Finance Department;
Mr. A. R. Lalal, I.C.S., Financial Adviser to Government, Development Department and Public Works Department; and
Mr. D. R. H. Browne, O.B.E., Chief Engineer and Joint Secretary to the Government of Bombay, Public Works Department.

Mr. H. B. Clayton, C.I.E., I.C.S., Municipal Commissioner, Bombay;
Mr. R. G. Robottom, Assessor and Collector, Bombay Municipality; and
Mr. T. H. Bird, Test Audit Officer, Bombay Municipality.

BOMBAY, THE 21ST DECEMBER 1927.

Sir Joseph Kay, Kt., M.L.C.;
Mr. A. B. Morrison; and
Mr. H. Royal.
} representing the Bombay Chamber of Commerce.

Mr. C. N. Moberley, General Manager, Bombay Electric Supply and Tramways Co.

Mr. H. E. Ormerod;
Sir Ness Wadia, Kt.; and
Mr. R. Ricardo.
} representing the Indian Roads and Transport Development Association, Bombay.

Mr. S. Guevrek, representing the Motor Trade Association (Western India), Bombay.

BOMBAY, THE 23RD DECEMBER 1927.

Mr. H. E. Ormerod, representing—

(i) Western India Automobile Association and

(ii) European Association.

LAHORE, THE 10TH JANUARY 1928.

Mr. H. W. Emerson, C.I.E., C.B.E., I.C.S., Chief Secretary to the Government of the Punjab, and
Mr. A. R. Astbury, C.I.E., I.S.E., Chief Engineer and Secretary to the Government of the Punjab, Public Works Department (B. & R. Branch).

(Mr. W. S. Dorman, Deputy Chief Engineer, was also present).

The Hon'ble Sardar Jogendra Singh, Minister for Agriculture, Punjab, and
Mr. A. R. Astbury, C.I.E., I.S.E., Chief Engineer and Secretary to the Government of the Punjab, Public Works Department (B. & R. Branch).

Mr. S. G. Stubbs, O.B.E., I.S.E., Secretary, Punjab Communications Board, Lahore.

LAHORE, THE 11TH JANUARY 1928.

Pir Sayad Mohammed Hussain, M.L.C., representing the Punjab Communications Board.

The Hon'ble Rai Bahadur Lala Ram Saran Das, C.I.E., and Mr. R. E. Grant Govan. } representing the Punjab Chamber of Commerce.

Mr. Owen Roberts, representing Northern India Automobile Association and Northern India Chamber of Commerce; and
Mr. D. J. Horn, representing Northern India Chamber of Commerce.

List of witnesses examined by the Committee.

1. Mr. G. G. Dey, Chief Engineer and Secretary to the Government of Bengal, Public Works Department (B. and R. Branch).
2. Rai Sahib Rup Chand Jaini, Chairman, District Board, Cawnpore.
3. Khan Sahib Maulvi Muhammad Abdul Latif, M.L.C., Assam.
4. Mr. W. M. Brierley, Manager, Commercial Carrying Co., Ltd., Shillong.
5. Mr. K. C. De, Engineer and Contractor, representing Bihar and Orissa Chamber of Commerce, Patna.
6. Mr. A. S. de Mello, representing the Gwalior and Northern India Transport Co., Delhi.
7. Raja Tankanath Chowdhuri, representing District Board, Dinajpur, Bengal.
8. Rai Sahib R. P. Bhattacharya, representing District Board, Darjeeling, Bengal.
9. Mr. Idris Ahmad, representing District Board, Malda, Bengal.
10. Raja Satya Niranjan Chakravarty Bahadur, representing District Board, Birbhum, Bengal.
11. Mr. Atul Chandra Bose, representing District Board, Midnapur, Bengal.
12. Rai Bahadur Umesh Chandra Chakladar, representing District Board, Mymensingh, Bengal.
13. Khan Bahadur Alimuzzaman Chowdhury, representing District Board, Faridpur, Bengal.
14. Rai Bahadur Jatindra Nath Ghose, Vice-Chairman, District Board, Khulna, Bengal.
15. Mr. Abdús Samad, Vice-Chairman, District Board, Murshidabad, Bengal.
16. Moulvi Rezzaqul Haider Chowdhury, Chairman, District Board, Noakhali, Bengal.
17. Rao Bahadur V. M. Jakatdar, Chairman, District Council, Bhandara, C. P.
18. Mr. B. R. Patil, Chairman, District Council, Buldana, Berar.
19. Mr. R. Foulkes, President, District Board, Madura, Madras Presidency.
20. Rao Bahadur C. V. Ranga Reddi Garu, President, District Board, Kurnool, Madras Presidency.
21. Mr. T. K. T. Viraraghavachariar, District Board Engineer, West Godavari, Madras Presidency.
22. Mr. E. Burdon, C.S.I., C.I.E., I.C.S., Secretary to the Government of India, Finance Department.
23. Mr. A. Brebner, C.I.E., Officiating Consulting Engineer to the Government of India, Department of Industries and Labour.
24. Mr. H. E. Ormerod, representing the Indian Roads and Transport Development Association, Bombay.
25. Mr. E. Miller, representing the Indian Roads and Transport Development Association, Bombay.

26. Mr. M. K. Ghosh, M.A., A.M.I.T., Head of the Department of Commerce, University of Allahabad, Allahabad.

27. Mr. J. H. Abbott, O.B.E., V.D., Jhansi.

28. Mr. H. B. Clayton, C.I.E., I.C.S., Municipal Commissioner, Bombay.

29. Babu Arikshan Sinha, General Secretary, Bihar Provincial Kisan Sabha, Muzaffarpur.

30. Sir Joseph Kay, representing the Bombay Chamber of Commerce.

31. Mr. E. Miller, representing the Bombay Chamber of Commerce.

32. Mr. K. Saikia, M.L.C., Assam.

33. Mr. J. A. Baker, C.I.E , M.I.E., Secretary to the Government of the Central Provinces, Public Works Department (B. & R. Branch).

34. Mr. F. A. Primrose, Deputy Chief Engineer, Construction and Surveys, G. I. P. Railway.

35. Mr. H. L. Holman-Hunt, C.I.E., Chief Engineer, Public Works Department (B. and R. Branch), Burma.

36. Mr. H. W. Emerson, C.I.E., C.B.E., I.C.S., Chief Secretary to the Government of the Punjab.

37. Mr. A. R. Astbury, C.I.E., I.S.E., Chief Engineer and Secretary to the Government of the Punjab, Public Works Department (B. and R. Branch).

38. The Hon'ble Sir Ghulam Husain Hidayatullah, Kt., Minister, Local Self-Government, Bombay.

39. Mr. D. R. H. Browne, O.B.E., Chief Engineer and Joint Secretary to the Government of Bombay, Public Works Department.

40. Mr. A. R. Dalal, I.C.S., Financial Adviser to the Government of Bombay, Development Department and Public Works Department.

41. Mr. R. E. Grant Govan, representing the Punjab Chamber of Commerce.

42. Mr. F. P. Antia, Bombay.

43. Mr. G. C. Banerji, A.M.Inst.E., Consulting Engineer, Calcutta.

44. Col. S. F. Muspratt, C.S.I., C.I.E., D.S.O., A.D.C., Director of Military Operations, General Staff Branch.

45. Col. D. Ogilvy, D.S.O., O.B.E., Deputy Engineer-in-Chief (Works), Engineer-in-Chief's Branch.

46. Col. W. M. Parker, C.B., C.M.G., D.S.O., Deputy Director of Transport, Quartermaster-General's Branch.

47. Capt. C. B. Evans, I.A.S.C., Deputy Assistant Director of Transport, Quartermaster-General's Branch.

48. Sir Austen Hadow, Kt., C.V.O., Offg. Chief Commissioner of Railways.

49. Mr. P. C. Sheridan, C.M.G., Member, Railway Board.

50. Rao Bahadur S. D. Garud, President, District Local Board, West Khandesh, Bombay Presidency.

51. Mr. M. L. Dahanukar, representing the Maharashtra Chamber of Commerce, Bombay.

52. Mr. C. B. Cotterell, C.I.E., I.C.S., Secretary to the Government of Madras, Local Self-Government Department.

53. Major H. L. Woodhouse, Deputy Chief Engineer, Surveys and Construction, N. W. Ry.

54. Mr. F. D'Souza, Senior Assistant, "Rates" Commercial Branch, N. W. Ry.

55. Khan Bahadur Muhammad Hayat Qureshi, C.I.E., M.L.C., representing District Board, Sargodha, Punjab.

56. Chaudhari Feroz-ud-Din, Vice-Chairman, District Board, Jhelum, Punjab.

57. Mr. T. Gavin Jones, M. L. A., representing the Upper India Chamber of Commerce, Cawnpore, U. P.

58. Mr. T. R. S. Kynnersley, representing the Bombay Engineering Congress, Bombay.

59. Mr. J. R. Bhattacharya, District Engineer, District Board, Allahabad, U. P.

60. Mr. S. S. Naik, President, Bombay Suburban District Local Board.

61. Mr. R. M. Singh, District Engineer, District Board, Partabgarh, U. P.

62. Diwan Bahadur K. R. Godbole, President, Poona District Local Board.

63. The Hon'ble Rai Bahadur Lala Ram Saran Das, C.I.E., Lahore.

INDIAN ROAD DEVELOPMENT COMMITTEE.

1.

Calcutta, dated the 30th November 1927.

(a) Memorandum of touring sub-committee's discussion with Mr. G. G. DEY, Chief Engineer and Secretary to the Government of Bengal, Public Works Department (B and R Branch).

Mr. Dey agrees with the establishment of a Central Road Board and of Provincial Road Boards. The road system in Bengal is capable of improvement, and the trouble is funds—the evolution of motor traffic has made existing methods obsolete; road surfaces must be improved and bridges strengthened. Roads in Bengal are classified as metalled and bridged throughout, metalled and partially bridged, unmetalled, etc. This classification has no bearing on the question whether roads are provincial or not. For the purposes of Road Boards, Mr. Dey would suggest a classification of through roads from province to province as "Arterial," from district to district as "District" and others as "Local" roads.

The difficulty in provincialising more roads is that District and Local Boards have their own ideas as to the roads they require purely for local purposes; if the criterion of provincial or local importance is to be applied by the District Boards, then the roads not wanted by them or those which they find expensive to maintain would be thrown at Government regardless of their proper importance. Mr. Dey does not think it feasible for Government to take over any road as being of provincial importance unless Government decide it is of such importance. District Boards are inclined to make a road and find they cannot maintain it, and then ask Government to provincialise it and keep it up—*e.g.*, Dacca Narayanganj Road only 10 miles long and the Pabna Ishurdi Road 16 miles long—each of considerable local importance, but not a *provincial* necessity. Such roads should be left with District Boards to maintain, with assistance from Road Funds when these funds come into existence. Generally speaking, Mr. Dey would agree that a road running through various District Boards and connecting several important towns might be provincialized.

A Committee on Motor Vehicle Taxation in Bengal was constituted, but the report was not sent to Government as the present Committee was started, and the Bengal Government were asked by the Government of India not to proceed with motor taxation pending the result of its enquiries. The Bengal Committee suggested horse power taxation for small cars according to seating capacity for public passenger vehicles, and by weight for heavy goods vehicles (which appeared unsatisfactory but unavoidable). The Bengal Committee agreed that motor vehicles should be taxed. The estimated income under one suggested scale was Rs. 15 lakhs and under another scale Rs. 26 lakhs. The Bengal Committee was of opinion that all taxation should be by the Central Government, but this was ruled out by the terms of reference, and s provincial taxation was considered.

Mr. Dey agrees that provincial taxation should be uniform and in place of local and municipal taxation, with assignments to any local authorities who are at present authorised to collect taxes on motor vehicles.

The Bengal Government has never considered a provincial loan for roads. Such a loan is feasible for bridges, but it seems doubtful if it can be adapted to roads, owing to the difficulty of assessing the life of a road and therefore putting a period for repayment. It would be possible to do a good deal by a loan financed by motor taxation proceeds.

Mr. Dey would like to see bullock carts taxed according to their ability to pay owing to the damage done to the roads, but has never considered details. Some local authorities are already empowered to levy a tax on other than motor vehicles.

If money for road improvement were provided from central funds, it would be necessary to specify that the money now spent by District Boards, Local Boards and provincial Governments on the normal extension of road improvement and maintenance was not allowed to be unduly diverted to other purposes, *i.e.*, funds from central sources were intended to augment and not to replace local or provincial expenditure on such purposes. Provided any extra taxation raised in Bengal were given to Bengal, there would be no objection raised to an extra 2 annas on petrol. It was considered by official and non-official opinion that the consumption of petrol in Bengal should be the factor deciding what Bengal should get from any central fund. The Bengal Government should receive approximately what was collected in Bengal, and the Central Government should recoup its expenses from the present excise and even give some of that to the provinces. The improvement of road surfaces owing to the extra sums available to effect them would increase the amount of petrol excise owing to the increase of petrol consumption and thereby increase the revenue of the Government of India from the existing 4 annas excise.

Mr. Dey is doubtful whether any factor for division other than petrol consumption is feasible at present—probably, however, the mileage of 'motorable' roads might also be a factor, but the difficulty of classifying a motorable road would always be existent. He is very adverse to expenditure as a factor, as it is possible for a province to 'inflate' its expenditure by grandiose schemes; also this factor would assist the rich province at the expense of the poor one which is probably in the greater need of assistance. He would suggest as factors, petrol consumption and mileage of roads, but agrees that other factors might also be examined.

The Central Board would have to leave to the local Government and the Provincial Road Board control over the expenditure of the allotment of funds made to the former. The Central Board should receive the local Governments' demands for funds and should give money for those demands either in full or to the extent of the allocation, the expenditure of the money being left entirely to the provincial Government and the Provincial Road Board. This is, however, subject to the proviso that the Central Board should first consider the needs of all-India roads and should grant specific amounts for specific objects on all-India roads; it might, for instance, specify that a certain amount out of the grants to a local Government should be spent on all-India roads. Improvement of roads would lead to improved agricultural prosperity through the increased mobility of produce.

In 1926-27, Rs. 21 lakhs were spent on communications—maintenance only, and Rs. 7·82 lakhs were spent on construction. In 1913-14, only about one-third of the present amount was spent on communications. The allotment of money from a central fund on a fifty-fifty basis for specific objects would prevent to some extent the tendency for central grants to be absorbed in general revenues to the detriment of increased expenditure on roads.

In Bengal, the geographical conditions are such that any system of arterial roads throughout the province is impossible as the province is intersected by large rivers. The only road one can call arterial is the Grand Trunk road.

New Delhi, dated the 18th January 1928.

(*b*) Oral evidence of Mr. G. G. DEY.

Chairman: Mr. Dey, the members of the Committee will examine you on the basis of this statement that we have before us and unless it is published, the public will not be able to follow the questions the Committee may put to you. I suppose you have no objection to the statement being published?—I have no objection.

How long have you been Secretary to the Government of Bengal?—With a break of eight months, I have been Secretary for 6½ years.

You say in your statement that you do not think it feasible for Government to take over any road as being of provincial importance unless Government decide it is of such importance. Do you mean to say that Government must have the power of deciding what should be provincial roads and what should not be?—Yes.

If Government are given that power and not the Local Boards, you have no objection to a scheme of Government taking over from time to time provincial roads under their control?—No.

Your objection is that the power should not be with the Local Boards but that it should be with the Government. Have I understood you aright?—What I really mean is this. We are constantly asked by District Boards and Local Boards to take over roads which they consider Government should take over. We ought to judge whether those roads are of provincial importance and if they are of provincial importance, it should be left to us to decide whether we should take them over or not. This power should not rest with the District Boards.

If this power to decide rests with your Government, you would have no objection to any scheme by which Government may be entitled to take up from time to time roads as being provincial?—I have no objection.

How many cases have there occurred in your province of Local Boards wanting to hand over roads to the local Government as provincial roads on the ground of costs?—We have had three cases. One is the Dacca Narayanganj road and the other is the Pabna Ishurdi road. There is another road which is further north. These are the three cases to my knowledge.

Do you seriously apprehend any danger in giving this power to the local Government?—No.

It is stated: "Generally speaking Mr. Dey would agree that a road running through various District Boards and connecting several important towns might be provincialised". You recommend this as a sort of test in determining this question?—I consider that it should be essential that any road which Government takes over should be one of importance. The criterion should be that it connects several important towns.

Would you recommend that as a main criterion?—Yes. I think so.

You say here: "The Bengal Committee was of opinion that all taxation should be by the Central Government but this was ruled out by the terms of reference, and so provincial taxation was considered". Now, I want to understand this idea of provincial taxation. Do you suggest that provincial taxation should replace all varieties of municipal and local taxation?—The idea was that motor vehicles should pay for road use. If we had provincial taxation, all municipal taxation would have to be merged in that. There would be no difficulty in Bengal except in the case of Calcutta, where according to the Calcutta Municipal Act, the Corporation is authorised to impose certain taxation. Other municipalities have no rules for motor taxation at all, though they have a wheel tax.

Supposing we recommended provincial taxation, in that case will the taxation now levied by the Calcutta Corporation remain or go?—It is rather a difficult question. The sub-committee that was appointed to go into this question recommended that the Calcutta Municipal Act should be amended so as to take away from the Corporation the power of taxation but they also recommended in the event of provincial taxation being imposed that the provincial fund should recompense the municipality for the income it would lose.

I am assuming that if any municipal or local taxation is replaced by provincial taxation, compensation will be given for the tax wiped out. Subject to that, would you recommend that provincial taxation should replace municipal taxation in Calcutta? You would not recommend provincial taxation *plus* some sort of local and municipal taxation in addition?—No.

In the next paragraph you say that provincial taxation should be uniform. How would you make it uniform? Would you have a co-ordinating body for the whole of India?—I do not think so. I think that a province should be able to manage its own internal affairs in its own way.

How would you secure uniformity for all the provinces? Supposing a Central Road Board were formed, would you invest that Board with the authority of co-ordinating the heads of various provincial taxation? —It is rather a difficult question, because the amount which one province collects might be sufficient for that province, whereas the amount collected by another province might not be sufficient and it might therefore have to impose higher taxation.

You contemplate without difficulty the idea of each province determining for itself the quantum of provincial taxation?—Yes.

Would it not cause any difficulty if Bombay taxed Rs. 100 a car, Madras Rs. 25 a car and so on? Could a Central Board sitting at headquarters contemplate all this with equanimity?—I see the point. It is difficult to say.

Is that a very serious objection to provincialising all motor taxation?—I do not think we can get sufficient money from provincial taxation.

Do you think a stage has been reached when all motor taxation should be provincialised and all local and municipal taxation should be abolished or would you wait for a few years?—I do not think we have reached that stage.

What other vehicles like bullock carts and horse carriages are taxed in your province?—They have a wheel tax for bullock carts and wheeled traffic, that is, ticca gharies.

Are you referring to Calcutta?—Both to Calcutta and to the municipalities in the province. This tax can be collected both under the Bengal Municipal Act and the Calcutta Municipal Act.

Does that apply to Local Boards in your province?—No. Only to municipalities.

Do the Local Boards tax bullock carts?—I do not think they do.

Bullock carts would mostly exist in Local Board territories?—Yes.

They would be more numerous in Local Boards than in the Corporation of Calcutta?—It is difficult for me to say.

There must be a large number in Local Board territories which have not been taxed up to now?—Not so far as I am aware.

You say: "If money for road improvement were provided from central funds, it would be necessary to specify that the money now spent by District Boards, Local Boards and provincial Governments on the normal extension of road improvement and maintenance was not allowed to be unduly diverted to other purposes". What do you mean by "unduly"?—If a District Board spent normally two lakhs on maintenance of communications, with the advent of further funds from a road fund, they should not have the option of diverting those two lakhs to other work. It should still be available for road maintenance.

You are against any diversion of funds which are now forthcoming?—Yes.

I was rather misled by the word 'unduly'. Within what limits would you allow diversion? Supposing there was a diversion to educational institutions, would you consider it a due diversion or an undue diversion?—We will leave out the word 'unduly'.

Then you say: "The improvement of road surfaces owing to the extra sums available to effect them would increase the amount of petrol excise owing to the increase of petrol consumption and thereby increase the revenue of the Government of India from the existing 4 annas excise". Supposing a Central Board were appointed, have you thought out this idea whether the Central Board should be given any part of the four annas excise which the Government of India levied?—I have thought about that.

Have you any definite suggestions to make to release a part of that four annas, so as to form a nucleus with which the Central Board may start? Have you any definite scheme?—What I have stated there is this. If the Central Government obtain a certain sum from excise duty and a further surcharge is made on petrol with the idea of improving roads, the surcharge will bring in the use of more motors and consumption of more petrol and therefore the amount realised from the four annas excise will increase considerably. Assuming that it is now a crore of rupees, in ten years time the amount of revenue might amount to 5 crores. My idea was that the Government of India realising that their revenue from that source had increased greatly might give some of that money to the road fund. I would ask the Government of India to give some part of that money.

How much?—Up to half perhaps.

Would you suggest a similar arrangement in regard to the import duty on motor accessories?—I have not considered the subject closely.

Would it stand on the same principle, namely, that the Central Road Fund ought to get the benefit of any increased revenue?—I think the Government of India should help the Road Fund from this source as well.

Supposing that the import duty is x and in consequence of improved road communication it becomes x + y, would you say that half of y should be devoted by the Government of India to the same object?—Yes, it would be reasonable up to that limit.

You would extend the same principle to the import duties also?—Yes.

Have you thought out clearly what the powers of this Central Board should be, whether they should be merely advisory or whether it should have executive powers also?—I think it should not have any executive powers. Its work should be the collection and allocation of funds and the co-ordination of provincial efforts in the way of road improvement and dissemination of the results of research work.

Would you give it any controlling voice in the matter of determining rival claims, co-ordinating schemes, etc.?—I think the Central Board should have a say in the improvement and upkeep of any road which concerns all India.

Now, as regards these arterial roads, whose property will they be, of the Central Board or the province through which they pass?—I have not thought out that point.

Up till now there was no Central Board. Suppose a Central Board begins to function, and one of our recommendations may be to that effect, would it be more convenient to vest all these arterial roads in the Central Board or would you leave it to each province to be the proprietor of that part of the arterial road which passes through that province? There is a feeling that the latter arrangement may cause a considerable amount of difficulty. Would you recommend that all the arterial roads should be vested for construction and maintenance in the hands of the Central Board?—I think the Bengal Government would have no objection, provided the Road Board provided for supervision.

Assuming that the maintenance and construction of these arterial roads, so far as they are necessary, are taken up by the Central Board, without going into the question of proprietorship, have you formed any ideas on the subject yourself?—You are putting to me rather a big question. I have not thought about the subject at all. There might be objections to it, which I cannot think of at the moment.

I want to know your opinion as a private person, not as a representative of your Government, what would be a more convenient arrangement?—At first sight it would appear to me a very reasonable arrangement. At the same time I do not know how far it would upset our financial arrangements. We have not got too much money for roads, anything like what we should like to spend. We have one main road, as you probably know, the Grand Trunk road which cuts right through; that is probably the only road which the Central Road Board would concern itself with. At first sight I should say that there is no objection at all.

Hon. Sir A. Froom: You have agreed with the idea of a Central Road Board being established to work in co-ordination with Provincial Boards, and as a necessary corollary to that, would you agree that there should be a central fund?—Yes.

You think there is no objection to that fund being obtained by an increase of two annas petrol excise, provided the proceeds are earmarked for road development?—Yes.

With regard to the questions the Chairman asked you about the main arterial roads through India, are there many in your province?—Practically only one.

In Calcutta a reference was made to a road from Dacca to Chittagong, what are the facts?—It is only an arterial road within the province, and is not arterial in the sense which has been applied to it here. The Grand Trunk road is the only really arterial road.

Visualising this Central Road Board taking over the upkeep and making of this road, presumably the amount of the subscription from Bengal for your central fund would be utilised on that road, and I understand that your province would claim some share of the central fund?—We should like to have some.

If your share is being spent wholly or in part on the Grand Trunk road running through your province, then your claim would be reduced by that amount?—That was not my intention exactly.

You say the Grand Trunk road is the only arterial road in Bengal and the Central Board would undertake the maintenance of that road entirely, and then you say that the amount of allocation from the central fund to Bengal would be reduced by the amount of that maintenance. That would leave it in the hands of the Central Board to say how much money should be spent on the Grand Trunk road. And at any rate the result would be that the provincial money you spend on such a road would be released for other purposes?—Yes.

So you would benefit to that extent?—Yes.

You said you were hoping for the Central Government to release some portion of the existing excise and put it in the central road fund, that would be in addition to the extra two annas?—That was my idea.

Generally speaking, with regard to the roads in your province, you find that as soon as roads are put in order, traffic springs up, so that there is real demand for roads being put in order?—Yes.

And it benefits the agriculturist in enabling him to move his produce and in enabling the people also to move about?—Most certainly. I would like to say that we have a road scheme in the northern part of Bengal where we built about 130 miles of roads with bridges—this is in the Dooars; and where there was no traffic before, now there is traffic throughout the country and buses are plying where no buses were driven before.

So the Committee understands that the demand for road improvement is a real and insistent one?—Yes.

Now as regards the Provincial Road Board: did you visualise these Boards having executive powers?—I think they would have to have in distributing funds, scrutinising projects and seeing what roads should be taken up and the order in which they should be taken up.

You told the Chairman that you considered that it was important that your provincial arterial roads should be provincialised. That is reversing the policy adopted some two years ago?—We have not many such roads, there are very few in Bengal.

What is the reason for that proposal?—I think the P. W. D. have an organisation which can maintain roads to a high standard better than the engineering establishment of District Boards.

We were told in your province that some of these roads were unevenly kept up because one District Board might have more funds and better engineers in relation to the portion of the roads running through that district?—I think it was mentioned to the sub-committee but I did not say it myself.

Would you subscribe to the view that provincial roads are unevenly kept up, and that that would be one of the reasons for the provincial Government taking them over?—Yes.

You lay stress on provincial taxation and on the fact that it should be uniform and in place of local and municipal taxation?—I agreed that there should be provincial taxation because that was put into our minds when Sir Charles Innes made his remarks regarding the reduction of import duties on motors and motor accessories.

Now the only place where motor transport is taxed in your province is Calcutta?—Yes.

So that would be a reason for provincialising your taxation?—It would be, because in Calcutta the motor owners pay; outside, they do not pay anything besides registration fees.

Have you any ideas of what taxation you would introduce?—The Bengal Motor Taxation Committee submitted a draft of the rules containing recommendations for taxation to the Local Self-Government Department to draw up a Bill on the basis of either horse power, seating capacity or axle loads, and I do not see how else we are going to impose provincial taxation unless we take simply so much per vehicle. Possibly it would not be quite fair if we did that, but all this business of horse power and taxation on these different bases is going to lead to a most cumbrous and expensive machinery to collect. The question of central taxation was however ruled out under the terms of reference.

One gentleman in your province suggested that your provincial taxation should be by means of a petrol excise. I do not think that the provincial Government should have anything to do with excise, which is already a central form of revenue. His idea was that there should be an additional excise on petrol collected by the Central Government and that it should be immediately returned to provincial Governments for the provincial consumption of petrol. Have you considered that?—I have not considered it, but I do not quite see how it would work.

Are we not forbidden to touch such duties?—If the Government of India were to agree, it would save us endless complications in collecting according to horse power, well. . .

This was raised in the sub-committee's discussions in Calcutta, I think after we saw you, and of course the reason put forward was that the expensive machinery that you refer to would be done away with?—It would be an advantage from that point of view if we were permitted to do it. But I have not considered it.

At any rate the Committee may take it that Bengal is in favour of provincial taxation?—I have not formed any idea as to by what means it should be, but since you put that idea, I think we should prefer your idea: we were never satisfied with our recommendations.

Chairman: With regard to the proposal made by the Bombay Government that the Government of India should levy an additional excise of two annas petrol, collect that money and hand it over to the provinces, are you in favour of this idea?—Yes.

Provided other forms of provincial taxation, either municipal or local, are wiped out?—Yes, not in addition.

Mr. Mohd. Anwarul Azim: In the Bengal Government's answer to the questionnaire, it is stated: "The Provincial Road Board which it is proposed to form would remain in close touch with the railways running through the province, and would see that funds for road improvement were distributed for the improvement of feeder roads to railways as well as for main roads. This might be effected by having a member representing Railways on the Provincial Board." How would you like this local Provincial Board to be formed? Should it be a committee of the Government of a particular province or of the Local Boards and other non-official bodies?—I think that non-official bodies must be represented on it.

In those provinces where there are non-official Chairmen, would you like these bodies to be presided over by non-official Chairmen?—I do not think so, I would prefer not, because this money is money collected by Government, and it is distributed to provinces for a specific purpose. I think that it would be better for the Provincial Board to have an official Chairman. Well, call it official or un-official, I would suggest that possibly the Minister in charge of Local Self-Government or the Public Works Department should be the Chairman.

It is suggested somewhere that feeder roads should be improved, but what do you mean by feeder roads,—only to railways or to canals and other ways also? In the lower part of Bengal, Eastern Bengal, would you like small roads leading to the important ghats and canals also to be improved?—Yes; but I think that in the part of Bengal where waterways are existent, there are very few roads; their roadline is on the lowest land, not on the highest.

Instead of paying taxes on petrol and other things, how would you like if the renewal and registration fees are increased by a considerable amount, and do you think that by that process road improvement could be effected?—Although we made that recommendation in the Motor Taxation Committee, we were never very happy about it. That Committee was not a Committee of the Government of Bengal. The history of it was that a Bill was put up to the Council which was rejected by the Council as not suiting the requirements of the province, and the Local Self-Government Department were then called on to frame a new Bill, and this Taxation Committee was appointed to advise the Local Self-Government Department as to the framing of such a Bill. It was a Committee of experts, though I was not an expert.

You say: "The number of motor vehicles in Bengal has increased enormously during the last 2 or 3 years in spite of the present want of motorable roads and lack of bridges". Is this so?—Yes.

Would you suggest that these roads which are proposed to be taken up either by the local Advisory Committee or by your Committee need not necessarily be surfaced either by jhama or brick, and that they would be as passable for motor traffic without these things?—Certainly not in Bengal. I do not think any roads which have not a pucca surface would be of very much use to motor traffic, except in the dry weather.

Your opinion is that during particular times of the year motor traffic could be carried on on kachha roads if properly laid?—Yes; in Bihar I understand there are many kachha roads.

Why does the Government of Bengal suggest the idea of having some of the proceeds from petrol taxes? Is that for the reason that

road materials are very dear or are not available in Bengal?—Road material is very expensive in Bengal. That is one factor.

Is there any other reason for suggesting that all the proceeds from this taxation through petrol consumption should be given to them?—I think it is rather a question of seeing that Peter is not robbed to pay Paul; if Bengal contributes a considerable quantity of money through this surcharge, I think that money should not be sent off to other provinces but should be spent in Bengal. Motorists in Bengal would be very loath to have a surcharge put upon petrol if they thought . . . .

Then how would you suggest improving the arterial roads all over India?—I have got a reservation "subject to the improvement of the arterial roads by the Government of India" or rather subject to retaining a certain amount for the improvement of these arterial roads.

With regard to what is stated in paragraph 13 of the Bengal Government's answer to the questionnaire, you cannot suggest whether bullock carts in the province have got to pay any municipal registration fee?—Municipalities are empowered to levy a wheel tax, but I am not in a position to say whether they do so or not.

Can we take it that most of the bullock carts which run for fares in the provinces do not leave the Local Board areas, and only some of them go to municipal areas as well?—Many of them are not touched by any municipal tax; the major portion of them are not touched.

What do you think of tolls for the improvement of roads?—This is a question which I have never agreed to and I do not like tolls.

Is there any toll system in Darjeeling?—No. There is no toll system on any Government road.

If it is your idea that roads which pass through the various districts should be made provincial, how would you like to keep up the co-ordination where big rivers intersect, as the road from Chittagong to Dacca which has got to pass through many rivers and canals?—I think the question of the Dacca Chittagong road was brought up in Calcutta and I said that such roads are not suitable as traffic routes because there are many impassable rivers, and of course far more money would be required to bridge those rivers, for instance, there is an enormous river to the east of Dacca which I do not think it would be worth our while to attempt to bridge, that is one amongst others.

Is it your idea that as in the south-eastern part of Bengal there are big rivers, it is far more expensive there to keep up the roads and more money is required there than in other provinces?—Yes.

Mr. Muhd. Ismail Khan: The District Boards in your province realise a road cess, and the agriculturists pay that?—Yes.

Would you allow those District Boards to levy taxes on motor lorries, besides the provincial taxation?—No. That was contemplated in the Bill put before Council in 1926 and was thrown out partly for that reason, I understand.

Do you want District Boards to keep up roads simply from their road cess income?—I do not think it would be sufficient. I would propose that if we have this road fund, the road fund would be distributed by the Central Road Board to the Provincial Road Boards and the latter would allocate it to the District Boards. The idea is that the district roads should benefit, not only the Government roads

Then how would you maintain the feeder roads except by the road cess? You would suggest that Government should make some contribution for those roads from their provincial funds?—Yes, from the money received from the road fund.

Mr. E. F. Sykes: With regard to some tracts in the Dooars, have you a rough idea of the cost per mile? It is very difficult to say, but it would cost between 15,000 and 30,000 a mile.

Could you give any maintenance figures?—It is rather difficult.

What do you think is the estimated annual cost of maintenance of these roads?—Rs. 2,500 a mile, I should think. It is very difficult to say about the traffic they carry. We have taken no statistics.

A good deal carry hire traffic, motor buses and tongas?—There are no tongas. I cannot give any figures about how many buses run.

Have you any idea how much people pay in the way of fares on these motor buses?—I have no information.

Raja Ghazanfar Ali Khan: Is it your idea that the two annas duty should replace the taxes which already exist, *i.e.*, local and provincial taxation?—No. My proposal was that the two annas a gallon should help the provinces with more money than they have now, and that in addition to that, if it is not sufficient, the provinces should have it in their power to impose provincial taxation as well but to a less degree.

You mean to say that the existing taxes should continue?—There are no existing taxes on motors in Bengal except on those motors which are plying in the city of Calcutta itself. We shall have to come to some arrangement about the taxes on motors in Calcutta; that is the only complication we are met with.

Do you give any grants to your local bodies for the construction of new roads?—We had certainly intended to give money not only for the construction and improvement of new roads but also for the maintenance of the new roads to a small extent.

What are the bases upon which you would give grants to local bodies? —I have not yet thought that out, but it would mean the classification of roads. We should work somewhat on the lines of the American-English system—roughly on the fifty-fifty basis, although I think that the District Boards in Bengal would not be able to meet 50 per cent. of the cost.

Supposing you suggest the allotment of money on the basis of the consumption of petrol and when you are giving grants to the local bodies, they also insist on that principle, do you not think it would be an unfair allotment? For example, Calcutta city itself will require a much greater proportion of it?—The local bodies will get far more than their share according to the consumption of petrol.

So, you think that the consumption of petrol is a sound basis for the allotment of money?—It is the easiest basis to work on.

The other systems are more complicated?—If we bring in these other factors, I do not know where we should end.

Chairman: Is it also the more equitable basis?—I think it is perfectly equitable.

Raja Ghazanfar Ali Khan: You said that Calcutta city will naturally demand much more money than any other place in the province. Do you think it will be an equitable adjustment if so much money is paid to one city and the rural areas are left with a small amount?—I do not contemplate giving Calcutta all the money for its roads. The whole idea was that the provincial roads should benefit.

Chairman: You mean to say that the apportionment will be on the provincial basis. (No reply.)

Raja Ghazanfar Ali Khan: The Central Board will allot the money to the various provinces and the provinces shall have to make their allotments to the various local bodies?—Yes.

The province gets its share on the basis of petrol consumption from the central funds. Similarly, the local bodies come forward and say "We want also money on the same basis", do you not think their case will be very strong?—Their claim will have to be resisted.

On what ground can you resist it? Your share itself is based upon this principle?—We should have to take into account the classification of roads in the province and also the length of the roads that has to be made or maintained. We will have to have a programme drawn up, but I do not think you can deal with Calcutta and its costly roads in the same way as you would with provincial roads, I mean to say, the roads in the districts.

Supposing this allotment is made on the basis of the efforts which each province is making to develop its roads, do you not think it would be a very good allotment of money if it were made on this basis?—In that case you benefit the province which has already got the money to allot for road improvement.

Not on the basis of the money which the province is spending because it will not be a fair adjustment. I say in proportion to the total revenue of the province. If, for instance, the proportion of the money spent by a province on roads is very high, it means that it is making serious efforts to develop its roads. Do you not think that province requires more help?—I think it is a very sound thing that it should be encouraged but at the same time you have got the local conditions of each province to take into consideration. You cannot say that because one province spends 10 per cent of its income on roads, therefore it should benefit to a greater extent than the one that spends 5 per cent of its income because so many other factors come in.

May I have some idea of those factors?—I am afraid not because I do not know them. But I should imagine that there are many factors. Take, for instance, two provinces like Bengal and the Punjab. The Punjab can afford to spend a very large amount on roads, whereas Bengal cannot.

How do you think Punjab can afford to spend a large amount?—Because they have got enormous revenues.

But the proportion will be the same. It is a question of spending—it may be 10 per cent or 5 per cent. I am not concerned with the total amount of the money spent at all?—I do not quite agree with you there.

Coming to another point, you say that besides the petrol and other considerations, the efforts which each province is making in developing its roads should be taken into consideration?—I do not think that would be quite fair on Bengal. We spend roughly 24 lakhs a year on roads, but it is nothing like what we would like to spend if we had the money to do it. In these matters you cannot be guided by proportions.

You know that Punjab has been levying more taxes during the last two or three years and that is the reason why they are spending so much money on the development of roads?—What is the source of those taxes?

For example, they have increased the water rate to a certain extent and the Council agreed that, whenever there is a surplus found, it should

not be remitted but allocated towards the development of roads. I want to ask you whether the Bengal Council has also done something in that direction? Have they levied any tax for the development of roads?—I cannot say off hand that we have. That, again, I think is largely a question of the willingness of the Council.

Hon. Sir G. Corbett: I think it is admitted that there is a demand that the road system of India should be developed especially in respect of provision for motor transport and that the trouble is finance. It is the same complaint everywhere?—Yes.

This Committee is mainly concerned with proposals for raising the finance according to its terms of reference. It has been suggested that there is a general demand that the provinces have not sufficient money to develop their roads and, unless they get some assistance from central revenues, they cannot pay for the development which the economic conditions of India require. And the most general proposal that has been put forward in this respect is that a grant should be made to the provinces from the proceeds of the petrol duty, and that the petrol duty should be increased for this purpose in order to leave a balance available for this grant without infringing on central revenues required for the administration of the Central Government. We have to consider how this grant should be made. The obvious way for it to be made would clearly be by an annual vote of the Assembly. The money is levied from the central tax-payer and the Indian Legislature is the watch-dog of the central tax-payer, and this money can only be voted from central revenues on a demand for grant from the Assembly. That would be the natural way to proceed. It has been suggested, however, by various provinces—I think Bengal has also suggested the same—that a statutory fund should be created for this purpose, for two reasons. In the first place, in order that the provinces may be assured of a continuous source of income with a view to carrying out their programmes and also with a view to providing security for provincial loans from this fund. Of course, strictly speaking, the position of a statutory fund is theoretically no stronger than that of an annual vote by the Assembly, because the Act which establishes the fund could be repealed at any time. We need not, however, pursue the point too far and may admit that there would be a greater sense of security if this statutory fund were created?—Yes.

Assuming, then, that a statutory fund should be recommended, we will have to consider first of all in what authority should this fund be vested. Have you considered that point at all?—No, I have not.

Should the authority be the Governor General in Council or should it be a Committee? I think it is rather an important point, because it seems to me that it is rather difficult to ask the Legislature to forego for a fixed period or indefinitely the control over a very substantial part of the revenues, unless they are satisfied that the body in whom the authority is vested will have the confidence and will administer the fund in a manner acceptable to the Assembly?—Supposing the fund were vested in the Governor General in Council, I take it that it would be administered through the Finance Department of the Government of India. What I mean to say is that it would be distributed by the Finance Department to a Road Board.

Yes; but it would be a separate fund?—It would be a separate fund not to come into the revenues of the Central Government. I think that would be a reasonable way to do it.

Supposing this fund was vested in the Governor General in Council, what control would be exercised over the grants made by the Board? It has been suggested that the allotment to provinces should be made

according to some fixed formula, which would presumably be mentioned in the Act which created the fund. I think Bengal is inclined towards basing the allotment upon the consumption of petrol within the province. That would be a limitation in one direction. I cannot, however, help feeling that there should be some restriction on the objects on which this money could be spent. It is rather difficult to ask the Assembly to create this separate fund to be administered by a separate authority which would be free of the control of the Assembly, unless the objects on which this money could be spent are regulated by statute fairly closely?—Yes.

To put it in another way: If the statute merely provided that this money was to be distributed to the provinces to spend how they liked—I do not know what is meant by "the provinces to spend how they liked"—would you pay the money into the provincial revenues and subject it to the vote of the provincial Legislature?—No, we do not want that.

So that the position really is that this money which is paid by the tax-payer is to be handed over to some executive authority without any specific control on the way it is spent?—Do you mean to say that before any money was spent, the object on which it was to be spent ought to be specified?

Yes, in some general terms, not in specific terms. For instance, the example of the United States of America may be followed, where the money voted from the Federal funds is spent according to a provincial formula subject to the approval of the Secretary of Agriculture, who is a Federal Minister, on qualified projects?—Would it not suffice if the Provincial Road Board were to decide on what objects the money should be spent?

But the Provincial Road Board is not a Statutory Board, and it will not have direct connection with the Assembly which is asked to vote the money. One cannot help feeling that if money from central revenues is to be spent on roads, then the central authority, *i.e.*, the Governor General in Council and the Indian Legislature, should have some say in the way in which the money is to be spent?—I think it would be perfectly easy for them to specify the objects on which the money is to be spent. The point regarding the agency seems to be more difficult.

The agency would be the provincial Government?—You mean the provincial Government to whom the Provincial Road Board would be subordinate?

The provincial Government would have to spend the money because roads are a provincial subject. The money allotted by the Central Government would be only a sort of grant-in-aid. In your answer to our questionnaire, you say that the following amendment should be made to the Devolution Rules: "Subject to legislation by the Indian Legislature as regards lump sum grants to provincial Governments (or Road Boards) for these subjects". That is to say, the money should be given to the provincial Governments or Road Boards to be spent as they like. Do you think it will be reasonable to ask the Assembly to vote these grants, whether they were submitted to it annually or through the medium of the statutory fund, for some object that is entirely unspecified? Should not there be some restriction on a particular project or particular roads or the maintenance of particular roads?—You mean to say that the project should be before the central body before the money is allocated?

Yes; there ought to be some sort of a programme as to how the money is to be spent and that programme should be approved beforehand?—I think there will be no difficulty about that. In fact, that would be the first thing that the Provincial Road Board will have to take up. They will have to draw up their programmes, for which they will require financial assistance from the Road Fund before they can proceed any further in the matter.

And then the Central Road Board or the Government of India or whatever it may be would say: All right, go ahead with that programme up to the full limit of your allotment under the formula?—Yes.

It should not, however, be handed over to them to be spent in any way they like?—My answer to the questionnaire is a little misleading. I say that the money should be handed as a lump sum grant to the provincial Government and they should spend it as they please. I quite agree that a programme of expenditure must be prepared; that would be the first business of the Provincial Road Board.

Then further down you say: "The Central Board might earmark a certain amount for expenditure on arterial roads". Of course, you have not got very much in the way of arterial roads in Bengal; there is only one arterial road. Obviously, therefore, most of the amount would go to non-arterial roads. Then you proceed to say: "the balance should be given to Provincial Boards to be spent by them on such roads and in such manner as they may consider necessary, subject to such rules regarding technical details as may be framed by the Central Board". Do you not think it is reasonable that the central authorities should also have some control over the provincial roads on which the money is to be spent? I do not mean exactly *control*, but that, for instance, the project should be submitted to them for approval before money is actually spent on it?—I do not think Bengal would have any objection to that.

That seems to me to be fairly reasonable; I just wanted to bring that out?—Yes.

So that your amendment to the Devolution Rules would really read as follows: "subject to legislation by the Indian Legislature as regards the sums granted to provincial Governments for these subjects"?—Yes.

Then you say, when you refer to the provinces that the provincial Councils would have no say at all in the expenditure of this money. These grants would appear in the provincial budget—would they be voted or not?—We do not want them to be voted. The money is raised for a specific purpose and the grant might be refused after it has been given.

Chairman: It will be a grant made by the Central Government on the same lines as other grants standing in the budget?—Can you not provide that? Is it not possible to provide that?

It is possible, but what sort of feeling will it create in the provincial Councils if you treat them as untouchables to the extent of not appearing in the year's budget?—Would the Central Government be satisfied if they agree to provide us with a certain sum of money and then find that we were not allowed to use it for the purpose for which it was given?

Hon. Sir G. Corbett: The grant would simply lapse if it were not used for the purpose for which it was meant. There would not be very much danger, except perhaps in Bengal, of the Legislative Council refusing to vote the money . . . .

Chairman: You cannot possibly keep it off the budget.

Hon. Sir G. Corbett: The point I am trying to make is that there has been a little indication in the statements to the sub-committee that if it is proposed to create some sort of statutory body for the administration of roads, it would be outside the control of the general administration through the Government, the Assembly and the Councils. Roads seem to me to enter so much into the life of the country that you cannot dissociate road development from the ordinary constitutional control by Government and the Assembly and the Councils by creating these independent statutory bodies. In fact, there is no object in pressing this. It is clearly not a point which can be pressed further?—The question of the vote of the Council is rather a serious menace. We have had, for instance, a bridge called the Bally bridge to be built some 7 miles above Calcutta. We wanted roadways to be put on that bridge, but the Council would not accept the proposal although it was in their interest to do so. We approached them for the second time and then they accepted the proposal grudgingly. I feel that some kind of influence might be brought to bear on the improvement of roads.

We cannot escape the truism that every province has the Council that it deserves . . . .

Chairman: You do not regard that as a normal condition of your Council life?—I do not know when it is going to end.

Hon. Sir G. Corbett: There is one point arising out of this which is not really in your statement. That is the question of borrowing loans for road development. Have you considered that point at all in Bengal?—We fully realise that if we could utilise any annual grants coming to us for the service of a loan, it would be very much to our advantage to raise a loan.

What kind of development would you get along with if you could raise a loan?—To begin with, our arterial road is the most important road and we should be in a position to put up a scheme for that.

That would be for construction out of the Loan Fund?—That would be my idea. The difficulty seems to me to be the term of the loan. You cannot say that the life of a road is 10 years or 15 years or 50 years. It all depends upon its life.

What part of the construction do you think would be a fair capital charge?—I think the strengthening of bridges on that road to carry the heavier loads and the surfacing of the road with some water proof surface that will stand the traffic.

How long would the surfacing last?—A properly surfaced road requires very little attention under four years.

Then you will take a short term loan for 4 years?—Once the new form of surfacing was ready, it will only be a matter of its maintenance.

The only point I wish to emphasise is that for any construction out of loans it is very undesirable to allow your construction of roads to consume the whole of your available money. You will have nothing left for the maintenance?—That is a point I must say which I have not properly considered. Perhaps we need not use the whole amount for the construction of roads.

That is a point on which the approval of some authority in the Central Government will be required, namely, how much it would be safe to use for the service of a loan?—Certainly.

There is one further point arising out of the loan question. You are really satisfied that a fund of this description would be better security for a loan than the total revenues of your province. I am not quite clear as to the necessity of a separate fund in order to create sufficient confidence in the public to subscribe to your loan. Would you mortgage the fund?—I am afraid I am a bit out of my depth about loans.

Generally speaking, a great Government, like the Government of India or the Government of Bengal, borrows money most cheaply on the security of its total revenues. If you earmark a particular source of revenue for a particular object and mortgage that, the security is not so good. Supposing the tax on petrol was specifically mortgaged for a loan, and a substitute for petrol was discovered, what becomes of your security?—It is not a point I have considered.

Your answers to our questions are interesting and valuable, because the Bengal Government have definitely considered the possibility of vehicular taxation, that is direct taxation on motor cars. Last year, as you very rightly said, when we remitted some of the import duties on cars and accessories and tyres, Sir Basil Blackett in the Assembly, when he introduced the budget, gave rather a broad indication to the provinces that he would like to see them fill the gap with some form of provincial taxation which could be spent on road development, and it is very gratifying to find that the Bengal Government have responded and have considered that matter. It is not so gratifying perhaps from our point of view to see that other Governments tend to follow the easy path and say 'substitute another central tax and give us the proceeds', that is, by increasing the petrol tax still further; and naturally we would like to see the provinces develop their own sources of taxation for this purpose. I was a little discouraged when you told me that you did not regard with very much enthusiasm the proposals of your Committee for direct vehicular taxation. I am rather anxious to know what you anticipate would be the administrative difficulties in collecting the tax, for example, with regard to the question of seating capacity, axle weight for goods vehicles, horse power, etc. With regard to horse power once a particular formula is fixed, say the R. A. C., that is finished?—Yes.

You take an ordinary Ford car; the horse power is quite easy and it would not be necessary to make special examination. Every car on sale perhaps gives you its taxable horse power?—Yes. I do not think there is any difficulty about that.

So far as the seating capacity for public vehicles is concerned, I do not think there is any difficulty in estimating the capacity?—No.

The axle weight of goods vehicles? Goods vehicles are not so very numerous. There are only 760 in the whole province. There should not be any great difficulty about that, so that the taxable capacity of cars is easily ascertainable. It has been suggested, however, that there is great difficulty in India in collecting this tax. It might be evaded. Have you got any views on that?—I do not see how it could be evaded. Vehicles are registered. At the time of registration the tax might be collected.

Particularly if the registration was made annually renewable. In some cases under your laws the taxation is renewable annually, but in other cases it is not?—Registration is renewable for public vehicles.

Have you ever considered making it renewable for private cars?—I do not think that point has been taken up.

If you are to use registration for the purpose of tax collection, you want to make it annually renewable for all cars?—Yes.

Do you think there would be any difficulty about that?—There would be a certain amount of agitation against registering cars every year.

I presume the ordinary way of doing it would be this. You would not renew registration until the man produced a receipt for vehicle tax?—I take it that the same authority would have to do the registration and the collection of tax.

I am assuming that this is a provincial tax?—The difficulty was one rather of the machinery of collection. In Calcutta, it is not difficult. Within a reasonable distance of Calcutta, it is also not difficult. Directly you get into the district, you have your Collector. He might be able to collect taxes through the police, not altogether desirable.

Registration would be done through the police?—Yes.

The police would not issue a registration certificate until the tax had been paid?—Yes. In Calcutta it is not difficult. We have our Public Vehicles Department. It is run by the police, as you know, and it is their business to do the registration. It would be perfectly simple to do the collection of taxes at the same time through the same establishment. But directly you get into the districts, you have the Collector responsible. Registration would be done by the police. Who will collect the tax then?

The Collector?—It is all a question of the machinery of collection That is the complicated part of the question.

After all only fairly respectable people own cars. If you send a notice through the Tahsildar the tax would be paid?—We have got an enormous number of buses in the districts.

The total number of buses in Bengal is only 448?—There are a great number of private cars.

However, cars are things that are known. Cars have a number. The man in whose name it is registered is responsible for the tax. If he sells the car to somebody, he must give notice of the transfer. I do not think there would be any difficulty in this matter, as in the case of guns. They are all roped in by the Tahsildar. I come from the Central Provinces and our Tahsildars are most efficient. I should not have thought there was any difficulty. There is only one further point and that is the Central Road Board. How do you think it should be constituted?—It is a little difficult for us to say in the province how it should be constituted. We have made a suggestion, but it was purely a suggestion.

Naturally one would rather expect that the Legislature should be directly represented on the Central Board as the money is to be voted from central revenues?—Yes.

The Central Board would advise the central authority how this money should be allotted. Projects submitted by the provinces have to be approved. And if a separate fund is established, have you got any idea as to what the relation of the Central Board should be to the authority which administers the fund? Should it be advisory to the authority?—I think it would have to be advisory to the authority which administers the fund.

Hon. Sir A. Froom: I want your personal view on this question. You are in agreement with the taxation of cars on horse power?—It is not a form of tax I care about, and yet I could not tell you exactly why. To begin with, it is not a true indication of the horse power. It is worked out on a formula which may not be correct.

It has been suggested that it really retards the construction of motor cars, the engines. It has been condemned in most countries as an unusual tax?—I have not considered it closely. I simply have an innate dislike for it.

(*The witness withdrew.*)

2.

Allahabad, dated the 21st November 1927.

(a) Memorandum of touring sub-committee's discussion with Rai Sahib RUP CHAND JAINI, Chairman, District Board, Cawnpore.

Rai Sahib Rup Chand Jaini is in favour of an advisory Central Board and agrees that the road system requires development. Roads round Cawnpore are not as good as they should be for lack of funds. Roads in the past were not needed nor constructed for motor traffic. Improved roads would benefit the prosperity of the province. The only way to raise money is by taxation and he desires provincial taxation on motor cars. He keeps his car in the city and therefore pays Rs. 50 per annum. A friend of his who lives just outside the city limits pays nothing but he uses the city roads. The District Board gets nothing directly from the motorist who uses its roads. He would not object to a 2 annas excise on petrol. He does not favour distribution according to consumption of provinces. Probably no one would object to an extra 2 annas on petrol if the money is spent on roads. He considers that one factor in distribution would be the total road expenditure in the province. He suggests that motor transport for certain roads should be given on a five-year monopoly by auction in order to raise money for roads. In his opinion in the Cawnpore district kachha roads cannot bear motor traffic.

New Delhi, dated the 18th January 1928.

(b) Oral evidence of Rai Sahib RUP CHAND JAINI.

Chairman: You are the Chairman of the District Board, Cawnpore?—Yes.

How long have you been so?—Two years.

You are a non-official Chairman?—Yes.

You have no objection to the statement of yours before the sub-committee being published?—No.

It is stated: "He keeps his car in the city and therefore pays Rs. 50 per annum. A friend of his who lives just outside the city limits pays nothing but he uses the city roads". I imagine you are in favour of some system of provincial taxation which would make such escape impossible?—Yes.

What form would you recommend?—Provincial taxation should be levied on cars.

Replacing municipal tax?—Yes.

No municipality should have the right to tax?—No.

All Local Board taxation will also go?—Yes.

Is it possible in your province to do that?—Why not?

Has public opinion come to that stage?—I think a portion of that tax levied by the province should be divided in proportion to Municipal and District Boards.

Will a big and expensive municipality agree, subject to compensation being given at a certain proportion, to remove all municipal taxation?—If it is too greedy for the taxation, it may not, but I think it is quite reasonable it should agree, because at present only municipalities get tax out of motor traffic, while the motors use provincial and District Board roads as well.

Having regard to the stage of public feeling in your province, you say it is possible to have one uniform provincial taxation and all municipal and Local Board tax should be wiped out?—As far as motor traffic is concerned.

Have you any means to suggest by which the benefits of this suggested tax of 2 annas would percolate down to the village? Supposing this Committee was anxious that some benefit should accrue to the village, would you recommend some direct method by which the benefits of this 2 annas cess on petrol will percolate to the village?—If a portion of this tax goes to the District Board as a grant and the District Board builds the roads in the villages, it would benefit those people.

That means according to you that the quantum of revenue which would be given to the provinces by the Central Road Board will be distributed by the provinces to the Local Boards?—Yes.

But does not that assume that the taxation which is at present being levied will remain? Supposing your province spends a certain amount of money on roads now that will be wiped out according to you. Its place will be taken by some amount being given by the Central Government?—Why will the grant we get at present be wiped out? We will get something extra. What the Local Boards get from the province as a grant to help the Boards to build their roads, they will keep getting; when the Provincial Board gets something out of this tax levied on petrol, they will get extra.

Does your province make anything out of petrol now?—No.

Which is the money which your province gives to the Local Boards?—Must be revenue.

Your Local Boards get money from Government?—Yes.

Where does it come from? Is it a grant?—It is given in the form of a grant.

For purposes of improving roads?—Yes.

You do not know where it comes from?—No.

That money will be given to the Local Boards, but you forget the money which Local Boards are raising now will be wiped out in the event of your suggestion being accepted?—Why should it be wiped out.

That source of money which at present Local Boards have in their hands, will it disappear or remain?—It will remain.

If that remains, then you have Local Board's taxation *plus* this?—What we get as our own tax will be wiped out undoubtedly.

What will remain according to you?—The grant which we are receiving from the provinces.

What is the money which Local Boards are raising at present for road improvement? Is it in the form of a cess?—Cess in the form of circumstances and property tax.

I am speaking of money which is used for roads?—As far as Local Boards are concerned they have not got any special tax for roads only.

Have they not got a road cess?—No.

Tolls?—My District Board has not got tolls.

Any licensing fee?—Nothing of the kind as far as District Boards are concerned.

You raise your money out of property tax?—Out of circumstances and property. There is a tax which is called circumstances and property tax.

A certain proportion of this tax is used for road purposes?—Yes, it is in the hands of the Board; if they like they can use a portion for roads or not.

It is not allocated at present to roads?—No.

You speak of advisory Central Board in your statement. Have you considered the question as to what powers should be given to the Central Board?—General management all over India of roads.

What kinds of roads? There are trunk roads, provincial roads, Local Board roads, village roads. Do you mean to say that all these roads should be looked after by the Central Advisory Board?—It can suggest to the local bodies as far as local roads are concerned.

Have you considered this question?—No.

Hon. Sir A. Froom: Your idea is provincial taxation of motor cars; and you quote that one man keeps his car in the city and pays Rs. 50 a year and a friend of his who lives outside pays nothing. You recommend provincial taxation of motor cars?—Yes.

And the wiping out of all municipal taxes on motor cars in the United Provinces and substitution of a provincial tax?—Yes.

You do not suggest that other taxation in the districts levied by the District Local Boards should be touched?—Taxation on other things (except motor cars) should not be touched.

Hon. Mr. M. Suhrawardy: Does your District Board levy any tax on motor vehicles?—No. They have no power to do so.

Does your municipality tax the car?—Yes.

It is only under the Municipal Act that you tax the car all over the province?—Yes.

It prevails all over the province?—Yes.

Do you think this machinery which collects taxation on motor vehicles is efficient?—No.

That means your municipality is not efficient?—No.

Do you want in substitution that this should be taxed otherwise, by any other machinery?—Even if it is a provincial tax, it should be taxed by the municipality. Municipality should be the agent for the province to collect the tax.

You said that your municipality only collects taxation. That is not efficient. You are in favour of provincial taxation?—Yes.

Why are you in favour of provincial taxation? Is it because, in your opinion, it is the only efficient agency?—Yes.

Is it for equitable collection or evasion? Why do you consider this machinery of provincial taxation more efficient than municipal tax?—Because motors use District Board roads, provincial roads and municipal roads and the tax goes only to the pocket of the municipality and thus the District Board is deprived of its share.

Do you consider that there should be sufficient fund to maintain the roads for motor traffic? Do you think that your province has got sufficient funds? Do you keep your District Board roads in order?—We keep them in order as far as it lies in our power and in our purse.

Have you got enough funds?—No.

Are you in favour of giving the monopoly for motor transport to any company? What is its utility?—In this way we will get some money which will be utilised in maintaining our roads in a better form.

Will the giving of the monopoly to any company be beneficial to your district or province?—Yes; we will get efficient motor service. At the same time these companies will also be benefited by competition.

Do you think that competition will improve your fund or would it make for efficiency?—It would make for efficiency.

Mr. Mohd. Anwarul Azim: You said you are a non-official Chairman?—Yes.

I suppose you tour over the district in your own car?—Yes.

Are road materials easily available in your district for repair of roads?—Yes.

As far as the district of Cawnpore is concerned, if you have in the midst of a road a canal or a river, is it all bridged up and is there no gap?—As far as pucca roads are concerned there are no gaps.

All your pucca roads are bridged up, there is no gap?—Yes.

What is the mileage of pucca roads in Cawnpore district?—Forty miles, leaving provincial roads.

Your province is well served by railways?—Yes.

I suppose you have Local Boards in your district?—Yes.

Local Boards are subordinate to the District Board?—Not exactly.

Where do they get the money for administration?—They tax themselves. They are not called Local Boards. They are called Notified Areas. They are under the District Magistrate and not under the District Boards.

Do they generally look after the smaller roads which connect with the villages?—No.

What are their legitimate functions?—I do not know much, but they generally look after sanitation, lighting, etc.

They do not look to communications at all?—No.

I suppose you could not tell us off hand how much it costs your District Board to maintain each mile of road in the district?—No.

Is your district well served with roads?—No.

Suppose you had more pucca roads connecting various parts of the district, how far do you think the rural areas would be benefited?—To a very great extent.

Is it not a fact that throughout the whole of the United Provinces, you have villages at one spot and practically no village within a

distance of say, fifty, sixty or even one hundred miles and that most of these villages are near some railway station or other?—No; there are very many important villages far away from railway stations.

You have not got an idea of Bengal villages?—No; I have not.

I wish to ask you whether it is not a fact that all the villages of the United Provinces are close together at one spot and that they do not spread uniformly over a big area?—In the United Provinces they are spread all over the province though not uniformly. It is not in this way that you have got a group of them at one place, then a jungle and then another group of villages.

Is it not a fact that groups of villages are at a distance of 50 or 60 miles from one another?—No.

Are the villages all linked up?—All the villages are linked up by some sort of road or other.

Are they linked up by pucca or kachha roads?—No; they are linked up by some sort of track just sufficient for a man to walk through.

Who maintains these tracks or roads, whatever you call them?—Some are maintained by local bodies; others by zemindars of the place.

None of the local bodies pay anything towards them?—No.

Chairman: Are you sure that your village roads are not looked after by the local authorities?—Not all the roads. There are some in Hindustani called *badahaz*. I was referring to them.

There must be some law which regulates all this, some Act which empowers the local bodies to contribute to the maintenance of the roads or look after them in some way or other, though you may be ignorant of it?—There are pucca roads, kachha roads and these *badahaz*. Kachha roads are divided into two, selected and non-selected. All the pucca and kachha roads are looked after by the District Boards, while the *badahaz* are entirely left to be maintained by the zemindars of the several villages.

How are zemindars paying for these roads lying in British territories? The villages are part and parcel of the British territory and do not belong to the zemindars. Who looks after them?—At least in my own district, the local bodies do not, I think.

Do not give us a conjecture. We want facts from your personal experience and knowledge of things?—I do not know who looks after them.

Mr. Mohd. Anwarul Azim: How are the roads in your district co-ordinated? Have you got district roads in your province?—Yes.

Can you tell us how many district roads there are in your district which are not provincial roads, which are pucca roads in the control of the P. W. D.?—I cannot say exactly.

Can you tell us how the various districts in the United Provinces are linked up with one another?—By these provincial roads.

How many of that kind are there?—Known to me, only two or three.

I suppose they are looked after by the P. W. D. and District Boards are not entrusted with their management?—No; they are not.

Do you understand what a feeder is?—Yes.

I suppose feeder roads in your district are well kept up and are pucca ones?—Some of them are, not all.

Do you think it would be an improvement if these feeder roads to railway lines are made pucca?—Yes. It would be.

Can you tell us what the average distance from a village to the nearest station will be,—say about five miles?—Yes; in the case of very many of them, it will be so.

Do you mean to say that by improvement of these feeder roads, almost all the interior of your district can be well served with communications to the railway line and that no other additional improvement will be necessary, say, by way of making them longer or diverting them into other directions?—In one way it will help them to reach the railway stations but it would not be sufficient for traffic purposes.

What methods, then, would you suggest? How do you think that the people living in the interior could be benefited by making more pucca roads?—By making a net work of roads all over.

You have never heard of a thing called the Alipore Test House?—No.

You cannot tell us what powers you would like to have for the Provincial Boards if they are introduced and what powers for the Central Board?—No.

You suggest that there should be a two annas petrol tax and that all the existing taxes on motors be abolished?—I do not mean to include that levied under the Municipalities Act.

That is what you have been trying to make us understand, that you want to abolish all taxes on motor vehicles and in their place introduce a two annas petrol tax?—No.

Chairman: Do you wish to correct your answer to my question? I understood you to say that the municipal tax should be abolished in favour of a provincial tax—I am speaking of motor cars—and you confirmed that answer in reply to a question put by Sir Arthur Froom. Do you wish to modify that answer?—This petrol tax is something different from the motor tax. At present the municipalities charge some tax on motors. That tax will go when the provincial tax is raised.

Mr. Mohd. Anwarul Azim: Suppose you have these Provincial Road Boards or Committees you would like them to be managed by non-officials?—Yes.

What control would you like the local Legislature to have over that Committee or Board?—I have not considered that point.

I suppose you cannot tell us whether the revenue from taxation on motor transport should be credited to a separate fund for expenditure on roads, or would it be enough if a separate account is maintained by each authority?—No.

Have you considered the question whether a Central Board is desirable; if so, what should be its constitution; if not, whether you can suggest to us any other method?—No, I have not.

Mr. Muhd. Ismail Khan: Are you quite sure that the Government gives a grant for road improvement?—My Board has got it. It is not a recurring one.

Is it not a sort of loan that you have got?—No, not a loan. I meant to say that every year the Government do not give the grant. They give only for one year.

They give you a grant for education. Is it not so?—Yes. And that is a recurring grant. This grant is not a recurring one. At least my Board does not get it every year.

What percentage of your income do you spend on maintenance and construction of roads?—About 20 per cent.

These roads were kept by the P. W. D. before District Boards got control of them?—Yes; the pucca roads.

Have they deteriorated since they came under the District Boards?—I think they are improving. They are better than they were under the P. W. D.

They spend less money. Is it not so?—Yes, but still the roads are in an improved condition.

Have you built any new village roads?—In my district, yes. It is about 10 miles.

Is it since the roads were taken over from the P. W. D.?—No; since I have been the Chairman of the Board.

You have been the Chairman for over two years?—Yes.

Mr. E. F. Sykes: In your district you have got provincial roads and Grand Trunk roads, have you?—Yes.

The Jhansi Road, the Amirpur Road—are these the only roads?—Yes. I think there are only three.

Have they railway running alongside them?—Yes.

There are no railways in the district except those that run parallel to these three roads?—I am not quite sure.

You said, there were 40 miles of pucca road. What road is that, wherefrom and whereto?—No. Only portions of the Grand Trunk road. All of them are not at the same place. They are in pieces of eight and ten miles.

All the headquarters of the tahsils in the district are on these roads?—Not exactly all of them.

How many tahsils are there?—Six.

Some of them at least are on provincial roads, I suppose?—Yes; some of them are.

Some are on district roads?—Yes.

There is a pucca road on every one of them?—Yes.

I suppose we can take it that there are two or one mile of road for each village. In other words, there is a village for every mile of road?—Yes. But I am not quite clear.

You take the number of villages on your roads and all the roads will be of the same number of miles. Will it be?—No; I do not think it will be so. It may be somewhat more or somewhat less.

Would it be right if I say that there may be about ten villages for every mile?—No; I do not think that generally we come upon a village for 2 or 3 miles of a road.

In addition to these 40 miles, you have kachha roads also. How much will they be?—About 200 miles.

They go through very many villages?—Yes.

There must be villages where even kachha roads do not go?—Yes; a good many of them.

And you have got pieces of land shown in the Settlement Registers as uncultivable where you have no roads?—Yes.

There is access by some sort of vehicle to every village?—No; there is access just enough for a man to walk.

Where even bullock carts cannot go?—Generally they can take the bullock carts, but not in the rainy season. They can get a cart to any village only some time in the year and not in the rainy season.

How much money do you spend on the kachha roads?—We spend about 5 rupees per mile.

You said that you have laid out 10 miles of new roads?—Yes.

How much do you spend annually on your kachha roads?—It is Rs. 10,000 annually.

How much do you spend on your pucca roads per mile per year?—I cannot give it.

The fund that you spend on roads is derived from the District Board cess and the special grant from the local Government?—No; we do not get any recurring grant for the roads. Just when I applied on the ground that the Board was going to build these ten miles of road, the Government gave us something.

You spend mainly out of the District Board cess?—Yes.

And that is raised on the land revenue basis?—Yes.

The villages which are paying it, a great number of them, do not get anything in return?—No; they do not get by way of roads; but they are getting their return in the form of education.

I am talking only of the portion that you spend on roads. All the money that you spend on roads except what you get as special grant from the local Government, is from the villages for whom there is no return. Is it not so?—Yes.

Raja Ghazanfar Ali Khan: Do you know that there are several villages in your province which have got no roads?—There are, if you leave out these *badahaz*.

Chairman: What do you mean by *badahaz*?—These are tracks connecting fields intended for only bullock carts and which are not looked after by the boards or anybody.

Raja Ghazanfar Ali Khan: These are not owned or looked after by any District Boards or by the Government or the municipalities?—I think some of them are owned by the Government and some by the zemindars of the village.

You know there are many villages where the roads are not owned by the Government?—Yes.

Nor by the local bodies?—Yes.

About the allotment from the Central Fund, you think that the best basis for adjustment would be the ratio of money spent on roads to the revenue? Is not that your opinion?—Yes. I have stated so.

So far as the functions of the Central Board are concerned, you think that they should be merely advisory?—Yes.

No executive power to be given to them?—No.

They should not interfere with the provincial work?—They should not, but simply advise the different authorities to go through their work.

And so far as distribution of funds is concerned, your opinion is that some basis should be arrived at and the money should be distributed according that the Board should have no power to interfere with the matter of how to distribute among the provinces, that it should be merely advisory and should have nothing to do with the question of how much money is to be spent in each province which should be arrived at according to a fixed formula?—Yes; some basis should be arrived at.

Chairman: What is the formula you suggest? The division is to be according to the needs of the province?—No; it should be given to the province according to the money which the province provides for itself to spend on roads.

Not according to the needs of the province; that is a different thing? Yes.

Raja Ghazanfar Ali Khan: You mean the ratio of the road expenditure to the revenue?—Yes.

Do you not think that more money is being spent on roads situated in municipal areas than rural areas in the province?—That differs with the situation of different municipalities and different districts.

On the whole, my question is, do you not think that much more money is being spent in urban areas on road development than the rural areas?—I think the municipal areas spend more money because they keep the roads in a much better way than elsewhere.

Even the P. W. D. is spending more money on the roads which are stretched into municipal areas or other important trunk roads than upon roads which are situated in different villages?—I do not think that it is so, because very little portion of these roads passes through municipal areas but a greater portion of these provincial roads passes through district areas.

The municipal roads are constructed by the municipalities through their own engineers as also the District Boards'?—Yes.

Hon. Sir G. Corbett: You say that a car in the city is taxed Rs. 50 per annum. What is the basis of the taxation?—Every car pays, I think, Rs. 48 to be correct.

However big or small?—Yes.

Have you succeeded in evading payment of your tax at any time?—I cannot answer the question.

The registration of the car is done by the police. Is it?—Yes.

You do not have to show to the police that you have paid the municipal tax?—No.

Do you renew your registration every year?—No. Once it is registered, it is registered until I sell it.

And then you have to inform the police that you have changed your car?—Either I or the buyer has to inform the police.

Chairman: You say in your statement that the road expenditure in the provinces should be the basis of the formula of distribution. Have you realised that the result of it will be that those provinces which, by their past economy and past enterprise, are more developed than those which have not used this economy and enterprise, will be at a disadvantage? Take, for instance, a province like Bombay or Bengal which has in the past spent much money in road development. Such a province will be at a great disadvantage. *Ex hypothesi* their future road expenditure would be comparatively less because they are already developed than the backward provinces?—Yes; I realise it. But I still adhere to my own condition.

I am asking you if you realise that you are practically putting a premium upon those provinces which by their past neglect and past want of thrift are in an undeveloped condition at the present moment and that you are putting those provinces at a discount which have in the past regulated their affairs better?—Yes. I do. It may have that result but I think they must get according to the sum they are prepared to spend.

But have you looked at the result that these provinces will be at a disadvantage?—Yes. After all, it is a Central Board and the distribution should be on that basis.

You think that it is an equitable formula?—Undoubtedly there is bound to be disadvantage to some to a certain extent.

Mr. Mohd. Anwarul Azim: Do the District Boards realise *abwab* from the people?—They do not realise it direct from the people but the Government realises it along with its revenue and gives back to the District Boards.

You have got besides the Public Works cess and the road cess in your province?—No.

I want to know whether the *abwab* is the equivalent of the road cess or the Public Works cess in your province?—I cannot say that.

(*The witness withdrew.*)

3.

Shillong, dated the 26th November 1927.

(a) Memorandum of touring sub-committee's discussion with—

Mr. K. SAIKIA, M.L.C.;
Babu G. L. DAS CHOUDHARI, M.L.C.; and
Khan Sahib Maulvi ABDUL LATIF, M.L.C.

(Mr. B. A. Blenkinsop, Officiating Chief Engineer, Assam, and Mr. M. Little, Superintending Engineer, Assam, were also present.)

The Chairman explained the objects of the Committee. All agree that there would be no objection to an advisory Central Road Board. They are opposed to an increase in petrol excise but agree to it provided the money was divided on certain basis, besides that all the moneys were devoted to roads.

Babu G. L. Das Choudhari explains that in Assam neither Government nor Local Boards can afford to spend sufficient money on roads, and the roads are extremely bad (this is voiced by all). The Local Boards have to depend largely on Government grants. Some provincial funds ought to be placed at the disposal of Local Boards. All agree that it is most important to develop roads and all are anxious for development.

Babu G. L. Das Choudhari states that it is no good starting a new school or a new dispensary unless a road can be provided too to attend those institutions. As regards division of any central fund all express the opinion that consumption basis would not be fair. The Chairman explained the various factors which had been suggested as possible for deciding the shares of the provinces. Mr. Saikia suggests that the main factor should be expenditure on roads. Various factors were discussed. It is agreed that area and population should be taken as two factors, the area factor to be explored. Agreed that petrol consumption is preferable to horse power or number of motors as a factor. Agreed that mileage of roads, both metalled and unmetalled, should be a factor, and expenditure on roads should also be a factor. Mr. Saikia suggests that the real needs of the province should be a factor. The others agree with this.

Mr. Saikia agrees that provincial taxation of motor vehicles which should be earmarked for roads and giving grants-in-aid to local authorities is desirable. Municipalities which at present tax motors do not devote the money to roads. Such provincial taxation would enable a continuity of road improvement, and agrees with the principle that tax on transport should be devoted to the needs of taxation. Babu G. L. Das Choudhari does not agree, but agrees that the matter might be explored. Khan Sahib Maulvi Muhammad Abdul Latif agrees with Mr. Saikia.

Mr. Saikia states there is room for further taxation of commercial motor vehicles which damage the roads. Many of his constituents are prepared to pay extra taxation if they can get good metalled roads. Taxation of lorries must not anticipate improvement of roads.

The tea gardens are connected by Local Board roads, which are not well kept up. Tea gardens are paying high taxation, so deserve some consideration, but in comparison these roads are better than others. Mr. Little says that there are many miles of tea garden roads, which are private roads and not open to public and only used by light traffic. Heavy traffic uses usually the Local Board roads, which are often very bad.

Mr. Saikia states that help from Central Government is required for specific road projects, but such project should attract the general public, *e.g.*, a bridge over the river to Sylhet. He further states that the Public Works Department Executive Engineer inspects and examines roads and thereby provides a check on the Local Board sub-overseer. Mr. Blenkinsop states that the Executive Engineer's capacity is only advisory.

The three gentlemen agree in putting forward the following suggestions for raising money for roads—

(1) Local Government should be empowered to impose a small terminal tax (say three pies per maund) on all goods imported into and exported from Assam by railway and steamer companies.

(2) Local Boards should be empowered to grant monopoly transport services on these roads.

Mr. Saikia does not agree with monopoly, but suggests special taxation on motor services by local Government, the money being spent on the roads. Babu G. L. Das Choudhari states that he is on principle opposed to monopolies, and that, though conditions may be enforced, it is very difficult to avoid exploitation of the public.

(3) Tolls should be levied on bridges that involve capital expenditure.

New Delhi, dated the 18th January 1928.

(*b*) Oral evidence of Khan Sahib Maulvi MUHAMMAD ABDUL LATIF, M.L.C., Assam.

Chairman: You have no objection, Khan Sahib, to your statement before the sub-committee being used by the press?—No.

You are a Member of the Legislative Council of Assam?—Yes.

How long have you been so?—From last year.

Have you any experience of the working of Local Boards and Municipal Boards?—I have no direct experience.

Have you ever been a member or a Chairman?—I was a member of the Dhubri Local Board.

How long?—For about three years.

Could you tell us something about the working of the Local Boards? What form of taxation exists in the province in regard to motor cars?—The only taxation is a registration fee of Rs. 2.

In what areas—Municipality or Local Boards?—In the case of rural areas also.

Which is the authority which regulates the tax?—I think the Deputy Commissioner.

In rural areas also?—Yes.

What happens in the important towns in Assam?—There also it is exactly the same case.

Is it levied in the district in which the taxi exists?—Yes.

That means that there is one uniform tax on all taxis in Assam?—Yes.

Beyond that no other form of taxation?—Perhaps not.

Only the registration fee?—Yes.

Do the municipalities charge any special fee?—I am sorry I do not know.

Is there any licensing fee on drivers?—Drivers have to pay something but I am not sure of the exact amount.

But you are sure of the fee?—Yes.

You appeared in the group of three before the sub-committee—Mr. Saikia, Babu G. L. Das Choudhari, and yourself—in Assam?—Yes.

And Mr. Saikia stated that provincial taxation on motor vehicles earmarked for roads and giving grants-in-aid to local authorities was desirable. Do you agree with that view?—Yes.

Do you suggest that in addition to the registration fee or would you replace that?—I would replace that.

And would you substitute in place of that an uniform tax imposed by the provincial Government?—Yes.

Would you compensate the municipalities or not?—I think that tax for the municipal area should continue in addition to the provincial tax.

Provincial tax *plus* the municipal tax?—Yes.

What is the income raised from such registration fee?—I do not know the amount.

What form of taxation will you recommend to be levied by the provincial Government?—A terminal tax on all the goods imported into and exported from Assam.

But that is not a fit form of taxation by a provincial Government. A terminal necessarily applies that it has got a terminii. It is not very easy for a provincial Government to levy such a tax unless the goods which enter from one end leave at the other end. Do you mean a terminal tax for the whole province?—Yes.

No other form of taxation?—We thought of increasing the petrol duty. We were opposed to it but later on agreed to it if the money was distributed not according to petrol consumption but on some other basis.

petrol tax by the Central Government or by your Government?—By the Central Government.

How many annas?—Two annas per gallon.

Was this proposal considered by your Government?—No. It was discussed by us with the members of the sub-committee.

What is your view about it?—The consumption of petrol is very small in Assam and any taxation on petrol will not bring in a suitable amount for the improvement of communications in that province.

Are you not in favour of the levy of this tax?—I am in favour of it provided the distribution is not according to the consumption basis.

There is a central tax of 2 annas per gallon on petrol. Out of that a certain revenue arises which goes into the hands of the Central Government. That revenue has to be distributed by the Central Government to the several provinces according to a certain formula. One of the formulæ is that it is to be distributed according to the petrol consumption in each province. You are against that. What will you substitute?—I will substitute the needs of the province and the money spent on the improvement of communications by the province.

During the previous year or on an average?—According to the average of certain past years.

You mean the budget amount for the next year?—Yes.

Would you exclude petrol consumption altogether or would you suggest any other proper formula?—I would suggest petrol consumption *plus* the amount to be spent and the needs of the province.

What do you mean by the needs of the province?—The development that is needed by the province.

Then what else?—Perhaps these will do.

These two?—Yes.

If by some formula your province got adequate funds, you have no objection to raising of 2 annas tax on petrol?—No. We have no objection if we can get sufficient money—I mean a reasonable amount.

Are you in favour of a Central Road Board?—Yes, but the functions should only be advisory.

What do you mean by that?—The provincial authorities should get advice from the Central Road Board.

But, is it possible for the Central Road Board to work without executive powers? If the Central Board merely makes recommendations but these recommendations are not carried out, how can it give effect to its programme? Will you not give some executive or controlling powers?—No, except to a certain extent as may be necessary according to the exigencies of the time.

In your statement before the sub-committee you agreed in putting forward the following suggestions for raising money for roads:—

"(1) Local Government should be empowered to impose a small terminal tax (say three pies per maund) on all goods imported into and exported from Assam by railway and steamer companies.

(2) Local Boards should be empowered to grant monopoly transport services on these roads.

(3) Tolls should be levied on bridges that involve capital expenditure."

You have in mind the particular monopoly that your Government allows a certain company—the Commercial Carrying Company. How has that worked?—It has worked well but the only thing is that the Khasia district has been affected to a certain degree.

Is the success, if any, of this monopoly system due to the special circumstances of Assam or would you recommend this for every other province?—I think it is due to the special circumstances of Assam.

You are not prepared to recommend that as a panacea for the evils of all local Governments?—No.

How does this transport affect the public? I am not speaking from the Government point of view or the Company's point of view but from the public point of view?—There has been no trouble so far.

That is another point, but there is a feeling that it shuts out all other companies from competition and consequently it can put its own rates?—Yes. About the rates, I think, these are fixed by the Government.

But if there were competition and the agreement did not exist with Government, the Company would have been compelled to lower down its rates?—Yes.

What is your idea about tolls on bridges?—People have to pay for ferries and experience some difficulty in crossing rivers. So, if bridges are made they can as well pay some toll for bridges. After some years when the capital *plus* the interest has been realised the imposition of the toll may be discontinued.

Are you in favour of tolls to be put on roads apart from bridges?—No.

You have no such tolls in Assam?—No.

Hon. Sir A. Froom: May I know whether there is any marked general appreciation in Assam in regard to a demand for good roads?—Yes.

Are people taking interest in road development?—Yes, they are.

Would you tell the Committee whether better roads and new roads would benefit the agriculturist?—Yes, certainly.

The major portion of the population of Assam is agriculturists?—Yes.

You were telling our Chairman just now about registration fees being one of the taxes in Assam. Is that the only tax?—Yes.

Is it renewable every year?—In case of taxis but not in case of private cars.

Is there any municipal tax on motor cars or a wheel tax in Shillong?—I think in municipal area there is some tax but I am not certain about it.

You are in favour of provincial taxation?—Yes.

The registration fee is chiefly levied for law and order, that is, for police. Would you continue this fee besides the municipal taxes?—Yes.

Have you got any idea as to what form the provincial taxation should take? You suggest that there should be a provincial tax in Assam on motor cars. Have you any idea how that tax should be levied?—I think every body agrees that a man owning motor car is expected to pay some tax because he uses the road.

Have you any idea to suggest?—None now.

You agree that there should be a tax?—Yes.

And it should be the same throughout the province?—Yes.

You mentioned tolls just now. You are in favour of tolls on bridges?—Yes.

You do not think there will be any hardship by tolls on bridges?—People will already have been paying tax and also experiencing some difficulty in crossing the rivers. Our idea is that when the capital expenditure *plus* interest has been realised the bridges should be made free.

Would you not retain the toll for the upkeep and maintenance of the bridge?—We will not grudge that when there is a good bridge.

In Assam, Khan Sahib, has there been any movement to build new roads out of loans? Did the provincial Government make a move in the matter?—There was such a suggestion last year in the Legislative Council but there was no time to discuss it. I think in the next session we shall have such a legislation to raise loans.

Taking your Council as a whole, are they very keenly interested in the development of roads in Assam?—Yes. I think there would be no objection to a well thought-out scheme for road development in Assam.

Hon. Mr. M. Suhrawardy: Have you got any Provincial Road Board in Assam?—Yes.

Are you a member of that?—Yes.

Is it of an advisory nature or of an executive nature? What is the function of the Provincial Road Board in Assam?—This Road Board has been established very recently and as a matter of fact I have not had anything to do with it.

But you are a member?—Yes.

You do not know what is the function and composition of the Board.—No.

Are you in favour of a Central Road Board?—Yes.

What should be the constitution and functions of the Central Road Board?—I think there should be some representatives from every province.

Is it to be of an advisory or an executive nature?—I think it should be of an advisory nature.

Do you think the work of road research should be one of the functions of the Central Board?—That would perhaps be necessary.

Co-ordinate the policy of roads with railways all over India: Do you think that to be one of the functions of the Central Road Board?—Yes.

Mr. Mohd. Anwarul Azim: You live in a village, Khan Sahib?—Yes.

How do you get to Dhubri?—It is 40 miles from my place and it is extremely difficult to reach Dhubri.

What is it that you have got at Dhubri—a District Board or a Local Board?—A Local Board. There are no District Boards in Assam.

Who is the executive head of the Local Board?—There is an official Chairman.

Then how do you manage your affairs? Do you get any funds from the provincial Government?—We levy local rates.

Do you mean the P. W. D. cess and road cess?—There is no road cess in Assam. It is called a local rate.

You do not earmark any part of your money for the administration of roads?—Yes, a portion.

You do not earmark any of the grant that is received from the provincial Government for the maintenance of roads?—So far as my knowledge goes the grant is made for a certain specific purpose and the money is used for that purpose.

You do not get any specific amount from Government for the improvement of roads?—I think there is some grant.

Have you got any provincial roads in your district?—Yes.

How many?—The Northern Trunk road passes through my district and the Southern Trunk road too. There may be another small one, but I am not sure.

How people from village to village communicate with themselves?—There is no road from village to village.

Is that the case with the whole of Assam?—There are village roads. They are owned by Local Boards. These are rather feeder roads.

Chairman: Who repairs them?—The Local Board.

Mr. Mohd. Anwarul Azim: Have you not got any road going from the province of Assam to Burma? If you had a road connecting Burma and Assam, that will be liked by the people and that will give an impetus to the local industries. If you had a road from Manipur across the hills to Mandalay, do you not think it will improve the condition of the people in the province?—I do not think so. If we had better connection with Bengal, it would help us more.

Have you no proper connection with Bengal?—We do not have any roads worth the name.

You suggested in reply to the Chairman that you would like to have a Central Board here? How would you like a Central Board administering provinces from Delhi and Simla?—I think provincial Governments will seek the advice of the Central Board when necessary.

Do you mean to say that the Central Government should delegate all their powers to the provincial Governments who may do as they like?—That is my idea.

Do you disapprove the idea of having Provincial Road Boards?—There should be Provincial Road Boards to decide matters locally. What I mean is that if the local Government is in difficulty or wants any expert advice, it may refer the matter to the Central Board.

The roads in Dhubri are classified into pucca roads, kachha roads and village roads?—Yes.

These three different kinds of roads are administered by three different kinds of agencies?—I think village roads and Local Board roads are administered by the Local Boards and the provincial roads are administered by the P. W. D.

Is your province well connected by railway?—I do not think so. The left bank of the Brahmaputra from Gauhati has been entirely left out.

Do you think the principle of taxation for the purpose of local development should be extended to vehicular traffic?—I think, according to the rules under the new Local Self-Government Act in Assam, we are going to tax every bullock cart up to the maximum of Rs. 5.

Then, do you think in the provinces there should be advisory bodies in connection with road development?—I think there should be a Road Committee.

How would you like that Road Committee to be composed of? Do you think it should be composed of members of the Provincial Legislative Council or do you think it should be constituted in any other manner?—I think it will be better to have it composed of members of the Legislative Council.

You would not like Local Boards, District Boards and other public bodies to be represented on that committee?—There may be representatives from Local Boards too.

You say it should be a committee of the Legislative Council?—Just at present there are Chairmen and Vice-Chairmen of Local Boards in the Legislative Council.

If you have a committee of that kind, would you like it to be presided over by the Minister for Local Self-Government?—Yes.

Are road materials cheap in Assam?—No.

Are they readily available?—In some parts they are but not in all parts.

Taking the province as a whole, do you get road materials at less cost?—No.

Have you got many roads which pass through the districts in Assam?—There are two trunk roads which pass through some of the districts.

Would you like them to be administered by the P. W. D.?—Yes.

Is there any District Board in Assam which has got the management of the provincial roads which pass through its district?—Yes.

Do you not think that these roads are as well managed by the Local Boards as by the P. W. D.?—I think the P. W. D. manage it better. I know from personal experience a road which used to be kept up very well by the P. W. D. in a certain part of Assam.

You cannot say for other parts?—No.

Raja Ghazanfar Ali Khan: You have suggested that the money spent in provinces should form the basis of distribution of funds?—Yes.

Would it serve your purpose if the money spent on the needs of a particular province was in proportion to the revenue of the province? Some provinces may be spending more money and some provinces may be spending less. What you want to see is that each province spends sufficient money on the upkeep of its roads?—I think the provincial Government may raise money on loan and utilise it in the improvement of communications.

Is it your idea that the expenditure should be in proportion to the total income of the province?—That is not my idea. I meant only expenditure.

You propose to levy a tax on bullock carts?—According to the amended Local Self-Government Rules, bullock cartmen are to be taxed from 1st April 1928.

Is it the case in Assam that the bullock cart drivers are all professional or is it the case, as in other provinces, that the zemindars have got their own carts?—There are some people whose principal mode of earning is driving carts and there are some agricultural people who have got some carts and they use it for their own purposes and when they are not using them they let them too.

Would you like to exempt the agriculturists who have got their own carts?—That is my idea. I had the matter discussed with the Deputy Commissioner who said it would be very difficult to distinguish between agricultural and professional cartmen.

The only objection is that it will be difficult to distinguish. If they could be distinguished, then you would exempt the agricultural cartmen?—Yes.

Hon. Sir G. Corbett: I want to ask you, Khan Sahib, about this terminal tax on goods imported into and exported from Assam. The effect of that proposal will be to set up an internal customs boundary for levying imposts on trade into and out of Assam. Do you think it would be desirable that different provinces should have internal customs duties? Do you think it would tend to the welfare of trade?—I cannot speak for other provinces.

If you have this customs boundary in Assam, there is no reason why Bengal should not have a customs boundary. Most countries have become prosperous by abolishing all internal customs boundaries and allowing freedom of movement to trade from one part of the country to the other?—I have excluded internal transport.

Do you not think it will interfere with the free movement of trade from one province to another?—I think it will interfere to a very small extent.

It all depends on the rate of duty and the number of these boundaries?—Yes.

Chairman: You said you were in favour of an extra excise on petrol. In reply to the questionnaire of the Committee, your local Government have said: "The Honourable Maulvi Muhammad Saadullah, M.A., B.L., Minister in charge of Education, is however personally opposed to the levy of an extra excise on petrol as he thinks that any additional taxation will throttle the motor transport which is beginning to appear in this province". You do not share this view?—I do share this view.

You were in favour of an extra tax on petrol?—In case terminal tax cannot be levied.

You agreed that provincial taxation of motor vehicles is desirable. This view is contrary to the view of the Minister. You do not share the views of your Minister?—Yes.

You are in favour of a petrol tax?—Yes, provided money is earmarked for roads.

May I ask whether this view of your Minister represents any bulk of public opinion?—I think it does.

(*The witness withdrew.*)

4.

Shillong, dated the 26th November 1927.

(a) Memorandum of touring sub-committee's discussion with Mr. A. K. BHATTACHARJYA and Mr. W. M. BRIERLEY, Resident Director and Manager, respectively, Commercial Carrying Co., Ltd., Shillong.

(Mr. B. A. Blenkinsop, Officiating Chief Engineer, Assam, and Mr. M. Little, Superintending Engineer, Assam, were also present).

Mr. Bhattacharjya states taxation on petrol if divided on petrol consumption could not benefit Assam much, as little is consumed. Petrol retail price is now Rs. 1-3 per gallon. In the past petrol has

been up to Rs. 1-12. Probably an increase of 2 annas in the excise would not affect the Company much, as they were paying Rs. 1-7 not long ago. An extra 2 annas, however, would not help much, as the sum produced would not be much in comparison with the sums needed for road construction.

It is agreed that a Central Advisory Road Board would be welcomed, and that introduction of an extra 2 annas excise on petrol, allotted entirely to Road Development, would be also agreed to.

Mr. Brierley puts in note of the Company's views as to taxation and roads:—

(*a*) Free import of motor vehicles and accessories.

(*b*) Tax on petrol of at least four annas per gallon.

(*c*) Tax to be collected by Central Board and allocated to the needs of each province.

(*d*) Local Government should contribute an equal amount to whatever is allotted to them by Central Board.

(*e*) Roads as far as possible should not run parallel to railways or steamers, but should radiate from them and act as feeders, so that as it will bring an increased revenue to them, they may be asked to contribute to the Road Fund.

(*f*) This fund should be earmarked for road construction fund and should in no circumstances be used for any other object.

(*g*) Upkeep of main arterial roads could be maintained by making them proprietary roads of the Road Board (local) who would call for tenders for sole rights of carrying; rates to be fixed by Road Board (local). Minor roads should be free to all traffic.

(*h*) All vehicular traffic should pay a contribution to the Road Fund.

Mr. Brierley does not consider that commercial motor vehicles are vehicles and tyres other than to allot money from present import duties to roads. This would lead to bigger recurring revenue from petrol excise. Mr. Bhattacharjya agrees with this.

Mr. Brierley also considers that, owing to increased traffic brought to railways by feeder roads, railways should contribute to road construction. He further states that petrol excise is fairest, as proportionate to the use of roads. Mr. Bhattacharjya agrees.

Mr. Brierley does not consider that commercial motor vehicles are heavily taxed in Assam, excluding peculiar conditions on Shillong road; also provincial motor taxation, compensating local authorities by grants-in-aid, would be preferable to present system of local and municipal taxation. Mr. Bhattacharjya agrees. Mr. Brierley states that import duties on motor vehicles and tyres only hamper the trade, none are manufactured in India. Mr. Bhattacharjya states that the resultant cheapness, if the import duties are removed, would increase consumption of petrol and revenue, and that under the present conditions of his Company cost of tyres is excessive as they wear very quickly.

Mr. Brierley states that the "monopoly" given to his Company on Shillong Road would work satisfactorily if the monopoly of transport were given. The Company had monopoly last year and thereby was able to reduce rates.

(Mr. Blenkinsop says the Company has right to run 20 lorries, and besides that the right to run 16 lorries will be auctioned, the Company may or may not buy these.)

Mr. Bhattacharjya states that at present the Company has the monopoly and the rate of Re. 1 per maund is the lowest rate consistent with efficiency. The biggest traffic is potatoes for 2 months. Under previous competition the lowest rates ran about Re. 1 per maund.

(Mr. Blenkinsop considers that the arrangement has worked efficiently on the whole.)

Mr. Brierley states maximum rates should be fixed year by year with local Government and adhered to during the year. If efficiency is to be considered, unrestricted competition is impossible. If the whole service were given to one company rates could be fixed and efficiency maintained.

(Mr. Blenkinsop states that owing to the rush of traffic at potatoe season, the available transport space had to be auctioned, and the rates went up to Rs. 3/2/0 per maund.)

Mr. Brierley states that this congestion of traffic is not wanted but a steady flow is wanted. The rate should be fixed daily in conjunction with local Government. If the Company could fix rates, the rates could be fixed from 4 as. to 5 as. a maund according to demand of traffic, this would even the traffic flow. The maximum rates should be fixed for the year. This limitation of rates would prevent excessive amounts being tendered to the detriment of the service and of the public. The Company desire sole rights over the road, with power to vary rates below maximum—this would provide efficiency and stability. Mr. Bhattacharjya states that his Company as public carriers have to carry goods whenever offered. Small companies not being public carriers, are found to be irregular in service. At present owing to the condition of roads, the Company cannot expand—it cannot touch tea from lack of roads.

(Mr. Little explains that in the plains of Assam, motor services often start. One man buys a motor bus and does very well for the first year, as he started with a new car. At the end of the year, his friends see he has done well and three or four at once buy cars and compete, fares go down, and all lose their money, while the number of buses has ruined the roads. The service does not entirely cease, but becomes extremely unsatisfactory. He is in favour—from an engineering point of view of control of such services by monopoly.)

Mr. Brierley and Mr. Bhattacharjya state that provided routes and times are scheduled, they would be able to tackle transport in any district on the above condition. Irregular traffic of the scheduled routes is easily arranged with present service. But one cannot take an ordinary taxi from Shillong to Gauhati or any place on the Gauhati-Shillong Road.

New Delhi, dated the 18th January 1928.

(*b*) Oral evidence of Mr. W. M. BRIERLEY.

Chairman: Have you any objection to your statement before the sub-committee being made open to the press?—Not the slightest.

You are manager of the Commercial Carrying Co., for how long?—Since 1st January 1923.

You were under an Agreement with the Secretary of State?—With the Secretary of State and the Government of Assam.

You have a monopoly of carrying goods and passengers?—We had the monopoly until last year. This year we have lost the entire monopoly.

In what respect have you lost?—Government decided that the lorries should be put up to public auction every year.

That is under the original Agreement?—We should have the right to bid for any of such lorries as are put up for auction every year by the Government of Assam.

This is not a departure from the Agreement. I do not want you to say anything against the interests of your Company. It is a matter of interpretation?—Yes.

In your opinion, how does this monopoly work?—It worked like this. The scheduled rates of the Company were previously Rs. 1-8-0 a maund. In certain instances where merchants made contracts for carrying large supplies, Rs. 1-8-0 were reduced to one rupee or even 12 annas but working on the law of averages it has been over one rupee. Through the monopoly last year we were able to bring the maximum rate down to one rupee per maund as against 1-8-0 per maund. That means 33⅓ per cent reduction.

Would you recommend it for other provinces, apart from the special circumstances of Assam which are no doubt in favour of working such a monopoly as events have proved? Am I right in saying that the success of this monopoly, if any, is due to special circumstances of Assam with regard to roads?—I do not think so, looking at it in every light. Efficiency is the great consideration.

But efficiency is the result of rivalry and competition?—It is not so always. A contract here is put up for competition. Everybody has a right to bid for that contract for a certain number of years. Before the contract is put up, the Central Board or the Provincial Board work out what rates they think would be reasonable, which will cause no hardship either to the public or to the company. Then it is put up to auction, so that everybody has a right at that time to secure that contract on what are considered favourable terms to the public, to merchants and so on. In addition to that year by year the Government will have the right to reduce the rates, if necessary.

When a monopoly like that is secured by your Company or another company for 10 years, it stifles all enterprise?—Yes.

Turning to (*a*), (*b*), (*c*), (*d*) and (*e*) of your statement, do I understand you to say that the import duties should disappear entirely?—I am afraid it is impossible, but I should like it.

What would you do if you were the Government of India?—I would like a great percentage of that to go to roads. I have gone into the figures of my service and I do not see how the Government of India can remit it.

Can you help the Committee with any suggestions as to the percentage?—It is very difficult.

Supposing it was suggested that the import duty should stand as at present and the Government of India should get whatever they are doing at present, and that a line should be drawn there but that any accession to this duty should go to the fund for the purpose of improving the roads, would you think it would be an equitable arrangement?—My own personal view is that the whole of the import duty should go to roads.

(*b*) "Tax on petrol of at least four annas per gallon". You mean an additional tax of four annas on the present excise?—I mean to say

that four annas out of every gallon of petrol sold should go to roads, and if necessary another four annas a gallon might be raised; this would not hamper our Company.

Is it your view that the present four annas which the Government of India levy by way of excise should go to the roads, or an additional levy of four annas should be made in addition?—I am quite agreeable to a levy of a further four annas.

What is your view about the present levy of four annas?—I consider that it should go to roads, but if you take this monopoly from Government, that has to come from something else.

On general principles, the money which is raised out of petrol and motor cars should be spent on road development?—Generally I consider that any revenue recovered from motors should go to roads.

And you suggest an excise and a tax of four annas?—Yes.

Are you in favour of an additional tax of four annas?—It would not hurt us. I am not speaking on behalf of the Assam Government but our Company.

Can you tell us, speaking of the province, what would be the public opinion about a four annas additional tax?—Provided they get roads made in Assam, I do not think there would be any discontent.

I take it as your certain opinion that there should be no discontent against two annas?—Not the slightest.

(*c*) "Tax to be collected by Central Board and allocated to the needs of each province". What exactly do you mean by needs?—I want it to be allocated according to the needs: I think each Provincial Board submits what it considers its needs.

But the most backward provinces must have more insistent need, and therefore you are putting a discount on past improvement of a province?—Not necessarily. Take Assam. There is plenty of tea-growing and plenty of tea carried over kachha roads. But as there are no pucca roads at present, the stuff is carried by bullock carts and takes endless time.

When you once accept a formula, that must be applied to every province, and would you recommend that general formula for the acceptance of every province: what formula would you recommend?—I cannot say off hand, because you see if we are going to work on the contribution of petrol, Assam is going to score very badly.

What formula would benefit your province?—I cannot say off hand; I have given no thought at all to it.

(*e*) "Roads as far as possible should not run parallel to railways or steamers, but should radiate from them and act as feeders". Well, I understand from the replies to the questionnaire which the Assam Government has sent that that has been the policy of the local Government. But having regard to the conditions of certain other provinces where railway development has proceeded more progressively than in your province, and having regard to the congestion which often takes place on railways, some of us think that there ought to be roads running parallel to railways to take off the excess of passengers which railways cannot cater for. What would be your view in those cases, speaking of both short distance and long distance traffic? For instance, in Bombay I find the motor traffic is taking up a lot of passenger traffic which would otherwise have gone to railways. Take, for instance, Poona to Nasik, which by rail takes nearly 1½ days, going from Poona to Kalyan which means, roughly speaking, a day and a half. At present there is motor transport by a company which runs

straight from Poona to Nasik and does it in five hours. Therefore would you favour such enterprises, although they affect railway revenue to a very large extent?—Personally I think parallel lines of transport should come in later, because I think that the new roads for the provinces are required first.

On what ground, apart from the special circumstances of Assam, would you recommend roads to be built which compete with railways and take away a slice of their passenger traffic?—I should not say so at the present time.

You think nothing ought to be done to disturb the traffic and the monopoly of the railways speaking of the whole of India, because you have got a really good means of communication?—Not at the present time.

You know the needs of the public are not so far met by the railways, and third class passengers are required to wait sometimes for two days before they get accommodation and thus suffer much hardship?—In a number of cases where a railway for some reason is unable to cope with the railway traffic, it might be necessary to build a road.

What would you do in the case of a general complaint by the general public?—I do not think there would be a general complaint.

But supposing there were. You are not against it on principle?—No.

(*f*) "This fund should be earmarked for road construction fund and should in no circumstances be used for any other object." Would you leave that to your local Council or take this power out of its hands?—I suggest that there should be a Central Road Board, and each province would have its own local board.

Do you apprehend that if it was left to the local Council, there is a possibility of its being diverted?—I would rather put the local board working under the Central Board.

Supposing the Central Road Board of the Government of India made a contribution every year or periodically, and it went into the hands of local Governments, what happens? Should it be subjected to the vote of the Council or not?—I think it should not be. First of all that money has been voted for certain specified purpose, and the money should be spent on roads. It would go into the hands of a body, called the Provincial Road Board, who had already submitted the needs of the various roads.

What relations, do you think, should exist between the Central Board and the Provincial Boards? Should the former have a controlling power, or be a co-ordinating authority or a purely advisory body?—Purely advisory. I have said before that the central authority would pass that finance down for a specific object; they would have the control there.

Even according to your scheme the needs of the province have got to be determined and assessed by somebody: would you leave that in the hands of the Central Board?—Yes.

You say that it is not considered that commercial motor vehicles are heavily taxed in Assam, excluding peculiar conditions on the Shillong road and that "provincial motor taxation compensating local authorities by grants-in-aid would be preferable to present system of local and municipal taxation". I imagine you are in favour of provincial taxes replacing all small and minor taxes?—Decidedly.

Would you remove all these harassing small taxes and replace them by one provincial tax?—Yes.

And there would be no form of other municipal or local taxation to compensate these bodies in so far as it causes them any loss?—Yes.

Have you found the working of this Agreement with the Secretary of State in any way inconvenient or harassing?—Generally speaking, no. It has worked very well.

Would you renew it?—Yes, with certain alterations.

What alterations?—We should not object to pay the same money again. We would desire alterations in detail only in the Agreement, none in the main.

Can you suggest exactly what these details are?—I have not got a copy of the Agreement here. They would be only in respect of minor control.

Hon. Sir A. Froom: You told our Chairman that in your opinion this monopoly in relation to the Shillong road has been beneficial to the public. Have you had any complaints about high rates being charged?—No. When we took over the monopoly last year the general public were very satisfied indeed, because they had always paid Rs. 1-8-0 a maund and last year everybody got it at Re. 1 a maund.

The road from Pandu to Shillong is an excellent one?—Yes.

Is that kept up by the provincial Government out of the money you give them?—I think the whole of this does not go to the upkeep of that road, but only Rs. 1,25,000. We paid altogether to the Assam Government just over two lakhs. I think that Rs. 75,000 should go to other roads.

You have spoken of the great success attending such roads: can you suggest any reason why it has not been so elsewhere, say between Kalka and Simla or between Siliguri and Darjeeling?—I do not see any reason why they could not run the service between Darjeeling and Siliguri on the same lines, unless it may be that legislation would have to take place. I know the road.

You stated that you see no objection to the tax on petrol going up to four annas provided the proceeds were spent on roads, and you also told us that your petrol bills were something like Rs. 2 lakhs a year?—Rs. 1,62,000.

This would increase your petrol bill, then why do you support the proposal, as there might be an increase in the expenditure of your Company of about 25 per cent?—We can meet the additional charge.

In a general development of roads, your Company or any other company would get back the extra cost by other means?—Yes.

You just now stated that you are greatly in favour of provincial taxation as against all these municipal and local bodies' taxation?—Yes.

Have you any ideas on the subject as to what forms this provincial taxation should take? How would you set about it? What do you mean by this extra four annas?—It would go to the central fund but part of it would come back again.

Then you levy this minimum provincial taxation which you want to support so as to remove those difficulties experienced as regards local and municipal taxes. What shape would such taxes take?—Possibly a wheel tax so as to embrace every kind of traffic.

Irrespective of the weight of the vehicle?—I have not given a thought to that,—possibly wheel and weight combined, unless you take the laden weight; after all the bullock cart is damaging the road also, probably more so.

The bullock carts already pay a tax in Assam?—Bullock carts run on the Gauhati-Shillong road without paying a pice.

In the plains of Assam, are there many motor buses running about? —There are not very many; there are a few small services.

If you got the roads, would you open fresh services?—Decidedly.

Would you require the monopoly then?—We should be guaranteed so much for a certain number of years, say five years.

Is there any control by Government? Any control over the services you keep up, any inspection of your buses?—Our vehicles are inspected periodically several times a year. The times are scheduled, and we are only allowed 10 minutes either side.

With these safeguards laid down by the Government, you consider that the public themselves are safeguarded?—Yes, they know that when they get in.

Would you advise the Committee that monopoly is a good thing on other roads in India?—I think it is for the next few years.

With the idea of getting efficient services?—Not only efficient services, but you get the money to keep the roads in good condition for a certain number of years, after which it will not cost so much.

Mr. Mohd. Anwarul Azim: Was there any objection with regard to your monopoly in the Assam Legislative Council?—Personally, I have not heard any: I think questions are being raised.

How long do you stay at Gauhati or Shillong?—I am in Shillong all the year round.

Your Company has got the monopoly of that road which runs from Shillong to Gauhati?—Not at present.

Have you got the monopoly of any other roads?—I do not know any other roads in Assam.

Do you suggest to the Committee that you would like to have local boards for the administration of the funds that you would get from the Central Government?—I want a local Provincial Board.

How would you like that local Provincial Board to be constituted?—That is quite a different matter. I should certainly like some Government officials to be on it.

Would you like that to be a Committee of the Assam Legislative Council?—No; I do not think it would be fully representative.

Would you favour the idea of the representatives of the local boards and the District Boards to be on it?—I do not know of what size you want to have this committee.

It will be a small committee, say, of a dozen people. You could not have many men on it?—I would not favour that idea at all.

Would you like a Provincial Committee appointed by Government which should be responsible to the head of the department concerned? Is that your idea? (No reply.)

Chairman: I do not think we need bother the witness about these questions.

Witness: I have not thought about these questions.

Mr. Mohd. Anwarul Azim: Did you say that you would like the principle of taxation to be applied to every vehicle which is run by petrol?—All motor cars will be taxed. All vehicles should pay the tax.

Is there any road cess in your province?—I am not quite sure about it.

You have no idea about the working of the local boards?—No.

Mr. Muhd. Ismail Khan: Are the roads on which there is a monopoly better than the other roads?—Decidedly they are better; there can be no two opinions about it.

What amount do they spend on these roads?—I think it is Rs. 1,25,000; the Government of Assam ought to know about it.

Do the District Boards pay anything towards the maintenance of these roads?—They need not pay anything.

You suggest that roads should not run parallel to the railways?—Not for some time yet.

You are against the petrol tax being divided among the provinces on the basis of consumption?—I think it will be a hardship on the Assam Government if this were done.

Would you favour the idea that 2 annas out of these 4 annas be divided according to consumption and the other 2 annas made over to the province at the discretion of the Central Board?—I do not know what the need of it is going to be.

My question is that 2 annas out of these 4 annas should be divided on the provinces on the consumption basis and 2 annas should be divided by the Central Board after taking various factors into consideration?—That is a financial problem on which I am not in a position to offer opinion.

Would you favour this formula?—I cannot say anything off hand.

Chairman: You have not worked it out in your mind?—No.

Mr. E. F. Sykes: You say that if the Company could fix rates, the rates could be fixed from 4 annas to 5 annas a maund according to demand of traffic. Is it for the whole distance?—Yes, we have been able to do it recently. The whole idea is to reduce these rates and try to have a steady flow. We were not able to do it at one time and the result was that a certain number of people would not book their goods. Then there was a tremendous rush which our Company could not cope with and therefore we decided that the Company should not fix the rate below it.

Have you got the minimum rate fixed?—There is no minimum rate and I do not want it; nor do I want any hard and fast maximum rate.

Four annas to 5 annas a maund for that distance appears to me to be a very low rate which you could not work?—I admit that it is below working cost.

Have you got bullock carts?—Last year there were 250 bullock carts.

And they are allowed to compete with you?—Yes, and they are in unfair competition with us too.

What rates do they charge?—Their rates are more or less controlled by us. Whatever we charge, they charge. Probably they charge a little under.

The rate that is mentioned elsewhere is the ordinary rate that you must charge?—The ordinary rate is one rupee a maund. But we cannot reduce our rates without first applying to the Government of Assam who, in due course, publish it in the Gazette. So, before we can reduce the rate a week or ten days must elapse.

That is the complication under the Agreement?—Yes.

You really want neither minimum nor maximum?—As a matter of fact, the best thing is to leave the maximum and minimum untouched. I might agree to a maximum but what I do stick out for is that the maximum should be in the hands of the Company to reduce at a moment's notice. If the Calcutta market should drop, we too ought to be in a position to drop to get the stuff out.

Now, with regard to these 16 lorries that are to be auctioned, who fixed the price for which they can be auctioned?—The minimum for these lorries is about 2,000 rupees, after which there is no limit to which you can go. There was a public auction. But when you bid for these lorries you should bid for them on the terms laid down. If you bid too much you are only crippling yourself. You cannot charge more than what is laid down in the schedule.

I do not understand the meaning of the phrase "the Company may or may not buy these". You mean to say the other people could run them at a prohibitive price?—Yes.

You must have a right to buy them at some fixed price?—It is purely auction. There is no fixed price.

It means that if you like to pay what the higher bidder has paid, you can have them?—That is right.

What are your passenger fares?—The third class fare from Gauhati to Shillong is Rs. 5, the distance being 64 miles.

You were saying that you would not object to another 4 annas on the petrol excise?—Yes.

It will cost your Company about 20,000 rupees a year.—Yes, roughly.

Would you be able to add that on to the passenger fares?—No.

You will be able to bear this loss?—Yes, because we might get more roads.

You want more roads to work on?—We will only be too pleased to get more roads to work on the same terms.

Your goods rates seem to be quite low but your passenger rates, when compared with the rates prevailing elsewhere, seem to be high?—You mean to say Rs. 5 for 64 miles is too much? That is the first time I have heard that remark.

Your conditions may be quite different, but when I was in Lahore the other day I was told that people were being carried from Lahore to Amritsar, a distance of 35 miles, for 8 annas?—Is that possible?

That is really what I am trying to get at. Do you think these people who are running the lorries are likely to lose? Their rate is about a pice a mile whereas your rate is about 5 pice a mile?—They cannot do it. It simply means this that perhaps they are not paying anything for the upkeep of the road.

Out of these Rs. 5 that you charge from the passengers, a good deal of it goes to the Government?—Yes.

It would, of course, be giving away your business, but am I right in presuming that about Rs. 2 out of this Rs. 5 goes towards the upkeep of the road?—Not so much as that.

It is a substantial amount?—It must be a fairly good amount.

So, if you do not have to pay for the upkeep of the road, you can make reductions in the fares?—Yes. We cannot however come down to a pice a mile if we are to maintain our efficiency.

How much the rates will come to if they are left to free competition without paying anything for the upkeep of the roads?—I cannot say anything about it off hand. You will have to take into consideration all the taxes that may be imposed. But as things are at present, probably about ·75 of the rupee per mile would be a fair rate.

If there was an attempt to raise excess revenue by getting you to put stamps on your passengers' tickets, will it appeal to you instead of having an extra tax?—I do not think it will bring in more money; the petrol tax is bringing more money. The third class traffic is fairly extensive, but it is nothing as compared with the goods traffic.

Raja Ghazanfar Ali Khan: Is this lorry and motor traffic developing in your province?—They cannot develop any further until we get roads. On a few minor roads, they have got small service. The only first class roads in Assam are from Gauhati to Shillong and from Shillong to Cheerapunji. All the other roads are kachha roads.

There is no development of traffic on these roads?—It has been developed as much as we can; I do not think the road can carry much more.

On this particular road for which there is a monopoly, is motor traffic developing?—It has developed tremendously. I think formerly they used to run about 25 lorries; last year we had 48 lorries on the road.

Do you think this monopoly does not stand in the way of development of traffic?—I do not think so. As a matter of fact the motors have developed the staple industry of Shillong, namely, potato industry.

So far as motor and lorry traffic is concerned, do you not think that wherever there is a monopoly of a certain road, there would be very little scope for private enterprise?—As long as the rates are controlled by Government, it is only a nominal monopoly.

I am not concerned with the question whether the monopoly is good or bad?—If you have a free road, it will be very necessary to see that the vehicles are kept thoroughly efficient. If the vehicles are kept thoroughly efficient, then unlimited competition may be advantageous.

What I mean to say is that the number of lorries and motors is bound to increase if there is no monopoly?—They would only increase at certain times of the year. They would not increase all the year round. In my own particular case, they would increase probably in August and September.

Your Company pays one lakh for the maintenance of the road?—Yes, we pay one lakh for the maintenance of the road and we run 20 lorries and carry passengers.

Supposing this amount is doubled, would you consequently raise your fares? Would it be possible for you to do that?—If we will have to pay 2 lakhs we shall have to raise the fares to recover that amount.

You will double your charges?—I do not think it is likely that anybody would ask us to do that.

Supposing you are not asked to pay anything?—If we pay nothing, we can reduce our charges. If our overhead charges are reduced we can reduce our rates.

Is it generally the agriculturist class which uses your lorries and motors?—Our heaviest traffic is the agriculturist, which is down traffic.

So, it comes to this that the agriculturist is paying towards the development of these roads in two ways, namely, (1) by direct taxation which he pays and (2) paying a tax through you?—I think the consumer pays.

Similarly, if you are not asked to pay one lakh for the development of the roads, you would reduce the freight?—Yes.

That would be a relief to the agriculturist?—It might or it might not be.

Chairman: If you did not pay the lakh, what would happen to the improvement of the road?—Somebody else will have to be taxed.

Does not the local Government spend money on that road apart from your one lakh of rupees?—Altogether we pay about 2 lakhs.

Your grievance was that the additional lakh did not go towards the road improvement?—What I meant to say was that it was but fair that it should go towards the improvement of the road.

If you had your own way, the additional lakh would go to the improvement of roads?—Yes.

Hon. Sir G. Corbett: I quite appreciate that in the present backward state of road development in Assam, you cannot afford the luxury or even the necessity of having many roads; but when you say that your road programme should be in the nature of feeders radiating from railways and steamers, would you not also contemplate that these feeders should all be linked up with one single road so that when you are on the road you will be able to proceed right through the system of roads and not come to a dead end?—Ultimately this will have to be done.

The roads would ultimately be linked up in a single system and there should not be a series of dead ends?—It will have to be done.

The feeder roads should be planned from the start so that they will not end in themselves. I will give you a very good instance from my own experience. In the Nerbudda valley, the old main road runs from Allahabad to Bombay. When the railway line was built alongside this road, it was allowed to drop out of repair with the result that all the bridges fell in, and a series of feeder roads were built from the railway stations. Now you have got motor transport. You come to the railway station which may be 10 or 15 miles and then you have got to put your motor in the train. So there is a demand for a trunk road, and the old trunk road will have to be revived?—The feeder roads can be linked up ultimately.

Will not an additional 4 annas tax on petrol impair the efficiency of your Company?—I doubt it.

I can quite see that in those places where there is no monopoly the margin of profit is very small owing to competition. Do you not think that an addition of 25 per cent. on your petrol bill might mean a difference in your profit and loss account?—It might, of course. But personally I do not think that a tax of 4 annas per gallon will be ruinous.

It makes altogether 8 annas. I remember reading not very long ago an article in the "*Economist*" by Mr. Leyton in which he discussed the question of the petrol duty being substituted in the United Kingdom for direct taxation on motors. He pointed out that in order to get the same amount of revenue you would have to put a shilling duty on petrol, and he expressed it as his opinion that the consumer in England would never even tolerate the idea of paying a shilling per gallon as duty. So, when we get up to 8 annas which is equivalent to 9*d*., and India being not such a well-to-do country as the United

Kingdom is, the proposal of levying this petrol tax has merely to be stated to be rejected?—When we first worked out our contract, the price of petrol was Rs. 1/12 a gallon. It was rather a special circumstance.

With regard to the money realised from the taxation of motors and accessories being spent on road development, that would leave taxation amounting to nearly Rs. 2 crores to be made up from some other source. Have you got any alternative sources?—I doubt whether they can afford to do it.

There is no particular point in earmarking a particular source of revenue if the Government of India can afford to vote two crores; it does not matter whether it is realised from import duty on motors or sugar or anything else. One does not want to earmark taxation for a particular purpose. With regard to the free import of motor vehicles, it was to be made good by substituting a tax on petrol. I understand that that was your original intention. In order to replace the loss to central revenues from abolishing the import duty on motor cars, you would have to pay on petrol four *plus* eight or twelve annas, and with your additional four annas for road development, it would come to a rupee a gallon. It is inadvisable according to the principles of taxation to load your taxation on a single commodity. If you allowed motors in free and charged a rupee a gallon on petrol, people would find that they could not run motors?—Since my interview with the sub-committee, I doubt whether you could afford to bring motors in free. If it was possible, I would like to see them coming in free.

Mr. Mohd. Anwarul Azim: Have you got any bridge on that road for which you have got the monopoly?—We travel over several bridges. There is one large bridge.

Have you ever utilised the Alipore Test House?—It has nothing to do with me.

Do you know whether the Alipore Test House is in any way utilised by anybody in the province of Assam?—That is a question for the P. W. D., and not for me.

Is it at all utilised to a certain extent?—Yes, I know people send road metal for test.

Would you like to have in the country some sort of arrangement for testing your materials?—It has nothing to do with me. I am not concerned with it.

(*The witness withdrew.*)

5.

(*a*) Written statement submitted by the Bihar and Orissa Chamber of Commerce, Patna, to the touring sub-committee.

Desirability of developing the road system of India and the means of such development.—In the opinion of this Chamber it is desirable to develop the road system of India if it could be done without having recourse to any fresh taxation. The Chamber believes that the funds at present available out of provincial grants on communication and the road cess collections will be sufficient for gradual development of the road system in the country if the departments executing these works be suitably re-organised and the methods adopted for the execution of works are changed and made more economical and suitable.

2. *Public Works Department Re-organisation Committee's report, paragraph 10.*—At present different classes of roads are under different bodies in different provinces. In Madras all roads in rural areas (with very few exceptions) are in charge of the District Boards; in Bengal and Bihar and Orissa the local Governments maintain only the main trunk lines of road communication whilst in most other provinces all the more important roads are in the direct charge of the Public Works Department, the less important being left to the District and Local Boards.

3. *Public Works Department Re-organisation Committee's report, paragraph 12.*—The main defect in this system is the duplication of the Engineering staff, one establishment is employed for roads directly managed by Government and another for roads in charge of the District Boards, both working alongside each other in same area. There is therefore considerable loss in establishment.

4. *Public Works Department Re-organisation Committee's report, paragraph 12.*—Another evil of the present system is that the work in all the District Boards is not large enough to justify the employment of a competent engineering staff and there being absence of control of a superior supervising staff the works suffer for want of expert experience and supervision and in consequence there is good deal of wastages and losses.

5. The worst evil, in the opinion of this Chamber, is the present method of execution of works. "At present all works are carried out by one of the three methods, either by piece work or by contract or by departmental labour. The Department as at present organised are working rather as bodies of contractors than engineers and are great obstacles to the growth of private enterprise."

6. *Public Works Department Re-organisation Committee's report, paragraph 45.*—The total establishment charge of the Public Works Department alone is about 25 per cent. of the budget grant and the multiplicity of petty contractors at present employed increases the sum total of the contractors' incidental expenses to a figure considerably in excess of that which a single contractor should incur. Besides the employment of petty contractors under ill-paid subordinates having extensive powers leads not uncommonly to *corruptions and wastages to* a large extent. To remedy these defects all the roads under Public Works Department and District Boards should be transferred to a Provincial Road Board to be constituted partly by election from the Provincial Legislature and other public bodies and partly by nomination by the Government, two-thirds being elected and one-third nominated and the present subordinate establishment should be dispensed with and all works should be executed through reliable firms of contractors by inviting public tenders and the supervision being made by the permanent clerks of works having expert experience and employed by the Provincial Road Boards.

7. If this suggestion be adopted, this will, in the opinion of this Chamber, effect a substantial saving out of the present grants on communications and road cess collections and this may be utilised for the gradual development of the road system in the country.

8. *Formation of Central Road Board.*—Central Road Board, in the opinion of this Chamber, is essential to co-ordinate the financial programmes of road development, technical experience and research in road construction and to make all-India programmes of road constructions and to allot revenue from central taxation according to the needs of each province.

The Central Board should be constituted by election of 2/3 members from the Central Legislatures and other public bodies and 1/3 members nominated by the Government.

9. In respect to the proposal of the Bombay Government for an additional duty on petrol, that Government in their proposal state "that Motor Omnibus Services are used by the poorer classes of the public" but if the duty as proposed is imposed on petrol the fares of these services will also increase proportionately and will affect the same classes they intend to benefit. In that case there will hardly be any prospect of development of these services. In view of these facts the opinion of this Chamber is that no more taxation should be imposed and development should be made on the lines suggested.

Patna, dated the 3rd December 1927.

(*b*) Memorandum of touring sub-committee's discussion with Mr. K. C. DE, representing the Bihar and Orissa Chamber of Commerce.

(Mr. H. A. Gubbay, Secretary to the Government of Bihar and Orissa, Public Works Department, was also present.)

The Chamber submitted a written statement of its views. The Chamber considers that all roads—Public Works, District or Local Boards—should be placed under a Provincial Road Board, and the Public Works Department and District Board subordinate establishment should be abolished. All road works, both repairs and original, should be given out by public tenders to respectable firms of contractors and supervised by permanent clerks of works having experience of the road works under the Provincial Road Board.

The present funds used for roads are not used to best advantage. The Public Works Department establishment charges are 25 per cent. and by taking the roads from the Public Works Department and employing big contractors instead of having multiplicity of petty contractors whose incidental charges are much higher than that of a single contractor, substantial savings could be made and satisfactory works could be had.

Mr. Gubbay points out that cost of Public Works Department establishment is only 15 per cent. Mr. De in reply said that taking the cost of Superintending Engineer's and Chief Engineer's establishment, the cost is 25 per cent. He got this figure from paragraph 45 of the Public Works Department Re-organisation Committee's report.

Mr. De states that the present system of executing works through petty contractors and subordinate establishment leads to large corruptions, wastages, bad works and increased cost of establishment, and by change, as suggested, the road development problem would be solved without having recourse to fresh taxation.

A petrol tax would increase motor bus fares and be hard on the poorer people and will kill the services. Unless the system of road making and maintaining is changed, any increased revenue will be wasted to the extent of 50 per cent. Petty sub-overseers and petty contractors are responsible for much waste, corruption and inefficient work.

Mr. De is a member of this Chamber, and his firm Messrs. K. C. De & Co., are Importers, Builders and Contractors, having works in Calcutta and Patna; he is in a position to know what he is talking about, as his firm does much of this work. The Chamber is averse to taxation as the proceeds will not be utilised to the best account. The Chamber is not represented on the Legislative Council.

The Chamber is opposed to all increased taxation to start a fund for road development. There is no need of the various bodies—Public Works Department, District Boards and Local Boards. If Rs. 50 lakhs is raised by fresh taxation, Rs. 25 lakhs will go in wastage and corruption.

The Chamber favours the formation of a Central Road Board and Provincial Road Boards.

(c) Written statement submitted by Mr. K. C. DE.

In the written statement before the touring sub-committee, I stated that road development problem in India could be solved without taking recourse to any fresh taxation, if (1) the present system of execution of works through petty contractors and petty overseers be changed and (2) the departmental agency be replaced by private agency.

2. In my oral evidence before the sub-committee I stated that 50 per cent. of the present budget grant is spent on wastages and corruptions.

3. It has been explained in the written statement about the present agencies executing works with their system of execution and their defects together with the proposal as to how these defects could be rectified. To amplify these points this memorandum is prepared.

4. The magnitude of the operations of the Buildings and Roads Branch of the Public Works Department and District Boards in India on roads alone may be gauged from the statement below, which shows the average expenditure during the three years prior to the war from 1911-12 to 1913-14. This figure has been taken from *Statements I and II of the Public Works Reorganisation Committee's Report, pages 86—88.*

5. The expenditure on roads executed by Municipal Committee is not available.

6. Average Annual Expenditure incurred by Public Works Department:—

45—Civil works: *Imperial communications*:—

	Rs.
Original works	6,853
Repairs	45,553
45—Civil works: *Provincial communications*:—	
Original works	60,34,678
Repairs	1,03,05,786
Local Board works communications:—	
Original works	19,42,617
Repairs	25,68,418
TOTAL	2,11,03,905

Expenditure on roads executed under the direct supervision of District Boards of India.

LOCAL WORKS.

	Rs.
45—Civil works: Communications:—	
Original works	50,07,529
Repairs	1,02,28,535
45—Civil works: Communication done by District Boards on behalf of Government:—	
Original works	60,564
Repairs	2,58,688
TOTAL	1,55,55,316

Total expenditure on roads executed by Public Works and District Boards:—

3,66,59,321

The establishment charges of the Public Works including Chief and Superintending Engineers and their offices is 25 per cent. of the grant (*vide paragraph 45 of the Reorganisation Committee's Report*).

So the average annual establishment charges of public works on Roads alone is 25 per cent. of 2,11,03,905 or Rs. 52,75,976.

The establishment charges of the District Boards as shown in *Statement 2 of that Report* is 12·66 per cent. of the expenditure.

It is not known if this includes the expenditure of the Board's offices, etc., but taking 12·66 as percentage of establishment charges it comes to 12·66 per cent. of Rs. 1,55,55,316 or 19,69,303.

Thus the total establishment charges on roads for both Public Works and District Boards are . . . Rs. 72,45,279

Therefore, *total expenditure on works and establishment for Roads in India is* . . . Rs. 3,66,59,221+72,45,279 =4,39,04,500, or about $4\frac{1}{2}$ Crores.

7. (*a*) In my evidence before the touring sub-committee, I stated that 50 per cent. of the present grant goes in wastages and corruptions due to the present system of execution of works through petty contractors under subordinate supervision. In support of this statement I shall quote below the opinions of some of the provincial Governments and Government officers before the Public Works Reorganisation Committee.

(*b*) *The Government of Bombay* in their memorandum before that Committee stated:—"It is general complaint that the subordinate staff are apt to be lacking in alertness and intelligence if left to themselves and there is evidence that subjected as they are to great temptations, there is among them an undesirable amount of corruption".

(*c*) *The Honourable Chief Commissioner of the Central Provinces*:—
" .....The subordinate establishment is frequently of poor quality and has not got the best of reputations for honesty. It may almost certainly be said that this touches the difficulty which is frequently experienced in getting contractors, a point that is often brought forward. If the contractor has to pay commission, he must make it good somehow and scamped work is inevitable."

(*d*) Letter No. 492-E., dated the 29th January 1917, from the *Honourable Mr. H. H. Green, Secretary to the Government of Bengal*:—

".....As regards petty contractors, they exist in large numbers, both in Calcutta and in the muffassal. They are generally men of small capital and an easy standard of integrity. Their works require constant supervision at every stage. *This was in connection with the proposal for the reduction of superior establishment.*"

(*e*) Letter No. 142-T. E., dated the 10th March 1917, from the *Honourable Mr. E. G. Stanley, Secretary to the Government of Bihar and Orissa*:—

"The presence and detailed supervision exercised by a number of subordinate Public Works Department officers inevitably tends to hamper the contractor and make the work more costly..... Very few contractors have sufficient Capital to carry through an important work, and they must therefore either borrow money and charge heavily so as to cover the interest or scamp the work in collusion with the subordinates of the department. It is probable that the charge of dishonesty, so frequently levelled against public works contractors and subordinates is largely traceable to the refusal of advances and of payments on account."

(*f*) Letter No. 1939-A., dated the 15th July 1913, from the *Honourable Mr. E. K. Gardiner, Secretary to the Government of Bihar and Orissa*, to the Secretary to the Government of India, Public Works Department:—

".....In view, moreover, of the fact that the commonest accusation made against the Public Works Department is that the contractors are forced to keep their rates high in order to satisfy the illegitimate demands of the subordinate establishment".

(*g*) *The Government of the United Provinces in their memorandum*:—"There is a widespread impression that malpractices are rife in the subordinate ranks."

(*h*) *Mr. J. M. Wacha, Executive Engineer, Central Provinces*, in his written statement:—

"Modifying the system on the lines briefly outlined below with well-paid Engineers and assistants who work as advisers and Inspectors, a good class of self-respecting contractors will arise and with mutual superiority of both the classes, the present great wastages by leakage through low paid supervising staff which is the prevailing evil of the existing system will be mostly checked and the works will be executed promptly, economically and efficiently. The system will encourage both Engineer officers and contractors to do their best."

(*i*) *The Reorganisation Committee in paragraph 25 of their report states* that the main reason for absence of master contractors lies in the department itself. The department as at present organised is working rather as bodies of contractors than Engineers and there is consequently no room for the introduction into the system of a further contracting agency, but we can find no reason why, if the organisation of the department is suitably modified, contractors in the accepted sense of the term should not arise in India as in other countries. The 'middleman' contractor appears to us to be a direct outcome of the present system, and we doubt whether under a different system he could survive in competition with a regular contractor who would in his own interests employ the most economical methods.....The existence of the present large subordinate supervising establishment deters reliable firms from

tendering for Government works, and even if its status is improved as recommended by us, it is in itself an effective bar to the employment of qualified engineers by contractors.

These are the opinions so far as subordinate establishment is concerned. There is not much evidence in record regarding the superior establishment, but if the superior establishment had been scrupulously honest there could not certainly be so much corruption in the subordinate ranks. There is undoubtedly a large number of honest officers in the department both in superior and subordinate ranks and the percentage of honest officers in the superior establishment is certainly much higher than in the latter. It is the present system that has made the department full of corruption, favouritism and jobberies.

The extent of corruptions can be imagined from the present practice of taking commission by the subordinates from the contractors varying from 10 to 25 per cent. of the amount received by a contractor. It varies according to the nature of the work and this is more or less fixed and it will be impossible for any contractor to work in the department unless he accedes to these demands and relief against these illegitimate demands can seldom be had from the superior officers. Besides this fixed charge of commission, there are innumerable other demands. Over and above this, a contractor in this department is subjected to so many indignities that no self-respecting man can work in the department for any length of time.

8. Extent of wastages—

(1) As to wastages the present method of making designs in the department instead of getting them by public competition does not make them as economical as they should have been.

(2) Engineers are not necessarily businessmen and they can seldom execute works economically and in a businesslike way and as at present the whole management of works is left to them it does not infrequently lead to wastages.

(3) The present practice of spending budget allotment by collection of materials before a project matures, has in innumerable instances caused heavy loss to public money, for at the time of using these materials, they are found either useless or to have deteriorated in quality.

(4) The present method of empowering an individual engineer to accept lakhs worth of tenders also leads not uncommonly to corruptions and jobberies.

(5) There is no research in road making at present and the present system of execution of works through petty contractors and ill-paid subordinates without expert knowledge of the resources of the country and the modern method of road making sometimes leads to great wastages.

From the facts stated above, my estimate of 50 per cent. wastages and corruptions will, I hope, appear as most moderate. Thus about Rs. 1,83,29,610 is wasted in India every year from the road grants of District Boards and Public Works alone and if this amount could be saved by suitable reorganisation of the department and changing the methods of execution of works the question of road development in India could be solved without having recourse to any fresh taxation.

9. I may mention that Public Works as a separate department of Government exists only in India and there is a considerable volume of opinion against the existence of this department with its present system. In England all works are done by private agencies and the system

followed there is most suitable, economical and efficient and gives encouragement to private enterprise to its fullest extent. The reason is not far to seek, for there is an enormous scope not only for large engineering firms but also for experts, in all the minor branches of engineering. As an instance a construction of a large building may be taken. In such a case, the design would in all probability be obtained through public or limited competition. In such cases a consulting architect called the *Assessor* collects and lays down the requirements and cost, etc., of the proposed building in a schedule called the "Conditions of Competition," judges the designs sent in by the competing architects and advises as to which design should be accepted. The successful architect prepares the design, specifications, etc., in detail, and is responsible for the successful execution and completion of the work. The building work is entrusted to a firm of building contractors.

10. Highly specialised work such as ornamental ceilings, metal work, sanitary fittings, electrical works, stained glass, etc., is not executed by the contractors, but by sub-contractors selected (by competitive tendering) by the architect as the work proceeds. They are paid by the contractor who has included sums (previously specified by the architect) in his tender for these items of work. The system throughout of close competition keeps the prices to an efficient working minimum.

11. If this system is introduced in India not only the question of road development of the country will be solved, but it will also stimulate the growth of private enterprise and Indian industries and will partially solve the unemployment problem in the country.

12. That the present method of execution of works in the Public Works is not suitable will be apparent from the fact that in 1916 the Governor General in Council with the approval of the Secretary of State appointed the Public Works Reorganisation Committee to enquire among others (i) whether the methods at present adopted for the execution of civil works are economical and suitable for the purpose for which they were devised; and (ii) whether under the existing system private enterprise is sufficiently encouraged and whether it is possible and desirable to entrust the construction and upkeep of certain classes of public works to agency other than departmental, and if so, under what lines such changes should be effected.

13. The Committee recommended the gradual transfer of Public Works to local bodies and gradual abolition of the departments and recommended introduction of regular contracts in lieu of piece work agreements with a view to encourage large contractors. The absence of these contractors outside Calcutta and Bombay was the only justification of the existence of these costly departments. They also recommended the increment of salary to certain classes of officers specially Subdivisional Officers with a view to make them honest. *The Royal Commission on the Public Services in India in paragraph 4, Annexure XVIII, page 227, recommended*:—"We think it should also be laid down that the Public Works Department in particular should confine itself to work which cannot be discharged either by private enterprise or through the agency of District Boards and municipalities with the necessary financial support from Government". With this view the Commissioners recommended increased pay to certain classes of officers of the Public Works Department.

14. As a result of the recommendations of this Commission and the Public Works Reorganisation Committee the pay of the officers has been increased but the recommendations made for the encouragement of

private enterprise have been unfortunately given effect in such a way as to retard the growth of private enterprise and large contractors and instead of removing the subordinate supervising establishment, their grip over the contractors has been more tightened. No work so far as Bengal and Bihar and Orissa are concerned has been transferred from Public Works to District Boards and this has been rightly done. The system at present prevalent in District Boards for the execution of works is the same as in the Public Works with the further disadvantage of want of superior supervision.

15. That the transfer of Public Works to District Boards in the present system will make it worse will be apparent from the following:

(*a*) *Paragraph 12 of the Reorganisation Committee's Report*:— Another evil of the present system is that in many districts the public works expenditure of a District Board alone is not large enough to justify the employment of a competent engineering staff. ..... from 1882 to 1887 the District Boards in the United Provinces employed an engineering staff to carry out their own works and to make and maintain all roads other than trunk roads. After four years of working, it was abandoned because it was found that the dual establishment for Provincial and Local works was costly and involved a waste of power, that the District Boards did not secure a sufficiently good engineering staff and that there was no control by a superior supervising staff.

(*b*) *Paragraph 13*.—In 1892 a scheme was introduced in a substantial portion of Bengal for the transfer from the Public Works Department to District Boards of the maintenance of all public buildings and roads. The scheme also included the construction of original works for Government by District Engineer (not by District Boards) who were given allowances for this additional work. The funds placed at the disposal of District Boards for the maintenance of the works transferred to them were based on the average annual expenditure incurred on them during the previous four years, whilst for the construction of the original Government works the District Engineer was provided with the necessary additional establishment. After four years of trial, the working of this scheme was examined by a Committee, the majority of whose members condemned it, mainly on the ground of deterioration of the standard of work and unnecessary increase of rates, and recommended the abolition of District Board Engineering establishments.

This recommendations was not accepted by Government, because it involved a radical departure from the accepted principles of Local Self Government. Since then however Government buildings and trunk roads have graduallv been taken over by the Public Works Department.

16. Nothing has occurred since to justify the transfer of Public Works to District Boards with the present system of execution of works and if the experiments were repeated the result would have been the same.

17. The main objection for the abolition of the subordinate establishment is the absence of master contractors and the Committee itself has stated that it is not possible to have large self-respecting contractors with the existence of the present subordinate establishment. The question now remains whether responsible firms of contractors are really wanting to substitute the departmental agency.

18. The present question being for roads alone, I think respectable firms of contractors will not be wanting to replace the departmental

agency. The next question arises, whether any savings will be effected by this replacement. I have already shown the extent of corruptions and the desirability of introducing private agency.

19. With the formation of Provincial Road Boards as suggested in my evidence and transferring all roads from Public Works and District Boards to the Provincial Road Board and giving out all works by competitive tenders to respectable firms of contractors healthy competition will be introduced. If the power of acceptance of tenders is left to Boards and not to any individual officer and the inspection of works is made by experienced and highly paid officers, a good deal of corruption could certainly be saved, as also the dual establishment of District Boards and Public Works. The establishment charges of the Board with its inspectors and that of the contractors cannot be more than 25 per cent of the expenditure. Thus at least the amount at present spent in corruptions and wastages amounting to Rs. 1,83,29,610 could be saved and this will solve the question of road development of India without having recourse to any fresh taxation. In this connection, the statement of Mr. S. D. Pears, retired Chief Engineer, P. W. D., Madras, before the Reorganisation Committee can conveniently be quoted here. "The percentage of his establishment to works (*refers to his private practice after his retirement*) worked out to about 10 or 12 p. c. including the cost of his own office, designing and supervision. He could not state why the cost of establishment in the Public Works Department, Madras, was as much as 27 to 29 p. c." Besides, this will solve the problem of substitution of departmental agency by private agency and will stimulate the growth of private enterprise, large contractors and industries in the country. Roads being less important in public works, a commencement could at once be made to solve so many problems. After the experiment of 1892, the recommendation of the Committee to transfer all roads from the District Boards to public works could not be accepted as it involved radical departure from the accepted principles of Local Self-Government but Buildings and Roads being at present transferred subjects, it may not be objectionable to take all roads from Public Works, District Boards and Municipalities under a Provincial Road Board to be constituted by a majority of popular representatives.

20. This will also further help research in road making which is entirely wanting at present. The substitution of petty contractors and petty overseers by respectable and experienced firms of contractors and expert supervising officers will certainly replace the old method by the most economic modern method of road making in the country.

21. The next question will arise about the disposal of the staff in the Public Works and District Boards that will be found surplus if this suggestion of transferring roads under the provincial Road Board is accepted. This problem will have to be tackled in some future date in terms of the recommendation of the Royal Commission on Public Services and the Re-organisation Committee. The commencement in part by the transfer of roads will be most suitable to begin with. Most of the superior staff could be employed as inspectors and advisers and by stoppage of further recruitment and pensioning off others the problem might be easily solved. Some of these officers will find employments under contractors, and others will start business on their own account.

22. At present engineers are not wanting in the country but the present systems in the department do not encourage them to take up private practice, for an engineer, even in the subordinate establishment

gets all the benefits of a business man without running the risks and uncertainties of the business. For whatever his pay, he is sure to get a certain percentage of commission for all works done by him.

New Delhi, dated the 19th January 1928.

(*d*) Oral evidence of Mr. K. C. DE.

Chairman: You represent the Bihar Chamber of Commerce?—*Mr. K. C. De*: Yes.

Have you any objection to the written statement which you gave to the sub-committee being used by the Press?—I have since sent in a further statement.

No; I am speaking for the moment of the statement given to the touring sub-committee?—I have subsequently sent a further statement amplifying the views contained in the earlier statement.

It is only an amplification of what you have stated and I suppose you have no objection to its being used by the Press?—No.

How long has the Chamber of Commerce been in existence?—Only for the last two or three years.

How many members have you on the Chamber?—I cannot tell you the exact number.

Approximately?—It is less than 100.

Are all the members Indians or are there non-Indians also?—They are all Indians.

Have you any representation on the local Council?—No.

You say in your statement that all the roads should be placed under a Provincial Road Board and the control of the P. W. D. and the District Boards should be done away with?—Yes.

All the roads, according to you, should be placed under this Board?—Yes.

Irrespective of whether they are village roads or any other kind of roads?—No; I do not mean the local boards roads. I mean all the roads under District Boards and the P. W. D., not those in the villages.

They will remain in their present control according to you?—We are concerned only with the District Board and the P. W. D. roads.

You mean that those which are at present under the P. W. D. should be transferred under one Board?—Yes.

And those with which the P. W. D. are not concerned will remain where they are?—Our idea is to take all roads to the control of one Board, including P. W. D. and District Boards'.

I am therefore asking you as to what roads you mean. There are village roads, District Board roads, local board roads, municipal roads and provincial roads. What would you like to be brought under the single control?—I want that the municipal roads, District Board roads and the P. W. D. roads should be amalgamated into one and put under the Road Board.

There will be one Road Board for the entire province?—Yes.

And you have, after your experience, come to the conclusion that a good deal of wastage is caused nearly 50 per cent you say, owing to the management by small contractors?—Yes.

Does that represent the bulk of opinion of the commercial classes in your province?—I think that is the opinion of almost all the provincial Governments. I have stated so in my memorandum.

What is this P. W. D. Reorganization Committee? Was that a Government Committee?—Yes; appointed by the Government of India with the approval of the Secretary of State in 1916.

It was not a Committee of your local Government?—No.

(*Mr. E. F. Sykes*: I think Sir Frank Sly was the Chairman of that Committee.)

Your view expressed in the written statement is taken from the report of that Committee?—Yes; mostly.

That Committee agrees with your view that 50 per cent. wastage is caused?—No; it is not exactly mentioned. That is my estimate. Even they, I think, are of opinion that the P. W. D. charges of 25 per cent. for establishment are expensive and they admit wastages.

You are of opinion that another 25 per cent. is caused by the management?—No; there is a wastage of 50 per cent. out of the grant and there is another 25 per cent. for establishment. That comes to about 40 per cent. wastages of the total grant when the establishment is taken together.

You say that a petrol tax would increase motor bus fares and be hard on the poorer people and will kill the services. That opinion happens to be somewhat different from that of other witnesses. So I am asking you for some detail?—I may say to that extent it will. The idea underlying it is that the execution of roads at present costs us a lot of money. I have shown that in my written statement.

I am not asking you about that. I am asking you about the petrol tax on its merits. What is your opinion about the 2 annas petrol tax?—It will increase fares.

But will that materially affect the poor people?—Yes; to that extent.

Suppose that the 2 annas were spent on road improvement allocated and earmarked for that purpose, what would be your opinion as to the advisability of levying this tax?—I am averse to all taxation, even the 2 annas now proposed.

Will you not make an exception in favour of the tax on petrol if it were allocated to road improvement?—Unless the money received is properly managed, I should object.

I think we must all assume that it is managed properly. Suppose it was properly managed, put into a separate fund and put into the hands of a Central Board under a statute or law. Would you still object to it?—At present it is not necessary. That is our idea.

I follow that. I am putting it to you now, supposing such a tax is imposed, would you object?—Yes.

And perhaps your Chamber of Commerce would also object?—Yes.

At present is there any tax on motor lorries or anything of that kind in your province?—I do not know, except the registration fee.

Does that registration fee go to the municipal or local board areas?—I think it is the Police Department that takes that fee. Besides that, there is no other tax that I know of.

Does that apply to the whole province?—I think so.

What is that fee?—Rs. 10 for private cars and Rs. 50 for taxis.

Do you think that private cars are adequately taxed in your province?—I think so.

Your province is paying only Rs. 10 a year, while in provinces like Madras and Bombay, it is Rs. 100 a year?—I do not know.

If you had a Central Board co-ordinating in regard to provinces, how will it work out at Rs. 10 in Patna?—Rs. 10 is at the time of registration. There is an annual tax in municipality. Central Board will take the present grant for roads.

Do you think that motor cars in your province can bear a little more taxation?—So far as private cars are concerned I will not object to that. As regards commercial cars, I would.

Private cars should not be taxed while commercial cars should be taxed because they make huge profits. Is it true?—We object to all taxes.

Do you think that 2 annas excise on petrol would operate with very great hardship in your province?—I don't think so.

And it would be easily absorbed, I think?—I think so.

Except your general position that you are averse to any fresh taxation—which many of us take in our Local Boards—have you any specific objection to a motor tax?—So far as Bihar and Orissa are concerned it would not come to much as the number of motor cars is not large.

Do you mean to say that there is no room or scope for further development of motor traffic—either commercial or private?—There is, provided the taxes are reduced and not increased.

What is the price of petrol in your province?—Rs. 1-5-0 per gallon.

Is it the costliness which prevents motor traffic from development?—My province is the poorest province.

Not poorer than many others?—Yes.

Is it poorer than Delhi?—Yes.

Is it poorer than Assam?—I have not much experience of Assam.

Then you think that it is the poverty of the province which prevents motor traffic from development even though no tax is paid?—Yes.

But still you hold the opinion that if 2 annas were put on petrol your province will easily bear it?—Only to the extent of 2 annas.

You speak of the Central Board and Provincial Board. Have you thought out as to what would be their mutual relations?—The Central Board would be only co-ordinating the road programmes of the Provincial Road Boards and also advising them.

Would you give any executive powers to the Central Board?—None at all.

What would be its functions?—Only to co-ordinate the functions of road development in all provinces, to make road programmes, to advise and conduct researches.

But what is the value of this advice if it has no power to carry it out? Suppose it recommends a programme of road development but has no power to compel the province to carry in out?—I do not know. It is for the Legislature to decide.

Have you considered how far the Central Board should be advisory and how far should it have executive powers? What is your view?—It may have certain executive powers to compel the provinces to follow the all-India programme, but it must not interfere with the provincial management.

I do not mean the internal management but should it have the power to compel the provinces to follow a certain co-ordinated programme?—Yes.

I find that your Chamber states as follows in its written statement:—"Central Road Board, in the opinion of this Chamber, is essential to co-ordinate the financial programmes of road development, technical experience and research in road construction and to make all-India programmes of road constructions and to allot revenue from central taxation according to the needs of each province." This implies certain executive powers. You have no objection, so far as this programme is carried out, to give these powers?—No.

Hon. Sir A. Froom: You are in favour of a Provincial Road Board. Could you tell the Committee what your idea is as to its composition—who should be on the Provincial Road Board?—I have already said that I would suggest two-thirds from the Legislature and public bodies and one-third to be nominated by Government.

You suggest that there should be no body on the Board with a technical knowledge of the roads?—I have already suggested that we should have Inspectors of Works with the expert knowledge of roads, but he should be subordinate to the Board.

Will you give this Provincial Road Board in Bihar and Orissa executive powers?—Of course.

But you don't carry your opinion in regard to the executive powers so far as the Central Road Board is concerned?—The Central Road Board should have some executive powers but so far as the internal management is concerned the Provincial Road Boards should be free.

What is the price of petrol in your province?—Rs. 1-5-0 per gallon.

How long has it been at that figure?—For the last one and a half years.

Before that it was four or five annas higher?—Yes. I think it was Rs. 1-10-0 or so.

Since the rate has been reduced have you noticed any increase in the motor vehicles?—Yes.

They have increased with the drop in the price of petrol?—Yes.

So far as I understand your opinion is that although the commercial vehicles use the roads and therefore do a certain amount of damage to the roads, you do not subscribe to the idea that these commercial vehicles should pay anything for the upkeep of the roads?—I have already stated in the written statement that at present in our province we badly want money for otherworks and even if the commercial vehicles are taxed we should like to use this money for other important works.

Would you consider the wastage of money in other departments of your province?—Other departments are not spending departments. No department spends so much money as the P. W. D. The whole expenditure is about Rs. 10 crores.

What about Education and Sanitation?—There too the buildings are made by the P. W. D.

You belong to a firm of contractors. Have they done work in Bihar and Orissa?—We have got some works there. We have got our own workshop.

Have you had contracts for making roads?—I am still doing some work.

Under District Boards?—Under the Public Works Department.

Mr. Mohd. Anwarul Azim: You have got District Boards, Local Boards and Union Boards throughout Bihar and Orissa?—We have District Boards and Local Boards but no Union Boards.

How are your village roads administered?—Village roads are under Local Boards.

And under the Local Boards you have no such thing as Union Boards?—No.

Have you any idea of the working of the District Board?—Yes.

In what capacity have you worked—as a Member or a Secretary?—No.

Then it is as a lay citizen of Bihar that you possess that information?—Yes. I have done some work with District Boards too.

Do you know how budgets are prepared in the District and Municipal Boards?—I think the same procedure is followed as in the P. W. D.

That is your guess?—Yes.

But you have no actual experience of it?—No.

I suppose you have got many big rivers in Bihar and Orissa?—Yes.

Have you got many district roads in the province?—Yes.

Then how are these big provincial roads connected in parts where they pass through big rivers? Have you got ferries or have you made bridges over them?—There are bridges but some roads are not bridged. On the Grant Trunk road there is no bridge at Dehri-on-Sone.

But some of your provincial roads are not bridged. Is that so?—Even the Grand Trunk road is not bridged. There are a lot of unbridged roads.

You stated to our Chairman that you have only the registration fee on motor vehicles in Bihar and Orissa. Have drivers not got to pay anything by way of license fee?—Yes.

Do you pay anything for permit as well?—No.

If any one wants to carry on some transport business, is he required to take any permit or license from Government?—I think they charge Rs. 50 once for all.

You are not certain on what items motor vehicles are taxed in Bihar and Orissa?—No.

I suppose there are lots of Indian States within your province?—Yes.

Are there any roads which pass through your province as well as through the Indian States?—Yes.

How are they managed?—I do not know.

Are road materials readily available in your province?—Yes, in some parts.

Have you any idea how inter-district roads are administered in your province? Is there any co-ordination amongst them?—No.

You said you are a contractor?—Yes.

Have you ever taken the help of the Alipore Test House?—No.

Did you suggest really that in place of the existing taxes on motor cars you would like to have one tax?—I do not like to have any tax.

How would you then improve your roads?—I have already suggested that if you change the present system you would save 50 per cent of the present grant.

You have not got any other method to suggest to the Committee by which the roads in your province could be improved?—No.

How would you like the idea of imposing a heavy annual registration fee on all motor vehicles and spend the income thus derived on the improvement of roads?—We have not got a large number of vehicles in Bihar and Orissa and the amount collected would not be much.

You would like to have a Provincial Road Committee for the administration of these funds when available?—Yes.

Presided over by a non-official Chairman?—Yes.

Would you like that the price of petrol all over India should be unified by some means or other?—I cannot give any opinion about that.

Mr. E. F. Sykes: You say that you do not get much in the way of roads in your province because it is a poor province?—Yes.

I suggest that one of the reasons why you do not get much in the way of roads is because you spend a smaller proportion of your revenues on roads than any other province in India?—Yes; but we want money for other departments.

That may be so; but the inference is that you value your roads less than the services you get from other departments; otherwise you would presumably spend a larger proportion of your revenues on roads. You say yours is a poor province but from the figures available, it appears that the density of your population is quite high?—Yes.

I understood your point was that your province being a poor one should have preferential treatment?—No, I never claimed that.

The railway traffic in your province is one of the densest in India—the number of passengers per mile per annum?—Possibly.

That shows that there is a desire for travel and that the people have the means for travelling by rail?—Yes.

Surely the same thing would apply to roads?—My written statement expresses the whole of my views: we are averse to all taxation; but so far as these things are concerned we cannot afford to pay any taxes on motor cars for road improvement.

I think you will admit that people who travel in your province travel a great deal by train?—Yes.

And they pay for doing it?—Yes.

That means they have a desire to travel and have the means to indulge in it?—But train travel is much cheaper than motor travelling, and if we increase taxes on petrol the result will be much worse.

We therefore come back to the point that in your province there is no great interest taken in roads?—I mean the P. W. D. and the District Boards spend their budget allotment; that is all.

But your people are quite willing to spend their money on travelling by rail?—I do not know that.

I think you will admit that people in your province travel about a good deal?—Those who can afford it.

I am talking about the bulk of people—those who travel by third class in trains?—The number of buses in Bihar and Orissa is very few.

Why is that so?—So far as roads are concerned we have got already quite good roads in existence, but there are not sufficient buses running on them.

We have had other witnesses who have said that wherever the roads were good the traffic was growing and developing?—There are a lot of good roads in Bihar.

And yet the motor traffic does not spring up?—No.

Can you give any reason for that?—The poverty of the people and the want of motor buses.

Chairman: You say there are good roads in Bihar?—Yes; very good roads in Hazaribagh and other places.

We have had a statement by another gentleman from Bihar and Orissa that roads there have deteriorated much in the last few years, that village roads are not kept in repair especially during the rainy season, that there are very few metalled roads and in most village roads there is no stone but only plain kankar and that the road system is defective. Do you share that view?—No; I differ from that view.

Your views are entirely contrary to that?—Yes.

Mr. E. F. Sykes: This is the view of your local Government: From the recent developments in passenger and lorry services, wherever the roads permit, there would apparently be rapid development if more good roads were provided to link up important and populous centres?—The number of cars has increased in some places, but that is due to the reduction in the price of petrol and of motor cars.

Their position is that if the roads are there the traffic comes, but your position is that the roads are there and yet there is no traffic; there is a difference of opinion on that?—Yes.

You say you are unwilling to pay taxes. But that does not mean that you are unwilling to pay for what you think is a good bargain?—My idea is that even if the money is given it is not properly managed and so we are averse to taxation.

That is a purely domestic affair?—No; it is the P. W. D. system which is the same all over India; it is not a domestic affair; 50 per cent of the amount goes in wastage; if the money is spent economically this problem can be solved without putting on any tax.

You think if economically managed the savings would be quite sufficient to provide for these things?—Yes, if the department is reorganised and the system radically changed. I have taken this from the Government report and these are opinions that have been expressed by provincial Governments.

I think you will find people who do not agree with your opinion?—Nothing is my opinion; it is all the provincial Governments' opinion.

Is your Government of opinion that their funds are not economically managed?—Yes; I have quoted two Secretaries to Government—Messrs. Stanley and Gardiner.

Mr. Mohd. Anwarul Azim: The story of 1913?—The same story is repeated in a worse form.

Mr. E. F. Sykes: But still if these funds were suitably administered and it was found that more funds were still required for the development of your road system, do you think your people would

be willing to pay?—Our idea is that we can save so much money that you would not require any more to be raised by taxation.

Can you say how much would be saved?—183 lakhs on roads alone; at present there is dual establishment in District Boards and the P. W. D. in the same area; there is the District Board engineer and the P. W. D. officials and subordinates; there is a multiplicity of contractors in the same area—I said that in my statement before the touring sub-committee. Then, the P. W. D. charge 25 per cent for their establishment alone, for making designs and supervising the work which is actually carried out by the contractors. The Chief Engineer, Mr. S. D. Pears, after he retired, took up work as a private engineer and his expenses were only 10 per cent including everything—supervision, designing, establishment, etc. The P. W. D. charge for design and supervision is 25 per cent. My figure of 50 per cent barring the establishment is very moderate. I am speaking of all-India and not Bihar only. If you see the Reorganization Committee's report you will see that Mr. S. D. Pears, retired Chief Engineer, said that his percentage of expenditure works only to ten or twelve per cent, including the cost of his office, designing and supervision. He could not state why the cost of the P. W. D. worked out to 27 to 29 per cent.

Your objection is that there is no hope of getting value for the money. If the people got the value for their money, then you would not object to taxation?—Yes. So far as Bihar is concerned I may state as the view of my Chamber of Commerce that we have not got enough money for primary education and other departments and our people would not like to pay any tax for road development.

Do you think you could make a mile of nice road fit to carry motor bus traffic for Rs. 20,000?—Yes.

The savings you anticipate in the Public Works expenditure would then enable you to do 130 miles a year?—Yes.

Allowing for maintenance and other charges, you would be well in a position to construct 100 miles of roads a year?—Yes.

Would you consider 100 miles of roads a year sufficiently rapid development?—Yes.

Lala Lajpat Rai: You said that you do not like a tax on motor traffic, whether they are private motors or whether they are buses?—Yes.

What classes of people use motors?—Those who can afford.

That is a truism. Are they business men or are they men who keep motors as a luxury?—I do not think that motor car is a luxury. It is a necessity.

Supposing private individuals having no business keep motor cars, are not motor cars a luxury in their case?—For them it is a luxury.

Chairman: Is it a luxury for a lawyer to keep a car to go to the courts? I hear there are lawyers who make as much as Rs. 20,000 a month in Patna. Are they not capable of paying a two-anna tax on motors?—In their case it would not be much.

Lala Lajpat Rai: How would you classify the various classes of people who use motor cars?—I cannot say.

You would not object private owners being taxed?—I would not object.

As regards buses, you said that the petrol tax would increase motor bus fares and that this would be hard on the poor people and that the tax would kill the service. There are bus services in Bihar?—Yes.

I thought you said that there were none?—I said that there were not sufficient.

Is there a road cess now paid by the villagers?—Yes.

Why is it charged on the villagers only and not on all those people who use the roads?—I do not know that.

You suggested two methods by which money could be spent. One is by placing the whole road construction and road system in one Central Board and the other is by providing master contractors. Do you mean to suggest that the master contractors are not out to make money out of their business?—I have allowed up to 25 per cent.

These master contractors will require some supervising agency?—Yes.

Do you think that this supervising agency will not be as corrupt as the P. W. D. supervisors?—We do not want Rs. 60 overseers. The corruption is among the low paid subordinates.

You think that the low paid establishment should be done away with?—Yes.

What is the limit of pay you would suggest?—Rs. 300 or Rs. 400, up to the Sub-Divisional Officer.

Do you mean to suggest that there is no corruption among the higher paid services?—Not to the extent as in the case of the low paid subordinates.

In your statement before the sub-committee you refer to the permanent clerks of works. What do you mean by that?—You will find it in the Reorganisation Committee's report.

I do not care for the Reorganisation Committee's report. I want your opinion?—I mean the inspecting officers.

What do you think will be their salary?—They will be in the Imperial Service grade.

What guarantee is there that they will not be corrupt?—The per centage of corruption will be much less.

Chairman: Do you suggest that there will be no low paid service at all?—Yes.

Lala Lajpat Rai: Then who will do the work?—The contractor's men. The inspection will be done by the higher paid service.

Who will supervise the contractor's men?—The Inspectors.

You suggest that there will be no subordinate agency below the Imperial Service men to do the supervising of the contractors' work?—No.

You want the small contractors to be replaced by the master contractors?—Yes.

Do you not think that the master contractors will want a higher rate of profit?—No. I do not think so. They will have larger works in hand.

Do you not think that their expenses will be higher than those of the small contractors?—The expenses may be larger but they will take up large works.

It depends on the area. What profit will you be content with?—Ten per cent.

You quoted the evidence of some Chief Engineer and said that his cost of establishment was 10 per cent. while that of the P. W. D. came to 25 per cent. Do you not think that the P. W. D. establishment will also be necessary in addition to the contractors' establishment?—I think the present establishment is sufficient.

You mean the wastage is entirely different from establishment? Of course some establishment is necessary?—I have left that establishment untouched.

You are assuming 50 per cent. wastage, and the only conclusion of the evidence produced is that the public works establishment costs more than the private contractor's establishment. The cost of the contractor's establishment is 10 per cent. while the Government spends on that work about 27 or 29 per cent. In any case some Government supervising establishment would be necessary: how much money would be saved then? How do you make out the 50 per cent. wastage? You say 50 per cent. is the wastage, and 25 per cent. is the cost of establishment?—I have not said that. If you see my figures, the total expenditure on roads in all India is Rs. 3,66,59,221. This is on road work alone, not establishment, it does not include establishment; the establishment is separate.

Your 50 per cent. wastage is on the cost of the roads alone without the establishment?—According to my figure, it comes to 40 per cent., including establishment and 50 per cent. excluding establishment.

That 40 per cent. is by way of corruption and wastage?—Yes. I have given you five instances of wastages.

Chairman: How much of that is due to multiplicity? The question is, you take 40 per cent. including establishment and wastage: how much is due to corruption and how much to multiplicity?—I have not said anything about multiplicity.

In your note it is said, "one of the reasons why the wastage is caused is the establishment charges for the multiplicity of petty contractors." You also say that "the increased revenue would be wasted to the extent of 50 per cent." Do you adhere to that?—Yes.

Under what headings do you put the 50 per cent.—how much for multiplicity, wastage and corruption? Is multiplicity included in this 50 per cent. wastage or not?—It is not included.

What is this wastage due to?—25 per cent. is due to corruption and 25 per cent. to wrong methods of working, apart from multiplicity.

Lala Lajpat Rai: How is your scheme likely to prevent that corruption since you cannot do away altogether with subordinate agency? You want to substitute the present agency by a Provincial Board. How will that affect? How will the change of the controlling authority remove the corruption? Whether it is the Provincial Board or the Public Works Department, they have to employ a subordinate agency to do the supervision. You won't have any subordinate agency under Provincial Road Board but only an Inspector of works?—Well, only one in a hundred may be corrupt.

Only one in a hundred is corrupt among the higher officers?—One only in a hundred is corrupt, that is my idea,—one per cent. among the higher officers and 99 per cent. in subordinate establishments.

You have said that there is dual control of District Boards and Public Works? In the same area some roads are supervised by the district engineer and other roads by others?—In one area some provincial and District Board roads are under the control of the District Boards and the provincial roads are under the control of the Public Works Department.

Why do you say there is dual control? There is no dual control over the same road, the dual control is in respect of the same area of different roads?—Yes.

Chairman: That is due to the dual system?—Yes.

Lala Lajpat Rai: The District Board roads are financed by a village cess?—Yes.

You mean to say that in administering that cess the village people should have no voice? You mean to say that the local board members and the District Board members will have no voice in the construction of the District Boards?—Well, their representatives will be on the Provincial Board. Their representatives will have the voice.

You do not think that this road cess should be abolished? If all members of the public derive benefit from roads, why should agriculturists particularly be taxed for that road cess?—I never thought about it.

What would be the strength of the Provincial Boards?—You may have 20 or 25.

How will they be better than District Boards?—I have never said anything about District Boards. I meant only that the engineering establishment of District Boards should be abolished. I never meant that the Board itself should be abolished. The difficulty is that some districts have got a very small income, and they cannot possibly have a good engineering establishment to look after roads. Others may have good engineers but not good roads. But if you get it in the province, it will be possible to have expert and experienced officers, taking all the districts together.

Raja Ghazanfar Ali Khan: Do District Boards spend money from their own revenues on the maintenance and construction of new roads? And if they spend money from the district road cess fund and if the District Board want to get any work done by the P. W. D. which is financed by the District Board, they have got to pay supervising and establishment charges to the P. W. D.?—Yes.

You do not think it is necessary for the District Boards to maintain their own engineers and subordinates for the construction of various other buildings besides roads?—That buildings question will be the same as the roads question. The difficulty in most of the District Boards, you will find, is that they have not got money enough for a good engineering staff. The present system of execution of works through petty contractors and subordinate staff is responsible for corruption and wastage.

Your opinion is that the District Board should have no engineering staff and that all their construction works, whether on roads or on buildings, should be done through the P. W. D.?—I never said the P. W. D.

Some agency which does not belong to the District Board?—The Provincial Board could do it through large contractors.

If the District Boards have got to get their construction of buildings through their own agency, they say they have to maintain their own engineering staff?—If they have got to do their work in the present system they will have to. The whole idea is in changing the system of execution.

Besides paying the present staff they shall have to pay 5 or 10 per cent. to the P. W. D. also?—Why should they pay to the P. W. D. The P. W. D. is no longer existing under this scheme.

Any engineering agency which will construct the roads for them will get supervision charges for roads from them?—No firm of contractors charge supervision extra. If the District Boards do away with the engineering establishment, they will save a lot of money.

And the P. W. D. establishment also?—Yes, and the P. W. D. establishment also.

Will you please give us a definition of petty contractors?—People who do not know their work.

Don't you think it is possible that there may be very big contractors who do not know the work?—They would have subordinates to carry out their work.

You are in favour of giving away every work by calling for tenders?—Yes.

In calling for those tenders the agency of the Central Board or Provincial Board shall have to stipulate that no petty contractor shall be allowed to tender?—Yes.

I want to know what is the line of demarcation?—Big contractors are easy to find out.

Chairman: How will you prevent these master contractors employing petty contractors just as the P. W. D. employ them now unless you have a term in the contract that petty contractors should not be employed?—A large contractor will be responsible for the work.

Raja Ghazanfar Ali Khan: Should work be given on competitive tenders?—Yes.

It will disable some people from tendering. Only big contractors who have large engineering establishments will be allowed to tender?—Not necessarily. Anybody can tender who can do the work.

Chairman: As you are an Indian interested in the political regeneration of the country, I am putting this question to you. You say District Boards should be deprived of their road management. You put it mainly on the ground, as you said, that the District Boards have no money?—Yes.

They have no money to spend. Supposing money was found for them, what would be your objection to leaving the management of roads in the hands of the District Boards?—If it is in a Provincial Board, they will have the whole provincial fund. A Provincial Board will be able to employ inspectors and other officers for the whole province.

You attach no value to the educative sense which the District Boards develop by reason of their management? They may bungle in the beginning. Is the educative value nothing to you?—Public Works also is a transferred subject now.

I am speaking of District Boards, cultivators, landowners. Is it nothing to you if you take away the one means of education of managing roads?—If you allow them to gamble with public money, you may leave it.

Is the educative value of this experiment nothing to you?—Experiment can be made in the provincial sphere.

The tendency is to decentralise as much as possible. Your experiment runs contrary to it?—This work is not possible. You cannot have experienced officers.

Your main objection is that local boards are too poor to have proper roads?—Yes.

Supposing means was found to put money in their hands, supposing humanly possible means were adopted to prevent waste, would you still remove it from the hands of the District Boards?—No.

Your objection mainly is that District Boards have no money and no proper establishment?—Yes.

No other objection?—No.

(*The witness withdrew.*)

6.

(a) Replies to the questionnaire submitted by the Secretary, Gwalior and Northern India Transport Co., Ltd., Delhi.

B.—Motor Transport and Motor Taxation.

1. Referring to the areas where my Company is operating, I feel sure, that motor transport did not exist in the years 1913-1914. In 1918 and 1919 after the termination of the Great War a huge block of Government vehicles were put on the market and a great impetus was given to motor transport. From 1919 to 1923 development was very slow but from 1924 to 1927 development has been accelerated due chiefly to a rapid fall in the prices of motor vehicles, tyres and fuel. The development has been very rapid and with licences being issued *ad lib*, motor transport has been the ruination of large Companies, private owners and good roads, whereas Motor manufacturers and Oil Companies have amassed fortunes.

2. The prospects of further development are immense with rate cutting very brisk among Motor manufacturers, Oil and Tyre Companies and what is more important the carelessness of licensing authorities in granting licences to every person asking for one.

3. I attach a statement (Appendix A) showing the "Special Taxation" in areas over which my Company's services operate.

4. I have no definite knowledge but judging from the conditions of the roads, it is very apparent that very little of the amount received is expended on the care of roads.

5. Taxation on motor transport—Central, Provincial and Local—should not only be allocated to *expenditure on roads* but also to *expenditure on traffic control* and I suggest that 60 per cent. be allotted to maintenance of roads, 20 per cent. (to the Police Department) for better traffic control, thus obviating innumerable accidents—and 20 per cent. as a reserve against emergencies—such as subsidizing motor transport for linking up outlying areas for economic and industrial purposes.

6. This is dealt with in a separate note (Appendix B).

7. I am in entire agreement with the Bombay Government's proposals, which to my knowledge, were put forward after close and constant discussions with the Tyre, Oil and Motor Companies in and around Bombay. But in this connection, I wish to suggest emphatically that the Railways should be made to reduce the freight charges on petrol. If this is not done, all consumers away from the ports will be doubly taxed—*i.e.*, with the additional tax as proposed by the Bombay Government and with the heavy freight charges. On behalf of all inland consumers, therefore, I submit that the freight on a gallon of petrol should be reduced by the amount of the petrol tax at the ports, *i.e.*, if it is considered that a tax of 2 annas be put on petrol at Bombay, Calcutta, Karachi and Madras, the cost of freight inland should be reduced by 2 annas—which in fact will mean that when the Bombay price of petrol per gallon becomes Rs. 1-2-6 (the present price is Rs. 1-0-6), the Delhi price will continue to be Rs. 1-8-6.

8. A. Import duty to be *ad valorem*.

B. Registration fees as under:

1. Private cars (not to exceed 7 seats).

2. Taxis (not to exceed 5 seats).

3. Passenger vehicles from 8 seater to 24 seater (single decker).

4. Goods carrying vehicles by weight from 3/4 to 6 tons laden and 50 seater (double decker).

Note.—All vehicles to be registered annually.

9. The Motor Taxation (Finance Act, 1926/1927) of Great Britain should be adopted with modifications to suit Indian conditions.

10. Reciprocal exemptions do not appear necessary. As if a vehicle does not run in any one town for the full period for which it has been taxed, a refund of taxes can be applied for and should be granted—but it does appear necessary that there should be no difference in the motor rules of the many provinces of India as exists at present.

11. I do think a separate account is necessary.

14. Most emphatically 'Yes'—More damage is caused to the best metalled roads in India by a single bullock cart than by two 7 ton lorries on solid tyres. Please see Appendix B.

15. Please see replies to Nos. 3 and 4 above.

C.—Road Boards.

1. The only Road Board that I know of, in the areas that we operate, was formed at my instigation in Gwalior with the object of re-drafting the existing Motor Vehicles Act to suit the present rapid developments of Motor Transport. This was formed in 1926, but has not yet commenced to function.

2. I consider the formation of a Central Road Board as an immediate necessity.

3. The constitution should be similar to that of the Railway Board and with personnel as under:—

PRESIDENT.

Director of Road Construction.	Director of Transport.	Director of Finance.
Deputy Director.	Deputy Director.	Deputy Director.

Secretary.

Assistant Secretary and Staff.

The functions should be—

(1) Co-ordinating development of roads and research in road construction.

(2) Promoting, encouraging and co-ordinating the study of sciences and the art of motor transport.

(3) Collection of taxation for road development.

D.—General.

Please see Appendix B.

APPENDIX A.

Statement showing Taxes in vogue on the various sections in Central India and the United Provinces.

Name of Province or State.	
Indore State	Rs. 10 per mile per vehicle per annum.
Bhopal State	Rs. 8 per mile per vehicle per annum.
Dhar State	1 anna per rupee on earnings.
Gwalior State	3 pies per mile per day per ton laden weight. Registration fees are extra. Crossing charges of bridge on Parbati river at Rs. 4-4 per trip. (No ferry is maintained and buses have to keep waiting for days during the floods.)
Dewas State	Municipal tax at Rs. 10 per 'bus' per month.
Imperial P. W. D., Central India	Permit fee of Rs. 8 per 'bus' per year. Crossing charges of Nerbudda bridge at Rs. 5 per trip (return).
Dehra Dun	Municipal wheel tax at Rs. 2 per car and Rs. 3 per lorry per month. Registration fees at Rs. 64 for heavy vehicles and Rs. 32 for light vehicles.
Saharanpur	As above.

APPENDIX B.

(Referred to in para. 6 of replies to Part B of the Questionnaire.)

In my opinion, it would be very difficult and cumbersome work to tax motor transport through individuals and I, therefore, suggest that the tax should be collected through 4 large associations:

1. Petrol Companies.
2. Oil Companies.
3. Tyre Companies.
4. Insurance Companies.

2. Petrol Companies.—To my knowledge, three* large Companies deal with the consumption in India. The Burma Oil Co., Ltd., The Asiatic Petroleum Co. (India) Ltd., and the Indo-Burmah Petroleum Co., Ltd.. and if the suggestion of the Bombay Government is accepted, it would be advisable to request the petrol Companies to submit quarterly accounts to the Central Road Board and make quarterly remittances of the tax collected. This will not entail further work for the Companies, as they already have a system of making quarterly rebates to all their sub-agents.

I would here recommend that the tax on petrol should not in the first instance exceed 2 annas per gallon.

* Four—when the Standard Oil Co. of New York enters the market.

3. Oil Companies.—Here again the following large Companies deal with the entire consumption :—

1. Vacuum Oil Co.	(Mobil oil)
2. C. C. Wakefield and Co., Ltd.	(Castrol)
3. Burmah Oil Co., Ltd.	
4. Asiatic Petroleum Co. (India) Ltd.	
5. G. McKenzie and Co. (1919) Ltd.	(Veedol)
6. Ramackers Ltd., Calcutta	(Adcol)

and I would recommend that a tax on lubricating oils of 4 annas a gallon be levied and collected quarterly.

4. Tyre Companies—

The Dunlop Rubber Co. (India) Ltd.

The Goodyear Tyre and Rubber Co. (India) Ltd.

The Continental Tyre Co.

The U. S. Tyre and Rubber Co. (G. McKenzie and Co. (1919) Ltd.)

The Henley Tyre Co. (Walford Transport Ltd.)

Firestone Tyre Distributors.

Michelin Tyre Co.

These 7 Companies to my knowledge supply to the whole of India and though India has not yet had the benefit of the reduction of import duty on tyres—I feel convinced that the tyre prices obtaining at present are at a rock bottom and would, therefore, suggest that the quarterly rebate of 3½ per cent, that is at present allowed to consumers, should be set aside and allocated to Government in the nature of a tax. This would not be felt by the consumers and would not entail additional work for the tyre Companies. They would only have to allocate the quarterly rebates to Government instead of to the consumers.

5. Insurance Companies.—The 'insurance' side of Motor Transport is entirely neglected. While larger 'Transport' organisations are insuring against third party and passenger risks by paying heavy premiums—thus increasing running costs, the smaller owners are "taking the risk" and not doing so. This undoubtedly makes Motor Transport more risky than comfortable.

I, therefore, suggest that licensing authorities should in all cases make insurance of vehicles against *passenger* and *third party risks* absolutely compulsory and the Insurance Association should be approached with a view to introducing a special compact policy at special rates.

With this done both the large and the smaller owners will first have their fleet insured and will then proceed to have the vehicles licensed for the road. This in fact will mean that the licensing authorities (the Police) will not register any vehicle unless they are satisfied that the party possesses a *bonâ fide* insurance policy. Further, as the Insurance Coy. will only insure a vehicle according to the makers' specifications, *i.e.*, no vehicle made for carrying 15 passengers will be insured to carry more than 15—the licensing authorities will register the carrying capacity of the vehicle for as many passengers as specified in the Policy. This will make travelling more comfortable and less risky—will obviate 'overloading' which

is the ruination of the owner inasmuch as the vehicle is incapacitated much quicker—and will help Tyre Companies by obviating replacements for tyres which are ruined by overloading.

If this suggestion is adopted, insurance business through Motor Transport will have increased abnormally and I would suggest that 5 per cent. of the gross premiums (over and above the 15 per cent. allowed to the insured) should be paid by the Companies as a tax and remitted quarterly through the Insurance Association to the Central Road Board.

To epitomise the position, Motor Transport under the head 'Central' will be taxed through the 4 large sources. This method in my opinion will be the most lucrative, least troublesome for the Central Road Board, and least felt by Motor Transport.

The Provincial and Local taxes should continue to be as at present—*viz*, registration and licence fees—but there should be more uniformity in the rules governing these throughout the provinces and these fees *must* be paid annually.

Other vehicular traffic.—This should be taxed and taxed heavily by means of tolls—as more roads in India are damaged by bullock carts than by heavy motor transport. The toll should be based on the number of wheels and the carrying capacity of the vehicles.

General.—With my knowledge of conditions prevailing in many parts of India, I wish to record emphatically that the ruination of good roads, failure of large organisations and small and far from comfortably transport has been due entirely to the carelessness of Government in rendering any assistance whatsover to Motor Transport and an immediate stop must be put to granting licences to any and everybody for running a transport service.

On the subject of competition and monopoly—Government is to decide as to whether public policy is best served by allowing providers of transport to compete freely against one another or by allowing a group of people prepared to undertake the provision of services of transport to do so and no one else. The evils of competition carried too far are that *development is impossible* and wages are kept too low. On the other hand extravagance, forgetfulness of the needs of the public and indifference as to whether the public receive the best are the evils that attend monopoly. During much of the 19th century unfettered competition was in accordance with public policy (except between Railways where competition was limited to services, not prices) and its evils were fully realised by all. Business men have sought in recent years to overcome these evils by amalgamations tending towards monopoly but these ought to be conducted in a very broadminded spirit, so that the public need is always uppermost in the minds of all who work in them. If, therefore, the needs of the public, *i.e.*, good, safe and comfortable vehicles, reasonable fare (not less than 1 anna per mile) and scheduled running, are served by an organisation of good reputation and financially sound, monopoly should be given a trial for periods of 5 years—which is the life time of a vehicle in India.

Finally, I appeal to the Government of India to keep motor taxation—particularly that of the Industrial Motor—as low as possible.

Motor Transport has been responsible for the overflow of the population of large towns into adjoining rural areas and *vice versâ* and I could enumerate innumerable other benefits that Road Transport has conferred on India, but it is obvious that the whole country has benefited and with the experience gained to date, it is worthy

of consideration as to whether it is not time for the American example to be followed by the introduction of a more intensive road improvement programme and the encouragement of Motor Transport. *Road Transport is worthy of subsidy, not taxation.*

New Delhi, dated the 19th January 1928.

(*b*) Oral evidence of Mr. A. S. de MELLO, representating the Gwalior and Northern India Transport Company, Limited, Delhi.

Chairman: Are you the representative of the Gwalior and Northern India Transport Company?—Yes, Sir.

Your company works in Delhi?—Its activities are more outside than in Delhi.

What is it?—It is entirely a transport company, passenger service and goods as well.

Plying between what places?—Chiefly in Central India. Delhi is our headquarters. We ply between Mhow, Indore, Dewas, etc. We have passenger lorries and goods lorries.

And in Northern India?—From Saharanpur to Dehra Dun.

How many places do you cater for?—14.

Is it a joint stock company?—Yes, registered in Delhi.

How many years has your company been working?—Seven years; incorporated in 1920.

Your capital is mostly subscribed from Delhi?—Mostly from Delhi.

What is the total capital?—Rs. 18,91,000 subscribed capital. Rs. 75,00,000 is the authorised capital.

You say in your replies to the questionnaire that motor manufacturers in all cases have amassed fortunes owing to the rise in motor traffic. Is that the opinion of your company or your own?—My own. That is proved by the Henry Ford's developments.

Henry Ford stands on a footing of his own. Let us leave him alone?—That is the case in almost all cases, for instance, Morris, who has risen from nothing.

Have you applied your mind to this question? What do you think of petrol price in Delhi?—It is cheap compared with war prices.

Do you think Rs. 1-8-6 is a cheap price?—It is very expensive.

What do you think should be the price?—Having regard to everything it should be in the vicinity of Rs. 1-4-0 for a place like Delhi.

You are aware that in England it sells at 11*d.* per gallon?—Yes.

Can you explain why it should be so high in India? Have you formed any opinion about it?—The railways are making money on freight. Port price is very near English price. It is Re. 0-15-6 in Bombay.

The selling price is Rs. 1-0-6?—But as a rule people get it for Re. 0-15-6. They give an additional rebate of one anna. It is Rs. 1-0-6 ex-pump and the owner of the pump gets a rebate of 2 annas per gallon quarterly.

As a customer, where do you get it for Re. 0-15-6?—From the A. B. C. pumps in Bombay.

Do you think that the railway companies can reduce freights?—I do certainly.

How much?—I had the opportunity of meeting the Upper India Chamber of Commerce which, as you are perhaps aware, has raised this point with the Railway Rates Committee and has been endeavouring to get the classification down to second class. What that really means I have not gone into, but the present classification is, I think, a first class charge. They want to get it down to second class, which would halve the freight.

Have you considered the question of putting on 2 annas tax on petrol?—Yes.

What is your opinion?—If the money is going to develop the roads in India, I am all for it. The Bombay Government say that they will get Rs. 19 lakhs from recovering 4 annas.

When you speak of the 2 annas petrol tax, do you assume, in order that its incidence should be light on the consumer in a place like Delhi, that the railway charges would be reduced?—My contention in my written statement was that the Delhi price in any case should be below the present price.

Supposing the railways refuse?—Then it would be a hardship.

Your assumption is that railways should reduce freight?—Yes.

Any other assumption?—No, just that assumption. There is a possibility that, with further competition from the Standard Oil Co., petrol will drop by a few annas more.

Is it part of your assumption that the oil companies will drop their price?—Yes.

Then I understand you to say that 2 annas would be bearable without hardship provided the railway companies reduce their freight and the oil companies reduce their prices?—Yes.

If these two ingredients are not forthcoming?—Two annas will be a hardship. I am speaking on behalf of my own company. We are the largest in India for mileage done. Our petrol consumption is worth Rs. 1,40,000, 83,601 gallons for last year.

With 2 annas less how much will it save?—Rs. 11,000 a year.

Why should you object to paying that Rs. 11,000 for four provinces, if you are using the roads?—We have already been taxed in these provinces.

Rs. 11,000 for 4 provinces works out to about Rs. 3,000 each?—I am not considering the view of the provinces.

I thought you were catering for several provinces?—Yes.

Is it for 4 or more? Are you in the Punjab?—We serve Delhi, the United Provinces and Central India.

What do you mean by Central India?—In Central India we have such places as Mhow and Indore.

So this Rs. 11,000 which you have to pay by way of additional tax will be divided over four provinces, which will come to Rs. 3,000 per province per year roughly?—In Central India the greater portion of our roads is in the Indian States, for which we already pay very exorbitant taxes. These taxes I have detailed in Appendix A to my replies to the questionnaire.

Hon. Sir G. Corbett: Does that mean per mile per annum on a regular line?—Yes; the smallest run is about 60 miles. We are paying these additional taxes.

Hon. Sir A. Froom: I see from your statement that you consider the formation of a Central Board as an immediate necessity?—Yes, absolutely.

Then you describe the functions of this Central Board in your statement. If you start a Central Road Board, surely you would have some sort of a central fund?—Yes.

You object to that fund being constituted by an increase of 2 annas in petrol excise. You told the Chairman that you were not in favour of 2 annas excise?—I qualified that statement.

Supposing railways find that their freights will not be affected by this increase in petrol duty, would it damage your company?—It will damage my company if no protection is given to transport as a whole. I am prepared to agree to this increase of 2 annas provided the Government controls transport. At the present moment if I increase my running cost by 2 annas per mile, my passengers cannot pay it.

Chairman: What sort of protection do you want?—I do not want monopoly. What I want is the standardisation of fares. The competition at present is very unfair.

Hon. Sir A. Froom: At one place in your statement you say that licences are granted freely. Should the Committee understand by that that there are lots of motor buses here owned by one owner which compete with you?—Yes.

Your opinion is that it would be better to have one or two or even three good companies of some standing running along the road than this competition from private persons?—Yes.

You do not advocate complete monopoly?—Not a bit.

But you do advocate greater supervision?—Yes.

Is it for the benefit of your company or for the benefit of passengers?—It will benefit my company to some extent; it will give us a living wage; but the public will also be undoubtedly benefited.

Chairman: What was your last dividend that you paid to your constituents?—I would rather refrain from answering that question.

Lala Lajpat Rai: Is not your company a limited company?—Yes.

Then how can you keep it a secret?—It is a private limited liability.

Hon. Sir A. Froom: You consider that all vehicles should be registered annually?—Yes.

Are you thinking of Police registration?—I went to Calcutta in the third week of December to see the way motor traffic was going on. I went to see the Deputy Commissioner of Police and asked him how many lorries there were and he could not tell. There were 8,000 registered, but he did not know what the number was of the lorries that were plying at the moment.

He did not know how many were defunct?—No.

Would you have an annual fee for registration?—Yes, in the same way as is done in the case of tongas and other vehicles.

Let me take you back again to this question of 2 annas increased excise on petrol. We had one gentleman before us who is interested in motor transport. He said he would gladly pay 2 annas or even more provided the proceeds so realised are spent on roads. Would you subscribe to that view?—No, not from the point of view of extension; I would prefer to centralise my activities.

What is the condition of the roads you run over? Are they good? —The best roads that I have seen are the Gwalior State roads.

But Gwalior State charges you so much?—They charge 3 pies per mile. They have not got the monopoly; it is a protection on their roads. For instance, they will allow only 5 buses to run on a particular road and no more.

There is a restricted monopoly in the Gwalior State?—Yes, and we have got it.

Is your company the only company which is allowed to run its buses?—We were the pioneers, so we are carrying on.

Do your fares go up on that account? Are they controlled?—They are controlled. We have more or less insisted on one anna per mile which the passengers are prepared to pay. This amount is within their means.

In the United Provinces, do you find the roads good?—No.

Do you run between Agra and Meerut?—No; we run between Saharanpur and Dehra Dun which is a very popular road but it is a very bad road.

Part of the 2 annas that you will pay will be spent on the roads in order to maintain them in a better order. Surely, the nuts of your buses sometimes fall off?—My contention has been that other people should also be taxed.

Does your company run on roads and compete with railways at all? Do you run side by side with railways?—We run only on Saharanpur and Dehra Dun section and I would not call it competition with the railways.

But do you carry traffic that might be carried by the railways?—I could not definitely say that. It is quite a different direction by which our lorries go. I do know this that we charge them Rs. 2 and Rs. 3, whereas they pay something like Rs. 7 and Rs. 12 to the railway.

Could you give the Committee your opinion as to whether the public, like the poor agriculturists, show any preference to travel by buses?—I had been on the road from Amritsar to Lahore and I do think that motor transport is very much more convenient and flexible; buses can move from minute to minute and house to house. That is the reason why it is liked more; but it is very much more uncomfortable and unsafe. There is no doubt about that. This remark of mine is particularly applicable to the buses that run from Lahore to Amritsar.

We were told that people much prefer to travel by bus because they are not harassed as they are harassed by railways. In the case of railways they have to buy their tickets beforehand, whereas in the case of the buses they pay for their tickets when they have occupied their seats. Therefore people prefer the motor service. Have you experienced that in your company also?—I may tell you at once that the type of service that my company is giving is very much different to that given by any other company. Of course, the passengers will always prefer the bus to the railway train if they were given proper facilities. I disagreed with this view in regard to the bus service from Lahore to Amritsar.

Do you find there is a great demand for this motor bus service?—Yes, there is a very great demand for it.

When you open a new section, how do you make it known?—By the beat of drum; that is the best method. Sometimes I have gone

myself in an ekka. I have been to the bazaar in Saharanpur and advertised the fact myself. My service on the first day (1st May 1926) was Rs. 90 for 6 buses for 344 miles; it is now Rs. 290.

So you do advertise your service?—Yes, very much.

We were told in one place that directly a road was opened, motor buses sprang up?—I have not found that.

Hon. Mr. M. Suhrawardy: You are the Secretary of the Gwalior and Northern India Transport Company in Delhi?—Yes.

Can you subscribe to the idea that the establishment of a Central Board will be fully appreciated?—Yes.

Do you think that good roads will increase the motor industry rapidly?—Yes. This fact has already been proved in America.

Can you tell me what was the price of petrol per gallon in 1926?—In Delhi the price of petrol was Rs. 1-15-0.

And what is the present price?—It is now Rs. 1-9-6.

So there has been a reduction of about 5 annas per gallon?—That is right. I might add however that this fall in the price of petrol has not substantially affected the profits of the company.

May I know whether your motor industry is developing?—Yes; developing very rapidly in a very wrong direction.

What do you mean?—It has not been given any support.

You say all this happened in 1926 when the price of petrol per gallon was Rs. 1-15-0?—Yes.

Now that price of petrol has fallen to Rs. 1-10-0, you should be in a position to appreciate the establishment of a Central Road Board and also the development of a fund?—Yes; a central fund.

In spite of the fact that your motor industry is developing rapidly and that from 1926, the price of petrol is falling, do you still resent paying 2 annas tax to the central fund?—My argument is that by paying Rs. 1-15-0 for petrol, I was making much more money than I do now mainly because licensing was not so brisk and not so many buses were on the road as to-day. Though petrol has dropped by 5 annas, licensing has gone up by 5,000 per cent.

Do you think it is due to the competition?—Yes.

So you think you cannot pay?—I am prepared to pay provided it is better controlled by Government.

So, your company will willingly pay 2 or 3 annas tax to the fund if there be reduction in the price of petrol and reduction of the freight by railways?—Yes; it will pay anything. I might mention here that by the drop of 5 annas in the price of petrol, the profits of the petrol companies have not dropped substantially. Far from it, the profit is still abnormal.

Hon. Sir A. Froom: May I just ask a question on this point? You told us that in Bombay the price of pump petrol is Re. 0-15-6?—Yes.

And that the pumps there got a rebate of 2 annas?—Yes.

Do you think that that is fairly general in Bombay?—I pointed that out to Mr. Morrison. In fact, I was the pioneer of petrol pumps in Central India. My company operating on the Bombay-Agra road would instal pumps provided B. O. C. and other companies safeguard us from illegal competition.

Do the oil companies fix the price at which you shall sell petrol, say at Calcutta?—Yes; we have here a firm which specifies the price at which it should be sold.

Would it be reasonable to suppose that there is room for selling it at Re. 1-0-0?—Yes.

Hon. Sir G. Corbett: Do the companies allow a rebate for commercial petrol?—Yes; they do.

Chairman: It does work out at a profit to the individual concerns. Is it not so?—Yes; it does. The man opposite the Churchgate station sells at Re. 1-0-0 and you get a 2 annas rebate. I myself have purchased 10 gallons for my car from more than one of these persons who know me.

For what period did you buy at that rate?—For two or three days, I think.

Every day 10 gallons and you stored them into the tank of your own car?—Yes. I was motoring all the way from Mhow.

Was that not because of your acquaintance with these sellers?—No. I daresay there are many people inland, for instance in Nasik, where instead of getting 40 gallon petrol tins from the tank storage company of the B. O. C., they get it from A. P. C. whose rates are one anna less.

Hon. Sir A. Froom: Do you think that these dealers who have pumps would readily sell their petrol from the pump at Re. 0-15-6 if a man says he will go to them and get it from the pump?—Yes.

Any one, I mean, unconnected with the trade?—Yes; certainly.

Chairman: Are you aware of any case of non-commercial men doing it?—In many cases, the private owner does not get it. It is the driver that derives the benefit.

Hon. Sir G. Corbett: The inference being that the selling charge of the companies is excessive and it allows competition between sub-agents?—Yes.

A fortiori it will be in a place like Delhi more so?—Yes; it is. You can get petrol cheaper at the Ajmere Gate than at the Kashmere Gate. I will sell you for one anna less, if you please.

Hon. Mr. M. Suhrawardy: Does your bus run on the Bombay-Agra road?—Yes.

What is the condition of the Bombay-Agra road?—It is very good except in some places; from Agra to Delhi it is the worst.

What is the condition of the road from Mhow to Barwani State?—Good, except from Jalwania to Barwani.

Mr. Mohd. Anwarul Azim: In your answer to question No. B-9 of the questionnaire, you say, 'to suit Indian conditions'. What is your suggestion in that respect?—As I have said, the taxing should be on the seating capacity. At present, we are not taxing on the seating capacity in India.

That is the only kind of taxation that you would suggest?—Yes. With a view to allow motor bus service to increase. The poor owner of an 8-seater bus should not be taxed so much as the owner of 32-seater whose profit is bound to be a fifth of what the latter gets. The taxation should be *pro rata*.

Would you like two kinds of taxes, one on motor petrol and another on petrol for lorries?—No; I want the same kind for all.

Do you allow luggage to be taken in your lorries?—I do.

Have you got any passenger service from Agra to Bombay?—No. Long distances like that will not pay under Indian conditions.

Chairman: You belong to Bombay?—No; to Karachi. I have made a close study of the conditions of bus service in Bombay and Calcutta. Because of the vested interests and only one company running the buses which also runs the tramways, the buses are very much better in Bombay than those plying in Calcutta. In Calcutta, the Police are licensing 600 and the roads are getting very bad and the poor Calcutta tramways are suffering. Before long, they will be off the road. There is no monopoly in Calcutta.

Are you against monopolies?—No; I want limited monopoly. In the place of the single company running buses in a place like Bombay, I would like there should be six companies.

Hon. Sir A. Froom: There is no monopoly in Bombay?—I think there is. The Bombay Corporation would not allow others there.

Chairman: Why do you say that the Corporation will not allow? Has anybody tried it?—No; I do not know it. Looking at the fact that there is nobody else running buses, it seems like that.

Hon. Sir A. Froom: There is no monopoly in Bombay. I was myself a Director of the Tramways there?—Anyhow, the service is one of the finest that one could get.

Chairman: The feeling is that the Corporation will not allow it. But there is no monopoly there.

Mr. Mohd. Anwarul Azim: Is it your experience as a business man that the oil companies are in a position to lower the prices and the railway their freights?—Yes; I think they can.

Mr. E. F. Sykes: To come back to the question of monopoly. You have the monopoly in Gwalior?—Yes.

Anywhere else, in Indore?—No; at all other places and also at Saharanpur, on competition.

You charge one anna a mile in Gwalior?—Yes.

In Saharanpur?—It comes to 9 pies a mile.

In Indore?—About the same thing. From the 1st of September, they are endeavouring to introduce monopoly.

What is the general purpose that a passenger travels for, have you any idea in regard to Central India?—I have gone into the question very carefully. I find that he travels more for sight-seeing than for business.

Lala Lajpat Rai: In Central India or at any other place?—Everywhere.

Mr. E. F. Sykes: What is the length of journey on an average for each passenger?—About 50 miles.

As much as that?—Yes.

Nine pies is the 2nd class charge by the N. W. R. Isn't it?—Yes.

You know the amount of traffic that the railway gets in the 2nd class?—Yes.

Do you expect at a similar rate, you can have a heavy traffic?—I think we can get. Taking, for example, the Saharanpur Dehra Dun road, the fare comes to about Rs. 2, while the 2nd class fare by railway is Rs. 6-8-0.

You are talking of a special case?—If we are to compete against railways, I do not think there will be much development. If our service were to be run side by side with railway line, then 9 pies will not be paying.

What is the density of your traffic on that line: how many passengers per day?—About 500 per day.

Not much goods?—No; there are other people carrying goods.

What proportion of your expenditure is running cost?—My expenditure on petrol during the last year was Rs. 1.40,000. My gross expenditure for that year was Rs. 2,60,000. The difference is Rs. 1,20,000 which was spent on repairs, oil, tyres, etc.

Nothing about depreciation?—No.

Your expenditure on petrol was nearly half of the whole sum?—Yes. The expenditure on tyres was Rs. 42,000 and the lubricating mobil oil cost Rs. 20,000.

Two annas on petrol would increase about 10 per cent. on your petrol cost or, say, 5 per cent. on your total cost?—Yes.

And of course you don't want to vary your fares by a small quantity like 5 per cent.?—No.

Have you any idea how much does it cost to maintain a motor bus?—When my company started in Delhi they had a contract with the Government of India Secretariat to shift the Government of India staff from here and there. I found that 24 buses were employed and they had to spend Rs. 7,000 in three years.

You do not pay towards the maintenance of roads so much as you make use of them?—But we have the bullock cart which we cannot get rid of and which does so much damage to the roads. If you construct a pavement for pedestrian traffic and something else for the bullock cart we are willing to maintain the road, because in that case our overhead charges will be less.

You say the high price of petrol is due to the railway charges?—Yes, inland.

Do you get any petrol from railway?—Yes.

At what price you sell it at Guna?—I profiteer a bit there. I sell at Rs. 1-12-0 while my actual cost is Rs. 1-8-0.

Raja Ghazanfar Ali Khan: What will be the price of petrol if the freight is reduced to half?—Rs. 1-4-0.

So in that case you agree to increase duty on petrol by 2 annas?—Certainly.

You don't object to petrol being sold at Rs. 1-7-0 because if the freight is reduced by half, the price will come to about Rs. 1-5-0?—Yes.

So you won't mind paying 2 annas on petrol if the price of petrol does not go beyond Rs. 1-7-0 at Delhi?—That is right.

Lala Lajpat Rai: Considering that India produces large quantities of kerosine oil from the local fields and England does not, don't you think that the price of petrol should be cheaper here than in the United Kingdom?—Certainly.

Don't you think that the cost of production, considering the cheapness of labour, is less here than in the United Kingdom?—Certainly.

Taking all these matters into consideration, is it not the railway freight and the profiteering of companies which practically increase the price of petrol?—Yes, these two things.

The companies can profiteer because they have the monopoly?—Certainly.

How is it that your company is called the Gwalior Transport Company? Has the Maharaja of Gwalior any share in it?—Yes, he has a very large share.

Is that the reason for monopoly in the Gwalior State?—One of the reasons.

Are you the successor of the Clive and Co.?—No. The Clive and Co. transferred its transport business to us, whereby this company lost Rs. 5 lakhs in the shape of good will, etc.

How?—They transferred a "used fleet" at grossly exaggerated prices.

Does the Clive and Co. still exist?—No.

Do you know that the Clive and Co., had the monopoly of motor service between Pathankot and Dalhousie?—Yes.

And after that the Gwalior Transport Company had that monopoly?—No—that contract was not transferred to us—a separate company called "Clive Transport Co." was formed for the purpose and this new Company had nothing to do with my company.

When they had that monopoly they charged Rs. 75 per seat from Pathankot to Dalhousie?—I do not know. That was much before my time.

But can you say that this information is not correct?—It is correct. The fare was high but it was fixed in consultation with Government.

What is the distance between Pathankot and Dalhousie?—54 miles.

Do you know what is the fare now?—It is about Rs. 14. (I am told and saw from correspondence in the Press).

Don't you think that the public benefit more by this competition than by the monopoly system?—But you go down the *khud*.

How many accidents have taken place?—12 accidents have taken place to my knowledge but not with vehicles of Clive Transport Co.

And how many had taken place before?—None.

Are you positive?—Yes. I have gone through the Insurance records.

Are these accidents due to the licensing of motor cars?—Certainly.

Why?—Because a severe test has to be made as to whether the engine is capable of driving up the hills or not.

Why can't that test be made even without giving the monopoly?—It can be made.

So monopoly is not necessary for it?—Yes. But you have to see that traffic is not continued on that road at all times of the day.

This has nothing to do with the monopoly?—It has certainly, because, if it is one company, it knows exactly what bus would be coming at the other end of the road.

Don't you think that the Government prescribe timings, etc.?—But it is only for the Military and not for the Civil.

But if you control the whole route in that way you can save accidents?—Certainly.

So it has nothing to do with the monopoly?—No.

May I know so far as this monopoly is concerned, you are in favour of limited monopoly?—Yes.

What was the means of transport for the ordinary men before the railway and motor buses?—Ekka, tonga and village carts.

Do you think that a large number of people must have been employed in the business?—I do not know. I suppose, yes.

Don't you think that your limited monopoly will deprive many of these people from their livelihood?—I do not think so. There are other means of livelihood.

I am just asking this fact whether the railway development and motor development will not deprive a very large number of those who use the cart service and ekkas and tongas from their means of livelihood?—I don't think so.

Exactly why?—The same number of people perhaps and more will be employed for running cars, etc.

Do you think the same number of persons? What is the loading capacity of a motor bus?—50.

And one motor driver is engaged?—A motor driver, a cleaner and men in the workshop.

I am talking of the actual motor transport service. If a motor bus takes 50 persons how many does an ekka take?—Three.

Five ekkas mean 5 people, while one motor bus means one man. You cannot say that they will all get employment on motor buses?—Yes.

Taking the Lahore-Amritsar route. What is the motor bus-fare?—6 annas.

And what is the railway fare?—The same.

As a matter of fact there are a large number of motor buses running in the Punjab alongside the railway lines?—It does not pay them.

How do you know that?—If you take the life of the vehicle and its running cost the private owner is bankrupt after three years.

But suppose there are many private owners bankrupt what harm does it do to the community at large?—A good deal.

Don't you think that this monopoly will mean practically confining the business to a few capitalists?—No.

The working expenses will be different?—Yes.

Would there be any reduction if he kept only one or two buses?—No; he would have to keep the type of workshop which could repair 15 buses.

Do you think every motor car owner should have a workshop?—Yes.

Do you not think that workshops maintained by engineers who did not own motor buses could serve these bus-owners who have only a few buses?—India is not yet ripe for that sort of work.

But it could be done?—Certainly.

Have you any idea why the Clive Company failed?—Yes.

Could you give it?—Overstaffed.

Heavy top payments?—Yes; over European-staffed. To my knowledge their monthly bill came to Rs. 16,000 or Rs. 2 lakhs a year.

So you think that if a moderate-sized shop is kept sufficiently skilled and not heavily paid, then motor bus establishments can be maintained at some profit?—Yes, provided fares are regularised; it is no use reducing our staff if still the rate-war continues.

Do you know that every villager who pays land revenue pays cess in addition?—I do not know that.

If that is so, do you not think it is only just that those who use motor cars and buses should pay a road cess in some form or other? How do you differentiate between a road cess and a road tax?—I do not follow the question.

Chairman: The road cess is graded on the land revenue—at so much per rupee?—Then every one pays that.

Lala Lajpat Rai: Certainly not; unless you go on the principle that every consumer of cereals pays the tax?—Exactly.

That is very far-fetched; in that case the agriculturist pays double because land revenue is the principal source of Government income. But you have said that a bullock cart damages the road much more than a lorry; what justification is there for that? Does it not depend on the weight?—Not so much on the weight; a vehicle loading seven tons can do less damage to a given road than an ordinary motor car that runs at fifty miles per hour with pneumatic tyres.

Chairman: It is due to the fact that the iron tyre loosely fixed goes into the road and follows the same track?—Yes.

Lala Lajpat Rai: That is quite right; but a bullock cart owner pays a particular tax?—Very little.

You said you did not know anything about the road cess?—In municipalities they do pay a small amount and they can travel anywhere throughout India. I do not know anything about villages; but carts paying wheel tax in Delhi municipality can go to Ghaziabad.

I am talking of village roads and district roads?—I do not know anything about them.

Do you not think those people are entitled to use metalled district roads?—Yes; I have no objection to that.

Chairman: Are you advocating an increase of wheel tax on bullock carts?—Yes.

You know what the present extent of the tax is?—I do not know.

If you do not know what they are at present, you cannot say that you want to increase them except on the mere ground that they do more damage to the road than motor cars; beyond that you have no knowledge?—No.

Lala Lajpat Rai: Do you recognise the importance of other factors in determining the policy of transport by road, other than merely the benefit of the roads to the owners of vehicles?—I think the present methods are not suited to our present civilisation.

You are entering upon a very difficult question; please do not make it more complicated. The bullock cart is part of the village economy and it affects so many people—the producer, the consumer, the owner and others; and any material interference with the rights of the bullock carts means interference with the rights of so many people. Would you advocate that interference?—Yes.

That all these rights should be affected and only the rights of the bus owner and the road should be protected?—Yes.

Do you know that the village people form the largest bulk of the population of India?—Yes and still I find that more villagers are buying cars than the rich people.

Do you know as a matter of fact that more people live in villages than in towns?—Yes.

Chairman: What do you think the percentage is?—I do not know.

Lala Lajpat Rai: It does not matter to you whether that larger population is affected by this policy adversely?—Would it not be better for the villagers to have quicker means of transport into the towns?

Chairman: Do you think the time has come in the history of this country when you can safely do away with the bullock cart?—No. I do not think so.

Raja Ghazanfar Ali Khan: You know that bullock carts are chiefly owned by the agriculturists themselves who only use them for conveying their own goods and are not professional cart drivers?—Yes.

Would you like that these people should be taxed?—Yes; you are taxing the vehicle and not the man.

Lala Lajpat Rai: Just one more question. In spite of the net-work of railways that has been built in India and in spite of the buses the bullock cart still survives; do you think it supplies a necessity in the economic life of the country?—Yes, certainly; but recently in Calcutta I saw the bullock cart owners gradually selling their carts and buying lorries.

Hon. Sir G. Corbett: I should like to put one or two questions about taxation: you have a rather varied experience of different methods of taxation; what do you think is a satisfactory way of direct taxation on motor vehicles?—I have suggested it in my written replies.

Purely on seating capacity?—No; the registration fee is on seating capacity; my proposals are stated in Appendix B to my written replies.

But that is not direct taxation: you want to tax the petrol companies?—We will be taxed through them.

But that is not a tax on motor vehicles. What do you consider the best way?—Just registration; annual registration will be the best method.

What kind of rate would you adopt—say for a private car not exceeding seven seats?—Rs. 30 a year; with 1,20,000 cars in India, this would bring in Rs. 40 lakhs.

Would you have different rates for smaller cars?—I would have a flat rate for all private cars.

For taxis?—I have not gone into that.

Is there any underlying basis for the assessment of taxation on seating capacity—say, according to the amount of damage they do to the road?—Yes; and the earning capacity on the others.

Is it correct that a six-wheeled car does less damage to the road than a four-wheeler?—It does less damage; the weight is more evenly distributed.

Would you make a rebate in favour of the six-wheeler?—Yes.

On the question of reciprocal exemptions: supposing this is a provincial tax and my car is registered in Delhi and I go into the Punjab or the United Provinces, am I to pay tax in all the three provinces?—Not for temporary visits.

What would your idea of a temporary visit be?—A period of fifteen days.

Supposing I went to Meerut for a three weeks' stay and took my car with me, then I should have to pay full registration fee in Meerut?—Yes.

And your motor buses would pay the tax to every administration that you ran through?—Yes.

You think that is quite reasonable?—Yes.

Mr. E. F. Sykes: In reply to the Raja Sahib you said that the result of these low fares charged in the Punjab will be bankruptcy. Supposing this competition goes on and results in bankruptcy, there will eventually emerge out of it a number of efficient companies?—Yes.

Have you any idea of the sort of fares that they would then charge?—I think three pice a mile.

At present between Lahore and Amritsar, the fares work to less than a pice a mile?—Yes.

If after this competition only the efficient companies remain, have you any idea of the profitable rates that would pay the company?—An anna a mile.

Do you think that the country will settle down to an one anna rate?—Yes.

Hon. Sir G. Corbett: What will be the method of collection of the tax which you have suggested?—I think it should be through the police. At present they are understaffed and some money will have to be spent in strengthening it.

(*The witness withdrew.*)

7.

Calcutta, dated the 5th December 1927.

(a) Memorandum of touring sub-committee's discussion with—

Mr. JOY GOBIND GUHA, Chairman, District Board, Jalpaiguri;

Raja TANKANATH CHOWDHURI, representing District Board, Dinajpur;

Rai Sahib R. P. BHATTACHARYA, Member, District Board, Darjeeling;

Khan Bahadur MD. ASAF KHAN, Vice-Chairman, District Board, Rangpur;

Mr. MOBARAK ALI KHAN, Vice-Chairman, District Board, Rajshahi;

Mr. A. M. ABDUL HAMID, Vice-Chairman, District Board, Pabna;

Mr. ALTAF ALI, Chairman, District Board, Bogra; and

Mr. IDRIS AHMAD, representing District Board, Malda.

The representative of the District Board, Darjeeling, says the Board has not enough money for roads.

The Chairman, District Board, Bogra, states that the Board has found cost of maintaining metalled roads very heavy and has had to fall back on unmetalled roads. If more money were available, more roads could be metalled. Motor vehicles are increasing as the poorer classes prefer motor buses to train as they can avoid the troubles and hustling and bustling involved in travelling by train. The kachha roads are fairly good all the year round.

The Vice-Chairman, District Board, Pabna, states that about Rs. 70,000 is spent on roads out of Rs. 1,60,000 derived from cess.

The representative of the Malda District Board states they have 600 miles kachha and 36 miles metalled roads. The dust on the roads makes motor services unsafe on kachha roads—motor transport remains dependent on metalled roads being made.

The Chairman, District Board, Jalpaiguri, says motors can travel on kachha roads 8 months only. Total revenue of the Board is 4 lakhs: road cess yields 1,17,000. About 1¾ lakhs is spent on roads. There are 700—800 motor vehicles in the District largely owing to tea garden area. These motor services are of great advantage to the public. The difficulty lies in the fact that old bridges are not strong enough to carry the traffic.

The Vice-Chairman, District Board, Rajshahi, says the tendency of motor vehicle traffic is to increase; for 4 to 5 months motor vehicles can travel on kachha roads. Of the income of Rs. 5 lakhs, about 1,85,000 is spent on road maintenance and construction.

The representative of Dinajpur District Board says they have 1,488 miles of road of which 34 miles are only metalled. There are about 50 motor vehicles in the district; the tendency is for them to increase but slowly, as the kachha roads cannot be used in rains and there are also many bridges needed. Of the income of Rs. 5 lakhs, 1,00,000 is spent on roads.

The Vice-Chairman, District Board, Rangpur, says their mileage is 2,470—20 miles metalled. There are many motors and the number is increasing.

The Chairman, District Board, Bogra, states that cost of a metalled road is over 10 times that of unmetalled road.

It is agreed by all that motor vehicles should pay a tax.

The Chairman, District Board, Bogra, suggests that the tax should be uniform throughout the province. The representative of Dinajpur Board suggests a maximum should be fixed, and there should be two principles for taxation:—

1. commercial vehicles: the tax should go to districts in which they ply, and
2. private cars: taxation might be provincial.

The Chairman, District Board, Bogra, states that bullock carts that ply for hire outside municipalities pay nothing.

All representatives agree that motor cars should be taxed, preferably by a provincial tax, the proceeds to be divided among local authorities and further that all vehicles that ply for hire should be taxed by local authorities.

The representatives of Rajshahi and Malda dissent.

All representatives agree that as a general principle provincial Governments might take over inter-provincial or inter-district roads, leaving minor and feeder roads to District Boards. Also that a Central Road Board should supervise inter-provincial roads.

The representative of the District Board, Dinajpur, suggests that if the District Boards are relieved of inter-district roads, some of the motor vehicle taxation should go to the upkeep of these inter-district roads.

The representatives agree that a Central Road Board is desirable, and that an extra 2 annas excise on petrol will not be objected to.

The Chairman, District Board, Bogra, suggests a central institute where Board Engineers should get training in modern road methods.

(b) Written statement subsequently submitted by Mr. A. M. ABDUL HAMID, Vice-Chairman, District Board, Pabna.

I beg to submit the following:—

(*a*) Licence fee now paid to Government should be realised as suggested herein and made over to the District Board and Municipality in proportion to the mileage of road within their respective area used for motor traffic. An additional licence fee will be suicidal to the development of motor traffic.

(*b*) Tax on petrol will be the most convenient form of taxation. This should be collected by the Customs officers through the agency of oil companies and distributed to the provinces in proportion to the consumption.

(*c*) Provincial Governments should spend at least half as much (received from the new taxation) from their respective provincial revenues through the agency of District Boards and Municipalities for the development of roads in rural area.

(*d*) The tax on petrol received from the new taxation should be distributed in proportion to the need of each district and the number of vehicles used and mileage covered.

(*e*) A maximum and minimum rate per passenger per mile should be fixed with the introduction of the new taxation on petrol.

New Delhi, dated the 19th January 1928.

(c) Oral evidence of Raja TANKANATH CHOWDHURI, representing District Board, Dinajpur; Rai Sahib R. P. BHATTACHARYA, Member, District Board, Darjeeling; and Mr. IDRIS AHMAD, representing District Board, Malda.

Chairman: You represent the District Boards of the Rajshahi Division?—*Raja T. Chowdhuri*: Yes.

You were interviewed by our sub-committee at Calcutta (about eight gentlemen): have you any objection to the statement which you gave to the sub-committee being published?—None at all.

And you, Mr. Bhattacharya, are the representative of the Darjeeling District Board?—*Mr. Bhattacharya*: Yes.

You said that if more money were available, more roads could be metalled?—Yes. We want more money because my Board is a very poor Board. It cannot spend anything for the development of roads. There is only one communication from the foot of the hills to the headquarters of Darjeeling, which is the summer residence of the Governor of Bengal and also the health resort for the whole of Bengal. Even people from other provinces go there for the improvement of their health. It is however unfortunate that there is no proper road for motor traffic. There is only one road which is used for road and railway traffic and also for motor traffic, with some restrictions. No motors exceeding, I think, 20 horse power and exceeding 35 cwt. in weight are allowed.

What is the state of roads in your district?—The bridges want strengthening and the roads widening, and the level-crossing altered.

What is the general state of roads in your district?—There is only one road in my district which involves congestion of traffic and consequent danger to human life during the rains; on account of landslips, communication is invariably cut off. My proposal is that this road must be widened and all these obstructions removed. There are two other roads of the Public Works Department which are not used at present, these may be converted into motor roads as well.

Are you in favour of a petrol tax of two annas?—Yes, I am quite willing that a tax not exceeding four annas may be imposed.

Are motors taxed at all?—No, there is only a registration fee of Rs. 16 annually.

Beyond this there is no licensing fee and anybody can drive, and only the car is registered?—There is no tax. I consulted those who have motor cars, and they say that if the restrictions are removed, they have no objection if a tax is put on them. I would not object to a petrol tax not exceeding four annas per gallon.

Would you recommend any provincial tax in addition to this, any other tax in addition to this?—If some tax is imposed on motor cars, I have no objection to that.

At present this registration fee is imposed by whom?—By the Government; I do not know for what purpose.

Who levies this tax, who collects this tax?—The District Magistrate.

In your statement before the sub-committee you say that motor vehicles should pay a tax. Is it in addition to the existing petrol tax?—Yes.

Have you a motor car?—No, not now. There are many people who have and who hire cars and they have no objection.

Then there will be three taxes, the existing petrol tax and extra two annas petrol tax which the Government of India would collect and the registration tax?—Registration tax is for nothing.

What happens to the proceeds of the tax now?—Nobody knows.

Is it used for the development of roads?—No

What money is used for the development of roads in your district?—We have got some road cess and also public works cess, and there is another fund in my district called the improvement fund. That is under the direct management of the District Officer, the Deputy Commissioner. He contributes Rs. 70,000 from that fund to our district.

What is the state of the fund from which road improvement is made?—*Raja T. Chowdhury*: We collect a road cess and public works cess and the Government augments the grant. We utilise a portion of the money for the development of roads.

Are you in favour of the 2 annas petrol tax?—Yes.

Would it work any hardship?—Not much, if we get good roads.

What is your opinion?—*Mr. Ahmad*: That is my opinion, but on condition that this tax is earmarked for road improvement, and this is to be paid by the motoring public only. *Mr. Bhattacharya*: If separate licence is issued only for selling petrol, that will save other people. *Mr. Ahmad*: There is another point. Without having recourse to taxation, we may get a large amount by removing corruption in the District Board and the P. W. D.

Is there much corruption?—*Mr. Ahmad*: Yes.

Is there any other form of wastage?—There are many forms of wastage.

What are they?—Petty contractors take much advantage of the sub-overseers. The sub-overseers have got shares in the contract. *Raja T. Chowdhury*: Contractors are benamidars.

Is this statement true in your case also?—*Raja T. Chowdhury*: In many cases.

Do you also complain of wastage, Mr. Bhattacharya? Do you think that it is so great that if it were stopped no further taxation would be necessary?—*Mr. Bhattacharya*: Further taxation would still be necessary.

If wastage by way of corruption is stopped, you say that no tax would be necessary?—*Mr. Ahmad*: At least half of the amount required shall be available.

In that case would you require 2 annas tax?—Only one anna.

What is your opinion, Mr. Bhattacharya?—*Mr. Bhattacharya*: Yes, two annas.

What is your opinion, Raja Sahib?—*Raja T. Chowdhury*: I cannot give a definite opinion. I do not know what the income would be.

Provided the proceeds arising from the petrol tax were earmarked for road improvement, will your division be agreeable to a tax of 2 annas?—From the tenor of the opinion expressed before the sub-committee also by the other members, it will be found that all of us were agreeable to that.

Is that your opinion still?—Yes.

The opinion you expressed before the sub-committee is still your opinion, Mr. Ahmad? You expressed yourself in favour of the 2 annas petrol tax. Is that still your opinion?—*Mr. Ahmad*: Yes.

Would you reduce it to one anna now?—If corruption is stopped.

With regard to taxation of motor cars you say that the tax on commercial vehicles should go to districts in which they ply and private car taxation might be provincial. Will you explain that?—*Raja T. Chowdhury*: Motor buses and lorries ply for hire in certain definite areas. They generally do not go from one district to another. So if a tax is levied on these, it should go to District Boards; then District Boards can maintain their roads. But the sub-committee raised the objection that a car registered in one district might go to another district, and that car might have to pay new taxation there; that would involve great hardship.

You think that this difficulty would be obviated by one provincial tax?—Yes.

Are you in favour of such a tax?—Cars owned by private owners can go from one district to another without any further taxation.

Supposing your provincial Government levied one tax on all motor cars replacing all other forms of taxation, municipal or local, would you approve of such a step?—It is difficult to say because some municipalities are getting very large income. Calcutta is deriving a very large income, more than 2 or 3 lakhs.

Supposing they were compensated, would that be possible?—It is difficult for me to say.

Leaving out Calcutta for the moment, would all other smaller municipalities agree to it?—No other municipality levies taxes.

Then if Local Boards and other bodies were compensated, do you think it would be advisable to have a provincial tax—a uniform tax for the entire province?—It would be better. *Mr. Bhattacharya*: Yes. I am in favour of that and the amount should be distributed according to the consumption and the need of the district.

The Provincial Board will administer this fund?—*Mr. Bhattacharya*: Yes.

You have also stated yourself to be in favour of a Central Board?—Yes.

What do you think should be the functions of the Central Board?—*Raja T. Chowdhury*: Co-ordinating the activities of the Provincial Boards.

Will you give it any executive powers, or would you make it only advisory? Supposing some schemes of co-ordination were formulated by the Central Board, it must have power to carry it through?—Without some executive power, it will be difficult.

To the extent of carrying through their programme?—And perhaps to the extent of doing the work if the Provincial Boards fail.

Would you vest any trunk roads in the Central Board?—Yes. (Mr. Bhattacharya also agreed.) *Mr. Ahmad*: My view is different. In the district there are two departments, one the P. W. D. and the other the District Engineer and under him there are sub-overseers. I think these two departments are scarcely justified. If one department either the P. W. D., or the district engineering department, is abolished, Provincial Boards should be given executive power. But if both continue to exist (which ought not to be) the Central Board may be purely advisory.

Would you give the Central Board any executive powers of control by which they can enforce the programme of co-ordination?—*Mr. Ahmad*: Yes.

Would you give it any powers of replacing or modifying the programme sent by the provincial Government?—Yes.

Why did you say your opinion was different. It is the same. Then you would vest also certain roads in the hands of this Central Board?—Yes.

Would you give the roads to the Central Board or would you merely give the management?—*Raja T. Chowdhury*: It is difficult to say.

What is your view about the Provincial Board? Should it have executive power or not?—*Mr. Ahmad*: They should have executive power if either the P. W. D. or the district engineering department is abolished from each district.

What roads would you give in the hands of the Provincial Board? All roads or would you make a distinction between roads and roads and vest only one kind of road? Would you, for instance, vest Local Board roads in the Provincial Board?—*Mr. Ahmad*: I think not. *Raja T. Chowdhury*: No. *Mr. Bhattacharya*: All provincial roads only.

Then the Local Boards will retain their roads?—*Mr. Bhattacharya*: Yes. *Raja T. Chowdhury*: My idea is this. Trunk roads may be in the hands of the Central Board, and the roads joining the district headquarters in the hands of the Provincial Board.

The only advantage is that you do away with the P. W. D. That is all. Are you in favour of a uniform system of roads in the hands of the Provincial Board, except of course village kachha roads, whether

they are inter-district or within the same district,—all roads, except trunk roads, should be in the hands of the Provincial Board?—*Raja T. Chowdhury*: It will be very difficult. There will be two administrations.

Then you would have the trunk road in the hands of the Central Board, inter-district roads in the hands of the Provincial Board and the remaining roads in the hands of the Local Boards?—Yes. In this connection our Northern Bengal is totally cut off from the rest of India. If there is a strike in the railway, it will be very difficult for us to go to Calcutta or to any other part of the country. If you could get a trunk road from Benares to Gauhati in Assam and link up Northern Bihar and Northern Bengal and Assam with the rest of India, it would be advantageous in a military sense also and for trade as well. Then if you have a provincial road from Calcutta to Darjeeling, the whole of our Northern Bengal would be connected.

Is that on the ground that your province has peculiar conditions? —When Calcutta was the centre of Government, all roads were connected with Calcutta. Northern Bengal and Assam were neglected.

Whom would you ask to construct this road, the Provincial Board or the Central Board?—It would be nearly 400 miles. There are existing roads but they are kachha roads; it will be possible to go over them.

That would be a matter for the Central Board to consider when it is established . . . . .

Hon. Sir A. Froom: I had the pleasure of meeting you all in Calcutta. I want to ask you a few questions in connection with the Provincial Board. I understand that you all three gentlemen are in favour of a trunk road in the province of Bengal being administered by a Central Board?—Yes.

As to the Provincial Board you suggest that the inter-district roads should be administered by the Provincial Board and the secondary roads which connect these provincial roads should continue to be administered by the District Boards. Even if it were done, can you visualise that your Provincial Board might give to the District Boards the benefit of its advice in the administration of their secondary roads? Let me make myself clear. We will leave aside the all-India road, the Grand Trunk road. Now, we come down to provincial roads. Your inter-provincial roads should be provincialised and looked after by your Provincial Board possibly through the instrumentality of the P. W. D. and your secondary roads be left to the District Boards. But your Provincial Board might also be of assistance to the District Boards by giving them advice as to how they should develop their secondary roads, while leaving the actual maintenance and upkeep and construction of these roads to the District Boards. Would you approve of that scheme so that your Provincial Board may be able to work with some co-ordination in a big province like Bengal?—Even now the sanction of the Executive Engineer is necessary to the projects exceeding a certain sum. I think the limit is Rs. 20,000. All the budget estimates of the District Boards are sent to the Commissioner without whose approval the District Board cannot do anything. That control exists even now. If further control is given to the Provincial Board over the District Boards, then they will perhaps be deprived of their initiative in the future.

I do not suggest that that should be so. I do not suggest that the initiative of the District Boards should be taken away from them in connection with secondary roads. What I do suggest is that you

might like to get the advice from your Provincial Board.—*Mr. Bhattacharya*: I think co-ordination is necessary. *Mr. Ahmad*: I also think so.

So we are all agreed on this point.—*Raja T. Chowdhury*: My only objection is that the initiative should not be taken away from the hands of the District Board. My fear is that too much control from overhead might lead to the deterioration of the quality of the work

Supposing your Provincial Board gives you money to administer your district roads, then it will be up to the Provincial Board to see that that money is spent on the roads for which it has been allocated? —We can concede that much. The money that will be given to the District Boards will be spent on the roads, but the District Board should be left a free hand in choosing which of the roads should be improved first. The choice should be left in their hands.

Have you got many buses running about your district?—Not many; there are not more than two dozen buses. *Mr. Bhattacharya*: In my district there are not more than 20 buses. *Mr. Ahmad*: In Malda there are not more than 10.

Do you think that if your inter-district roads and secondary roads were put in order, there will be more motor buses?—*Raja T. Chowdhury*: In my district if we have good roads, there is ample scope at least for 500 buses. *Mr. Bhattacharya*: In our district the number of buses is increasing day by day. *Mr. Ahmad*: The want of metal roads is the only obstacle in the way of motor buses. We have only 36 miles of metal road in our district.

At any rate, your opinion is that if the roads are improved, you would get more motor buses?—*Raja T. Chowdhury*: Yes.

Generally speaking, do the agriculturists appreciate motor buses? Do they like them?—They do.

So anything that can be done in India to develop roads will be appreciated by the agriculturists also. We have been told by some witnesses who have been before us that certain smaller roads are in such a hopeless condition that they can only carry half the loads of bullock carts. But if you have a good road you can carry your full load. Therefore, these good roads will also benefit the cultivator?— But they must not be taxed. The prosperity of our part of the country depends upon jute. Sometimes we cannot bring jute into the market when the prices are high for want of roads. If we have better roads, one can use motor lorries for carrying jute to the railway station. That will certainly improve the condition of the cultivators.

They will get better prices for their jute?—Yes.

Hon. Mr. M. Suhrawardy: You represent the District Board of Malda.—*Mr. Ahmad*: Yes.

Are you the Vice-Chairman of the District Board?—No, I am a member of the Board.

You told the Chairman that you wanted to stop corruption in your District Board. Did you also say that the excise of 2 annas on petrol would not be resented?—I do not understand you.

Did you not say to our Chairman that if corruption is stopped, you are in favour of paying 2 annas, otherwise you do not want to pay more than one anna?—Yes. My point is that if corruption is removed money will be available for the development of the roads.

How do you suggest this corruption should be stopped?—We might do away with the Public Works Department or the District Engineer's department. We might devise some means to remove the corruption from the District Board.

Do you mean to say that the District Board at present is inefficient or the Engineer employed by the District Board is inefficient or there is lack of proper supervision?—The District Board is not inefficient.

Chairman: Have you applied your mind to this question at all as to how to stop the corruption?—The members of the District Board may be given more power to supervise the work of the District Engineer but at present this is not the case.

Hon. Mr. M. Suhrawardy: So you are willing to pay one anna but you will not pay 2 annas unless and until the corruption is removed?—*Raja T. Chowdhury*: Mr. Ahmad says that if there is no corruption, 2 annas tax will not be necessary. *Mr. Bhattacharya*: If the wastage is saved that amount will be taken over by the Board.

Can you tell me what is the amount of corruption that is going on in your district?—*Mr. Ahmad*: It is at least 30 per cent.

You are in favour of having a Central Road Board for India with executive authority for co-ordinating inter-provincial roads and for linking up all the roads of India together?—*Raja T. Chowdhury*: It comes to that.

This Board should also be given the power of making researches and carrying out construction of new roads and the linking up of the existing roads?—Yes. But I have not thought over about research. I think, however, that it would be better if the work of research is also carried out by the Central Board.

You agree to the general principle that the Provincial Government might take over the inter-district roads leaving only the minor feeder roads to the District Board. If the District Board is relieved of all these provincial roads, then you will have a large sum at your disposal for the development of your rural roads?—Yes.

Then you will leave all your inter-provincial roads in the hands of and under the supervision of the Central Board?—Yes.

What do you think should be the composition of the Provincial Board and what functions should it perform?—My humble suggestion is that there should be representatives from the District Boards and the Provincial Board should also consist of nominated members.

And you want to invest the Provincial Board with executive powers?—Yes.

You want a non-official Chairman?—I am not prepared to say whether he should be a non-official or an official. All I can say is that he should be a paid Chairman and not an honorary one. *Mr. Bhattacharya*: My opinion is that it must be constituted with two-thirds elected members of the District Boards and one-third nominated members. *Mr. Ahmad*: My view is that at least two-thirds should be elected from the District Boards.

You are all in favour of election and non-official control?—Yes. (All of them).

What do you think the composition of the Central Board should be.—*Mr. Bhattacharya*: Two-thirds of the members must be elected from the members of the Assembly and from the Provincial Boards. *Mr. Ahmad*: My opinion is that some of the members should be

elected from the Legislatures, while others must be from the Provincial Boards. *Raja T. Chowdhury*: The principle of election and nomination should prevail there also. The proportion of it, I am not able to fix now.

Mr. Mohd. Anwarul Azim: Would you like the idea of the Minister in charge of Public Works presiding over this Board in your Province?—*Raja T. Chowdhury*: I am afraid he will not have time.

You said that you would like to have a paid Chairman?—Yes.

If you can entrust the work to the Minister, will it not be good?—Yes; but he cannot have the time. We want a Chairman who can tour round the whole province.

With reference to question B-6 of the questionnaire, will the following answer meet with your approval: (*a*) At surcharge on petrol; (*b*) and (*c*): Provincial Government should be left to choose what form of taxation they should impose?—Yes, we are agreeable.

As for question B-7 will an answer like this be agreeable to you: The return for road development should not be less than the amount obtained in the province by petrol taxation, so that if in a Province the consumption of petrol is higher than in another, the basis of distribution would be according to the sum received and not on the amount of consumption?—We will have no objection to that.

Mr. E. F. Sykes: You said you lose about 30 per cent on your expenditure—*Mr. Ahmad*: Yes.

By corruption?—Yes.

How much is your total expenditure for the year?—I think not less than Rs. 50,000.

Would it not be better if you get a man—an honest man—on a pay equal to what you lose now by corruption and save thereby 30 per cent of the expenditure?—We have not considered the question and I cannot answer that.

It appears that the Board is employing corrupt subordinates and collusive contractors?—It may be.

Why do they not employ honest subordinates and honest contractors?—Under the rules I think the District Board cannot stop the District Engineer.

I think the District Board appoints its Engineer?—Yes; it does.

Why do they not choose an honest man?—But the question is, the District Board may recommend the grant of a contract to a man and the District Board Engineer may disagree. There is the P. W. D. Committee but they have no opportunity to look into it.

Chairman: Has your District Board made any attempt to stop it and have you any direct knowledge of it? (No reply.)

Mr. E. F. Sykes: I do not think I can pursue it any further.....

Lala Lajpat Rai: You have been talking of the Central Board having executive powers? What kind of powers do you propose giving to the Central Board?—*Raja T. Chowdhury*: Working out the central roads.

Do you want to entrust the construction of central roads to the Board?—Yes.

Don't you think it will be more expensive if a Central Board located at Delhi is to build a road which goes to Gauhati?—Yes; but it may delegate its powers to the Provincial Boards.

Then, where is the necessity of giving the power which is only to be delegated to the Provincial Boards? Will it not be better to have the Central Board merely advisory, to advise the provinces to build such and such a road under the supervision of their staff?—The difficulty would be that a province may not care for roads which pass to another province.

Leaving all-India roads of that kind, which are important not only from commercial but also from military point of view, will it not suffice if there is a Central Board which merely advises to the Provincial Boards leaving it to them as they can better look after the portions of roads running through each province?—I was only thinking of funds.

What is the difference? What improvement will it make if you change the present system?—*Mr. Bhattacharya*: The construction might be left to the Provincial Board but the Central Board must supervise it.

Let us leave the constitution of the Board for the time. At present, the P. W. D. is looking after buildings and roads. If you take away roads from them, is it your idea that the P. W. D. may be absorbed into the new department of roads or may be abolished?—It may be abolished.

Who will look after the buildings then?—I have not paid attention to the question.

What I want to know is, whether you want another department over and above the P. W. D. or you are going to have a department in place of the P. W. D.?—The P. W. D. may be divided into buildings and roads, two portions.

Will it be more expensive or less than the present?—There will be no increase of expenditure in any case.

Do you think that the P. W. D. will then have enough work?—No; at present the construction of roads is not entrusted to that department in our division where there are no P. W. D. roads.

We are looking at the question generally not from the point of view of particular districts. Do you not think the establishment of a separate department, called the Road Department in provinces under Provincial Boards, will be an additional burden on the tax-payer?—If there is not sufficient work for each department, then it may be considered an additional burden. In our part of the province, there is not enough work for the P. W. D. One department can look after both buildings and roads.

Then it means the existing system. Where is the change then?—No; it is only in the supervision.

The Central Board cannot exercise any supervision. It can only issue general instructions on policy. Is it possible for a Central Board from Delhi to exercise close supervision so as to remove the corruption that you complained of?—*Mr. Ahmad*: I think it will not be possible. I am not in favour of the establishment of another Road Department.

There are three forms of transport, metalled roads, rivers and railways. Don't you think it will be advisable and much more economical if there is one Ministry of Transport to deal with all these three subjects with the Government of India? *Raja T. Chowdhury*: Yes.

In that case you will recommend that railways should come under State management and that roads and railways would be looked after by the same Ministry?—Yes.

You think it will result in some advantage?—If the railways are company-owned they will look after their own interest but if they belong to Government they will look to the interests of the people.

Chairman: May I tell you of the condition in Bombay. There are two railways and they are always competing like private owners.

Lala Lajpat Rai: Don't you think that it is due to the want of supervision of the Railway Board? What is the Railway Board doing if they cannot co-ordinate the two railways?—It comes to that.

You agree with me that the best way of reformation is not the Communications Board but that there should be a Ministry of Transport which will co-ordinate all the means of transport and which will see that no particular department of transport suffers?—Yes.

You were talking of Provincial Boards. Do you think that they should do executive work?—The Provincial Boards should do executive work.

In what way?—We will take away some of the roads from the hands of the District Boards and the Provincial Board would look after them and pass estimates and sanction work, and so on. It would be rather a magnified District Board.

What would be the size of your Provincial Board?—As many members as the number of the districts *plus* the nominated members.

Don't you think that that would be a very large number? Will it be able to do any executive work?—In some of the District Boards we have as many as 36 members.

In the District Boards it is quite a different thing because all the members belong to one district and they know all the different parts of the district. But suppose there is a province with its 28 or 48 districts and 40 men come in and pass estimates of 40 districts what would they do? They will have to accept the word of their staff?—In District Boards also members come in from different *thanas* and some of the members do not know anything about the needs of a *thana* for which they have to pass estimates.

I think this is the reason for so much corruption. If you have a Provincial Board with so many men do you think it is likely to lead to efficiency and honesty?—I think so.

I want to ask you—do you propose to eliminate corruption?—That is a big question. My idea is that it is difficult to eliminate it. I was Chairman of a District Board for a long time and I used to go out and measure the pits but still I found that there was corruption.

You approve of the plan that the district roads should remain in charge of the District Board and all the provincial roads should remain in charge of the Ministry of Transport which should have its own Department in the province.—Yes.

You want another additional department to be added which may be a burden to the taxpayer?—My idea was that if we have a paid Chairman he will go about and give all his attention to the improvement of roads and he would be able to exercise personal supervision.

That can be done. For example, if the road transport is so important in every province as to have a Minister of Transport instead of a paid Chairman?—The same thing, but the pay of the Minister would be higher.

But it need not necessarily be so?—Generally we find that Ministers get a uniform rate of pay.

You have been saying that if there are better roads there will be more motor buses and more traffic and they will improve the communications of the district. Do you think that at present the absence of motor buses and motor vehicles not on the metalled roads is a great hindrance in the development of the district?—In some places it is.

What places?—Places which are not connected with railways.

But do you not think that the introduction of too many motors and motor buses in these districts will take away the livelihood of a large number of persons engaged in that profession?—But then it would add to the income of the agriculturist.

Will it necessarily?—*Mr. Ahmad*: It will not add. It will minimise their income.

You were talking of jute. There are two interests involved in the cultivation of jute—the interest of the cultivator and that of the landlord as the cultivator makes over jute to the landlord. How will the introduction of motor buses add to his income?—*Raja T. Chowdhury*: He will be able to sell his jute at a higher price because he will be able to take his produce to the market where the prices will be higher. *Mr. Ahmad*: I differ from Raja T. Chowdhury vitally. Jute is carried over by boats and we have had no great inconvenience in carrying jute. *Raja T. Chowdhury*: In his district there may be rivers but in my district and the district of Jalpaiguri—there are no navigable rivers.

Then your information is confined to your district only?—Yes, for the northern part of Bengal.

Do you think that the introduction of motor lorries would be more profitable for carrying jute to the railway station?—I would give you a concrete example. In August last year the price of jute was about Rs. 19 per maund but the cultivators could not take it over to the market because roads were not passable and they had to sell their jute in September and October when the prices had come down to Rs. 10 per maund.

In the rainy season when all these roads will be flooded, how will the motor traffic go?—Oh yes, it will. In Northern Bengal roads are passable throughout the year. The kachha roads are also passable throughout the year but during the rains very small quantity of jute can be drawn by bullock carts. They can carry only about 6 to 8 maunds during the rains but in other seasons they can carry about 14 or 15 maunds and if they could get metalled roads they would be able to carry about 20 or 25 maunds.

Looking to the interests of the country as a whole, the loss of unemployment by so many motors and motor buses would be greater than any gain to the cultivator?—*Mr. Ahmad*: Yes, it will be. I would cite a concrete case. In my district there were about 150 bullock carts taking men from Katihar to Malda but these men have been deprived of their livelihood and only one motor car is earning that amount. *Raja T. Chowdhury*: You may rely upon me, Sir, if the railway line from Katihar to Malda be taken off now, there will be more income for bullock cart drivers.

Hon. Sir G. Corbett: Am I correct in saying that better roads would not only lead to the development of motor transport but also to the improvement of bullock cart transport?—*Raja T. Chowdhury*: Yes, we agree.

You agree that motor cars should be taxed. Have you got any idea as to what would be the best way of taxing these motor cars?—In Calcutta they are charging, I think, Rs. 15 a quarter.

What would you do in your district?—I think this would be a fair enough rate. I would put it on all motor cars. *Mr. Bhattacharya*: For private cars it should be less than on cars for hire or buses.

What would you put on private cars?—*Raja T. Chowdhury*: I think the maximum limit for a private car should be Rs. 2 a month, for a car on hire Rs. 3 and for a bus Rs. 4.

Do you think that a car on hire should pay more than a private car? On what account?—Because they use solid tyres.

So you make the taxation on motor cars commensurate with the damage they do to the roads?—Yes.

Would you charge less for six-wheeler buses as they do less damage to the road?—There should be some rebate

Would you try to encourage the use of six-wheeler buses by charging them less than four-wheelers?—We have not seen them yet.

Are you prepared to take as a general principle that the rate of taxation on cars should be proportionate to the damage they do to the roads?—Yes, as far as can be ascertained.

Would a heavy private car, say a Rolls Royce, have to pay the same as a light car like an Austin Seven?—In Calcutta there are two sorts of taxes.

Do you think a private car should pay up to Rs. 60 a year?—Yes.

Would there be any difficulty about collecting the tax?—The car should be registered annually and after the first year notices would be sent to the owner and they could pay quarterly. My suggestion is that the District Boards should be allowed to tax motor buses plying in their districts according to their size and carrying capacity.

On the ground that they take more out of the roads?—Yes.

Your idea is that there should be a general provincial rate for all cars and that motor buses plying in a particular district should be liable to a district tax over and above the provincial tax?—No; in case a Provincial Board taxes any motor car that car may be exempted from district tax.

The point is that you cannot stop your motor bus from running over into the next district if it wants to. I should have thought the best way would have been to put a provincial tax on motor cars and then allow your District Board to levy a license fee for vehicles plying for hire. I understood that was your proposal?—I think that would be a better suggestion.

I do not think I will trouble you about the Provincial Board. I do not think you have visualised the relation between the Provincial Road Board and the Executive, that is the Governor acting with the Minister in charge of Roads and the Legislative Council which provides the money?—Off hand I should say the same relation as exists between the Corporation of Calcutta and the Government.

But that is a local body and this is a provincial body, which is proposed to be set up for the administration of a particular subject and which would take away a branch of work from the rest of the Government and administer it independently; would it be independent of Government?—It cannot be independent.

It would be a Department of Government?—Yes.

And its relation to the Government?—The same relation as the Government has with District Boards; the Minister will pass the budget.

District Boards operate in a particular district; while this is for the whole province; I do not see how you can dissociate roads from other subjects like Education, Agriculture, Commerce and everything else?—That difficulty can be obviated if it is placed in the hands of a Minister.

Then the Board would act in an advisory capacity to the Minister?—It comes to that.

And the money will still be voted by the Legislative Council?—Yes; it will have to be. *Mr. Ahmad*: I do not support the idea that a separate Ministry should be created; but I have no objection that this subject should be in the hands of a Minister.

Mr. Mohd. Anwarul Azim: Would you like that money for the Provincial Board should be votable by the provincial Legislative Council?—*Raja T. Chowdhury*: It is difficult to give an answer to that now; supposing there is an obstructionist element which wants to put a stop to everything. A certain amount of money should be earmarked for the improvement of roads.

Have you been members of District Boards since 1921 or before that?—*Raja T. Chowdhury*: I have been a member of my District Board since 1907.

Before 1921 there were all over Bengal official Chairmen; the District Collector was the Chairman?—Yes.

Did corruption prevail then?—Yes.

(*The witnesses withdrew.*)

8.

Calcutta, dated the 5th December 1927.

(a) Memorandum of touring sub-committee's discussion with—

Rai Sahib UMESH CHANDRA CHAKLADAR, Vice-Chairman, District Board, Mymensingh;

Mr. SARAT CHANDRA CHAKRABARTY, representing the District Board, Dacca;

Khan Bahadur ALIMUZZAMAN CHAUDHURY, Chairman, District Board, Faridpur; and

Mr. ABDUL WAHAB KHAN, Vice-Chairman, District Board, Bakarganj.

The Vice-Chairman of the Mymensingh District Board states that the Board has 1,400 miles of road of which only 84 miles are metalled, and it wants Rs. 15 lakhs for bridging and putting roads into order, and an annual Rs. 3 lakhs for maintenance. The total income of the District Board is Rs. 13 lakhs, of which the cess yields Rs. 7 lakhs. No grants are received for roads from Government. About Rs. 2 lakhs are received in other earmarked grants. Of Rs. 11 lakhs Board's own income, about Rs. 3½ lakhs are spent on roads, say about 33 per cent. There are a few waterways in the district.

The representative of the District Board, Dacca, states that much of the district is flooded for 4 or 5 months and great damage is done to roads. Of 1,400 miles of road, only 74 miles are surfaced. The total revenue is about Rs. 5 lakhs—about Rs. 1½ lakhs being Government grant. Of the Board's own income of Rs. 3½ lakhs about Rs. 1 lakh is spent on roads.

The main trunk road from Chittagong to Calcutta was once provincial and was then handed over to a Road Committee, the predecessor of District Boards. The District Boards cannot maintain it, and Government gives no grant. The District Board needs Rs. 12 lakhs spread over 3 years for construction of roads and Rs. 50,000 per annum for their maintenance.

The Chairman, District Board, Faridpur, states his District has 727 miles, only 14½ miles metalled. The Chittagong-Calcutta road passes through the District and the District Board cannot maintain it. The total income excluding grants is about Rs. 3 lakhs, of which 19 per cent is spent on roads. Rs. 70,000 is not enough to maintain roads. Also about Rs. 5 lakhs is needed for bridging.

The Vice-Chairman, District Board, Bakarganj, states that the Board has 691 miles of road, 26 miles metalled. The total income is Rs. 7 lakhs. Of the income (excluding grants) of about Rs. 6 lakhs, about Rs. 1 lakh is spent on maintenance annually, and Rs. 1 lakh on new roads, rest-houses and canals. Waterways are more important in the district than roads except in the northern part where canals are going out of action. There are only about 40 motor vehicles in the district. There is little scope for development of roads except in the Bhola Sub-division and the northern part of Sadar Sub-division. There are unbridged places in the two main roads; Rs. 15 lakhs would be needed to bridge these.

The Chairman, District Board, Faridpur, considers that roads are treated fairly in the distribution of funds.

The representative of the Dacca District Board states that roads cannot get enough money, and motor services in the dry weather run all over the district.

The Vice-Chairman, District Board, Mymensingh, says that the Board cannot afford to give more money to roads.

The representative of the Dacca District Board states that people complain that too much money is devoted to roads in preference to education and medical.

All representatives agree that motors are not taxed by the District Board and should be taxed as they damage roads.

The representative of the District Board, Dacca, considers that taxation of motor vehicles should be by local authorities, and not by provincial Governments, as inequalities would occur in the distribution of proceeds of a provincial tax. He has experience of District Board for 35 years and a provincial distribution would be an undignified scramble for money. He is prepared however to admit that the principle of provincial motor vehicle taxation is good, though there might be practical difficulties with local authorities.

The representative of District Board, Dacca, would not object to 3 annas extra excise on petrol if the proceeds were spent on roads.

The Vice-Chairman, District Board, Mymensingh, would prefer one anna but would not consider two annas oppressive.

The Chairman, District Board, Bakarganj, agrees to 3 annas.

The Chairman, District Board, Faridpur, would make minimum 3 annas and maximum 4 annas.

The representatives of the District Boards agree that a Central Road Board is desirable, and that inter-district roads should be provincialised. It is also agreed that this would not lead to a reduction of the present District Board expenditure on roads.

(b) Supplementary note containing answers to the questionnaire submitted by Rai Sahib UMESH CHANDRA CHAKLADAR, Vice-Chairman, District Board, Mymensingh.

B.—MOTOR TRANSPORT AND MOTOR TAXATION.

13. (*a*) The revenue from central taxation should be distributed in the form of a block grant to provincial Governments who in their turn should allocate the same to the districts according to area and needs.

(*b*) The entire proceeds of tax on petrol raised in each province according to consumption in that province should be allocated to the province.

14. Yes, the principle of taxation should be extended to other vehicular traffic than the motor transport, such as the bullock cart etc.

C.—ROAD BOARDS.

2. Yes, no objection. But I would like to have a strong Provincial Road Board for the purpose of provincial development.

Calcutta, dated the 5th December 1927.

(c) Memorandum of touring sub-committee's discussion with—

Mr. DWIJENDRA NATH DUTTA MUNSHI, representing District Board, Hooghly;

Mr. ATUL CHANDRA BOSE, representing District Board, Midnapur;

Rai A. C. BANERJI Bahadur, Member, District Board, Birbhum;

Raja SATYA NIRANJAN CHAKRAVARTY Bahadur, Chairman, District Board, Birbhum;

Raja MANILALL SINGH ROY, C.I.E., Chairman, District Board, Burdwan;

Mr. J. A. BEALE, Member, District Board, Burdwan; and

Mr. MANMATHA NATH ROY, representing District Board, Howrah.

The Chairman explained the objects of the Road Development Committee.

It is agreed that the establishment of a Central and a Provincial Road Board is desirable.

The Chairman, District Board, Burdwan, does not think that a 2 annas extra excise on petrol is justifiable as petrol is used for other objects than motor vehicle. The Central Government should provide something from the export tax on jute. The representative, Howrah District Board, suggests that savings in central expenditure might be effected. The representatiyes of Hooghly, Midnapur, Birbhum, and Burdwan District Boards agree that 2 annas extra on petrol would not be oppressive; Howrah only agrees if no other source of taxation is possible. All are of opinion that the price of petrol should be the same everywhere. It is understood that proceeds of such taxation should be solely devoted to roads. It is felt by all that roads are bad through lack of funds except in Burdwan where roads are the best in the whole province, 390 miles of metalled and bridged

road and 1,000 miles unmetalled. These roads, however, are deteriorating as the present motor traffic is too much for the culverts and adequate funds are required to maintain them. The representative of the Howrah District Board states that condition of roads largely depends on the soil. Howrah is worse off in that respect than Burdwan.

It is generally agreed that motor vehicle should be taxed. It is further accepted that motor vehicle taxation should be provincial and definitely earmarked for roads.

It is generally agreed that inter-provincial and inter-district roads should be provincial, provided that local Governments finance them without calling on the District Boards.

New Delhi, dated the 19th January 1928.

(*d*) Oral evidence of Raja SATYA NIRANJAN CHAKRAVARTY Bahadur, representing District Board, Birbhum; Mr. ATUL CHANDRA BOSE, representing District Board, Midnapur; Rai Bahadur UMESH CHANDRA CHAKLADAR, representing District Board, Mymensingh; and Khan Bahadur ALIMUZZAMAN CHAUDHURY, representing District Board, Faridpur.

Chairman: What is the condition of roads in your Divisions?—*Mr. Bose*: Very bad. It has become worse.

What is it due to?—On account of motor traffic. *Raja S. N. Chakravarty*: In my Division all the roads are not bad; some are bad on account of bullock carts.

Bullock carts have existed from time immemorial? They are not new?—*Raja S. N. Chakravarty*: They have always been like that.

What is the remedy you suggest?—More money is required; I would suggest trading or hired carts being taxed.

Is there any tax on bullock carts?—No.

What carts are taxed in your Divisions?—In the rural areas no conveyance is taxed.

Where do you get money for improvement of roads?—From the road cess.

Supposing a motor car owner uses the roads?—He does not pay anything and the Local Self-Government Act does not empower the Boards to levy a tax.

Therefore you suggest a two-anna tax on petrol?—Yes. *Khan Bahadur A. Chaudhury*: I suggest a minimum of 3 annas and a maximum of four annas.

That tax would not work any hardship?—*Khan Bahadur A. Chaudhury*: No.

Who is to levy the tax?—The Central Government.

The excise goes to the Central Government as that is a Government of India tax; in addition to that tax, would you suggest any local or municipal or provincial tax graded on motor cars according to any standard, like seating capacity or horse power or anything like that?—This tax will be imposed and realised by the District Boards.

Not by the provincial Governments?—No.

If a car goes from one district to another?—For occasional trips they need not pay.

It would be very inconvenient? Would it not be better to make it provincial?—*Rai Bahadur U. C. Chakladar*: I suggest it should be a provincial tax.

Therefore you recommend another provincial tax on motor cars according to their nature and capacity?—Yes.

Would you recommend any other form of taxation?—*Mr. Bose*: I want to say one thing: in my district of Midnapur the motor companies are willing to have a monopoly of roads for themselves and for that they are willing to give a good amount which will make the roads all right throughout the year.

Have you heard of any cases where a single company had a monopoly and when there was a rush, tickets were sold at four times the value?—That could be regulated by the District Board.

I have known Rs. 40 being charged for a ten rupee ticket at the time of rush. Would you tolerate that?—I think the District Board can easily control this thing.

It is done secretly. Nobody gets to know of it unless you make it a penal offence?—Yes.

Then would you make it a penal offence under the Penal Code?—Yes.

Do you know if this is covered by the present Penal Code?—The law will have to be amended.

Do you approve of this monopoly system?—*Raja S. N. Chakravarty*: No. *Khan Bahadur A. Chaudhury*: If monopolies are given it will be hard on the poor people.

Would you prefer to remain poor rather than profit by a monopoly? *Rai Bahadur U. C. Chakladar*: Yes.

Have you considered the question of the relationship of the Central Board to the Provincial Boards? Will the Central Board have any executive powers?—It should be a purely advisory body.

Would it not have the function of co-ordinating arrangements between province and province?—In certain matters it will have controlling powers.

What is your idea of the Provincial Board?—*Mr. Bose*: It will co-ordinate the work of the District Boards. The District Boards will have the authority of maintaining and constructing the roads.

Will you do away with the Local Boards?—We will keep them.

What roads will you give to the Provincial Board?—Only the arterial roads.

What roads will go to the Central Board?—The Central Board should not control any road at all. It will be purely advisory and will suggest that such and such a road should be constructed. All other powers should be vested in the Provincial Boards.

By whom will the roads be constructed?—They will be constructed by District Boards according to the dictation and direction of the Provincial Board.

Who will maintain and keep up these roads?—*Khan Bahadur A. Chaudhury*: My view is that provincial roads, such as the roads from Chittagong to Calcutta, Rangpur to Calcutta, should be placed

under the Provincial Boards and inter-district roads should also be placed under the Provincial Boards. The roads within the district should be in the hands of District Boards.

Raja S. N. Chakravarty: My view is that the Provincial Board should be in charge of the main roads which connect the districts.

What roads would you give to the Central Board?—*Rai Bahadur U. C. Chakladar*: I have no provincial roads in my district. In Mymensingh there is no provincial road. *Mr. Bose*: In my district all the roads except a few are managed by the District Board. *Khan Bahadur A. Chaudhury*: That is also the case in my district. The roads which were previously called provincial roads are maintained by the District Boards.

Have you thought of the relations between the Provincial Board and the Minister in charge of the Public Works in your province? Have you any useful suggestions to make? If you have not considered the subject, please say so. We shall not waste the time of the Committee if you have not considered the subject?—*Khan Bahadur A. Chaudhury*: We have not considered that question.

Hon. Sir A. Froom: Are there a number of waterways in your district?—In my district of Faridpur there are. They are much used and in consequence of their being silted up they have deteriorated.

Would you say that there are more waterways than roads?—My district is in a peculiar position. Half of the district is high. In the Madaripur and Gopalganj sub-divisions, canals are getting silted up and it is a costly affair to excavate these canals. It is a costly affair to construct roads because we have to make many bridges.

What about the Mymensingh district?—*Rai Bahadur U. C. Chakladar*: We have two big rivers and there are roads round about. *Mr. Bose*: We have got some canals also in Midnapur.

Are motor buses in general use?—*Khan Bahadur A. Chaudhury*: Not buses but taxis.

Do they take more than the permitted number?—They generally exceed the number. They sometimes take six, seven and even eight passengers.

Have you got many motor cars and buses in Mymensingh: *Rai Bahadur U. C. Chakladar*: We have got both.

Would you agree that if you improve the roads in your districts, there would be greater scope for motor cars and buses?—Yes.

Do the people use the buses?—*Mr. Bose*: Even the poorest people use it. They think it is a hobby. Even though 20 or 30 people are crowded together in one bus like beasts, they like to go by buses. *Rai Bahadur U. C. Chakladar*: Jute is also carried in lorries in my district.

Why?—*Rai Bahadur U. C. Chakladar*: Because they can take it to the market quicker.

There is a movement in India to develop roads, of which this Committee is the outcome. It is not to benefit the rich man to go by road from Bombay to Calcutta or Bombay to Delhi. The general idea is that if the roads are developed, it will extend its benefits right down to the poorest man and the agriculturist in the villages. Would you agree that that would be so?—Yes.

With that object, you would be willing to subscribe to the idea of a two annas tax?—Yes.

Chairman: How will the villager be benefited?—*Mr. Bose*: If the existing roads only are maintained, then the villagers will not be benefited. If more roads and more bridges are constructed then that will be beneficial. *Rai Bahadur U. C. Chakladar*: I said in my statement before the sub-committee that I required 15 lakhs for my district. I looked into it and I find that at least 20 lakhs would be required for bridging the roads. If the roads are bridged, then the people will be benefited.

Hon. Sir A. Froom: One gentleman whom we met said that if we made more roads it will widen the vision of the villager, because at present his ideas were confined within a radius of ten miles of his village. There was a witness who said that the development of roads brings benefits to the villager in enabling him to go about more and is thus of great educative value, and therefore the development of roads is of as great importance as the development of education: would you agree with that witness?—*Khan Bahadur A. Chaudhury*: Yes, because they will have free communication with towns and thereby there will be some sort of education.

Hon. Mr. M. Suhrawardy: Are there many taxis running in your district in Mymensingh?—*Rai Bahadur U. C. Chakladar*: The transport has to cut through roads and rivers both, as in our district there are many rivers.

Are there motor house boats also?—Very few, one or two during the rains, not in the dry season.

Do people pay any tax for the motors and lorries running in your districts?—*All*: None.

Are you in favour of having some sort of tax levied on motor lorries and buses?—*Rai Bahadur U. C. Chakladar*: Yes, on all vehicles.

Do you think the controlling authority should be the local agency or the provincial Government?—*Mr. Bose*: My personal opinion is that it should be the District Boards, but all others do not think so.

So with a view to the uniformity of taxation and equitable realisation, do you think there should be one provincial taxation?—Even in my district there are seven municipalities, and each has authority to tax vehicles. The District Board has got no authority, but the municipal committee has. No difficulty has been felt by anybody owning a carriage when traversing through these municipalities; no difficulty has arisen up to this moment. Some difficulty may of course arise later, but so far within one district no such difficulty was felt because there is single taxation. So similar taxation may be prescribed for each District Board. In that case it may also be laid down that one motor car or bus taxed in one district may be permitted to ply through other districts also, but not on the basis of permanent business.

Hence the majority of opinion is for the provincialisation of taxes?—Yes.

And there should be uniformity of taxation, and provincial Governments should be the agency?—Yes.

You are in favour of the two annas petrol duty?—Yes. The revenue should be allocated to the districts according to their needs and requirements.

You are all in favour of the provincial taxation of two annas on petrol?—Yes.

Khan Bahadur would go so far as even three annas if necessary for the benefit of the development of roads within the province?—*Khan Bahadur A. Chaudhury*: Yes.

You prefer a monoply being given to some companies: what is the idea of the utility of the proposal?—*Mr. Bose*: The condition of the roads in my district is very very bad, and that is simply due to the motor traffic. Now for one road, say the Tamluk road of sixteen miles, four or five companies have been started there, and each one with four or five lorries. Just now the Chairman was referring to malpractices; now a passenger comes down from the train, the drivers of these motor lorries come to him, and one drags him this way and another that way, one says he will charge 12 annas, another says he will charge 5 annas, another says he will charge 2 annas, and thus vex him. All these lorries run through the same road and damage the road, but if a monopoly be given, and some sort of control be placed over them not to harass the passengers nor to vary the charge, it would be good.

Chairman: That also is prevented by the present Penal Code?—Under the Penal Code everything can be prevented but there are many things which are not prevented.

But you should convince your colleagues who have come with you? . . . . . .

Hon. Mr. M. Suhrawardy: So if this monopoly is allowed, there will be less damage to the roads, but poor people will be deprived of using motor taxis?—That is good in one way and bad in another, but good in this respect that those poor people who sacrifice their food for the luxury of driving in a motor car, simply for enjoying a motor drive, will be deprived. These poor people develop a hobby of having a drive in a motor car with all the members of their family, although they may be partially going without any food and earning small wages. Such are the poor Sonthals who go out in motor lorries with all their children, wives and other paraphernalia, and they earn only five or six annas a day.

Chairman: Have you met the same family travelling more than once?—I cannot tell exactly. Of course they travel on railways too, but it does not matter there so much as the fare is much less, one pice as against four pice, and on railways they travel longer distances.

Hon. Mr. M. Suhrawardy: So you are in favour of this monopoly as it will fetch more money and cause less damage to the roads, and that will bring relief to the district and help them to maintain and keep up their roads?—Yes.

And you want to have the monopoly put up to auction or tendered for, for particular places?—Yes for one or two years only.

Mr. Mohd. Anwarul Azim: My first question is whether you have had any complaint of misuse of district funds within your elakas, either as a representative of the district, or as a private person since the inauguration of the Reforms in 1921?—No.

The second question is this, that in all your District Boards you employ competent engineers approved by the local Government?—Yes.

Suppose you have a Central Road Board established in Bengal and some of your roads are taken up by that body, would you like to give up your road cess and Public Works assistance which you get

from Government?—No. We have agreed to the transfer on the condition that the Government maintain it at their own cost and do not claim anything.

Would you like that your cesses should remain intact and not be disturbed even by a pie in spite of your being relieved of 10 per cent. of your roads. Even in that case would you like to give it up?—Yes, because with the funds under our control we are quite unable to maintain all the roads, the amount that will be saved by transferring these roads should be utilised for the maintenance of other roads.

(Mr. Chakladar told Sir Arthur Froom that jute is carried in motor lorries not from the jute fields, but sometimes from local markets in the village to the town markets.)

Mr. Mohd. Anwarul Azim: You mean also that along with this improvement of roads your District Board's control should also necessarily be improved, and that unless that is done, there would not be any advantage for the rural public?—*Mr. Bose*: Yes.

Can you give us any concrete information with regard to Central Board and Provincial Boards? How would you like the Central Board to be constituted on these lines—the Hon'ble Member in charge of Industries and Labour, President, and 10 delegates. If there are 10 delegates from Provincial Boards, one Engineer and one Secretary, and the functions are management, research and experiment work, is this agreeable to your idea so far as the formation of a Central Board is concerned?—In that scheme you have not considered about the maintenance and construction of roads directly by the central organisation. I am inquiring whether there is any necessity for making provision for it.

You have to advise the Committee?—If there are any such roads at present directly maintained and managed by the Central Government, the Central Government should have the authority to control these roads; otherwise all provincial roads should be controlled by the provincial organisation.

My question is how would you like the Central Board constituted? —I thoroughly agree with what you have said just now, with this reservation that if at present there are any roads directly managed and maintained by the Central Government, the Central Government should not be deprived of them.

Or in the alternative would you like to have a separate Department of Government to be created. to be put under a Minister of Transport?—I cannot say which is preferable of the two suggestions.

How would you like the Provincial Board constituted? Would you like it to be a Board of the Bengal Legislative Council presided over by the Minister?—Elected representatives from elected members with experts.

The money given for the administration of the Board should be given by the Bengal Council?—Yes. *Khan Bahadur A. Chaudhury*: I do not agree.

The money given for the administration of the Board should be votable by the Bengal Council?—*Khan Bahadur A. Chaudhury*: I do not see any reason why this should be votable, because the money is earmarked for the development of roads.

Chairman: It has still to be voted by the Council?—That is a formal matter.

Mr. Mohd. Anwarul Azim: It may not be a formal matter in certain cases. The only thing is that it is not to be diverted to other purposes. With reference to Eastern Bengal, in order to keep the continuity of big roads, would you suggest that the big gaps should be bridged or ferries of the right kind should be maintained?—*Khan Bahadur A. Chaudhury*: Not bridged, but ferried. In some places bridged and ferried.

You are of opinion that eastern districts of Bengal, where big roads are intersected by canals or rivers, where it is possible, they should be bridged and where it is not possible, ferries of the right kind and of quick service should be maintained?—As a concrete example, there was a road from Chittagong to Calcutta passing through Tipperah, Dacca, 24 Parganas, etc. Portions of the road in Chittagong, in Tipperah, in Dacca, in Faridpur, are maintained by District Boards, but the portion of the road which falls within Jessore and 24 Parganas is maintained by the Provincial Government. I want to suggest that such roads should be maintained wholly by the Provincial Government, and not partially. That some portion should be maintained by the Provincial Government and some by the District Board is an anomaly and an injustice.

In case you transfer away the Dacca Trunk road or the Chittagong Trunk road to the Provincial Board or the P. W. D., you will be relieved of a great amount of money and what roads will you maintain?—Maintain other roads, incomplete roads.

And you will divert your attention upon making bridges?—And improvement of other roads. The roads now existing were not constructed for heavy motor traffic and the bridges were also of the same nature. Now, the bridges have become rickety and dangerous. That is my experience.

Mr. E. F. Sykes: You propose the highest figure, 4 annas a gallon, on petrol?—Yes.

How many motors are there in your district?—About 40 motor taxis and there are private cars also.

Altogether how many?—About 100.

How much a year would this tax bring in?—I cannot say.

I believe your Board arrived at some figure after some calculation?—We could not make any calculation.

Why do they say 4 annas and not 14 annas. Four annas is the highest figure among all the figures. I am asking you how the figure was arrived at?—I did not make any calculation, and I had no opportunity to make any calculation, because I had no figures.

Do you think that 4 annas a gallon would give you enough money in your district to improve your roads?—Yes.

How much would it come to for a year at 4 annas a gallon?—I do not know about the consumption. Cars are not licensed or registered by the District Board.

You say there are about 100 motor vehicles. How many gallons a year does your car consume?—That I cannot say.

Rai Bahadur, yours is the lowest figure?—*Rai Bahadur U. C. Chakladar*: My information was that one anna will fetch Rs. 10 lakhs a year in the province, and then I made it 20 lakhs by making it two annas.

You want 20 lakhs for your own province?—Yes, and this should be allocated to districts according to needs and areas.

Not according to the consumption in the district?—No, according to the needs and area.

In the Faridpur district, where there are only 100 motors, the need will be very great I imagine?—Consumption will be greater if the roads are improved.

Your proposal is that it should be distributed among the districts according to area and needs?—Yes.

Calcutta has a small area and few needs. It has got beautiful roads. So you would give nothing to Calcutta. You would not allow Calcutta people anything out of the 20 lakhs?—For maintaining roads Calcutta requires some money.

It has hardly any needs. It is a very small area. Your principle is needs and area. By needs you mean that a district which has not got many roads would have more money than one which has good roads?—The city of Calcutta may be excluded.

But you would not exclude it from taxation?—No.

You would not raise 20 lakhs if you excluded the city of Calcutta?—Yes.

You would have nothing to do with consumption. How would this principle of yours, area and needs, work out?—Motor cars from Calcutta go to the interior and spoil the roads.

We had evidence to show that there was not very much movement out of Calcutta into the districts. But in your opinion there is?—Yes.

Do you get many Calcutta cars coming to Mymensingh?—There is no road.

How did you arrive at this figure of 1 or 2 annas?—I have got some information, but I am not certain.

How many motor vehicles are there in your Mymensingh district?—That I do not know exactly. I did not think in that light.

Presumably in that case you have also to consider the method of distribution. You have got to have some system of measuring areas and needs?—The needs will be considered in the light of making all the roads fit for motor traffic. If all the roads are passable for motor traffic, petrol consumption will be much greater.

You are assuming quite a definite figure for the receipts, 20 lakhs. Now, you have got to have some perfectly definite scale of distribution of it, and if you say it should be distributed according to area and needs, you are going to measure the area and the needs?—After the roads are motorable this question will be decided and not now.

Until you distribute the money the roads would not be made motorable. We will drop this question. . . . .

Raja Ghazanfar Ali Khan: There are some roads maintained by the District Boards?—*Khan Bahadur A. Chaudhury*: The principal roads are maintained by the District Boards. Other roads which are narrower are maintained by the Local Boards and the village roads are looked after by the union boards.

The roads that are maintained by the District Board, do they all belong to the District Board?—Yes.

Have they been transferred to the District Board only for their maintenance or the District Board is the owner of those roads?—Now the District Board has become the owner of these roads.

Are you sure on that point? Supposing you want to sell or auction away one of the roads, can you do that?—We must take the sanction of the Government to do that. We can lease out a certain portion of the road if that portion of the road has become useless. Practically, the District Board has become the owner of these roads.

Do you know of any roads which were transferred to these District Boards in recent times?—They were transferred many many years ago.

Do any of you gentlemen know of any other road which has been so transferred?—No.

Supposing the District Board passed a resolution that they do not want to maintain a certain road, can they hand it over back to the Provincial Government?—We passed some resolutions and prayed to the Government to take over the roads but the Government did not agree.

In spite of the fact that you passed a resolution that you do not want to maintain a particular road, which does not belong to you, the Provincial Government did not accede to your request?—No, and not only that but my District Board has to maintain the roads within the municipal area also. These roads have also been placed under the control of the District Board by the Government.

So you are forced to do it against your will?—Yes.

Would you like the District Board agency to look after the roads—to construct them and to maintain them—or that they should be looked after by the P. W. D.?—The roads which are under the control of the District Board must be constructed and maintained by the agency of the District Board.

Have you got any complaint about the corruption in your staff?—No. None of us has got any complaint.

All these District Boards have got non-official Chairmen?—Yes.

Now about monopoly. You say that many people use their cars in your districts as a sort of joy-ride; they do not really require them. If there is a monopoly, then you think those people will not use the road for this purpose?—*Mr. Bose*: No, because the charge will be higher.

You want that the charge should be prohibitive?—Not necessarily. When the motor bus was first started, they charged one anna per mile. Now, when another company came in the field, it was reduced to 3 pice per mile; and when the third company was started, it was further reduced to 2 pice per mile.

So, the best remedy is that the fares should be increased and the only way of increasing the fares is by giving monopoly?—Yes. It will not only increase the fares but it will fetch more money into the hands of the District Board which can be utilised not only for the maintenance of the particular roads used by motor traffic but also other roads.

So far as District Boards are concerned, they will get more money, and so far as the people are concerned they will not have the joy-rides as you call them?—Yes; they are useless rides.

Do you not think that the agriculturist will derive great benefit if there is more motor traffic?—No.

Do you not think he will begin to grow those vegetables which he does not grow now if there is motor traffic available to take them

to the cities. In that way, the motor traffic will be of much use to him?—Yes.

Do you know of any places where there is a bullock cart as well as the lorry for carrying the produce? *Khan Bahadur A. Chowdhury*: I have only one lorry in my district. In my district goods are not conveyed by the lorry. But there are places from which goods can be carried by lorry as well as by bullock cart.

Are the bullock cart charges higher than the lorry charges?—I think they will be almost equal.

But the lorry saves time?—Yes.

Even then, as compared with the bullock cart, it will be more useful for the zemindar?—Yes.

Lala Lajpat Rai: I want to ask you a few questions of principle. If you have not carefully thought over them, you can say so. My point is this. Are you in favour of the creation of a new Department called the Road Department if the expenses of that Department go beyond this tax on petrol and fall on the general tax-payer?—*Mr. Bose*: Of course not.

Then you mean to say that any road development that is to take place must be financed out of the new taxation you propose on petrol. And you recommend the road development only to the extent to which it can be done by the new tax proposed on petrol. In short, you do not want any new taxation?—No.

Not only taxation but you do not recommend even expenditure from the general revenues?—No.

Do you not think that the creation of a new Department in addition and over the head of the P. W. D. as it is to-day will entail some more expenditure from the general revenues?—Necessarily it will.

So you are not in favour of that. You may be more in favour of proper distribution?—The cost of that Department should not be paid from the general revenues.

You will be in favour of a proper distribution of duties in the Public Works Department, thereby making a special scheme of road development rather than create a new Road Development Department. You do not want a new Department. What you want is that the present Department should pay more attention to roads?—Yes.

What are the ordinary means of transport in your district?—Bullock carts and boats; we have also got carriages for passengers.

The greater part of traffic both goods and passengers is carried by bullock carts and boats?—Yes and also we have mules. In Mymensingh there is no boat service. Only bullock carts are used there.

Don't you think that the waterways require equal attention to be developed as the roads do?—Yes.

Don't you think that if the development of roads takes place with a view to provide more motor vehicles, it will displace the other means of transport, thereby creating a great deal of unemployment?—Yes. The whole country will be impoverished.

So in your opinion the development of motor vehicles in the country will to a large extent throw out of employment a very large number of people?—Yes.

And therefore you would not recommend it? Is that the opinion of all of you?—Yes.

(Rai Bahadur U. C. Chakladar disagreed from this view.)

Is the Bengal cultivator a rich person?—*Rai Bahadur U. C. Chakladar*: So far as my district is concerned, the cultivators are richer than the ordinary labourers. In my district there are no indigenous labourers. They come from other districts because the people are engaged in agriculture. They get better income through agriculture and so they do not engage themselves in labour as coolies. Therefore, so far as my district is concerned, it will not increase unemployment.

You will pardon me for saying so, but you should not consider the question simply from the point of view of your district. You should consider the question from the point of view of the whole country. For example take Bengal as a whole, will not the development of motor vehicles cause unemployment?—To a certain extent it will, but they can employ themselves in other professions.

Will the Government find other professions for them? Or will the Road Committee find employment for them? Is there a complaint of general unemployment in Bengal?—It is only the educated classes who are unemployed; there is no complaint of unemployment among the uneducated classes.

Am I to suppose that the ordinary cultivator in Bengal is a very prosperous and happy person?—*Mr. Bose*: He is not at all prosperous and happy in my district. *Rai Bahadur U. C. Chakladar*: In my district they are prosperous. *Mr. Bose*: In my district they are literally starving.

So the statements that are made by some people that the Bengal ryots are very much oppressed and very poor are wrong?—*Rai Bahadur U. C. Chakladar*: The rent is not very high.

I have seen several statements made by very responsible people that the Bengal ryot is very much oppressed and very indigent. Those statements are wrong?—*All excepting Mr. Bose*: Yes.

Hon. Sir G. Corbett: I think you have recommended taxation on motor vehicles?—*Mr. Bose*: Yes.

But you have not said in what way it should be levied? How do you assess a tax on motor vehicles?—We assess it in the same way as is done in the case of other vehicles of the municipality. There is a schedule of rates. For instance, for a horse and a vehicle with four wheels—so much; one pony with a vehicle with two wheels—so much.

How do you do it for motors?—It is done according to the weight of the motor. There is a classification of taxes for lorries and buses. Also its capacity for carrying passengers is taken into consideration.

Would you do it by horse power at all?—That can be considered also.

Would you have any difficulty in collecting this tax?—No.

I presume your motors are registered?—No, they are not registered.

Do you think they should be registered for Police purposes?—Yes.

Would you have a list of owners of motor cars or would you simply collect the tax from them?—The District Board must have a register of the motors in the district.

There must be a register and the name of the owner of each car and all that you will have to do is to notify each owner that his tax is due?—Yes.

As a secondary safeguard, the Police would not issue the registration certificate unless the owner produced the receipt showing that his tax was paid?—The tax would be paid in advance.

(*The witnesses withdrew.*)

9.

Calcutta, dated the 5th December 1927.

(a) Memorandum of touring sub-committee's discussion with—

Mr. K. G. M. FAROQUI, Chairman, District Board, Tipperah;

Babu RUPENDRA LOCHAN MAZUMDAR, Member, District Board, Tipperah;

Moulvi REZZAQUL HAIDER CHOWDHURY, Chairman, District Board, Noakhali; and

Syed MAQBUL HUSSAIN, Chairman, District Board, Chittagong.

The Chairman of the sub-committee explained the reasons and objects of the Committee.

The Chairman, District Board, Tipperah, states that from lack of funds the roads in his district are bad. The Chairman, District Board, Noakhali, states roads in Noakhali are rather better. The Chairman, District Board, Chittagong, states that in his district there is one provincial road and that is bad also—the Grand Trunk Road from Chittagong. The District Board is in charge of district and village roads and the district roads in Chittagong are worst of all, as out of 610 miles, only 10 miles are metalled. The rainfall is very heavy and damages the unmetalled roads badly. There are over 200 motor vehicles in Chittagong and over 100 motor vehicles go along the Ramdah road daily. Forty three miles are maintained and 12 miles have been abandoned as passing through hilly regions. An estimate for putting the 12 miles in repair is Rs. 15,000. As the end part of the road only passes through forest and hilly regions with few people living there, the Chittagong District Board is likely to be reluctant to spend the money. The people of Chittagong have little cause to go to Ramdah.

The Chairman, District Board, Chittagong, states that the Arakan Trunk Road runs north and south and is provincial. But the bridges on this road are not strong enough for motor vehicles. The reason for lack of metalled roads is lack of funds.

The Chairman, District Board, Tipperah, states the District Board has metalled 10 miles out of the 56 miles of Chittagong Trunk Road, and gets nothing for this maintenance. The Board also maintains 590 miles of district road unsurfaced. The District Board's revenue is about 5 lakhs from cess and grants, of which about 3½ lakhs is from cess.

The Chairman, District Board, Noakhali, states total income is Rs. 3,48,000—about 2½ lakhs is from cess.

The Chairman, District Board, Chittagong, states total income is Rs. 4,30,000.

The Chairman, District Board, Tipperah, states grants from Government are earmarked for specific purposes. Of the Board's cess income, the policy is to spend about 25 per cent. on roads. No grants for roads are received from Government.

All the Chairmen of District Boards agree that motor lorries and buses are spoiling their roads, and under the Act, the Boards have no power to tax motor vehicles, and this power is necessary.

The Chairmen of District Boards agreed that, as a general principle, motor vehicle taxation should be levied by the Provincial Government and the proceeds allocated to the local authorities, and also that motor vehicle taxation should be devoted to roads.

The Chairman, District Board, Noakhali, suggests in addition a terminal tax and states that taxation of bullock carts would be oppressive to the poor people, even though the bullock carts damage roads.

The Chairman, District Board, Chittagong, is in favour of a small tax on all vehicles.

The Chairmen, District Boards, agree that as a general principle main inter-district roads should be taken over by Government, either directly or through the agency of efficient District Boards.

The Chairmen, District Boards, agree that a Central Road Board would be desirable.

The Chairmen, District Boards, Chittagong and Tipperah, think the public would not object to an extra 4 annas a gallon on petrol if proceeds are earmarked for roads.

The Chairman, District Board, Noakhali, says 2 annas would be enough. He would prefer inter-district distribution by consumption of petrol.

The Chairman, District Board, Tipperah, would have inter-provincial distribution by petrol consumption, and leave inter-district distribution to Provincial Road Boards. The District Board controls the Union Boards and is responsible. Union Boards have the powers of taxation under the Union Boards Act.

Calcutta, dated the 5th December 1927.

(*b*) Memorandum of touring sub-committee's discussion with—

Mr. ABDUS SAMAD, Vice-Chairman, District Board, Murshidabad;

Mr. NAGENDRA NATH MUKERJI, Chairman, District Board, Nadia;

Rai Bahadur JATINDRA NATH GHOSE, Vice-Chairman, District Board, Khulna; and

Mr. JOGESH CHANDRA SEN, Chairman, District Board, 24-Parganas.

It is agreed that roads are bad through lack of funds.

The Vice-Chairman, District Board, Khulna, states that in the Sunderbans, owing to embankments being raised to avoid salt water on cultivated lands, high tide level is rising but it is impossible to raise the whole road system to correspond.

It is agreed that motor traffic is enormously increasing every day—even in Khulna the rush for the rice traffic to get rice to market causes motor transport to be used over even kachha roads.

The Vice-Chairman, District Board, Khulna, is doubtful whether a Central or Provincial Road Board will not waste money with travelling allowance, staff, etc., that will do little good.

The Chairman, District Board, Nadia, considers that District Boards have sufficient knowledge to make roads fit for motor traffic, and co-ordination can be obtained by conferences of Chairmen of District Boards. Both see no use in a Central Road Board at present.

The Vice-Chairman, District Board, Murshidabad, considers an advisory Central Road Board is necessary.

The Chairman, District Board, 24 Parganas, would begin at the other end and improve first village, then district, then provincial and finally all-India roads.

Excepting Murshidabad, the representatives agreed that a Central Road Board would be of no use at present.

The Chairman, District Board, Nadia, suggests funds be raised by extra excise on petrol collected by Central Government and a separate Road Fund constituted and distributed in block grants to local Governments, according to petrol consumption, and by local Governments distributed in block grants to local authorities. This is agreed to by Khulna and 21 Parganas but not by Murshidabad.

The Chairman, Dsitrict Board, Nadia, does not think an extra 2 annas per gallon on petrol would be oppressive, if proceeds be devoted to roads. The Vice-Chairman, District Board, Khulna, agrees, if the tax is limited to petrol used by motor cars. The Chairman, District Board, 24 Parganas, wants 1 anna extra and 1 anna from present excise. But would agree to 2 annas if there is no other alternative. The Vice-Chairman, District Board, Murshidabad, would favour 3 annas.

It is agreed that motor vehicles should be taxed in Bengal. The Chairman, District Board, 24 Parganas and Vice-Chairman, Murshidabad District Board, consider provincial motor vehicle taxation preferable to local, the proceeds being earmarked for roads. The Chairman, District Board, Nadia, and Vice-Chairman, District Board, Khulna, would prefer taxation by local authorities.

The Chairman, District Board, Nadia, states that if Government pay the cost, he has no objection to Government taking over inter-district roads, provided Government did not take over ferry proceeds on these roads. This is agreed to, and also the principle that if District Boards are relieved of the cost of these roads, the District Boards should be compelled not to reduce their total expenditure on roads.

The Vice-Chairman, District Board, Khulna, says firms are prepared to metal lengths of road, provided they are given a monopoly of motor transport on those roads, and he suggests District Boards should be given the power to give such monopoly services under conditions. The Chairman, District Board, Nadia, wants District Boards to have the power to grant monopoly licences to public service motor vehicles. The Vice-Chairman, District Board, Murshidabad and Chairman, District Board, 24 Parganas favour this.

It is also suggested that Railways should be compelled to contribute to the upkeep of feeder roads to Railways. The same should apply to Steamer Companies.

The Chairman, District Board, 24 Parganas, suggests levy of tolls on roads and on bridges, without restriction of cost of bridge or supersession of ferries. The representatives of District Boards, Murshidabad, Khulna and Nadia are opposed to tolls on roads.

Written Statement submitted by Rai AMRITA LAL RAHA Bahadur, Chairman, District Board, Khulna (Bengal).

The considered views* of this District Board regarding the questionnaire issued by the Committee to local Governments have already been sent to you through the proper channel. I now beg to emphasise one point in particular about the views that have been expressed. As has already been pointed out that this district with others situated in the southern part of Bengal, is often subjected to floods and the soil is such that it easily yields to saline water, so much so that a very little

* Not received.

trace of a road is left after a flood has passed over it. Besides, there are numerous khals and beels intersecting the district and no road could be constructed without bridges over them. In such an area the difficulties of maintaining a sound road-system are insuperable and may, often impossible. Out of 997 miles of road in this district, only 33 miles are metalled or surfaced. Kachha or unsurfaced roads are not at all fit for regular motor traffic throughout the year. The needs of motor transport demand that the main and important roads of this district should be properly metalled.

2. It is needless to point out that with the limited resources at the disposal of this District Board, it is beyond its means to metal those roads and make them fit for motor traffic. But sometimes we receive offers from private parties to metal some important roads on condition of granting them a monopoly of motor traffic on the same for a certain number of years, which the District Boards are not in a position to accept under the existing law. I am quite confident that if we had the power to accept such offers, we could get some of the important roads metalled which would have also saved us from cost of their annual repairs and thereby enabled the Board to utilise the saving thus made for other useful purposes.

3. I, therefore, most humbly beg to suggest that you will kindly see your way to make a recommendation to the effect that the District Boards may grant such monopoly to private parties to metal roads at their own cost on the exclusive right of carrying on motor service on them on certain specified conditions about fare, freight, speed, etc., reserving the right of the public to use them for other purposes.

New Delhi, dated the 20th January 1928.

(c) Oral evidence of Rai Bahadur JATINDRA NATH GHOSE, Vice-Chairman, District Board, Khulna; Mr. ABDUS SAMAD, Vice-Chairman, District Board, Murshidabad; and Moulvi REZZAQUL HAIDER CHOWDHURY, Chairman, District Board, Noakhali.

Chairman: Have you any objection to the statement which you gave to the sub-committee being published?—*Rai Bahadur J. N. Ghose*: No, certainly not.

You were examined along with three other gentlemen by the sub-committee?—Yes.

You are the Vice-Chairman of the District Board of Khulna?—Yes.

You have given a written statement in addition to your statement before the sub-committee?—No, the written statement is from the Chairman of the District Board.

In your statement before the sub-committee you say that motor traffic is enormously increasing and that even kachha roads could be utilised for the purpose. Will you tell us exactly how the cultivator would be benefited by road improvement unless it be improvement of his village roads?—Of course, the cultivators will be benefited in this way; if the improvement could bring better facilities for their trade, it may bring more money to them. It is a fact that they are mainly interested in the improvement of the village roads. In my district, they require immediate relief because they cannot get their things from one part of the village to another part owing to the bad condition of the roads.

Therefore I take it that the improvement of the village roads is a necessary condition?—Certainly.

Whatever may be the improvement of the more important district or provincial roads it is necessary that village roads should be improved. Is it not so?—Yes.

And certainly money should be found for improving them?—Yes. That is one of the things which we have mentioned in our written statement. We propose that the commencement of road development should be from the villages, then to the district roads, then to the provincial roads and lastly to all-India roads.

What do you mean by that?—The first thing is that unless the village roads are improved it is no use directing your attention to provincial roads. So far as we are concerned, the District Board practically represents the cultivators of the district. The cultivators pay their road cess and our main concern is to see that any development that may be made should in the first instance go to the benefit of the cultivators themselves.

Can you suggest any practical scheme by means of which if a central fund or a provincial fund was created from several sources for the improvement of roads the benefit will go to the villagers directly?—The only means that we have thought of is by placing a certain fund at the disposal of the District Board. Of course, the local Government may require every District Board to put before it a scheme of road development in the villages. Though the District Board think of improving village roads, the only drawback in their whole efforts is the want of funds. If funds are placed at their disposal—I think at least in my district—we have got a very good scheme for improving all village roads as well as of connecting them with provincial roads.

According to you the reason why District Boards have not improved their roads so far is the want of funds?—Yes.

You have not found anything like the incompetency of the engineering staff?—Certainly not.

They are quite competent?—Yes.

If you place money in their hands you see no reason to distrust them or to fight shy of the funds being entrusted to the District Boards?—No. We are of course devoting much of our time without much success on the improvement of village roads. I can speak from my own experience that the District Board staff is quite competent and the engineering staff can be made to do the work if the District Board is entrusted with funds.

You don't see any reason for centralising road administration in the province so as to take away the power from the District Board?—No. This is what we objected to before the sub-committee.

But how far can you say that the same state of things is true with other Divisions and District Boards of your province?—As regards my province I can safely say that the District Boards are quite competent. Of course there may be one or two bodies which may be temporarily inefficient on account of certain reasons. I do not know whether there is any country in which all the local self-government bodies are quite efficient but that is no reason why we should distrust these bodies as a whole.

Are you in a position to say whether the other District Boards in Bengal will also resent any deprivation of the powers of taxation?—Certainly. At first we looked upon this Committee with some amount

of distrust because we thought that whatever committees are appointed their activities are directed towards the curtailment of the powers of local self-government bodies. The constitution of this Committee is, however, a guarantee against that sort of reactionary move.

You think that it will be an unnecessary interference with the powers of the local authorities if we suggested a scheme by which their powers are curtailed?—Certainly. It will not only be resented by them, but, if I may use a stronger expression, the people will take it as want of faith on the part of Government.

The motors are not adequately taxed in your province?—Yes.

Suppose if motors were intended to be taxed and we further thought that in order to avoid any escape from that tax the best way to put on that tax was to give the powers in the hands of the provincial Government, would you consider that an interference with the District Boards?—Certainly. We have said so.

What would be your view that the motors in your district under each local authority should be taxed by the District Board?—Yes. There are licence fees. There should be certain taxation which should be collected by the Central Government, *e.g.*, petrol tax. Our District Board was against petrol tax which they thought would interfere with other needs, that is, light, etc., but Sir Arthur Froom pointed out that the quantity would be very small and that the petrol tax is the only tax which can be imposed by the Central Government and we agreed to it. Our District Board at first suggested that if a duty is imposed upon motors that will suffice but then we thought that it would be a tax which would be levied only once and if we have a petrol tax we can get a continuous source of taxation. We now consider, after Sir Arthur Froom had pointed out, that the petrol tax should be Central and that it cannot be conveniently collected by the provincial Government or the District Board.

I am talking about provincial taxation. What form should it take?—It should take the form of licence fee.

Would you put it in the hands of the provincial Government?—In the hands of the District Board.

Will that not be the result that if one car which pays licence in one district happens to travel, either for a long or short period, in another district, it will be liable to another licence fee?—No. We have given a scheme that if there be a permanent service for a continuous period or for a certain number of years the District Board in whose area that service is carried should impose licence fees and for occasional visits some sort of toll bar might be imposed.

You do not think that having regard to the possibility of any interference or irritation to be caused by this form of taxation which is to be levied on all motor cars the power should be given to the provincial Government?—That would create some difficulty. As every District Board will be choosing a scheme of development there would be difficulty in arriving at a basis on which the distribution should be made.

You contemplate that each District Board will have a varying licence tax?—We have suggested that a maximum should be fixed by the Legislature.

But the minimum will vary?—It may be, but it does not matter.

But in the case of a province you will have one district charging Rs. 3 and another charging Rs. 20?—Not so large a difference and every district may not require the same amount for traffic.

Will not that cause difficulty?—I do not think so because it will adjust itself. The difficulty created by it will be very small, rather insignificant in comparison with the benefit that will be derived by each district.

Will that benefit not be achieved by a grant from the provincial Government to each district varying according to its needs?—I doubt very much because at first if there be any provincial body for collecting this taxation there will be difficulty in making distribution.

Who will collect this tax in the province?—Probably some officer.

Will you not put this into the hands of the Police. In many provinces the licensing and registration fees are in their hands?—There is likely to be some abuse.

Then you will create another machinery?—In the province if there be any provincial taxation.

I am speaking of the district?—No machinery will be required. Only one or two registration officers will be sufficient, but if they want to impose any toll bar then they may have to appoint several persons at different places.

Will you impose this toll bar in addition to the licence?—No. Those paying this licence will not have to pay toll bar but for occasional visits this toll bar will have to be imposed.

Then in addition would you recommend any provincial taxation?—For a very small extent it may be imposed by means of registration. In every province a large number of motor cars will be there and a small amount can be made from registration fees.

What will you recommend as the basis of the motor car taxation, its seating capacity or horse power?—All combined. Its speed as well as carrying capacity and wheel track. A ratio will have to be found out.

(*Mr. Abdus Samad, Vice-Chairman, District Board, Murshidabad, came in and joined the other witness.*)

Chairman: I understand you to say that petrol tax should be in the hands of the Central Government?—Yes.

The motor taxation on registration should be in the hands of the provincial Government?—Yes. A very small one.

Licence fees or tolls on motors should be in the hands of the District Board?—Yes.

Do you agree with that?—*Mr. Samad*: Yes.

Would you disturb your local boards or District Boards in their powers of taxation or management and put them in the hands of the provincial Government?—I would put them in the hands of the District Board.

And you share the other view that any interference of these is likely to cause irritation?—Certainly.

Do you share the apprehensions of some witnesses who have come before us that the District Boards sometimes do not have the courage to tax people even if they had the power—of course they have no power now to tax motor cars?—No. We do not share that view.

You are in favour of the creation of a Central Road Board?—I am. *Rai Bahadur J. N. Ghose*: I am opposed to the formation of a Board at present.

Do you agree that if road improvement was to be undertaken on an all-India basis you would want some body to co-ordinate the improvement in several provinces?—*Rai Bahadur J. N. Ghose*: I do not know what co-ordination will be made.

I will tell you. The roads and railways will have to be co-ordinated in their plans of improvement. Do you think it to be necessary or not?—It is necessary but it is not being done. The complaint is that this has not been done at all.

Do you think that those representing the railway interest and those representing the road interest must meet somewhere and discuss these questions year after year?—That may be very well arranged by a periodical conference.

You want a meeting of all the provinces and the Railway Board. Do you not think that a Standing Committee would be better?—Some benefit might be derived but the disadvantages will be many. We apprehend that as soon as a Committee is appointed a large part of the taxation will be diverted towards paying the travelling allowance and other allowances of its members. There will be a highly paid central staff and some officers will be recruited in foreign lands and a large part of this taxation will go towards maintaining such a highly paid staff and whatever amount remains will be under the control of the Central Government and instead of developing roads to the benefit of the agriculturist and cultivators and other people of the district the funds will be diverted to military purposes.

If it is possible to have the safeguards which this Committee may recommend against these drawbacks, would you be in favour of the formation of a Central Board?—Of course if all these can be obviated, but to me it appears a stupendous task to recommend the formation of a Committee; I cannot see how the Committee will work.

Supposing we recommended and the Government accepted our recommendation that on this Central Board there should be elected representatives of the Central Legislature and of the Provincial Legislatures of each province and these men formed the bulk of the Central Board, assisted by an expert staff and a representative of the railways and one or two other departments possibly, do you think that will be a sufficient safeguard?—If you at all recommend a Central Board, there should be adequate representation of local bodies because the members of the Central and Provincial Legislatures are not really representative.

Direct representation of the local bodies?—Not of all bodies, but some in certain provinces.

But is not the Provincial Legislature in a sense representative?—I do not think so; moreover a representative who will represent the Central Legislature cannot have any connection with local bodies who are directly interested.

But the Central Board will become a very big and cumbrous body if District and Local Boards are to be given direct representation?—You may curtail the number of other representatives, but I would insist that some of the seats should be given to the people who are directly concerned with the development of roads in the villages.

Supposing we give them representation in the Provincial Boards and supposing the Provincial Boards work in alliance with the Central Board which would contain representatives of the people in the sense I have outlined, and these two bodies work together with the safeguards you have mentioned, do you consider in that case the

existence of a Central Board advisable?—It will depend upon the limitation of the functions of the Central Board. Personally I do not think the Provincial Boards will exercise any real functions; they will be subject to the control of the Central Board in everything.

Why? The Central Board would give money to the Provincial Boards leaving them perfectly free to utilise that money in any way they liked, provided it was utilised for road improvement; the Provincial Boards would have absolute freedom to distribute the funds in any way they liked except of course that the funds should be utilised for roads. What is your objection?—How will there be co-ordination?

Because the Central Board will tell the Provincial Board that one or two roads in that province are regarded as trunk or arterial roads and they must be done in such a way as to bring them into line with other roads in other provinces; the Central Board will also co-ordinate experience and experiments in connection with research; it will also co-ordinate road activity with railway activity but beyond those three or four points there will be perfect freedom left to the Provincial Boards to distribute funds and to have schemes in any way they like. What would your objection be to that?—I may speak very frankly with regard to that; my idea is that even if you make that recommendation, if a Central Board is formed and if your recommendations are accepted entirely, there will be friction; because if you constitute any Board in the provinces, it will interfere with the functions of the District Boards at least to the extent that adequate funds are not placed at the disposal of the District Boards.

But does not that happen now? Does not the provincial Government control the District Boards?—No, not in that way.

The Minister in charge can object to a scheme?—*Mr. Samad*: Yes. *Rai Bahadur J. N. Ghose*: I think it has never been exercised up till now.

But there is a possibility of that irritation now?—*Rai Bahadur J. N. Ghose*: The Government can do anything but it is not done.

I put it to you that there is that possibility even now, but as a matter of fact irritation is not caused; why should you assume that if this power is now put in the hands of a Provincial Board over which a Minister presides that irritation would be greater than it is now?—Because this body will be only concerned with road affairs and will consequently be poking its nose into all these District Boards, while a Minister has got various other things to do and will not therefore interfere much.

Then can you suggest an alternative scheme? Supposing funds were created for road improvement and a set of men, official and non-official, were to be created solely for the purpose of suggesting schemes of road improvement, what scheme would you recommend? Would you recommend the creation of central and provincial funds entirely for this purpose?—A fund which will be distributed to the local bodies.

Then you are in favour of the creation of a separate fund or would you be content with a separate account?—A separate account.

Supposing a fund is to be created and supposing amongst other things the proceeds of the motor tax are credited to this fund, are you in favour of the creation of such a fund or not?—A fund may be created.

Who will administer it?—I think this fund will be distributed on certain principles.

Who will distribute it?—It will be distributed automatically as in the case of the road cess which is collected by the Collector of the district.

The petrol tax, for example, can only be collected by the Central Government; that will go into this fund?—It will be distributed according to consumption in different provinces; the Customs Department could do that very well.

Would you give them this power?—It is only arithmetical calculation; the figures are there.

But there are provinces which do not consume much petrol—backward provinces, and you think it is equitable they should be punished for their poverty?—There are other sources of taxation.

Would it be equitable to a province like the Punjab which has not developed the motor trade yet?—If the roads in that province are improved and developed, then the motors will come there and then they will become entitled to a larger share; of course there are other sources of taxation from which they could get money till then.

Supposing the import duty on cars is increased and Government puts a part of it into the central fund, who will distribute it?—According to the proportion of motors registered in each province the distribution will be made.

But ultimately the Central Government will have to distribute this fund?—According to these principles.

Is it not better that this work of distribution should be more intelligently done by a Board on which popular representatives would sit?—As I said, it only depends on arithmetical calculation and there is no room for the exercise of any equitable principle or anything like that.

You would not say if for example a province was affected by flood, the needs of that province must be intelligently considered and greater money should be given to that province?—I do not think the fund should be disturbed in these matters, because other factors will come into play; for relief of flood and famine, the Central and provincial Governments should come forward with relief funds and this fund should not be disturbed on any account except for purely road improvement purposes; no such power should be given to the Central Board or Provincial Board.

I take it therefore that you are against the creation of a Central Board in any event, even with the safeguards provided?—For the present, until things are developed in the districts to a larger extent; then perhaps a time may come when there may be this central fund, when there is much more motor transport; then you may find it necessary to collect funds and distribute them; but at present you can realise very little and if you devote that to flood and famine, very little would be left for the real benefit of the people.

Are you in favour of an extra two annas per gallon on petrol?—Yes; I do not think there is any harm in it. I do not think it will cause any hardship. I have suggested that it should be limited to motor spirit. I do not know whether that is possible or not.

What is the price of petrol in your province?—Rs. 2-10-0 or something like that.

Have you considered this question of the price of petrol and how far it varies from province to province?—No.

The Chairman, District Board, 24 Parganas, and the Vice-Chairman of the Murshidabad District Board consider provincial motor vehicle taxation preferable to local:- Do you share that view?—No; that is not my opinion.

If the expenses of the District Boards at present on road improvement were taken up by provincial Governments, do you think the District Boards should be compelled to spend some money or would you leave it to the District Boards?—The amount realised from road cess and other things should be devoted primarily to road improvement.

Is the road cess popular?—It was imposed a long time ago and it is being given by the people; the people do not object to it; in our province the agriculturist as well as the zemindar share it equally.

Do you not think it inequitable that only one class of citizens should be required to pay for roads over which everybody travels?—I would say that this tax should not be abolished, but in addition to that several other taxes may be imposed in the province.

So it can remain; all that you want is that the equities should be restored?—Yes.

Are you both in favour of monopolies?—That is what I want to impress upon the Committee. This monopoly is very urgently needed in our part of the country and I have got papers with me to show that.

But yesterday we had representatives of other District Boards from other parts of Bengal and they were against monopoly?—That is not our view.

What is your idea of monopoly?—We want regular motor service. Supposing there is a company which comes forward with the offer that they will metal 50 miles of roads on the condition that they were given monopoly for 10 years, they should be given that monopoly. If there are no other competitors, there is no reason why we should not accept its offer. *Mr. Samad*: The District Board should have the power of checking regarding the levy of fares.

Supposing a dozen competitors came forward, would you in that case give the monopoly to the selected best?—That is a question of detail.

No, it is a question of principle?—In that case we would like to give the monopoly to more than one man.

So, the monopoly which you suggest is not to be limited in favour of one man and if half a dozen competitors came forward it would be better to give it to the selected three?—*Rai Bahadur J. N. Ghose*: It depends upon the number of competitors. If the number of competitors is limited to one, then the question of selection does not arise at all. The main point is that we should not be debarred from giving the monopoly.

Supposing a dozen people compete, what will you do?—We will select the most reliable people; the number may not be more than three.

Do you apprehend any dangers from the sole monopoly?—I do not think there will be any danger; but the District Board should be authorised to impose certain conditions with regard to fares, freight charges and other similar matters.

Then, would you leave that company to repair the roads, or would you ask that company to pay a subsidy to be spent by the District Board?—The District Board might take up the more advantageous course; that will depend upon the first amount that is paid for metalling the road.

If the company pays a lakh of rupees a year for the roads, would you like that amount to be spent by the company itself or would you ask the District Board to spend it?—I would like that amount to be spent by the company under the supervision of the District Board engineer. I do not think it will cause irritation; it will save some money. If the money is placed in the hands of the District Board, I apprehend that it may not be fully utilised. If the company is given the power to spend it, they will do it to the best advantage of the public.

I am rather surprised to hear that statement because I thought you were so anxious to preserve the powers of the District Board that you would not even trust the provincial Government?—But the company will not interfere with the powers of the District Board because the money will be spent under the supervision of the District Board engineer.

To me as a layman it strikes that it is bound to cause irritation?—*Mr. Samad*: The power should be left in the hands of the District Board and not with the company, because the company will not be an expert in the matter of repairs. If it is done under the supervision of the district engineer, he will be held responsible for the bad work that may be done.

In your statement before the sub-committee you say: "It is also suggested that Railways should be compelled to contribute to the upkeep of feeder roads to Railways. The same should apply to Steamer Companies." Can you give us a little more information about it?—*Rai Bahadur J. N. Ghose*: That is the only way in which equity can be done. We have got to maintain a large number of feeder roads for the benefit of the Steamer Companies as well as Railways in order to facilitate trade and other things. These people, however, do not pay any taxes. We have to maintain these roads by practically taxing the cultivators. So, we want that these Railway and Steamer Companies should pay some tax.

In what manner would you realise this tax from these Companies? Would you realise it in the form of a lump grant from the Railways every year or would you realise it in respect of certain specific feeder roads? Would you take the grant at the Central headquarters, say, an annual grant from the Railway Board, which can afterwards be distributed to the various District Boards? My difficulty is how the District Boards are to collect this money? Are they powerful enough to collect it from the Railway and Steamer Companies?—There are certain well-defined rules according to which our union boards impose rates upon these Railway Companies. We can, in the same way, formulate certain rules for levying taxes on these Railway Companies.

Are you not aware of certain places—I am aware of a few in the Deccan, the place from which I come—where there are strong railway organisations, who refuse to pay to the municipalities. Please remember that the railways are powerful organisations and, as compared to them, your District Boards are a small and weak organisation. Therefore I suggest that this power of levying taxes should be exercised by the Railway Board; do you agree to that proposition or not?—We have no objection to that if it can be done. The District Boards are the limbs of Government and if they levy any taxation I do not see any reason why the Government should not help them in realising it. Of course, people taxed always object but certain rules can be framed.

Upon what principle do you suggest it should be paid at the district headquarters?—*Mr. Samad*: It should be ascertained from the various districts.

I want to know your opinion which system would be simpler and smoother—make the railways pay at the headquarters, namely, the Railway Board and then distribute the amount to the District Boards or allow the District Boards to realise the tax?—*Mr. Samad*: It would be better if the railways are asked to pay at the headquarters, but they should first ascertain the requirements of the districts. *Rai Bahadur J. N. Ghose*: I do not know whether this arrangement would be equitable.

What do you suggest about the Steamer Companies?—*Rai Bahadur J. N. Ghose*: The same principle may be applied in the case of Steamer Companies. But, on the whole, it would be better that this tax should be collected locally.

You are in favour of tolls on roads?—No.

The Chairman of the 24 Parganas was in favour of tolls on roads. What is your view about tolls?—It will be a great abuse. We might concede to this extent that carts which do not carry agricultural produce should be taxed; but tolls on roads will be a very oppressive thing and should be strongly objected.

You said just now that the District Board taxation may take the form of tolls on roads?—We said tolls on motor cars.

That will be tolls on roads all the same?—That is quite a different thing. The motor cars that ply on the roads are a luxury; but cycles, carts and similar other conveyances cannot be called luxuries. If this toll is levied, then it will cause hardship to these people.

Are there any tolls in your province?—No. They have never been imposed in my province.

You are both in favour of tolls on bridges?—Yes, that is all right. But the amount may be reduced from Rs. 10,000 to Rs. 5,000.

Hon. Sir A. Froom: As to the establishment of this Central Board, I understand you are in favour of it?—*Mr. Samad*: Yes.

One of your objections seems to be that you think that the Central Board might waste lot of money on travelling allowances?—*Rai Bahadur J. N. Ghose*: And also on the maintenance of a highly paid staff.

Supposing a rule was laid down that the administration expenses of the Central Board were to be a small percentage of the central fund and they should in no case exceed that amount, would your apprehensions be removed to some extent? I might mention that this procedure is followed in America?—I have given you the reason why I have objected to it.

I do not think you have followed my question. Supposing there was a fixed amount of the percentage of the central fund, which could not be exceeded for the administration of the Central Board, would your apprehensions as to the Central Board be wholly or partially removed?—I apprehend that there will be a very little amount collected and the percentage spent will be rather high.

Supposing the percentage was fixed at 3 per cent., would you think it too big?—If it be as low as that, we will have no objection; but I do not think it will be fixed as low as that.

Supposing the percentage of the central fund for the expenses of the administration of the Central Board were fixed, then your apprehensions in regard to the establishment of the Central Board will be partially removed?—That part of my objection may be minimised, but there are other things also.

I do not think you oppose the idea of the more important roads in the province which run to several districts being provincialised?—I do not agree to that proposition because the District Boards are not capable of maintaining those roads, but because I want that the District Boards be relieved of certain burden.

It would leave you with more money to spend on subsidiary roads?—Yes, but it should be clearly understood that we do not concede that it is necessary because of better management.

Is there a qualified engineer in your district?—Yes, under the law we have to keep.

Does this obtain in all provinces?—In Bengal they have.

Is it not the case that in some districts they only have overseers?—No, not in our province.

I think it was you who suggested that the village roads should be taken in hand first, and I did not quite see your reason, but I would ask you this. The whole roads in a district are involved in a system, and there would be no great advantage putting village roads in order first if your connecting link was not in order too? Suppose you have a village road here and a village road there and you in your district start putting up these roads first, I put it to you that it won't be any great advantage?—I should not think so. Why should it be in bad order? We have got our own men. Also now-a-days we have the opportunity of consulting not only the Engineering Department but the Public Works Department in our district and after consulting both these bodies of course our conscience becomes very clear that we are doing the just thing.

I put it to you as a practical man that it would be no use putting a village road in order there if the connecting road which we might call the subsidiary or secondary road in a province is all bad. I cannot blame the particular district, it is a matter of funds?—In Bengal there are certain other circumstances which compel us to make the roads bad, for instance, owing to bunds and other things the high tide level is daily rising and we cannot ourselves raise these thousand miles of roads,—that is the difficulty, lack of funds.

In your district, Mr. Samad, there is a great demand for improvement of roads?—*Mr. Samad*: Yes.

I take it that an improved road is of as great advantage to the bullock cartman as to the motorist?—Yes.

In your district it will benefit the agriculturists who are now only able to move their produce about in bullock carts?—Yes.

In what way does it benefit the bullock cartman?—Because he carries his crops to the market.

(*At this stage Maulvi Rezzaqul Haider Chowdhury, Chairman, District Board, Noakhali, also joined the other two witnesses.*)

You agree also that improved roads benefit the bullock cartman as well as the motorist, that an improved road system will benefit the bullock cartman also, and you subscribe to that view?—*Maulvi R. Haider Chowdhury*: Yes.

What is the amount of road cess in your district?—*Rai Bahadur J. N. Ghose*: Six pies per rupee road cess, and 6 pies per rupee public works cess. (*Maulvi R. Haider Chowdhury* also agreeing.)

That is an anna: is that the limit of your powers?—*Rai Bahadur J. N. Ghose*: An anna is the maximum.

Chairman: Have you the power of levying another anna?—That is the maximum allotted to the District Board.

Do you have provincial grants for the upkeep of roads?—Any grant made is earmarked either for water supply or for union boards or for sanitation and so forth and none is earmarked for roads. (Other two witnesses agreeing.)

Hon. Mr. M. Suhrawardy: Have you not an augmentation grant for augmenting the resources of District Boards?—Yes, but it is said that the major portion of it or better the whole of it should go towards the financing of union boards and if anything is left that should go to water supply, and nothing is left for roads. A union board is constituted under the Village Act and is like a village community.

Hon. Sir A. Froom: Are village roads administered by the District Boards?—Yes, but some of these roads which lie within the jurisdiction of one union board are made over to union boards.

What do you mean by a village road, a road leading to a village or one actually in the village?—Practically we have got roads running from thana to thana, inter-district roads, inter-sub-divisional roads, and roads which are feeder roads to these roads are called village roads; generally any road which is not more than two miles in length is a village road.

Roads which are a sort of feeder roads from village to village you describe as village roads, and District Boards are responsible for keeping them up?—Yes, but we indirectly contribute to the local boards.

Chairman: What about the roads inside the village?—Of course District Boards have no other concern than making a certain grant to the union boards, and the union boards maintain their roads. But whenever any road maintained in former years by District or Local Boards is made over to the union board, then a corresponding grant has got to be made to the union board for maintenance.

Hon. Sir A. Froom: You said that each District Board should formulate a road scheme. Have you done that already?—Yes.

And have you, Mr. Samad, done that with regard to the road scheme in your district?—*Mr. Samad*: No, because we do not know what amount we shall get.

And you, Moulvi Haider Chowdhury?—*Moulvi R. Haider Chowdhury*: We have just taken it up.

And you think that the schemes of the various districts should be on the same lines throughout the Presidency, that your classification scheme should be on the same lines, or you would leave each district to put up its own ideas?—It should be uniform. *Rai Bahadur J. N. Ghose*: Generally, we have got a uniform classification, etc.

Would you have any objection if the Provincial Road Board called for your schemes?—*Rai Bahadur J. N. Ghose*: We should certainly welcome the criticisms of the public on our schemes as in that case ultimately the decision should rest with us, but that is not so with the Provincial Board. The criticisms made by a superior body like a Provincial Board are quite different in nature from criticisms made by the public, who leave the discretion to us.

But the public criticises only what it wants and it is not always perhaps helpful criticism for the development of roads in a district?—Yes, but we do not want any order from a superior body, the people should be the ultimate arbiter and we should be subject to criticism only by them.

May the Committee understand that you have no objection to putting up your road scheme to the Provincial Board?—We do not mind putting it up only for the sake of information.

And you, Mr. Samad and you, Moulvi Haider Chowdhury?—*Mr. Samad and Moulvi R. Haider Chowdhury*: We have no objection.

Hon. Mr. M. Suhrawardy: You refer to the enormous increase of motor traffic even in Khulna?—*Rai Bahadur J. N. Ghose*: Yes.

I fully appreciate your patriotic feeling and the desire for improving the economic condition. You want first the development of the rural roads?—Yes.

Secondly you want that the District Board should be relieved of inter-district roads which should be made over to the provincial Government?—I have no objection to that.

Then you want improvement in the economic condition of the people. You have stated that as a patriotic citizen?—Yes.

First you want the development of the rural area and then you want that the District Board should be strengthened by more funds in the district?—Yes.

And ask the provincial Government to relieve you of inter-district roads?—I do not ask for that. I would rather prefer that the roads should be placed under the District Boards with more funds. But if the provincial Government at all decide to take over these roads, then I have no objection.

First you want the development of rural areas. Then you prefer to have inter-district roads under the provincial Government?—I do not say that I prefer that these roads should be taken over by the provincial Government. I would rather prefer that more money should be placed at the disposal of District Boards and that the District Boards should maintain these roads also. But if Government decide that the provincial Government should take over inter-district roads, I can accept it only from the point of view of financial relief. That is not my proposal and I do not say that I would prefer that. I am quite confident of my position. I stand strongly by the local self-governing body. I am not for taking away any powers of the District Boards.

You prefer local taxation by local authorities?—Yes.

You first of all want to develop the small circle, the rural area, then the development of districts, according to the American system, and then the provincial body, and then under these conditions you want to establish a Central Board?—It is a very remote contingency.

(*Chairman*: The witness said he was against a Central Board absolutely and that the functions of the Central Board could be performed automatically by one or two officers.)

I think you wanted to start the American system?—No.

You are against a toll on roads?—Yes. Because the people in our district are cultivators; the vast majority of them are cultivators, and these people, without resorting to a luxury like the motor car, if they pass the roads on a cycle or a coach, shall have to pay a tax. *Mr. Abdus Samad*: People are already paying a road cess.

You are against toll on roads or are you in favour of tolls on motor cars?—*Mr. Abdus Samad*: I am in favour of tolls on motor cars.

Because you apprehend that tolls on road will kill the bullock cart industry, the benefit of cycle and other things?—It would be a double tax.

What is your experience as Vice-Chairman of the Khulna District Board about the increase of motor industry?—*Rai Bahadur J. N. Ghose*: It is enormously increasing.

With that in view, you want the development of kachha roads?—Yes, I want that kachha and pucca roads should be developed.

To enable agriculturists to bring their produce to the pucca roads, motor cars use kachha roads. You think for this purpose that taxation by local authorities is efficient and you want to strengthen it by empowering District Boards with the power of taxation by some Act on motors?—We all want it.

About monopoly, you are in favour of monopoly?—I am strongly for it.

Also other District Boards prefer to have it. You want the monopoly by auction, as in the case of ferry boats, or by calling for tenders?—If there is more than one competitor, by auction. The District Board will have the power to select.

In your district motor industry is increasing largely and they even use kachha roads. This shows that motor is appreciated even by villagers. Can you give me the figures in your district for three years of the increase of motor transport?—No statistics are kept. They are increasing without reference to us. *Mr. Samad*: It commenced only 1½ years ago.

You would prefer that the monopoly should be given by auction on periodical payment on certain conditions by calling for tenders?—Yes. That may be one of the ways. We have made a suggestion. *Mr. Samad*: The matter should be left to the discretion of the District Boards.

Mr. Mohd. Anwarul Azim: You are thoroughly acquainted with the province?—I have not much experience.

Is the present arrangement of railway lines conducive to the future development of the existing roads or for making new roads in future? Do you not think that the floods in North Bengal are due to the faulty construction of the railway lines, and improvement of roads will not be possible even at present unless the permanent ways are improved?—I have got very little experience of those areas, but from the complaints that are made and my discussion, I gather that outlets from railway lines are few and small and so there is no proper drainage.

Faulty construction of railways will hamper to a certain extent the growth of road development?—Yes. From sanitary and other points of view they are bad.

You are absolutely against the formation of any Board?—I am opposed to the Central Board.

Suppose I suggest a sort of compromise like this. Suppose you have a Central Board formed here consisting of the representatives of the Central Legislature, representatives of the Departments of the Government of India concerned and the Army Department, representative of the Railway Board (that means these gentlemen are already paid by Government and you shall not have to pay a single pice), Consulting Engineer to the Government (who is also a public servant) and a motor expert, who perhaps will have to be paid; if a committee like this is constituted, would you object?—It will be a purely official committee. There ought to be a non-official majority. The representatives of the District Board, should be on it.

The representatives of the Legislature, will be there?—The representatives of the Legislature are not directly in touch with the roads. So I suggest the representatives of the District Boards.

Suppose you frame some sort of electoral colleges of the District and Local Boards combined, you in your turn sending representatives to the Central Board, with the other representatives of Government, the Railway Board, the Consulting Engineer, etc., you will not mind a body like this?—Non-officials should be largely in the majority. I do not think there should be anybody representing the Army Department there; because if the Government want to make any development, they should pay for it and not pay from this fund. Barring the representative of the Army Department and provided non-officials are in the majority and if District Boards are represented, I do not mind it.

I think you were only making a grievance of the fact that there would be lots of people with big salaries?—There are several grounds. One is that this fund will be diverted. I want direct representation from District Boards. Who knows that this fund which is mainly intended for road development, civil purposes, will not be diverted to military purposes.

Or in the alternative, suppose the Government decide to create a Ministry of Transport, and this Board is placed under them, would you like the idea?—I do not know of subjects transferred to Ministerial control in the Central Legislature. If there is a Minister responsible to the people, then it may be done. I do not oppose it.

Would you like it?—*Mr. Samad*: I am in favour of the Central Board. *Moulvi R. H, Chowdhury*: We have suggested how it should be constituted.

How would you like the Central Board formed? Would you like a Board of the kind that I have indicated, representatives of the Legislatures, representatives of the Departments of the Government of India concerned, including the Army Department, representative of the Railway Board, Consulting Engineer to the Government and a whole-time motor expert and a permanent secretary?—*Mr. Samad*: We agree to it, but we are also of opinion that it is better if my friend's suggestion is accepted and a few representatives of District Boards are added.

But you would not discard this?—No. The Provincial Legislatures may also elect a person to represent the District Boards.

Suppose you are relieved of the administration of some of your bigger roads which drains up a large part of your income both from cesses and other sources, don't you think that a lot of money will be saved which will be sufficient for the District Boards under you to bring the feeder roads and village roads to a proper standard?—*Rai Bahadur J. N. Ghose*: The amount that we get is very small. *Mr. Samad*: We may utilise the amount, but it will not be sufficient.

Suppose you take all your big district roads in your part and the Government takes all the bigger roads, don't you think you will be relieved of your burden? Certainly there will be some relief?—*Rai Bahadur J. N. Ghose*: Only the other inter-district roads might be taken up.

What is your idea? You have got district roads in Noakhali. Suppose the administration of those roads is taken up by the local Government do you not think you will be relieved of a great burden?—*Moulvi R. H, Chowdhury*: We will certainly save something, but the amount so saved will be very insignificant.

Do you not think you will be able to save about 40 per cent of your expenditure on road maintenance and construction?—*Mr. Samad*: We cannot say the percentage now.

How much do you think you will be able to save—25 per cent?—I think we might be able to save about 20 per cent.

By this 20 per cent do you not think you will be able to maintain your village and feeder roads?—*Rai Bahadur J. N. Ghose*: We will be able to improve the roads no doubt, but the amount will not be sufficient.

Is that your idea, Rai Bahadur, that feeder roads running to the railway stations and steamer ghats should be maintained absolutely by the companies?—I don't say that those roads should be maintained by the companies but they should pay proportionate taxes.

Suppose they say that these roads should be maintained by the District Boards. Will you be willing to pay the proportionate cost?—Certainly not. If the District Boards have got to pay for the maintenance of the roads, then we contend that the management should vest in the District Boards only.

For the maintenance of the feeder roads and smaller roads, you spend some money. Suppose the steamer companies came forward and said to the District Boards to divert the fund to them and that they would put some more money from their pocket to keep the roads in tip-top condition, would you agree to it?—That would be a censure upon our administration.

Chairman: I doubt very much whether that will be permitted by the memorandum of certain companies. I suppose you would have all the money come into the hands of the District Boards rather than it should go to the companies?—Certainly.

Mr. Mohd. Anwarul Azim: Are the steamer companies and railways represented on your District Boards?—At present they are not, but there is a nomination system.

I suppose you all agree that a statutory fund should be created for the improvement of these roads?—Not out of the present revenues of the District Boards. The statutory fund may be created from fresh sources of revenue or from any grant that Government might make.

The Government will try to create a new fund. The great majority of the roads in India are unmetalled. Do you not think that the great object is to find out the methods of making the kachha roads suitable for traffic all the year round?—That is what we want.

I suppose you do not oppose the formation of a local Communications Board in the provinces?—We would have it only as an advisory body, and we would like that representatives of the District Boards should be on it

Would you like a body like that consisting of the Minister of the Transferred Department presiding over it and some gentlemen from the District Boards and other bodies for the administration of your roads?—Yes, but only as an advisory body. Their recommendations will go out to the different District Boards.

How would you like the money to go from the central fund to your hands?—That will depend upon the Minister. *Mr. Samad*: We want to improve the roads, but we leave the question to the Legislatures to devise means.

Mr. E. F. Sykes: The Chairman, Khulna District Board, says in his written statement that there are 997 miles of road in the district. Does that provide road access to every village in the district?—I cannot

say that it provides road access to every village, but it provides a fair access to a large number of villages. There are now backward areas where the villagers have no access to any road, and we are improving the roads to meet their convenience.

I suppose the projects that you make cover to give access to every village?—We make periodical projects. We make a programme for five years, and after that is finished we revise it.

You have never taken up the general question of providing access to every village, and you have never made any estimate of the cost of doing it?—Not to that extent.

Nor even of the mileage that will be necessary?—We can say it roughly.

How much would it be in addition to what you have got now?—3 or 4 thousands including what we have got now.

That will be rather a big thing, is it not?—That will include also the village roads. That will include the length maintained by the District Boards. Besides those there are a large number of roads maintained by the village committees.

But paid for by the District Boards?—To a certain extent they are paid for by the District Boards. Besides those there are a number of village roads which are maintained by private persons for their own convenience. Some of the villagers make their own roads and they don't depend upon the District Boards.

This proposal of yours would lead you to a very big programme. The land acquisition alone for 4,000 miles will cost a considerable sum?—It may not be necessary all at once. Already we have got sufficient roads for general communication, and now it requires only linking up with village roads. We cannot in any case think of taking up the whole programme all at once.

You say you are in favour of a petrol tax if it is limited to motor cars. Do you mean that you would not levy it on motor buses and lorries?—That is included.

Then are you willing to have an extra tax of 2 annas?—Yes.

How do you arrive at that figure?—That was suggested to us.

Who suggested it to you?—The sub-committee. The petrol is purchased at such a low price that it will not entail any hardship.

But you do not say it is necessary to propose 2 pice or 2 pies. You thought 2 annas was not too high?—That is only guess work. We cannot give you any particular data. The additional tax of 2 annas which we have suggested is based on mere guess work, and we think it will not entail any hardship.

How many cars are there in your district?—We do not keep a regular register of cars, and so we cannot give you the exact number of cars, but the number of cars is increasing every day in our district.

Have you got about 500 cars at present?—It may not be 500, but the number is increasing day by day. We have got no registers.

But you know roughly how much petrol each car consumes in a year?—No.

Do you think that about 400 gallons are used?—Some people may give you that figure as their guess work.

Do you think they will be far wrong if they give that figure? How many gallons do you use in your car?—I have not got my own car unfortunately.

If you use 400 gallons at 2 annas a gallon, it will mean Rs. 50?—Yes.

The amount available in your district will be Rs. 25,000 per year. And how much will be your expenditure per year?—On roads it is Rs. 1,25,000.

Then 2 annas a gallon of petrol will not take you very far. Will it?—No; it will not. But we have other taxes like the licence fees, etc. We have also a loan programme on the basis of this income of Rs. 25,000.

Will that be enough for say 2 miles of metalled road each year?—No, not on the strength of Rs. 25,000. We are sure that the amount will be increasing and we can raise loans for the purpose.

Surely you cannot make more roads by loans than if you spend an annual amount on them. It is only a redistribution of the expenditure. Is it not?—If the income is certain, we can raise loans.

Exactly. But that does not help you to make any more miles of roads all at once?—We cannot make them all at once but we can make fair progress if we get additional income.

You estimated that 2 annas a gallon on petrol would give you all the funds that you wanted?—No; that will only give us an additional income and at the same time we have the additional taxes and licence fees which all together will give us a fairly good sum.

What will that additional sum be equivalent to in terms of the petrol tax? Will that be equivalent to 4 annas?—Yes.

You think that 4 annas will give a fair sum?—Yes.

Will that give all the money that you want?—No; that cannot be. There is no limit of the want.

You agree that a mile of well-developed road will cost you Rs. 15,000?—No; for metalling a mile of road, the cost will come to Rs. 8,000.

You have got to provide the land for laying out the road?—No; we have already got the lands. The people are generous to make free gift of land for roads. We have not got to spend anything on land acquisition.

It will be enough if you provide for 6 miles of road every year?—That will be enough for the income. *Mr. Samad*: If we can proceed at the rate of 8 or 10 miles a year it will be enough.

You arrive at 3 annas on that calculation?—*Rai Bahadur J. N. Ghose*: Yes.

Why do you say that 2 annas will suffice?—*Moulvi R. Haider Chowdhury*: On the same basis. I have taken into account the terminal tax and the licence fees. All these with 2 annas on petrol I think will be sufficient.

Will all these added together work out at 4 annas a gallon on petrol?—Yes almost.

Will that be enough for 6 or 8 miles of road every year?—It will be sufficient to go on.

You have had schemes of road monopoly?—Yes.

Have any fares been suggested for passengers? Have you gone so far as that?—*Rai Bahadur J. N. Ghose*: No; not yet. *Moulvi R. Haider Chowdhury*: They will be left to the District Boards. In my district there are 20 or 25 motor cars running and every car earns no less than Rs. 30 per day. The cars are running and spoiling the District Board roads, while the District Board gets no income from it.

What are they charging for each passenger?—Rs. 2.

For how many miles?—For 30 miles.

That comes to 1 anna a mile?—Yes.

Raja Ghazanfar Ali Khan: What are the main sources of income to the District Boards besides the grants?—*Rai Bahadur J. N. Ghose*: The cess on roads, the public works cess, the income from ferries and the income from pounds.

You spend enough money on medical, sanitation and education?—Yes. We spend more than one lakh on sanitation and medical and an equal amount on education.

Is it from the grants or from these cesses?—From all the sources put together.

So, the P. W. cess is available for medical and education also?—Yes.

The road cess is earmarked for roads. Is it?—No; a portion of it goes to water-supply. Out of Rs. 1,25,000, six or seven thousands will go to water-supply in our district and the rest for roads.

Is it paid by the agriculturists alone?—Yes, by the agriculturists, the tenure holders and the zemindars.

How much do they pay?—Six pies paid by the agriculturist, six pies by the tenure holder from his income.

So it comes to an anna per rupee?—Yes.

Do the merchants pay anything to the District Board?—No.

Do they not get an equal amount of benefit from the roads, medical and education?—Certainly every one gets.

Have you considered the question of getting some money out of them?—Yes. We say that it should be done.

You think that one of the sources of income for the improvement of roads would be to tax these people who are not connected with agriculture and who are not paying anything now for the benefits they desire?—Yes.

But your difficulty is that you have not got powers, I mean the District Boards, to tax them?—No; that is the difficulty.

You would like that the same one anna in the rupee as the agriculturist pays be imposed upon these people as well?—Yes; that would be fair.

You were talking about monopolies. I just want to know whether the District Board has got monopolies?—Yes, in the sense that they maintain the roads.

But they cannot stop any traffic running on the road or refuse to allow any?—No. They can altogether close a road under repair.

You cannot charge any licence fee?—No. We have got a different Act from that in the Punjab.

Supposing the District Boards had power to charge some sort of fees over the motors, you will then want monopoly?—Yes; because that will give an additional big source of income at once. We cannot take up 50 miles of road at once whatever money may be available out of this new tax. If the monopoly were offered to any one, it will be possible to take such a stretch all at once.

What will be the number of cars that will be run by the company that is prepared to take metalling of 50 miles in one year?—It will employ say 10 motor lorries and make sufficient income if the monopoly were given for 10 years. There are many companies prepared to metal that length for a monopoly for 10 years.

Are they prepared to metal all the 50 miles at one place and in one year?—No; 5 miles at one place, six at another and so on within 2 years.

Fifty miles in two years by one company for 10 years' monopoly. Is it right?—Yes; but the Company does not limit any period of time.

You are in favour of a central fund of the two annas petrol duty?—Yes.

Probably this amount will be votable by the Assembly?—There is no question of vote on it. Of course for the purpose of imposing it, the legislation will be voted upon by the Assembly. Beyond that, the distribution will be automatic.

What will be the basis of distribution which you suggest?—The basis of petrol consumption in the different provinces.

Consumption alone?—No other factor should be taken into consideration. That is my opinion.

Have you considered the question that if the basis of consumption were to be adopted, cities like Calcutta, for instance, will get 8 lakhs, say out of 10 lakhs realised in Bengal leaving only 2 lakhs to be divided among other parts of Bengal. Bengal will get the provincial share on the same basis and it would be a fair claim on the part of a city like Calcutta that that share should be distributed on the same basis within the province?—Yes; we do concede that in a highly commercial place the petrol consumption is bound to be greater. But that sort of discrepancy will have to be faced.

Then, you do not mind paying 8 lakhs out of 10 to one city like Calcutta and getting only 2 lakhs for the whole mufassal area?—We never suggest that within the province it can be done on the consumption basis.

Chairman: The question that is put to you is this. If you get the provincial quota on the principle of petrol consumption, how can you resist the claim of a particular city that the amount should be divided within the province on the same basis?—. . .

Raja Ghazanfar Ali Khan: If you have not considered the question before, will you do it now? Do you think it will be fair, your object being to provide relief to the agriculturists who are badly in need of roads, to have petrol consumption as the basis of division in which case, a particular city like Calcutta will deprive the mufassal of their proper share?—I do not think the consumption of petrol in a city enures to the benefit of the particular city. It should be taken to be a benefit to the whole province and no city can claim like that.

So you think that this consumption in some cases is not an equitable basis of adjustment?—It is not possible to make an equitable distribution within a province on that basis for a city represents not only the city but the province as a whole. There are shops in the city from which petrol is taken to the mufassal. I should think that the needs of the district should also be taken into consideration for distribution within the province.

Would you object to the money which each province is spending on roads also being taken into account in the distribution?—Of course, you can make any good suggestion. If it is acceptable, we will not object to it. My view is that the taxation which is now derived from petrol should better be distributed on the basis of consumption.

Do you agree with him that petrol consumption should be the only basis?—*Moulvi R. Haider Chowdhury*: No. All these factors should be taken into consideration, not petrol consumption alone.

You are in favour of contribution from railways for road development. You suggested that it should be according to the requirements of each district?—Yes.

Have you got any Provincial Road Board in your province?—No.

Would you like to have one?—Only as an advisory body.

What precisely is your objection to a Central Road Board provided its functions are also advisory. Of course there will be a Minister responsible to the people?—I have no objection but at present who will be the body to be advised?

So you are in favour of a Central Road Board provided there is a Minister responsible to the people and the Board is only an advisory body?—Yes.

Lala Lajpat Rai: You have said that you are opposed to the Central Road Board. Do you not think that all the transport of the country should be in the charge of one Department—Railways, Waterways and Roads?—*Rai Bahadur J. N. Ghose*: Of course, if the powers are centralised. I think there is already a Department of Government.

There is a Department of Government for Railways only?—Yes.

Do you not think that that Department of Transport should be in charge of an Indian?—Yes, certainly.

And do you not think that the Minister who is in charge of that should be responsible to the Legislature?—Certainly.

About the Central Road Board—of course Mr. Ghose is opposed to a Central Board—may I ask what in your opinion should be the function of the Central Board? There are two questions about the Central Board—functions and constitution. I am asking you about the functions?—*Mr. Abdus Samad*: They will make a survey of the whole country and then try to ascertain the sources from which income can be derived.

Road development, if I understand aright, consists of two things besides the revenue—one is the design and the other is the execution of the plans. Do you want the Central Board to have both these things—making designs as well as the execution of the plan?—Yes.

There are three kinds of roads—district, provincial and all-India roads. Will you confine them to the all-India roads or to all roads?—To all roads.

How will they exercise their powers. Will they make designs of all roads?—Make a survey and make designs of all roads.

And then execute them. How?—By distributing the work to the District Boards and Provincial Boards.

Do you think that they should have a staff of their own to build these roads?—No.

You don't think it is necessary?—Yes.

Don't you think that if they take charge of the district roads they will be interfering with the powers of the District Board?—They would only advise them as to the roads which they want them to make.

Will you kindly concentrate your mind on this? What kind of roads will you leave in charge of the Central Board?—Roads which are inter-provincial.

So you modify your opinion?—Yes.

What would be the constitution of the Central Board?—There would be representatives from the Assembly and representatives of the Provincial Legislatures or Provincial Road Boards and representatives of the Government Departments.

Don't you think that it would be so unwieldy for this kind of work?—I think 12 members may constitute the Board.

How many should be from the Assembly?—Of course that is a matter of detail.

This is a very important detail. The whole idea of the Central Board depends upon its being practicable. You don't want to make it impracticable. Then how will you make the constitution practicable?—Out of 12 members, 8 may be from the Central and Provincial Legislatures and 4 officials.

Chairman: You say 8 members from the Provincial as well as Central Legislatures. But would that not involve taking members from some provinces and not taking from others?—I would then select only members from the Central Legislature.

Lala Lajpat Rai: Would you not then agree with me that instead of having such an unwieldy and large Board one Department of Ministry of Transport will be better?—The idea is not bad.

Chairman: All communications in the hands of one Minister responsible to the Central Legislature?—That is a good idea.

What will be the public opinion in your province? Will they favour it?—*Moulvi R. Haider Chowdhury*: It will be against it.

Don't you think that as the Railways are becoming State-owned the interests of the Railway Department to a certain extent will be inconsistent with the interests of the motor traffic?—*Rai Bahadur J. N. Ghose*: Of course in some places. The motor traffic actually connects these railways. It might be the light railway system which may suffer but not the broad gauge railway.

Lala Lajpat Rai: Suppose there are State railways. In the State railways there is no longer any interest of any shareholder. They are a Government concern and the profits and losses go to the public taxpayer. Suppose the railway traffic is superseded in some places by motor traffic the railway income will suffer. Would it not?—It will suffer to some extent.

It has suffered in some places?—On the light railways and not on the broad gauge railways.

Chairman: Suppose you were to get down at an intermediate station and go to another broad gauge station. The railway takes a day while a motor takes three or four hours. In that case would not the introduction of motor service be injurious to railways?—Yes.

Lala Lajpat Rai: For example, there is a motor traffic on one route which charges 6 annas and the railway rate is also 6 annas or 8 annas. Don't you think that the income of the railway will suffer?—Certainly it will.

In that case don't you think one single Department dealing with all these transports will be better because it could co-ordinate the interests of the State and the taxpayer and see which ought to be developed in the interests of the taxpayer and which not?—Yes.

You insist upon monopoly because it will mean an additional building of the roads from the monopolies. But don't you think that the monopoly system would work hard on those who want to use motor transport?—We have suggested that the rates will be fixed by the District Boards.

You must know that if you are going to give monopoly to a man and if that man is going to build your road out of his own income he must be making a good income. Don't you think so?—That will be due on account of the volume of traffic and not on account of the high rate.

I think it will depend on the volume of traffic as well as on the rate?—But the rate will be fixed by the District Board so that it will not create any hardship.

Chairman: But when you concentrate the power and privilege of taking passengers into one hand, are you not aware that when there is a rush like a *mela* or a *jatra* the public are secretly charged more than the fixed rate?—These abuses exist everywhere.

But will you not create these abuses if you concentrate the privilege into one hand?—This will be done whether there is a monopoly or not.

So you will take the risk of the abuses having regard to other advantages?—Yes.

Are you of the same opinion?—*Mr. Samad*: In exceptional cases it may be necessary to give the District Board power, but it may not be always necessary to exercise it.

Is it not true that at present country carts have more traffic than motors?—*Rai Bahadur J. N. Ghose*: Yes.

You do not charge them any licensing fee?—No.

Do you not think the introduction of this monopoly for motors would affect the trade of the country carts?—I do not think it would very much, because the monopoly will be limited to regular motor services; they would not have the absolute right of the road to the detriment of cart traffic or any other traffic.

If you give the monopoly you agree that nobody else can take passengers and goods?—Only motors.

I am speaking of motors; nobody else would be entitled to take passengers and goods by motor on that road?—Yes.

Lala Lajpat Rai: Do you not think that monopoly is always liable to greater abuses?—Otherwise you cannot develop the roads so rapidly. I want to have safeguards against this monopoly being abused and therefore I say that the District Boards should have power to make conditions with regard to it.

I quite understand that; I am just asking you whether you do not think that this monopoly will lead to jobbery and corruption in the District Boards?—If other things do not do that, I do not think this will do it.

Leave aside other things: I am asking you whether this will do it or not?—When it is done by public auction, why should there be any jobbery? *Mr. Samad*: It is not unlikely.

In accepting tenders between several competitors, is it likely that Local Board members will charge secret commission?—*Rai Bahadur J. N. Ghose*: I do not think so; I think it is a serious insinuation against our honesty.

I do not mean necessarily members of the Local Board, but somebody who has got the power of deciding between several competitors?—That would be distrusting ourselves; it may be decided by the District Board. (*Mr. Samad*: It is not unlikely.) (*Moulvi R. Chowdhury*: It is not likely when it is decided by a Board of 24 members.)

Chairman: If that is such an obvious method of improving roads as you think, why has it not been adopted in any of your Boards in any part of your province?—Because there is no law empowering us to do this; if there is a law I think many District Boards would do it—20 out of the 26 District Boards would probably take it up.

Has any demand gone from any other district for such a power?—I do not know. *Moulvi R. Chowdhury*: Yes: we approached Government for giving such power to amend the Motor Vehicles Act.

To the extent of giving you power to charge motor cars?—*Moulvi R. Chowdhury*: We have suggested for an amendment of the section.

In asking for the amendment you had in view the power of giving a monopoly?—Yes.

Lala Lajpat Rai. At present you charge nothing for more traffic?—*Rai Bahadur J. N. Ghose*: No.

You suggest that there should be power with the District Board to charge licensing fees?—Yes.

If I understood you aright, you divide the taxes thus: petrol tax to be charged by the Central Government, registration tax to be charged by the provincial Government, and licensing tax to be charged by the District Boards. Do you think there should be some uniform rate in all the districts?—I would leave discretion to the District Boards, subject to a maximum rate. (The other witnesses also agreed.)

You would provide for a toll on motors?—Only for occasional visits into a district and not for regular services.

Chairman: Would your private cars be licensed or not?—Those ordinarily within the district should be licensed. Those who visit the district occasionally will pay toll. But these will be few.

Hon. Sir A. Froom: What would be the cost of collecting from these few?—Power may be given to the District Boards if there are many such motor cars.

Chairman: Have you got so much traffic that the expenses of collection will be covered by the receipts?—Many districts will not have the staff to collect this; but I want to provide against the unauthorised use of the district roads.

What is the good of asking for it if there are only few cars who would pay this toll?—Because it is a safeguard against unauthorised use of roads.

Lala Lajpat Rai: All roads are public roads and everybody has a right to use them: how will you make a distinction between a car which has been licensed by one District Board and not by another District Board? At present cars are numbered by provinces; will you number them by District Boards?—Yes.

Any car which does not bear the district number will have to pay toll?—Yes.

Do you not think it is a cumbersome arrangement?—I suggest it only as a safeguard, not as an ordinary method of taxation.

Chairman: Will it not be a safeguard if you get a portion of the tax from the provincial Government so that a car could move from one district to another?—The districts will not get their proper share.

I am speaking for the moment of the convenience of taxation. The best thing would be to charge a car in the province so that it could be free to move from district to district?—The cases of abuse will be so few that District Boards will be able to ignore them.

Lala Lajpat Rai: It would promote friendly relations between District Boards if you do not charge a dual tax and if you allow motors charged in one district to travel through other districts?—There is no harm in that.

In that case you would not advocate toll?—I advocate it only as a safeguard; if there are other safeguards, I do not advocate it.

Not as an additional source of revenue?—No, because it will yield very little; the licence fees will give us more.

I would ask a question of those who are in favour of the Central Board: do you think from your experience of the Government of India that these minimum charges are liable to be changed now and then? What is there to prevent this minimum charge being increased later?—*Mr. Abdus Samad*: Certainly; the percentage may rise higher and higher.

So you are not in favour of any such scheme on that ground?—*Mr. Abdus Samad*: I am not because there is no guarantee that the charge will remain the same.

There is no earmarking of the District Board income in your district for any definite purpose?—From long experience we know what amount is to be set apart; but there is no definite earmarking.

Supposing there is an application for more money for water supply and sanitation, would you give preference to roads?—No; we would give preference to water supply and sanitation; as a matter of fact at present the road department is a residuary legatee; it gets the residue after meeting all other charges.

Chairman: Would you like to make it a specific legatee in respect of a small portion at least of the total funds?—We do that at present; but if there is necessity for relief on account of distress, we take the amount first from the road fund because we cannot make any deduction from any other item.

Lala Lajpat Rai: What will be the relation of the Provincial Road Board to the Ministry of Local Self-Government? Will it be under them or will it be independent?—It should be under them.

Don't you think that the creation of so many departments and exhausting all the functions of the self-governing bodies would mean practically taking away what had been given to Local Self-Government?—*Rai Bahadur J. N. Ghose*: They will be only advisory bodies.

And these advisory bodies should consist of unpaid non-officials or officials?—*Mr. Abdus Samad*: They should consist of unpaid non-officials.

You won't interfere with the existing powers of the Minister for Local Self-Government?—No.

Suppose the Ministry for Local Self-Government pays more attention to the development of roads, do you still think that Provincial Boards will be necessary?—I don't think they will be necessary in that case.

Hon. Sir G. Corbett: You propose to have a vehicle tax on motors in your district. What form should that tax take?—*Rai Bahadur J. N. Ghose*: It should be in the form of a licence.

How should it be calculated?—It should be calculated on the weight, carrying capacity and on the wheel track.

What amount of tax do you expect, say on an ordinary Ford car? We want to get a rough idea as to the amount of tax you contemplate?—I suggest that about Rs. 60 per annum on ordinary cars might be sufficient.

What about other vehicles? We have heard that the agriculturists and tenants pay for the roads a road cess already, but there are other people who drive on the roads. The tongas ply in the Punjab and there are also a certain number of carts plying for hire. Should they be taxed for the maintenance of the roads?—Those which are not used for agricultural purposes should be taxed. The tax will be very small, but they should be taxed to a small extent.

Chairman: With your knowledge of roads, would you advocate a small tax on bullock carts, and how much will they have to pay?—Some months in the year are busy months, and every cart should be asked to pay about one rupee per month.

Hon. Sir G. Corbett: And for tongas?—We have not got tongas in our part, but for hackney carriages it may be Rs. 2 per month.

Now, these carriages and carts have a short range of movement, but motor cars move over more than one district. For instance, a car may be registered in your district, and it might go into three or four other districts in one day. I suppose you would accept the view that special arrangements should be made to tax such cars for occasional visits. If you have different rates of taxation, perhaps in the next district the rate may be more or less than in yours. Don't you think that all cars should be registered in a single district?—For regular service there must be licensing fees paid. If a private car goes regularly from one district to another, it must be registered in both the districts.

It will be taxed twice?—The maximum will be fixed.

I am not speaking without the book. In the Saugor District which I know, where I served for some time, the district boundary is near a town called Garhakota. The railway station is on the other side of the boundary at Patharia, which is about 8 miles away, and 4 miles of the road is in the Damoh district. Would it be reasonable to tax a man twice, if his business takes him to Damoh from Garhakota any day?—The requirements of each district are different, but for neighbouring districts necessarily the rates should be uniform.

Where are you going to stop? Now, if you come to a uniform rate, the question is whether this rate should be collected by the District Board on the cars which are actually registered in that particular district, or by the province and then distributed *pro rata* amongst the District Boards according to the use the roads were put to?—The thing is that the District Boards should have some control over these vehicles. The one way by which vehicular traffic can be controlled by the District Boards is by the imposition of a licensing fee, and if that power is taken over by the provincial authority, then the District Boards will have no power of control over them at all.

You suggested that in addition to private cars there are regular services which run up and down the roads carrying goods or passengers, and I fully agree that those are the vehicles that are likely to do damage to the roads. In such cases you might on the top of the provincial rates, which should be levied on all motor cars, impose a special tax or a licensing fee. Would that meet your point?—Yes.

It seems to me from what you said that a good deal of profit is made out of carrying passengers or goods?—Yes, it is very profitable.

Therefore it seems to me that you might get the income that you require for the maintenance of your roads from these services, and at the same time reduce to some extent the tax on non-commercial vehicles. If the licensing fee for such commercial services was fairly

substantial, it will increase your income. The only point I would like to put to you is the question of feeder roads built and constructed by District Boards being financed by railways. Am I not correct in saying that feeder roads in your district exist primarily for the benefit of the people in your district who want to take their goods to the railway?—Yes.

Then why should not the maintenance of the roads be paid by them?—The railways make a good deal of profit and they don't pay.

The railways are not running for profit; even the company managed railways are not being run for profit; they just pay the cost of services on their own lines and their depreciation charges, and the balance goes into the general revenues. They have not got a reserve of money by which they can benefit a particular district. But if they had to construct these feeder roads in your district in order to attract goods to their railway, they will have to increase freights and get the money from somewhere?—*Mr. Samad*: They can put on a terminal tax.

Should it be merely a terminal tax on the goods entering the railway by that particular road? If you have got a road connecting several towns and then you have got your goods moving between two intermediate places, there is no reason why they should not contribute to the maintenance of that road?—*Rai Bahadur J. N. Ghose*: They are already paying the tax, and if they are made to pay another tax that will be a burden. The railway is certainly making a profit, and I don't know why this terminal tax should be imposed. I don't agree with what Mr. Samad says about the terminal tax.

The railway is not an undertaking that has large reserves of its own, and it must get that money out of freights or fares levied on goods or passengers. Is it reasonable that the money for the maintenance of the roads in your district should be collected by means of a levy on the goods and passengers which do not use that road?—I think the amount will be very small.

Why should that be limited to one district?—*Mr. Abdus Samad*: I think the terminal tax will not be a bad idea.

Chairman: What is the advantage of making the people pay a tax? It would mean robbing Peter to pay Paul. If you say that the people should pay a further tax through the railways, there is no meaning in it?—*Rai Bahadur J. N. Ghose*: There is no good in having any terminal tax. I don't agree with my friend. I maintain that out of the present income the railway can bear a certain proportion. Of course, we speak from a layman's point of view. Moreover, the position with regard to Steamer Companies is quite different, and there is no reason why they should not pay.

Chairman: Thank you very much.

Moulvi R. Haider Chowdhury: I should like to modify what I said regarding taxation of bullock carts before the sub-committee as follows:

> 'Bullock carts cause obstructions on the railways, and at present District Boards have got no control over them. So for the sake of discipline, not for the sake of income, there should be a tax, a nominal tax, on bullock-carts.'

Chairman: Do you alter the view that it is oppressive?—*Moulvi R. Chowdhury*: I do not alter that view, but I say that for the sake of discipline there must be a tax.

Another point: three-fourths of the income from road cess should be earmarked for the improvement of roads. At present as it stands, it goes to another department.

(*The witnesses withdrew.*)

10.

Nagpur, dated the 8th December 1927.

(a) Memorandum of touring sub-committee's discussion with—

Rao Bahadur V. M. JAKATDAR, Chairman, District Council, Bhandara (Central Provinces);

Mr. B. R. PATIL, Chairman, District Council, Buldana (Berar); and

Mr. BEOHAR RAGHUBIR SINHA, Chairman, District Council, Jubbulpore (Central Provinces).

The Chairman of the sub-committee explained the objects of the Road Development Committee.

The Chairman, District Council, Jubbulpore, explains that the main road through his district to the United Provinces needs many culverts and the Council only gets Rs. 5,000 for these, while Rs. 1,00,000 is required.

The Chairman, District Council, Bhandara, states that the income of the Councils is mainly derived from the 1 anna in the rupee cess on land revenue—the Council has the power to levy an extra 1 anna. But no Council in the Central Provinces has been willing to levy this extra 1 anna, as to do so would be most unpopular. His district is badly off for roads, there is only 1 mile of road to 13-14 sq. miles of area. Everyone is anxious for roads. The Bhandara District Council has framed schemes for roads that would cost Rs. 50 lakhs. There is the Eastern Trunk Road running through the district towards Sambalpur in Bihar and Orissa but the latter portion in eastern part of Raipur in the Central Provinces is very bad up to the boundary of the province. This ought to be put in order as an all-India road.

The Chairman, District Council, Jubbulpore, states that they are going to impose a wheel tax on vehicles including bullock carts and that is estimated to produce Rs. 25,000; the rate is 4 annas per annum. This excludes motor vehicles. It is the general experience, that wherever there is a road there are taxis running on it.

The Chairman, District Council, Jubbulpore, states the extra 1 anna cess is not levied as the taxable capacity of the agriculturist is exhausted; but taxation other than that on agricultural land is possible.

The Chairman, District Council, Bhandara, is of opinion that the roads should be constructed by loan from Government and interest and sinking fund repaid by increased taxation, which should also go towards maintenance. This would be only for roads of district use, "inter-district" roads should not be financed by single District Councils. Either Government must tax or the District Councils must tax.

Everyone is against taxation, even if for special road purposes. The Chairman has introduced a tax on biri manufacturers and this is highly unpopular, and the District Council members will not support him. The Council will not support even a school rate for places where schools are started.

The Chairman, District Council, Buldana, says that things are better in Berar, where the extra taxation is gradually coming in. His Council has increased the cess by 3 pies this year.

The Chairman, District Council, Jubbulpore, agrees that taxation should be introduced, but only if the people can pay. The Chairman, District Council, Bhandara, states that the people would pay if the taxation was imposed by Government but the members of the District Council would avoid the unpopularity.

It is agreed that motor cars should be taxed. The Chairman, District Council, Bhandara, says motor vehicles should not be the only vehicles taxed for roads, and would agree to a small tax on bullock carts (Jubbulpore already has a wheel tax). The Chairman, District Council, Bhandara, would prefer 4 annas on petrol in preference to poor agriculturists. He does not agree that bullock carts destroy the roads. Till motor vehicle traffic increased, there was no complaint about the roads—bullock carts do not do so much harm as lorries and taxis.

The Chairman, District Council, Bhandara, suggests local Governments should help those Districts which are prepared to put up money for roads.

It is agreed that as a start 3 annas extra excise on petrol would not be oppressive. 4 annas would be too much. The Chairman, District Council, Bhandara, would prefer 4 annas on petrol in preference to double taxation, that is central and provincial or local taxation, as the petrol tax is proportioned to road use.

If account be taken of "transferred" roads, probably the expenditure on roads is as great as that on education. Eventually under the "transferred road" policy, roads will all be maintained by Government without cost to the District Councils. The Councils have to submit estimates, accounts, etc., for all work they do on the transferred roads. In Bhandara of purely District Council money, barely 10 per cent is probably spent on purely District Council roads—practically all the cess is spent on education. It is agreed similar conditions exist in Jubbulpore and Buldana. It is also agreed that education is a greater need than communications.

The Chairman, District Council, Jubbulpore, states, gross income from 4 annas vehicle tax is estimated to produce Rs. 25,000 per annum—collection is to be by pound inspectors and school masters. The Chairman, District Council, Bhandara, suggests that preferably to this, the toll system should be used, which only taxes those carts that go on the roads. He further approves of tolls on bridges to meet cost of construction.

New Delhi, dated the 20th January 1928.

(*b*) Oral evidence of Rao Bahadur V. M. JAKATDAR, Chairman, District Council, Bhandara (Central Provinces) and Mr. B. R. PATIL, Chairman, District Council, Buldana, (Berar).

Chairman: You were examined by the sub-committee on the 8th of December at Nagpur and there were three examined together. Have you any objection to your statement before the sub-committee being used by the Press?—*Mr. Jakatdar*: No.

You represent the District Council of Bhandara?—*Mr. Jakatdar*: Yes.

And you represent?—*Mr. Patil*: Buldana.

They are both in the Central Provinces?—*Mr. Patil*: Buldana is in Berar.

They are governed more or less by the same conditions?—Yes.

The question of roads is, as you say, entirely a question of funds?—*Mr. Jakatdar*: Yes.

And if proper funds were provided the roads would be improved?—Yes.

Are motor cars taxed in your province at present?—Yes, by the Government at the time of registration.

For the whole province?—Yes.

Is there any licensing fee by the municipalities?—In my municipality an additional tax is levied upon taxis and not on private cars.

Is any fee charged on commercial vehicles like goods lorries?—No. Only on taxis.

And in your province?—*Mr. Patil*: They are not taxed. There is only a registration fee.

For the district or the province?—For the whole province.

What is the registration fee?—*Mr. Jakatdar*: Rs. 16.

Is it renewable?—Once only; not renewable. Registration fee is payable at the time the car is purchased. You have to register and then you get a number.

What is the licensing fee?—The fee is nothing.

Does the municipality charge any fee?—Bhandara Municipality charges Rs. 25. *Mr. Patil*: Not in Buldana.

Therefore those who live in municipal area have to pay Rs. 25 *plus* Rs. 16?—*Mr. Jakatdar*: Yes. That is not so in all municipalities. In Nagpur they have a wheel tax. So they charge Rs. 8 for a motor.

No specific tax on motor cars?—No. Merely wheel tax.

Out of what source does your District Council find the money for improvement of roads?—Formerly there was a fund called the education and road cess. Now it has been legalised by the Local Self-Government Act.

How much is it in the rupee?—One anna in the rupee.

What is the condition in your division?—*Mr. Patil*: It was 18 pies. Now we have raised it to 21 pies.

Is it borne without any hardship?—We have not yet levied this increased tax. We have only passed a resolution in the District Council and it has to be sanctioned by the local Government.

How have the people taken it? Is there any uproar against it?—We have been having bad times for the last three years, otherwise there would have been no objection to it.

Supposing your funds were increased by some means, would you in that case require another organisation like the Provincial Board or the Central Board to manage the roads? What is your view about the Central Board and the Provincial Board?—*Mr. Jakatdar*: We have a Provincial Road Board, it was only recently formed.

When was it formed?—It was formed about a month and a half ago. It consists of 15 members which include 5 Chairmen of District Councils nominated by the local Government, and three members of the local Legislative Council.

Is this Board for the entire province including Berar?—In Berar, there is a sub-divisional Board. It was meant for the purpose of finding out the various roads. The Secretary to the Local Self-Government Department issued instructions to District Councils to hold their meetings and find out the requirements of their roads and whether they had any objection to the formation of this Provincial Board. Similarly, the Divisional Boards were also informed. After that there was a meeting of the Provincial Board. This Board will last for the life-time of the local Legislative Council and has been constituted with the consent of the latter.

Does the Board work as part of the Minister's Department? Is it under his control?—Yes; the Minister for Agriculture is the Chairman of the Provincial Road Board.

What opinion has it evoked so far? Is it liked by the people?—I think so. Its funds will have to be distributed among several districts and this can only be decided by a provincial body.

It would be working as part of the Minister's Department. Would you favour a Provincial Board independent of the Minister's Department?—No, I won't.

So a Provincial Board in your opinion, in order to meet public opinion, must be working in alliance with and in subordination to the Minister?—Yes.

How does it affect the powers of the local boards?—It does not affect their powers at all. Personally I wish that the Minister should have some supervision over the local boards.

What is your view as representing the public opinion as to whether the District Boards be left absolutely free to manage their own roads or would you have some kind of interference by this Provincial Board?—My feeling is that I do not want any kind of interference from Executive Engineers, or the Superintending Engineers. The same establishment which was maintained for 220 miles of roads is working for 120 miles. It is but natural that the district engineer does not like that the District Boards should have more roads. I suggest that all posts of executive engineers should be abolished. This was also the opinion of the Decentralisation Committee as well as the P. W. D. Reorganisation Committee presided over by Sir Frank Sly, who was the Governor of our province at one time. They are at the present moment averse to giving effect to that policy.

For how many roads did you ask for?—I asked for the sanction of three roads covering a mileage of about 40 miles and they have sanctioned only 14 miles. I spend about Rs. 5,000 a year on these roads.

On what grounds the refusal was based?—They did not give any reasons.

You do not think that your District, Board is incompetent to manage them?—Not at all. If you give me all the roads, I will manage them. The Government gives us only 14 per cent and we manage with that amount. Out of this amount we have also got to meet the pay of office-bearers, like the Chairman and Vice-Chairman.

What is the state of your District Council? Is it quite competent to manage roads?—*Mr. Patil*: Yes, but we want more roads.

Which roads do you manage? Do you manage only district roads or also the roads which pass through the province?—*Mr. Jakatdar*: There are three kinds of roads: Public Works roads, the roads which have been transferred to us by the Public Works Department and we have our District Council roads.

And you also manage the village roads?—Yes.

Do you also manage inter-district roads?—Yes. I have to state one thing about my District Council. There are certain roads which Government says belong to the District Council, but as they are Government roads, the Government must pay for their maintenance. As a matter of fact, we have been required to maintain those roads which entail an unnecessary burden on us.

What is the source of revenue from which you get the funds to manage these roads?—We have the road cess which in my district comes to about Rs. 48,000; cattle pound which yields an income of Rs. 10,000 on the average; and from markets we make about Rs. 25,000. I have also introduced a special tax which has made us very unpopular. It is a tax on biri and biri leaves. The Government finds fault with it because it was not published properly, although we have been agitating for it for the last 2 years. Ultimately, we succeeded in having it enforced. The passing of the tax lies in the hands of the Council but as to how it is to be collected rests with the Government. It is the Government which has to pass rules of assessment and collection. Unless it does this, our resolution comes to nothing. It has got power in its hands. At the same time as I had proposed the introduction of this biri tax I had also proposed a tax on manganese. We export lots of manganese from our district to Bombay. We wanted that a tax of 2 annas per ton ought to be levied on manganese that is exported from our district. The Government sanctioned this and kept the other tax in abeyance. One of its reasons for not sanctioning it was that the report of the Taxation Inquiry Committee was not out. We have been waiting for a long time for the sanction of the Government and we do not know how long we will have to wait.

How many sources of revenue remain untapped?—There are several. For instance, we can double the present cess of one anna. Then we can have a special school rate. I have introduced compulsory education in 42 villages.

Will it not affect the extent of the education?—It will not be levied from the pupils. It is levied on non-agricultural income. If we are allowed to do that, we shall be making a fairly good income with which we can start compulsory education in other areas.

Has Government disallowed it?—No: I had to place the scheme before the members of the local Legislative Council.

You are not a member of the Council —No ; I am a Chairman outside the Council. Besides the two taxes I just mentioned, we can levy taxes upon many other articles which are exported out of the district from which other people are making money.

Supposing all these untapped sources of revenue were to be exploited, how much revenue would you get?—I expect about Rs. 1,50,000.

What is your present income?—It is Rs. 83,000. We get grants, for instance, for educational purposes which come to about 52,000; grants for general purposes come to about 35,000 and grants for the roads that we manage for Government come to about 44,000. So on paper it will appear that we get about 2 lakhs but that is not the real income of the District Council. It mostly consists of grants which are received from the Government for works which we do for Government.

Now, I come to another point. Are motor cars taxed?—No, except, as I said, in the Bhandara district.

Do you think there is a good deal of margin for taxing motor cars?—Yes.

Supposing that tax took the form of 2 annas excise duty, how would you like it?—I am in favour of it; I am even in favour of what you call local taxation.

Supposing this tax was put, would you abolish all local taxation?—Yes; I will abolish local taxation on motor cars.

Will you abolish licence fee also?—Registration fee should be kept. We must have a register showing the number of cars.

So registration and licence fee will remain in addition to 2 annas?—Yes.

Are you capable of bearing more than 2 annas?—I am prepared to go up to 3 annas because we want more money for our roads.

You will not experience any difficulty in taxing the people?—It is an indirect taxation; it will be a tax at the source and therefore there will be no difficulty. It is the direct taxation that makes us so unpopular.

What would you do with the funds which you will have out of these taxes?—I have my own schemes and I hope Government will also support me in carrying them out. For instance, I wish to introduce compulsory education in my district on a large scale.

I am not speaking of that. What will happen to this fund of 2 annas? Would you have a Central Board?—Yes; but not one which will be very expensive.

How do you like the idea of all communications being put under one department?—I am in favour of it.

Supposing it were not possible, would you favour the creation of a Central Board?—Yes, provided it will not be expensive.

How can you avoid its being expensive?—If you have non-officials ; and also if only one fare travelling allowance is allowed.

What would be according to you its constitution?—There should be one representative from each province.

Would you have representatives of the local Legislative Councils?—I have not been a member of the Legislative Council and will not offer an opinion.

But you know the Council is working already?—Yes; but so far as my province is concerned there are wheels within wheels.

That is so everywhere. But how would you select your provincial representatives?—I think the Provincial Road Boards will be allowed to send a representative each.

Will your Council like it?—They may not.

All the provincial representatives to the Central Board should be non-officials?—Yes.

Then, who else?—Representatives of the Government also.

Would you give some representation to the Central Legislature?—Yes; certainly.

And you will have a Government expert?—Yes.

Would that not be expensive?—It will not be because there will be officers of Government like the Chief Engineer of the P. W. D. who will not be paid for the work in addition to his regular pay.

What powers would you give?—Only advisory powers, for instance, the striking out of the ratio which should govern the distribution of the amount realised by the petrol tax.

On what basis would you suggest the division should proceed?—It can be done on petrol consumption.

Will it be beneficial to your province?—I think it would be if it is on the consumption of petrol sold within the district in the province.

Do you agree with that?—*Mr. Patil*: Yes.

Then, Bombay and Calcutta will get the most of it?—*Mr. Jakatdar*: Yes; they will. But even there I have not got the figures. I cannot be certain of it.

Leave that alone. What will benefit your province most?—I should require figures before me to give a definite opinion. In my province also there is some petrol consumption which is imported from Bombay or Calcutta. The entire quantity sold at Bombay and Calcutta is not consumed in the city.

Then, you have no objection to make consumption the basis of division?—There should of course be an exception made in case Bombay and Calcutta will absorb the whole of that amount.

That is not possible. You think that if Bombay and Calcutta get a large share on that basis, it will not be inequitable?—No. But I should think it inequitable in this sense that a good portion of the consumption will be in the outside parts though the sales may be high in those cities. I do not think that the sales alone should be the basis. The actual consumption basis seems equitable.

Do you propose any other member to the Central Board?—I do not want it to be invested with executive powers. The plans and designs should not be sent to the Central Board lest it should be a cumbrous body. There is the Provincial Board with the Chief Engineer as the Secretary for each province. All the plans will be examined by him and will be finally sent to the Superintending Engineer.

I am only anxious to know how you can avoid it being expensive?—If you want the whole work to be done there, it will be very expensive. It should be an advisory body whose main duty will be in the distribution of the fund placed at its disposal and to see that the sum given is earmarked and spent purely for road development and see that the fund is kept something like the Famine Insurance Fund.

But I suppose you know that that fund has now been invaded?—Yes; there should be some statutory provision which will disable the Government from invading it.

Will you give any co-ordinating power to it?—Yes. There are provinces which do not take the same amount of interest in a road that passes through them as others do. A Central Board would be necessary in such a case as that. *Mr. Patil*: I agree.

Co-ordination of research and experiments on roads?—*Mr. Jakatdar*: I have very little experience on the point. We have not taken advantage of any researches made so far and we are none the worse for it.

You say that education is a greater need than communications?—Personally I think so.

You are not prepared to starve education for roads?—No; not only that. Suppose a grant is made, I will first spend on education and then provide for roads.

Do you know what is the corollary that it leads to? If you are in favour of a Central Board for the purpose of road improvement, some one may start the idea of a Central Board for Education?—Yes. Every province, as it is, has passed the elementary education Act but where is the use of keeping it on the Statute Book? It cannot be enforced for want of funds. I am generally for keeping specific funds for specific purposes.

So you will favour the formation of an *ad hoc* fund for elementary education?—Yes.

Hon. Sir A. Froom: In reply to the Chairman you said that you did not take advantage of research in roads and added that you were none the worse for it?—Unless I have an experience of it, I cannot be definite on the point.

In most countries research is considered to be the most important thing in connection with road development?—That may be. I am not aware of any literature on the subject.

I am putting it to you that if it could be shown by these researches that so many miles could be done with less cost with such and such materials, will that not be useful?—If that is shown practically, there would be surely some use.

You said that you were not feeling the worse for not having the benefit of research. May I put it to you just the other way—you are none the better for not knowing it?—That may be.

You said that the proposals for the various forms of taxation with a view to provide yourself with funds were not received with enthusiasm by your District Board. Is that not so?—No. Of course, I have been successful in carrying the resolution for taxation unanimously.

But you suggested a biri tax. Any other taxes for which your proposals have been turned down?—They are not turned down. In fact a sub-committee was appointed and they have approved of them. But the elections intervened and I could not proceed further with them. I had then to fight against the Swarajist cry of no taxation of any kind.

Chairman: You are not a Swarajist?—No.

A Responsivist?—I am not yet one of Mr. Jayakar's party.

Hon. Sir A. Froom: This cess which is no longer called a road cess but which is a general cess, you are levying at one anna in the rupee?—Yes. But this was done long before.

But you have powers to levy up to 2 annas and you have not chosen to exercise that power?—Personally I want to exercise that power.

I quite understand your desire to secure the income of the local body. But as you have said, you could not levy up to that extent because it would be unpopular?—Yes.

But you have levied one anna and nine pies. Is it so?—*Mr. Patil*: Yes; in Buldana.

Can you tell us why this divergence between the two districts? I daresay your roads are not different in quality; they are as good as the other. Why this difference?—The difference is mainly due to the fact that several forms were introduced and that several Acts were sought to be enforced at different times. If one tried to impose all the taxes at the same time, surely the attempt would be futile. In the Buldana district, for instance, they have not got the other tax.

Yes; but they have this 1*a*. 9*p*. cess?—That is true, but it is the work of the Settlement 30 or 50 years ago.

In Bhandara, what is the total revenue of the District Board?—*Mr. Jakatdar*: It is about Rs. 2,20,000.

Is it exclusive of Government grant?—No. It includes Government grant. Without Government grant the revenue is Rs. 80,000.

How much do you spend out of this on roads?—About Rs. 4,500 are spent on District Board roads. Besides that, we have village roads. We call them "fair weather" roads because they can only be used in fair weather. On these also we spend some money.

You spend about 5 per cent. of your revenue?—It may be between 5 and 10 per cent.

Do you consider that adequate?—Certainly not. That is why we are desirous of more funds.

What is your percentage about expenditure on roads in Buldana?—*Mr. Patil*: Our income is nearly Rs. 5,00,000 and we spend the same amount practically.

Is that exclusive of Government grant?—Without Government grant the income is Rs. 4 lakhs.

How much do you spend on roads?—Nearly Rs. 40,000.

Do you find in your district that as soon as you put a road in order it is appreciated by the agriculturists?—*Mr. Jakatdar*: Certainly. People are purchasing motor cars. I am getting applications after applications and I am told that if I want them to support my candidature for the District Board next time, I should build new roads.

Do you find a demand for good roads in your district also?—*Mr. Patil*: Yes.

From agriculturists?—*Mr. Patil*. Yes. *Mr. Jakatdar*: Mine is a forest district and a large amount of forest produce has to be taken to Nagpur and other places. Fortunately His Excellency Sir Montagu Butler has given us a bridge, otherwise we were in great difficulty.

Do you want to impose a tax on manganese?—*Mr. Jakatdar*: Yes. *Mr. Patil*: We have no manganese in our district.

This tax would be regarded as a sort of export tax?—*Mr. Jakatdar*: Yes.

Would it not be an uneconomic proposition to put export tax on any article of which you in your district have *not* got the monopoly?—If that were the intention of Government, why did they put tax on *biris*. Perhaps it did not affect the European merchants, while this will affect the European merchants.

It is uneconomic proposition to put export tax on any article which is not your monopoly—this is laid down in the Taxation Enquiry Committee's Report?—If it is so why should *biris* be taxed?

Hon. Mr. M. Suhrawardy: Rao Bahadur, you are the Chairman of the District Council of Bhandara?—Yes.

You know that the District Council is the result of the Reforms?—No. But I admit that after the Reforms there has been a new Local Self-Government Act and it has given wider powers to the District Councils.

Then you admit that as a result of the Reforms you have got wider powers of responsible Government and have got the power

of taxing your motor vehicles, imposing wheel tax, etc., passing through your district. The Local Self-Government Act has empowered you to raise the tax from one to two annas. So the conditions of 1919 were different from those of 1928. Do you admit that?—Yes.

But there is a room for further taxation of one to two annas and you don't utilise the power which you have got. Will you state your reasons for it?—I am prepared to tax but I have to carry with me two-thirds majority without which the Government would not agree to our proposal.

Chairman: You said you wanted to avoid unpopularity just previous to your election?—Not myself but the Members.

They were not opposed on the merits to the levy of taxation?—Some of them were. If I had put up a proposal at that time I would have lost.

Hon. Mr. M. Suhrawardy: My question is that C. P. is unlike other provinces as the District Boards and Municipal Boards there have full responsible Self-Government and can levy tax on motor cars and wheel tax?—Municipalities have got that power in every province.

But not the District Board?—Yes.

Chairman: Does your District Councils Act give you power to tax motor cars?—Not motor cars.

Hon. Mr. M. Suhrawardy: You make roads on behalf of Government?—My roads are only 11 miles on which motor cars will never go.

But still there is room for taxation and you stated that for personal reasons you fear to impose any taxation?—Not for my personal reasons. I have to take majority on my side.

Chairman: You want to take your Members with you. You don't want to act in isolation?—Yes.

You say you are suffering from lack of funds. What do you suggest should be the means of strengthening your Provincial Board?—I will put it in a few words. Suppose the petrol tax gives us a certain amount. The Provincial Board should then insist on the District Councils before making them any grant that they must spend a certain amount from their funds for road purposes and then only should any grant be made.

What basis would you suggest?—I would suggest fifty-fifty basis. Another point is, suppose Rs. 50,000 is sanctioned for a road and Rs. 1,00,000 is required for that road. Now if a particular member wants to construct that road there should be a special tax on the people of that locality. Why should Rs. 1,00,000 belonging to the entire district go to a particular locality.

Will your people appreciate it if you raise the tax from one anna to two annas under the C. P. Local Self-Government Act?—I think so.

Chairman: You mean that your people will not mind paying an extra one anna if you gave them the promise that the proceeds will be devoted to education?—Yes.

Hon. Mr. M. Suhrawardy: You know that if you want to improve the condition of the agriculturist there must be good communications?—Perfectly; I admit it and I am trying my best.

You have a Provincial Road Board in your province established recently?—Very recently.

Does it act in an advisory capacity at present?—Yes at present; my idea is that probably Council members sometimes ask questions about roads and the Minister wished to have the authoritative opinion of the people who represented the districts and therefore formed the Board ; or probably on instructions received from the Central Government.

Do you favour the formation of a Central Road Board in an advisory capacity?—Yes.

What should be its composition?—I have already suggested it: representatives from each province; if the Committee think that the provincial Legislative Council should elect, I am not against that, but I would rather have representatives elected from the Provincial Road Boards.

With a central fund?—Yes.

Its functions?—First, the distribution of this fund to the several provinces; then advising on certain matters which I have mentioned; co-ordinating activities of different provinces, especially the improvement of arterial roads. Also researches in construction.

Next will be the appointment of an expert ; supposing you want any information for your Provincial Board?—I think our provincial engineers will be able to manage.

Chairman: You would not vest in the Central Board any of the provincial or District Board functions?—No.

Hon. Mr. M. Suhrawardy: Do you favour the formation of this Central Board as a nucleus towards the ultimate formation of a Ministry of Transport?—Yes; it all depends upon the report of the Committee.

Mr. Mohd. Anwarul Azim: You said you had a Provincial Board for the improvement of roads?—Yes.

And on that some Chairmen of District Councils are represented?—Yes.

Are they nominated and appointed by the Government?—Yes.

Do you like that idea?—I do not think there is any harm in it; there should be nomination by the Government. The appointing authority would be the Ministerial Department.

Are there any big Indian States in your province?—No.

Is there any area within the Central Provinces which is not directly administered by the Governor in Council?—There are some Indian States.

Have you got any roads which pass through their territories—any big or trunk roads?—Yes.

Can you tell us how they are administered?—By the Public Works Department of the Government of the Central Provinces.

There is some arrangement between the Government of the Central Provinces and the governments of the territories of the States through which the roads pass for their maintenance?—Yes.

So there is some co-ordination?—Yes.

Have you got union boards in your province?—We have got local boards and District Councils.

Would you like that simultaneously with the improvement of these trunk and other big roads, the village roads also should be improved?—Yes; but I would not like to spend much money from this fund on those roads.

Have you got good roads in your province?—The roads in our province are in very good condition, barring a few.

You would not like the local board roads to be neglected and the bigger roads only improved and paved?—What do you mean by local board roads? There are three kinds of roads: some constructed by the local Councils out of their own funds and managed by them; some constructed by the P. W. D. which were managed till now by the P. W. D. and now handed over to the District Councils to be managed by the latter; and some roads which are directly under the P. W. D. managed and maintained by their own staff.

I am talking about the tracks between villages?—I would not spend anything like 250 rupees a mile on those tracks.

Chairman: You would spend money according to their relative importance?—Exactly so.

Mr. Mohd. Anwarul Azim: You have non-official Chairmen in your districts?—Yes; the Central Provinces was the first province to get non-official Chairmen; we have had them for a very long time.

There is a public clamour in regard to maladministration by these people who are non-officials?—You might see the reports.

Chairman: There has been none?—No.

Mr. Mohd. Anwarul Azim: I suppose it is your opinion that the percentage of government money spent for the improvement of roads in the Central Provinces is much higher than that in other provinces of India?—I have not compared the percentages.

I suppose your road materials are quite handy and cheap in the Central Provinces?—Except in some places like the black soil tracts, they are cheap, generally speaking.

I suppose you would like an excise duty on petrol?—It should be four annas.

Would you like to have an additional petrol excise of 2 annas for provincial purposes?—There should be only one taxation and it should be collected by the central authority. I am not prepared to recommend another taxation of two annas in order to replace provincial taxation.

You said just now that the petrol taxation should be collected by the central authority. Suppose, if I say that the petrol consumption basis of division would be fair to all provinces as petrol consumption is an indication of road use in that province, would you approve of it?—No.

Mr. E. F. Sykes: At your interview with the sub-committee you said quite clearly that it is agreed that as a start 3 annas excise on petrol would not be oppressive and four annas would be too much. So you agree that you don't want more than four annas?—No.

How did you arrive at that figure of 3 and 4 annas?—Only approximately. But I worked out like this. The provincial taxation is Rs. 16 for registration and the municipality charge Rs. 25. It comes to nearly Rs. 40, and that is spread over 1,600 gallons. I have taken all these into account and arrived at the conclusion that should there be no local taxation, the excise should be 3 or 4 annas. Probably I may be wrong.

You arrived at this by taking certain other taxes and converting them into a petrol tax, but this I understood has some relation to your requirements, and that 4 annas would be too much. Now, does too much mean more than you want?—It means that they will have to pay the provincial taxation as well as 3 annas, and that will be too much.

What do you mean by too much? More than you want?—Four annas *plus* local taxation would be too much, that is what we mean.

Could you tell me what you mean by saying 4 annas would be too much?—You must remember that it is not my personal statement. It is a general statement only.

Do you mean that it is too much in the sense of its being oppressive?—Yes.

You did not calculate how much petrol tax you would get?—No.

Raja Ghazanfar Ali Khan: What are the sources of income of your district?—We have got a cess. It is neither called a road cess nor an education cess. It has become a statutory cess, formerly it was not so.

I suppose the Government has fixed the maximum under the District Boards Act and they can't go beyond that?—They can still go up to 2 annas.

Then your District Board has not reached the maximum so far?—No; the maximum is 2 annas.

Are the non-agriculturists paying anything to the District Board?—They don't pay any cess, but they are paying for the cattle pound.

Have you considered the desirability of taxing the non-agriculturists also?—We have levied one tax on biri and biri leaves on non-agriculturists. Till now we have recovered Rs. 17,000 from these. Our district produces biri leaves in abundance and these leaves are exported from our district. We put an export tax, and it only affects the non-agriculturists; it does not affect the agriculturists at all.

Do you think it is desirable to tax those people who are not dealing in biri or biri leaves?—Yes.

Have you got powers under the District Councils Act to tax them?—We are lucky in getting the powers earlier than other provinces.

You are taxing on a thing which is exported from your district?—I have already said that the taxable capacity of our district under the Act has not been exhausted.

Then you suggested that all the communications should be put in charge of one Minister?—Yes.

Have you realised that this will give a sort of monopoly? I will give you one instance. The railway is unpopular among the masses on account of the great inconvenience caused to them with the result that many people prefer to travel by motor car instead of by railway; specially from Lahore to Amritsar now-a-days many people prefer to go by motor car. Don't you think the railways will always oppose the construction of roads parallel to the railway lines?—We had in our district a Road Committee which was formed at the instance of the Minister, and we particularly considered this point, and we agreed to make only such roads in our district which would not come in opposition to the railway.

Chairman: Do you mean to say it is the policy of your District Council to avoid competition with the railway?—We don't want competition; we don't want to build any roads parallel to the railway line to compete with the railway.

Raja Ghazanfar Ali Khan: Do you think it will be in the public interest that there should be no competition with the railway?—I don't think we should compete with the railways. Railways are the State property; and we don't like to have any kind of competition with the railways.

Chairman: Supposing you are able to take passengers between two stations by car in 3 hours, as against 20 hours by railway, would you still avoid competition with the railway?—No, certainly not in that case, because in that case we will have to look to the convenience of the public.

If the construction of a project for motor traffic would substantially add to public convenience, I suppose you would not hesitate to put it into execution on the ground that it competes with the railway?—No.

Raja Ghazanfar Ali Khan: Now, Roads is a provincial subject. Do you think it is desirable that some provincial subjects should be made Central subjects and *vice versa*?—There are certain provincial ulterior roads which go from one province to another. It is only in connection with those that the Road Board should advise, and it should not interfere with other provincial matters.

Then you propose that this department should be in charge of Ministers?—Only in regard to the distribution of fund that will be collected by the central authority. I don't want to take away the powers of the provincial Governments at all.

So far as the distribution of the fund is concerned, don't you think it will be more reasonable if the petrol consumption and the ratio of expenditure on roads to the revenue in each province were made the basis of distribution?—Some provinces may be rich enough and they may be able to spare a large amount of money, but in provinces like the Central Provinces or Assam, who can't afford to spend so much money, the matter should be left entirely to the discretion of the Road Board, and that body should take into consideration all the facts like the needs of the province, the efforts which they are making and petrol consumption. Probably you may give 2 lakhs to the Central Provinces and they may not spend it. We should leave the whole question to the discretion of the Road Board which will certainly consist of competent people and they should decide the matter.

Lala Lajpat Rai: Am I right in understanding that you are opposed to the creation of a new department that is going to tax the tax-payer more than it does now and cause additional expenditure for maintaining that department?—Yes.

Chairman: It should not be too expensive?—Yes, I do not mind small additional expenditure.

Lala Lajpat Rai: Do I understand that all ways of communications are of equal importance to the national interests, roads, waterways, railways, etc., and that they should be judged from the national standpoint and not from the point of view of any exterior interest?—I agree.

Do you not think it would be to the interest of the nation that all these three interests should be co-ordinated in the charge of one department without taking away powers from the provincial Governments? Let me explain myself. Railways are now being State-owned. In some parts, for example, the competition by motor cars might injure the railway interests, and in some parts it might be necessary in order to improve trade and improve the waterways. I suppose that would give employment to a larger number of Indians. Do you not think that it would be to the interest of the nation at large that all these three Departments and others relating to communications should be practically co-ordinated under one charge?—Yes, that would be in the interests of the nation.

Are you satisfied with the Provincial Board which you said you have in your province, and with its functions?—It has been in existence for 1½ months only.

At any rate it is better than non-existing things?—Yes.

Are you prepared to give a fair trial to the Provincial Board as at present constituted?—Yes.

In case of there being a Transport Department or one Central Board, do you not think that the duty of that Central Board or the department of all communications, should be confined to national interests?—Yes.

The Chairman, Jubbulpore District Council, states that they are going to impose a wheel tax on vehicles, including bullock carts, and that that is estimated to produce Rs. 25,000. This excludes motor vehicles. Do you not think this is a wonderful statement, taxing bullock carts and not motor vehicles?—Yes, I do not agree with him.

Are you in favour of taxing bullock carts?—It all depends; if it is necessary, I am prepared even to tax them.

My experience is that every agriculturist who has got a pair of bullocks gets a cart for harvesting purposes, not necessarily for plying: how are you to distinguish between them?—I would put a vehicle tax on a cart that goes along the roads and uses the roads.

Can you have a register of bullock carts (you are going to register motor vehicles)?—What I suggest is, don't tax all vehicles. A man might have 10 carts which may never come on the road even for months, so put this tax on the carts that use the roads.

My point is, it is impossible to register bullock carts: how are you going to impose your tax on them?—That might be under a toll system for roads.

Are you in favour of re-introducing the toll system, don't you think it would be harassing to the agriculturist?—Every tax is harassing.

The toll tax has been abolished after great experience? . . .

Chairman: In Bombay the bullock carts are registered, in the city of Bombay.

Lala Lajpat Rai: That may be in the city of Bombay. The toll system prevails in parts of the Khand district, and in Mandala it is there. Realising a tax from an educated person who is supposed to be the owner of a motor vehicle or its conductor and realising it from an agriculturist who plies bullock carts are two different things?—*Mr. Jakatdar*: One is more liable to be harassed than the other.—*Mr. Patil*: I agree.

Mr. Patil, you are not in favour of bullock carts being taxed?—*Mr. Patil*: I am opposed to it. *Mr. Jakatdar*: In my district all the carts that go to Nagpur go heavily laden, and they do not pay a single pie.

But it is the malguzar that pays?—*Mr. Jakatdar*: The agriculturist does not pay.

Is it not that what the malguzar pays is indirectly paid by the cultivator?—Not directly.

How will you distinguish the peasant proprietors? I mean to say that in all taxation you have to see that the taxation is not particularly oppressive on a particular class and that it is easily recoverable. On both these grounds don't you think the proposed tax on bullock carts will not be feasible?—I will illustrate the point by an example. We auction ferries. Now in the hot weather we have to construct temporary crossings over rivers, not big bridges. We tax a cart 2 annas and 9 pies, and that is not considered oppressive at all.

But that is different from a tax on bullock carts—I say that bullock carts should not generally be charged but only those carts that use the roads should be charged. It can be recovered just as in the manner ferry charges are recovered.

Mr. Patil, you are opposed to it?—*Mr. Patil*: Yes.

About this consumption of petrol, you have already replied that you are not in favour of dividing the income from petrol tax according to the consumption?—*Mr. Jakatdar*: Yes.

Hon. Sir G. Corbett: With reference to the point which Lala Lajpat Rai has raised about the cess, I think I am correct in saying that the cess is levied as a percentage on the rent paid by each tenant?—No, on the rent paid by the malguzar.

When was that change of system made? My recollection as a settlement officer in the C. P. is that the cess is calculated as a percentage on the rent paid by each tenant and is collected along with the rent and can be enforced as arrears of land revenue, and that then the malguzar pays what he collects into the Government treasuries?—I am sorry if I am mistaken, but I do not know that that is so, it may be different in the southern part of the province.

You say in the C. P. the direct tax on motors is only Rs. 16 on first registration and nothing afterwards?—Yes.

And registration is not renewed?—No.

Don't you think registration ought to be renewed every year merely for police purposes?—But they already verify the particulars every year to see for instance whether there has been any change of owner or change made in colour, etc.

I might mention my experience. I had a car in Nagpur registered in 1923 which I brought up to Delhi; and it was only in 1927 that they discovered that I had moved from Nagpur to Delhi. Do you not think that it is advisable as in some other countries that registration should be renewed every year?—Well, that may be an international question but I am very much against it.

There is no direct taxation on motor cars: you propose a direct tax on bullock carts every season. Why should not then there be a direct tax on motors?—I would not object to it, but it should not be double taxation in addition to the initial indirect taxation.

In your district, the car is registered: is there any reason why it should not pay an annual vehicle tax?—I have suggested a toll, and if so, it will apply to motor cars also.

But no body wants tolls, you don't want to stop your car every five or six miles. Is there any objection to levying a direct tax on motors? Any difficulty about collecting it?—None.

What kind of tax would you think reasonable on motors in addition to the two annas on petrol?—Of course it should be a light one, say about Rs. 10, no more than that.

The extra two annas (*i.e.*, 4 annas all-told) is I understand equivalent to about Rs. 40: is it unfair to pay a direct tax of Rs. 40 or Rs. 50 on every car?—I cannot say.

Chairman: Mr. Patil, have you anything to say?—*Mr. Patil*: Yes. Sir. Feeder roads not covering more than five miles should be constructed by District Councils, and roads having a length of more than five miles should be constructed by provincial Governments.

Inside the District Council territory?—Yes.

Who will be the owner of these roads? Who will pay the owner of those roads? The provincial Government or the District Council?—The District Council.

You want the provincial Government to maintain and construct the roads?—The District Council will construct but the Government should maintain. For that, Government should contribute half the amount of costs. Suppose the District Council constructs 5 miles and the cost is Rs. 50,000, the District Council should spend Rs. 25,000 and the provincial Government should contribute Rs. 25,000 and for 'fair weather' roads, I do not think the District Council should spend anything, because it is waste of money.

Who should spend the money?—Government should do it through patels and patwaris and through the owners of the fields through which the roads pass.

Will the people bear the additional burden?—They will. But for this purpose no tax should be levied as implied in my reply to previous question; otherwise it is waste of money; in the next season all those roads are washed away.

Is it not better that the waste of money should be borne by the District Council rather than by the poor cultivators?—They will not be put to much expense; and all the roads given to District Councils and those which are called District Council roads should be provincialised.

I want to know whether the necessary corollary of that proposition is that the control of roads will be in the hands of the Government also?—Government has already transferred certain roads to our charge.

When you lay down a general proposition that all the roads in charge of the District Council should be provincialised in this sense, what is the prospect? However it is your opinion and it does not matter?—Our District Council has got 50 miles length of roads and we have to spend unnecessarily for maintenance, say, Rs. 30,000 to Rs. 35,000. If the Government provincialises those roads, we have no objection.

You mean Government should bear the expense for the maintenance?—Yes.

Hon. Sir A. Froom: But the District Councils should keep them up?—We shall maintain them, but the Government should pay the cost for the maintenance.

Chairman: Who pays the money?—Government pays. We supervise; we maintain the road and Government pays. Instead of raising any definite tax, my District Council proposes moving Government to allow us to levy gotan auction. Every village has got a gotan where all the cattle are gathered together in the morning and the dung as a matter of fact is taken away by the people. If the District Council is allowed to auction that, the District Council will get some money.

What money do you expect to make out of that?—Rs. 20,000. *Mr. Jakatdar*: Not from my district.

Is there anything more you want to say, Mr. Patil?—*Mr. Patil*: Big lorries taking bales should not be allowed to run on roads.

You must have some place for them to run?—They should be specially taxed.

Mr. Jakatdar: I wish to say that in every district you want a large number of roads. You cannot expect to construct these by the annual

grant that you are likely to get out of this taxation that you have proposed. What I propose is that Government should help the District Councils by lending money for road programmes at the same rate that it gives to local bodies and the entire road should be constructed within as short a time as possible and the money that we get from Government out of taxation should be spent for repaying the loan with interest and also for maintenance by instalments. If that is done, this Road Development Committee will have done some good; otherwise, if Rs. 10,000 is allotted to one district, what length of road shall we be able to do? District Officers and others have jointly devised plans with regard to necessities of districts in the matter of roads. We have a road scheme in our province, but that will never be carried out, because Government will never get money and in this distribution we will get Rs. 50,000. We shall only be able to construct 10 miles, though 100 miles are required. If the loan is to be repaid out of the money that we get and out of some other taxation that we provide for, that will be the better way if you want to develop the scheme.

(The witnesses withdrew.)

11.

Madras, dated the 15th December 1927.

(a) Memorandum of touring sub-committee's discussion with—

Rao Bahadur S. BHASKARA AYYAR, Chief Engineer to the Government of Madras, P. W. D. (Roads and Buildings);

Mr. R. FOULKES, President, District Board, Madura;

Rao Bahadur C. V. RANGA REDDI GARU, President, District Board, Kurnool;

Mr. T. K. T. VIRARAGHAVACHARIAR, District Board Engineer, West Godavari; and

Mr. D. DANIEL, District Board Engineer, Chingleput.

(Mr. C. B. Cotterell, C.I.E., I.C.S., Secretary, Local Self-Government Department, Madras, attended the proceedings.)

The Chief Engineer would describe Madras arterial roads as in pretty fair order. There are cases where through routes vary in conditions in different districts, but the reasons are not always the same. At present the Superintending Engineer inspects the provincial roads merely to see amount of grant to be given What is lacking is higher supervising staff over District Engineers, and there is also some duplication of staff with Public Works Department and the District Engineers. Therefore Road Inspecting Engineers of Superintending Engineer's status are required to control and supervise District Board Engineers.

Mr. Cotterell points out that divided control over District Board Engineers is likely to lead to difficulties, therefore provincialisation was proposed.

The Chief Engineer would make all District Board Engineers and District Board Assistant Engineers one cadre under Public Works Department control.

It is agreed that improvement of roads is chiefly a question of lack of funds.

Mr. Foulkes suggests a Provincial Road Board with executive powers, which should be directly over the District Board Engineers, who should be removed from District Board control entirely. District Boards would only be left third class roads and village roads, which could be supervised by a District Board Engineer of superior grade. With the reduction of District Board staff in Madura, Rs. 70,000 would be saved and this money would be better spent on roads.

Mr. Ranga Reddi Garu would not relieve District Boards of second class roads, and would prefer to retain first class, *i.e.*, main trunk roads under District Boards. He has not found that main roads vary from district to district.

The District Board Engineer, Chingleput, says that with better staff, they can get better work, but feels the need of higher supervisory staff. The District Board Engineer, West Godavari, would prefer that all execution of work on roads should be handed over to Public Works Department to prevent duplication of establishment. The District Board would merely provide the funds for works. Arterial roads which are maintained for administrative purposes should be financed by the Central Government and maintained by the local Government.

The Chief Engineer explains that Superintending Engineer's inspection is necessarily perfunctory, and only in extreme cases recommendation to cut grants is made.

The District Board Engineers state that despite the flat rate, the maintenance of trunk roads varies from Rs. 200 to Rs. 1,000 per mile. There has never been a case of a Government grant for trunk roads being refused; it is occasionally threatened and the Board improves the road the next year.

Village roads are maintained by Taluk Boards and are unmetalled.

No tax is levied by any District Board on motor vehicles but these pay tolls to District Boards. Motor vehicle tax is only levied in municipalities.

Mr. Foulkes agrees that a provincial petrol excise involving compensation to local bodies for loss of motor vehicle taxation and of tolls on motor vehicles would be advisable, though in Madras this would have to be supplemented by provincial motor vehicle taxation. The Chief Engineer however anticipates difficulties in distributing the proceeds among local authorities.

It is agreed that the principle is equitable. Mr. Foulkes says that an extra 2 annas on petrol for central road fund would be paid cheerfully, provided the money went to road development. The Chief Engineer would prefer to know method of division among provinces before agreeing to it, but would agree to the principle.

Mr. Ranga Reddi Garu is against formation of a Central Road Board. Mr. Foulkes would limit Central Board's functions to co-ordinating inter-provincial roads, and roads and railways, and distribution of taxation.

Mr. Ranga Reddi Garu is not agreeable to a petrol excise for a central fund. The District Board Engineer, Chingleput, agrees to a petrol excise for central fund. The District Board Engineer, West Godavari, agrees provided it is not distributed on consumption, as Central Government should control arterial roads.

(*b*) Replies to the questionnaire submitted by Mr. R. FOULKES, President, District Board, Madura.

A.—Road Development.

1. The road map* called for drawn to a scale of 16 miles to 1" is herewith submitted.

(*i*) *Mileage of roads of different classes and types.*

Class of roads.	Type.		
	Surfaced Miles.	Unsurfaced Miles.	Total Miles.
(*a*) Great Southern Trunk Road . .	76¼	..	76¼
(*b*) District Board—			
2nd class roads	361⅝	..	361⅝
3rd class (other) roads	242⅛	124	366⅛
(*c*) Taluk Board roads	104⅞	129⅜	234¼
Total .	785⅛	253⅜	1,038½

(*ii*) *Principal bridges existing.*

Vide separate list attached herewith*

(*iii*) *Principal places where bridges are required.*

Vide separate list attached herewith*

(*iv*) *Authority responsible for each class of road :—*

Class of road.	*Authority responsible.*
(*a*) Great Southern Trunk Road	... District Board.
(*b*) District Board road ...	... District Board.
(*c*) Taluk Board roads ...	... Respective Taluk Boards.

Not printed.

(*v*) For maintaining trunk roads, Government make a grant not exceeding Rs. 500 a mile in District Board limits (Rs. 1,000 a mile within Municipalities), provided that the condition of the roads satisfies the inspecting officers, *i.e.*, the Executive Engineer of the District and the Superintending Engineer of the Circle. This grant which amounts to Rs. 38,375, however, is insufficient, and the Madura District Board has spent from its own funds on the Great Southern Trunk Road Rs. 55,205 during the last 3 years.

In addition to the above grant, Government also provide a sum not exceeding Rs. 200 a mile for 2nd class roads, which is calculated as the equivalent to a half of the expenditure on these roads. The Madura District Board, however, spends considerably more.

All other expenditure on roads is met (*a*) from the revenue from toll-gates and (*b*) from the general resources of the District Board. But Taluk and Union Boards get no share of the income from toll-gates.

It should be added that during the last two years Government have made special grants amounting to Rs. 23,000 for the construction of village roads, subject to the condition that a half of the actual expenditure on such roads is met by the District and Taluk Boards.

(*vi*) *Total mileage by types and total expenditure from various sources in the years 1913-14 and 1923-24 to 1925-26.*

Years.	Total Mileage.		Total expenditure on construction and maintenance on all roads and from various sources.
	Surfaced.	Unsurfaced.	
	Miles.	Miles.	Rs. A. P.
1913-14 . . .	852⅞	82⅞	3,06,992 0 0
1923-24 . . .	886⅞	133⅛	3,10,217 0 0
1924-25 . . .	886⅞	133⅛	4,48,131 0 0
1925-26 . . .	887⅛	149⅛	6,11,967 0 0

(*vii*) *Details of expenditure during 1926-27.*

Statement* in the prescribed form is attached.

2. (*a to c*) *Total mileage of roads with reference to area, population, etc.*—The information required is furnished in the following tabular statement:—

Name of District.	Mileage of roads per 100 sq. miles of area.		Mileage of roads per 1,00,000 of total population.		Mileage of roads per 1,00,000 of rural population.	
	(*a*)		(*b*)		(*c*)	
	Surfaced.	Un-surfaced.	Surfaced.	Un-surfaced.	Surfaced.	Un-surfaced.
	i	ii	i	ii	i	ii
Madura . .	16	5·16	39·13	12·62	44·15	14·24

	Rs.
3. (*a*) (i) Average total expenditure on roads from provincial revenue for the years 1924-25, 1925-26 and 1926-27 .	1,02,637
(ii) Total expenditure on roads from local funds . .	4,73,591

(*b*) The incidence per head of—

	Rs.	A.	P.
(i) Total population of all road expenditure from provincial revenues	0	0	9·81
(ii) Rural population of all road expenditure from provincial revenues	0	0	11·08
(iii) Rural population of all road expenditure from local funds	0	4	3·12

4. No road traffic statistics are maintained in my district but a fair idea of the volume of traffic on roads where toll-gates exist, may be had from the toll-gate contractors' accounts. I do not think it possible to collect reliable statistics in any other way.

* Not printed.

5. (*a*) There are at present roads connecting the headquarter town of the district with all the taluk centres and important market centres.

(*b*) The main roads of my district are continued into the adjoining districts of Ramnad, Trichinopoly and Coimbatore and Travancore State, but strictly speaking there is no co-ordination in this respect. I mean by this that each district carries its roads to the limit of its own frontiers, without any knowledge of or concern with the needs of the neighbouring district.

6. Inter-communication between villages is very defective. A very large number of villages and entire parts of the district are now cut off for want of proper communications. The difficulty is chiefly felt in the black cotton tracts, where the villagers live in isolation during the rainy season.

Even the existing roads have not been designed to carry heavy motor transport which has made a rapid development during the last decade. The surface is not strong enough to stand the strain of heavy fast moving traffic and the local boards have not got sufficient funds, to maintain even the existing roads in a fit state for motor traffic.

I do not think that the classification of roads needs alteration, except, perhaps, that roads may be promoted from one class to a higher class when the development of the traffic carried by it justifies such action. The defects I have mentioned can of course be entirely remedied by larger appropriations for the construction and maintenance of roads. It is entirely a question of money.

7. (*a*) Businessmen even in the remotest villages have now begun to appreciate the advantages of quick transport, and this fact establishes the necessity for opening up new communications fit for motor traffic wherever such facilities do not at present exist. To secure this object, a complete working programme should be prepared for each district, to cover a period of 10 years, and the construction of roads should be proceeded with in the order of urgency so that every village with a population of 500 and above may be connected with at least one good road. Such a scheme would improve the agricultural prosperity of the district as a whole, because facilities, which do not now exist, would thus be given for the marketing of produce. Another important advantage of such a scheme is the fact, not, perhaps, generally recognised, that easy communication with the outside world is the greatest stimulant to the spread of education.

(*b*) and (*c*) All capital works, including bridges, should be financed by means of loans, if substantial progress is to be attained within a reasonably short period; and the amount of the loans must be proportionate to the re-paying capacity of each District Board from its ordinary resources. Any proposal for the extension of roads naturally leads to the serious problem of their proper maintenance. The bad condition of existing roads is entirely due to the inability of local boards to provide adequate allotments from their present revenues. It would be wrong in principle to construct new roads, unless at the same time sufficient sources of revenue are earmarked for their proper upkeep. I am in complete agreement with the proposals made in the letter from the Secretary to the Government of Bombay, Finance Department, which forms appendix ii to the questionnaire, but I think it is probable that in the Madras Presidency, the revenue obtained by a tax on the consumption of petrol will be far less than the figures given for Bombay and additional revenue will have to be provided from other sources to meet the cost of maintaining roads in an improved condition. I do not see why a small road cess should not be collected *per capita* since

everyone benefits equally by good roads, and it would be unfair to add to the burden of taxation on land only. Such a tax would fall very lightly on the individual, but would yield a large aggregate total.

In my district, the District Board has decided to construct 100 miles of new village roads this year, with the sanction of the local Government. The capital cost of these roads, which will be mostly unsurfaced, will be provided from the interest which has accumulated during the last seven years on the Railway Cess Fund and which amounts to about Rs. 2,60,000. The capital of the Railway Cess Fund (about 10 lakhs) will not be touched, but it is intended that the interest (about Rs. 50,000) derived from its investment shall be utilised annually in maintaining these new roads in good order, and in gradually building the necessary culverts and other masonry works. I have referred to this decision of my District Board to show that the principle of earmarking revenue for the maintenance of roads has already been recognised.

8. However rapid the pace with which railway development may proceed, it will never be possible in a vast agricultural country like India to bring the railways within easy reach of even a majority of the villages. The development of roads can affect railways only beneficially, since new roads are constructed chiefly, though not always, with the main object of giving access to the railway to remove villages. No machinery exists for the co-ordination of road and railway development. It has always seemed to me that Railway Companies have, in the past, neglected opportunities to aid traffic to reach them, by not constructing feeder roads where local bodies have been unable to do so. They have been content hitherto to abuse local bodies for not constructing or maintaining properly roads by which they themselves benefit. This policy in India may be contrasted with that of the C. P. Railway in Canada (to give only one example). This great Railway Company has spent immense sums not only in the construction of roads where it considers them necessary, but also in the development of trade and industries, even to the extent of building and owning one of the greatest shipping lines in the world, in order that it may benefit by the increased resulting traffic. The development of roads, therefore, as I have said, can affect railways only beneficially, and I think that the latter, especially when they are owned by the State, should contribute largely towards the improvement of our road-system. In my opinion motor transport will never seriously affect the prosperity of railways in India, for distances between the main centres of trade and industry are far too great in this country for through transport of goods and passengers by this form of conveyance. For short leads, motor buses may be able to divert some of the passenger traffic, but in such circumstances even country carts can and always have, competed successfully with railways. Apart from the opinion I have expressed that railways should contribute towards the cost of roads, I do not think that any further co-ordination of road and railway development need be considered, for the reason that any authority entrusted with the care of roads will always endeavour to reach the railways.

9. (*a*) A few years ago a circular was received by the District Board containing information about the Government Test House at Alipore, but it was decided that the cost of the experiments was too great. Unless new methods of road-making are introduced, I do not think that Alipore can help us much. We know what the qualities of our road-making materials are from long experience, and we endeavour to use, wherever possible, that which we have found in practice to be best.

(*b*) (i) and (ii). No scientific research, as far as I know, has ever been done, in the subjects mentioned, but we have made many experiments. As a result we are now using granite metal instead of quartz in many places, even where the cost of the former is considerably greater than that of the latter. Again, my District Board has purchased eight steam-rollers during the last 2 years, because we found that road metal could not be consolidated with the old stone-rollers, weighing less than a ton, for the use of motor buses weighing up to 8 tons. A marked improvement is observed in the condition of roads where granite metal and steam-rollers have been used. The quality of the granite obtainable in this district is good. We are this year experimenting with the use of bitumen, and a stretch of about 3 miles carrying the heaviest traffic in the district, which was laid 4 or 5 months ago, shows little sign of wear. This method of road-making is, however, much more expensive than ordinary macadam, and cannot be generally employed.

(*c*) No arrangements exist for the exchange of the results of experiments and research between districts. There can be no doubt that much useful information could be gained by District Board Engineers if periodical conferences were held. At present we know nothing in regard to how road problems are met in other districts. For instance, I have been very anxious to introduce stone-crushers into my district for several years past, because I believe, (*a*) that road-metal broken into a uniform size will make a better and more durable road than metal of irregular size, and (*b*) that metal thus broken on a large scale will be much cheaper than that broken by hand. But, in spite of all efforts to ascertain the experience of others in regard to stone-crushers, I have not yet succeeded in obtaining any definite information.

(*d*) I believe that money spent in disseminating useful information about roads, will be well spent, and I think that provision, should be made for that purpose from any assignment from central revenues.

B.—Motor Transport and Motor Taxation.

Registered in the Madura district.

——	1923-24.	1924-25.	1925-26.	1926-27.
	Rs.	Rs.	Rs.	Rs.
(*a*) Private cars	16	22	17	20
(*b*) Motor buses (*stating the principal bus services, both urban and rural).	15	48	103	93
(*c*) Taxis	5	8	21	15
(*d*) Commercial goods vehicles .	2	1	1	4
(*e*) Motor cycles	3	3	7	2

*(*b*) L. Rajaram motor service.
L. Rathan Singh service.
Sri Rama Vilas service.
Pankajam service.
General motor service.
London motor service.

2. The prospects of further development are undoubtedly very great. Motor transport for goods has hardly been touched yet, but will increase side by side with the extension and improvement of roads. At present only a few motor lorries run between the Hill Station of Kodaikanal and the railway at Kodai Road in my district.

3. In rural areas private cars pay no special tax but motor vehicles plying for hire are required to take out permits issued by the District Board on the following scale.

——	Half-yearly.
	Rs.
Class I. Vehicles licensed to carry over 16 passengers or 1 ton or more of goods.	200
Class II. Vehicles licensed to carry over 10 but less than 17 passengers or more than half a ton but less than 1 ton of goods.	75
Class III. Vehicles to carry over 5 but less than 11 passengers or half a ton or less of goods.	25
Class IV. Vehicles licensed to carry 5 or less passengers	15

In addition to the above, all cars pay a registration fee of Rs. 16 to the Superintendent of Police; and those that ply for hire (including buses) pay a registration fee of Rs. 16 to the Superintendent of Police and a fee of Rs. 25 to the Motor Inspector for a certificate of structural fitness. These fees are credited to provincial revenues.

4. The proceeds of the taxation noted in paragraph 3 are absorbed into general revenues, and none of it is specially allocated to expenditure on roads.

5. (*a*), (*b*) and (*c*). Deducting the cost of registration, issuing licences and all other expenses, I think the whole of the balance should be allocated to expenditure on roads, under all three heads.

6. (*a*) A tax on the consumption of petrol and customs duties.

(*b*) A road cess preferably *per capita*, but if that is not feasible, in any other form except on land.

(*c*) Licence fees.

7. I agree entirely with the proposals of the Bombay Government.

8. I consider the most appropriate method of assessing motor vehicles would be by a combination of value and weight for import duty, and seating capacity for registration and other fees.

9. I see no reason why the maximum taxation should be limited by each authority.

10. I consider that it would be only just that motor vehicles should be taxed in only one place, and do not think there can be any difficulty in arranging reciprocal exemptions of provincial and local taxation. No changes in the rules need be made for this purpose, except for an additional rule that such exemptions are granted.

11. I think it imperative that revenue from taxation on motor vehicles should be credited to a separate fund for expenditure on roads in regard to central and provincial authorities, but I do not think it necessary that local authorities should have a separate road fund.

In the latter case local authorities are spending and will always have to spend a large proportion of their general revenues on roads, but in the case of central and provincial authorities I think it essential that the exact sum available for expenditure on roads should be definitely known, in order that an equitable distribution may be made.

12. (*a*) Revenue from central taxation should be distributed to provincial Governments in the form of block grants and should not be allocated for specific objects which may or may not exist in local areas. Or, at any rate, such objects may not be so urgently required in some areas as in others, and other objects may be more important.

(*b*) Probably the fairest way of distributing revenue from central taxation would be in proportion to the amount of petrol consumed in each province, in the case of a tax on petrol. In the case of other central taxation the fairest distribution would be in a fixed ratio of mileage to area. The block grants made by the Central Government to each province should be distributed by the latter to District Boards as regards three-fourths of the grant, in a fixed ratio of mileage to area and as regards the remaining one-fourth, at its discretion, for special local needs.

13. If toll-gates are to be retained, the toll-fees paid by vehicular traffic other than motor transport would be a sufficient taxation on them. But if toll-gates are to be abolished, as I hope they will be, vehicular traffic other than motor transport should be taxed in the form of licence fees. I see no reason why it should be exempted, specially as it causes great damage to roads.

14. There is a road cess in this province. It is paid by all landowners. The road cess is assessed at the rate of Re. 0-1-6 per rupee on the rent value of all occupied lands.

C.—Road Boards.

1. There is a Road Board in Madras. It was formed in the year 1921. I believe its functions are only advisory. It has been of no value, as far as I am aware, in the development of the road system of this province, but my opinion may be the result of entire ignorance as to the work it has done.

2. I do not think that a Central Road Board for the whole of India will be of any value for the purpose of extending and improving road development in the provinces. On the other hand, I think that it would probably be a great hindrance. But I suppose some machinery must be formed for the collection and distribution of grants, and this authority might be entrusted with the duties of co-ordinating provincial programmes of road development as between provinces. I would give it no other functions.

In each province, however, a Road Board must be formed, and it should be given executive powers. I suggest that the Board should be formed on the lines of the Railway Board, and that its members should be experts in each branch. They may be either officials or non-officials, but the Board itself must be a Department of Government.

D.—General.

I do not think that any rapid improvement in road development can proceed unless the main roads of each province are placed entirely

under the control of a single provincial authority. I would place all 1st and 2nd class roads in every district under the Road Board, and their maintenance and extension should be in its hands entirely. Local bodies should be responsible only for 3rd class and inter-village roads.

The present District Board Engineers should be under the control of the Road Board, and should be its executive officers. District Boards need then employ men only of the status of Assistant Engineers, on a salary of Rs. 300 or Rs. 400 per mensem. These men would be in charge of 3rd class and inter-village roads, and also of buildings, wells, etc. The reduction of Local Fund Engineering establishments would set free large sums of money which could be utilised in much more beneficial ways for the good of the people. The new District Board Engineers would require a very small staff of overseers and mistries for the restricted work which I would entrust to them.

The present system, upon which the Local Fund Engineering Department is founded, cannot be condemned too strongly. On the one hand, local boards are entirely in the hands of a Department which spends the bulk of their revenues, and on the other, District Board Engineers have no technical advisers to guide and help them. In the face of all such difficulties it is remarkable that a state of utter chaos has not arisen, and I very willingly bear testimony to the ability and integrity of a class of men who have on the whole done their work well. My proposal to form a separate department of Road Engineers, which will be under the direct control of the Road Board would I think be welcomed by the Engineers themselves, and I make it as much in their interests as in those of local boards. Two or three districts might be grouped together under one Engineer, and this arrangement would further ensure co-ordination of work as between districts.

There is one more subject I should like to make a few remarks upon. Though it is not referred to in the questionnaire, I consider that it has an important bearing on the development of transport by road. I allude to the subject of toll-gates.

There is no question that toll-gates are a great nuisance to the travelling public. They are neatly obsolete in most western countries. They are wrong in principle, because a large share of a tax on the public (toll-fees) goes into the pockets of private individuals (toll-gate contractors). Yet the system of selling by auction the right to collect tolls, is the only practical system of collecting the tax. Abuses, in the form of wrongful collections and insolence towards travellers on the part of gate-keepers, are impossible to prevent. The sufferings of ignorant country cartmen from the insolence and exactions of dishonest gate-keepers are untold. It is very desirable therefore that toll-gates should be abolished entirely, or at least that they should be restricted only to certain special cases, such as new bridges, etc.

Toll-gates, however, have been a very necessary evil hitherto, since a large part of the revenue of District Boards is derived from them, and that revenue cannot be foregone. My own belief has always been that an even larger revenue could be gained by the substitution for toll-fees of a licence on carts and other vehicles, which would be much more willingly paid by the public. I have often questioned villagers and others on the subject, and have always received universal agreement with my view. My attempts during the last five or six years, however, to gain the co-operation of the revenue officials in the district have failed, and it would be impossible without their assistance to collect the licence fees.

(c) Paper read at the Annual Session of the Madras Local and Municipal Engineers' Association in December 1927, by Mr. T. K. T. VIRARAGHAVACHARIAR, District Board Engineer, West Godavari (Madras).

SUBJECT:—A PLEA FOR THE CREATION OF A GOVERNMENT INSPECTORATE OF ROADS, AND PROVINCIALISATION OF ASSISTANT ENGINEERS.

It was in December 1917 that I read a paper on "The Reorganisation of the Local and Municipal Engineering Services" during the second session of our association and under the Presidency of our great countryman the late Sir P. Rajagopalachariar, who took a warm interest in our association. I therein advocated a provincialised or federated service for these two great engineering services with a controlling staff of Inspectors.

2. It took seven years to have District Board Engineers alone provincialised. We have been all along respectfully recommending to the Government to provincialise the service of Local Fund Assistant Engineers also, and to create a number of Government Inspectors of roads to ensure efficiency of work and security and contentment to the service. The delay in carrying out this much needed reform need not drive us into despair. I am tempted to think that we have not presented our case unreservedly. We have been keeping back for some reason or other a full statement of the reasons which prompt us to be so insistent in the matter. So long as we continue in the strain we cannot hope to be successful.

3. All of us do know why we have been silent in the matter. There is the great fear that our intentions may be misinterpreted and that great tension may result between us and the local boards.

4. But the reasons which compel us to ask for the Inspectorate and a provincialised Engineering Service are for the better administration of the local boards as much as in our own interests. I therefore consider it high time that we should present our case in full.

5. If the administration of the local boards were reasonably satisfactory under the existing system there could be no excuse for our asking for a provincialised service of Engineers. The local boards are independent units and must be unhampered in their internal administration. It is only when the machinery fails to function satisfactorily that the Government will be justified in interfering. Has such a situation arisen with regard to the functioning of the Local Fund Engineering Service? We have not yet made out a case from this point of view.

6. The tests for determining whether the Local Fund Public Works Branch is functioning properly are three, (1) whether the schemes and designs are prepared with due care and the works executed satisfactorily from a technical standpoint, (2) whether economy has been observed in so doing; and (3) whether accounts and office methods are systematic and flawless. The taxpayer is interested in all these. He neither wants bad work nor inefficient and uneconomical management.

7. If on all these grounds or some the present system is defective we have a just cause for complaint. I shall proceed to examine in detail.

8. (i) Are the designs and estimates for Public Works prepared with due care, and are the works satisfactorily executed?—If I say

no to this, I am sure every one present here will disagree with me. But I am prepared to say no. Just hear me first. I do not mean to say that any Engineer or Assistant Engineer wilfully prepares an estimate in an unprofessional manner. Nor is bad work encouraged. But would you deny it if I say that there are estimates which you would rather have prepared differently but for some unavoidable haste in its preparation or the particular way in which a certain President or Member wanted it to be. In my own experience there were cases in which I had to incur the displeasure of Presidents by declining to set my signature to such estimates. Some school building in which for some reason or other a foolish executive subordinate of the Taluk Board thought that what ultimately was considered by the Engineer faulty foundation was quite the most economical and scientific one required. And when the auditor peremptorily demanded that the estimate should be countersigned by the Engineer, the latter thinks he cannot safely affix his signature. The President says the work has been executed and would request the Engineer to approve of the same.

(ii) Some well, where under similar circumstances a flimsy steining has been constructed, the engineer is persuaded to approve.

(iii) Some tank or pond excavated with or without an estimate for which the auditor demands an estimate signed by the Engineer and the work checkmeasured by the Assistant Engineer. The latter finds that the work is reported to have been executed two years ago and is now under water. Compromising matters like these must have fallen to the share of all. I know it is difficult to stand against pressure and more difficult still to own now that you have succumbed to it. But I assure you I am not drawing on my imagination. I am giving you omitting names and places what actually have come within my experience. I have known soft metal costing more being used for roads in preference to hard metal costing less.

(iv) Again to satisfy a Board what are really projects requiring mature consideration and the technical sanction of higher authorities are split up into sections within the technical sanctioning powers of the Engineer or his Assistant and the local board with a view to evade technical scrutiny. These emanate from the Assistant Engineer, I dare say, under outside pressure. Since they reach the Engineer in disjointed bits they escape his attention. Some Boards even avoid the check by the District Board Engineer by passing a resolution of the Board enhancing the technical powers of scrutiny of the Assistant Engineer to any limit they please, ignoring the limits set by Government in the matter in Rule 235 of the Local Boards Manual. I know I am handling a subject where the slightest mistake will give great offence.

(v) It is not uncommon that in alignment of a new road the most economical one has to be dropped to suit other interests. In one case the alignment for about half a mile was over a hill with 1 in 49 grade whereas at a less expense it should have been carried by a detour on almost level ground. I protested and put my remark in writing. But it had no effect. The Assistant Engineer had all the same to carry on the work against his Engineer's orders.

(vi) I know of cases in which revised estimates for works requiring the technical sanction of the Superintending Engineer were not got sanctioned by him although the rules require it. It is difficult for the auditor to detect such irregularities.

9. (i) The next test is "Are we doing our works economically?"

I shall here invite your attention to Rule 234 of the Local Boards Manual. The sole responsibility in the matter of economy and correct design rests with the officer who is empowered to deal finally with the estimates. The powers of the Assistant Engineers in the matter are limited to Rs. 500 in the case of capital works and Rs. 1,000 in the case of maintenance and repairs in some districts (*vide* Rule 235). But some Taluk Boards have been attempting to raise this limit without the sanction of Government to suit their convenience with a view to evade scrutiny by the District Board Engineer. I have cases in which after taking agreements from the contractors (without even calling for tenders) at the sanctioned estimate rates, higher rates were given after the works are commenced and executed without consulting the officer who prepared the estimate and the District Board Engineer is ordered to accept such higher rates with retrospective effect in preparing the revised estimate. Where then is the responsibility of the District Board Engineer for economy in the estimates?—G. O. No. 678-W., dated 9th July 1923 clearly states that an agreement should be strictly adhered to and that higher rates should not be given except under special circumstances nor with retrospective effect. When the Engineer asks for the agreement to verify the original agreement rates he is refused access thereto. When a provincial officer, who is presumed to have an independent status is so dictated to, what will be the position of the Assistant Engineer, whose fate hangs on the good will of the members of the Board, and who has to finally scrutinise estimates and revised estimates up to a certain limit. I have instances in which contracts are given at estimate rates in the beginning shutting out competition, and the rates subsequently enhanced on the petition of the contractor. When competition is so shut out, *bona fide* contractors rarely come forward as from experience they find that their tender deposits get locked up in addition to losing the contracts. As the result of this, such high tender percentages as 25 per cent. to 50 per cent. above the estimate rates have been given. In cases where such higher rates have caused increases in estimates beyond the powers of the Board's sanction contemplated in Rule 244, the technical sanction of the competent authority has not been obtained. These are very difficult points for the auditor to detect unless he goes through the correspondence and accounts together closely. The audit staff is so small in numbers that unassisted by the straightforward attitude of the executive many such irregularities involving waste of public funds will pass unnoticed.

(ii) There is yet another channel which leads to waste of money. There is often so much haste in starting a work that due publicity is not given in the calling of tenders. The notices sometimes leave the office of the Engineer a day or two before the date fixed for submission of tenders, and perhaps after the date also. Without due publicity we can never hope to get the most favourable terms to the Board. Neither the District Board Engineer nor the Assistant Engineers are in a position to stay the haste. In some districts the District Board Engineer is not allowed to call for tenders nor does he make any recommendation in the award of contracts. It is essential that the officer who calls for tenders and recommends should be separate from the officer who accepts the tenders, except in the case of minor works.

(iii) I have known cases in which the lowest tender of an eligible contractor is not accepted; but the favoured one who tendered at higher rates is asked to do the work at the rates of the lowest tenderer, and in some cases at something lower than the lowest. This converts the system of settling contracts by tenders into a mockery;

and *bona fide* contractors who have taken to contract work as a profession and to whom their past work only is their recommendation get greatly dispirited. In one case alone by not accepting the Engineer's recommendation to accept the lowest tender, the Board was the loser by about Rs. 6,000.

(iv) There are also cases in which works have been executed without an estimate and the Assistant Engineer asked to prepare estimates after execution of works. In some cases the work happened to be under water. What economy can be expected in such cases?—Where is the economy when soft metal costing more is used in preference to hard metal costing less? It is only grave cases that come to the notice of the District Board Engineer. Many go unnoticed because the Assistant Engineers have not an independent status.

(v) Almost every taluk board employs its own overseer, or some call it, executive subordinate, for the preparation of estimates and execution of works. These are treated as miscellaneous works agency. The Boards have been getting estimates prepared by these to any extent. Sometimes the Assistant Engineer was made to countersign these. Sometimes even that was not obtained. The Government recently issued orders setting a limit to these by fixing Rs. 1,000 for capital works and Rs. 2,500 for repairs as the extent to which works may be got done by miscellaneous agency. It is very few taluk boards that have works costing more than these amounts in a year. Even if they have, attempts are made to split up the estimates so as to keep each estimate below the limit. In one case it was carried to so ridiculous an extent that estimates for metalling a road were prepared for each furlong of a mile separately. The Assistant Engineers are placed in an extremely awkward situation. They dare not point out the irregularities resulting in waste of money nor could they effectually stop it.

(vi) In one case after execution of agreement at lower rates the taluk board, without even so much as consulting the Engineer to ascertain the necessity for higher rates, awarded the same to the contractor. When he declined to approve of the revised estimate he is reminded that he is exceeding his powers and that whatever rates the Board sanctions he must approve of.

(vii) Public Works whether in the local boards, municipalities, union boards, or the Government, form the main channel of expenditure of the taxpayer's money. It is essential that the methods adopted for this expenditure should be such as will ensure reasonable economy. If each local body gives its own rates, frames its own estimates without due professional scrutiny there can be no economy. In fact an unhealthy competition is set up whereby contractors find it easy to mount up rates from time to time. I may instance a case in which where I am paying Rs. 17 per 100 c.ft., for the same metal, a municipality is said to be paying Rs. 23. Although the schedule of rates of the local funds and the P. W. D. are settled by the Superintending Engineer at a joint conference of the Engineers of the two departments, with a view to keep rates uniform, the local board paid 25 per cent. and 30 per cent. excess rates over the sanctioned estimates. Once rates are enhanced it is beyond our powers to lower them again. Next the P. W. D. have to offer higher rates and this bidding will be mounting up from day to day. The Government and the local boards both will lose money. It is sometimes said that Superintending Engineers look with a step-motherly eye towards local boards' estimates and the provisions in the estimates in their case are made miserly. I cannot subscribe to this statement. Any such complaint

must be due to the Engineer not preparing his estimate with due foresight. In my experience I found them very sympathetic. Sometimes they have not sufficient experience of the nature of our work and their heavy work of the P. W. D. precludes them from bestowing that attention to us which we are entitled to and stand much in need of.

10. (i) I next pass on to the third test. Are the accounts and office methods systematic and flawless?

The Engineer's accounts are subject to frequent inspection by the auditors and he cannot afford to keep them in confusion. But we must admit that our office methods are not up to date nor are they subject to periodical inspection. The most serious defect in our work is the system of recording the results of our work. The Engineer's work is one which, unless reduced to the form of charts and graphs, cannot be made easy to comprehend. It is the most scientific and approved method. As a body we are yet to learn and adopt one uniform standard. I do not know how many of us maintain road charts showing the work done on our roads during all the past years. Such a chart will enable us to judge with sufficient accuracy the period of the wear and tear of the metal, the comparative intensity of traffic, the effect of the soils and seasons on the conditions of roads, etc.

(ii) Do we maintain maps showing chronologically the wells, the school buildings, the tanks, and other structures constructed by us from time to time? How useful will they be in throwing light on the way money is expended for such purposes in the several parts of the country and whether each tract is getting its due share.

(iii) How many of us maintain charts showing the growth of receipts and expenditure of the Boards under various heads? Have we studied the effect of shifting the location of toll-gates, on the income? Such shifting is now a haphazard task. I forget that we have ceased to associate ourselves in such work. We spend large amounts on the purchase of raw materials such as rough stone, broken stone, cement, iron, wood, etc. Have we been maintaining charts showing the fluctuations in the price? If such are maintained could we not draw general conclusions for our guidance to guess with a fair amount of accuracy the seasonal variations and the best seasons to order? If we had a controlling staff of Inspectors could not a number of districts pool their resources and maintain a reserve stock of costly tools and machinery which singly each Board cannot afford to purchase. Could we not then make wholesale purchases effecting tangible savings in prices? Have our offices ever been inspected by any one knowing the technical and other details of our work. The Superintending Engineer periodically inspects his Executive Engineers' offices. After all have we a satisfactory office establishment and are they under our control? The Engineer has no statutory powers to maintain discipline; the prospects of no subordinate of his depend upon his favourable impression. He cannot appoint or punish even a menial on Rs. 10. He drives the team but the President holds the reins. In one district even the road mistries, who, it should be noted by the way, are not on the permanent establishment but only temporary men charged to works are appointed by the President without even consulting the Engineer. A peon is shot up as a mistry. He cannot set out a work, measure or make ordinary calculations. Office hands are transferred without any consideration for the special training which the Engineer's office requires in the staff. The accounts branch is hard hit. By the way I have a clerk who succeeded in spelling cubic as 'qbiq' and America 'Amrika'.

11. We want co-ordination in office methods and co-ordination in field methods. We are now a disjointed lot each plodding his own way. The Assistant Engineer in particular thinks he is destined to be a fossil in the same district not knowing, and never likely to know, anything beyond the work in the few hundred miles of his jurisdiction. If he happens to step into a district which offers a higher rate of pay he will be lucky. But if he happens to go to a poor district he must be content with his lot. And the poorer districts in addition offer less opportunities of doing solid work.

12. The healing balm that we have been crying for is the provincialisation of the Assistant Engineers and the creation of the Inspectorate.

13. A provincialised Assistant Engineer will have greater reason to realise that his prospects in service depend not on currying the favour of this man or that man; but on doing conscientious work. He will be in a position to prepare his estimates with due regard to economy and in a professional manner. His check measurements will carry no personal factors with it. He will have greater opportunities of learning work on a wider scale and ultimately be a more useful and efficient public servant.

14. The Inspectorate will co-ordinate the work of the various districts, will place at the disposal of the Boards a body of technical men with mature experience corresponding to the Superintending Engineers of the P. W. D., whose work will not end with paying a flying visit and a cursory check of a few estimates, but who will associate themselves closely with the work of the Engineers in the same way that Superintending Engineers do with their Executive Engineers and share their responsibilities and guide their operations. He will be a channel for disseminating local experiences over wider areas. Road Engineering and problems of rural water supply and sanitation need specialising. England and America have benefited by a due recognition of this fact. In this Presidency alone the total expenditure on all local fund public works inclusive of the amounts expended in municipalities is about two crores of rupees annually. Could it be asserted by any one who cares for economy and efficiency that this huge amount should be expended without any attempt at co-ordination? I have already shown how by the so-called independence of the various local bodies rates mount up resulting in waste. If economy is to be effected the one step that can effect it more than any other is to close all avenues which tend to the members of the local bodies having any interest direct or indirect in contracts. There will then be a healthier life in the local bodies and men with true public spirit will guide their destinies. The local boards will function more effectually and truly act as censors of the work of the executive establishment. Where there is the possibility of a common vested interest between the executive establishment and the members, then one of the three things must result—friction between the two, collusion between the two resulting in loss to the boards, or both. During the days when there were official Presidents and the members of the Board had no hand in awarding contracts, etc., the latter served as fiery critics of the acts of the engineering establishment and local fund rates were the lowest. But now it is just the reverse. The tendency is to mount up rates. As we cannot go back to the olden days the only remedy for securing good administration is to provincialise the service and turn on to their work the searchlight of public criticism. I am conscious that to-day we have a body of Assistant Engineers and Engineers who are prepared to stand that criticism. Our long association with local boards and the traditions we have slowly built

have moulded us into officers who can deal with local boards in a sportsmanlike manner. Our upbringing and our environments are different from those of Public Works Department's, either Government or Railway. I do not in the least wish to have the situation altered. We are public servants more truly than the others. Every work that we do is to cater to the urgent and long overdue needs of the public. We are in fact very democratic.

15. If not going back to the P. W. D. what then is to be the nature of the provincialisation? We must let Government know what it is that we want and how we would fit into the existing machinery without throwing it out of order. We must avoid—what is known as—dual control between the administrative and the technical superior.

16. We cannot afford to overlook the objection raised by some of the Presidents of District Boards to the provincialisation of Assistant Engineers that the officers would then be not under the control of the Boards. It is quite a misapprehension. Are not the officers of the Educational Department, the Health Department and the Medical Department working for the District Boards? Has the administration suffered? On the other hand there is greater need for attention and economy in the public works which is under the local boards. Once the opportunities of patronage which ultimately turn out to be at the expense of the Board is removed from the hands of the President and by provincialising the officers, the awkward situation in which an elected President is now placed will be removed and he will be a more effectual check over the work of the engineering establishment. The financial control will always be in the hands of the President and the local boards. They will determine the works to be executed, the programme of work will be drawn up under their authority, the Engineer and the Inspector of Works will guarantee the economical preparation of designs and estimates. The President can inspect works during execution. In fact such relationship will exist as now exists between the District Collector and the P. W. D., when the former's works are executed by the latter. After an estimate is sanctioned, and funds are allotted, the work will be handed over to the Engineer for execution. He will call for tenders, select contractors with due regard to the lowest tender and the trustworthiness of the contractor, and execute the work. Higher rates or deviations will not be allowed without the sanction of the Board. In fact great economy for all departments will be effected if there is a unified service for the local boards, municipalities and the Government.

17. The Inspectorate will be a branch of the P. W. D. under the Chief Engineer for Roads and Buildings. The latter may be effectually separated from the Irrigation Branch of the P. W. D. and placed under the Minister for Local Self-Government. All Government roads and buildings will be maintained by this branch of the P. W. D. The Irrigation Engineer will specialise in that branch and the Roads and Buildings in their work. Separate accounts will be maintained by the Engineer for each local body as well as the Government. The huge multiplication of establishment and the great waste of public money by the varying methods of work of each local body will once for all disappear. Recruitment to and promotion in service will be by merit, thus bringing out the best talents of the employees for the benefit of the country. An alternative system will be to place the Inspectorate Engineers and Assistant Engineers under the Local Self-Government Department of the Government with a Chief Inspector to co-ordinate all work. It will be his duty to co-ordinate work with the P. W. D.

18. The expenditure on all public works by local boards and municipalities is now about two crores. But in the near future it is bound to rise higher.

19. In this connection I may also refer to certain rumours that the trunk roads will be taken away from the local boards and handed over to the P. W. D. for maintenance. It should be noted here that it will be no solution of the ills which the local fund P. W. D. is now subject to. Even with the flat rate insufficient grant of Rs. 500 per mile we have succeeded in maintaining these roads in a condition which has been declared by the Superintending Engineers themselves as creditable. On the other hand, the expenditure by the P. W. D. on water-bound macadam roads maintained by them has been from Rs. 1,500 to Rs. 2,200 per mile and yet no better than the roads maintained by us. We have been in a position to achieve this success only by our long experience in this class of work. Specialisation is not achieved in a day. To take away the trunk roads from the local boards and leave the local boards to take care of themselves is not sound administration. It would mean that much more will be spent by the Government on trunk roads than is actually needed resulting in a corresponding reduction in the Government grants to local bodies for communications and other purposes.

20. It is hoped that Government will not fail to realise that roads are a national asset by whomsoever they may be constructed or maintained. Local boards are only agencies for looking after the interests of the Government in the matter. Good roads annihilate distances. Instead of counting by miles we begin to count distance by time. 20 to 30 miles is now an hour's distance. Perishable produce can reach distant markets in a few hours time with no damage. One well-equipped high school will answer for a much greater area provided there is motor service. A travelling dispensary in a motor van can cater to a number of villages in a single day. In times of water scarcity the further source of supply can be linked to the place of scarcity by a few hours' motor haulage. The amenities of social life are so much enhanced by good roads, that the Government cannot possibly ignore these and split up roads into Government and non-Government with a corresponding difference in patronage.

21. The exclusion of trunk roads from the management of District Boards can easily be effected and would not very much affect the District Boards financially. It would in one way place them in a better position as some of the money which they now expend on trunk roads would be available for second class roads. But its indirect effects would result financially in loss to the local boards and waste to Government. The Government will have to spend more money by maintaining a separate establishment of men with experience in road work. The P. W. D. agency would certainly cost them more. They may get over this difficulty by asking the present District Board Engineers who are provincial officers to take up directly this work with a separate staff of overseers and Assistant Engineers in addition to their work with the District Boards in the same way that the District Medical and Sanitary Officer has two offices, one for the Government work and the other for District Board work. All the same the waste of money consequent on a duplication of establishment will get more accentuated. The money available for distribution to local boards as grants will get less and less. Again even if the sixteen lakhs of rupees which the Government spends on trunk roads are withdrawn from the District Boards, there will still be more than one and three quarters crores of rupees allowed to be expended by the Boards without close supervision by a controlling staff. The better course is to leave the financial management to the

local boards and provincialise the engineering service and entrust the work to them. The Chief Engineer, Roads and Buildings Branch, with an adequate controlling staff of Inspectors, District and Assistant Engineers will be an ideal arrangement. The huge annual Government grants given to the various local bodies will unquestionably warrant the interference of Government in making this arrangement of the establishment to ensure economy of expenditure and efficiency.

22. We should once again approach the Government to effect these overdue reforms in the machinery for the proper expenditure of public funds.

New Delhi, dated the 20th January 1928.

(*d*) Oral evidence of Mr. R. FOULKES, President, District Board, Madura, Rao Bahadur C. V. RANGA REDDI GARU, President, District Board, Kurnool; and Mr. T. K. T. VIRARAGHAVACHARIAR, District Board Engineer, West Godavari.

Chairman: You represent Madura, Kurnool and Godavari respectively?—*Mr. Foulkes*: Yes.

Have you any objection to the statement which you gave to the sub-committee being published?—No objection.

You say in your statement that improvement of roads is chiefly a question of lack of funds?—Yes.

If you had sufficient funds in your hands, this road problem would disappear?—Yes, very largely.

Have you had any difficulty so far as expert talent is concerned or experience is concerned in District Boards or District Councils taking up the work?—Absolutely nothing.

You think you are quite capable of managing your roads?—Yes, with our expert engineers.

Mr. Foulkes, you suggest a Provincial Road Board with executive powers? Is that part of the Ministerial Department or outside the Minister's control?—It works under the Chief Minister, who is the Minister for local boards.

It is only an *ad hoc* board for the express purpose of looking after roads and nothing beyond that?—It is a professional board.

Whom would you make the members?—I would have the men who are experts in construction.

As an advisory board to the Minister?—Not only an advisory board, but a board with executive power.

With powers of compelling the Minister to do something?—The Minister would be one of the board.

Supposing the Minister does not agree with his experts? What do you mean by executive powers?—I think the opinion of the majority would prevail.

Over the Minister's opinion?—Yes.

The majority of the board would prevail over the Minister who is responsible to the Legislative Council and who will be taken to task by the Council for policy in which he has no voice. You have observed the working of the Legislative Council?—Yes.

If he is bound by the decision of the majority and he has not got freedom of action, it will create difficulties. What will be the position in the Legislative Council?—My idea is really in a sense something corresponding to the P. W. D. working under the Chief Minister.

The P. W. D. do not override the Minister. Therefore it will be a board of expert advisers to guide the Minister who possibly in his ignorance might go wrong?—We have a board at present in Madras, a purely advisory board. I do not want that, because it is of no use.

What do you mean by executive powers?—Our present executive officers as regards construction of roads are District Board engineers who work under District Boards. I would like to see the same men put directly under the local board and to work as executive officers of a Road Board.

Is it not a very small detail? Will it make any substantial difference so far as the improvement of roads is concerned?—Construction and maintenance of roads will be under a single authority instead of its being spread over a number of districts.

Do you agree with this view?—*Mr. Ranga Reddi Garu*: Even now Superintending Engineers of Government have to inspect the trunk roads at any rate and then only the bills for trunk roads are passed. So I am not at all for it. As for the present advisory committee, the Road Board, I do not think it has been working at all.

Have you got a Road Board?—There was one when I was a member of Legislative Council. Now also I think it is there, but I do not think it ever met, or it might have met once or twice.

What is your opinion?—*Mr. Achariar*: In a sense I agree with Mr. Foulkes and in a sense I disagree.

In what sense do you agree with Mr. Foulkes?—In the sense that the whole executive should be placed under a technical expert, not the Road Board, with an inspectorate of roads.

It will work under the Public Works Department?—We are not working directly under them. They do not take part in our work.

Under whom are you working?—I am supposed to work technically under the Superintending Engineer, who inspects my roads for a day in the year and passes my bills. That you cannot call any help to me or inspection of my works.

Do you want more inspection?—I want a man who will take part with me in the execution of my work.

That may be secured without making you absolutely under the control of the Superintending Engineer?—A number of provincial inspectors should be created who will work under the Chief Engineer.

Why is it necessary to create a Provincial Board for that purpose?—I do not want a Provincial Board at all. If there is to be one, it must be absolutely advisory.

What you mean to say is that you want more inspection by expert people who will guide you?—I want men who know road work.

Is your Provincial Board working at all satisfactorily?—*Mr. Ranga Reddi Garu*: The so-called Provincial Board which has been in existence for the last 4 or 5 years met perhaps twice or thrice and I do not think it has been working well. *Mr. Achariar*: They seem to have come to blows over the distribution of funds and then did not meet again. The question was in relation to provincial grants. The Government gave a flat rate of 500 rupees per mile for the maintenance of trunk roads irrespective of the soil on which the road ran and the cost of

material. We of the delta district said that the distribution of grant should be based on the cost of materials and the difficulties of construction.

Is it possible for you to suggest any improvements so as to make the Provincial Board more useful to the people or will you abolish it altogether?—*Mr. Achariar*: I would rather abolish it. And if it is to remain to satisfy the public, it must be an advisory body. *Mr. Ranga Reddi Garu*: That is also my opinion. *Mr. Foulkes*: I would keep the Board and would give it executive powers also. I do not want that it should remain an advisory board as it is at present. I can say from my personal knowledge that the board has met a good many times; perhaps these gentlemen are not aware of it. They can at present merely make recommendations to District Boards which the District Boards may either accept or reject.

Would you give this Board the power of enforcing its recommendations to the District Board?—*Mr. Foulkes*: Yes.

Will you have the Minister at the helm of this board or would you have it without him? Supposing the Minister happened to agree with the District Board and disagreed with the Provincial Board and believed that the District Board was right in its view, will the Minister have the power to cancel the orders of the Provincial Board or not?—I would give the Minister full powers over the board.

So it will be an intermediary body between the Minister on the one hand and the District Board on the other?—Yes.

What is the position of your District Boards so far as the control of roads is concerned?—*Mr. Ranga Reddi Garu*: So far as the roads are concerned they have got full control. They have control even on provincial roads.

Who spends money on their maintenance?—So far as trunk roads are concerned, the Government gives the money. Government distributes what is popularly known the 16 lakhs grant to all the Boards. For instance, my Board gets Rs. 40,000 on the condition that we should spend that sum on second class roads. As regards other roads, the District Board itself spends money; even on second class roads they spend lot of money.

You have no reason for altering the present arrangement?—No. *Mr. Achariar*: I do think it is necessary to alter the present arrangement. The District Boards have three functions to perform at present. In other words the execution of works is controlled by three factors: (1) administrative function of the Board in the matter of financing and selection of works and sanctioning of funds, (2) the selection of the contractors and the execution of works and (3) the maintenance of accounts. These three functions are centred in the District Board now. It is, in my opinion, a vicious policy and has caused a good deal of complaint; also in some cases it has given rise to frauds. Even in the case of Government departments, the policy is that wherever, there is an execution of works, the audit department is separate, the technical department is separate and the administrative function is separate. I do not want them to have full control over all these. The executive portion should be handed over to a separate body. They should have full financial control, but as soon as the work is sanctioned, the execution should be handed over to a body which is independent of the Board.

How would that work?—*Mr. Achariar*: It will work very well.

We are all working towards decentralisation making our local bodies more or less autonomous and self-contained whereas you are suggesting what seems to me a somewhat retrograde step. You want to take away the powers of the Board?—But the financial control is fully under them. They can issue instruction and all that sort of thing, but they should not be in charge of actual execution of works. That must be under a technical department.

Cannot the District Board employ those technical experts?—They interfere with their work too much. They do not allow them to work in a technical way.

In how many cases does that happen? Is that a common experience?—*Mr. Ranga Reddi Garu*: In my district it is not and I can also say the same thing of the four neighbouring districts with authority. The technical men, I believe, in these districts have been given full power. If this power is taken away from the District Boards, then they should be scrapped altogether. They have got only this power and the power over secondary education. *Mr. Foulkes*: I agree with Mr. Acharіar. I think myself that the principal roads in the district should be under the technical men who should be independent of the District Boards. The District Boards should have control merely over third class roads and the village roads.

Then you wish to reduce these District Boards to a third class position?—*Mr. Foulkes*: Not necessarily. After all, the maintenance of roads in a good condition is a national concern and I do not think our roads can be very much improved if they remain under the District Boards.

It has been a national concern and yet it has so far remained in the hands of the District Boards. If a trunk road or a provincial road passes through the confines of the District Board, the latter has so far looked after it. Has it led to any disastrous consequences?—There is absolutely no co-ordination between the districts.

That can be arranged with the Provincial Board or the Central Board or some other such agency. What have been the sins of the District Boards that you want to take away their privileges?—I do not consider it a punishment, that is my opinion. *Mr. Achariar*: I agree with Mr. Foulkes.

What is your opinion about the position of the Central Board?—*Mr. Foulkes*: I think so far as we are concerned, it is much more important that we should have a Provincial Board. If it is absolutely necessary to have a Central Board for the purpose of distributing money and so on, I suppose it is inevitable. I would not, however, give it any executive powers. I would merely make it distribute money. Even that work can be performed by the Finance Department.

You do not see any immediate necessity for the creation of a Central Board?—No. *Mr. Ranga Reddi Garu*: I would be in favour of the idea of creating a Ministry of Transport.

What powers will you put into the hands of this Ministry of Transport? Will you entrust them with all means of communication?—*Mr. Ranga Reddi Garu*: Yes.

So you would rather wait until the Ministry of Transport was created than have this Central Board?—*Mr. Achariar*: I would have that rather than create something which is not satisfactory.

You don't see much use in having this Central Board? You would have the money distributed by Government. How would you

raise that money? Will you raise it by an excise duty of 2 annas on petrol? *Mr. Foulkes*: Yes. *Mr. Achariar*: I agree with Mr. Foulkes. *Mr. Ranga Reddi Garu*: My position is this. I agree if we are going to have the excise duty on petrol for provincial purposes.

I am speaking of central fund?—*Mr. Ranga Reddi Garu*: I do not want to have a central fund.

There are two kinds of excise duties and I am thinking of the 2 annas excise to be collected by the Central Government on petrol to go into a fund which is to be distributed, under a certain formula, *pro rata* between the provinces to be earmarked for road purposes?—Even in that case I would rather have excise duty on petrol for provincial purposes than give the authority to the Central Board or some Central Department.

You cannot provincialise a central source of revenue without serious difficulties?—I think it can be so distributed.

It must be collected at the source, say, in Burma or some such place?—In that case we will have it distributed by the Central Government. I am in favour of it.

What is the formula you would suggest for your province?—I think the best formula is the consumption basis. *Mr. Achariar*: If it is going to be a national concern, or an All-India concern, the State is responsible for the maintenance of a certain number of roads, roads which are not of provincial importance but of inter-provincial importance; I would rather have the Government of India take a certain percentage of these roads from each province and earmark the money for them.

You do not like the Central Board having the fund and maintaining the roads at all?—*Mr. Achariar*: I do not want Central Board at all. I want the Ministry of Transport.

But that will take some time. Supposing we levy a petrol tax of 2 annas and the fund is created, who will distribute it?—It will be distributed by the Central Government who will take over a certain percentage of roads from each province.

If the Central Government distributes that fund, what formula would you suggest for it?—They should take a certain percentage of roads from each province.

On what basis?—The Provincial Governments will select the roads which ought to be classed as arterial roads.

Would you not give any amount from this fund for your village roads?—This amount should be earmarked for certain roads and not for all roads.

You mean to say that the villager should not derive any benefit from this fund?—Not from this fund.

But the cultivator pays 2 annas tax over the petrol, and the benefit of this fund will not percolate down?—After all the money you are going to collect will not benefit the ryot to a large extent; it will be a very limited amount.

I want some way by which he will be benefited. One of the ways suggested for doing this is that *pro rata* the money should be distributed to the provinces and the provinces in their turn should distribute it to the District Boards and so down and down?—Then, I do not think that there would be general improvement of all the roads. The tendency will be to utilise the money for the village roads.

Though that is not a disadvantage, though I do not decry their improvement, my point is that the main roads must be maintained in a better condition than they are now.

The danger is that the money will be spent for provincial and military roads and not on the village roads?—I do not share that apprehension. *Mr. Ranga Reddi Garu*: I would rather go down and say that the money should be spent on the village roads.

You would therefore think that the money going into the hands of the provincial Governments be utilised by them only on village roads?—*Mr. Foulkes and Mr. Ranga Reddi Garu*: Yes.

Hon. Sir A. Froom: Taking your district, how much of trunk roads have you?—*Mr. Foulkes*: 75 miles.

And inter-district roads?—There are many.

We classify roads in other provinces as trunk roads, arterial roads and main roads. Perhaps what you call third class roads, we call main roads: and they are the largest in each province. Is it not a fact that in your district, what you call third class roads are the greatest in mileage?—No; Madras is different in this respect from other provinces. There are very few inter-provincial roads except in the northern portion of the Presidency. Our classification is into trunk roads which consist of all inter-district roads, then second class roads which form the greatest mileage corresponding to the arterial roads, and then the third class roads which comprise all other roads.

You still stick to your suggestion that all the trunk roads and all the arterial roads should be administered by the Government?—Yes.

What underlies that recommendation?—The District Board at present employs an Engineer whose pay goes up to Rs. 1,200. If the principal roads in the district were administered by the Road Board, the District Board will be left with third class roads and it would then employ an Engineer on Rs. 300 or 400. In my own district the saving from that reduction will amount to Rs. 70,000 a year. That money can better be utilised for constructing waterworks or other things more beneficial to the people immediately. And I also think that if the trunk roads and second class roads are placed under the Provincial Boards, the improvement in them could be carried out more rapidly and more efficiently.

On the question of the cost of the staff, do you visualise that the present staff of the P. W. D. would be sufficient to maintain these provincial and arterial roads?—No.

Then it will only be a transfer of the expenditure from the District Board to the Provincial Government?—Yes; that is what it comes to.

Mr. Mohd. Anwarul Azim: What would be your suggestion regarding the composition of the Provincial Board? Would you like it to be a Committee of the local Legislative Council?—*Mr. Foulkes*: I would rather that the Committee consisted entirely of experts and there seems to be no reason why the members of the Legislative Council should be put on such a technical Board.

Chairman: But experts are very often tyrants and we want somebody to curb them.

Mr. Mohd. Anwarul Azim: Is this view shared by others?—*Mr. Ranga Reddi Garu*: If you want to have a Road Board to advise, I would rather have a Committee of the Legislative Council.

Would you invest the Road Board with executive powers to see to some of their roads?—No, but as the Chairman put it we want really that the decision of the Board should not override the decision of the Minister. Its function must be only advisory. If some executive powers are found necessary some people may be appointed in addition to the elected members of the Council.

Are your village roads in good state?—No.

Is it your idea that all the roads bigger and smaller should be taken into consideration and brought up to a good level?—Yes. There are what we call fourth class roads under the taluk boards. They must also be improved. *Mr. Achariar*: There is also another class under the control of the village panchayats.

Would you like them to be taken up simultaneously?—*Mr. Achariar*: Yes.

Are you in favour of some institution from which you can get opinion or information regarding research in road-making?—*Mr. Foulkes*: Unless the methods of road-making are changing, I don't think there will be any benefit from such an institution. If, however, the idea is that an institution like the Alipore Test House, which of course is of no use at present, should distribute knowledge on road metalling, etc., I think it would be of some use.

Do the roads interfere with railway schemes in your province?—No. *Mr. Achariar*: Not unless they run close to the roads.

Would you all share the idea of a 2 annas excise on petrol to be collected by the Central Government and two annas more by the Provincial Boards to be utilised for road purpose or propose other taxes on motors?—*Mr. Foulkes*: I do not think that the taxes on motors could be done away with at present because I do not think that the petrol tax should alone be sufficient. *Mr. Ranga Reddi Garu*: I agree.

Is it your idea that the two annas tax should be allocated to the central fund, and two annas more should be taken by the local Governments to be distributed among them according to the needs of each province?—*Mr. Foulkes*: Yes. That is our idea.

Mr. E. F. Sykes: Do you think that only two annas would be the limit up to which people would like to pay and that anything more would be unpopular?—I think so. There is already an excise of four annas and including that the total would be eight annas. Beyond that the taxation would be unpopular.

Raja Ghazanfar Ali Khan: Don't you think that it would be better to leave the form which the provincial tax should take to the provincial Governments because there are some provinces which would like to have their own form of taxation?—That is rather a difficult question to answer.

In the Punjab a two annas tax for the province is expected to bring an amount equal to the vehicle tax which they are already collecting. If every local Government would be left the option of taxing the vehicles within the province according to their respective requirements, would that not be advisable?—I do not see any objection to it but I don't think it is preferable.

Chairman: If the provincial tax takes the fodm of a two annas excise to be collected by the Central Government, it has less chance of being lifted at any time and so would it not be preferable to leave the form of taxation to the several local Governments' discretion?—Whatever form it takes all I can say is that I should like to see that it is a permanent source.

Raja Ghazanfar Ali Khan: Are there any villages in your district which do not have any roads?—There are many of them which have only cart tracks.

Are these tracks owned by the District Board or the local board?—They are sometimes mere right of way acquired by the villagers.

Don't you think that it will be very useful if the activities of the District Boards were limited only to such roads leaving all other roads under the provincial Government?—That is part of my suggestion that the third class roads and these village roads should come under the District Boards. *Mr. Achariar*: There are besides roads looked after by the village panchayats. The organisation of panchayats is being encouraged very much in the Presidency and the villagers are offering money for the formation of village roads to which the panchayats attend.

The villagers are then paying a double tax. Is it?—*Mr. Achariar*: Yes. The Government pays an equal amount. In addition to the land cess that they pay, they also provide for these roads. I myself have sent estimates for a lakh of rupees, half of which was contributed by the villagers and the remaining half by the Government. I found myself unable to cope with the work.

Is that due to the fact that the villagers can afford to pay or that the necessity for the roads is so keen?—That is due to the fact that they can afford to pay anything provided they get facilities in return. The tracts are rich enough and villagers could well afford to tax themselves for the purpose. *Mr. Ranga Reddi Garu*: That is not unfortunately so in my district. We have got about 30 or 35 panchayats in all and the system does not develop to such an extent.

Lala Lajpat Rai: I think Mr. Foulkes said that the District Board Engineers could be dispensed with which would result in a saving of Rs. 70,000 and the work could be done by the P. W. D. Does it mean that the Department is now over-staffed?—*Mr. Foulkes*: Yes.

They run practically over the same duty and duplicate the functions and is it your idea that one branch with a lesser staff will suffice?—Yes. *Mr. Achariar*: Not only that; we could also reduce the P. W. D. staff.

Hon. Sir G. Corbett: I understand that tolls are generally levied in the Madras Presidency?—*Mr. Foulkes*: Yes.

Along with this I understand there is also a demand that tolls should be abolished?—If the local bodies could, they would be quite willing to do so. As matters stand the tolls form about half of the revenues of the local bodies and they cannot conceive of any alternative forms of taxation. But if we could get a larger income by a system of licences instead of tolls on vehicles, we would very well do so.

What is your present licensing fee?—At present it is Rs. 200 for half a year on motor buses which carry more than 16 persons.

Is it in addition to the tolls?—Yes. In some districts the licence is very much higher. In the Chingleput District it is Rs. 1,000 and they pay no tolls. *Mr. Achariar*: It has gone up to Rs. 1,000 and odd for a motor bus. They have based it per car while we have based it on the seating capacity.

Do they vary according to the mileage of the run?—*Mr. Foulkes*: In my district it does not. *Mr. Achariar*: Mileage and the seating capacity of the bus.

Do you find that that restricts the number of motor buses?—*Mr. Achariar*: They are on the increase. *Mr. Foulkes*: They are increasing at the rate of 5 per cent.

What do the fares run to? How much a mile?—*Mr. Foulkes*: Nine pies to one anna per mile. *Mr. Achariar*: In our district we have fixed the maximum at one anna and three pies.

Is there a vehicle tax on private cars?—*Mr. Achariar*: No tax on private cars except tolls.

Do you contemplate any direct tax on private cars in lieu of tolls?—*Mr. Foulkes*: Yes; I would.

What would they bear?—I think Rs. 25 every year.

Would that give you enough to get rid of tolls?—It would vary in every district. *Mr. Achariar*: Our tolls income from motors alone I think amounts to Rs. 5 lakhs for the whole province.

Do you contemplate vehicle tax on other vehicles besides cars?—All vehicles.

Including those for agricultural purposes?—Yes. *Mr. Ranga Reddi Garu*: I don't think it would be possible. People would rather prefer a licence fee at Rs. 7 or 8 than pay tolls.

You see the point that the duty on petrol cannot be raised without raising it all over India. It must be uniform and will also have to be collected at the source; so that the tax that might be suitable in Madras in lieu of these tolls might be considered unduly burdensome in the Punjab, particularly as the price of petrol is high there on account of the long haulage from the ports, so that there is a distinct limit to which the tax on petrol can be raised?—*Mr. Ranga Reddi Garu*: Yes.

There is another point I want to clear up. I understood you to say that part of the proceeds of the petrol tax should be spent on the village roads. Is that so?—A part.

It should be handed over by the provincial Government?—The provincial Government can set apart some portion of it but not earmark it.

Is there much motor traffic on these village roads?—There is a lot of traffic on the roads but it is only on the main roads that the buses go.

Your point was that if the petrol tax were spent on the improvement of motor roads and could thereby release funds from the cess or tolls which you now spend on the maintenance of motor roads, you could utilise them for the benefit of the lower grade roads? Is this what you mean?—Yes.

Owing to the fact that your road fund or income from roads would be increased by the amount of petrol duty, there would be a larger sum available for the improvement of village roads?—Yes.

Chairman: There will also be this additional element in its favour that people will realise that a part of it was going to benefit your poorer cultivators?—Certainly. They are paying road cess and land cess.

(*The witnesses withdrew.*)

12.

New Delhi, dated the 21st January 1928.

Oral evidence of Mr. E. BURDON, C.S.I., C.I.E., I.C.S., Secretary to the Government of India, Finance Department.

Chairman: You are Secretary, Finance Department, Government of India?—Yes.

How long have you been Secretary?—Since the beginning of October last; before that I was Army Secretary for four and a half years and before that I was Financial Adviser to the Commander-in-Chief, and before that I was Under Secretary in the Finance Department.

Hon. Sir G. Corbett: You were an Accountant General too?—Yes.

Chairman: We want your assistance in understanding certain aspects of the problem which faces this Committee. It is suggested that there should be a petrol tax of 2 annas per gallon in addition to the four annas now charged, in order that a fund may be created for the purpose of improving roads; you are aware of that?—Yes.

The difficulty which we feel and in which we want your assistance in solving is that excise is a central source of revenue and Roads is a transferred subject in the provinces; can you suggest a method by which the conflict could be reconciled? A fund will have to be created at the headquarters of the Central Government and will have to be distributed to the provincial Governments?—I understand that an amendment of the Devolution Rules would be necessary, but I have no reason to believe that it would be impossible. The question of the extent to which it would be permissible for central revenues to contribute towards provincial subjects is one which we have had under discussion with the Secretary of State and we are at present attempting to arrive at no final solution except in connection possibly with any alteration in the constitution itself.

Do you think it would be possible?—I see no reason why it should not be possible.

Will it be possible to make a contribution from the central fund to the provinces without imposing any conditions or curtailing the freedom of the provinces except in so far that the fund's contribution should be applied for the benefit and improvement of roads?—Yes; I take it that if there were a Central Road Board and a central road fund, the Board would have to have a certain discretion in regard to the allocation of grants to provincial Governments; it would have to lay down certain conditions and would have discretion to do something or other in the event of these conditions not being carried out.

There is no difficulty on the ground that it should be earmarked for the purpose?—I think one would have to go a little bit further back and first of all consider the question whether there are any administrative or constitutional objections to having a fund at all. Even in pre-reform days, the orthodox financial view was always opposed to the creation of separate funds for the reason which you yourself have just indicated, namely, that if you take money out of the general treasury and put it away in a separate fund, then you lose certain powers, either the executive Government or the Legislature as it now is, of financial control; the executive Government will also lose certain powers of audit control: you are removing certain sums of money

out of the purview of the Legislature or the executive as the case may be and after a certain stage they have no discretion at all; they cannot get the money back.

Nor can they divert it to any other purpose?—Quite so; so the old orthodox financial view was rather opposed to the creation of a separate fund and all sorts of complications might arise if we established separate funds; for example, if you definitely mortgage certain revenue which was to go to that fund, a situation might arise (I believe it once arose in England) where the particular fund was well-to-do and the general treasury was very hard up; that is to say, you found yourself in the position of being able to spend money on luxuries but not on necessities.

How was that met in England?—I think it was met by raiding the fund, which is a thing that is always liable to happen; a fund cannot be regarded as something absolutely permanent and inviolate.

Who will do that? I suppose the vote of the Legislature?—Yes, I suppose at the instigation of the Chancellor of the Exchequer who is very hard pressed in March.

Any fund created in India would have to be subject to that possibility?—That possibility cannot be entirely removed; you cannot fetter the discretion of a Government and a Legislature in any absolute sense at all.

With a jealous Legislature, as the Indian Legislature is bound to be for a number of years yet, the possibility is more open in India than in England?—Yes, but I do not think the objections I have taken are in any sense absolute. I think they might be got over; and on the other hand, I do see that from the point of view of the purpose which you are seeking, it would certainly be administratively very convenient for you to have a fund and indeed necessary; when I say necessary, what I am thinking of is the probability that the people on whom you are seeking to impose extra taxation, that is, those who use mechanical transport, would object very strongly to the extra taxation, being human, unless they had some guarantee that it was going to come back to them in the shape of better road facilities; if there was any suspicion that the extra income was going to be tucked away in the general revenues and possibly used for this purpose and possibly not so used, then I think you would find it difficult to make your extra taxation acceptable. That would apply whether the taxation was central or local. Administratively I think it would be very convenient indeed to have a separate road fund because you know where you are; you are able to frame schemes and estimates and programmes; you have got a certain amount of money in a particular purse. I take it that most of your expenditure would be incurred really from provincial road funds, and the central fund would probably be necessary in the first instance as a sort of preliminary pool out of which you make your allotments to the provincial road fund—probably according to a formula which I find has been discussed—and also you want to retain the money in some place or another until you are certain that the local Governments to whom you have given grants before are carrying out the conditions on which such grants were given. Also I think if you are going to have a Central Road Board —I do not know whether you are or not—you certainly want a central fund; a Central Road Board without a central fund would not, it seems to me, be of any great value or very effective; I take it also that if it were decided that a Central Road Board should have other functions than those merely of distribution, that is to say, should

spend money on research, carry out independent inquiries and things of that kind, then of course your central road fund is very useful, because it would be a purse in which you kept such money as would be reserved for such activities.

But will it not give rise to similar demands on behalf of questions like education and similar insistent questions, which may in course of time become more important than they are now?—I think it is very likely; after all, we have had examples of that in the past; you know that the Medical Research Fund Association actually have had separate moneys given to them—they get Rs. 5 lakhs a year I think—and they tuck that away in a fund of their own from which they finance their researches. There was a similar idea a couple of years ago in respect of the Archæological Department, but the Legislature would have none of that and said 'no'; and I think it is highly probable that a demand for some similar arrangement will be made as one of the recommendations of the Agricultural Commission. This is pure suspicion on my part, I have no knowledge of it; but I think it very likely and it would obviously be very natural for them to make that recommendation—a separate fund for agricultural research.

Hon. Sir G. Corbett: In what way would that sum be levied—set apart from the general revenues for agricultural research and improvement?—I think so.

It would not involve any further taxation of the agriculturist, I suppose?—I do not think so; probably it would be a sort of fund independent of the annual grants made by the wishes of the Legislature.

Chairman: It is not difficult to contemplate that if this process goes on, half the revenues would be mortgaged away before they are realised?—Yes; on the other hand, you can meet possible objections of the Legislature by saying that this is to be given for a period of five years and at the end of that period the matter would come up again and the Legislature could see the results before deciding to make a further grant.

You are aware from your experience of this question that in a large country this has been done without difficulty?—I understand that is the case.

How will it affect the provincial allocation? Will any contribution which the Central Board may make to the provinces in some form or other be sacrosanct and not touched by the provincial Council? That must follow, I think?—Yes; I think that any money that went from central revenues into the provincial fund should not be touched. I do not think there can be any question with regard to that; but supposing your local Government were going to supplement that by other specific taxation on motor transportation, there again, I think that could not very well be alienated to the provincial road fund without the consent of the Legislature; the same question would arise there.

And it must necessarily involve a possibility that the Legislature may vote away a large part of this money for purposes which it regards as more insistent for that year?—Yes; there is always that possibility.

Can you suggest some lines on which the Central Board or the central fund can be administered for the purpose we have in view? Can you make any detailed suggestions with your knowledge of finance?—It is not a very easy matter; but I think the first question would be whether you are going to have a statutory fund or not.

It will have to be statutory?—I do not know. I think there are some difficulties if you create a statutory fund.

May we know what those difficulties are?—There again, I think, the Legislature might object to the matter being so completely removed from its purview, as it would be by the creation of a statutory fund; whereas if you had your fund run by a Board which merely represented the Governor General in Council administering the matter through a Board, which in the case of the Central Government would be some representative or representatives of the Government of India having associated with them—say the Ministers from the provinces and some members of the Legislature. . . . . .

That would be unavoidable?—I think it might prove to be very suitable to have them on; similarly in the provinces it would be the Governor with his Minister in charge of the department administering roads through the agency of the Road Board.

That will be a Board advising the Minister; the ministerial control over that part of the fund will have to be kept intact as now, is it not?—I think so.

And it will have to be subject to the control of the Central Legislature also?—I do not think it would be at all an effective arrangement, if your Road Board, whether it is provincial or central, had to depend on what money was given to it every year by the Legislature in the annual budget. You ought to have some sort of regular allocation. I have seen in the papers certain references to the question of borrowing, and the present position is that the provincial Government itself does not borrow on the security of the provincial revenues. It borrows on the securities of the revenues of India, because the revenues do not vest in the provincial Governments, nor do they vest in the Government of India; they are vested in the Secretary of State. So that the provincial Government when it borrows at all borrows on the security of the revenues of India. I may be quite wrong—but as I see the matter, your Road Board, whether central or provincial, should have no separate borrowing power; it would have no security. Supposing for a moment the Legislature had said: "Well, for five years you can have the whole proceeds of this 2 annas excise on petrol" and the Central Board had allocated that to the provinces, and you had a provincial road fund which had these receipts from the central fund guaranteed, say for five years, and in addition had the proceeds of provincial taxation, which again on my hypothesis, would only be guaranteed for five years,—it would have a certain sum of money guaranteed for five years. There would be no object in borrowing against that. After all, any loan of a substantial size would require a great deal more to amortise it than that five years' corpus of revenue. Would it not?

Then it is suggested that a beginning may be made with a Road Board with the ultimate object of having a Ministry of Transport as in England concentrated in the hands of one department and one Minister. What is your idea about it?—I am afraid I cannot see it in the present conditions of India.

Nor even in the distant future?—I am afraid I cannot.

When representation is introduced in the Central Government, as it is bound to be in course of time, do you not think it would be possible to concentrate it in the hands of Ministers?—Even then I cannot see it, because it seems to me that you will be interfering with the independence of local Governments, and I cannot see ahead into a situation in which the local Governments would accept that.

You are interfering now with the railways when you concentrate them in the hands of the Railway Board, are you not?—We are, undoubtedly, in the matter of railways.

The same process will be carried further in regard to roads and other communications like canals, bridges and so forth. What is the greater danger? Already you have got an instance of the railways concentrated not even in the Central Government but in a small Board on which there is no representation of the Legislature, although we have been trying hard to have one on it for the last few years. Do you suggest that the present arrangement in respect of railways is not altogether ideal?—Surely if there is an objection entertained to that, that objection will increase the more you extend the system.

These communications are not now in the hands of a man who is responsible to the Legislature?—These are deep constitutional issues. I must confess I cannot see so far ahead.

Hon. Sir A. Froom: With regard to the question of the creation of a separate fund from 2 annas excise on petrol, can you say how the annual income will be secured to that fund by means of this 2 annas excise? It would be votable every year, would it not?—My suggestion was that you might find it desirable to propose that the Legislature should be asked to vote it for five years. It is possible that the Legislature might agree to vote it in perpetuity, but I do not think it is likely.

Chairman: It would not be advisable either?—No. But the alternatives are that they do it year by year or for a period of years.

Hon. Sir A. Froom: Supposing they voted for five years, would they vote a lump sum representing five years or would they vote in a way so as to bind the future Legislative Assembly? I am not quite clear as to the constitutional issue?—I think it is rather a new constitutional issue. I do not know whether the Legislative Assembly could bind its successor. I daresay it could be made a constitutional possibility; it would not be beyond the powers of our legal experts to propound the necessary form.

Chairman: Do you think it can do so under the present Government of India Act and Standing Orders?—I do not know. But I think it is possible to make it a statutory thing that the actual proceeds of the 2 annas excise should go to such and such a purpose. Of course, you probably know that the present arrangement by which an annual Finance Bill is passed is a matter of convention. It is not prescribed by the Government of India Act. Mr. Samarth of Bombay was responsible for the amendment which resulted in the Finance Bill being made annual in respect of certain portions of our taxation.

It has to be renewed every year?—That, as I say, is a matter of convention.

Hon. Sir A. Froom: The excise on petrol started, I think, with 6 annas and it was reduced by Government two or three years ago. This excise was criticised by the public as being a handicap to the development of local industries and motor car traffic in India, and I believe I am correct in saying that the amount which accrued to the central revenues from this excise on petrol in the financial year ending 1926-27 was somewhere in the neighbourhood of 90 lakhs in round figures; in the previous financial year it was about 77 lakhs, and in the financial year which is to end at the end of next March the revenue, taking 7 months' figures, should amount to something like 120 lakhs of rupees. So this is very much an expanding source of revenue to the Central Government, is it not?—Yes.

Seeing that the income of the Central Government was something like 90 lakhs last year from this head, would you suggest that the Government would be satisfied with a similar amount for the financial year ending the 31st March 1928, and do you think Government would be prepared to set aside any excess over 90 lakhs or one crore to the central fund?—I do not think they would. I do not think it is reasonable, nor do I think it would be practicable. There again it would be a question of the Legislature binding itself and binding its successor. It is a case similar to that of the capital levy.

The point that I am driving at is this. The amount which accrued to the Central Government in the last financial year was something like 90 lakhs from the petrol excise, and this year I think the figures will amount roughly to 120 lakhs. So the Central Government had practically a windfall to the extent of 30 lakhs from this particular taxation which has been very much criticised by the public. Do you think Government will be satisfied with the amount they had last year for this year's revenue, and would they give any excess over that sum to the central fund for the development of roads, because the more you develop the roads the greater will be the prosperity of the country and bigger the revenues from income tax. Perhaps it is rather unfair to bind you to give your opinion on this?—I do not mind expressing my personal opinion. In the first place, you say that this is a growing source of revenue. As a matter of general financial administration Government naturally choose, so far as they can, sources of taxation which are expanding, because their expenditure is subject to the law of normal and regular growth, and they must have growing heads of revenue. That is one factor in the matter. Then there is another matter. Even if you do not have special expenditure on roads, the proceeds of this particular tax are likely to increase, even if you do not do anything specially for motorists. So that, it is not really reasonable to say that your income up to a particular point is due to a certain thing and that beyond that it is due to some special arrangements. Probably that is partially true, but a portion of the excess would come in anyhow.

It is an expanding revenue to Government and it was originally imposed as a war measure?—There are many things which were imposed as war measures which it has unfortunately been necessary to retain not only in this country but in other countries also.

Might I suggest that the Finance Department should explore this matter?—The fundamental difficulty is that you cannot get the Legislature to surrender permanently its discretion in this matter. I do not think it would be right for them to do so and as a matter of fact in regard to this additional charge of two annas on petrol, I think the position of the Finance Department would be that while they would not object to a small surcharge on this duty, they would object very much to it, if it was really considerable in amount, the reason being that it would tie their hands in regard to the adjustment of the system of taxation at any future time. You could not play about with it. You could not move it up and down without affecting the interests of the other party. Your administration in regard to this particular thing would become immobile and that might be very undesirable. Supposing you had a war or some other emergency it might be necessary for the Government and the Legislature to propose measures of taxation which would not be resorted to in normal circumstances.

I quite see your point. My idea is not to have it for all time. Perhaps this might be explored for the coming financial year so as to help any central fund which may be contemplated?— . . . . .

Chairman: You spoke of the Legislature. Suppose the arrangement suggested by Sir Arthur Froom was done from year to year. Supposing Government put it in the budget, subject to the vote of the Legislature, would you have any objection in that case?—That is certainly a practicable arrangement and probably the most practicable form which the suggestion could take.

We want to know the mind of the Finance Department. Will they agree to give up this part of the revenue, subject to the other difficulties?—There are two points of view from which the Finance Department has got to look at a matter of this kind. One is their general financial necessity which may vary from year to year, and the other is the correctness of the principle regulating or which is supposed to regulate a matter of this kind. As you know, with the present progressive remission of provincial contributions, the Government of India are not in a particularly strong position to surrender any part of the central revenues which they are enjoying at the present moment on the basis of existing arrangements. Even if the present tax is a growing tax, it is only a counterpart of expenditure on the other side which is also necessarily growing.

Hon. Sir A. Froom: Supposing Government were able in a few years' time to give up a part of this four annas excise, would they set aside, say, two annas towards the central fund to help road development?—I do not think the Finance Department would be very favourably inclined to that.

Do you know that this tax has been subjected to very severe criticisms?—After all Government have not admitted the justice of the criticisms which have been made. It is perfectly reasonable that the transportation services should contribute to the taxation of the country just as the railways do.

Chairman: In course of time owing to the improvement of roads, this taxation will grow to an enormous figure and all that is due to road improvement. If the people bear this tax, why should they not get back some portion of it? Government on their part should be willing to make a sacrifice. That is the only hope I see, as a politician, if I may say so. Supposing that the revenue came to, say, 3 or 4 crores, do you not think that the people ought to get something of that back?—As I have said before, the Finance Department do not object to the additional two annas and to the whole of those two annas going back into the roads; but as regards sacrificing existing revenue, if there was such a startling increase as you suggested, then I think that would make a great difference.

What would you consider a startling increase?—The 3 to 4 crores which you mentioned. If it became very noticeable that motorists were contributing such a largely enhanced sum towards the revenues of the country, I think the Finance Department would be prepared to recognise that they had a claim to get something back.

Hon. Sir A. Froom: Then there is another point that I want to put to you, Mr. Burdon. At the time of the last budget the Finance Member reduced the import duty on motor cars by ten per cent. It is hoped that a further reduction will take place in the import duty on motor cars. There is no motor manufacture in this country. Everything has to be imported. Supposing the Government of India find themselves in a position to further reduce the import duty on motor cars, say by 5 per cent, which is a small amount, and they can carry on the Government of the country with this 15 per cent duty, how would you view the suggestion that instead of actually reducing the import duty from 20 to 15 per cent they should stick to the

present import duty of 20 and allocate the proceeds of the 5 per cent difference between the 20 and the 15 to the central fund? I am not putting this forward as my personal suggestion. It has been suggested to us when we toured the country?—I think to do that would be on all fours with the extra tax on petrol. Five per cent would be the addition which we do not want for other purposes, which we are prepared to give back to the motor trade, and I think on the whole you could regard it as fulfilling the condition I mentioned, namely, the additional surcharge should be a small proportion of the whole. You have to reckon with the probability that the Legislature would not wish to give that in perpetuity for over a long series of years. But subject to that, I say it is rather attractive to me on the conditions which you have stated.

We were told by motor car manufacturers that if the import duty was reduced by 5 per cent straightaway, down to 15 per cent, the purchaser of the car would not get anything at all, it would probably go to the middleman; but if you earmarked the 5 per cent which the Central Government was able to give up and put into a road fund, it would represent a considerable sum of money, possibly 25 or 30 or 40 lakhs. From that point of view what do you think?—On the conditions stated I should think it is a very good idea.

Hon. Mr. M. Suhrawardy: Do you think that the Devolution Rules should be amended to create funds as a separate account and earmarked for roads or are the present Devolution Rules enough to cover that?—I am afraid I cannot say definitely what the legal and constitutional position is. I can only go so far as this. I have examined this matter to some extent and I believe it to be the case that the central revenues cannot contribute towards a provincial subject under the existing Devolution Rules; there is the question of some amendment being necessary. But assuming that the central revenues could contribute to a provincial subject, then so far as I am aware it would not be necessary to have a further amendment of the constitution in order to permit us to create separate funds. I should say that it would probably be within the power of the Government and the Legislature under the existing constitution.

Then what remedy do you suggest for the separation of account and earmarking the amount for roads?—I made certain suggestions in answer to the Chairman.

That is the only suggestion?—That is the only suggestion I have. I think it might be in many ways convenient for your purposes as I understand them to have a separate fund. As I said, it would meet the objection of the motorist to being taxed without knowing for certain that the money was coming back to him. I think your fund would make that clear. It might be a convenient administrative arrangement to have a separate fund though I also pointed out certain objections.

Mr. Muhd. Ismail Khan: If a Central Board was created and it had its own funds, would it not be possible to make grants direct to the provincial road fund instead of to the local Government?—I should imagine that to be consistent with the purpose you are aiming at. The Central Board would at any rate insist if the grant went to the local Government that the local Government should put it in the provincial road fund.

Then it would be votable by the Legislature of the province. In order to get over that would it not be possible to make grants direct to the Provincial Road Board?—I think it would be possible for the Central Legislature to do it.

Mr. E. F. Sykes: We have had a good deal of talk about the construction of roads out of loan funds. Could you tell us the present position of the local Governments with regard to loans? They have to take loans either from the Government of India or with the sanction of the Government of India. But when they make their applications, do they have to apply for a loan for a specific purpose or do they send up estimates for approval at the same time?—The arrangements are regulated by what we call the Provincial Loans Fund Rules, which I have here; I could let you have a copy of the rules. What it amounts to is this, that Provincial Governments are permitted subject to certain sanction to borrow in the open market; as a rule they do not do so. They come up to the Government of India for the money they want, and the Government of India lend it from the Provincial Loans Fund, having obtained that money themselves by their own Government of India borrowings. Here we have this rule:

"The amount and the purpose of every advance which may be made by the Fund to a Provincial Government will be determined, as at present, by the Government of India in the Finance Department and the Assembly will be asked to vote the necessary supply under the head."

Then there are certain other regulations. For example, we do not as a rule make advances of less than Rs. 5 lakhs on the principle that expenditure so relatively small in amount ought to be debited direct to Revenue and not to Capital. There are certain qualifications to that rule. The limit of Rs. 5 lakhs does not apply to capital expenditure on productive purposes and on certain other things which I do not think will interest you. But the main thing is that "no advances will be made out of the Fund to any Provincial Governments which do not provide annually out of their ordinary revenues sums sufficient to redeem within a period not exceeding 80 years from the date when they were originally borrowed any loans or advances which they may from time to time obtain * * *". That is to say, they have got to provide for debt redemption by payments from revenue.

When they come up for a loan do they specify the purpose for which they want the loan or do they simply say they want a loan?—They come up and say they want a loan for a particular purpose. They pay different rates of interest on productive and unproductive loans.

Do they say that they are going to spend the loan on canals or roads?—We do not go into that in very much detail. It is in the discretion of the local Government.

I wanted to know how far they had a free hand in applying the loans?—We see that the projected work is something of a reasonable character. In the case of irrigation works they have got to let us have detailed estimates not only of expenditure but also of revenue, because that would probably be a loan for productive purposes.

Chairman: Do you call a loan for road improvement productive or unproductive?—Probably unproductive.

Loan for bridges?—Unproductive.

How do you distinguish? How does your department distinguish?—In the case of an irrigation project, we get an estimate not only of the expenditure on completing the work but on the actual revenue to be directly derived from it after it is completed, and if it does not produce more than the rate of interest, it is necessarily unproductive.

You would make a difference if a toll was put on bridges, so that it automatically produces certain revenue every year. Would you then call it productive?—No, I should not think so. The revenue will be quite indeterminate.

What will be the difference between an irrigation loan which produces automatically some revenue and similar revenue produced by tolls on bridges?—I think the difference is very clear. As a matter of fact you are going to irrigate a particular tract of country which belongs to particular people who are going to take the water and are prepared to pay so much for it. In the case of a road you cannot be absolutely certain.

Cannot the same process of reasoning be applied? You know that a certain number of people are going to cross a river and they are going to pay so much?—The land to be irrigated is fixed in position and it has got an owner. It is determinate.

Mr. E. F. Sykes: If local Governments proceed to construct roads out of loan on a considerable scale, will the Government of India be able to find the money or would they have to reduce capital demands in other directions?—That is a very large question, the question whether the credit of the Government of India can carry the present volume of its present programme of capital expenditure. You know of course that in recent years, there is the 25 crores railway programme and various other things.

That is a big item?—That is a big item and there are always other things. But I do not think that anybody could say that we have reached the limit of the credit of the Government of India. That is one of the questions which the External Capital Committee dealt with.

It is a matter for consideration at the time?—Yes, certainly. If you were to ask 'Could you add 40 crores for Capital work?' one would probably say it would be impossible.

But 5 crores would be conceivable?—Yes.

Raja Ghazanfar Ali Khan: If there was a Central Board, in your opinion would it be better to give powers to it to allot money to the various provinces or to the Legislature?—I do not think the latter would be a very convenient administrative arrangement.

You think it should lie in the hands of the Central Board?—It will depend in the first instance on the Legislature whether it is willing to delegate authority.

But from the administrative point of view it would be better?—It would be very much better to give the power to the Central Board; it is much more convenient and much more practicable.

Under the present rules if the provincial Governments want to tax petrol, could they do it?—No, I do not think they can.

Is there anything in the present rules to prevent Provincial Governments from taxing in any form other sources?—There always is, and must be, a certain danger of clash of interest and possibility of overlapping, but the theory to which we are trying to work is that the fields of taxation of Central and Provincial Governments should be separate and they should not overlap; otherwise obviously inconvenience results.

It is a matter of inconvenience. Is that all or is there any other objection?—One would hold that it would be entirely wrong in principle that the Central and the local Governments should

be able in any indiscriminate way to encroach upon each others fields of taxation.

Chairman: It has been so done in England by a special Act. You are aware of it? The duties which ordinarily belonged to the Central Government have been allowed to be levied by County Councils. They are ultimately paid into the exchequer, but they are collected in the first instance by County Councils?—I thought Raja Ghazanfar Ali was talking about local Governments being allowed to tax for their own purposes something which was an object of taxation reserved for the Central Government.

Supposing the local Government were allowed to tax and put it into the central fund and then if allocation is to be made out of that, the same objection arises?—Yes, I think so.

Raja Ghazanfar Ali Khan: I will give you a particular instance. Supposing the District Board of Attock, from where this petrol comes, were to levy a small tax on the export of petrol in order to improve their roads, can they do it?—I do not think they can.

Cannot they do it even with the sanction of the local Government?—I do not think so.

Under the present Act, the District Boards can levy any tax they like with the sanction of the local Government and I just wanted to know whether the local Government could give them sanction to levy a tax on petrol?—I am afraid I should have to go into that point separately, but I cannot believe that this is the intention. As a matter of fact, there are certain loopholes which have not been covered. For example, in your own district, the District Board had been trying to tax salt, because it is produced in your district.

Lala Lajpat Rai: We had a gentleman here yesterday who said that in his district they have levied a tax on *biris*. Is that illegal?—I do not know; it depends on the form it takes. It might be a terminal tax.

Hon. Sir G. Corbett: Under the Scheduled Taxes Rules, a local Government can impose a tax on "any specified luxury", and tobacco has definitely been ruled to be a luxury; but petrol is not?—You are in a better position to know these things.

Lala Lajpat Rai: Will you consider a railway project to be a productive work?—Some projects are productive.

You mean those that are not military railways?—Yes.

How will you determine their productivity?—They do not stand on the same level as irrigation works.

What is the distinction between the income of roads and rail roads?—It is undetermined in both the cases.

I suppose it is when you are starting an absolutely new line of railway?—But the Railway Company provides a good deal more than the permanent way. It provides vehicles, stations and all sorts of things. The road is simply for the people to walk upon.

But the income is undetermined?—On the other hand, you have certain reasoned calculations. For instance, there is already a road from A to B, but if you can carry the goods and passengers by rail at a cheaper rate, then the assumption is that you can divert the traffic from the road to the railway.

Some kind of estimate can be made of the roads too. After all, these are feeders to the railway roads. The rail roads cannot exist

without these roads. I believe some kind of estimates in some places have been made. . . . .

Chairman: There is a permanent way and yet you do not class the expenditure on it as a productive investment because you think there is not much chance of passengers travelling by that?—That is not the only factor. Very often the construction of a particular railway is very expensive. So, unless you have a tremendous lot of traffic, you cannot hope to make it a commercial concern.

Lala Lajpat Rai: Why do you classify railways as unproductive? —We have to classify them unproductive if they are unproductive.

So you wait to find out if they are unproductive?—Yes; for example, the Khyber Pass Railway is an unproductive railway.

Military railways are to a great extent excluded from all calculations of income and they are determined on a different principle. But I do not see much distinction between commercial railways and ordinary metalled roads?—I am afraid I do see a distinction myself which is a very practical one. After all, the railway undertakes to carry passengers, but the Government when it is building roads is not in any sense taking the rôle of a carrying company.

You build the railway road to enable the railway company to carry passengers?—The railway company builds the railway.

Whoever may build the line, the fact remains that you give a loan for the purpose of building a railway road and no estimate of income can be made. However, we will not pursue the point. Do you think that if eventually roads are so important for the purpose of the development of the country both for trade and otherwise, the capital outlay on roads by way of loans would be legitimate?—Very probably yes. Of course, it would again be subject to the general financial rule that if a project is not guaranteed to be directly remunerative, then you have got to make provision to redeem that loan in a shorter period of time. That is a general principle of what we call "sound finance". If you can do that, I should say that it is probably a perfectly permissible thing to do. In fact, it may be necessary to do it.

What is your opinion about loans for educational purposes? Will they be called productive or unproductive?—I would not call them directly remunerative.

Although the whole existence of the country may depend upon the education imparted, you would not call them directly remunerative?—I will call them a very benevolent activity or rather a beneficient activity.

Do you not consider education to be more important than the roads or railway roads from the national point of view?—Good education is one of the most important things that one can think of.

Suppose a central road is constructed independently, do you think additional staff will be required for it in addition to that which already exists in the Public Works Department?—I cannot think of any example where you have a central road which would not be included in the Public Works Department or in some existing administrative arrangement.

You are of opinion that even if there is a Central Road Board, it will utilise the machinery already existing to execute its orders? —I do not think that the Central Road Board would be capable of doing any direct road administration.

I am in full agreement with that. Then, what would be the functions of this Central Road Board?—It is not a conception of my own but I am trying to apply what I understand to be the conception in the mind of the Committee. I have suggested that the Central Road Board may, in the first instance, be the custodian of the funds received from the Central Legislature and may distribute a portion of it to the Provincial Road Boards, whose duty it would be to see that the money was applied to the purpose for which it was intended. They should also see that the conditions imposed by the Central Road Board are carried out. It might also be a function of the Central Board to retain a certain amount of money possibly for the purpose of research and experiment, the results of which they would endeavour to impart to all the provincial Governments.

Do you think that the all-India roads such as the trunk roads should be under this Central Board?—I do not think so. Of course, your Central Board will probably be supplemented by inter-provincial conferences.

What do you think of the importance of waterways? Do you think their development as important as the development of roads? —I am afraid I am not in a position to give information on that question.

Do you not think that instead of splitting up these departments, it would be more advisable from the national point of view to have these communications and ways under one department?—I have already been asked that question by the Chairman and I cannot see that the provinces will agree to it. That is my trouble.

But that is a question for the Central Legislature to decide?—India is such an enormous country and local conditions are so different that you must consult the local Governments.

Just at present the ways and communications are a central subject to a certain extent, but the provincial Governments also do something in that line. In the same way, the Central Department can delegate its powers to the provincial Governments. But the whole policy about these works had better be laid down by one authority in consultation with provincial authorities?—I think in many ways it is an attractive idea, but I doubt if it is a practicable one; anyhow, I do not think my opinion will be worth very much on that subject.

Hon. Sir G. Corbett: When you spoke of the separate fund not being statutory, am I to understand that what you meant was a separate fund established by convention between the Government and the Legislature?—Yes, that is what I had in my mind. I think it would be advisable for constitutional purposes.

So that the fund would still fulfil the legal requirements of section 67A of the Government of India Act, that is, the estimated annual expenditure and revenue of the Governor General in Council should be laid before the Indian Legislature every year, and it will be passed as a matter of form according to the convention?—Yes.

I wanted to make that clear as we had some experience of the question of a separate fund in the Legislature in a small way last year in reference to the Lighthouse Act, which is in some respects parallel. It was clearly obvious that the ultimate responsibility for the lighthouses of India, on which the safety of shipping depends, must remain with the Government, and they could not divest themselves of that responsibility. We were advised that it would not be possible to have a separate fund administered by the Governor

General in Council and that we could only proceed by way of a convention. (Section 9 of the Indian Lighthouse Act was read.) So that the lighthouse dues that are levied can only be spent on the maintenance of lighthouses in India. At the same time, we provided in section 20 for a separate account to be maintained of these lighthouse dues, and the Select Committee which dealt with the Bill said: "We record our recommendation that any surplus to the credit of the lighthouse account should be definitely earmarked for the purpose of lighthouse administration and should not be appropriated for any other purpose." The Government gave an assurance in both houses that they accepted the recommendation. And so an undertaking was practically embodied in the Act with the approval of both the Chambers of the Legislature that this convention should be respected. Do you think it possible to give some sort of legislative effect to a similar convention with regard to this petrol tax on the same lines? That is to say, the additional 2 annas would be imposed definitely for the purpose of developing roads in India on the undertaking that it should not be diverted to any other purpose for, say, a period of 5 years?—It seems to me that is a perfectly sound way of proceeding with it. It would meet every possible objection as it gives the Legislature every opportunity to say what they want.

Yes; the thing is that it comes before the Legislature every year, and if the expenditure is absolutely abused by the expending authorities, the Legislature in the last resort can refuse to vote the money. But it cannot be diverted to any other purpose and will remain in suspense. . . . . .

Chairman: But it will make this difference that under this Act the duty was for the first time imposed for the express purpose, but as to the arrangement that we are proposing there are already these excise duties as part of the general revenues of the State, and what we are now asking is that part of the revenues should be torn out and allocated to other purposes. Will that make any difference?—No; I do not think it makes any difference. Lighthouse dues were levied even before the Act by the State which merged into the general revenues. I do not think it would pass the ingenuity of lawyers to place it on a clear basis.

Hon. Sir G. Corbett: Then, this Act provided for a Central Advisory Committee which is constituted of persons representing interests affected by the Act or having special knowledge of the subject matter, and the Central Government gave an undertaking that they would ordinarily be guided by the recommendations of the Advisory Committee. That was an expedient which we worked out in order to meet the difficulty of the Government of India Act that the annual expenditure must be placed before the Indian Legislature every year, and at the same time to meet the legitimate desire of the interests affected to have a voice in the expenditure. The idea only occurred to me that we might proceed somewhat on those lines. Do you think that that would be sound?—From the financial point of view it seems to be perfectly sound.

With regard to the question of taxation of motors, although one readily concurs in the view that taxes on transport should contribute to the general revenues, it is a fact that on the figures worked out last year for central taxation from all sources, on motors it came to 13 annas on every gallon of petrol consumed, while none of that was spent on roads. In the United Kingdom, the total taxation worked out

at only 10 annas per gallon of motor spirit and the whole of that was spent on roads. Of course, I concede, the financial positions of the United Kingdom and of India are very different. But at the same time, it seems to me that there is some force in the complaint of motorists that they are heavily taxed for general revenues?—On the figures given, I think they are.

It worked out as a matter of fact to an average of Rs. 300 per annum on every motor vehicle including cycles last year?—Yes; it is rather heavy.

The position put before the sub-committee on their tour was that they do not desire that this taxation should be reduced—in fact, they want it to be increased by an extra 2 annas on petrol—but they do want the sum to be devoted to improvement of roads. Do you not think it will be legitimate for the Finance Department to bear in mind the possibility of giving up taxation on the lines of Sir Arthur Froom's suggestion, namely, that instead of reducing the taxation on petrol, more and more of the petrol tax should go under this convention into the expenditure on roads?—Yes. But you cannot surrender for several years or in perpetuity, but from year to year.

But it would be part of the convention that as and when it is possible to reduce taxation on motors, it should go back to the fund for road development instead of being abolished altogether; would that be sound?—I think it is a very attractive idea.

Turning to another point, you say that loans for roads should be for a short period. May I ask you whether you have any idea of the period?—It does not matter very much to the Government of India if they have a general amortisation scheme and a reduction of debt scheme, how much the local Governments raise. But as between the local Governments and Road Boards, I tried to make it clear that in my opinion the loan would be raised by the provincial Government, as the Road Board could do nothing, having no credit and no perpetuity of resources. The local Government could look to the resources which the Road Board for the time being has and try to adapt its borrowings accordingly. But I doubt very much whether that would carry them very much further. The position of the provincial Government would be this, that it could only borrow an amount of money, the annual charges of which it could meet from its own annual revenues. That is what it comes down to in the end. It might quite fairly claim to take into calculation its own annual revenue and the resources from time to time allotted to the Road Board. That is to say, it might say to the Road Board: We are giving you x lakhs of rupees in order that you may undertake a capital work of construction, but you must surrender your annual revenue so that the charges on the loan could be met. That seems to be the only practical way in which it could be done. As for the Government of India, I doubt very much whether we should be particularly concerned to apply anything more stringent to the local Government than the existing conditions as regards amortisation.

You say that for unproductive works the period of amortisation is shorter?—Yes; I think it is 50 years. But I am not absolutely certain. I will get you the exact figure later.

And the security for the loan would be the whole of the revenues of the provincial Government?—Yes; but they might take into consideration the fact that the provincial Governments are going to receive a certain amount allotted from the petrol duty which will be divided according to the formula. In a sense they would capitalise

probable revenue received by the Provincial Road Board from these two sources, local taxation and general taxation.

What guarantee would you suggest that the Central Board could take to see that the money which is granted from central revenues to the provinces is spent on the purpose for which it is granted? Would you suggest that it could be done by any accounting system? —I think that the road board fund should be submitted to audit.

Would it be a separate fund altogether?—Legally it would be part of the revenues subject to separate audit.

And do you think that the ordinary accounts would be sufficient guarantee for the money being spent for the purpose for which it is given?—Of course, a form of return or report which the Central Board may require in addition from the Provincial Road Board, would help to meet that end.

Mr. E. F. Sykes: When talking of loans for roads for a period of 50 years, is it your intention to discriminate between the surface and the foundation of the roads?—It might be for that period without any discrimination whatsoever provided the local Government were prepared to take the responsibility on the strength of their general revenues. It is quite conceivable that the annual money accruing to the provincial road fund would not be sufficiently taken over the whole period to amortise it. And then it would be a question of the local Government saying that they will take the service of the loans on their revenues for a period of fifty years. If they take it for a less period, it would only mean that they would be contributing larger annual amounts from the revenue.

Hon. Sir G. Corbett: I take it was your view that if the provincial Governments wish to impose provincial taxation for the purpose of road development on motors, they should develop their own sources of provincial taxation and not raise a further surcharge for provincial purposes on this petrol tax?—Very much so. For, I think that there is a great deal of reason behind the canon that taxation and the spending of the proceeds should be in the same hand.

Chairman: You do not agree to the suggestion of the Bombay Government in this matter. I suppose you are aware of it?—No.

Hon. Sir G. Corbett: Their suggestion was that an additional 2 annas for provincial purposes should be imposed on the petrol tax and distributed—the Government of India being merely the collecting agency—to the provinces on the basis of petrol consumption?—No; I think there is a great deal in the doctrine that the raising of taxation and spending the proceeds of taxation should be in the same hands. For then you get a certain amount of guarantee that the authority in question would not raise more money than is absolutely necessary, and also is in the best position to find out the place where the taxation could be most effectively imposed and readily borne and with the least inconvenience. As it is their own money, theirs will be the concern that it is well spent. That is why I think that if anything extra ought to be raised by provincial taxation, it should be left to be determined by the local Government who will study the wishes of the people from whom the tax is going to be taken.

(*The witness withdrew.*)

13.

New Delhi, dated the 21st January 1928.

Oral evidence of Mr. A. BREBNER, C.I.E., officiating Consulting Engineer to the Government of India, Industries and Labour Department.

Chairman: Are you the officiating Consulting Engineer to the Government of India, Industries and Labour Department?—Yes.

How long have you been such?—I have been officiating at present for two months.

What were you before?—I was Superintending Engineer in Simla.

Have you any experience of the administration of roads in the provinces?—A certain amount.

In which province?—Bihar and Orissa.

Could you tell us who owns the roads in the province?—The provincial Government. I have been away from the province for some years and I fear therefore that any information I may give you is liable to be out of date.

How long have you been away?—Since the end of 1919.

Does the Public Works Department look after these roads?—Main roads.

And which other authority looks after the other roads?—District Boards look after the district roads and municipalities after municipal roads.

Then the provincial Government makes certain grants to these District Boards and municipalities to enable them to maintain roads?—Yes.

And who carries out the maintenance and repairs of municipal and District Board roads?—Their own staff.

With supervision by the P. W. D?—Yes.

Do you not think that there is a reduplication of machinery?—To a very limited extent.

Take for instance a certain area. There is the P. W. D. machinery as well as the District Board and municipal machinery operating in that area?—Not so much when the P. W. D. only supervises officers of the local Government and of the District Board in the same areas.

Are you aware that an all-India P. W. D. Reorganisation Committee was appointed presided over by Sir Frank Sly and it made certain recommendations to the Government of India? Have you read the report of that Committee?—Yes, but not recently.

I was thinking what that Committee found after taking evidence. I suppose that report is generally correct?—I think so.

Hon. Sir A. Froom: As a resident in Bihar and Orissa, do you think that there is much room for road development in that province?—Yes.

And would you presume that any movement for the development of roads in India generally is likely to be appreciated?—I think so.

Have you had much to do with roads as Superintending Engineer, Simla?—Not directly. As Superintending Engineer, Simla, I assist in a certain measure the Consulting Engineer. Generally speaking, I deal with roads and buildings and he more or less adheres to irrigation work. In that capacity, I deal with work which comes under the Central Government direct—that is to say, work in the N. W. F. P., Baluchistan, Central India, Rajputana, North-East Frontier, Assam and Burma. Any road scheme from any of those areas I examine on behalf of the Consulting Engineer. Then I also deal with all the arrangements for budget and expenditure for these roads.

You know that for the purpose of road development in India, the constitution of a Central Road Board has been suggested. Its functions would be advisory but it will have certain executive functions in connection with the distribution of central funds, and as a start to raise money for the central fund it has been suggested that there should be a two annas excise on petrol. The witnesses that have come before us have agreed to it provided the money is spent on the construction of roads. What is your idea about this Central Road Board?—I think it would be very useful. It seems to me the most feasible method of getting a move on, so to speak. We all know that it is always very difficult to get sufficient funds for such work. Even for our own purpose—I mean for the roads under the direct control of the Central Government—we find great difficulty in getting sufficient money, and a two-anna excise on petrol to raise money for a central fund would be a move in the right direction.

Hon. Mr. M. Suhrawardy: You have the experience of Bihar and Orissa roads as you said you spent some time in Bihar and Orissa?—Yes.

In the Jharia Coal mines are there any good roads?—I have no experience of that part of the province, I am sorry.

During your experience have you ever come to use the Alipore Test House for testing road materials?—Not directly. I have recommended various people to use it and I have seen some of the reports from it.

Do you think it is an useful institution?—Undoubtedly.

Do you think that if a similar institution for the construction of roads and for research were created under the Government of India for the benefit of the provinces it will be useful?—I do not think that a new institution is necessary. The Alipore Test House can be extended, if necessary.

Mr. E. F. Sykes: Would there be any objection to roads under the direct control of the Government of India being transferred to a single Department of Communications so that they could be under the same control as railways and everything else engaged in transport?—I would not like to express an opinion on such a question off hand. Do you want an opinion from the point of view of my Department or my own opinion?

From the point of view of the general interest?—There would seem to be arguments for and against. I should not like to express an opinion off hand.

What sort of arguments would there be against it?—It seems to me that if you have the same Hon'ble Member controlling railways and roads, roads might be very likely to suffer. You are much more likely to get more money for roads if you have two Members, one in charge of Roads and one in charge of Railways.

Do you mean to say that if you put the same Member in charge of Roads and Railways he will spend more money on the one and less on the other?—I think he will spend it on whatever is most likely to bring a return quickly.

That is the point of view that has been put up by the Finance Department?—And also by the Member in charge of the Railways.

So your difficulty is that you do not see any immediate return from roads?—Yes.

Do you not think that the time has come when from the road point of view a separate engineer is necessary?—I certainly think each province should have a man who has specialised in that line. I do not think that the time has yet come when you require a separate branch, but I think that it is desirable that all up-to-date construction of roads should be under the supervision of a man who has studied the subject and is up-to-date in modern practice.

Should he be a Technical Adviser to the General Engineer in the province?—He should probably be something in the nature of a Deputy Chief Engineer, just as the Electrical Engineers and Sanitary Engineers are now.

Then in the same province you will have two Superintending Engineers—one the Road Specialist and the other the ordinary Superintending Engineer?—I do not think you can help that now-a-days.

Do you think that this is due to the technicalities of the subject?—Very much so. Only last week I got from home one of the latest books on the subject quite half of which I could not understand.

Raja Ghazanfar Ali Khan: Are there any roads directly maintained by the Central Government at present?—Not directly maintained. They are directly under the Central Government but maintained locally. For instance, in the N. W. F. P., they are maintained for us by the agency of the military engineering staff.

Public Works Department or Military Engineering Service?—Military Engineering Service in the N. W. F. P. In places like Rajputana and Central India we have our own staff.

What kind of control do you exercise on those roads in the N. W. F. P.?—Not very much. We are very much in the hands of the people who do work for us.

Military Engineers?—Yes.

You only give them money?—We give money and we occasionally go round and inspect what they are doing.

There has been no friction on account of this dual sort of control?—None.

Would you please tell me the average cost of metalling roads in the N. W. F. P.?—I am afraid I cannot give you the figures off hand. Roads vary in width. First class roads are sixteen feet wide, second class roads are twelve feet wide and third class roads nine feet wide; and sometimes the same road varies in width in different parts.

Is it somewhere about Rs. 40,000 or Rs. 50,000 a mile?—I do not think it is as high as that. I find from the figures of 1925-26 that we constructed 1,138 miles of metalled road and 1,600 miles of kachha road at a total cost of just over Rs. 6 lakhs; but I have no detailed figures.

Lala Lajpat Rai: There are two questions in connection with the central fund: one is that at present there are not sufficient funds for

road building and the other is the question of the administration of these roads. Do you think that if sufficient funds are forthcoming, the existing arrangements would be satisfactory?—I do not see why they should not be.

You expressed an opinion that the subject of road-making is becoming more and more technical every day and is different from building. Would you divide the P. W. D. into two separate departments?—No; I should not at present; I should have in each province to begin with, one man who could devote his entire time to a study of the subject.

Do you not think that special knowledge will be necessary for executive engineers and assistant engineers in charge of roads?—Special knowledge will be necessary but they will have to pick it up as they go along. They will get instructions from the specialist to begin with; he will draft the specifications for them and give detailed instructions as to what he expects to be done and they ought to be able to carry them out.

So you do not think a special road department is necessary?—Not yet.

But the time may come when it will be necessary?—It is rather hard to say; so many conflicting elements come in; you cannot justify having, say, electrical engineers doing electric work, sanitary engineers doing sanitary work, building engineers doing building work with possibly concrete specialists doing the concrete part. You have to take each case on its merits, it seems to me.

You cannot devise departments for each case?—No.

But you have to make special departments for special purposes; would not that be necessary?—I would not say it is necessary yet.

And it may not be necessary for some years yet to come?—It all depends on the amount of work you can undertake.

Granting that funds are available and more roads are being built, do you think a special road department will be necessary?—It very largely depends on the amount you spend; if you are spending large sums I think you may be justified in having a separate department.

Supposing you had a separate department, do you not think that the P. W. D. in that case will be overstaffed and some reduction will be necessary in that department?—It is hard to say.

The P. W. D. performs both functions—roads and buildings: if you take away roads from them, do you not think it will be overstaffed?—I should not take away roads; I should simply draft some of the men into the new department and make that suffice.

You would not have any additional staff?—You may require it if your work is extensive.

It would depend upon the quantity rather than upon the nature of the work?—Yes.

Do you think the present P. W. D. is overstaffed?—I should prefer not to express an opinion; I do not know the details of the provinces really.

Some witnesses have been telling us here in evidence that there is a wastage of 50 per cent in the P. W. D. on account of corruption and having the work done through minor contractors. Do you agree with that opinion?—I think the figure is possibly high.

How much high?—I would not like to say. All I would say is that we have done our utmost in recent years to try and devise some

other system of getting petty work done, such as, handing over our buidings to the departments themselves to administer; and we find that it is extremely difficult to get them to take them.

And if they did, the same thing happens there?—I should not like to say what would happen.

Could you give us a minimum figure of the wastage? Of course, approximately; you are not committed to any particular figure?—I think it depends entirely on the nature of the supervision; in some places there is no doubt a great deal of wastage.

You think this 50 per cent is a sweeping general statement?—Yes; unduly high.

But there is some wastage?—Undoubtedly.

Suppose there is a Central Board constituted, what will be the functions of the Board? Advisory or executive?—I do not think it can be executive; it should be advisory.

Would it consist of paid officials or unpaid non-officials?—I think it may be necessary at the outset to have unpaid non-officials to help; but once it is got going I do not see why the machinery we have at present should not administer it.

You do not think that any additional machinery is required if non-officials are required to assist the present machinery?—You may require one technical man.

That is all?—I think so, yes.

You think no further machinery would be necessary?—I do not think so.

You expressed an opinion that there is a possibility of clash of interests if the whole subject is placed under one department and you gave an instance that a man may be more interested in railway development than roads since railways bring in a definite income while roads do not; suppose railways are all State-owned, do you not think that department will be concerned mainly with national interests, and not with the return of the railways merely?—I do not think so but I admit I do not know much about it; I understand that at present when the Railway Board consider the conflicting merits of different schemes, what they look to most is which is going to pay best.

That is under the present constitution of the Railway Board. Suppose it is replaced by a Railway Board which is responsible to the national Legislature, as it is not now, it will not have to look to the income of particular railways; suppose there is a Ministry of Transport which, as I say, would be responsible to the national Legislature, do you not think that in the interests of the country all ways and communications should be in charge of that Ministry?—That may be; but I still think that the desire to see quick returns comes in; I do not care whether the body that is responsible is responsible to the Legislature or to any one else.

The point was that in the case of company-owned and company-managed railways the question of return is very important; but is it so very important in the case of State-owned railways too?—It may not be so important, but it is a point of view which most people will take.

Do you not think that the development of roads is necessary for the development of railway traffic?—Yes.

From that point of view, would it not be better that the administration should be in the hands of one body?—From that point of view, yes.

Hon. Sir G. Corbett: You remarked that there has been enormous development in road construction and that it was very difficult to keep pace with what was going on—and even to understand what is happening elsewhere. Has there been much development in the matter of road construction in India?—No; not in any part that I have had anything to do with.

How is that?—I think it is mainly due to the fact that in the first instance the one criterion is what the scheme is going to cost; if you put in an estimate for a really good first class road, there is not the same chance of its going through, as there is if you put in something inferior.

But if you know better methods, could you not justify them, seeing that in the end the cost would be less?—You could; but that does not carry much weight as a rule.

Have officers in India knowledge of the best way of making roads under the varying conditions of climate, soil and so on?—I should not think so; very few officers have.

Do you think there would be considerable ultimate saving in road construction if this matter is studied more systematically?—Yes, especially where traffic is heavy.

What form would the investigation or research take?—I take it research into the different kinds of roads that are really most suitable under different conditions in different provinces.

Chairman: Having regard to the varying conditions of the several provinces, this research will have to be carried out in the provinces?—I do not know that it is necessary that it should only be carried out in the different provinces; part of it might necessarily have to be carried out in the provinces, but part of it could be carried out at some headquarters place.

Hon. Sir G. Corbett: If there is an additional tax put on petrol for the purpose of road development, do you think it would be wise from an administrative point of view to set aside a certain portion of the proceeds for further investigations in road construction?—I do.

Have you any ideas on how this money should be spent? Would you have a central bureau or would you merely give facilities for provincial Governments to carry out tests and supply information?—I should be inclined to have something in the nature of a central bureau. My idea at present is that you could expand the Test House at Alipore possibly and undertake a certain amount of work there; a certain amount of work undoubtedly would have to be undertaken in different provinces.

Alipore is under the Central Government. Would you have other test houses in other parts of India under the Central Government or would you let the local Governments have their local test houses?—I do not think it would be necessary for local Governments to have their own test houses.

Then you would merely have the Alipore Test House and, if necessary, one or two more under the Government of India?—I do not think anything more in the nature of an actual Test House will be necessary.

What do they do in the Test House? Do they actually construct short sections of roads and try tests?—That could be done. I do not see any difficulty.

Anyhow, without going further into the matter, do you think a definite portion of the proceeds of any additional taxation for road

development should be spent on research in methods of road construction?—Yes, I think so.

Another question that has been raised by provincial representatives is that if we are to get on with road development at all, it is very necessary to construct roads out of loans on capital account, particularly for bridges, embankments and things of that kind. What is your view from the technical point of view as to the desirability of constructing roads by raising a loan on capital account?—I do not see any real objection.

For what term should the loans be raised?—It is rather difficult to say. It will depend on different parts of the country. For instance, an embankment might last for a few years or it might last for a long time. I think you should give loans on the security of the province itself and not with reference to any particular project under consideration.

Then your view would be that loans should be given on the general security and prosperity of the province, and as a practical matter the growth of provincial revenues should be taken into consideration; and it would not be sound then from your point of view to accept the proposal that has been put forward that loans should be secured on the definite proceeds of a tax on petrol?—I do not think so.

From that point of view would it be fair to say that a tax on petrol would be a suitable tax for motor transport indefinitely?—I do not think it would be.

There might be some substitute for petrol?—We know that for years people have been trying to find one.

On the other hand petrol might be used for other purposes than for motor traffic, because with the growth of aviation it might be used for aeroplanes to a much greater extent than it is used for motor cars. The proposal has been put forward that the petrol tax should be increased for the time being by 2 annas, and that the bulk of this should be given in the form of grants to provincial Governments for the expansion of roads. Do you think that this should be given in the form of a block grant or should it be definitely allocated for a particular project?—I think it must be allocated for a particular project. You would have to get proposals from the local Governments which the central authority would scrutinise—grants could then be given for what is approved.

Should they be asked to send up just one project or a programme of construction for a period of years?—They should be asked to send up a programme of construction for some years ahead, and the central authority would compare it with the programme submitted by the adjoining provinces, and perhaps put their heads together and make some kind of alteration in the two projects in order to co-ordinate them and bring them into line.

The projects approved might be for five years and the grant would be allowed by the central authority. What guarantee would there be that the money was spent on the projects which had been approved?—That is rather a difficult question. I would like if possible to see some machinery for ensuring that the money was spent in the proper manner, but I can see many difficulties in the way. The staff is the least part of the question. You must rely on the agency of the local Governments now for doing the work, and if it is suggested to them that they spend the money unwisely it would lead to friction and unpleasantness, which is the one thing which must be avoided.

But in the last resort if you found that the money had not been wisely spent, you could withhold your grant?—Yes, but that could only be done in very exceptional cases.

As a matter of fact, this sanction is provided in the United States Federal Aid Road Act. That would not help us here, we shall have to leave it to public opinion?—Yes, we must leave it to public opinion to see that the money is being well spent.

Would the central authority have to advise on the method of construction? Would they have to go into the technical details of the projects?—I think they should.

Not merely on the alignment?—No, but the construction also.

Would a single technical officer at headquarters be able to deal with all these projects?—If there were many designs for big projects to be scrutinised, he might require some assistance, but it will all depend on the extent of the actual details to be gone into. Anyhow, it will be quite enough to start in the beginning with one technical officer.

You do not know anything about the effect on roads of different types of cars. It has been suggested that six wheelers should be encouraged?—I have had no actual experience.

Presuming that motor taxation is directed in all its branches towards the development of roads, do you think that cars carrying heavy loads and passengers should be taxed more heavily?—I think you should leave that to local authorities. It may be in their interest to tax them more heavily or it may be in their interest to encourage them.

Mr. Mohd Anwarul Azim: You are an expert in road making. As the great majority of roads in India is not metalled, the most urgent object should be to improve the kachha roads. Do you think it is advisable?—Yes.

Do you think the tests can be carried out only at one centre like Alipore?—I indicated that it will be necessary to make experiments locally. I drew a distinction between making experiments and carrying out tests. My idea was that the Test House in Alipore is essentially a place where you can make chemical tests and where you would have machinery to make other tests.

Taking the climatic conditions of the different provinces of India, do you not think the cost of making roads would vary from province to province?—Yes, most certainly. In Eastern Bengal it will cost much more than it would cost, say, in the United Provinces to make roads.

Hon. Sir G. Corbett: Are military roads borne on the Army budget?—We have got an arrangement at present whereby the military authorities pay a part of the cost of any road which they wish kept up to a standard higher than that which is necessary for civil needs. In actual practice what happens is that the Army budget bears one-third of the cost of maintenance of any road which is declared to be of military importance.

In most parts of the N. W. F. P. the cost is borne by the central revenues?—Yes.

Lala Lajpat Rai: Are there no roads which are exclusively military?—I do not think there are any roads which are exclusively military.

But there are certain railways which are considered to be of strategic value from a military point of view. Are there not military roads which are considered military from the same point of view?—There are some short lengths.

What is the test?—In the N. W. F. P., the Chief Commissioner prescribes what he considers necessary for the civil needs. If the military say that such and such a road is not good enough and that they want something better, then it is understood that they will pay one-third share.

Does the same procedure prevail in Baluchistan?—I am not sure whether it has actually come into force there or not.

What about the Eastern Frontier?—I do not think we have got any case in the Eastern Frontier. They are now wholly charged as political roads there.

Political roads mean military roads?—No.

What is the distinction?—I should prefer not to say.

These military tanks and military lorries cause so much damage to the roads and they do not pay?—That is one of the reasons why they pay this one-third.

Do they not want a higher standard of roads?—All these factors were taken into consideration when we were arriving at this one-third contribution, the amount of use to which the roads are put, the nature of the use and so on.

Who fixed the one-third?—The Government of India.

In the Public Works Department, not in the Military Department?—I should not like to say that it was the Public Works Department alone. We tried to get as much as we could.

Chairman: The military use the civil roads also in addition to the military roads and they do not pay for this. Why?—I think they hold that road making is not a fair charge on military funds at all.

Supposing a tank goes from Delhi to Agra, it devastates the roads to that extent and the civil authorities are not entitled to make any charge?—That is so.

Lala Lajpat Rai: Do you not think that all these roads and communications should be under one authority, such as railways, waterways, military and civil roads, looking at the matter from the national point of view?—That is a big administrative question. I should prefer not to express an opinion. There are many points in favour of such an arrangement but many against it.

(*The witness withdrew.*)

14.

Bombay, dated the 21st December 1927.

(*a*) Memorandum of touring sub-committee's discussion with the following representatives of the Indian Roads and Transport Development Association, Bombay:

Mr. H. E. ORMEROD, President.

Sir NESS WADIA, Kt., Vice-President.

Mr. R. RICARDO, Member.

Mr. Ormerod states that any opinions given now are those of the Bombay Council of the Association, as Branches have not been consulted.

It is agreed that an Advisory Central Road Board is desirable.

The Association urge that the present excise on petrol of 4 annas should, as soon as possible, be devoted to a Central Road Fund.

Sir Ness Wadia states that it is desirable to consider the whole question of motor vehicle taxation as a whole, *e.g.*, petrol excise, municipal taxation, tolls, etc. The Association desire that these varied taxes should be abolished or replaced by a unified tax on motor vehicles.

Sir Ness says that it is the duty of Central Government to pass a Central Act taxing and controlling motor vehicles uniformly throughout India. This will simplify the problem of the motorist who moves from province to province. There are cases where cotton is taken to gins in a neighbouring province, the motor lorries that carry the cotton are taxed in two provinces. The broad view must be taken and the Central Government must take powers to remove motor vehicle taxation and control from the provinces. The Indian States would undoubtedly fall into line. The great improvement in roads in England is due to the centralised control.

The Association agree to 2 annas for central fund and 2 annas for provincial revenue and suggest that, as soon as possible, all provincial, municipal, local taxes and tolls should be abolished.

The Council of the Association further desire that the present 4 annas excise should be immediately, or as soon as possible, given to the Central Road Board and that any reduction of duty that may be possible be given to that Board. They also emphasise that the Board must have some effective control and not be merely advisory.

In conclusion, Sir Ness Wadia, in his personal capacity, states that his proposals in short amount to these:—

(*a*) Over and above the present 4 annas excise duty, 2 annas extra petrol duty be levied for the Central Road Board.

(*b*) A further extra 2 annas petrol duty be charged making in all 8 annas in view of the present expenditure of provincial Governments and their municipalities, Government undertaking to give up to the provinces such sums as the different provinces collect at present from their municipal and local board taxation, so that all local taxation may be abolished in lieu of the 8 annas total petrol duty.

This last 2 annas will thus enable the Government of India to recoup to the provinces such sum as they spend at present by taxation of motors and motor vehicles by the municipalities and local boards. Provinces spending less than what they may collect from the 2 annas duty will get less, and provinces spending more than what they may collect will get more. This 2 annas extra petrol duty should enable the Government of India to do away with all municipal and local board taxation. In his opinion, 2 annas extra duty all over India will be sufficient to cover present expenditure by local Governments.

Sir Ness Wadia further states that if the Government agreed to his proposals, then it would be necessary for a Government of India Act to be passed abolishing all municipal and local board taxation on motors and motor vehicles, so that motors can go from one province to another without let or hindrance or further annoyance.

(*b*) Replies to the questionnaire submitted by the Indian Roads and Transport Development Association, Bombay.

A.—Road Development.

7. (*a*) :—The nature of development desirable should have as its outstanding policy the development of through and feeder roads. The rate of development must necessarily be based on a progressive co-ordinated scheme which however must necessarily be controlled by available finance administered by a central board.

(*b*) :—By loans supported by guaranteed interest and a sinking fund, the revenue for which should be derived from existing taxation on motor vehicles and assisted if necessary by a small additional tax on petrol.

(*c*) :—This question is not fully understood. If it refers to the construction of new bridges and roads, this should be entirely provided for by means of road loans.

8. Roads will serve as feeders to the Railways and given co-operation between the two services, Railway Receipts must increase to a much greater extent than they would without the Roads Development Schemes advocated.

So far as is known, no machinery exists for co-ordination of start by our Associati·n that no Road or Railway Development start by our Association that no Road or Railway Development Scheme could be complete without it.

It would appear that this has already been recognised by the Railway Board as well as by this Association—*vide* the reference* made by Col. Walton of the North Western Railway, India, in his address before the World Motor Transport Congress in London during the early part of November 1927, in which he is reported to have said that he had been authorised to state that the Government of India sympathised with the development of road transport as it led to the increase of railway business by the opening up of the country.

It is suggested that once this is recognised and admitted, the system as at present used to ensure co-ordination between the Railways in India might be extended to include Roads and Railways which would be assisted by a Central Road Board.

B.—Motor Transport and Motor Taxation.

5. Taxation on Motor should be entirely allocated to expenditure on Roads whether Central, Provincial or Local, but as already pointed out by this Association, taxation in itself cannot at this stage adequately meet the overdue requirements of Roads Development in this country, and, therefore, taxation on Motor Transport must not be directly allocated to expenditure on Roads, but should be utilised to guarantee interest on Loans or Road Bonds raised for Roads Development purposes.

6. This Association would like to see motor taxation uniform and centralised throughout India, and it suggests a tax on petrol as providing revenue which is economical to collect and impossible to evade. This would necessitate the passing of a Central Act, and after the passing of this Act, Municipal and Provincial Taxation

*P. 122 of the Report of the proceedings of the World Motor Transport Congress, London, 1927.

on motor vehicles could and should be abolished in which case, Provinces and their Municipalities would be reimbursed from the Central Fund. It is suggested that these contributions might be based *pro rata* to their expenditure on road communications.

It is suggested that the Central Fund should be started and maintained by a loan, the interest and sinking fund of which would be met by revenue derived from:—

(*a*) The present excise on petrol.

(*b*) The present customs duty on motor vehicles, parts, tyres, accessories, etc.

(*c*) If necessary, a new tax on petrol of say 3 annas per gallon, from which compensation must first be made to Provincial Governments and Municipalities to reimburse them for the cancellation of their Motor Vehicle Taxation.

7. We have already agreed to an increased petrol duty as above. We do not approve of a special petrol duty to be handed over to Provinces. It must be a central tax except in so far as it may be used to compensate the local provinces for the present collections made through Local Municipalities or Boards from their present taxes on motor vehicles.

8. (*a*) *Ad valorem.*

(*b*) No fees other than a nominal licence fee.

9. With the introduction of a Central Road Board, there should be no local taxation. It is most desirable to introduce centralised taxation on motor vehicles.

10. If taxation is centralised, the necessity for reciprocal exemption does not arise. It is most desirable to have each vehicle taxed in only one place. This should not affect Police registration fees.

11. All revenue from taxation on motor transport should be credited to the Central Road Board.

12. We do not consider any block grant should be given to Provincial Governments for their present expenditure on roads. If any scheme is put up by Provincial Governments for the improvement of existing roads or building of new roads and bridges in their provinces, then an allocation should be made for such specific purposes from the Central Fund.

13. Yes. This requires urgent and careful investigation, and would be one of the duties of the Central Road Board.

14. So far as can be ascertained, no Road Cess is levied in this Province, unless tolls come under this heading, of which there are many in the Bombay Province.

C.—Road Boards.

1. Yes. There is a Government Road Board in Bombay, and this was formed on the 7th August 1926. The object of this Road Board is to advise Government in regard to the road policy. The Chairman is the Hon'ble Sir Ghulam Husain Hidayatallah, Kt., and the Members consist of:—

The Chief Engineer, Roads and Buildings.

The Secretary, Home Department.

The Secretary, General Department.

The Commissioners of the Northern, Central and Southern Divisions.

The various Superintending Engineers of the Province.

The Under Secretary to Government, Public Works Department, Roads and Buildings.

The Colonel of the Staff, General Staff, Southern Command.

Three Members of the Legislative Council.

A representative from the Bombay Chamber of Commerce.

Some preliminary work has been done by this Government Road Board in the way of classifying certain roads and investigating the more urgent ones requiring repairs, but we do not think that as yet it has been of any definite value in the development of the road system in the Bombay Presidency and in our opinion does not meet frequently enough to be of any real service.

2. Yes, as we have endeavoured to show in our foregoing replies.

It is the opinion of this Association that a Central Road Board—provided it receives the co-operation of Provincial Governments—can be of infinite assistance to Provinces and the development of the country in general, and it is their considered opinion that it is already long overdue.

3. We do consider that a Central Road Board is desirable but it is difficult for this Association to lay down its constitution. In our opinion, something on the lines of the Railway Board should meet the case. We consider that amongst the personnel should be included an experienced Road Engineer and a Member of the Railway Board and also a representative of the Finance Department. We consider the functions of the Central Road Board should be as follows:—

(*a*) To raise taxation centrally.

(*b*) To ensure continuity of action in road development.

(*c*) To bring about co-operation between Provinces ensuring co-operation with Native States in the common interest of the country.

(*d*) To collect useful information from other countries to maintain a Central Information Bureau and to circulate up to date information.

(*e*) To direct a line of policy for road development schemes to be based on a general idea, and a high ideal rather than influenced by a parochial outlook or a provincial purse.

With this view, it is necessary to appreciate the fact that Roads at present is a transferred subject and that if, as is suggested, a Central Road Board is to be formed, the question and ways and means of making Roads a Central Government subject must be considered. In doing so the actual experience gained in other countries should be taken into consideration.

(*f*) With the introduction of the Central Road Board, undoubted economy can be effected, as for instance:—

1. Economy in collecting all taxes centrally.

2. The collection and promulgation through the Central Road Board of:—

   (*a*) All methods, tests and experience of various classes of communications in order to save costly duplication of experiments.

   (*b*) Information regarding more economical purchase of materials.

3. By the distribution of certain road making machinery.

4. By general economy of supervision and direction.

New Delhi, dated the 23rd January 1928.

(c) Oral evidence of Mr. H. E. ORMEROD and Mr. E. MILLER, representing the Indian Roads and Transport Development Association, Bombay.

Chairman: Mr. Ormerod, you represent the Indian Roads and Transport Development Association, Bombay?—*Mr. Ormerod*: Yes. And you, Mr. Miller, also represent this Development Association?—*Mr. Miller*: Yes.

How long has this Development Association been in existence?—*Mr. Ormerod*: Since June 1926 not as a registered Association; it was registered at the end of last year. It has its headquarters in Bombay. New branches are being formed, from time to time, the latest being in Assam. It is not an official body in any way.

You have considered the question of road development mainly from the point of view of motor transport, and you made a statement before sub-committee: have you any objection to that statement being published?—There is no objection, but I think we have revised our ideas to a certain extent since then.

You have applied your mind to this question more from the point of view of the development of motor transport of the country than from any other constitutional point of view; for instance, you have not considered the question how far road development should be central and provincial and how their functions could be distributed between the two Governments?—*Mr. Miller*: To a certain extent.

You are aware that Roads are a provincial subject and are not under the control of the Central Government, therefore when you say that there should be an advisory Central Board, you are aware of that difficulty?—*Mr. Ormerod*: Yes. We feel that at the present moment road development is entirely provincial, and that provincial development must be to a large extent parochial in its outlook because it is hampered by the finances available; whereas if there is a central body too, they aspire after an ideal, which may not necessarily be reached because the finances may not be there, but it will encourage the provinces to do things which otherwise they would not think of by themselves.

Your grievance against the present arrangements is the paucity of funds?—Yes, combined with the fact that there is an absence of a system of getting the funds, and that when the funds are obtained they are utilised in a way which cannot bring about the best results.

You mean the Central Government should take up roads?—They could assist the provinces by collecting their taxation centrally. That would be an economical method, and they could encourage the provinces by giving them ideas.

Your idea in having a Central Board is that there should be a Central Board for the purpose of collecting additional revenue, distributing it and giving advice?—Yes.

You will leave the control where it is, that is with the provinces; you do not want that the essential control should not remain where

it is?—Yes, but that control can be encouraged if money is available to encourage it. We go further, and we feel that if it is purely advisory, the provinces may not take any notice of it, whereas if it is backed by authority to provide finance which a province has not been able to obtain, that advice will carry far greater weight, that is, if finance goes with it. I may mention how the Ministry of Transport operates in the United Kingdom. A country, which is much the same as a province here, handles its own expenditure on roads and develops its own system without any control from the Ministry, but should the latter consider that one particular road should be developed, it suggests to that country that that road should be developed and it offers fifty per cent of the necessary funds required to ensure that their suggestion is taken up.

Its analogue in India will be the Central Road Board?—That is what we want to establish.

Of course conditions in India are different, but your suggestion is that the Central Road Board will exercise control?—Not over their present expenditure but exercise control over any special expenditure for the development of roads.

You mean the question will only arise in the event of the Central Road Board making any contribution to provinces, and your suggestion is that such contribution should be coupled with insistence on certain conditions?—If the Central Road Board came into operation and made collections on behalf of provinces, our idea is that the first call on these collections would be to supply the provinces with anything they lose through the cancellation of existing taxation.

That money the provinces would receive and spend as they like?—But we consider that the Central Road Board should have a reserve fund in addition to that, which it would only give out to provinces if they adopted the advice of the Central Road Board, or if the provinces made a claim on the Central Road Board and that claim was accepted by the Central Board.

You are suggesting that there should be two methods of taxation; you say that one, the petrol tax, would go into the hands of the Central Board as a reserve fund, and the other will go into their hands to be distributed?—One method, it would come out of the same tax. We consider that the total taxation on motor vehicles should not exceed at the present moment the equivalent of 8 annas per gallon.

There is only margin for another four annas, you would distinguish between two annas and two annas making it altogether four annas?—We think it should be one and should be in place of municipal and local taxation.

All taxation to be central on all motor cars?—*Mr. Miller*: And there would be a call on that, and the first call would be by the provincial Government or the municipality.

You think the Bombay Municipality would care to give up all its local taxation and would agree to a rateable contribution from central revenues?—*Mr. Ormerod*: I should not like to prejudice their case in any way, but I believe so, if a reasonable proposition is put up. *Mr. Miller*: In addition, the province would still subscribe what they have been subscribing in the ordinary way out of common revenue, as, in Bombay, they subscribed 65 lakhs last year.

You must be clear in your mind that if the suggestion is accepted, it must amount to complete wiping out of all motor taxation in the provinces?—*Mr. Ormerod*: That is exactly what we want. We think that it would be preferable to retard road development to a certain extent in order to get the principle of taxation put right.

You know the policy of the Government is to develop local self-government, and to the extent to which money must be spent on certain roads directed by the Central Board, to that extent the freedom of the local board and the municipal bodies and of the provincial Governments is fettered?—Wipe out provincial taxation, leave at head-quarters the distribution of the money, and we do not advocate any further change in the present arrangements.

You are not in favour of any interference by the Central Board in the existing machinery? You see at present the provincial Governments and local and municipal bodies manage everything?—We do not wish to interfere with them at all. But we believe that if the Central Board is appointed as the bill collector, they will save the provinces a lot of money. They will gain more through the agency of the Central Board.

Do you think a Central Board is required only for the purpose of collecting and distributing money? That could be done automatically by the departments of the Central Government?—If that was the only object for it, it would certainly not be necessary. As we have suggested, it is necessary for other purposes also.

And that other purpose is to bring into line the policy of the several provincial Governments?—And also give them advice. We have summed up as briefly as we could some of the main principles in our answers to your questionnaire.

You say in your written statement that this Road Board should be advisory and also have certain controlling powers. I understand what you mean by "advisory", but may I know where you draw the line in respect of its "controlling" powers?—*Mr. Miller*: When the Central Board gets sufficient funds, it can more than reimburse the provinces. It should be able to hand over money to the provinces in accordance with their requests for certain special improvements or additions to their roads. The Central Board may undertake the work which a province would not undertake on its own in order to complete a road to join up another road. It might also assist the Indian States.

Have you reason to believe that the Indian States will come into line with this arrangement?—*Mr. Ormerod*: We have not been allowed to consult them, though we would have liked to do so. It was suggested that it was inadvisable for us to consult them at this stage.

In your replies, you say that the chief difficulty of the present arrangement is that you are unable to travel from one province to another without unnecessary harassment and interference. If that is the grievance, is it possible to redress it by giving freedom to several provinces to arrive at a mutual adjustment so that if a motor car is taxed in one province it will not be taxed in another?—It might be arranged, but it is a very complicated system. On the whole, however, it is only a minor point.

In your statement one point is not clear to me. I am afraid your calculation takes us to nearly 9 annas. For instance, the present excise is 4 annas, and you suggest 2 annas for the central fund and you

suggest another 3 annas somewhere else?—*Mr. Miller*: We do not suggest 2 annas for the central fund; we say 3 annas for the central fund.

Your provincial contribution will go out of that?—Yes. We have been rather more generous there.

But you are less generous than the European Association which says that 6 annas would be about the maximum that India could bear at present?—*Mr. Ormerod*: That is 2 annas extra.

You want 3 annas extra. That is the only difference between you and the European Association?—*Mr. Miller*: We do not want 3 annas, if 2 annas is sufficient.

Hon. Sir A. Froom: I would like to discuss briefly the question of this taxation with you. You gentlemen visualise that there should be an 8 annas tax on petrol altogether. There is already the existing 4 annas excise and you propose another 4 annas, 2 annas of which should go to the central fund and 2 annas would be returned to the provinces?—No, we do not propose to split up into 2 annas and 2 annas.

But you propose an extra 4 annas excise?—We say that 8 annas is the maximum tax which can be levied. The point of our argument is that we feel that if the money is used to capitalise a loan, you could get a better return out of it if it is spent directly. Of course, we admit that no money from motor taxation will ever be sufficient for road development. The larger portion of the money that is spent to-day comes from general revenues.

Anyhow, you suggest that there should a total excise of 8 annas?—*Mr. Ormerod*: Yes, that is the maximum.

Assuming that the maximum is fixed, the existing excise of 4 annas would go to the general revenues and the other 4 annas that is left would go into the central fund. Take a province like Madras, which would need tax of 6 annas on petrol to enable it to compensate the municipalities and local bodies in Madras?—But you do not know what the cost of collecting that tax is, and I believe it is a very heavy one. What we suggest is that the revenue they raise now should come from a loan instead of from a direct collection.

That is to say, you would like to pay them out of the capital?—*Mr. Miller*: They would raise a loan equivalent to what they have lost in municipal taxation, and the central fund will guarantee interest on that loan.

That would amount to very much the same thing?—*Mr. Ormerod*: We are going to pay the interest and the municipal and local boards are going to spend the loan.

I do not see still where the municipalities will get their income from?— . . . .

Hon. Sir G. Corbett: Where will they get the money from for the maintenance of the roads?—They have still got their ordinary contribution.

I understand that their revenue is to be capitalised?—We do not suggest that the money they already spend should be capitalised. It is in addition.

They have to give up their existing taxation in exchange for this petrol tax which is to be capitalised. How is the existing taxation to be spent on maintenance?—*Mr. Miller*: In addition to the money they get by taxation, they also spend money out of the common purse.

At present they are spending money on the maintenance of roads out of the money realised from motor tax. That is particularly the case in Bombay city . . . . .

Lala Lajpat Rai: You suggest that all taxation except the central taxation is to be abolished. So it follows that local boards and the municipal bodies will have no income from motor tax for their roads. I will make my point clear. You want to create a central fund and that central fund, according to your advice, is going to be capitalised for the payment of any loans that the provinces may raise for the purpose of roads. That comes to this that they can only spend money from loans in future and nothing from taxation?—Nothing from motor taxation. We are in favour of abolishing all motor taxation.

Otherwise, it would revolutionise the whole existing system?—We are merely referring to the tax on motor vehicles.

Hon. Sir A. Froom: Just to develop a little further this suggestion of yours. Let us take the province of Bengal. There the local taxation does not amount to even 2 annas on the petrol consumed in that province. Therefore, on the basis of a 4 annas taxation, you would be taking out from Bengal more than they require. Do you mean to suggest that the excise you take from Bengal would be equitably applied to the needs of Madras and Bombay. Is your idea this that it should be a Central tax and it should not be looked at from the provincial point of view in its payment?—*Mr. Ormerod*: Yes. We consider that if Calcutta pays, as it does at present, one anna, and Madras is spending 6 annas, then it shows that one province is possibly overtaxing its motor cars and the other province is undertaxing them. There must be some reason why Calcutta collects only one anna.

Presumably, the reason is that in Bengal they have not got sufficient roads?—That is exactly the reason why we consider that it is absolutely essential to have a Central Road Board. If it was pointed out to the Bengal Government that a province like Madras was spending 6 annas and so was also Bombay, they would probably begin to think why they should not spend the same amount.

It is the idea I suppose that there would be a compensation for the first 4 annas while the rest would go to the all-India fund?—*Mr. Miller*: Yes.

Chairman: So you do not subscribe to the view of the Municipal Commissioner of the Bombay Corporation that India should subscribe to the roads of Bombay and not *vice versa*?—*Mr. Ormerod*: No. I have had an opportunity of talking to the Municipal Commissioner of Bombay. He has changed his impression since then, I believe.

But that does not seem to have come in the statement put before us?—That was published before our interview took place. If that money was handed back to the province in accordance with their expenditure the point would not really arise.

Hon. Sir A. Froom: Do you not subscribe to the idea as to the limit of taxation that if it were to go up to 8 annas it would retard the progress of the use of motor cars?—Not, I think.

Take the case of a man living in the mofussil. Will he not be paying more than he is doing at present?—No. He will be paying no more. *Mr. Miller*: No. Not for the development of the roads.

So if there were any set back in the use of motor cars it would be a set back in your revenue from petrol?—*Mr. Ormerod*: Quite right.

And so, in so far as this 4 annas goes into the central revenues, the Central Government might look upon this with a certain amount of anxiety?—Not more than I do in my personal capacity, because I am far more interested than they.

Chairman: The mofussil man at present is paying nothing in motor cars?—*Mr. Miller*: No. In many places nothing.

Therefore, the motor transport for poor people, if you put on this tax in the mofussil, will be to that extent more costly *pro tanto* per seat per passenger. Will it not?—*Mr. Ormerod*: Quite so. But you should take into account that the cars are less subject to wear and tear on tyres and consume less petrol in cities on account of good condition of roads.

You who are experts on road transport will consider it so. But to the average man going, say, from Poona to Nasik, will it not mean paying more and to that extent will not the transport be curtailed?—I do not agree that the motor company will transfer their charges on their customers. But there is also the saving on the expenditure previously incurred as on account of a better condition of roads the wear and tear of the car would be much less. The buses need not increase the charge on the public at the present moment.

So, if the transport goes down you think it will be only temporary?—Yes, till in the long run it is found on account of the better roads they need not charge so high.

Mr. Miller: I do not think it will even be temporary.

Mr. Ormerod: I may add that there may be a set back at any time in the mofussil owing to the fact that a large number of individual small companies have come into existence and they run that business uneconomically and they may suffer for it.

Hon. Sir A. Froom: What is your experience as the result of the reduction in the import duties in the last budget from 30 to 20 per cent? Has there been a corresponding reduction in the prices?—*Mr. Ormerod*: If you take it as 10 per cent of the selling price, no. If you take it as 10 per cent. of the cost price, yes. In the case of motor cars it has gone down, but in the case of tyres it has not.

What is the duty on tyres?—*Mr. Miller*: It has gone down to 15 from 30 per cent.

Did the ordinary man buying a tyre receive the full benefit of the reduction?—*Mr. Ormerod*: No. Not according to the advertised price list of the time.

Why?—The motor producers have taken this up with the tyre company. We felt that the reduction would not be going to the public and we would be prejudicing the work of the Association which pressed for a reduction. The tyre company's reply was that they had already given more than they could actually afford and they were contemplating an increase in price of the tyres at the time the reduction of duty was brought into force. Had there been no reduction, they should have been obliged to increase their price.

So this reduction is a windfall?—Yes, inasmuch as it enabled them to maintain their present price and not upset it.

Supposing the Government of India find themselves in a position to further reduce the import duties on cars and accessories, I understand from what you say in answer to question B-6 of the questionnaire

that the amount which they could reduce should go to the central fund and not the province paying the tax?—We think it will be more useful if it could go to the central fund for then it will come back directly to the provinces.

The reason being that if the Central Government manage to reduce their duty by 5 per cent, it will necessarily go to the importer of cars and accessories?—But it could not be as large a sum as it sounds because that 5 per cent is on the cost and not on the selling price and the difference to the purchaser is not as great as it appears to be.

That is one of the arguments for the amount going to the central fund?—Yes.

Chairman: The suggestion that part of the existing excise and customs duties should go to the central fund involves a sacrifice on the part of the consumer and it has been suggested that this sacrifice on the part of the consumer ought to be reciprocated by the Government of India by relinquishing part of the customs duty and the excise duty. So would you agree to the initiation of a central fund conditional on the Government of India giving over a part of the excise duty on petrol, the present 4 annas which they are realising, as also the customs duty on motor tyres and accessories which they are getting at present?—*Mr. Miller*: Yes, if they reduce them. *Mr. Ormerod*: I do not think we can make that a conditional point.

The suggestion made was that the Government of India should be asked to lay down a line on the basis of their present revenue from petrol and motor accessories and that they should fix this limit and anything which is got beyond this line because of the improvement of roads should go into the central fund?—*Mr. Ormerod*: We do agree with it.

Suppose the Government of India refuse to do that?—We strongly recommend it but we can hardly make it conditional because if the Government of India would refuse to do so, the Central Board would have to be starved.

Hon. Sir A. Froom: To put it more practically, suppose the Government of India got from petrol excise Rs. 90 lakhs and this year Rs. 120 lakhs, it will not be unreasonable to ask the Central Government to give Rs. 30 lakhs to the central fund, being content itself with the original amount of Rs. 90 lakhs. Do you think so?—I would go further because it is a business proposition that the Central Government would by doing so, by allocating that sum to the Central Road Board, in turn reap the benefit of it. If that money is spent on roads a lot of vehicles will be got which means more excise from petrol. I think therefore that anything spent in that way is an investment.

You apply the same thing to import duties. Supposing last year the Central Government got x Rs. and this year it got x+y, do you think it is reasonable to give 'y' to the central fund?—I do not like the expression "reasonable.". It is a business proposition and the Central Government should see to it as well as I do. We would recommend it as a business proposition but not as a condition.

Chairman: Would it not be more easy to get the people pay this additional 4 annas tax, if we point out to them that the Government of India have made an equal sacrifice and that they too should. That is why I put it in the form of a *quid pro quo*?—*Mr. Miller*: I do not think it is reasonable to state it as a condition.

Hon. Sir A. Froom: Do you think that the development of railways and roads would be in opposition to each other?—*Mr. Ormerod*: There might be a certain amount of opposition and also a certain amount of co-ordination. The railways would reap the benefit of the increased transport. Motors would bring in goods to the railways which they are not getting now and would encourage a great deal of internal development which is not going on to-day. They might in one particular place lose a certain amount from increased motor transport but the sum that they would realise elsewhere would be considerable.

Have you any knowledge of what is going on in other countries—South Africa for instance—in this respect?—I have not got any detailed personal knowledge.

You know there has been great co-ordination in South Africa and New Zealand between roads and railways and that the idea of such co-ordination is not that the more wealthy class should enjoy a ride on good roads but that it should be a benefit to the villager for bringing his produce from place to place?—Yes. The main idea is that it should be able to bring prosperity to the agriculturist and therefore to the country. Joy riding does not exist in this country. It is negligible, the only joy riding is by the American tourists visiting this country. I would make a suggestion, if I may, that if the railways would look upon motor transport in the same way as the Bombay Tramway Company has looked upon it they would directly reap the benefit of it. The Tramway Company in Bombay have been farsighted enough to see that the tramways cannot supply the entire needs of the town. They have therefore gone into the bus business themselves and combined with their tramways they have developed the buses. If the railways similarly realise the point they would benefit themselves that way.

Chairman: Is there much analogy between this and that instance because in Bombay the Tramway Company is the proprietor of the buses as well as the tramway and the entire money goes into their pocket. That is not the case here. The roads money goes into one pocket—ultimately of course it is the Government—and the other goes into the other pocket?—I think you have misunderstood me. We suggest that the railways might own their own buses in order to bring more passengers and more freight to the railway.

Then would you concentrate the bus service into the hands of the railway?—Not so, but the railways will be well advised to consider establishing them at certain points. I will give you the case of a comparison between Calcutta and Bombay. The Calcutta Tramway Company were not so farsighted as the Bombay Tramway Company and they allowed competition to that point where it became unprofitable, the public suffered and the roads were badly damaged. In Bombay, on the contrary, the Tramway Company saw that bus service would come and they decided to go in for it themselves and they developed very much better business. I understand that the Calcutta Tramway Company is now putting their own buses at a loss in order to drive out the private buses. *Mr. Miller*: What I meant was that the railways might run buses at such points where they find motor transport interfering with their railway traffic. In England the railways run such services at the junction of roads.

Chairman: The result of the policy would be to drive away private buses from the road for they cannot compete with such an organisation if run by the railways?—*Mr. Ormerod*: Not necessarily so. In many places the road would be developed and buses would run from the

interior to the railway. That would assist the railway and develop the bus services. At places where the bus service was competing with the railway the railway companies could themselves run buses on particular routes.

Hon. Sir A. Froom: You do not visualise that the railways should undertake the whole transport of the country?—No, Sir. They would go into it from a business point of view. Where it pays they should take it up but not as a comptroller with motor transport.

Would that not equally benefit the agriculturist?—Why not? It will immediately benefit the agriculturist in enabling him to bring his produce to a point on the railway.

Do you suggest it in the interests of everybody concerned?—Yes, the general public. Not particularly as one interested in the motor transport. The interests of motor transport are identical with the prosperity of India as a whole. It does not matter from the point of view of the public of India whether the railway runs the transport or an individual, as long as an efficient service is afforded to the public. *Mr. Miller*: In developing the roads in the interior, we would be benefiting the agriculturist by other forms of transport as well.

Chairman: In taking up this attitude, have you taken into consideration this factor, that there are at present a number of private railways not owned by the State and the money therefrom does not go to the State at all? Are you not assuming that the railway which you have in view is a State-owned railway?—*Mr. Ormerod*: No; the point that was put to us was how motor transport development would affect railways. We are not concerned whether they are State-owned or private. We say that motor transport is a necessary adjunct to railway development in these days.

But the result of that I apprehend would be that you will drive out from mufassil roads all private competition?—We are not concerned with that point but only with giving the public the benefit of motor transport.

But it will drive out of employment a number of Indians who are making some money out of this trade?—*Mr. Miller*: We do not urge that the railways should do this. We recognise that in the ordinary way motor transport would not help the railway but in exceptional cases at particular points where motor transport would compete with railways, the railways may have motor transport of their own. We are not at all advocating that generally railways should run motor buses.

I am afraid it will have the effect I have pointed out. But that is however a matter of opinion. . . . . .

Hon. Sir A. Froom: Will you develop the point further and suggest that railways should open services where none exist at present?—Certainly, if it is going to be of use to them to do so.

During the tours of the sub-committee, we received considerable criticism regarding the price of petrol in this country. Mr. Miller must know more about the condition and would you like to assure the Committee of the position of the price of petrol in this country?—*Mr. Miller*: I am not prepared to make any statement in connection with the business methods of fixing the price of petrol before this Committee. I am here representing the Indian Roads and Transport Development Association. If you want to know how the selling price is fixed at a particular point upcountry, I may tell you it is everywhere based on the port price *plus* railway freight, agent's commission and

incidental charges connected with getting petrol to that point. There is no other charge put on except these overhead charges.

Chairman: In this scheme everybody is making a sacrifice. The Government of India gives part of its import duty, the consumer allows himself to be taxed 4 annas more and would the oil companies make a corresponding sacrifice to improve the roads?—Has that anything to do with the price upcountry?

Hon. Sir A. Froom: We are talking about prices upcountry. We receive complaints from the Punjab, from the Central Provinces, about the price of petrol ex-pump. In Delhi it is Rs. 1-8-6. In Bombay and Calcutta, and I fancy Karachi, it is Rs. 1-0-6. Do you say that out of this 8 annas difference there is no profit to the petrol companies?—None at all. We are trying to move the railways to get the freight on bulk petrol reduced down to the level of kerosene and as we develop these depots upcountry it may be possible to reduce overhead charges. These are reviewed every six or twelve months. We cannot reduce our actual costs.

Speaking generally, is there anything else you would like to tell the Committee that has not been touched upon so far?—*Mr. Ormerod*: I think we have put most of it down; as long as it is generally understood that the object we are aiming at in this Association is to assist in getting at continuity of thought in the country in the matter of roads, which we have not had in the past, there is not much more for us to say. Since Government has taken notice of this movement it has made a big difference in the provinces; up till then there was serious resistance in many of the provinces to motor transport development because there was an incorrect idea that motor transport was a hobby of the rich and could not be of any use to the poor; experience has since proved that even the poorest people could make use of motor transport and receive the benefit of it—perhaps even to a larger extent than the more wealthy people. Two or two and a half years ago this was not fully appreciated because it was not appreciated that motor transport was a necessity for the development of the interior; and that is the reason really for this association coming into existence; and having come into existence we feel that we would like to recommend certain features in connection with road development.

I think you referred to the cost of carriage of kerosene upcountry as being cheaper than petrol?—*Mr. Miller*: Yes.

Why?—Because it is considered that petrol is dangerous and kerosene is not.

The railways consider it so?—Yes. Since we started sending petrol in bulk upcountry we have had no instance of petrol catching fire, whereas when it goes in cans, there have been cases of fire very possibly every three or four months; we therefore maintain that petrol sent in bulk is far safer than when it is sent in cans and no more dangerous than kerosene which is also sent in tank wagons.

The freight on kerosene is cheaper than on petrol?—Yes.

Materially so?—Quite materially; I could not give the exact figures just now; but it is quite material. We are trying to push the development of sending petrol in bulk and one of the ways is by bringing down the freight to that on kerosene; and we have suggested dividing tank wagons into two compartments, one for petrol and the other for kerosene, so that we could send smaller quantities to smaller places.

If the freights are reduced, will that reduction be reflected in the price which the consumer will have to pay?—Yes.

Chairman: In any scheme of reduction, is it necessary that the railways should join in reducing the freight?—Why not? We maintain that the same rate should be applied to petrol as to kerosene.

I am speaking of the consumer of petrol; in order that he should be charged less price, is it necessary that the railways should combine to reduce their freights?—That should be one of the things.

Unless the railways reduce the freight, it will not be possible to charge less?—Not the upcountry charges at the moment.

Hon. Sir A. Froom: Have you many petrol installations upcountry?—Yes and we are developing every month. We have a programme, but it has a limit and we will eventually come to the end of the programme; unless the railways reduce the freight we cannot go much farther.

Mr. Mohd. Anwarul Azim: Referring to the written replies you have given, would you like to have some sort of engineering college established in the various provinces for experiments in road development?—*Mr. Ormerod*: No; we had the idea that a Central Road Board could collect a great deal of information from other countries without necessarily going to the expense of making experiments here.

I suppose you are in favour of having provincial committees for the administration of these roads in the provinces?—Yes.

How would you like them to be constituted? So far as Bombay is concerned, a committee of the Bombay Legislative Council presided over by the Minister?—I think the Bombay Road Board which has practical engineers on it and certain individuals representing outside bodies is quite a good Board.

Do you not think that District Boards and municipalities ought to have some voice in the Board? . . . .

Chairman: I do not think these witnesses can throw much light on this question of local self-government.—I do not think so either; it is taking us out of our subject.

Mr. Mohd. Anwarul Azim: I suppose you would like the village roads to be developed simultaneously with the arterial and district roads?—I should like to see the interior roads developed and linked up with the bigger roads. Our idea is to make sure that there is a continuous line of thought going on; the smaller places will catch the ideas of the bigger ones and the biger ones from the Central Board and so on.

But would you not like something to be done in regard to the smaller roads which serve as communications between village and village?—I do not think we can answer a question like that; we are not in a position to do it; that is a matter for the provinces to decide.

Chairman: You have already answered a question that your scheme does not involve any violent changes in the present arrangements so as to take away control from one body and vest it in another?—No, anything but it.

Mr. Muhd. Ismail Khan: Are you satisfied with the present classification of roads?—I cannot answer that question.

Are you satisfied with the roads in the Bombay city now? Or is there any room for improvement?—I suppose there is room for improvement in anything. I think it is rather a difficult question to answer.

Comparing the roads in England, are you satisfied with the Bombay roads?—I do not think anything is good enough, but I think they have very good roads in Bombay

Compared to the cities in England?—Most certainly. It is no exaggeration to say that they are far better than those in many cities in America.

They are spending enough money on roads?—They are spending the money well; they might spend more.

Chairman: They are spending Rs. 25 lakhs a year?—The more they spend in the beginning the less they would have to spend afterwards. That is our idea.

Do you favour the idea of giving monopolies by the District Boards to motor companies?—It is a subject I have not considered sufficiently to be able to answer a question.

You do not suggest that the Provincial Road Board should get control of all the roads?—We think it would be advisable for the province to supply the money.

But the control of the roads should be in the hands of the local boards?—Yes.

Raja Ghazanfar Ali Khan: Do you propose a maximum duty of four annas, that is to say 2 annas to replace all the provincial and local taxation and 2 annas extra?—We say you should have only 4 annas in all, and that from those four annas the provinces should receive a sum.

On what basis?—In proportion to their expenditure.

Do you mean in proportion to the expenditure on road development and to the revenue in each province?—Yes. That should be the basis of distributing money to various provinces.

Chairman: That is only your personal opinion I suppose?—Yes; it must be according to the proportion of expenditure on road development and to the revenue in each province.

Raja Ghazanfar Ali Khan: Do you think it will be very unfair to some provinces if the consumption of petrol were made the basis for distribution of funds, because in that case cities like Bombay and Calcutta will take away most of the funds?—We think the subject is a very difficult one. We have tried to study it from different points of view, and we find that it brings in many problems which it is difficult for an individual to answer. We consider that one of the functions of the Central Road Board is to go very carefully into that question and decide which is the fairest way.

You want the Central Board not merely to be advisory but that it should also have the power to decide on what basis each province should get its share?—We want the Board not to interfere with the ordinary road development of the province but to back its advice for a special road development with finance, because we consider that if they have not got finance behind their advice they will not be able to do much.

I think you know that we cannot force the local Governments to abolish the existing taxation, but suppose the provincial Governments do not agree to abolish the taxation which already exists, what do you think should be the maximum petrol duty?—That would be making the tax in Bombay equivalent to ten annas which we do not recommend. In that case we recommend that the provinces should reconsider the question.

Suppose the provinces say that they do not want to abolish the existing taxation, do you think in that case there should be no central fund at all or would you still propose a 2 annas petrol duty? . . . .

Chairman: If I may make the question clearer, out of the 3 or 4 annas which you recommend, how much of that represents replacement of provincial taxation?—It differs in different provinces.

Raja Ghazanfar Ali Khan: Supposing a certain provincial Government thinks that it should have in its own discretion the power to abolish a certain taxation which already exists, and probably it feels that there is a greater need of motor traffic development in its province, it would not agree to have 4 annas petrol duty?—We originally started with the idea that the petrol tax should be returned to the provinces in proportion to the petrol consumption of the province, but discussions with various members of municipal bodies and other people interested in the matter have brought to light that it might be unfair in many ways to return it in that way, and that if they had a return proportionate to their present expenditure they would be willing to forego the present system of taxation; whereas if they had a return which was proportionate to the collection on the consumption of petrol, they would consider it an unfair method and would not be willing to forego the municipal taxation.

Chairman: The point is this. Supposing it was possible to levy taxation out of which provincial contributions are paid in some ratio and not necessarily in proportion to the petrol consumption, what I want to know is out of the four annas tax you recommend, how much should be devoted for the creation of a central fund and how much for recouping the provinces? . . . .

Raja Ghazanfar Ali Khan: Supposing the provincial Governments do not agree to abolish their existing taxation, would you like to have a Central Board?—We should not like to have a Central Board working without funds.

Chairman: Would any part of that central fund, apart from the share of revenue, go into the hands of the Central Board, and how much would it be?—I have heard the representative of one large municipality say that he would not mind giving one anna out of the four annas to the central fund, but he was sufficiently parochial to have four annas.

Lala Lajpat Rai: You said that the members of your Association are about 50?—I think they are more; we are increasing every day.

When did you start?—In June 1926.

With how many members?—We had no members then.

How did the Association form itself without any members?—We did not register ourselves as an Association until the end of last year.

An association can exist without being registered, but no association can be formed without members?—A meeting was called and it was decided to urge certain matters and we called ourselves an association. We had then no rules or regulations. We had six members in Bombay, 6 in Calcutta and 3 or 4 in Karachi and a similar number in Madras.

Chairman: Are there any Indians?—Yes, Sir Ness Wadia and Mr. Narottam Morarjee are there. We have Indian members in every branch. We are organised on the same lines as the European Association.

Lala Lajpat Rai: Are you members of the Association in your individual capacity or as representatives of certain firms? Is there subscription paid to the Association and do you pay it from your own pockets?—Yes.

Now, you represent the Ford Motor Car Company and the other gentleman represents the Asiatic Petroleum Co. These companies have nothing to do with your membership of the Association. In what capacity are you in the Association? Both of you are not British subjects if I mistake not. The Asiatic Petroleum Co., I am told, is a Dutch company and the Ford Motor Car Co. is an American firm?—I do not represent the Ford Company of Canada or America. I represent the company registered in Bombay which has nothing to do with the Ford Co. of Canada. We are a public limited company registered in India and the capital is subscribed in India. All the capital comes from residents in India and none from the Ford Company. Our headquarters are in Bombay.

Why is it called the Ford Motor Car Company?—Simply because we are allowed to use their name. *Mr. Miller*: You are incorrect in stating that ours is a Dutch concern. Ours is a British company and the headquarters are in London.

Where does the capital of your company come from, Mr. Ormerod?—*Mr. Ormerod*: The company is registered in India, the capital comes from people in India. I am a shareholder myself.

Now, you know our object is to find out what interests you have in the road development of India; what interest these companies have in India?—In order to attend this meeting I have had to obtain leave from my company and my expenses up here are paid by the Association and not by my company. That itself will explain that I am attending before this Committee in my individual capacity.

Have you made your suggestions in the interests of the taxpayer or from the point of view of the business concerns which are interested in the development of motor traffic? Have you studied the question as to how this will affect the development of local self-government or any of the administrative or political problems of India?—*Mr. Miller*: We are personally interested in this development.

Chairman: Is it your point that the interests of the ordinary taxpayer and the interests of the motor development are identical in this matter?—*Mr. Ormerod*: We shall further the interests of the trade but we are proud to be interested in this because the interests of the agriculturists and our interests are identical.

Hon. Sir A. Froom: I put the question to you that the interests of the trade and the taxpayers are identical in this case and there is no getting away from this?—*Mr. Miller*: We admit having an axe to grind but it is a good one and it is for the benefit of the country generally.

Lala Lajpat Rai: My question is this. Have you studied the question as to how this will affect or benefit the agriculturist? How will motor transport make things cheaper for the agriculturist. Have you studied the question from this point of view?—*Mr. Ormerod*: I will give the answer briefly. Motor transport would educate the country. All movement educates the country.

You mean it will broaden their outlook?—Yes. Not only that. An agriculturist if he had the money and the inclination would increase the productivity of his fields by 300 per cent by adopting up to date methods. It is impossible for him to do this unless he and his men have obtained sufficient mechanical knowledge to be able to use up to date plant. I could speak on this from personal experience.

How will simple importation of machinery help him, without his learning the repairs?—May I put a question to you. How many Indians are there in this country who are capable of driving a motor

car and who know something about it in comparison with the number that existed in 1912?

Chairman: I will put it to you briefly. From your point of view the interests of the agriculturists and the interests of these big organisations are identical?—Certainly.

Lala Lajpat Rai: Sir Arthur Froom made the point that this will help the agriculturist. I want to know how this will help?—Because the man will travel more.

Will this not encourage more import of foreign goods?—It will help in the same way it helps to take raw materials exported.

How will this road development affect the sale of goods imported from foreign countries?—It will not make the price more expensive.

Chairman: I think you undertook to answer only those questions of which you had intimate knowledge. All that you want to say in this connection is that you think that the interests of the agriculturists and the business concerns are identical?—That is so.

Lala Lajpat Rai: You said that you are in favour of local and municipal bodies taking loans. How is that loan to be repaid?—I do not think we have had an opportunity of concerning ourselves with that question. I think it should be repaid out of the development and the increasing prosperity that follows as a result of the development.

You mean from the general revenues of the country?—Yes. You will have a sinking fund as well as interest.

Whether the loan is permanent or temporary, it will be a burden on the taxpayer?—In the same way as the petrol tax is. We have not suggested a loan which will be a burden on the general taxpayer other than the motorist.

I think you said that it would be paid by the general revenues?—What I meant was that the general revenues will contribute. The present expenditure on roads comes partly from general funds and partly from taxation. The larger portion comes from general funds and all we suggest is that the revenue taken from general revenues should not be reduced or eliminated.

You said that you have provided for the payment of the interest on loans that are to be raised for the purpose of road development. How do you provide for the payment of the loans themselves?—I said the general revenues will contribute.

Chairman: If you have not studied the question you might say so?—We have not studied the question in detail.

Lala Lajpat Rai: You answered a number of questions on railways. Considering that many railways are now becoming State property, do you not think that it will conduce to efficiency if all communications like railways, waterways, roads, etc., should be under one department, instead of having separate departments?—I think we must have separate departments.

Do you not think there will be competition if they were under separate departments?—I think competition will be all to the good. I have suggested that the Central Board should have a member of the Railway Board on it.

Chairman: Have you really studied the subject? I think as business men you are only concerned with the business aspect of the question. Lala Lajpat Rai has put to you an important constitutional question about the creation of a Ministry of Transport. Are you qualified to give an opinion on that subject?—I did not understand that a Ministry of Transport was contemplated even.

Lala Lajpat Rai: If you have not really studied the question, please say so. I shall not press you to answer it?—I think we will confine the evidence to the business aspect of the subject.

Hon. Sir G. Corbett: I think we had better avoid the question of loans and the constitutional question. Obviously you cannot go into minute details of the Government of India Act. The point on which you can give expert evidence is this question of how taxation can best be apportioned to provide the necessary funds for road development by a fair taxation of the motor industry and increasing it to such a pitch that it will not have any deteriorating effect on the advance of motor transport which you are interested in; and the proposition you put forward is that taxation might be increased up to the maximum limit of 8 annas a gallon on petrol and that all local taxation should be abolished. Do you think that 8 annas a gallon on petrol is the maximum tax which the motor industry can bear for this purpose?—*Mr. Miller*: On the present basis of price, I think so.

You wish to abolish all local taxation, and I understand you are opposed to a vehicle tax?—Yes.

You remember last year a point raised by Sir Basil Blackett's speech was, that the taxation of motor transport for the purposes of road maintenance and road construction had not been fully developed, that motors might reasonably be asked to bear a larger share of the cost of constructing the roads of India than they bear at present; and you remember that Sir Basil Blackett when he introduced the Finance Bill last year, in reducing the duty on motor cars, deliberately said that the provinces ought to take this opportunity of developing provincial taxation for their own purposes. I dare say you know the actual expenditure in 1926-27 on roads in India was somewhere about 7½ crores, while the total receipts from a four annas tax on petrol are estimated at about one crore. Do you think that that would be a reasonable proportion for motor transport to bear, not merely for the maintenance of existing roads but for financing a large development of roads in India?—*Mr. Miller*: I think we are looking forward to the development of getting further assistance from existing excise and customs duties, not from this additional tax. I gathered from the interview we had in Bombay that the suggestion was for a four annas tax on petrol in addition to the existing taxation.

I understand that your view is that the four annas tax should be in substitution of municipal and local board taxation?—If it is in addition to the existing tax, so far as Bombay is concerned, this would cost a man consuming 30 gallons Rs. 270 a year, whereas a car consuming 60 gallons would pay Rs. 540 per annum. Rs. 540 is a very large sum to take out of one car, and even Rs. 270. Take a parallel of other figures expressed in terms of annas per gallon of petrol.

Have you any idea of what the vehicle tax in England works out at in terms of pence per gallon of petrol?—No.

It works out to about a shilling per gallon, and that is all spent on roads, that is the motor contribution to road construction and maintenance. But the point is that the contribution to the roads of England works out at about a shilling a gallon of petrol: now in India do you think that it should be an absolute maximum of four annas? Provided the central revenues can make a *pro tanto* reduction in their demand for central expenditure, is that a reasonable absolute maximum for motor transport to pay towards the development and

construction of roads for which the demand comes largely from motor users?—*Mr. Ormerod*: A car in India pays an import duty, which a car in England does not.

The important duty is 33⅓ per cent in England, while it is 20 per cent here. . . . .

Chairman: Do you think the import duty in England is imposed for the purpose of encouraging the indigenous growth of motor industry; is it for the development of motor cars in England?—I do not know whether that or for revenue purposes.

Has it that effect, so far as you know?—I should think it has.

Hon. Sir G. Corbett: There is an import duty of 33⅓ per cent there and only 20 in India. But the point is that the direct taxation on motors there amounts to about a shilling a gallon of petrol. Do you suggest that the maximum contribution that motor transport can now make to this large development programme of roads, largely from the point of view of road transportation, should be limited to the present maximum of four annas a gallon which might be increased provided the Central Government can forego their demand on certain taxes for the purposes of central expenditure?—*Mr. Miller*: Yes, at this stage.

Do you not think that it should be possible for motor transportation to bear a much higher tax without being unduly retarded?—I do not think it should be possible from petrol.

Do you not think that the taxation that should be placed on motor transport for the purposes of road development should not be restricted to this petrol tax, but that as in other countries it should be supplemented by a vehicle tax and that you should broaden your basis of taxation?—We feel that we should wait and see the result of this before we come to any decision as to whether the motor industry can bear a heavier taxation.

And if the motor industry cannot bear heavier taxation, what is the object of this organisation for stimulating a demand for road development by means of taxation on the motor industry?—It is not entirely that. It is in the first place to see that money raised is spent in the best way, and in the second place to see that you have continual thought on road development.

What would be the effect on motor transportation if you put on a vehicle tax in addition to the petrol tax?—There are two advantages of the present system. One is that it is not evaded and another is that the man pays while he rides, whereas in the other way it would be a lump sum.

Will you tell me what is the objection to a tax on vehicles?—One reason is that it is evaded, and it costs money to collect them; many people escape it.

You are in favour of an annual registration of cars?—Yes, in every way.

If registration is refused unless a man can produce a receipt that he has paid his vehicle tax, what is the possibility of evasion?—Of course he might not evade it in one place; but take a man transferred from Delhi to Bombay, until he re-registers, he pays no tax in Bombay, so that Bombay has its roads worn out by him.

Anyhow, your hypothesis is that it is possible to register. In fact, you attach great importance to the registration of cars?—Yes.

If it is possible to register cars, it is equally possible to make it a condition of regiatration that the man has paid his tax, and I cannot see where the possibility of evasion comes in?—We do not know the cost of registration.

You are going to have registration anyhow?—That thing should be done simultaneously.

Chairman: I think your suggestion was that 4 annas applies to motor taxation, including provincial registration as well as municipal and local taxation?—Licensing fee is the only tax which we have exempted.

But registration fee and licensing fee are two different things?—We had licensing fee in mind.

Hon. Sir G. Corbett: What is the average consumption of petrol per car?—*Mr. Ormerod*: From 30 to 60 gallons per month.

The annual average consumption per car is 300 gallons in England. In India for the sake of argument I am prepared to put it at 320 gallons in order to make a round sum. Do you think the payment of Rs. 40 a year or Rs. 10 a quarter is a charge that the motorist will object to pay very strongly? Would that amount deter him from buying a car?—I do not think so. But it must be remembered that the average man does not pay Rs. 40 a year; he pays a much larger amount.

Some pay as much as Rs. 60 a year?—It is equivalent to another 2 annas.

So you cannot get over the fact that it works out to 2 annas additional?—Yes, and if it is well spent, it might prove very useful.

Now, there is another technical question which I would like to ask you and bring it before the Committee. It has been put before us by several witnesses, including local Government witnesses as well as District Board witnesses and private individuals, that this petrol tax would be readily agreed to if some corresponding reduction could be made in the price of petrol, so that the consumer would not be affected, and they have suggested a reduction of railway freights and so on. Of course, an application for the reduction of railway freights has actually been before the Railway Rates Advisory Committee, but they have not yet made any recommendation on the subject. From the point of view of the railways the natural thing would be that by reducing freights they would increase the amount of petrol carried and thus reimburse themselves, and there would not be any net loss to them?—That is also our argument.

The other point of view is, as you have told us, that at present the upcountry prices are very uncertain. But if the consumption of petrol upcountry were largely increased, it would be possible for you to make it up in another way. For instance, your overhead charges per gallon would be reduced; so that the total result of your effort and the effort of the railways in combination might be to make a substantial reduction?—We certainly anticipate that as things develop, our upcountry overhead charges will be decreased.

What I mean to say is that there is a possibility of increased consumption of petrol, with the co-operation between the oil companies and the Railway Companies, so as to make a substantial reduction in the price of petrol. It might amount to as much as 1½ annas or 2 annas a gallon in the Punjab?—Yes.

The other point is that if there was a vehicle tax it should be provincial or all-Indian. Of course, it would be provincial in its origin; it would have to be imposed by the provinces, and collected by the provinces; it is a provincial source of revenue and it will be spent by the provinces. Do you think there would be a definite advantage if the adjoining provinces come to some agreement with one another and also perhaps with the adjoining Indian States to have reciprocal exemption, that is, taxation on vehicles only in the place of registration. They might then be allowed to run free if they went over the border of another province?—Undoubtedly.

I understand in some provinces they have a visiting exemption for 15 days. Do you think it is enough or should it be increased?—I think the limit should be increased. It has been brought to our notice that sometimes a lorry has been taxed from both sides.

In a case like that, some agreement should be come to between the provincial Governments concerned to divide the vehicle tax between them?—Yes; another point we would lay stress on is that the tax should be uniform.

That matter could probably be agreed upon by some central organisation?—Yes.

There is another technical point and that is the question of six-wheeler cars. From the point of view of road development, do you think it deserves encouragement?—I do not know anything about six-wheelers. *Mr. Miller*: I can only tell you that our Transport Department has told us from London that they think that these six-wheelers are not detrimental to the roads.

They do less damage to the roads than four-wheelers by distributing the weight. It has been put to us that the use of these six-wheelers is a matter which requires encouragement?—The tendency is that way.

One other point. With regard to the customs duty, supposing the present duty of 20 per cent on motor cars was reduced to 15 or even 10 per cent, it should be maintained at its present figure but the difference should be earmarked for road expenditure. That is what you mean?—Yes.

Do you think a similar result might be obtained by revising the method of assessing the customs duty on the present ad valorem basis? That is, more money might be available from customs duties by assessing cars in different ways. Are you satisfied with the present ad valorem rate?—We are.

Under the present law, the wholesale price is assessed. If that cannot be ascertained, then the price according to the invoice is assessed. Am I correct in saying that usually there is no wholesale cash price at the port of embarkation?—That is correct.

And therefore it is assessed on the invoice value?—Yes.

There is a very big gap between the invoice value and the cash value?—You are referring to the case where the importer represents himself in this country; in that case that must be so.

Take a French car, what would be the selling price and the invoice price?—I could not tell you that, but in the case of American cars it is about 20 per cent above the invoice price.

Hon. Sir A. Froom: One question more. Your suggestion is that there should be an extra 4 annas excise on petrol?—Yes.

I fancy you may take it that any increase in excise on petrol would only be brought about with the assent or consent of all provinces. I do not think there is any suggestion that a new tax should be thrust on the country except by its assent. Supposing all the provinces did not agree to 4 annas increase in the tax on petrol but did agree to 2-anna increase on petrol taxation to provide a central fund, would you agree to that as your second string, leaving the provincial taxes as they are? I am suggesting it to you as a second string to your bow that if you cannot get what you want, *viz.*, the 4 annas, would you be agreeable to a 2-anna excise on petrol for the central fund?—*Mr. Ormerod*: It is difficult to answer that question. You seem to ask us to abdicate the position which we have taken.

My point is supposing all provinces agree to an increase of 2 annas in the petrol excise and do not agree to an increase of 4 annas, would you subscribe to the levy of 2 annas? It is not asking you to abdicate your position?—*Mr. Miller*: We would prefer 2 annas if we cannot get 4 rather than get nothing.

Chairman: According to you out of the 4 annas, what represents the provincial quantum is 2 annas. If 4 annas could not be had, the second string proposed to you would be 2 annas for central purposes leaving alone provincial taxation. Are you agreeable to it?—*Mr. Ormerod*: I would not like to answer the question at all. We are all looking forward to the central fund over the present excise. If there be only 2 annas, possibly the present excise fund would be as much as that. We would probably accept the position but we do not agree to that.

I only want to make the position clear, that only for central purposes you agree as an alternative to a 2-anna tax?—We would rather wait until we get that money over the present excise and customs. The Central Board may however come into existence as an advisory board in the meantime as it has a great deal of work to do before this money could be got.

Hon. Sir G. Corbett: You said that the selling price was ordinarily 25 per cent on the invoice price?—Yes.

I have got here the figures supplied by the Collector of Customs. The average invoice value is approximately 63 per cent of the selling price. That is, the selling price is 50 per cent. more than the invoice price. I am only talking of what I know. It may be that your firm is suffering at present and it would be very much in its interests if we revised the basis of assessment?—I can only speak up to the time when we were importers of the Ford cars. At that time our selling price was arrived at by adding 35 per cent to the invoice.

The duty of 20 per cent on the invoice price is not a heavy duty on the selling price compared with other commodities that are taxed in India?—Ordinarily the basis of assessing is the wholesale selling price. How can you arrive at the wholesale selling price of motor cars?

The only point that I should like to make is that the demand of the Central Government from customs duties is really below the general rate of duty on other commodities, which is 15 per cent, and therefore cannot be regarded as so excessive that motor transport cannot bear further taxation?—It is for you to look into the matter.

(*The witnesses withdrew.*)

15.

(a) Written statement submitted by Mr. M. K. GHOSH, M.A., A.M.I.T., Head of the Commerce Department, University of Allahabad.

1. *Necessity for good roads.*—Roads are not only one of the greatest of civilising factors, but they are indispensable where motor trucks are to be operated. The motor truck is, naturally, almost a useless vehicle where there are no roads; and it constitutes a very expensive mode of transportation where there are only inferior roads. Motor transportation can advance only as good roads are built; and the present civilisation can progress, in isolated points, only with the aid of good roads and motor trucks. Some may object to the expenditure of large sums of money for roads, because they believe it to be a waste. Nothing could be further from the truth. Only unimproved roads are a liability to a community. The eventual economy of making big expenditures along these lines can easily be calculated in terms of the advantages to the community in increased production; extension of markets; and reduction of the cost of living; improved welfare standards; and all the general gains attendant upon possession of an easy means of communication.

2. *Road Administration.*—Granting that good roads are essential and indispensable for modern civilisation, the next question that arises is how to attain that objective, *viz.*, the construction and maintenance of good roads. It is recognised on most hands that if the *task* of construction and maintenance of roads is entirely left to local authorising, the outcome of such a course will be the growth of roads in a patchy, haphazard, piecemeal fashion, with a tendency to amalgamate into bigger areas, but always retaining traces of the want of uniformity with which they started. Where traffic was purely local, the small units of administration may suffice, though even then the smallness of the units had many disadvantages; but with the growth of through traffic and the necessity for more economic administration and the demand for better standards of road upkeep, the small local unit of road administration is somewhat of an anarchronism. In all other branches of transport, grouping, consolidation and co-ordination have been found to be necessary for successful development, and there is no reason why road development should form an exception to that rule. In different provinces in this country, no doubt, the various Public Works Departments have charge of the several main channels of communication, but that is not enough for the purpose. The Public Works Departments, as the name clearly shows, have got to pay attention to all sorts of public works and the task of road maintenance is only a part of the heavy responsibility entrusted to these departments. It is absolutely necessary that some separate organisation should be formed to deal with roads if they are to be developed and maintained on an efficient basis.

Before I go on to deal with the various agencies through which the roads in India should be developed and properly maintained, it is absolutely necessary for me to stress the fact that a proper system of classification of roads in this country is urgently called for. In France and Belgium, the roads have been the special care of the State. In Britain, too, the necessity of central control of, and financial contribution to, the service of the roads has now been recognised. In France, the main roads have been constructed, improved and maintained by the Central Government in many parts. In both France

and Belgium, a definite classification of roads has been adopted, based on the nature of the routes according as they are (1) national, (2) regional, or (3) merely local highways, and to the *corresponding authority* the duty of upkeep, the administration and financial responsibility has been delegated. In France, transport developments came from above and were planned on a uniform system; in England they came from below and therefore the work was patchy and haphazard. In England in 1914, the important work of road classification was begun, but the outbreak of war interrupted its progress. It has, however, now been completed by the Roads Department of the Ministry of Transport, with the aid of the local authorities concerned. The scheme of classification adopted is as follows:—The roads are divided into three classes. Those placed in class I consist of (*a*) the main trunk routes connecting London with the principal towns and ports, (*b*) routes between important towns, (*c*) routes connecting routes (*a*) or (*b*) with important centres that carry heavy traffic, (*d*) links between the routes (*a*) and (*b*). In a sentence, roads in class I are those that form the main traffic arteries. In class II are included those routes that connect urban areas of less importance or important rural areas and also the connecting links of less importance. In class III are placed the roads of minor importance.

In India we should have a classification of roads similar to that to be found in other progressive countries like England and France. The number of classes should not be too many and it will do quite well, if we divide our roads into three classes based on the nature of the roads and also on the amount of traffic they have to carry. Thus all trunk roads, and roads that carry heavy traffic would be included in class I and main provincial roads and roads that carry moderate traffic would be included in class II and roads of local and minor importance carrying light traffic would be placed in class III. The classification is to take place with the aid of local authorities. Periodic census of traffic ought to be taken to determine the class to which each road should belong. In France the national roads are in most cases administered directly by the Central Government. Such a thing is not possible in India for more than one reason. Firstly, India is a country of vast distances and any scheme of management of main roads throughout India by some central authority (either by the Government or by the Central Road Board) would mean excessive and unnecessary expenditure. Secondly, the Roads are a transferred subject under responsible Ministers and therefore any transfer of control of roads to central authority would mean going back on the reforms. But there is no reason why a Central Road Board should not be created for distribution of funds to the various provincial authorities to be entrusted with the task of dealing with roads. A Central Road Fund is to be created under the charge of the Central Road Board which will be distributing the funds to the various Provincial Road Boards. These Provincial Road Boards are to be entrusted with the task of construction and maintenance of class I and class II roads outside the municipal limits in each province. Class III roads on account of their local character and importance will be constructed and maintained by local authorities as at present.

3. *Central Road Funds.*—The Government of India should hand over the whole proceeds from import and excise duties on motor spirit as well as half of the receipts from import duty on motor cars, motor cycles, other forms of conveyances and their accessories to the Central Road Board for the creation of a Central Road Fund. The import and excise duties on motor spirit should be increased from 4 annas a gallon to 6 annas a gallon in order that the Central Road Board may have a good sum at its disposal for distribution to the

provincial authorities. The users of motor vehicles will have no objection to this increase in duties if they know that they are going to get in return better roads which will do less damage to their vehicles. The Central Road Board, after meeting its administrative expenses, should distribute the funds at its disposal to the Provincial Road authorities who should credit the amount so received to the Provincial Road Fund. The distribution of funds by the Central Road Board to Provincial Road Boards may be on the basis of consumption of petrol by the different provinces, if that be available, or on the basis of mileage of class I and class II roads to be maintained by each province if the former basis is not easily available.

4. *Central Road Board.*—As the Central Road Board would be distributing funds to the various provinces, it is necessary that provinces should have representation on that body. Besides the provincial representatives, there should be certain number of members nominated by the Central Government. In nominating members to this body, the Government should make it a point to appoint a few engineers as they will be in a position to render expert advice to the Board in connection with the fixing of the standard of upkeep of class I and class II roads, especially the former one. Of course the Central Road Board would have its office staff under a capable engineer who should ordinarily advise the Board on all technical matters. The Board's engineer should not have a place on the Board, but would act as its secretary. The function of the Board should ordinarily be laying down the standard of maintenance in the case of class I and class II roads and also effecting co-ordination in case of construction of new trunk and other inter-provincial roads. It should also have powers of superintendence as to whether its rules with regard to standard of maintenance are being properly observed. But I want to make one point quite clear here. The Central Road Board should have no direct authority over the Provincial Road Boards, because that would be in direct conflict with the principle that responsible Ministers in the provinces should be their own masters in regard to the transferred departments. What is intended here is that the Central Road Board should annually bring out a report as to how the more important roads are being maintained by the Provincial Road Boards in each province. This report should be forwarded to the provincial Governments and it will be for the Minister concerned to take what action he pleases in case of default by the road authorities.

5. *The Problem of Road Maintenance.*—The introduction of new methods and uses of road transport have invariably caused a conflict between the new users and the road maintainers. Though it be admitted that new methods have increased the burden of road repair, it might, however, be urged that this element of opposition has been unduly stressed. It is not to be forgotton that all enjoy great advantages from good highways. Every member of the community is interested in cheap and adequate transport and especially in good transport. Under modern conditions before any one can enjoy necessaries or amenities of life, transport has to be called upon to play its part, though the important function performed by it is not evident, perhaps due to its very familiarity. Now-a-days we are all road users. The railway cannot go everywhere, and stations may be far apart. Indeed, the road is complementary to the railway, for without the road the railway would be almost useless. Further, the King's highway is a universal way-leave provider for gas and water pipes, sewers, electric supply, telephone and telegraph cables. Consequently it may be urged that every one should help to bear some part of the cost of road maintenance. This has the support of many leading economists both past and present. So far, then, there is some

justification that all should contribute something towards the expenses of maintaining the highways, though the amount of that contribution is more open to argument. It may also be urged with justice that the direct user, *e.g.*, the private motorist, the commercial lorry owner, etc., would obtain a special advantage, and should thus be called upon to pay a special contribution to defray a good part of the expense for the wear and tear he causes to the road. Theoretically, tolls may be justified on the ground that they make the road user pay according to the use he makes of the road. But the toll system is so unsuitable in these days of fast traffic, that its disadvantages need not be stressed here, though tolls are still levied in several provinces by local boards and specially in Madras where it brings in a very good revenue (in 1923-24—Rs. 29·14 lakhs). Tolls may still be levied by those local authorities as at present, but their extension in other spheres is out of the question.

Since the whole community obtains considerable advantages, direct or indirect, from road transport, and since all use the roads in one way or another, the community can justly be called upon to bear some of the expense of the cost involved in the capital outlay on road construction and in the work of repair and maintenance. To find any general principle, however, upon which an apportionment can be made between the road user and the community, seems practically impossible. The salient fact remains that both the community and the road user should contribute towards the cost of construction and maintenance of public roads. How to make the new road user, *viz.*, the motor vehicle, pay a contribution towards the upkeep of the roads is a matter which requires detailed consideration.

6. *Taxation of Road Motor Vehicles.*—The main objection against the vehicle and horse power tax is that it is not based on road usage, because the mileage run does not affect the amount of tax paid. It thus violates the principle that vehicles should pay in proportion to the wear and tear they cause to the roads. To meet the objections against this system of taxation, many alternative schemes have been proposed, with the object of bringing taxation into more direct relation to road usage. The main alternatives proposed fall into one or another of these classes:—

(1) Tolls.

(2) Taxation of motor spirit.

(3) A combined motor spirit and vehicle tax.

(4) Tyre tax.

Of these the first proposal may be dismissed as impracticable, though it had the support of Adam Smith in his day. The re-imposition of a system of tolls on a general scale would be altogether undesirable. Of the other alternative systems, by far the most suitable is the third, the combined motor spirit and vehicle tax. The first feature of this proposal is that every vehicle should pay an annual licence-tax. Secondly, for the purpose of bringing in the greater part of the required revenue, a flat rate duty per gallon on all imported motor spirit is suggested.

In favour of a combined vehicle and fuel tax, it is urged that it would mean a more equitable distribution of the burden over all classes of vehicles, graduated according to road usage. A fuel tax would, it may be pointed out, vary automatically with the mileage run, and would take some account of speed and weight as well as horse-power. Users would thus pay in proportion to the wear and tear they inflict on the roads. The fuel tax has another argument in its favour

in that it is a boon to occasional road users. The motor user, too, would find it easier to pay his contribution to the tax, since the tax would be levied as he went along, instead of being demanded in one lump sum at the beginning of the year or quarter.

The opponents of the fuel tax argue:—

(*a*) That the tax would differentiate against commercial vehicle;

(*b*) That the cost of collection would be heavy;

(*c*) That a definite amount of revenue would not be obtained;

(*d*) That the price of the fuel would be raised by an amount greater than the amount of the tax.

As regards the first head that the fuel tax would differentiate against the commercial vehicle, there is much to be said in favour of this argument. Granted that fuel is not quite perfect in its operation, it can safely be asserted that a fuel tax is much more proportional to road usage than the ordinary vehicle tax which does not bear any relation whatever to that factor. As a matter of fact some compensation may be given to commercial vehicles by charging them at a lower rate the vehicle portion of the tax.

As regards the second head, *viz.*, that the cost of collection would be heavy, the question would not arise in this country, as there is already a tax on motor spirit and any taxation on that head would not result in any increased cost.

With regard to the third argument—that a definite amount of revenue would not be obtained—it is applicable to many other kinds of taxation and there is hardly any reason why a scheme of taxation, otherwise suitable, should be discontinued on this flimsy ground.

As regards the fourth argument, the point is that the oil companies would put up the price by more than the amount of the tax, in order to recoup themselves for their incidental expenses and to pay interest on their capital locked up when the fuel was taken out of bond. The result would be, on this reasoning, that instead of the producer bearing some of the tax, the price to the consumer would be increased by an amount greater than the amount of the tax. The case, however, is not so simple as it might seem to be at first sight, because a great variety of considerations has to be taken into account before an opinion can be given as to the probable effect of the tax on the price of the product. Now all mineral products follow more or less the law of diminishing returns and there is no reason to suppose that motor spirit forms an exception to the rule. If its production, too, follows the law of diminishing return, the imposition of a tax on a commodity like this would effect an increase in the price less than the amount of the tax. Further what porton of the tax would be thrown on the shoulder of the producer will depend on the elasticity and inelasticity of demand and there is hardly any fear with regard to the argument that the price would be increased by an amount greater than the amount of the tax.

7. *Provincial Road Fund.*—A Provincial Road Fund is to be created under this scheme by each provincial Government. This fund is to be under the charge of the Provincial Road Board. To this fund is to be credited the amount received by each province from the Central Road Board out of the Central Road Fund. A road cess, too, on land should also be imposed in each province, the proceeds of which should be credited to the Provincial Road Fund. Besides these, each provincial Government should credit to the Road Fund an amount equal to their present annual expenditure on roads out of the provincial revenues.

Fees* are also levied under the Indian Motor Vehicles Act of 1914 for the registration of motor vehicles, for licences to drive and for licences to ply for hire. Similar fees are levied under local Acts for registration of hackney carriages. These fees are imposed chiefly for the purpose of regulating the use of vehicles and to ensure that the public safety is not jeopardised by the use of unsafe vehicles or by unskilled drivers. In most cases the charges levied are more than sufficient to cover the expenses of examining and registering the vehicles and testing the drivers. The expenses should, no doubt, form the first charge on fees. But the extra amount received over and above the actual expenses should be handed over to the Provincial Road Board for improvement of roads. There is no justification for the State appropriating any part of the receipts from these sources. It should, therefore, be utilised in giving better roads to road users. Further when a new road is built, the neighbouring land owners should be made to pay a betterment tax on account of the increase in the value of their lands and the proceeds would go to swell the Provincial Road Fund.

8. *Road Board.*—The fund thus placed at the disposal of the Provincial Road Board should be utilised in the construction of new roads and maintenance of existing class I and class II roads in the province outside the municipal limits and also making grants to the municipalities and other local bodies to enable them to maintain the roads placed under their charge in proper condition. (The wheel tax will be received direct by the municipalities and other local authorities and should be utilised for building and maintaining roads within their jurisdiction). With regard to the construction of new roads by the Provincial Road Board, care should be taken to build roads, as far as possible, which will serve as feeders to railways and not competitors to them, otherwise there is a danger of uneconomic distribution of traffic and consequent economic waste so far as the community is concerned. This does not of course mean that all new roads should be feeders to the railways. Such a course would not be in the public interest at all. Further the Provincial Road Board will have to maintain all class I and class II roads outside the municipal limits. For carrying out of these functions, the Provincial Road Board will have to maintain an adequate office establishment and engineering staff. These expenses will be met out of the Provincial Road Fund. A portion of the Road Fund, to be fixed in each case by the respective provincial Government, is to be given as grants to municipalities and local authorities to enable them to maintain roads in a proper condition. Under this scheme the local authorities outside the municipal limits will only be called upon to build and maintain class III roads and their share of the grant from the Provincial Road Fund should correspondingly be small. Municipalities will be required to build and maintain all roads within their jurisdiction and therefore they will be entitled to a larger share of the grant to be made to local authorities out of the Provincial Road Fund. However, the distribution of grant among different local authorities will rest with the Provincial Road Board which will take all relevant matters into consideration.

9. *Constitution of the Provincial Road Board.*—The Provincial Road Board should be representative of various interests concerned in the use of the roads. The motor users, the commercial interests, the road transport undertakings and the public through the legislature should all be represented on this Board. Besides these members, there should be others who should be nominated by the provincial Government concerned and a few of these nominated members should be

Cf. Indian Taxation Enquiry Committee's Report, p. 240.

engineers capable of dealing with questions relating to road. But one point should be emphasised here. If the Road Board is going to be a success, the number of membership should not be unnecessarily large. Large bodies are not good for executive work and the Provincial Road Board would have a good deal of executive function allotted to it. Both in the case of the Central Road Board and the Provincial Road Boards, the chairman should be nominated from among the members of the Board by the Governments concerned.

10. *Famine.*—During times of famine, it should be made a point to utilise the labour force in the famine stricken area, as far as possible, in the building of roads in exchange for relief to be granted to the people in that area.

New Delhi, dated the 23rd January 1928.

(*b*) Oral evidence of Mr. M. K. GHOSH, M.A., A.M.I.T., Head of the Department of Commerce, University of Allahabad.

Chairman: You are the Head of the Commerce Department in the University of Allahabad?—Yes.

What is this Department—a part of the educational system of the University relating to Commerce?—It is under the Faculty of Commerce.

How long have you been there?—I have been in the Allahabad University for five years. Before that I had been in England for three years and before that I was in the Calcutta University for two years.

Have you specialised in transport?—Railway transport.

Have you specialised in motor transport also?—Yes, because I have to teach that subject.

Your opinion is that the present system of taxation is not adequate for the maintenance of roads in good condition. Is it the problem of money or anything else?—A problem of funds mainly.

Have you found anything wrong with the present system of construction or maintenance of roads through Local Boards and Provincial Governments?—I am not quite conversant with the technical side, but, I think, as I have put down in my written statement, the present administration is not good at all. I want to have the roads classified into three classes—class I, class II and class III. Class I would include the national roads and roads that carry heavy traffic. Class II would be merely provincial roads and carrying moderate traffic and class III would include roads of minor importance. I would place these roads under different authorities capable of dealing with these different roads.

Whom would you invest class I?—Frankly speaking, class I ought to be managed by some central authority under the Central Government but under the present constitution of India I would not have that because roads are a transferred subject under a responsible Minister and if you entrust these roads to the Central Road Board—and the Central Road Board is bound to be under the Central Government—it means that you are going to take away some of the powers from the present Ministers.

Do I understand you to say that from the point of view of efficiency you would rather prefer these class I roads to be under the Central

Government but that you do not want to disturb the present arrangements?—Yes. I would put class I and class II roads under the management of the Provincial Road Boards which would be under the Ministers concerned.

So you would sacrifice efficiency for the sake of political expediency?—Certainly, till we have responsibility in the Central Government. Then I would have that as an ideal arrangement.

In that case, if I may take you a little more in that line of political research—will you prefer if a Ministry of Transport is constituted to have the control of all forms of transport in the country?—If this is feasible, I should certainly welcome that. So long as that ideal is not attained, I would put these roads in the hands of the Provincial Road Boards.

Your idea is to have some central body which may raise more funds and distribute them to the provinces. Are you not in favour of giving any controlling functions to the central authority?—Not at present.

You will not allow any controlling or supervising or appellate powers?—I would allow them only that much power that if they find any defects in the management of roads they should report them to the Minister.

That is, you will allow them purely recommendatory functions?—Yes. They may make criticisms, but if any action has to be taken it would be taken by the Provincial Minister.

Beyond that you would not disturb the present organisation?—I would take out the I and II class roads from the hands of the Public Works Department and put them into the hands of the Provincial Board except in the case of roads within municipal limits.

You will leave the municipal jurisdiction unaffected?—Yes. They would deal with all classes of roads.

There are roads at present which would fall under your class III. They are at present, generally speaking, under the local boards' management. Would you disturb that arrangement?—If they are really minor roads I would not disturb them.

Are motors taxed in your province?—I do not think I am in a position to give you particular details.

Are they taxed at all?—Yes; we have got a wheel tax in municipal areas, which is levied on all vehicles and not exclusively on motors; then there is registration fee that is given once for all for motors only. I could not tell you if there is a licensing fee in addition.

What I do not understand is this: you talk laconically of road boards, the necessity for the creation of a Central Road Board, and Provincial Road Boards, their constitution and functions: have you made a special study of these things?—Yes, I have. I have given a certain amount of thought for the last month.

And these are your suggestions?—Yes.

You think that your province can easily bear a further 2 annas tax on petrol?—I think the motor car users will be only too glad to bear this amount of tax if they can get better roads in return, as the present roads do much damage to their vehicles.

What would be the state of public opinion in your province supposing all provincial taxation, including municipal and local, was abolished and one uniform 2 annas excise in addition to the existing rate was levied to replace all provincial taxation?—I do not know, but I would not favour it because it would not give sufficient funds for the roads in my opinion.

Taking registration, licensing fees and the excise duty of four annas at present, have you worked out any figures to show how much a car pays on an average per year?—I am unable to answer that question. I have studied the question only from the economic aspect.

I am speaking only from the economic aspect. Lumping all the taxes I have mentioned together, have you worked out any figures to show what a car has to pay?—No, I have not worked that out.

Hon. Sir A. Froom: You have just said in your answer to the Chairman that you would like a scheme being drawn up for the classification of roads. Would you make it uniform throughout the provinces?—If uniformity is possible, I should certainly prefer it.

At the same time you do not propose to interfere in any way with the provincial control of roads in their administration?—Certainly not; in the present state of things, I would not favour that.

You agree that a Central Road Board will be beneficial and you think it should be purely advisory?—Yes.

As regards the distribution of funds by the Central Board would you still say that it should be purely advisory? Do you think the Central Board should have no control over the expenditure of the money?—No. The central fund will be distributed between the Provincial Road Boards who will have a provincial fund and this provincial fund will be under the provincial Legislative Councils.

But the central fund in the form of 2 annas excise duty on petrol would be collected centrally?—After all the people at large are paying that amount.

But somebody would have to see that the money is properly spent; would you not give any powers to the Central Board to see that the money handed over to the provinces is spent on roads?—That control will be exercised by the various provincial Legislative Councils; you just hand over to each province a lump sum and they spend them as they like.

But they might spend it on things other than roads?—But the money would be earmarked for roads.

There would be a certain amount of control so far as that goes?—Yes; when the Central Board distributes the fund it will lay down certain rules; once that is decided and the money distributed it will be absolutely under the control of the provincial Legislatures to be spent on roads.

The Central Board should exercise some sort of power to see that the money is spent on roads?—The provincial Governments cannot spend it otherwise than as the Central Government has laid it down that the money should be spent on roads.

Chairman: Beyond earmarking, would give the Central Board any power of seeing to the manner of application of the money?—No; the Central Road Board will lay down a certain standard of maintenance and it will be in a position to find out through its officers whether this standard of maintenance is kept up.

Supposing it is not observed?—Then they will forward a report to the Ministers concerned and the action will be taken in the province by the Ministers and not by the Central Government.

You would not agree to power being given to the Central Board to stop the grant or reduce it as a punishment?—No; not in the present circumstances; that would be in conflict with the powers of Ministers in the provinces.

Hon. Sir A. Froom: You do not think the Central Board has any duties to the tax-payer beyond distributing this fund?—No, but the tax-payer's control will be there all the same because the provincial Legislative Council will be controlling the funds after they come to the provincial Government.

Chairman: You say the tax-payer's interests would be sufficiently controlled by the provincial Government working through the Councils?—Yes.

Hon. Sir A. Froom: As regards District Boards, you say they ought to continue to have control of roads in their jurisdiction?—Yes, class III roads—of minor importance.

And what about the first two classes?—Those will be entrusted to the care of the Provincial Road Boards.

Let us take class I and class II which you want to be looked after by the Provincial Road Board; do you suggest that the Provincial Road Board should make use of the P. W. D. to look after these roads?—No; they will control them directly.

But they will have to set up a huge organisation and a rather expensive one if they are to do that?—You can reduce the staff of the P. W. D. because they will be divested of some part of the work; if you make the organisation deal only with roads you will have efficient administration.

Chairman: The P. W. D. would be relieved of this part of the work and the staff taken over?—Yes.

Hon. Sir A. Froom: As regards taxation, you said there was a certain amount of municipal taxation in Allahabad?—Yes, a wheel tax.

Of what amount?—Up to 20 h. p. Rs. 4-8 a month.

They tax on the horse power?—Yes.

Do all the main towns in the United Provinces have a municipal tax?—I cannot say.

Do any other conveyances pay wheel tax?—Carriages do.

What would you do about a car resting 10 miles away from Allahabad which does not pay tax in Allahabad?—I have suggested that a vehicle tax should be imposed throughout the province and that District Boards might collect a wheel tax direct.

That is not so at present?—I could not tell you whether District Boards are levying a wheel tax at present.

Would you prefer one uniform tax for your provincial Government on motor cars?—Yes, certainly.

Instead of having these varying taxes by municipalities?—Yes.

Hon. Mr. M. Suhrawardy: You are head of the Commerce Department, Allahabad University?—Yes.

You speak from your personal experience after a special study as an economist?—Yes.

You mentioned two points: one is the lack of funds and the other the present system of administration which leads you to favour the establishment of a Central Road Board?—Yes.

You make three classifications and you want the provincial Government should work only the I and II class of roads?—Through the Provincial Road Boards, who will be dealing with class I and class II roads outside municipal jurisdiction.

You want the Central Road Board as an advisory body and you think the Provincial Road Boards will do away with the inefficient administration of the P. W. D. and you also want control by the District Boards of minor feeder roads?—District Boards will be dealing only with class III roads; and municipalities will be dealing with classes I, II and III roads where they exist inside their municipalities; the Provincial Road Boards will deal with class I and class II roads outside municipalities, because the municipalities are quite capable of dealing with class I and class II roads.

You want the Provincial Board to be an executive as well as an advisory body?—It must have executive power, otherwise it will not be able to maintain class I and class II roads.

In other words you want to give full autonomy to provincial Boards?—Within their sphere.

But responsible to the Minister?—Surely.

Do you want to do away with the P. W. D. altogether?—For the purposes of roads only. The P. W. D. can continue to deal with all such things, but roads should be dealt with by the Provincial Road Boards only. The Provincial Road Boards should have executive power also.

What will you do with the engineers of the P. W. D.?—They are now employed in different kinds of works. A certain portion of the staff which is specially trained in making roads can be transferred to the Provincial Boards, and such engineers will be able to specialise in road building.

You think that the establishment of a Central Road Board in an advisory body will be useful?—For purposes of co-ordination. When you want to build inter-provincial roads, the question will lie with two Governments, and a certain amount of co-ordination may be necessary. In such cases the Central Road Board will be very useful. It should be an advisory body and it should make recommendations.

You do not want to give the Central Road Board effective control?—Not under the present circumstances, because that would mean taking away the powers of the Ministers with regard to Roads.

What will be its function?—Its function will be distribution of funds, co-ordination of inter-provincial roads, laying down a standard of maintenance with regard to classes I and II roads, and general supervision over the standard of maintenance of the roads. But if a particular province is not maintaining the roads properly, it will have no power to penalise that Provincial Road Board; it will have to act through the Minister, who will have to take action.

You say the Provincial Board must have executive power and the Central Board should be purely advisory, then how can the central authority exercise any control?—It will make criticisms which can be sent to the Minister. Its function will only be to criticise and to make recommendations.

If this recommendation is not carried out by the Provincial Government, what will the Central Road Board do?—If you want my opinion as an economist, I would certainly have the inter-provincial roads transferred to the Central Road Board and make it an executive body with regard to class I and class II roads, but under the present circumstances where the power of dealing with roads is vested in the Minister, it would not be right to take away that power from the Minister and give it to the Road Board. I don't favour any such idea at all.

Mr. Mohd. Anwarul Azim: On what basis should the share of the Provincial Boards be distributed?—I think petrol consumption

should be the soundest basis generally, because the people who are using a greater amount of petrol are doing more damage to the roads, and unless you provide them with more funds the roads cannot be kept in proper order. I know that some people have said that if that basis is adopted certain provinces may not get sufficient amount, but they will have to find out means for developing their own roads by levying a road cess. Petrol consumption would be the fairest basis. I don't know whether this Committee can find out what amount of petrol is being consumed by the provinces. If that is also not available, then I have suggested another alternative, namely the mileage of roads.

Chairman: In case of extreme hardship arising to the provinces in consequence of adopting your formula, I suppose you will have no objection to their adopting another formula, namely, the expenses on roads incurred during a particular year in a province?—Not with regard to petrol tax. That should be divided between the provinces according to the quantity of petrol consumed. But a certain portion of the receipts from import duties on motor cars, at least half of it, as I have suggested in my written statement, should be handed over to the Central Road Board for distribution. You can also take into consideration other factors, namely, the expenses incurred by different provinces on the maintenance of roads, but petrol consumption would be the fairest basis.

Mr. Mohd. Anwarul Azim: Will the improvement of class I and class II roads benefit the villagers unless you improve the village roads simultaneously?—The roads from villages to different places will come under class II roads. These are roads on which there will be a good deal of motor traffic and they will be under the provinces, and they will also be connecting the villages.

There are bigger roads in the provinces, because all the roads are not classified and brought up to the mark, and if only some of the bigger roads are improved, the smaller roads will be neglected. Do you think that it will give any impetus to the improvement of village roads?—Do you mean trunk roads?

Trunk roads, district roads and other roads which are directly controlled by the District Boards?—Personally I am in favour of connecting villages to towns by roads. I am not so much in favour of building grand trunk roads. We want roads which will connect the villages with towns, and you will have to consider each case on its merits.

Chairman: Would you give out of the provincial quota which comes from the Central Board any money directly for the improvement of village roads?—Yes, surely; the Provincial Road Board will be dealing with class II roads.

Therefore you are in favour of giving a part of the provincial quota directly for the purpose of improving class III roads?—I have not made any hard and fast line of demarcation. I have created a Provincial Road Fund into which you will put the quota given by the Central Government and whatever the Provincial Government is spending on the roads that will be handed over to the Road Board.

Therefore, if there is an increase in the fund, that increase will be shared equally by all the Boards?—Because I have suggested that a certain portion of the fund will have to be handed over to the District Board. To that extent it will be benefited. The proportion to be spent ought to be determined by the Provincial Government, and the Provincial Road Board will have nothing to do with it.

Mr. Mohd. Anwarul Azim: What is your idea with regard to the administration of the District Boards in the United Provinces?—I

am not in a position to answer that question, because I have not been connected with these agencies. I have been in the United Provinces for the last 6 years only. I belong to Bengal. I have suggested a betterment tax, and I think it very necessary.

You have suggested that the Central Board should be an advisory body and one of its functions should be to co-ordinate. What sort of co-ordination would you suggest for the administration of the roads which will pass through Indian States?—I have not thought over that question.

Mr. Muhd. Ismail Khan: Now the District Boards spend about 25 per cent of their income on maintaining certain district roads. Would you allow them to spend that money for the improvement of village roads or ask them to make contributions to the Provincial Road Boards?—With regard to the road cess, it is not at present collected by the District Board directly. I am told that there is a consolidated road cess of 6¼ per cent, and a certain portion of that cess ought to be spent on roads. Under my scheme the road cess will be credited to the Provincial Road Fund which will be under the Provincial Road Board.

Chairman: Will you ask the District Boards to contribute so much to the Provincial Road Board fund?—They have nothing now except the wheel tax.

A portion of the income which the District Boards now realise should be handed over to the Provincial Road Board, do you agree to it?—A certain portion of the 6¼ per cent will be credited to the Provincial Road Board.

That is to be fixed by the District Boards?—That should be fixed by the provincial Governments. The provincial Governments should settle what portion of the 6¼ per cent should be credited to the Provincial Road Board.

They will make grants to the District Boards?—Out of the 6¼ per cent only a certain proportion will be spent by District Boards and the balance will have to be credited to the Provincial Road Board.

The cess is their only source of income?—I am not going to hand over the whole cess to the Provincial Board. The road cess is 6¼ per cent of the land revenue. One-third of that ought to go to the Provincial Road Board.

Raja Ghazanfar Ali Khan: You propose that the maintenance of roads of all classes should be left to the municipality in their own jurisdiction, and that in the District Boards classes I and II roads should be managed by the Road Board. Why is this difference?—Municipalities have got greater resources.

So far as the administration is concerned it is the same, whether it is a municipality or a District Board?—In the case of the Municipal Committee, you generally find that people are better fitted to discharge their duties than the people who are in the District Boards.

Why is that?—Because competent men generally flock to the towns. You get more able men in the towns. My real point is that the municipalities are far better equipped financially. That is the main point.

If the District Boards are financially supported by the Government you think they will be competent to maintain the roads?—I do not question their capacity. My point is if you entrust the work to small

unions, there will be no uniformity. The work will be done in a haphazard way. For the sake of uniformity I suggest there should be some central agency.

How would you classify the roads? What is your test?—The nature of the road as well as the traffic it has to deal with. Class I roads would include inter-provincial roads as well as those that carry heavy traffic.

It may be even a road connecting two villages?—It may be so but it is unlikely.

You do not attach any importance to the quality of the road? You do not think that it should be water proof and so on?—That is a point on which I am not competent to speak. All I can say is that the roads should be built in such a way that they will be fit for motor traffic.

The question which this Committee has to consider is road development and not motor traffic only. Do you not think that more money should be spent on developing rural roads?—Certainly I am in favour of that. My point is that the development of traffic need not be limited only to cart traffic. Motor traffic ought to be able to reach the villages.

Chairman: What is the idea of having motor traffic coming up to the villages?—It will be not merely for passenger traffic. It will be useful for carrying goods, raw and agricultural produce. Unless you have fast traffic you cannot do it.

Do you think it is practical politics that every village can be reached by motor?—With the present limited resources it may not be possible but you must have an ambitious scheme and keep that in view.

Raja Ghazanfar Ali Khan: You said that in future provincial Governments should collect the tax which the District Boards now collect?—In the U. P., I understand there is a consolidated cess of 6¼ per cent on land revenue which is collected along with the land revenue. My idea is that the provincial Government instead of handing over that sum to the District Board might hand over a part to the Provincial Road Board.

Why should the District Boards lose something which they are having now?—Because they are being divested of responsibility for dealing with certain classes of roads within their jurisdiction. Government will also fix a certain proportion of this road fund to be distributed among the District Boards.

On what basis?—According to the needs of the locality.

What is your view of the Provincial Road Board?—It will have representatives of motor users, commercial interests, road transport and also of the legislature.

It will be very difficult for the Board to inquire into the claims of each district?—The District Boards will be sending their requisitions to the Provincial Road Board and the Provincial Board will go into the merits of each case.

How often will this Board meet?—As many times as necessary to discharge their function. They will have executive functions to perform. They can meet twice a month or more according to the business to be transacted. They will have a good deal of executive function and for that purpose they will have to meet pretty constantly.

Lala Lajpat Rai: It is commonplace that the development of roads is necessary for the progress of the country and you consider that the roads have not sufficiently developed mainly for lack of finances?—That is so.

Any other reason?—Lack of proper administration.

I do recognise the value of road development, but I do not want to make a fetish of it. I want to ask you whether in your opinion sanitation and education are not more important than roads?—I think development of all these things is necessary.

Suppose in a District Board there is competition for funds between road development, education, sanitation and so on. What would you suggest?—I would find money for all the three.

Do you not think that education and sanitation are more important?—In a sense they are.

Road development is only one of the factors to be considered. Education and sanitation are more important factors?—Quite so.

If there is a petrol tax, it must be devoted to road development. We have already a petrol tax of four annas a gallon?—My opinion is that the same should be handed over to the provinces.

You think that so far as the technical engineering staff of the Public Works Department is concerned, no further additional staff would be needed for road development?—A certain amount may be necessary but not so much, because when you are going to have a separate department which will be dealing with roads only, that means you set your heart on improving roads.

And for that reason you will have to employ more men?—Yes, but only gradually as you build more roads.

Shall we have to have two special staffs?—The cost would not be much more; I think a certain number of men of the P. W. D. can be taken over.

How do you think the creation of a Provincial Road Board will help matters?—Because it will be devoting the whole of its attention to building roads, and it will be judged only by its results in the matter of the construction and maintenance of roads.

On the same analogy, would you have a special department for each subject, for instance, electricity, which is no less important?—It is not possible for me to generalise; I simply say that with regard to roads it is necessary.

Do you not think a separate department is necessary for the development of electrical things?—I have not studied the question.

You do not think that executive work is done better by executive officers in the provinces. Do you not think there would be more delays and possibly more differences in the Provincial Boards than if the work is left to the technical department?—The Provincial Road Board will have its executive agency.

How will matters improve? There is one thing to allocate funds, another thing is to carry out orders. The Provincial Board might do the first, why should there be a separate staff given to that Board to build roads or to maintain roads?—If you make a particular body responsible for a particular function they will only be judged by the results of their action in that matter, and then they are likely to bestow proper attention on that function rather than in the case where you have got a Department dealing with many kinds of things where they will be judged by the results as a whole.

With regard to your proposed constitution of the Provincial Board, how would you elect the users referred to?—They would be representatives from the Automobile Association.

But all classes of His Majesty's subjects use the roads?—As for the general public, they are represented through the Legislature, *i.e.*, other users are represented through the Legislature.

You say that the Provincial Board should have representatives of users, of commercial interests and of the general public through the Provincial Legislature and also of road transport undertakings, what do you mean by the latter?—Companies which will be running the road transport vehicles.

What do you mean by users?—By users I mean private motor users.

By road transport?—The common carriers, those who have started motor vehicles for commercial purposes.

Do you not think motor users are represented in the Legislative Council?—Not very much.

(*The witness withdrew.*)

16.

(*a*) Written statement submitted by Mr. J. H. ABBOTT, O.B.E., V.D., Jhansi.

I may mention that I have had 47 years' experience as a contractor and have had as much as one crore of rupees of work in hand at a time (mostly in the United Provinces and Central Provinces). I have been a member of the Viceroy's (Legislative) Council, a member of the Jhansi District Board, and Municipal Board for over 30 years. I am at present a member of Cantonment Board and Municipal Board.

2. I have been in touch with the Kumaon Hills since boyhood (1877), and have a good recollection of Sir Henry Ramsay (who was known then as the king of Kumaon).

From 1917 I have owned an estate given on lease to me by Government for 99 years—about 700 acres of which I have converted into a settlement; but I have been interested in this estate from 1914, and have visited the place two or three times a year, since 1914. I have therefore a good idea of how the roads in Eastern Kumaon are run. The distances and route are as follows: the shortest from Tanakpur to Lohaghat 40 miles and Kathgodam to Lohaghat 63 miles *viâ* Bhimtal.

3. I will not touch on the Kathgodam Lohaghat route but will take the road from Tanakpur to Lohaghat as it is part of the main trade route from the Tanakpur market to Bhat (The Tibetan frontier) and that is one of the reasons why I press for a decent road; millions of pounds of wool and borax come *viâ* this route annually and also large quantities of skins, carpets, blankets and other produces both from Tibet and our own frontier villages.

4. The second and most important reason for a road with decent bridges from Tanakpur to Dharchula (the frontier market) and its usefulness and advantages, it is impossible to enumerate because taking from the Champawat Valley (the 30th mile from Tanakpur) to Dharchula the country is very fertile; few parts of the Empire can produce better and cheaper grain or fruit, but alas it is practically impossible to take the produce to the plains owing to the dreadful state of the so-called roads. The existing roads are little better than goat tracks for three-fourths of the distance and during the monsoons it is even difficult for a goat to tread on them. It is on such roads that the cultivator has to take down his produce to the markets. I doubt if there is a worse road anywhere in the British Empire, particularly a trade road.

5. I would further like to impress upon the Committee that this so-called road is used by 90 per cent of the cultivators during autumn; they emigrate to the Baber and cultivate and graze their cattle returning in the spring to their homes in Eastern Kumaon. They have to convey their household goods on their backs or heads and it is one of the most cruel sights that may be seen in any civilized country. Poor cultivators, their wives, daughters, and mothers, crawling up on all fours with loads over these goat tracks which have boulders, any thing from 6 inches to 3 feet in height, and have to manipulate them; such a condition is a disgrace to any civilized country.

6. Please read my letter to the Secretary, District Board, Almorah, dated 10th February 1924 (copy* enclosed), which will give you some idea of these roads and of the complaints of this disgraceful state that have been going on for years.

7. Again, the great necessity for decent roads and bridges comes up very seriously when a famine comes round in Eastern Kumaon. Since 1914 we have had two serious famines and what does this mean: something very much more serious than a famine in the plains, because all foodstuffs have to be imported from the plains.

Let us just peep into one of these famines in 1921. Grain (if it could be purchased at all) was Re. 1 per seer (during the monsoon months) but very little could be purchased. The inhabitants, notwithstanding the fact that they are all cultivators, had the money to purchase the grain but could not trek with their ponies to Tanakpur to bring grain for their families. Some distance was well over 100 miles—this would take in the ordinary course, say, eight days to get to the Tanakpur market. 12 days will be required for the return journey allowing two days to be spent in the market.

8. Scores of men told me during those terrible times that they were held up at the Ladia river (chaltee) for two to four days in going and coming, which they had not taken into consideration. Some of the poor people had returned to their homes finding their dear ones "dead": (silver and gold the families had, but grain *nil*). These extra 5 or 6 days being held up at the river, resulted in death of scores of cultivators and their families. If there had been a bridge over the Ladia river many lives would have been saved and had there been a pucca road, motors would have taken their grain for say Rs. 3 to 4 per maund and thus reached the furthest distances at our frontier in one day instead of 3 to 4 weeks, and thousands of maunds would have been delivered and sold at four seers per rupee. This statement above proves the necessity of a pucca road.

9. I will bring with me further evidence that proves why it is absolutely necessary for this main road to be built and built immediately.

10. In conclusion I wish to point out I have no use to gain for myself and friends, as I am importing a Moth Aeroplane which will take me and my friends in 20 minutes to my estate.

11. *Eastern Kumaon Roads.*—The road in question which I consider of greatest importance is the trade road from Tanakpur to Dharchula, *viâ* Lohaghat, Petoragarh and Ascot. At present it is little more than a bridle path. Once upon a time it must have been in much better condition as Lohaghat was Cantonment up to the fifties, (I understand), and there are signs of old bridges, etc. Any way it is now dilapidated, and neglected bridle path lies in most of the mileages, and worse than a goat track in many places.

* Not printed.

12. Bridges up to 12 and 40 years' old were existing over the Bastia and Ladia (chaltee) rivers. In 1914 the Sarda was bridged between Lohaghat and Petoragarh, but badly damaged in 1924. What is required is all the rivers to be bridged and a cart road starting from Tanakpur immediately working up to Dharchula, say in 10 years. This road will be usefui not only for trade, (both foreign and local), but will be very useful to all the cultivators, 20 miles on either side, to bring their produce to Tanakpur market. This main road would also open out a fruit growing territory equal to the best in the world and would feed all India. The best peaches are up to 10 ozs. in weight, while English pears are up to one lb. Other fruits in proportion can be produced in 4 or 5 years after planting.

13. It would be really bringing into cultivation tens of thousands of acres, now lying idle, with wheat, Indian corn, best rice, ginger, garlic, etc., all of which grow wonderfully. It will save scores, if not hundreds, of lives in famine years. See how Bundelkhand has changed in my time (50 years)—one of the worst famine districts to a land of milk and honey. And why? Due to railways, roads, and irrigation. Villages which I bought 20 years ago I am selling now at 400 per cent profit. With roads in Eastern Kumaon, property there would go up 1,000 per cent.

New Delhi, dated the 23rd January 1928.

(*b*) Oral evidence of Mr. J. H. ABBOTT, O.B.E., V.D., Jhansi.

Chairman: Mr. Abbott, how long have you lived in India, and at what age did you come out?—I have been in India 58 years, and came out at the age of seven with my father, who originally was in the Army and was a mechanic.

From your 47 years' experience as a contractor and of the process of road transformation, are you satisfied with the progress made?—I can only speak of the parts of the United Provinces, the Gwalior State, Bundelkhand and Eastern Kumaon. I am not satisfied.

You complain in your written statement of several roads being bad and would have liked the progress to be speedier: under whose control have these roads been existing all this time?—For the last five or six years under the District Boards, with non-official Chairmen; before that it was an official Board, now it is a non-official Board.

Who has been more guilty? You say things have gone from bad to worse, and is that due to the fact that the roads have been under non-official control?—They were a little better when they were under an official Board.

You think that things will brighten up if you give more funds into the hands of these bodies?—Certainly.

What will make things better?—You require money, but you also require control of that money: there is no control at present.

Do not the District Boards exercise control?—No. I was a member of a District Board.

If under the law it is the District Boards who are supposed to be responsible for these roads, and they do not perform their functions properly, what would be your remedy, to take these duties out of their hands and put them into the hands of somebody else?—Yes.

Hon. Sir A. Froom: Mr. Abbott, there is considerable room for improvement in the province you come from?—Yes, but I have special experience of Eastern Kumaon and Bundelkhand where practically no roads have been made for the last 20 years nor extension of roads. I have spent 40 or 50 years in the Himalayas in the summer months and I have experience of the Eastern Kumaon, where practically no money is spent on the majority of the roads except those going to Ranikhet, Almora and Naini Tal.

For what purpose you want these roads put in order?—I want the roads to be feeders from the frontier to the railway terminus so that the agriculturist and the tradesman can bring their stuff down, whereas at the present moment (we will take say for instance 40 or 50 miles) it costs Rs. 4 or 5 a maund for the cultivator to get his grain down. At Almora, Ranikhet or Naini Tal the cultivator can get his grain down at a rupee or Rs. 1-4-0 a maund, and the further you go, the more the difficulties, so that we want these pucca roads in the Eastern Kumaon urgently. Forty or 50 years ago there were roads of a kind and pathways here and there, and even those have now almost disappeared, and the traders from Tibet, with 10,000 goats and sheep, are not able to come down with wool and borax with full loads. From my experience of the Eastern Kumaon I can say that the land is equal to any in the Empire, whether it is Australia, New Zealand or England, and the cultivator could earn and be a richer man, where now he is a poor man. He is about the poorest cultivator in the Indian Empire, simply because he cannot get his goods transported; and when there are bad seasons, and drought and famine, he starves. Therefore I want the country opened up. The Kumaon cultivators by the thousands begged me to approach the Government with a view to getting roads and bridges built and repaired, and pointed out that where there were bridges 30 or 40 years ago, they have now disappeared.

How did they keep up the bridges in fairly reasonable order before? They got the money somehow, where does the money go to now?—I do not know.

It was a cantonment 40 or 50 years ago, and did they find the money because it was a cantonment?—I do not think that the cantonment found the money.

You want roads capable of taking the bullock cart?—Yes. And where cart roads are, a motor can go, and it will bring their stuff down and it will put their grain and their produce (equal to the best in the Empire) on the markets as these could be brought down and sold with a profit: just now the agriculturists are making little or no profit. I have worked in Gwalior for nearly 40 years and I have seen the improvements that have been made by means of communications. His Late Highness the Maharaja of Gwalior increased his roads by hundreds of miles. For every 100 miles of roads in Gwalior State, we in Bundelkhand have got 1 mile of new roads. The late Maharaja also put in these small railway lines in all important districts connecting them up with a net work of roads and this example I want the Government of India to follow. Gram was once selling at 40 seers to the rupee when I was there. As the railway lines and roads are opened out, it will never sell again at that price, because the cultivator takes advantage of them and has his gram exported to the best markets.

The chief evidence that you wish to give before our Committee is that the development of roads in your district will benefit the cultivator enormously?—Yes, both in Eastern Kumaon and Bundelkhand, particularly the former.

And it is an urgent necessity in those districts that roads should be developed because in bad times and bad weather the villagers actually starve for want of communications?—Exactly so. Very urgent.

Hon. Mr. M. Suhrawardy: You say that in Kumaon the condition of the villagers was prosperous 50 years ago?—No. I do not say that.

You say that these roads were better 50 years ago because there was a cantonment there?—Yes, the condition of roads was then better.

Now the condition of roads has become worse?—Yes.

You find that the economic condition of the agriculturists has become bad and therefore you want that in Eastern Kumaon roads should be improved, which will be appreciated by the agriculturists?—Yes and also by the trader. We also want bridges for the roads. These bridges are not at all expensive because all the material required to construct them is available on site. They have got the gravel, sand and the timber. All that they require is the cement which is only one-fifth of the material required. A bridge of 220 feet should not cost more than Rs. 30,000.

So you consider that because of the absence of the bridges and feeder roads, the economic condition of the agriculturist is gradually decaying?—Certainly.

Can you tell me from your experience as a contractor if the material available in Eastern Kumaon is cheaper than in Bundelkhand or any other district?—The material is as cheap there as in any other part of India. The labour is cheap and the material is available all along the roadway.

So, if a small fund is available you can have good roads and bridges which will be appreciated by the village people?—Yes.

Mr. Mohd. Anwarul Azim: Have you any idea of the workings of the local bodies in the United Provinces?—I have had 40 years' experience in District Boards.

Since the inauguration of the Reforms, have you got non-official Chairmen presiding over the District Boards in Eastern Kumaon and Bundelkhand?—Yes.

And they are doing their work very well?—No, Sir. I do not mean to say that we have not got exceptionally good Indian members, but it is the majority who never see the terrible condition and prefer to allot money to education, buildings, etc.

There might be difficulties with regard to finding competent engineers, and that is all. Besides this, there is no other trouble?—There are lots of other troubles.

You were telling us just now that you would like the Eastern Kumaon Himalayan road to Tibet improved. Supposing those roads that pass through the hills are improved, do you not think the people who live in the hills will become poorer because the cost of transport will increase?—They will be richer.

Suppose the road is improved and he can carry his goods by bullock cart, that will cost him less?—That is right.

If he wants to carry his goods by motor, will it cost him more or less?—It will cost him less to take it by motor car or by bullock cart than he does now by ponies.

Suppose they have some sort of conveyance, do you not think it will be cheaper for him to carry his goods by his own conveyance rather than by these motor cars?—No: they have very little conveyance of their own and in the monsoon it is impossible.

Mr. Muhd. Ismail Khan: You are a member of the Jhansi District Board?—No, I was a member of the last Board.

Of what District Board are you now a member?—I am not a member of any District Board at present. I was some time back a member of the Jhansi District Board.

What is the income of the Jhansi District Board?—I cannot say.

What percentage of their income do they spend on roads?—I cannot say.

What percentage of their income do they spend on education?—I cannot say.

When you were a member of the District Board, did you apply for a grant from the local Government?—Yes, but I do not know whether they got it.

Before these Boards became non-official, were you a member of the District Board then also?—At that time these roads were under the Public Works Department.

Did they spend more money then on these roads?—I could not tell you.

Raja Ghazanfar Ali Khan: You told us that you have got a non-official Chairman of your District Board now?—Yes.

Some time back he used to be an official Chairman?—Yes, 5 years ago.

In 1921 you had an official Chairman?—Yes.

You have mentioned in your written statement of the famine of 1921, when the condition of roads was bad and the people were dying. All that happened when you had an official Chairman in the District Board?—Yes.

Then why do you say that non-official Chairman of the District Board does not exercise the same control as the official Chairman does?—I can explain that. My complaint about the non-official Chairman is that he is usually a lawyer and has not got sufficient time for inspecting the district. From one year's end to the other he never shows his face. I have begged of him, I have telegraphed to him either to come or send down his Vice-Chairman but he has never done so. He has never in his time seen a single road in the district of the Eastern Kumaon. This was however not the case with the official Chairman who was also the Deputy Commissioner; he did not come out to see the roads but he came there as a Revenue Officer. He also has under him the Tahsildars and Deputy Collectors who go about from place to place, who used to send in plans and reports, and see that the overseers and the engineers attended to their work properly. But in these days since there is no Chairman travelling about, everything is in the hands of the overseer. People want a non-official Chairman who can tour about the country and personally look after the conditions of the district.

Supposing you had an official Chairman and still the majority of members would carry their way, how does it make any difference?—It makes difference in this way that the majority of them are inexperienced and suggest expenditure on towns to the disadvantage of the villages and in such other less important directions: the Deputy Commissioner would give them his personal experience of the conditions in the district and consider the suggestions.

Lala Lajpat Rai: Am I to understand that the local self-governing institutions like the municipalities and District Boards have grown worse than before?—District Boards have simply for the above reasons.

And the municipalities?—I won't say they are now worse.

So you want to make a distinction between the two?—Yes, a great distinction.

Am I right in understanding you to say that the condition of agriculturists to-day is worse than what it was 50 years ago for want of roads?—We will have to divide the area into Kumaon and Bundelkhand for this purpose. In regard to Eastern Kumaon, the answer is yes.

Is it simply for want of roads or for other reasons also?—When the road is bad, the ponies cannot take heavy loads.

I will put the question in another way. Has not the bad condition of the agriculturist to-day anything to do with the reservation of forests in the district?—Certainly, that is another reason, but in no way does it alter the road question.

Do you not think that formerly they were in a position to use the produce in areas which have of late been reserved?—Yes. The condition did grow worse. But I do not want to say that the administration of the Forest Department is as bad as it was 5 years ago. The Government have generously removed a number of difficulties.

Taking Bundelkhand, is the condition of the agriculturists worse than 50 years before?—No.

Is it better now?—It has improved.

Can you tell us the reason why?—There were no railways till 1883. The opening of the Jhansi-Manakpur-Allahabad line and the Cawnpore line and irrigation have improved the situation.

The condition of the agriculturist there is better now because of the railways and the canals?—Yes.

The canals might have added to the produce. In what way have railways improved the condition?—Originally there were bullocks to carry the corn from one place to another, a distance of even 100 or 150 miles where no roads were in existence. Now it is not the case. The transport is easy.

Have they feeder roads now?—There are a few.

You say that the price of grain had gone up on account of the railways?—Yes. The general net-work of railways has increased the prices all over the country. The farther away from the railway line, the cheaper the grain.

Do you not think that that increase in price has made the life of the people more expensive?—It has made them more prosperous and people are living at a higher standard and feel happier.

Do you agree with the opinion that the troubles of the agriculturists are not lack of sales but lack of produce?—No. I am a zemindar too. The condition of land is practically the same. The cultivator is now able to make more profit out of the land.

Is it your point that bullock carts cost more than the motor car which requires more money for its upkeep and maintenance?—Take a practical case. Bullock carts conveyed produce from Ranikhet to Katgodam at Rs. 2 or Rs. 2-8-0 whereas motor cars charge for the last two or three years for the same quantity Re. 1 or Rs. 1-4-0. A bullock cart in that way costs more than a motor.

Hon. Sir G. Corbett: You are very much in favour of feeder roads to the railway?—Yes. I just want to impress on the Committee that lands in Bundelkhand which were selling at Rs. 2 or Rs. 3 per acre are now selling at Rs. 10, 12 and 20. I have myself sold lands at 200 or 300 per cent profit. Twenty-five or 30 years ago, villagers were willing to get rid of their land because they had to pay more revenue than they derived by way of income from the land.

(*The witness withdrew.*)

17.

Bombay, dated the 20th December 1927.

(a) Memorandum of touring sub-committee's discussion with—

Mr. H. B. CLAYTON, C.I.E., I.C.S., Municipal Commissioner, Bombay;

Mr. R. G. ROBOTTOM, Assessor and Collector, Bombay Municipality; and

Mr. T. H. BIRD, Test Audit Officer, Bombay Municipality.

The Chairman explained the objects of the Road Development Committee.

Mr. Clayton does not object to the formation of a Central Road Board, but is doubtful of its utility. Bombay Municipality has had serious road problems. After the war, roads had got into bad order and Rs. 30 lakhs a year or more was being spent on repair. Thereafter, the system of constructing roads from loan funds, and taking interest and sinking fund charges on road construction calculated to last a certain period, was adopted. The result is that interest, sinking fund and depreciation charges are less than the former repair charges. In Frere road there was estimated a saving of Rs. 11,000 per annum per unit of 10,000 sq. yds. over old repair charges and a good road in addition. This saving has been larger in practice owing to drop in cost of construction. This principle is applicable to roads with very heavy traffic. The saving on other roads with lighter traffic has been almost as great. The funds were obtained from general municipal loans of 30 years' period. The adjustment for the varying lives of road works is made by providing separate sinking and depreciation funds according to the life of a road work. The moral is that a properly made road is cheaper to keep up and also provides a better road than the old system of patching up roads. It pays to put down a good road to start with.

Wheel tax does not go to a separate road fund. It is about 12 lakhs a year and is nothing like the amount the Municipality spends on roads, which is about Rs. 25 lakhs per annum. Bullock carts pay Rs. 33 per annum; 'victorias' pay Rs. 63; motor vehicles pay Rs. 80 per annum and upwards by weight. The tax on motor vehicles in Mr. Clayton's opinion might be perhaps a little enhanced. Government have not been approached to raise this motor vehicle taxation as the motor vehicle does less damage to road than bullock carts and also is from a health point of view preferable to animal drawn vehicles which involve the animals being kept in the city. The Municipality had once considered enforcing a minimum width of bullock cart tyre but it was found that the cost would be several lakhs and it was dropped. Bullock carts are decreasing in number from 10,000 to 6,000 since 1921. But that is partly due to trade conditions.

The Commissioner of Police has agreed not to license motor vehicles which the Municipality considers too heavy for the roads. The only case where difficulty arose was that of a six-wheel lorry which had to be restricted to certain streets. Mr. Clayton emphasises that if motor vehicles are freshly taxed, then the Municipality must receive its proportionate share of any such proceeds. As regards municipal wheel tax, there is now little evasion.

Mr. Clayton agrees that, taking the broad view, a petrol tax is the fairest method of provincial taxation, provided the local Government take a broad view of sharing the proceeds with local bodies. At present the Bombay Municipality pays excise on 2 lakhs gallons of petrol a year consumed by municipal vehicles which are employed on public services and use only the Bombay municipal roads. He considers all that petrol can bear is an extra two annas a gallon. Two annas extra a gallon means Bombay Municipality would pay roughly Rs. 30,000 per annum more on its petrol bill. He does not consider that two annas central fund and two annas provincial fund is desirable, the object of having two funds is not obvious. Municipal loans are not earmarked for particular purposes.

Mr. Clayton states that probably 90 per cent of the motor vehicles in Bombay never go out of the city limits except once or twice a year. He would object from his point of view as Municipal Commissioner to a two annas petrol excise for a central road fund as he would be contributing Rs. 30,000 per annum from municipal vehicles and getting nothing in return. India ought to subscribe to roads in Bombay, not Bombay to the roads of India. He feels that there is no guarantee that the Bombay Municipality will get any relief if two annas petrol excise is levied to finance a Central Board.

Mr. Clayton does not see the need for two separate funds nor the need of a central as well as a provincial Road Board.

In the calculation of saving due to good roads, the saving on watering has not been calculated financially; it is difficult to estimate it accurately, but it is of great value in health.

New Delhi, dated the 23rd January 1928.

(*b*) Oral evidence of Mr. H. B. CLAYTON, C.I.E., I.C.S., Municipal Commissioner, Bombay.

Chairman: You are the Municipal Commissioner of Bombay?—Yes.

Mr. Mohd. Anwarul Azim: Are you like a Chief Executive Officer?—I claim more than that, Sir, because by law certain functions rest in me as a Municipal Commissioner which are not enjoyed by a Chief Executive Officer.

Chairman: I think the nearest thing that comes to the Municipal Commissioner is the Chief Executive Officer of the Municipality *plus* the statutory powers that are vested in you by the Municipal Act?—That is so.

How long have you been there?—For nearly nine years.

What is the total revenue that the Bombay Municipality realises on wheel tax?—Taxation varies in accordance with the nature of the vehicle. That is to say, we have one tax on bullock carts, one tax on horse carriages, and a graduated tax on motor vehicles on weight whether they are driven by petrol or steam or electricity. The schedule to the Bombay Municipal Act gives all this information.

What is the total amount of these three kinds of tax on wheels?—About Rs. 11 lakhs a year.

On all these three?—Yes. We make another lakh in various miscellaneous ways, so that the total revenue is about Rs. 12 lakhs.

How much do you spend on roads?—About Rs. 25 lakhs.

That is, the total amount that you get from this wheel tax and additional Rs. 13 lakhs from taxation on property?—Yes.

What do you think of the suggestion made by the Bombay Government of substituting all provincial taxation including municipal taxation by a flat tax of 2 annas on each gallon of petrol to be collected by the Central Government in lieu of all provincial taxation? Do you approve of this system?—I think that tax on petrol would be more equitable than the present system but the interests of local bodies would, of course, have to be protected.

What do you think the sense of the Municipal Corporation would be in this connection?—The position is as follows. Our present municipal wheel tax, so far as the motors are concerned, could be enhanced without very serious difficulty but we have withheld our hands from enhancing it because we desire particularly to encourage the use of motor transport as against bullock and horse transport, as not only is motor transport better for the roads but it is better also from the sanitary point of view. One of our great difficulties in Bombay is to house our horses and our cattle. From a sanitary point of view they are undesirable and they breed flies and the refuse has to be removed and other difficulties arise in that connection. To house a victoria and 4 horses occupies at least three times the space that a motor car occupies and then again it is a potential danger to public health. For that reason we have been definitely withholding our hands from increasing any municipal taxation of mechanical transport in order to enable mechanical transport to compete on fairly even lines with non-mechanical transport of various kinds and it is doing so.

Would your Corporation like to retain in your hands the freedom to reduce or increase this taxation according to the circumstances varying from time to time?—I think so.

You would not like to give it up?—It is difficult for me to speak for the Corporation. So far as I can suggest we should be prepared to substitute a more equitable form of taxation on motor vehicles for our present system provided we were satisfied that we are going to get an equivalent revenue.

Would you like to be paid exactly what you yourself are realising?—At present our revenue is going up every year. The number of bullock carts has fallen from 11,000 to 5,000 or 6,000. The number of victorias has similarly decreased and the number of motors has gone up. The result is that we are getting a larger percentage of our revenue from motor transport and a smaller percentage from non-mechanical transport and we certainly, I think, are entitled, if any such conversion is made, to have a reasonable percentage not only of our existing revenue but also of the increase in our revenue.

Then supposing if it was secured to you that as your revenue increased from year to year that percentage would be paid to you, would there be any objection?—I do not think there would be any objection. If I may frankly say so, I feel that on various occasions in the past the Bombay Government or the Government of India have said that the Bombay Municipality is rather rich, and can afford to contribute to other bodies outside its limits and they have therefore

treated us in the way which we do not consider quite fair. I do not think that anybody would object to the system provided the method of distribution of the proceeds was definitely laid down by law or by some binding agreement.

But having regard to the trouble you are always having with the Bombay Government in regard to primary education, would you like to barter away your freedom merely for money being paid to you?—It is a question of finance only. I wanted to come and put before you my views in order that the position might be cleared up beforehand. The question of primary education of course is a formidable one and I do not want to go into it here, but if the position is quite clearly agreed beforehand no further dispute ought to arise subsequently and my own suggestion is that in this case the position should be cleared up beforehand. Since I was examined in Bombay by the sub-committee I have been thinking over this question. The position is that if 4 annas be put on petrol would that operate against us. We spend about a lakh of rupees for petrol for our own machines which do not go outside the limits of the city and at 4 annas per gallon we shall be contributing to the fund about Rs. 30,000 per annum. In addition to the 70 or 80 motor vehicles which the Corporation owns itself there are in Bombay about a hundred times that number and they consume so much petrol. But I take it that a 4 annas tax in the case of the average vehicle would be equivalent to the wheel tax they are at present paying to us, so that if the 4 annas is put on and Bombay city gets its share properly distributed by a method agreed beforehand, I do not think that the Corporation would object because that share would be a growing share. But if these 4 annas were put on and taken away from the city and not given back at all, the city would, I submit, most properly object.

We had one witness here in the early part of the morning who stated that since you gave this evidence you had altered your views. Could you tell us what is that matter?—I do not know. But last time when I was examined I had not crystallised my views and these are my views at present that, subject to the guarantee for the return of a proper percentage of the resultant funds to the Corporation, the idea of taxing petrol is not impossible from our point of view.

What formula would you suggest?—I would suggest something like this. Assuming you put on a 4 annas tax, 3 annas of that tax should be definitely earmarked for return to the local bodies. If you cannot estimate the consumption of petrol in any local body you might take the certified expenditure of the previous three years on roads. That is to say, I understand that it would be possible to calculate the provincial consumption of petrol but you cannot calculate the consumption of petrol in Bombay city as against the consumption of petrol in Kurla, or the adjoining parts of Thana or the Bandra Municipality next door, but for the purpose of distribution you could calculate the cost of maintaining roads in Bombay city. You will then have something to go on if you distribute ¾ of the sum available and use the other ¼ for financing definite schemes of improvement in roads elsewhere. Though technically a little inequality would be committed, I don't think any serious objection would be raised.

You do not think that under this arrangement Bombay city will get nearly the lion's share of this total collection?—It is entitled to the share, the object is to improve the roads; if when a body improve their roads, you give them a reward for doing so, you are encouraging them to improve their roads. But I am suggesting that you take away one-fourth of the sum available and give it to finance roads in other

portions of the presidency more or less for capital works on roads, where the country is backward and the local bodies are not in a position to carry out improvements.

According to your suggestion where will this fund be? In a central fund?—In some central fund; I really do not know whether the administration of the fund should be provincial or imperial.

You say before the sub-committee that you see no need for two separate funds, one central and the other provincial?—I do not; I think personally that a provincial fund would be better; as far as a Central Board is necessary it should be advisory and should not control funds at all.

It should merely collect and distribute the money?—Yes.

Would you prefer that it went directly into the provincial funds?—I would, because taking even the provincial Governments, there are certain provincial or imperial roads within the province and the Governments will share in the three annas in accordance with their certified expenditure on those roads; you have your extra one anna over that and that anna should be distributed by the Provincial Road Boards to such bodies as are considered backward and needed particular financial help to finance the construction of new roads.

Therefore it would be quite enough from your point of view that there should be a separate account—a separate fund is not necessary?—I do not see why it should be so. I believe that one province can coordinate with another in cases where trunk roads and arterial roads run through both provinces.

Some central department will automatically distribute the money?—Yes.

You are quite clear in your mind, judging by your statement, that it will be inadvisable to create a body which controls provincial administration of the roads?—I think so, because Delhi is a long way off. It is a different thing in England. Even there the central body distributes funds in accordance with local needs; it is a very complicated system and every member of the Road Board in England has probably been very nearly over every principal road, which is concerned, and knows it personally; it is impossible to expect the same thing in India. Here the roads are entirely provincial; in Bombay for instance we should find it difficult to allot funds between Sind on the one hand and Karnatic on the other, because the various members of that Board would not tend to appreciate the question as a whole. If a central body was responsible for the distribution of the funds in accordance with what it considered the needs, there would be very serious difficulty in the local needs being properly considered.

There is a popular belief that the Bombay Municipality is a very rich body and that its capacity for taxing its inhabitants is unlimited. Is that true?—Very far from true; we are very badly off at present, particularly with the mill industry in a bad position; we are very badly off.

Your Municipality can afford, it is said, to give us a slice of your great revenue for the purpose of provincial improvement of roads?—By the method I am suggesting we are giving a quarter of a tax that we may claim the whole of. When we have a fire on the Cotton Green at Sewri I send my own fire brigade on my own roads to put out that fire. I should by this system be contributing Rs. 300 to the Bombay Presidency outside Bombay city in order to make their roads better and I think that is as much as you can ask in the way of generosity; if you want more, I think it would be robbery.

Is there much of evasion of municipal vehicle tax in Bombay?—Our rule is that the vehicles must be kept in the city; and so far as they are kept in the city, there is very little evasion; but vehicles may be kept outside the city: a man of Bombay keeps his car at Bandra just outside the Bombay city, where the vehicle tax is very much less; he comes in every day into Bombay and uses 20 miles of Bombay roads and he pays us not a pice for tax. In a case like that the taxation would be much more equitable under an excise tax on petrol than it is at present.

Hon. Sir A. Froom: They have got a wheel tax at Bandra?—Yes, but very much smaller.

Chairman: Do private cars within city limits and municipal lorries go very much out beyond the city roads?—Never: my fire engines go to Bandra outside the city limits at a distress call to put out a fire, and the municipal meat lorries go just across the causeway—about 200 yards beyond the municipal limits on an Imperial road; beyond that my 80 municipal lorries never go outside the city and as I say we pay a little more than a lakh of rupees at the present rate as our petrol bill, and out of that one lakh we should under the system I suggest be contributing Rs. 25,000 towards the improvement of roads outside the city.

What I want to know is the number of people who go down Ghodbunder road and beyond?—It is very difficult to give any figures as to that; but my own belief is that of about 7,000 motor cars in Bombay city, not more than 10 per cent go outside the city once in a year.

But for the 10 per cent which uses the Bandra and other district roads, has the Bombay municipality to contribute anything?—No; nor do the other people who come in from outside contribute anything to us.

So that it is free egress and ingress?—Yes.

Hon. Sir A. Froom: You said your municipal income from tax on vehicles, carts, carriages and motors would be roughly 12 lakhs a year?—Yes.

Could you tell the Committee how much of that is derived from motor traffic?—Just a little more than a half.

So far as I understood from your replies to the Chairman, you are inclined to support the proposal of a four annas increase on petrol?—Subject always to a guarantee being given beforehand; what we should do immediately would be that we should be forced to abolish our wheel tax and if we have got to abolish our wheel tax as a result thereof it is fair that we should be compensated to that extent.

Your idea is that about three-fourths of this 4 annas excise on petrol should go back to municipalities in the Bombay Presidency?—Yes.

That is all municipalities?—Not only the municipalities but all local bodies and the provincial government itself in so far as it is responsible for the maintenance of roads; I would allow the provincial Government to put in their bill; they may say "This is what we have spent on the maintenance of roads for the past three years and we claim our proper share."

Could you estimate what your share of the amount will be?—I have not tried to; I do not know what the expenditure is. I know what our expenditure is, I do not know what the expenditure of the Government is.

What do you estimate the share of Bombay would be at three annas?—I am told that in accordance with consumption (we use about 4 million gallons a year in Bombay) it would give us 10 lakhs—that is for Bombay city.

Throughout the Presidency it has been estimated that a 4-anna excise on petrol consumption would give Bombay about 12 lakhs?—I think the Bombay Government's letter of 16th May 1927 says 19 lakhs, but I do not know what figures it is based upon.

Three-fourths of 12 would be 9 lakhs?—Yes.

Out of that 9 lakhs your Municipality would at once claim 6 lakhs?—I cannot say; if that was the result of taxation, we should then have to retain a portion—reduce our wheel-tax but retain it in part.

That is just what I was coming to, because what I was going to suggest to you was that if you have a four annas excise on petrol and three annas of that immediately goes back to compensate municipal bodies of any one province, then one anna goes to the development of roads in India, whether provincial or central?—No; you will excuse me; because at present for the construction of new roads you would presumably bind the bodies down not to decrease their expenditure as a result of what they were going to get; they would have to qualify for the grant and they would have to continue their expenditure at the present figure. Unless they did so they would not qualify for the increased amount at all, that is to say, the Government of Bombay which is responsible for maintaining the Imperial roads at present would earn this additional grant in addition to what they are spending at present and they would be able thereby to put those roads in much better condition than they are at present. The one anna would go towards new roads entirely.

Before I discuss this question any further I must put myself right that the Bombay Presidency out of the 4 annas would be likely to get 24 lakhs. Under this 3 annas suggestion of yours they will be getting 18 lakhs. Now, your idea is to leave only one anna with the central fund?—When you leave these 6 lakhs, that will be enough to finance loans to the extent of 80 lakhs, which will be a very substantial sum for assisting the improvement of roads or for the making of new roads where they don't exist already.

I am still harping on the central fund and your provincial fund. Do you think it is equitable that a man upcountry who has to use rough roads has to pay the same tax as a man in Bombay who has the privilege of using good and broad roads?—Probably not so much. On the other hand, we should be contributing in Bombay something towards the improvement of roads in less advanced districts.

Taking an individual upcountry, he will be paying 3/4ths of his tax to municipalities, whereas he will receive only a fourth?—Not under the system I suggest.

Let us say that Mr. A. living in a municipality pays 4 annas on petrol and that comes to say Rs. 6 a year. In paying that tax, he will pay 3/4ths of that Rs. 6 to the municipality under your scheme, whereas Mr. B living in Bombay knows that only 3/4ths of it is going to his municipality and 1/4th to the district?—In each case it is going to the bodies, whatever they may be, the provincial Government, the local board or the municipality, in accordance with their expenditure. I think the one great advantage of this petrol tax is that instead of making a man forego Rs. 25 or Rs. 40 every quarter, he would pay the tax without knowing that he is paying at all. At the present time if there is going to be a petrol war, the present would probably be a most favourable time

to introduce this system, because the rate is at present down, and if what one hears in the streets is true, the rate may go down to 8 or 12 annas during the course of the year, and until after the petrol war is over, you will get your improvement for nothing.

I take it that one of the considerations that weighs with you is that it costs very little for collecting?—Very little.

Suppose a substitute for petrol is discovered, what would you do?—You will have to put on a similar excise duty on it.

Hon. Sir G. Corbett: Supposing the substitute is also used as a luminant?—Then the case will have to be reconsidered.

I can foresee the time when perhaps the consumption of petrol for aviation generally might be more than for motor cars?—But aviation will never reach a stage when we could do away with motor cars. If that stage is reached, then the position will be reconsidered. I might say here that our municipal taxation schedule includes vehicles driven either by petrol, electricity or steam. Under these circumstances we should only exempt those vehicles which will be driven by petrol. We should retain the tax on vehicles driven by steam just as we would retain it on bullock carts.

Hon. Sir A. Froom: You must retain your machinery for collecting the wheel tax?—Yes, we have got to collect the tax on bullock carts and victorias; similarly we should collect it on machine driven vehicles and all other vehicles except those in which petrol is used.

There is already in existence a petrol excise of 4 annas, and you support the idea of another 4 annas, that is 8 annas excise on petrol. Do you think the man using petrol would resent paying 8 annas when the tax is increased?—I think most people do not know that there is already a four annas excise on petrol, and I do not think they would worry about this increase in the least, because they will be paying it in instalments. I am not sufficiently an expert to say whether the four annas duty would be excessive in the case of commercial vehicles, and whether it would disqualify them from competing with bullock carts. I should still retain the use of petrol. I am endeavouring to convert my own bullock carts—I have got about one thousand bullock carts belonging to the Bombay Municipality in Bombay city which are used for scavenging purposes—and I am endeavouring gradually to convert them to motor transport. I get out of the lorries about 6 miles a gallon. That means I am paying 4 annas extra for every 6 miles run, which is quite a consideration when you are endeavouring to use petrol in a whole fleet of lorries. I want something like 150 more five ton lorries, and the petrol bill in that case will be very heavy indeed.

Hon. Sir G. Corbett: In the first place it is necessary to distinguish the two aspects of the case. The first proposal that has been put forward pretty generally all over India is that the petrol tax, which as you know is a central source of revenue, should be enhanced from its present figure by another 2 annas, and this additional 2 annas should be used for development of roads, and that subsidiary to that, the existing 4 annas should be progressively reduced as the finances of the Government of India permit until finally the whole of that 6 annas might be used for the development of the road system in India. The second proposal is that in place of a municipal tax which varies from place to place and District Board taxes, a uniform provincial tax should be imposed, and the existing municipal tax should be abolished. I think we might leave the first aspect aside for the moment, merely bearing in mind that if that proposal is accepted there

will be an additional 2 annas, making the present petrol tax 6 annas. In order to get a uniform provincial tax, it has been suggested that instead of municipal wheel taxes, there should be another 2-anna tax for provincial purposes on petrol. I take it from what you say that the 2 annas tax would hardly be enough?—I don't know the data, but as far as I can see it would not reimburse us at present.

Would you like something like 3 annas, thus making a total of 9 annas? Don't you think, apart from levying both a provincial duty and an Imperial duty on the same commodity, the 9 annas would be a little high?—I think it is, but I must rule out the 2 annas which you suggest should be put on.

I don't suggest it, but it is the general volume of opinion that 2 annas for general road development should be put on?—I should like to know how that is going to be distributed.

Chairman: I thought Mr. Clayton said that he was in favour, in addition to the present 4 annas, of another 4 annas, and out of those 4 annas, 3 annas should go to provincial contribution and the one anna to remain?—That means 8 annas.

Hon. Sir G. Corbett: Your idea would be that there would be one anna increase in duty for general road development?—That is right.

And the 3-anna duty for imposing a uniform provincial duty in addition to the existing 4 annas?—I suggest as a reasonable equation that three-fourths of whatever is levied ought to go to the bodies at present responsible in accordance with their certified expenditure, and with the other fourth a nucleus fund should be formed for improving backward districts.

Chairman: You are not of the opinion that in addition to the 3 annas another 2 annas should be put on for central purposes?—No, certainly not.

Hon. Sir G. Corbett: Do you not think that even this 8 annas is somewhat high on one commodity?—Nobody would feel it.

Perhaps it may be that in Bombay nobody would feel it, but up-country the people are likely to feel it?—I don't think they will feel it. Four years ago the public in Bombay were paying Rs. 4 a gallon for petrol and the municipality were paying about Rs. 2 or Rs. 2-8-0 only, thanks to the common sense of the petrol companies that made them realise their responsibility and they did not let the public bodies down, and although they could have got in the market Rs. 5 any day, they arranged to supply the public bodies with petrol at the contract rate.

Chairman: You are aware that even in the city of Bombay there is a fairly large section of people who think that two annas is not capable of being borne by the people. The *Times of India* has been writing time after time about the inequity of paying two annas more on petrol?—There is a certain amount of inequity in it. There are many cases of petrol engines which do not use the roads at all. To that extent it is inequitable.

Hon. Sir G. Corbett: Would it be possible to have a uniform tax which will be paid by all motors all over the province, and also a surtax for motors in Bombay?—The difficulty would be to collect it. I think it would involve considerable expense in collecting it.

Suppose you had a petrol tax and also a surtax on vehicles in the municipalities?—That, I say, is possible.

I take it that only an infinitesimal portion of the expenditure on provincial roads is met from motor taxation?—I imagine so as far as provincial roads are concerned but nearly all my roads are made from taxation.

If the allotment is made on the basis of total expenditure, you would not get anything like half your expenditure. If the total proceeds are 18 lakhs, what would your total expenditure be?—I believe, as far as I know, the number of motor vehicles in the Bombay Presidency is less than 20,000, of which more than 10,000 are in Bombay or in the immediate vicinity. Going on the principle of consumption, supposing the taxation comes to 24 lakhs, we shall be entitled to 12 lakhs of rupees a year. All I am suggesting is what I am getting at present, namely, 6 lakhs for myself and something for the local bodies.

I believe there is no motor tax now generally?—Not in the province generally. There is merely the registration fee.

If you distribute according to existing expenditure, it would cease to be a substitute for motor taxation. Do you see any difficulties in making the distribution?—I am quite sure there are difficulties. It strikes me that for example there would be difficulty with Indian States. They would complain if they were left out. If on the other hand you base the distribution on the basis of the expenditure of the last three years, there would be some basis of equity.

After all it is a tax on the consumer. Why should a man pay 6 annas or 8 annas if his municipality has been neglectful and has not spent much on roads?—If the facilities for motor transport are few, the number of tax-payers in that particular area will be fewer. In places where the facilities are good a large number of tax-payers will be paying towards the central fund one-quarter.

Do you not think it will stereotype expenditure?—No. If the expenditure is increased, they will qualify for a larger sum. You will have to re-assess every year.

Do you realise that this cannot be done unless all the provinces agree that the duty on petrol must be uniform throughout India. If a province like the Central Provinces or the Punjab objects to a heavy tax on petrol, it cannot be put through?—Yes. I quite see your objection. We will have to see how far the taxable limit has been reached.

Supposing we cannot raise money on a uniform petrol basis, would you suggest by weight?—I do not think it would be very suitable. I think the horse power is suitable. That is what is done in England. So I am advised by my technical staff.

Is that an equitable way of assessing?—That is what my technical advisers tell me.

Another argument that has been advanced is that this tax could be easily evaded. You say you have been entirely successful in removing evasion. How is that?—Every vehicle has to be registered with the police every year. Under the old arrangement we could not easily trace the owners if any accidents occurred. Now the law has been changed, and we have posted men in all places who check the numbers of the cars and verify whether they have paid the tax. If they note a car number three times, they find out whether it has paid its tax.

My recollection is that in England you cannot re-register until you produce your receipt showing that you have paid your tax?—I believe that to be so.

I think you apply there to the County Council, and they give you a disc when you register for a period after you have paid your tax. Supposing a system like that were adopted in Bombay, and the police would simply refuse to re-register unless and until you showed you had paid the tax?—Unfortunately the existing wheel tax is not payable in advance, it is only payable retrospectively, and we do lose a little on that.

But if the tax is payable in advance as in England and registration is not renewed until proof of payment has been given, evasion would be eliminated practically altogether?—Yes. But payment in advance of course would be exceedingly unpopular. You will have to arrange to give refunds too. Supposing a man registered a car for use on the roads and then for some reason he has not driven it and the next six months he cannot drive, but he has paid his tax on it, and he is entitled to some sort of refund.

In England you can take it out monthly, and that is pretty satisfactory?—You will have to have a staff.

Chairman: If I go to Delhi, why should I pay the tax to Bombay Municipality?— . . . .

Hon. Sir A. Froom: You do not re-register every year at home.

Chairman: You propose re-registration every year for police purposes?—They do re-register every year.

A third objection has been raised to the tax that people object to paying a lump sum? It varies from Rs. 60 for a very small car to about Rs. 240 which is the maximum. That seems to me to be rather more than a three-anna tax on petrol?—I do not think so, if you take a five ton lorry. As a matter of fact, Rs. 240 is for cars of twelve tons of which there are very few; about six to eight tons is the maximum. I have 10 five ton lorries to carry meat from Bandra, they run six miles to the gallon, all on my own roads except 200 yards of them.

The point is that if you pay Rs. 60 on a car, which is Rs. 5 a month, do you think that people would object to that any more than having to pay an extra four annas on petrol?—I think they would feel it much more.

One has to take into consideration different characteristics, but I do not know whether you know that in England the horse power tax works out at a shilling per gallon?—Yes.

At the same time one has to bear in mind that an 8 annas tax on petrol, which is equivalent to about 9d., is fairly severe (one object previously was to balance the budget). If you pile all your taxation on to one commodity, you do run the risk of coming up against the law of diminishing returns. In Delhi the price of petrol is Rs. 1-8-0, and you have motor transport companies established, and they would be seriously inconvenienced. At present they are probably using in any case large stretches of roads and paying nothing for them?—Please understand I am ignorant as to the exact figures. I took the figure of four annas, it might be two annas or anything else. What the figure should be I do not know in the least.

Hon. Sir A. Froom: You told the Committee that you do not think a man would object to paying a four annas petrol tax as he would have forgotten that the idea was to get a move on with road development in India? I put it to you that if you gave up the whole of your wheel tax in Bombay, the man in Bombay won't be paying anything more, and that with a scheme for road development in India, the

man in Bombay might be expected to pay a little more and continue some form of wheel tax?—I agree that he should pay one-quarter of what he pays as contribution to roads outside the city. He cannot reasonably be expected to pay more.

The man in Bombay will possibly look to his pocket and he will find that if this four annas excise on petrol is introduced, he actually will probably be paying a little less than this?—90 per cent. of the people in Bombay do not go outside Bombay at all. Surely the prosperity of Bombay is wrapped up with the prosperity of the country.

Chairman: What is your tax now?— . . . .

Hon. Sir A. Froom: Rs. 100 a year. When this was discussed by the touring sub-committee in Bombay, the discussion there showed that most people had agreed to a two annas excise. That was to go towards a central fund for the development of roads in India. Under this proposed scheme, the resident of Bombay would be paying nothing extra out of his pocket?—He would probably be paying something extra, but it is not equitable that he should pay more than one-quarter; it is not equitable even that he should pay that quarter, but let us say that he is prepared to pay that quarter.

Chairman: You said that the provincial quota should be on the basis of three years' expenses on roads?—I understand that it is possible to estimate the consumption as far as the provinces are concerned; so I would not worry about that. I would take the petrol consumption of the province.

You would have every province get money out of this central fund on the basis of petrol consumption or on the expenses for three years on roads?—My suggestion was that a province should get a grant in accordance with its consumption, and then between the several bodies concerned it should be distributed according to the expenditure inside the province.

Therefore you have two tests, one for the province and another for inter-provincial distribution?—I imagine that the consumption test of one province as against another province would be more equitable.

Inter-provincial distribution would be on the basis of three years' expenses?—Yes.

Lala Lajpat Rai: Would you apply the same principle to Indian States?—I would, yes; that is to say, if it is possible to show that a particular State gets its petrol from Bombay, I would say that that State is entitled to a subvention from the Bombay provincial quota in accordance with its expenditure on roads.

Hon. Sir G. Corbett: Under your proposal, of the 18 lakhs, which represents the average revenue that would have accrued during the last three years, the Bombay Government would get 60 per cent. That is to say the Bombay Government would get 10·8 lakhs and the local bodies 7·2 lakhs. Even then you would be down?—In that case we should have to retain half of our vehicle tax. In estimating the expenditure only the cost of interest and sinking funds should be taken into consideration in the case of capital works as against repair works. My expenditure would be much more than what I have stated (25 lakhs), if capital cost were included in full. I have only taken repair works and interest and sinking fund on capital works in arriving at my figure of Rs. 25 lakhs.

You say that about 90 per cent of the vehicles in Bombay do not move outside the city proper. Do you not think they go to Andheri?—Very rarely.

Are they private vehicles?—A certain number of them are private vehicles. Private vehicles go out to Juhu and possibly they go out also in other directions. Of course it is very difficult to say whether I am correct or not. I have given it to you as a rough estimate and that is that 6,500 cars do not go outside the city.

That is only a guess?—Yes, it is a guess.

(*The witness withdrew.*)

18.

(*a*) Replies to the questionnaire submitted by Mr. ARIKSHAN SINHA, General Secretary, Bihar Provincial Kisan Sabha, Muzaffarpur.

GENERAL.

I heartily welcome the appointment of this Committee to enquire into the question of road development when the Royal Commission on Agriculture is about to finish its labour. The kisans are keenly interested in the result of both the Royal Commission and this Committee. The Royal Commission has also taken up this question among other questions. In question No. 4, clause (*c*) of its questionnaire the Royal Commission asks as follows:—

"4:—

(*c*) Are you satisfied from the Agricultural standpoint with the services afforded by:—

(*i*) The Agricultural and Veterinary Services.

(*ii*) Railways and Steamers.

(*iii*) Roads.

(*iv*) Meteorological Department.

(*v*) Posts and

(*vi*) Telegraphs, including wireless?

If not, please indicate the directions in which you think these services might be improved or extended."

I have dealt at a great length on these points in my note* to the Royal Commission on Agriculture. I am giving the following replies to questionnaire, only brief points, and I will fully place the facts before the Committee in my oral evidence. In the matter of road development in villages the kisans are vitally interested as without road facilities the recommendations of the Royal Commission on Agriculture will be of no use to the kisans for the transport of their agricultural produce from one place to another and to suitable markets for sale. The kisans pay road cess for the upkeep of the District Boards' and local boards' roads. Hence I am anxious to place their view points before this Committee also.

A.—ROAD DEVELOPMENT.

1. (*ii*) There are several important railway bridges in Bihar, namely Sonepur bridge, Dehri-on-Sone bridge, Koilwar bridge and many other bridges of less importance. But these bridges are not available to other traffics as the Jumna bridge in Allahabad. In small rivulets there are several bridges constructed by the District Boards for communication purposes. They are the Akharaghat bridge at Muzaffarpur, the Khanooaghat bridge over Bagmati river, Saraiya bridge and Karnoul bridge over Baya river and a large number of small bridges too numerous to mention here.

* Not received.

(*iii*) In my opinion there should be a bridge on the Ganges to join North Bihar and South Bihar. I would suggest a bridge at Hajipur joining Patna, the capital of Bihar and Orissa. The Bengal Government, when Bihar was a part of Bengal, contemplated having a bridge on the Ganges in Mokameh. But that scheme was dropped after the separation of Bihar. I would strongly advocate the construction of a bridge between Patna and Hajipur on the Ganges in order to join North Bihar and South Bihar. If possible this bridge should be on the model of the Jumna bridge in Allahabad. The cost of this bridge should be met by the Government. There are a large number of places where bridges are necessary but they can be undertaken by the District Boards concerned. I do not wish to enumerate them in detail here.

(*iv*) There are three classes of roads in Bihar, namely, (1) the provincial road, (2) the District Board road, and (3) the local board road. The provincial Government is responsible for the provincial road, the District Board for the District Board road and the local board for the local board road.

(*v*) The existing arrangement in the province is that the local Government is responsible for the construction and maintenance of the provincial road, whereas the District Board is responsible for the District Board road and the local board for the local board road.

4.—I do not know of any statistics on the subject.

5.—In my province there are District Board roads running from one district to another. Each District Board maintains the road in its own jurisdiction. To my mind there is no co-ordination system here. As for example there is one road which runs in Darbhanga, Muzaffarpur and Champaran Districts. Each District Board maintains the road in its own jurisdiction. Similar is the case with provincial roads. The Bihar Government is responsible for the roads in Bihar, the United Provinces Government in the United Provinces and Bengal Government in Bengal, the Madras Government in Madras. There is one independent kingdom on the border of North Bihar and that is Nepal. There is a road in British territory in Champaran District up to Raxaul and from Raxaul to Bhimphedi, the Nepal Government maintains its own road. There are some Feudatory Chiefs in Orissa and they maintain the roads in their own States.

6.—In my opinion there are serious defects in the road system of my province. Formerly when there was no motor service there were two classes of roads, one meant for vehicular traffic and the other for bullock cart traffic. Now a third kind has been made necessary on account of motor service. The bullock cart roads have been always neglected. The kisans use bullock carts for their agricultural purposes and it is they who have been paying for the upkeep of the roads but strange to say that their interests have always been sacrificed to suit the convenience of those living in towns and using palki gharis, tumtum, phaeton and other vehicles. In my opinion the motor car and other vehicular roads should be made pucca at the cost to be realised from such vehicles and motor cars. The bullock cart roads should be improved. If some of the members of this Committee were to see the pitiable conditions of bullocks dragging a heavy agricultural load in the months of Kartiek,* Aghran* and Pous through knee-deep water in roads and sometimes with some water, they will be moved to tears. In my opinion such roads should be improved at proper costs out of the cess levied from the kisans and zemindars. I expect a great deal if the programme proposed is adopted and the roads improved.

* i.e., from the middle of October to the middle of January.

7.—(*a*) In my opinion the motor roads should be made pucca. At present the roads are mainly kachha. Brickbats, kankar and concrete should be used in such motor car roads. It is not possible to have all the motor traffic roads being made pucca in one year or two years. But this can be done gradually. At least each District Board should make pucca roads to the extent of 200 miles in each year till all the motor traffic roads are made pucca.

(*b*) and (*c*) This should be done partly by the District Boards and partly by the Government and partly from the contribution made by the taxes to be collected as a result of this Committee's report. I would recommend that the District Boards should borrow money from the Government within their paying capacity for such improvements. The construction of roads includes the construction of bridges on small rivers. As regards big bridges such as proposed in my note, viz., the bridge between Hajipur and Patna, the cost should be borne by the Governments, both provincial and Central.

8.—I do not think the road development will affect the railways in any way. There is no railway between Muzaffarpur and Sitamarhi. As such on account of motor transport between these two places the railway would not suffer. As a member of the last Bihar and Orissa Legislative Council I drew the attention of the Bihar and Orissa Government for providing a light railway between these two places but with no sympathetic response. At present there is no machinery in existence for the co-ordination of road and railway development. I would propose that wherever there is a local demand for a railway there should be railway communication, otherwise District Board roads should be improved and metalled in order to facilitate motor transport.

9.—(*a*) We do not make any use of the Government Test House at Alipur. I think there is no harm if such facilities are utilised.

(*b*) I am not in a position to say to what extent experiment with and research into the methods and materials of road construction have been carried out. This is a matter which rests entirely with the Public Works Department.

(*c*) No such experiment is known to me.

(*d*) I am of opinion that an assignment should be made from central revenues for supplementing as well as subsidising, co-ordinating and distributing purposes.

B.—Motor Transport and Motor Taxation.

1.—The motor transport has increased many times from the year 1923 to 1927. There were only a few private motors in 1913-1914. But now they have increased much.

(*a*) I cannot give an exact number of private cars. These figures can be obtained from the Government. But the number is very large.

(*b*) and (*c*) Motor buses are too numerous to mention their names here. In North Bihar alone there will be not less than 20 motor buses running in both rural and urban areas. They run from the headquarters of each district and sub-division to important places in rural areas. Similarly there are a large number of taxis also.

(*d*) There are very few commercial goods vehicles in Bihar as it is not well noted for commercial enterprises.

(*e*) There are a large number of motor cycles. They are mostly used by lower grade Government officials.

2.—It will be a very paying business for motor bus owners as well as taxi owners if the development proposed is carried out. It will also facilitate quick traffic. But it will tell heavily upon country-made vehicles. Formerly palkis used to be engaged in marriage processions and ladies used to come and go in palkis. But now motor taxis are taking their place and the race of palanquin bearers is dying out. This is loss to these wage-earning innocent villagers. Science has killed their profession.

3.—At present private motor cars have to pay only registration fees. But motor buses and taxis have to pay registration fees to Government and further they have to pay an annual tax to the District Board. The Government fee is realised before the Superintendent of Police will issue licence and thereafter the Chairman of each District Board will levy his own tax annually separately.

4.—The amount collected by the Government goes to Government Treasury and that by the District Board to the District Board. The District Board amalgamates this fund with road cess, ferry tax, pound tax and annually frames a budget in which a certain amount is earmarked for road construction and road repairs. There is no separate allocation of such money for expenditure on roads.

5.—I am of opinion that the entire taxation on motor transport whether Central or provincial or local should be allocated to expenditure on roads alone.

6.—I am of opinion that import duties on motor and its accessories and petrol should be reduced. But each motor car, motor bus, taxi, motor cycle should be subject to the payment of a duty to the Government on its arrival in India. This should belong to the Central Government but should be utilised for road purposes only. Registration-fee of these in each province should belong to the provincial Government for road purposes only. Over and above these each of such motor cars, buses, cycles and taxis should pay annually to each District Board for the use of District Board and local boards' roads. The amount thus collected should be spent on road development only. As regards other vehicles such as ekka, tumtum, palkighari, phaeton, rickshaw, tonga, shampani ghari, I am of opinion that they should each pay a certain tax annually for the use they make of the District Boards' roads. The Municipality realises such taxes, then why should the District Boards suffer and spoil their roads. But on no account should any tax be levied from bullock cart owners. My reasons are that bullock carts are meant for the use of agriculturists for carrying their grains to their houses and to markets. Agricultural produce is already assessed under the Cess Act. Poor peasants already pay road cess which each District Board enjoys as its income. It will be very hard and unfair if bullock cart is assessed with any tax. Bullock cart is a matter of necessity, whereas other conveyances are matters of luxuries. So people can afford to pay and ought rightly to pay on luxuries.

Tolls are realised by ferry contractors and bridge contractors. They are utilised by District Boards.

7.—I am in entire agreement with the views of the Bombay Government. An additional duty should be imposed on petrol as proposed.

8.—I am of opinion that import duty and registration fee and other fees should be assessed *ad valorem*. The seating capacity also may be considered. My reason for recommending *ad valorem* duty is this. Suppose one gentleman spends Rs. 5,000 for a motor whereas the

other spends Rs. 2,000, it will be unfair to the gentleman spending Rs. 2,000 if he were to pay equal tax with the gentleman spending Rs. 5,000.

9.—I answer this question in the affirmative otherwise there may be some authority who may levy an arbitrary amount.

10.—So far as the cases of private motor cars are concerned I would recommend general reciprocal exemptions from provincial and local taxation, but in case of other motor vehicles which ply for hire I am of opinion that each District Board should realise from such vehicle owners taxes for using their roads. If they realise fares from passengers according to miles from one place to another, there is no reason why he should not contribute a portion of his profit to the District Board whose road it has used and spoilt also. There is no equity in favour of such hire-earning motor owners. They should get their names registered in all the districts where they want to ply their motors on hire.

There will be some changes in the rules as regards registration fees and other matters in each province.

11.—I do not see any difference between crediting motor transport taxation to a separate fund for expenditure on roads or for maintaining a separate account by each authority if the amount collected is spent on road purposes only. However I would prefer a separate account being maintained.

12.—The Devolution Rules—item No. 6 (*b*) of Part II—Provincial Subjects—indicate only this much that Public Works enumerated in clause (*b*) are Provincial subjects. It says thus:—"Roads, bridges, ferries, tunnels, ropeways, causeways and other means of communication, subject to such conditions as regards control over construction and maintenance of means of communication declared by the Governor General in Council to be of military importance, and as regards incidence of special expenditure connected therewith as the Governor General in Council may prescribe." I realise the difficulty. The Devolution Rules have prescribed these subjects as Provincial and transferred, and then without amendment how can the Government of India interfere. But there is already a clause there that subject to such conditions, etc., etc., . . . declared by the Governor General in Council to be of "military importance." I propose that after "military importance", the words "road development purposes" may be added. This will give the Government of India sufficient power to make an allotment for "road development purposes" out of the central revenue. The amendment can be easily made by an expert draftsman in Government of India office.

13. (*a*) I am of opinion that the Government of India should specify clearly that so much is given for bridges and so much for road development. But it will be difficult for the Government of India to specify the particular bridges and roads. Specification should be left to the provincial Government. The Government should give a lump sum with specified purposes.

(*b*) This is a very disputable point. Some provinces may ask that the amount be allotted according to the consumption of petrol in each province and some would ask in proportion to provincial expenditure on roads. I think the most equitable and just decision will be to allow the provinces to draw an amount in proportion to the actual consumption of petrol in such provinces. By doing this no province will have any ground to murmur. They can make up their deficit from their own revenue.

14.—I answer this question in the affirmative. I have already suggested that only bullock carts belonging to the peasants class should be exempted and have given my reasons for it. But I am strongly of opinion that all other vehicular traffic should be taxed for road development purposes such as ekka, tumtum, palkighari (hackney carriage), phaeton, tonga, rickshaw, shampani ghari, in the same way as they are taxed in municipal areas. If they pay municipal taxes for the upkeep of municipal roads, why should they not pay for the upkeep of District Board roads. They will make profit by using and spoiling the District Board roads and why should they escape payment of taxes. But I would recommend concessions in the case of owners of private vehicles.

15.—There is a road cess in my province. It is realised in pursuance of the provisions of the Road Cess Act. It is assessed at the rate of one anna per rupee on the gross cash collection of a zemindar from his tenants. Out of this one anna paid by the zemindar, half an anna is borne by the raiyat and half an anna by the zemindar. Thus if a zemindar has an annual income from his raiyats of Rs. 100 he pays into the Government Treasury Rs. 6-4 as road cess at the rate of one anna per rupee. But he will realise Rs. 3-2 (three rupees two annas) from his tenants and himself bear Rs. 3-2. As regards zarait or bakast land, *i.e.*, the lands in the khas cultivation of zemindars a road cess valuation is made by a Deputy Collector at some annual jama for the purpose of cess assessment and the zemindar has to pay one anna per rupee on the jama fixed by the cess-valuation Deputy Collector. If he fixes the annual rental of one bigha zarait or bakast land at Rs. 8 per bigha the zemindar will have to pay eight annas per year as road cess.

Road cess collected is made over entirely to the District Boards. It is spent on (1) primary education and secondary education up to Middle English Examination, (2) hospitals in villages, and (3) on District Board and local board roads. Road cess is not exclusively spent on road purposes only. But it meets the costs of education, sanitation and public works purposes (including roads) in villages only. There are only two classes of roads maintained by the road cess income, namely (1) the District Board road, and (2) the local board road.

C.—Road Boards.

1.—There is no Road Board in my province. At least as a member of the last Legislative Council I did not come across any such Board. Further questions on this point do not arise.

2.—I am strongly of opinion that a Central Road Board be formed for the purposes specified in clauses (*a*), (*b*), (*c*) and (*d*). I go a step further and suggest that another Provincial Road Board in each province be formed with a Road Board in each district.

3.—As regards the constitution of such Board I will propose that the Member-in-charge of the Department of Commerce should be its ex-officio President. One member of the Legislative Assembly (non-official) from each province as a member. One official and one non-official member of the Legislative Council from each of the provinces as members also. The Secretary in the Commerce Department as a member and one special Secretary should be appointed for this department. My reason of associating provincial members of the Legislative Council is that the members of the Legislative Assembly are not in touch with their provincial Governments. This is a question of co-ordination. Therefore there must be some provincial representatives on such Boards also.

The function of such a Board should be to have an all-India road development. It will advise the Government of India to allot funds to different provinces or it may itself allot funds for road purposes. It will also advise the provincial Governments on the question of road developments and special taxation therefor.

4.—In addition to the above proposal I would suggest that there should be a Provincial Board at the headquarters of each Government consisting of both official and non-official members to take up the provincial road development matters. Such Boards should specify the names of the roads and bridges for which the Government of India grant will be applied for. There must be also a District Road Board with the District Magistrate as President and all the sub-divisional officers as members and at least two members of the District Board from each sub-division as members. Some non-district Board members also should be nominated as members of such a Board. I would also suggest that the Chairmen of the District Boards and local boards should be ex-officio members of this Board. In this way there would be co-ordination from district to the province and from the province to the Central Government for road development purposes. This is the only means by which I can suggest that the necessary co-ordination is possible.

New Delhi, dated the 24th January 1928.

(*b*) Oral evidence of Mr. ARIKSHAN SINHA, General Secretary, Bihar Provincial Kisan Sabha, Muzaffarpur.

Chairman : You are the General Secretary, Bihar Provincial Kisan Sabha ?—Yes.

Will you just explain to the Committee what is this Kisan Sabha ?—This is a Sabha which is concerned with the welfare of the agriculturists. Kisan means an agriculturist or a peasant.

How many members have you in this Sabha ?—There are more than a thousand.

Spread over the whole of the Bihar province ?—Yes.

We can take it that you represent their views ?—Yes.

There is in your province a road cess which is paid to the District Boards ?—Yes.

Is that a popular levy ?—Popular or unpopular, we have been paying it.

How much do you pay ?—6 pies per rupee.

Supposing the District Boards thought of raising it to one anna or even more, how would it affect the agriculturists ?—It will affect them very much.

You do not think there is any margin left for increasing that levy ?—No, Sir. They are already very heavily taxed.

How ?—They have to pay half an anna p r rupee besides the rental.

That is land revenue, I suppose ?—No. There is the permanent settlement in force there with the zemindar to whom the agriculturist pays this half an anna cess.

So, that takes the place of what is land revenue in the ryotwari system ?—No. The landlords pay the road cess over and above the revenue at the rate of one anna per rupee. Out of that one anna, we contribute half.

What the zemindar pays to the Government does that include anything more by way of road cess than the half anna which you pay?—He pays one anna and takes half from us.

There is no margin left for further taxation of agriculturists?—No; it will be very hard upon them.

Supposing a petrol tax of 2 annas a gallon were put, would it affect the agriculturists in your part of the country?—I do not think it will affect.

I suppose the agriculturists travel occasionally in motors?—Yes, they do. In the case of such a tax being imposed, the taxi hires will be raised a little.

You do not think that the whole of the 2 annas will be transferred to the customer?—No; a portion of it will be.

How much; can you tell us approximately?—No; I cannot.

You say in your replies to the questionnaire that at present the motor cars have only to pay the registration fee. Is it so for the entire province?—Yes.

Who levies it?—The Superintendent of Police.

How much is it?—I do not know; I do not keep a motor car.

How many motor cars are there in your province approximately?—There will be not less than a thousand.

Have you any idea of the registration fee?—It may be about 25 or 50 rupees.

Is it the same for private cars and for touring and commercial vehicles?—In addition to the registration fee, I think there is a licence fee for drivers.

The registration fee goes into the provincial revenue?—Yes.

Do the District Boards levy anything on motor cars?—Yes; they levy Rs. 200 or 300 per taxi a year.

Graded on their income or per car?—Per car. In one case it was levied at Rs. 50 a month.

Have they got power to levy a motor tax?—Yes; in our province they have, and I think every District Board realises it.

Can it be said that motor traffic in your province is capable of bearing an additional 2 annas per gallon?—I think it can.

What about this levy of Rs. 300?—It goes into the coffers of the District Board.

How much of it is utilised for road development?—There is no separate fund for road improvement. All the funds are mingled together and spent on roads, primary education, sanitation and building of hospitals. The entire amount levied as road cess is not spent on roads alone. The chief income of the District Board is the road cess.

What is the average annual income of the District Boards?—Rs. 7 to 8 lakhs a year.

How much is from motors?—A very small amount.

How much do you realise on cesses?—Nearly 6 to 7 lakhs.

How much out of that do you spend on roads?—I cannot give you the exact figures but I believe it is less than one-third.

What is the state of roads in your province as far you can judge? Is it satisfactory?—No, it is not satisfactory.

What is that due to? Is it the question of funds or mismanagement or incompetence?—It is not a question of mismanagement but all the money collected from road cess is not spent for road purposes. Some money is spent on account of education and sanitation. If the money spent on education and sanitation be taken away and all the money realised from road cess be utilised upon the construction of roads then it would be all right.

Then you won't want any more money if that be done?—If more money be forthcoming of course we shall welcome it. That will improve the roads but at least the money which is collected from the zemindars and the kisans as road cess should be utilised for road purposes and the Government may make a grant for primary education and sanitation out of the excise revenue.

What do you think should be done with the additional 2 annas excise?—That should be spent on roads.

Who should have the control of that money? What would be the best arrangement by which this money which is to be collected by the Central Government should be utilised?—In my opinion this money or some portion of it should be given to the provincial Governments and the provincial Governments should make it over to District Boards.

Distribute it?—Yes.

As between the Central Government and the provincial Government beyond the work of collecting this tax and distributing it, would you give any control in the hands of the Central Government?—There must be the control of supervision.

You would give the control of supervision but remember that Roads are a transferred subject according to the present Act. We must therefore be careful that no undue interference is caused to the Local Self-Government or to provincial Governments. How would you adjust the powers of the Central Government consistent with the Government of India Act and the Rules made thereunder?—I think this is a matter which might well be left to the provincial Government and the District Boards.

You would not interfere with the freedom of the provincial Government?—No.

You would leave the matter entirely in the hands of the provincial Government?—The provincial Government and the District Boards.

Then what according to you is the Central Board going to do? Merely collect and distribute the funds?—Yes.

What formula would you suggest for distribution? What would suit your province best?—I have suggested that it should be distributed according to the petrol consumption.

Will that work all right in your province?—It will suffice for our purpose and it will be more equitable also.

Suppose you put another two annas excise besides the two annas excise which goes into the hands of the Central Government to replace all provincial taxation on motor cars including your municipal and District Board taxation, and the compensation be paid to the local body, will it work all right or would you much prefer that the provincial taxation be kept in tact?—I don't think any hardship would be done provided this money is made over to local bodies.

You do not think it is likely to be regarded as an interference with the provincial Government in any way?—I don't think so.

About bullock carts—are they taxed in your part of the country?—No.

You would not recommend any system by which they could be taxed?—It will be very hard upon them. I would strongly protest against it.

You say in your replies to the questionnaire that import duty on motors and accessories and petrol should be reduced and that each motor car, etc., should be subject to the payment of duty to the Government on its arrival in India and that this should belong to the Central Government and should be utilised for road purposes. That practically means that part at least of this duty which is at present realised by the Central Government entirely at their own initiative should be utilised for road purposes. Now, do you think if this view of yours represents any bulk of opinion in your part of the country?—I have not consulted the public opinion.

As regards the central fund would you be content if a separate account were kept or a separate fund is necessary? You have answered this question in your written replies?—To my mind it is the same thing.

It is not the same thing because when you create a body that body must have a personnel; it must have some powers. These powers may be increasing or decreasing according to the exigencies?—Then a separate fund might be created.

You will be content with a separate fund to be distributed ultimately by the Central Government or a Department of the Central Government?—By the Central Government.

Do you think it will cause interference with your provincial Government?—I have already suggested that this body will only distribute money.

You would not go beyond that?—No, Sir. That would be very difficult.

Hon. Sir A. Froom: I understand from your replies to the Chairman that you support the idea of a central fund being started by an increase of 2 annas excise on petrol?—Yes.

In your written replies you refer at some length to the trouble that exists in your province owing to the lack of certain bridges on certain main roads and you consider that these bridges should be built by Government?—I spoke of one bridge connecting North Bihar and South Bihar over Hajipur and Patna.

As regards this particular bridge you say that the cost of building it should be met by the Government. Do you mean the provincial Government or the Central Government?—I mean both.

You consider that the cost of this bridge should be met by the Central and provincial Governments but the District Board should not be asked to contribute anything to it?—No, Sir.

Do you think that the cost of the bridge should come out of this additional petrol excise of 2 annas by the Central Government?—Yes.

And that is one of the reasons for which you support this central fund so that there may be funds to meet this sort of capital expenditure? Is that your idea?—Yes, but that should be supplemented by grant from the provincial Government otherwise this yearly grant would not suffice for this bridge.

You think that your provincial Government should also help out of its general revenues?—Yes. It will cost I think not less than Rs. 30,000 to Rs. 40,000.

Would you not like to raise a loan for this bridge?—Yes, if the provincial Government agree to it, but the bridge must be just on the same lines as the Jumna bridge in Allahabad, connecting Naini and Allahabad.

That is, you want a double bridge?—Yes.

And in that way you require co-ordination with railways?—Yes.

You were telling our Chairman about taxation by your District Boards that their chief income is road cess?—There are other sources of income also, such as contracts on ferries and ghats and pound. The main income is road cess.

Do you suggest that the whole of the income arising from road cess should be spent on roads?—That is my idea. The provincial Government can spend money for primary education and sanitation from other sources. Much of this money is swallowed up by these departments.

This half anna cess. Is it still called road cess in your districts?—Yes; there is an Act called the Road Cess Act.

Lala Lajput Rai: Half anna or one anna?—One anna, out of which half anna is contributed by the tenant and half anna by the zemindar.

Hon. Sir A. Froom: You said that certain District Boards levied a tax of Rs. 200 or Rs. 300 a year on taxis?—Yes.

The ordinary private car does not pay that?—No.

Is it a sort of licence fee levied on conveyances plying for hire?—Yes.

Is there a smaller tax on private cars at all?—No.

Do you think the private cars should be taxed?—I think some concession must be made in favour of private cars. My point is that only those conveyances plying for hire—taxis, ekkas, tumtums, tongas, etc.—should be taxed because they spoil the roads and do not pay anything to the District Boards; the private car owners already pay road cess, whether he is a zemindar or a kisan, and therefore should not be taxed. In my province the private owner pays no tax except in municipalities.

I put it to you that a man who can afford to run a private car might equally be able to afford some sort of tax as long as the money accruing from that tax is spent on roads—not perhaps as high as the licence fees but some small tax?—Some small tax I would recommend; but there must be some concession.

You also said that a two annas tax on petrol for provincial purposes would not be excessive?—It would not.

Are there any tolls in your province?—No road tolls; but there are some bridge tolls which are very much resented.

But if there were not a bridge they would have to pay for ferrying?—That amount has already been recouped by the railway authorities or the Government; but this is a permanent tax and should not be levied.

Some gentlemen who have come before us have said that the road toll is a nuisance but have suggested that bridge tolls should be maintained in order to pay for maintenance and other charges?—The general public opinion is that all tolls should be abolished and there is an agitation for taking away the tolls on certain bridges in my province; poor people have to pay these tolls; some of the bridges have been constructed by District Boards out of funds raised from zemindars and

tenants as road cess; there at least the tolls should be abolished as the cost of the bridge has already been met. The poor people are taxed twice; we have to pay the road cess and again to pay toll.

Would not people gladly pay toll on a bridge for a bridge to be built where a bridge is badly needed?—But the road cess money belongs to us.

This tax on vehicles which amounts to Rs. 200 or Rs. 300 goes into the general revenues of the District Boards?—Yes; it is not set aside for roads. I have suggested that the revenue from motor transport should be spent on roads; that is not the case at present.

Which of your District Boards gets a grant from the provincial Government for roads?—I do not know; the provincial Government makes grants for education and hospitals and sanitation; I do not think they give any grant for roads, so far as I know.

Can we gather from what you have told us that the roads in your province are very much neglected by your Government?—Yes.

And by the District Boards?—By both.

Are there many motor buses in your province?—There are many.

Are they patronised largely?—Yes.

By what sort of people?—By ordinary people.

Do poor people use them in preference to railways?—No, not in preference to railways; where there is no railway and where these motor buses ply, the people pay one rupee or 1-4-0 and go in the buses.

Are these people agriculturists?—Even the agriculturists.

So any road development which permits of buses running on roads is for the benefit of the poorer men largely?—My opinion, frankly speaking, is different. These motor buses are not a blessing; the poor people formerly used to walk 16 or 20 miles on foot; now they pay one rupee and even more for travelling in these buses where they would not travel in ekkas and tumtums before and so instead of saving money they spend it; it is not a blessing for the poor people.

But he is not obliged to go in a bus?.....

Lala Lajpat Rai: Temptation, just as drink, is a temptation.

Hon. Sardar S. Uberoi: Have buses been introduced in places where ekkas were not plying before?—Ekkas were plying but these people would not go in them; they would go on foot.

Hon. Sir A. Froom: Any how supposing your roads are better, it would benefit the bullock cart traffic as well as these buses?—The bullock cart roads are in a bad condition; they ought to be improved; I do not think the cart roads will be improved, but they ought to be.

Why would it not benefit the bullock carts?—We have already been paying road cess for this very purpose and the primary duty of these District Boards is to see that these bullock cart roads are properly maintained.

Your grievance is that the agriculturist pays the road cess and it is being spent on education and sanitation?—That is not my complaint; my complaint is that the bullock cart roads are not well maintained. More attention is paid to motor car roads and hackney carriage roads. In my province the roads are divided into three kinds; formerly of course there were no motor cars; but after they came, one portion of the road was raised for motor cars; the other for hackney carriages and the lowest one was kept for bullock carts. As I have mentioned in my written replies, from October to January, these bullocks have to carry very heavy loads; they are in deep water and in several places there

is every chance of the bullock carts going down and damaging the drains.

They are not allowed on the top roads?—No; they are prosecuted.

Who prevents them?—The District Boards.

That is a matter that you ought to set right in your districts?—Yes. They have got some bye-laws by which they prevent the poor agriculturists from using the top roads.

Do all members of the District Boards own motor cars and want to keep the good roads for themselves? I want to know the reason for this?—The reason is this: formerly they wanted the good roads for their phaetons and tongas, and the poor people and agriculturists were driven to the lowest place; and the official District Boards framed certain bye-laws that if any bullock cart went on that road they would be prosecuted; and there have been several prosecutions.

How would you remedy that?—The District Boards should maintain the bullock cart roads in a proper way from the money realised from the zemindars and other people in the villages. That must be the primary concern of the District Boards.

From what you say it would seem that the District Boards in your province are not looking after the interests of the agriculturists?—The District Boards are not properly looking after the roads for bullock cart traffic.

Chairman: Is there any grievance in your province that District Boards have been applying a part of the proceeds of the cess to education or sanitation?—There is no public grievance about this matter.

I am only asking you that you have no grievance that District Boards have been duly mindful of the claims of sanitation and education to the exclusion of roads?—There has been no public grievance about this matter, but what I suggest is that the expenditure on primary education and sanitation should be met from the excise revenue which is increasing by leaps and bounds every day, I mean that expenditure should be met from provincial revenues.

I am speaking of the cess?—It should be left for road purposes, and the money for education and sanitation should come from the excise revenue or provincial sources.

You said that moneys were spent on roads which are not used by the villagers but on roads which are used by the richer classes. Do you apprehend that any additional money which may be given to the District Boards as part of the collection of the 2 annas excise would be used in similar way?—If the roads are metalled, then all the bullock carts and other vehicular traffic can pass on that. If they are not metalled, then I don't think the poor people will derive much benefit.

Would you suggest any safeguard against such a possibility?—Some provision should be made for bullock cart roads also. I should like to have a safeguard by way of a specific provision that a part of the money should be utilised only for village roads and bullock cart roads.

Lala Lajpat Rai: Would you have it made clear that the prohibition that exists at present about the use of the metalled roads by bullock carts ceases to exist?—Yes. All roads are not metalled, and wherever there is such a prohibition it should cease to exist.

Chairman: I am asking you as to the utilisation of the additional money which will come into the hands of the Provincial Road Boards or the provincial Government, would you have any specific conditions laid down?—There must be some conditions. I may also say that there

are many roads in villages and we have been petitioning and agitating that those roads should be maintained by the local boards, but nobody has so far paid any heed to our requests and petitions. Those roads are in a very bad condition and nobody cares for them.

Therefore, you think that unless there is some provision made either by a bye-law or rule or an Act, there is danger of this additional money being frittered away on richer roads?—Yes.

Hon. Sir A. Froom: You say that there is no Provincial Road Board in Bihar and Orissa at present?—There is none at present. I think one might be started.

To remedy the troubles, you suggest that a Provincial Road Board should have some control over District Boards?—They may advise.

But the advice may not be taken?—Then when there is money to be given I agree that that Board should have some control.

Hon. Mr. M. Suhrawardy: Referring to your written replies, I see that you have in your heart the interests of the millions of peasants, and you consider that the development of the roads in the rural areas will help the agriculturists. If the Royal Agricultural Commission does not recommend the development of roads, you consider that there will not be much use in inquiring into the condition of the peasants because India is a purely agricultural country?—My point is this. The Agricultural Commission is dealing with all matters pertaining to agriculture besides roads, and inquiries must be made into the condition of the village roads and suitable facilities provided to the agriculturists.

Then your point is that without the development of the roads, agricultural prosperity cannot be brought about. This is one of the necessary factors in your opinion, is it not?—Yes.

Another complaint you have in your province is that you are suffering from want of suitable bridges?—The Bengal Government wanted to connect North and South Bihar by means of a bridge near Mokama Ghat. But when Bihar was separated from Bengal, that idea was dropped. We now desire that there should be a bridge to connect Hajipur and Patna, to connect North Bihar and South Bihar for the commercial development of the province. If this is done, then Hajipur would be to Patna what Howrah is to Calcutta. Tirhoot Division is the biggest portion of our province, and we pay the largest amount of revenue and cesses, and it is very important that that division should be linked up with the capital of the province. We should also like to have a bridge over the Ganges to connect North and South Bihar.

It is said that there is no Provincial Road Board in your province and that there is a District Board. What are the sources of income of the District Board now?—Road cess, ferry tax, pound cess. Road cess includes public works cess.

You do not levy any tax on cycles or motor buses?—I do not think there is any. What I wanted to say was that the cost of constructing a bridge between Hajipur and Patna should be met by the Central Government or the provincial Government, because it will cost a good deal.

(*Chairman*: We need not go into local details.)

Hon. Mr. M. Suhrawardy: You are in favour of starting a central fund, because you say in your written replies that you are strongly of opinion that a Central Road Board should be formed for the purposes specified in clauses (*a*), (*b*), (*c*) and (*d*) of question No. C.-2 of the questionnaire. So you are in favour of a Central Road Board?—Yes.

Chairman : You said that a separate fund would be quite enough for your purposes provided the money was automatically distributed to the District Boards; you also say in your statement:

"I am of opinion that import duties on motor and motor accessories and petrol should be reduced". Why do you want the import duties to be reduced?—I suggest that this amount might come over to the road development fund.

You want a big Central Board, then a Provincial Board and then a District Board with their own funds for financing expenditure?—Yes.

I suppose you have in your heart the development of industries and agriculture in your province?—Yes.

Mr. Mohd. Anwarul Azim : You have a good working knowledge of District Boards?—I have never been a member of a District Board but I have a good working knowledge.

Since the inauguration of the Reforms how have they been working? Are they better or worse?—Neither better nor worse.

Would it be far wrong to state that they have steadily improved? —They have improved in certain respects. For example, in the matter of education and sanitation. A large number of primary schools have been opened and also hospitals. So far as road matters go, I cannot congratulate them. They have not made much.

The Government of Bihar and Orissa say that owing to the geographical position of North Bihar it is absolutely impossible to make any improvement in the roads there. Do you share that view?—I do not agree with them. I think the difficulty is in South Bihar.

Would you not like the representatives of the Provincial Boards to consist of members of District Boards?—That is my view.

Do you agree that popular views have a better say?—Yes.

Is it a fact that in the province of Bihar and Orissa the roads which lead to tea and indigo gardens are kept better than the others? —There are no tea gardens in Bihar. The roads leading to the indigo gardens used to be maintained better before but now the indigo industry is dying and so the roads also.

Chairman : Is it your view that more money was spent on indigo roads because the factories belonged to European planters?—Formerly that used to be the case. The official District Boards gave the contracts to the planters and they used to maintain the road through their own agency. They gave lot of trouble to the bullock carts and they even insulted gentlemen. Now all that is gone.

Mr. Muhd. Ismail Khan : Do you know if these tongas, ekkas and other vehicles are taxed by the District Boards?—No.

Is there any objection to the District Board levying a tax on these vehicles?—There is no prohibition. There is nothing for or against it.

They can levy it if they like?—I have not looked into the subject.

What is your road cess?—I think about 7 to 8 lakhs.

Do you think that the amount spent at present in improving roads is quite sufficient for the purpose?—It is not sufficient.

You said that bullock carts are not allowed on some roads on account of some bye-law. Now that you have non-official District Boards, why do you not repeal that bye-law?—The system is the same.

You have not been agitating to change the system?—No.

Is it not a fact that District Boards are spending more on education and sanitation because there is an insistent demand for them?—That is so.

If there was a more insistent demand for good roads, there will be more good roads?—Yes.

If there is a demand for more good roads, more money would be forthcoming?—I think so.

Mr. E. F. Sykes: You say in your statement that you want each District Board to make 200 miles of good pucca road every year and there are 25 District Boards in your province?—There are about 21 or 22.

Suppose there are 20. That would make nearly 5 thousand miles of roads every year. Do you know what it would cost per mile?—I cannot give you any idea.

You belong to any District Board?—No.

You do not know what the actual expenditure per mile would be? It might be anything from 8,000 to 30,000 a mile. That will make 5 crores. Have you thought of this aspect?—I cannot give you an exact idea on this subject.

But you say quite definitely that you wish to have 200 miles made pucca?—I am not definite as to what would be the actual cost.

If you make a recommendation that they should construct 200 miles every year, that involves a recommendation that you would raise the money to do it?—But if you relieve District Boards from the cost of primary education and sanitation, and those two departments are financed by the Provincial Government, I think that from the income of the District Boards from the road cess that demand can be met.

But if you do not know the cost of the road, how can you think that that money would be sufficient?—Of course, I have not calculated it, I am not an expert.

Then again in your statement you speak about Muzaffarpur and Sitamarhi; you want to have a railway between those two places?—Yes. There is no railway but a metalled road with a motor service on it.

How many passengers go each way?—Not less than a hundred and I think not more than 200.

Raja Ghazanfar Ali Khan: You just now said that sanitation and education should be financed by the Provincial Government, and roads should be financed by the District Boards?—Not by the District Board but from the road cess realised from zemindars and tenants. I say that the road should be financed out of the revenue realised as road cess from zemindars and tenants, and the cost of education and sanitation should be met by the Provincial Government out of the excise revenue.

Would it not be preferable that education and sanitation should not be left at the mercy of the Government but should be managed entirely by the District Board, and roads should be transferred to the Provincial Government, to be financed out of general revenues?—I say that all these three things should be managed through the agency of the District Board. Under the Cess Act one anna per rupee is levied solely for the purpose of road construction and road maintenance. That is the difficulty in Bihar. There is another cess not levied by the District Board but realised by the Government under the Road Cess Act, roads and public works cess as it is called, and if you transfer the roads to Government, I think that will not be a good

thing. There was a good deal of agitation when this Road Cess Act was contemplated to be enacted, and the Government has indicated to the zemindars and the kisans that this is meant for improving the roads.

The District Board is spending some money on education, sanitation, hospitals, etc., and are they not spending it out of this one anna cess?—I do not deny that. There are two laws on the subject. One is the Road Cess Act under which one anna per rupee is realised as a road cess. Then there is another Act, the District Board Act which enacts that revenue realised from road cess should be made over to the District Boards and the latter will spend that money on education, sanitation and roads.

So supposing the District Boards are relieved of financing the roads out of this one anna cess and spend that only on education and sanitation, don't you think it would be preferable?—If we get that amount from the Provincial Government, I would have no objection. Of course I do not want that sanitation and education should suffer or starve.

Do you not think that the safest thing would be that the money which you get for District Boards should be spent on education and sanitation, leaving roads in the hands of the Provincial Government?—I am agreeable to this proposal, if the latter takes up the entire responsibility.

One more question about some bye-laws prohibiting these bullock carts on the metalled roads: don't you think that if bullock carts are allowed to travel on the main metalled roads, they will do great damage to the roads and that will not bring any relief to the cart drivers?—So far as the metalled roads are concerned, it won't do much damage, but on mud roads it might do some damage.

So far as good roads are concerned, would you like to change the bye-laws so as to allow the bullock carts to drive on the same road?—Well, at the same time there must be good and efficient roads for bullock carts.

So you want good and efficient roads for bullock carts and it is immaterial whether they are allowed to pass on the same road?—That is immaterial. What I want is good and efficient roads for bullock carts.

Lala Lajpat Rai: In some provinces the Government have laid down a rule that in addition to the grant made from provincial revenues for the purposes of education and sanitation, a specific portion of a percentage of the District Board's income should be spent on education and sanitation: is there any such rule in your province? According to you, I understand, that the income from the Road Cess Act of the District Board has been converted into a general sort of income for the District Boards which they can distribute: supposing Government is not willing to give you an additional grant for education and sanitation, you would not reduce the education and sanitation grant of the District Board?—No.

Education and sanitation must be given preference?—Yes. We can do without roads but we must give the former preference.

You will give preference to education and sanitation under all circumstances, whether the expenditure is met by current revenues or even by taking loans?—Yes, a man must live and be educated.

You say that the import duties on motors and accessories should be reduced, and in answer to a question by Mr. Suhrawardy you said that

you wanted that reduction to be used for the purposes of road improvement: am I to understand that you do not want to reduce the import duties but you want the proceeds to be spent on road development?—Yes.

One more question: how do you cross the river when you go from Patna to Hajipur?—By steamer; we have to go from Patna to Digha Ghat.

And these steamers and ferries are maintained by railways?—Yes.

Do they pay anything to the District Board?—I do not think they pay anything.

Do you not believe that as formerly before the railways came in when there was a great waterway practically from Allahabad up to Calcutta, it would be an improvement if the Government takes in hand the improvement of waterways, and that that would give employment to a large number of Indians who are now thrown out of employment?—Yes.

Do you favour the idea that all roads and communications, rail roads and waterways, should be determined by one authority, instead of by different authorities competing with each other?—I have always said that there should be a central authority for all these three things.

Chairman: You said that the railway takes tolls which are levied across the river, is that so?—Yes.

What is the access to the station from which the ferry begins to ply? By a local board road?—No. There is no local board road The railway train comes right up to the river on both sides.

There are some roads besides the railway roads up to the ferry which are very rarely used. Most people come by the roads maintained by the District Board to the ferry on both sides?—Not on both sides, on the Patna side.

On the Digha Ghat side, there is no such road?—On the Paleza Ghat side there is no such road. There trains have to come to the side of the river.

From your local knowledge, is there any case in your province where the railway takes the toll for the ferry, and the access to the station, either on one side or the other or on both, is by a Local Board road?—There is. If you cut off the road, there will be no access to the ferry.

Are there cases in which the railway exclusively claims and takes the toll?—Yes, in Paleza Ghat side. Of course in some areas passengers have to come on foot through District Board roads, not in all the months, but during the rainy season.

Lala Lajpat Rai: You said that District Board roads are necessary on both sides, on one side permanently and on the other in certain months for the purpose of going to the railway steamers?—Yes.

You say in your statement that you would like the District Boards to make pukka roads to the extent of 200 miles each year. It is your wish and you have expressed it rather crudely but you have not counted the cost?—No.

Hon. Sir G. Corbett: I would like to congratulate you on your statement, which is one of the best we have received. There are only one or two points which I want to develop as the matters are of particular interest to us. Your position is generally, with regard to roads and District Boards, that the agriculturist through the road cess pays more than his share for the cost of maintenance, and

the result is that the proceeds of the road cess are spent almost entirely on main roads, while the village roads which the agriculturist particularly wants are neglected?—That is my position.

So your remedy for this is that other vehicles, particularly motor cars and tongas and carts not belonging to agriculturists, which use mainly the main roads, should be taxed, so that the proceeds of their taxation would be available for main roads and more money might be available for village roads?—Yes, except in the case of private owners.

I would rather like to go into in a little more detail about the methods of taxation that you propose on these other vehicles. First of all you say that motor cars should be taxed on the ad valorem basis. How would you assess it ad valorem?—I have already stated that one car may be worth Rs. 5,000 and the other car Rs. 2,000.

You buy a motor car; you pay Rs. 5,000. After six months how much will it be worth?—It might only be worth Rs. 3,000.

If you had an accident, it might be worth only Rs. 1,000. I do not understand how you could possibly assess it ad valorem on a continuing basis. On first import it has a definite value, but for the purposes of a District Board, I do not quite see how they can proceed on that basis, because they would have to keep on re-assessing the value?—A certain amount may be annually fixed. Or as an alternative, there must be one tax.

What in your opinion would be reasonable for ordinary private motor cars seating 5 people to pay per annum?—Rs. 25 to 30 per annum.

And for motor buses?—They are now paying Rs. 200 to Rs. 300 per annum.

Do they pay that already in your district?—Yes.

Do they pay that to the District Board?—Yes.

How is that assessed on them?—Motor owners take a licence from the Superintendent of Police; then they go to the District Board and the Chairman gives licences for one year and the amount is settled.

How is it settled? He must have some scale to work on?—According to the importance of the road. I believe the bus owners from Muzaffarpur to Sitamarhi have to pay Rs. 300.

That is for a definite service for a particular road in that district?—Yes.

Do the buses run into another district? The beginning of the journey might be in one district and the end in another district?—No.

Supposing buses start from a town in your district and go to a railway station which is in the next district, what happens then?—They will have to take a licence from the other district.

And pay a separate fee?—Yes, but not the private cars.

At present private cars pay nothing at all?—I do not think they pay anything.

How would you assess private cars?—It is a nominal amount.

Would that be levied by the District Board?—Yes.

What would happen when the private car runs into the next district? I can understand a bus running in a regular service, but a private car may go all over the province?—That should be dealt with by the Provincial Government.

So the tax will be levied by the Provincial Government. Will that be spent by the Provincial Government on the roads or distributed to the District Boards?—The Provincial Government might distribute the amount to different District Boards. The amount should be spent through the District Boards.

And the buses would be paying an additional higher tax to the District Boards direct. I can follow that quite clearly. What about other vehicles, such as ekkas, tongas, rickshaws, etc? How would you assess them?—My proposal is this. These vehicles are taxed in municipal areas. They go to the rural areas, to villages. Thereby they spoil the District Board roads and they have to pay to the municipality for the use of municipal roads, I see no reason why they should not pay for the District Board roads.

I see no reason either. But how would you assess it? Have you any ideas?—There are two proposals of mine. One is that they should get their names registered separately in each District Board, or there may be a joint levy of tax on these ekkas, tongas, etc., by the District Board and municipality. But I think that will be a little confusing in the distribution of the amount. So I would prefer a separate tax by the District Board.

Are these for vehicles plying for hire only or for private ekkas and tongas?—I have spoken about those vehicles which ply for hire, not the private vehicles.

You have not said that definitely?—Those vehicles used for private use should be exempted.

Why should the private owners be exempted?—Private owners already pay road cess.

Supposing some rich man who lives in a small town or village has a ghari, would you exempt him?—In my province the rich people are zemindars. There is no industrial enterprise in my province.

I suppose the number of private tongas now is small, because people would have motor cars?—There is no tonga system in my province.

What about carts that do not belong to agriculturists? Have you got any of those professional carters in your town who are not agriculturists, who simply ply for hire as cartmen?—There are in towns. They do not use the District Board roads at all. They ply in towns. I would not recommend any tax on bullock carts. That will be very hard.

I only wanted to know if there were any bullock carts not belonging to agriculturists?—Yes, in towns.

They pay tax to the municipality?—Yes.

So far as District Boards are concerned, you would only levy a tax on such tongas which ply for hire on the district roads?—I propose for those tongas and carts which ply for hire only.

Are they regularly plying for hire on the district roads?—These ekkas and tongas and gharies are hired by village people also. They have mostly to go to railway stations; and therefore for the use that they make of District Board roads they should pay.

(The witness withdrew.)

19.

Bombay, dated the 21st December 1927.

(a) Memorandum of touring sub-committee's discussion with—

Sir JOSEPH KAY, Kt., M.L.C. ;
Mr. A. B. MORRISON ; and
Mr. H. ROYAL ;
representing the Bombay Chamber of Commerce.

The Chairman explained the objects of the Committee.

Sir Joseph Kay says that in his experience advisory Boards are unsatisfactory. The Chamber recognises the need of a Central Road Board, but doubts whether an advisory Board would be effective. The Central Cotton Committee found after 2 years work as an advisory body that its work was ineffective and thereafter executive powers were given. He suggests that provinces should map out their road programmes and submit these to the Central Board before execution is taken in hand. The central body should have control of all trunk roads throughout India; unless a Central Board has some power of control, we may get development in one province with no corresponding development in another. He further states that in the view of the Chamber an advisory Central Road Board would be ineffective as it would not be able to enforce its advice.

The Central Cotton Committee administers the proceeds of the cotton cess—about Rs. 6 lakhs a year—for research and subsidising provinces for new lines of research.

In Bombay Presidency there has been no development of roads in the past 3 years. There has been no increase in road mileage, although there has been a very large increase in motor vehicles.

Sir Joseph Kay says that the Chamber's view is that an extra 2 annas on petrol to form a Central Road Fund would not be resented, but the proceeds would not suffice for development out of that revenue. But, should the Central Board be merely advisory and the main roads remain provincial, the Chamber might have to change its view as to taxation. Speaking generally the Chamber would not object to a 2 annas petrol excise for Central Road Fund.

Mr. Morrison says that the Oil Companies could give figures of petrol consumption for each province.

Sir Joseph Kay suggests that increased provincial taxation is necessary for maintenance of new roads and personally agrees that a further petrol excise for provincial purposes is a fair method of raising such funds. He would however not commit the Chamber to this without further consideration if Road Development is to be purely provincial. He personally doubts whether such a 2 annas provincial excise would produce enough revenue. He emphasises that this revenue should not be used to relieve the provinces of any present expenditure on roads. The revenue from 2 annas on petrol is only Rs. 60 lakhs for all India, which is a mere trifle to the sum required.

The Chamber's view is that there may be fresh taxation on petrol but it should be set aside for roads in a central fund under central control. Each provincial Government should put up its schemes to the Central Board, and the Central Board should allocate the necessary

sums to provinces, according to their needs, and based on provincial consumption of petrol conditioned by the provincial expenditure on roads.

Sir Joseph Kay suggests that as soon as finances permit, the present excise on petrol should be allocated to road development. He would further prefer that until the road system is properly developed the import duty on motor vehicles should be allocated to a Central Road Fund rather than the duty be reduced.

Mr. Morrison states in his opinion price of petrol has little effect on consumption of petrol, and that the increase in consumption coinciding with the drop in price is probably due to the increased number of motor vehicles. If roads are developed, an increase in petrol price would not affect the use of motor transport in India.

Sir Joseph Kay would not accept 6 annas extra on petrol without further details of the objects and methods of spending the money; until a programme of road development is settled, it is not possible to estimate the money required for loan service and maintenance.

With regard to the question whether proportionate relief from municipal taxation should be granted if the petrol tax be increased by a further two annas on provincial account, Sir Joseph Kay states that he thinks that this is a matter for individual provinces to consider, and that he is not prepared to hazard an opinion without further consideration as to the extent, if any, to which Bombay motorists might be relieved from the local municipal tax, should the extra two annas per gallon be levied.

(*b*) Replies to the questionnaire submitted by the Bombay Chamber of Commerce.

A.—Road Development.

7. (*a*) The nature of the development of roads must necessarily take the form of the construction of feeders and the improvement of the existing main roads. The rate of development will be entirely dependent on the amount of increase of motor traffic induced by the improvement in the roads and also on the finance available.

(*b*) The development of roads should be financed by loans, road bonds, and an additional tax on petrol. Further the possibility of the issue of premium bonds might be worth consideration.

(*c*) The construction of bridges and roads should be provided for by means of loans, etc., as mentioned in (*b*) and should, at any rate for the next few years, be carried out on as large a scale as the available finances will permit.

8. The development of the road system must open up the country and by providing more markets and giving more rapid transport to the adjacent railway systems must increase the traffic of the latter. It is most essential therefore that roads and railways should be co-ordinated and the best method of bringing this about will be to form local Road Boards on which the railways should be represented.

B.—Motor Transport and Motor Taxation.

5. Generally speaking the revenue derived from taxation on motor transport—(*a*) central, (*b*) provincial and (*c*) local—should be applied *in toto* to the development of the road system. Such proceeds will, however, be quite inadequate for even a reasonable development of

the road system and they might be made use of as a guarantee against the interest payble on loans and road bonds obtained especially for road development.

6. The most suitable forms of taxation are:—

(*a*) Central—customs and excise duties;

(*b*) Provincial—additional tax on petrol;

(*c*) Local—licence fees.

7. The Chamber is in favour of an additional duty being imposed on petrol, the whole of which should go to the central fund as a guarantee against the interest on the loans.

8. (*a*) The import duty on motor vehicles should be levied on an *ad valorem* basis.

(*b*) The registration fees should be merely nominal.

9. The Chamber considers it to be most desirable to limit the maximum taxation that may be imposed by each authority.

10. It will be necessary for some arrangement to be made whereby local authorities will be recompensed by the Central Government from the central fund for their loss in revenue from taxation.

11. As regards the Central Road Board the Chamber strongly recommends that the revenue from taxation on motor transport should be credited to a separate fund for expenditure on roads. But as regards the provincial Governments it will probably be sufficient if a separate account be kept provided it is clearly stated that the funds in that account are to be used only for road development.

13. (*a*) The Chamber is of opinion that the central funds should be allotted for specific objects after consideration of the recommendations made by the Provincial Road Boards.

(*b*) It has already been stated that the Chamber considers that the proceeds from the tax on petrol should be utilised for the purpose of guaranteeing the interest on road bonds, etc. The grants to individual provinces should be based on the consumption of petrol, taken in conjunction with the amount of provincial expenditure on roads.

14. The Chamber agrees on principle that taxation for the purpose of road development should be extended to all vehicular traffic but it is realised that there might be considerable difficulty with the District Local Boards in this connection who would require to be compensated.

15. So far as the Chamber is aware there is no road cess in this Presidency.

C.—Road Board.

1. Yes! There is a Government Road Board in Bombay which was formed in August 1926, for the purpose of advising Government in regard to the policy to be followed in connection with roads in the Presidency. The Board consists of the Hon'ble Sir Ghulam Hussain Hidayatullah, Kt., (Chairman), the Chief Engineer, Roads and Buildings, the Secretaries to Government, General, Home, Public Works and Revenue Departments; the Commissioners of the Northern, Central and Southern Divisions; the Superintending Engineers of the Province; the Under Secretary to Government, Public Works Department, Roads and Buildings; the Colonel on the Staff, Southern Command, four members of the Legislative Council; a representative of the Western India Automobile Association, Bombay, and a representative of the Bombay Chamber of Commerce.

The Chamber has been informed that this Road Board has done some preliminary work in connection with the classification, etc., of certain roads, but so far the Road Board has not recommended to Government any definite line of policy in regard to roads in the Presidency.

2. Yes. The Chamber considers that a Central Road Board should be formed.

3. The Chamber would recommend that the Central Road Board be constituted somewhat as follows:—The Secretaries to the Government of India in the Finance, Commerce and Industries Departments, a representative of the Railway Board and a whole time expert to be called the Roads Commissioner. The functions of the Central Road Board should be somewhat on the lines of those of the Railway Board and should, broadly speaking, include—

(1) The preparation of a co-ordinated road programme for the whole of India and the laying down of a definite policy in regard to the construction and maintenance of roads.

(2) The raising of loans and the allocation of funds to the various provinces for road construction.

(3) The collection of statistics, etc., relative to the cost, maintenance, etc., of roads in other countries.

New Delhi, dated the 24th January 1928.

(c) Oral evidence of Sir JOSEPH KAY and Mr. E. MILLER, representing the Bombay Chamber of Commerce.

Chairman: You represent the Bombay Chamber of Commerce, Sir Joseph?—*Sir J. Kay*: Yes.

And you, Mr. Miller?—*Mr. Miller*: The Bombay Chamber of Commerce.

What is your membership?—*Sir J. Kay*: I think every European commercial firm of standing is a member in Bombay. I could not tell you the exact number.

It is purely an European body?—We have got 7 or 8 Indian firms as members in Bombay.

May I know one or two of them?—Narandas, Rajaram; Petit and Sons.

Is there any rule excluding Indians from membership?—No.

Does membership of Bombay Chamber and Indian Merchants' Chamber overlap? I only want to know how members prefer to belong to one and not the other?—The Bombay Chamber of Commerce was established a good many years ago, long before the Indian Merchants' Chamber came into being six or seven years ago. The Bombay Chamber of Commerce is for Bombay commerce generally.

Have you any objection to your statement before the sub-committee being used publicly?—Not a bit.

From what you have said, I find that you hold strong views that the Central Road Board should be established and should be invested with executive powers of control and you base it on the analogy of the Central Cotton Committee. Is that view shared by the Chamber generally?—Not necessarily. It has been my own personal experience that advisory committees speaking generally, though

not altogether useless, are ineffective. I have been a member of several advisory committees and I cannot look back on any constructive work they have been able to do or put into effect.

That is no doubt an ideal arrangement if there be no complications. I am asking you this question as an ex-Member of the Bombay Legislative Council and possessing a knowledge of the administration of the transferred subjects among which Roads are one, whether the present arrangement under which even big trunk roads are managed by the provincial Government would be disturbed, and whether the establishment of a Central Board with executive powers would be an interference with the powers of the provincial Governments on the transferred side?—I do not go so far as to suggest that they should be taken out of the hands of the provinces—I mean the control and administration of roads. I am purely speaking of advisory committees. I have not put that in as being a measure to control the whole of the roads of the country. The point raised was whether a Central Advisory Board would be effective and I replied that it would not, because you cannot enforce under the present constitution the advice given, based on experience or investigation, scientific and otherwise, on provincial Governments. That was my point in replying to it.

I am only pushing that point further. Would you on that account recommend in the case of the Central Board that it should have any power of control or supervision over the administration of the provincial Governments in regard to roads because it gives so much money out of the central revenues to them?—I would go so far as this. The broader view to take of the central body is this. You have over every province the Provincial Road Board on which the Minister of course is probably the Chairman or the President. They would formulate schemes which will then be submitted to the Central Board, which I take it would cause investigations to be made, particularly in the case of construction of roads.

Would you make that suggestion in respect of all roads or only a certain number of them, which may be considered to be trunk roads or arterial roads?—Through roads would come entirely under the central body.

Would you vest the ownership of these roads under that body?—I would vest the control of them.

Would it work? A system of dyarchy where the ownership and cost of maintenance of roads would go to the provincial Government and the control of them would be vested in the Central Government?—I am not permitted to say for I do not want to enter the political sphere. That may be so but that is your part of the work; I am here to try to help you purely from the commercial point of view. The trouble that we would like to get over is that through roads should be through roads and not stopped owing to some provinces not undertaking a certain portion of the expenditure on the roads. The provincial roads and feeder roads, if you like to call by that name all subsidiary roads, should be in the provincial control.

From that point of view, would it not be a better arrangement than now if the Central Road Board had funds in its hands which it distributed to the provinces for provincial roads and took up the control and management of big roads itself and spent money directly on them?—Yes.

It must necessarily involve that if not the proprietorship, at least the management should be taken out of the provincial Government?—Yes.

And you think that having regard to the greater efficiency which will arise from this arrangement, you are not afraid of disturbing the provincial arrangement to that extent?—That difficulty is obvious and has to be overcome.

You recognise that it is an interference with the provincial arrangement?—Yes: I do.

You say in your statement before the sub-committee that as soon as finances permit the present excise from petrol should be allocated for road development and you say the same about the import duty on motor cars. Would you give a part or the whole of this revenue for the central fund?—I cannot suggest anything until we had some idea of what road development is going to take place.

What you suggest here is that as soon as finances permit, the present excise should be allocated for road development and if you had one *ad hoc* body for road improvement, it must involve that the funds should be made over into the hands of that body as soon as finances permit?—Yes; that is so.

Does that relate to the whole of the revenue which arises from that source?—Yes.

Does that represent any bulk of opinion in your province?—That represents the opinion of the Bombay Chamber of Commerce.

Does that represent the view of every merchant in Bombay?—I have not cross-examined every merchant. I am only representing the Bombay Chamber of Commerce.

Do you say that as a responsible representative of the Chamber that is its view?—Yes.

Hon. Sir A. Froom: Your Chamber agrees to an additional two annas excise on petrol for the central fund?—Yes.

And you also agree that there might be another 2 annas excise for provincial fund. Is it your idea that it should replace the existing provincial taxation?—We did not put up very much the provincial point of view because the view of the Bombay Chamber of Commerce was and is the larger one that instead of dealing with the matter as purely provincial, it should begin with a central fund.

Would you subscribe to the original idea of the Bombay Government that there should be an increased 4 annas in the excise to go into a central fund?—That is most difficult to answer whether we would agree to 2 or 3 or 4 annas until we had some definite idea as to what roads are necessary, what length and what the cost would be. And that is one of the difficulties we have had in trying to lay before the sub-committee nor have we now before this Committee to-day any basis for the increased taxation which the motorist is prepared to pay within reasonable limits. We have had no figures nor can we get figures. We only realise that it has to be paid for some way.

Chairman: How much do you think the motorist can bear in addition to the present taxation in Bombay, apart from other questions?—It is a difficult thing to say to what the motorist would agree. *Mr. Miller*: He is already paying 4 as. to the municipality and in addition to that, I think, he can pay 4 as.

Hon. Sir A. Froom: You think that the motorists are likely to pay for the development of roads an additional 4 as. and still bear the existing municipal taxation?—*Mr. Miller*: I think there should be some relief in the municipal taxation. *Sir Joseph Kay*: My personal view is, if he can get improved roads his cost of maintenance would be less and he can to that extent bear additional taxation. Personally, I would be prepared to pay more.

Chairman : If the municipal taxation and the police fee remain, how much would you pay?—If you want a general reply, the motorist would be prepared to pay 2 or 3 as. per gallon.

Hon. Sir A. Froom : Would you prefer the municipal taxation wiped out and have a provincial taxation?—I would prefer it if the loss in revenue to the municipality is made good from the central fund.

Then the subscription to the central fund should be much more than 2 or 3 as. I do not think that will leave anything for road improvement?—As I said previously if you are going to make a move in road development and if you are going to rely on the 2 as. excise on a gallon of petrol, my view is it would be an infinitesimal amount for the purpose. 60 lakhs will not help you at all.

Would you not get a small amount out of capital?—Yes; but that should be used to pay interest on loans and help to forming a sinking fund.

Assuming that that was agreed generally would you subscribe to it?—I do not know what the revenue would be as I have not got figures with me.

Chairman : Two annas tax would involve an ordinary man having a car in Bombay paying something like Rs. 40 or Rs. 50 a year.

Hon. Sir G. Corbett : Mr. Clayton worked out the figures showing that a 3 annas tax on petrol would give Bombay about Rs. 3,60,000 and the present taxation was something over Rs. 6 lakhs, so that to get an equivalent amount of present taxation you have to impose a tax of 6 annas per gallon without any consideration of a further tax for the purposes of road development?—That is really coming back to the first question. My reply to this is that I do not think the Bombay motorists would object to paying 2 annas per gallon including this present taxation.

Chairman : If it should take the form of a 6 annas or 8 annas per gallon do you not think that it will be felt by the motorist every time that he goes to the pump?—I should not think so.

Hon. Sir A. Froom : The man living in the mofussil does not pay any tax for his motor but this will not be the case now?—Yes. You will get an increased revenue that way.

As the roads develop and the motor traffic increases your revenue will also be expanding correspondingly?—I think this is the experience in the other countries and Mr. Miller reminds me that there will be no cost incurred in collecting the tax.

Hon. Sardar Shivdev Singh Uberoi : You state in your statement before the sub-committee that there has been no development of roads in the past three years. May I know what is it due to?—I should say we are very short of money in the Bombay Presidency and we have no expanding sources of revenue.

May I know the arrangement of the roads in your Presidency? Whether all the roads are kept by the provincial Government or by the local boards or District Boards such as in the other provinces?—I am afraid I am not in a position to go into details.

But you are sure of this that on account of the shortness of funds the Bombay Government has not been able to make any development in the roads or is there any other reason?—That is my view.

And do you think that there is room for the extension of roads in the Presidency?—Tremendous room, I think.

New roads should be improved where they do not exist now and kachha roads converted into metalled roads?—I think the present roads

need improvement. I am only speaking as a layman because I am not an expert. Our present roads are not suitable for the present day traffic. They were not constructed for that purpose.

Has there been no demand from the side of the public on the Government to improve the condition of the roads?—I think the Government are alive to the importance of improving the roads, but they have not got enough money to spend on them.

As regards your idea of increasing the tax on petrol, may I know if there is any provincial tax on motor cars in the Presidency just as it is in the Punjab or is it only the municipal tax?—No provincial taxation.

What would be your opinion—whether this increased tax from petrol should be imposed where there is already a provincial tax on motor cars? Would you recommend that?—My reply to that is similar to that which I have given to Sir Arthur Froom that I would make up that loss of revenue from the central fund.

Do you not think that in the provinces where there is a provincial tax on motor cars, an increase in the tax on petrol would be a sort of double tax for the people of that province and will it not be a hardship on the population of that province?—It may be an extra tax but if they are getting better roads, the cost of the maintenance and the wear and tear of their cars is less.

I should like to know if there is much traffic by motor in the Presidency?—A lot, and between the outlying districts it has developed tremendously.

Passenger traffic or goods traffic also?—Both. I think at the moment the passenger traffic has developed more than the goods traffic.

Hon. Mr. M. Suhrawardy: What is the average taxable capacity of the motors in your province?—I wish I could reply to you, Sir, not only regarding motors but also in regard to other things. I am sorry I cannot reply.

Mr. Mohd. Anwarul Azim: In the Bombay Chamber's replies to the questionnaire, the Chamber recommends the preparation of a co-ordinated road programme for the whole of India and the laying down of a definite policy in regard to the construction and maintenance of roads. With that end in view what sort of co-ordination would you suggest between the Government of India and the Indian States?—This is a very important question. Co-ordination means this that everybody would have, as years go by, a certain experience as to certain types of roads for certain traffic. Now, I think every body knows that the construction of roads during the last few years has become a scientific matter and every province or every State would have to keep its road expert to build its roads. He must have certain statistics and information which may be suited to the particular province or State but may not be suited to the other, probably due to the peculiar condition of the subsoil or something peculiar in the climate which affects his roads or the question of traffic on his roads. If you had a central body you could get all the information together—information which must have been collected and which must at present exist, say in the Public Works Department of the province—and that combined with modern experience would give you co-ordination. Speaking of co-ordination from this point of view I think the Central Road Board would be in a position to give the best advice on the technicalities of road construction.

On what basis would you allocate the central fund?—I think generally on petrol consumption but I would not bind anybody to that because I think every province in these early days would have to state its own requirements and submit schemes.

Chairman: Would you agree to that if a formula could be worked out suitable to all provinces?—I have not heard of such a formula.

Several have been suggested—according to the petrol consumption, area, population, road expenditure, etc.?—I don't think any of these would be suited to all the provinces.

How would you suggest a way out of the difficulty?—I think you should take a broad view of the whole matter.

Would you act on the principle that Bombay should pay for the whole of India—of course to a certain limit?—I don't think your Central Board would allow it.

Or that India should pay for the whole of Bombay?—That I would not mind.

Mr. Mohd. Anwarul Azim: In your replies to the questionnaire you speak of the Provincial Road Board. Do you think that the District Boards should also have some representatives on this Board?—I will not mind that. Make it as representative as you can.

Mr. Muhd. Ismail Khan: You think that the Central Board should have control of the provincial roads. Some of them have to pass through the Indian States. How could the Central Board exercise any control over them?—It can be done by agreement with the States.

But you would assign full control to the Central Board?—I think it could be got over; if a State wanted to have full control of the road passing through its territory arrangements could be made with the State for through vehicles passing through its roads and for getting certain rights of transport.

You do not know whether the States will agree?—I do not know.

What makes you apprehend that the provincial Government will not look after their portion of trunk or through roads?—I have no reason for apprehending that they would not. But there is always a fear that you may not get a good link in your roads between provinces which is necessary for through roads.

Even now there are trunk roads?—Yes.

And they are practically in the same condition in the different provinces. Can you point out to me any instance where the roads are better in one province than in another?—I think so; I understand the Punjab road is kept better than the United Provinces portion.

You say there has been no development of roads for the past three years; I suppose you mean motor roads; or do you also mean District Board bullock cart roads?—I am only giving the returns we have got from the official statistics in Bombay.

I want to know whether it refers to metalled or unmetalled?—Both.

Mr. E. F. Sykes: You said that the result of an additional 2 annas excise in developing roads would be infinitesimal. Could you hazard a guess as to what would be substantial?—No.

You think that a constitution like that of the Central Cotton Committee would be rather suitable for the Central Road Board?—I put that in as being one of the most successful central committees which India has had for some time.

Your Chamber recommends a committee that is practically entirely official?—Yes. The excellence of the Cotton Committee is that it represents cotton growers and cotton traders and cotton consumers. The constitution of the two should, however, be entirely different since in the case of the Cotton Committee the levy or cess is being paid by the trade, whereas in the Road Board it becomes a public matter.

Chairman: How is the cess levied in the case of the Cotton Commitee?—The cess is levied by the Government of India and is paid by all cotton consumed in mills and by cotton exported so that there you have really the trade paying for it; but when you come to the Road Board which we have in mind we are coming to an entirely different issue; it is purely a public matter and consequently your constitution and personnel would have to be different. I did not submit, nor do I submit now that we should take the constitution of the Cotton Committee as being entirely suitable for the Central Road Board.

You do not consider that a levy on a bale of cotton is in any way equal to a levy on a gallon of petrol?—No.

Do you not think that in a matter like this, it would be advisable to have some representation of the road makers and the road users?—Yes; I would not mind that a bit.

And of the people who were directly responsible for the finance?—I would not mind it.

If we are going to have users and makers of roads also, we should probably have a very large committee?—We would have no objection to that.

Would you like the Central Board to work through sub-committees of manageable size as in the case of the Cotton Committee?—Yes; and of course you have got to have the co-ordination of railways.

You think your Chamber would not mind if we devise a constitution which was much larger than this and included these other elements?—Not a bit; we only put this as a basis for discussion.

Raja Ghazanfar Ali Khan: You suggest that the Central Board should have some controlling powers?—Yes.

And also some money at its disposal?—Yes.

If the Central Board has got no powers of control and does not deal with money, would you still favour this increase of duty on petrol by two annas?— . . . .

Chairman: Supposing the money was automatically collected by a Central Department and distributed automatically *pro rata* and there did not exist an entity like the Central Board, would you still favour an increase in the petrol excise by two annas?—That I take it would be just simply putting on increased taxation and giving it to the provinces after earmarking it for road development.

Just so. How would you suggest it would be allocated?—On some basis like petrol consumption.

Raja Ghazanfar Ali Khan: You said before the sub-committee: "But should the Central Board be merely advisory.....the Chamber might have to change its view as to taxation."?—I said that because we had not got in mind, nor do we have now, any purely provincial development of roads. If it is only going to be purely provincial, leave it as it is under the Ministers in the provinces that

have ample funds and can go on with road development. We have viewed and do view this road development in India as a much bigger issue than merely provincial.

Chairman: May I take it that the existence of a Central Board with controlling powers is the essence of your suggestion?—Yes.

Raja Ghazanfar Ali Khan: Your proposal is that these inter-provincial roads should be under the control of the Central Board?—Yes.

And the money raised from this 2 annas tax on petrol should be spent on the maintenance and construction of those roads by the Central Board?—I do not say that the money should be actually spent; I say it should have funds to look after these through roads, maintaining them and keeping them in good order and extending them if necessary

But the Central Board will be the agency for the construction and maintenance of these through roads?—Yes.

And the money for that will come out of this 2 annas tax on petrol?—There again I have to say that the principle is the same whether you are going to spend the whole or part of the income; the principle does not change one bit, whether you spend 20 out of the 60 lakhs you will get or the whole of the 60 lakhs or even more.

I may take it then that if there is no Central Board with controlling powers, your Chamber does not favour the proposal to levy an additional 2 annas on petrol?—No, we do not, because we have not viewed this as a purely provincial matter.

Hon. Sir A. Froom: Is it a point that your Chamber considers that if there is a central fund created, collected from the taxpayer, there should be some central body, that in a way might be looked upon as trustees of the taxpayer or something like that, who would see that the money which is distributed is spent on roads? Is that the idea?—Just so: that is quite true.

Chairman: If that was your idea that could be performed by some authority under the Central Government. Why do you want a Board?—Because we feel that there has been no improvement in our road construction for one thing and for another; the roads are not laid out scientifically; we want this all-India body who will have experts behind it to advise the Central Government and to advise the provincial Governments.

It is not therefore correct to say that you want the central body to act as a trustee; you want it also as a controlling, co-ordinating and distributing body?—Yes; I have said so.

Hon. Sir A. Froom: I mean that it should be one of its functions.....

Chairman: Its more important functions are to supervise, control and co-ordinate?—Yes; we do not want to interfere with provincial powers; we quite realise that in certain provinces you have had tremendous road development; others are backward; they have not got money to spend; my own province is one of them and we feel that with this bigger scheme we shall get a start on general road development throughout the country.

Raja Ghazanfar Ali Khan: Supposing there is a two annas duty to replace provincial and local taxation, then I quite agree that petrol consumption is the only sound basis for distribution because the local bodies must be compensated; but if they are allowed to maintain their local taxation as at present and there is an extra two annas on petrol, do you think that petrol consumption is a sound basis for distribution?—I think I have already replied to that.

(*Chairman*: He says he has no objection to any formula.)

If a motorist with average means in Bombay was to pay Rs. 1-12-0 per gallon for his petrol, would you think that it was a hardship?—My reply to that is that all these things are consequent upon what you are going to give him.

Supposing you gave him very good roads, would you still like him to pay 1-12-0 per gallon?—I would not.

A man at Bombay is paying Rs. 1-0-6 per gallon, and by increasing this duty he will only pay Rs. 1-3-6 if it is raised by 3 annas or Rs. 1-2-6 if the duty is increased by 2 annas, whereas in the Punjab a motorist will have to pay Rs. 1-12-0?—But in Bombay he pays about Rs. 100 to the municipality.

In the Punjab too the motorist pays to the Government of the Punjab a licensing fee. My point is that a man in Lahore has to pay Rs. 1-12-0 while a man in Bombay has to pay only Rs. 1-2-6 or Rs. 1-3-6. Why should there be so much difference. Don't you think it is a hardship?—I cannot say so, Sir. I think your economic conditions are probably different from those prevailing in Bombay.

Don't you think it will be in the interests of the agriculturists if motor traffic were encouraged enormously?—We certainly think so, and that is one reason why we say that we want better roads in this country for encouraging the motor traffic, which is increasing every day. There are tremendous openings for the development of motor traffic and that development must come and for that you must have improved roads to cope with your increasing traffic.

Now, I want to know your personal opinion whether you don't consider that the price of petrol which is about Rs. 1-8-0 or Rs. 1-9-0 per gallon is somewhat high?—I am only human, and I would like that the price not only of petrol but of all commodities should go down.

Will it surprise you to hear that the petrol price at the place where it is produced is Rs. 1-9-0 whereas the price of the same article in Bombay is Rs. 1-0-6 per gallon?—There must be a reason for it. I would not be surprised to hear it at all because conditions in the cities differ very widely.

Are you aware of any reasons?—No, but as a commercial man I think there must be some reasons for it.

Chairman: The Raja Saheb's contention is that petrol is actually produced at a place called Attock near Rawalpindi and there it is sold at Rs. 1-9-0 per gallon, whereas the price of the same article in Bombay is Rs. 1-0-6. Why should there be so much disparity in price?—I can't explain it, but there must be some reasons for it.

So far as one can see, it seems to be a question of profiteering, is it not?—I would not admit it, but when you investigate the matter thoroughly you will find that there must be some reasons for it.

Lala Lajpat Rai: You said that there are 7 or 8 Indian firms in your Chamber of Commerce. Could you give me an approximate idea of the total membership of your Chamber?—I think we have about 200 members.

Your Chamber is interested in both the import and export trade or more interested in one than in the other?—It is interested in commerce generally; it does not take any particular side. It is interested in commerce of all kinds. For instance, I have been chairman of the Bombay Mill Owners' Association, and I have been

President of the Bombay Chamber of Commerce. We look after the commerce of Bombay.

You are interested in the development of import trade also, is it not?—Yes. I am interested in commerce generally.

You are interested in the import of motors too?—Yes.

And you believe that the extension of motor traffic will be very beneficial to the interests of this country?—I think so.

And it will be very beneficial to the motor manufacturers too?—I think so.

You said before the sub-committee that as soon as the finances permit, you will have all import duties on motors and petrol spent on the development of roads. Do you not think it will be legitimate to expect that these import duties on motors should be used to encourage the manufacture of motors in this country?—I think the figures prove otherwise. The number of cars imported into Ceylon with a lower duty was much greater than the import of cars into India with a higher duty for a period of years.

That is not my point. What I want to know is, since motor transport is very important for the development of this country and since motor traffic is going to be encouraged by the development of the roads, do you not think motor transport will be better encouraged if the manufacture of cars is encouraged in this country?—That is certainly a different question. I think it would be better if the manufacture of motor cars were undertaken in this country.

Do you not think then that it is the duty of the Government to encourage such manufactures which are necessary for the development of the country?—I have no reason to think that the Government are not encouraging indigenous industries.

I am asking you whether you do not think that it is the duty of the Government to do so?—I do think so.

In that case, do you not think that the import duty on any particular commodity should as far as possible be used in the manufacture of that commodity?—I do not think so.

Either by means of subsidies or bounties?—I do not think so.

The reduction of import duties on any particular commodity increases the consumption of that commodity, is it not?—I was just explaining it in regard to the import of motor cars into Ceylon.

Now, with regard to your Chamber of Commerce, your membership is in the representative capacity of the firms, is it not?—Yes.

So Mr. Miller is a member there in his capacity as the reprensentative of the Asiatic Petroleum Co.?—Yes.

When he gives evidence as a member of the Chamber of Commerce, he does so as a representative of the Asiatic Petroleum Co., is it not?—Not at all, because he comes to you as a member of the Chamber of Commerce with a definite mandate.

But he is there as a member of the Asiatic Petroleum Co.?—No, I submit not. I am not trying to speak for Mr. Miller now. I am trying to speak now as the leader of the delegation of the Bombay Chamber of Commerce. If you want Mr. Miller to come before you as a representative of the Asiatic Petroleum Co. he will do so. But we have not appeared before you to-day as the heads of any particular firms, nor have we come here to represent any firms.

Your Chamber of Commerce is constituted on the principle of firm membership, and not on an individual membership. So when you represent the views of the Chamber of Commerce you practically represent the views of those firms that are represented on your Chamber, don't you think so?—Yes, I think you may take it like that, provided the representative of the firm has no individuality and no right to express his own views.

When you come in a representative capacity you practically represent the views of your firm?—I have come here as the representative of the Bombay Chamber of Commerce.

And the Bombay Chamber of Commerce represents so many firms. In representing your Chamber, you are representing the different firms by virtue of which you are members of the Chamber of Commerce?—We are not representatives here of any firms; we merely represent the Bombay Chamber of Commerce.

You are of opinion that the duty on petrol should be used for the purpose of road development and that it should be placed in the hands of the Central Board and that the distribution of it should proceed on the basis of consumption by each province. Do you not think there will be any injustice in adopting that suggestion because petrol is sold in different provinces at different rates?—It cannot be helped, because the provinces are scattered in a vast country like India. We cannot have a uniform price in every province in India, whether for petrol or for anything else.

There cannot be any uniform principle for distribution too?—As I have said earlier, these provincial schemes would have to be considered by the central body.

And therefore you will not have any provincial schemes decided by the provincial Governments?—I say again that wherever you want road development in a province, the matter should be considered by your Minister in conjunction with your Provincial Board. You will then go to your Central Board with your scheme for consideration, and if your Central Board is properly constituted, I take it that a proper allocation would be made for the grant of funds for the particular road development in any province.

May I take it then that all new schemes of the Provincial Road Board should be sanctioned by the Central Board?—Yes.

In that case you will again centralise this department; it has been decentralised now?—No, Sir, we do not go so far as that. We do not want to take away the control out of the hands of your Ministers.

He has to submit the scheme; he has no final voice; he merely takes the initiative in making the proposal, but the fate of it rests in the hands of the Central Board. He is getting only the money which his province has contributed on the basis of consumption?— . . .

Chairman: It does involve a provincial Government. I thought you admitted that you are not afraid of making this departure for the sake of higher efficiency?—I am not prepared to go so far as my friend now says that the whole control should be taken out of the hands of the Minister.

Lala Lajpat Rai: Would you go so far as to say that the Central Board should be in charge of the construction and maintenance of roads which are inter-provincial or would you leave it to the provincial departments?—That would all depend on the magnitude of the work. I cannot reply to that offhand.

The Central Board if it is charged with the duty of sanctioning provincial schemes and constructing and maintaining roads will require a technical staff?—It may require but I have not definitely thought out the subject.

Do you not think that it would be more economical and more conductive to the general development of all means of communication if all the functions were concentrated in one central department?—I should not think so.

Why?—Because of the experience in other countries.

Is there not a Ministry of Transport in Great Britain?—There is.

If the railways become national property then the interests of the State in maintaining all three methods of communication are one and indivisible?—I am afraid I am not competent to express an opinion on that.

Hon. Sir G. Corbett: You represent a large section of commerce in Bombay. Am I correct in taking that you consider that this general development of roads in India will be of benefit to commerce in Bombay?—I think it would benefit everybody. It would benefit the agriculturist as much as the commercial man.

The commerce of Bombay would not be so interested in the matter unless it thought that this would be for the benefit of Bombay, which represents the ingress and egress of a great deal of trade in India?—Quite so.

You have already stated that an additional two annas or three annas over and above the local taxation would not be unreasonable?—Yes.

From the point of view of the individual motorist, does he get any benefit out of the roads outside the Bombay city?—Not at present because the roads are so bad.

We were told yesterday by a reliable witness that in his opinion 90 per cent of the cars in Bombay never went out of Bombay. This would not be the case if the roads out of Bombay were better than they are?—I think it would open up the adjoining districts.

Chairman: There are two roads going out of Bombay, one to Porbandar and the other to Kalyan *via* Thana and both are good?—There is not much motoring there. I was thinking of the Andheri road.

Hon. Sir G. Corbett: So you think that Bombay interests cannot be regarded as confined to Bombay city?—Take Nasik for instance. It is six miles from Nasik Road. There is no means of communication.

Chairman: Is there not a tramway?—The tramway is not running.

Hon. Sir G. Corbett: The next question I want to discuss is the question of the Central Board and its powers and constitution. It is rather important because you have indicated that the support of the motor interests that you represent is somewhat conditional on the question whether the Central Board has some executive control over the expenditure of this two annas duty on petrol. I am sure you will appreciate the fact that the administration and ultimate responsibility for the roads of India must remain vested in the Government of the country. Neither the Government of India nor the provincial Ministers can divest themselves of their responsibility for one of the important factors in the life of the country?—My idea was that the Board should be something like the Railway Board.

Therefore your proposal to have an excluded fund drops to the ground. The Government of India Act provides that all this expenditure shall be submitted to the vote of the Assembly?—I quite realise the difficulty.

Chairman: I want to put the same thing to you in another way. If this process of centralising goes on because the subject is of all-India application, there will be no end to it. To-day it will be the Railway Board, to-morrow it will be the Road Board. There is a cry that European education should be a central subject. If this process goes on, what will happen to the provincial administration?—*Mr. Miller*: What we want is a co-ordinating scheme with power for the local Government.

As administration of the roads must be vested in the Government and as under the constitution it is now vested in the Minister in charge of roads, the proposal is that money should be raised by central taxation (by a tax on petrol, which is a source of central revenue) to be spent on roads, to be earmarked for road development, and that will require the vote of the Assembly. It will presumably be voted in some form of grant on some formula by an annual vote which may be perpetuated for a period of years under some sort of a convention. When this grant is made, should it in your opinion be a block grant or should it be definitely allocated to some specific project within the province?—*Sir Joseph Kay*: It is our view that it should be allocated for definite schemes.

For what kind of schemes do you think this grant from central revenues should be earmarked?—For roads required in the province for which the provincial Government could not afford to find money for a particular year; those would of course be sent up to the central body with a request that funds should be granted out of the general grant.

The provinces would submit their road programme to the central authority and the central authority perhaps would co-ordinate the road programme of the adjoining provinces, with reference, *e.g.*, to the need for an inter-provincial bridge and so on, and then a grant would be made to the province to spend on that programme as it could. That would meet your requirements?—Yes.

So that what one has in mind is that the body which would approve these programmes, or rather settle the co-ordination of these programmes, would be a body of the representatives of the provinces, presumably the provincial Ministers or their representatives sitting under the chairmanship of a Member of the Governor General's Council, and as the Legislature was also involved because they were being committed to this grant under the convention, the addition of members of the Central Legislature as watch dogs of the central tax-payer, so that some scheme of that sort for allocating funds would not induce you to withdraw your support to this two annas tax on petrol?—Yes. What we do not like is provincial Governments saying, 'very well, we may get money from this Central Board and utilise the proportion of our general revenues which we spend on roads for some other purposes'. That is what we want to avoid.

The difficulty is that provincial Governments cannot earmark a particular fund for any particular expenditure. Supposing the Central Government earmarked a grant to a provincial Government and said that it must be utilised for road improvement or improvement of a particular programme, then obviously it could not be spent for any other purpose because the Auditor General would at once put in his

objection—I mean provided that we should secure by some sort of arrangement how to utilise the money within those limits?—What we want is to supplement the provinces. We realise that certain provinces cannot undertake any further road developments because of their restricted income. Now this scheme provides that by extra taxation there is a certain money at the disposal of provincial Governments.

Supposing you gave the money to the Central Government and the latter gave it to the provincial Governments and said to them, "you must utilise it for road improvement" and left the internal programme to be adjusted by the provincial Government itself, what objection would your Chamber have?—It may not have the desired effect because it all depends on the Minister in charge.

Hon. Sir G. Corbett: But if the general programme of the provinces was approved by an inter-provincial conference of Ministers or an annual conference of Ministers under the chairmanship of the Member of the Governor General's Council in charge of the Department concerned, and members of the Legislature also were at the conference, and if that conference decided on certain programmes of main road development linked up together, then would you require that the provinces should start on a particular part of the programme first, that is, they must be allowed to develop their programme within those limits in accordance with the most pressing local needs? But it seems to me rather impracticable for a central body to dictate to a provincial Government which part of that programme is the most necessary?—Not from the central body but from a provincial body, from the province; that is the idea underlying our scheme: this demand for roads must arise in the provinces; then they go to the Central Board with their schemes.

With regard to the actual allocation of funds, I think there is a general feeling in the provinces that there should not be an annual disputation about how much a province is to have. Clearly it might lead to one province getting a little more than is desirable or fair merely because the Minister of that province happened to have a stronger personality, and they are very emphatic in desiring to avoid this annual wrangle by means of some formula to be devised, up to which each province could draw in carrying out its programme. Would there be any objection to that?—I cannot think of a formula.

That is the system in the United States. They have a Federal Aid Road Act there, and the money available is divided amongst the different States according to a definite formula. That is the maximum up to which they can draw, and within that maximum they can draw money for carrying out any scheme approved by the Federal Government. The formula there is, one-third is distributed according to population, one-third according to the area of the State, and one-third according to the length of roads in the State. Whatever the formula may be, would you be prepared to agree that it is desirable to try and work out some formula to automatically determine the shares of the different provinces?—If it is possible, it is desirable.

The next question is the question of loans, regarding which you and some other business bodies have suggested that loans should be borrowed on the security of this petrol tax. Would you consider that this is very good security, as there is no guarantee that the Act will not be repealed? Do you think that that would be a satisfactory guarantee for such a loan, supposing war broke out and it became

necessary to repeal this Act and divert the money to war purposes? Do you not think that the revenues of India would be a better security, and that the loans therefore should be borrowed by the provinces according to the usual methods, and they should take into consideration in framing their loan programme the point that this money would accrue to them for a definite period, and they can rely on this convention in framing their loan programme accordingly? They would know that this money would be coming in but the loan itself would be on the securities of India. They would count on it, but not definitely rely on it?—General revenues as security would be better.

You have pointed out that 60 lakhs is not an adequate sum for a large road development programme in India and that is all that the two annas on petrol will bring in, so that, accepting that and accepting that this road development should be financed, the additional roads required by motor transport should be financed by taxation on motor transport. We have to consider additional methods by which we can tax motor transport in such a way that it will be felt as little as possible and will not retard in any way the development of motor transport. Now the two annas tax on petrol could, it is suggested, be taken in addition to the existing four annas without any serious retardation of motor development, or serious hindrance to the use of petrol, but there is a considerable difference of opinion as to whether it is possible to go above that without bumping up against the law of diminishing returns. Petrol prices are higher up-country, and there is a distinct danger, it is felt, that we may come up against the law of diminishing returns if we put up the price of petrol from Rs. 1-9-0 or 1-11-0 to 1-14-0. One is getting nearer the danger point. Our past experience of the price of petrol at that high figure shows that there is a distinct slackening down of consumption, so that it is rather desirable to supplement it by other methods of taxation of motor transport?—I think we may reasonably expect, if you keep better roads, a bigger income than 60 lakhs; it would swell very rapidly.

At the same time do you think, borrowing Mr. Suhrawardy's question, that the taxable capacity of motor transport would have been reached thereby? We were told yesterday that the utmost that motor cars could bear in India was 8 annas a gallon, that is, taxation of all kinds should not be more than 8 annas a gallon. That is in Bombay where the roads are good. But the horse power tax in the United Kingdom works out, reduced to terms of petrol consumption, at a shilling a gallon. Do you not think, if you are prepared to make any special effort to improve the roads in India for motor purposes, you ought to be prepared to pay for it?—You must remember that the shilling a gallon brings in far more revenue than Government require. I think there was a raid on the Road Fund last year.

That is only the unspent surplus?—We cannot take that as any basis for judging the taxable capacity of motors.

Probably the taxable capacity in England has not been reached, it will probably pay a great deal more. The point is there is no suggestion here that we are going to bring in more than we require?—There is no suggestion in England either.

We may later; we hope we will. You yourself have said that Rs. 60 lakhs is an infinitesimal amount. Can you suggest any other way of taxing motors? How would you get the money? . . . . .

Chairman: Have you considered the question?—*Mr. Miller*: Yes. we have, but I do not know if the Chamber of Commerce have considered it. For one thing we might tax tea for road purposes, because Assam wants roads.

Hon. Sir G. Corbett: That is merely for Assam. As a matter of fact the Assam Government have from time to time suggested an export duty on tea for the purposes of road development. That will be a purely local development. Clearly this is going to affect very little the money available. It seems to me that the provinces have got to develop some sources of provincial taxation, for instance, vehicle taxation. Could I commend it to you to think it over for the purposes of your local Legislative Council, because it is a matter which will come back to the Council to determine?—I think it is a duty of the Central Board. We have suggested that as the nucleus to form a Board. You say that if you have a body, as you suggest, the final thing should be submitted to the Legislature; they would have to vote on it.

They would have to vote the money. If they turn it down, this money already having been specially allotted to roads, they could only turn it down because the particular scheme of road development is not one which appeals to the Assembly. They would have to refuse the demand for grant?—That would be the only reason. The money is already allotted to roads. It would only be refused because that particular scheme does not appeal to the Assembly.

There is no reason to suppose that the Assembly would break the convention?—No.

The only other point is this. There might be an occasion when it would be necessary to interfere with the provincial idea when there is a most important thing involved in a general scheme which has been sanctioned, where there is a link, a bridge 10 miles away from the important town, where the scheme is being dealt with. From a general idea affecting through communication the bridge would be the most important thing, but from the particular point of view of that town, they might want to develop the road nearest the town first?—I think in a case of that sort it would be the duty of the Central Government to interfere and insist on the bridge, so that you could not make it a hard and fast rule. Speaking generally, it would be accepted that they would have the last say; but in a case of this sort where the linking up of India is important, the last word ought to be with the Central Government.

I take it that in any case there must be a reserve maintained for all-India purposes, so that the total amount available could not be devoted according to this formula?—A reserve must always be maintained, and the question whether the reserve is maintained to cover bridges—which are of very little provincial importance but of great all-India importance—is a matter to be considered.

(*The witnesses withdrew.*)

20.

(*a*) Replies to the questionnaire submitted by Mr. K. SAIKIA, M.L.C., Assam.

A.—Road Development.

5. (*a*) In reply to this question I have the honour to bring to your notice that in ancient times the old Ahom Rajas (rulers before the

British) constructed roads leading to each of the towns of the province and the Assam Trunk Road passes through all the towns and the only thing needed is to improve this road by metalling and to connect the existing feeder roads to it.

(*b*) The Assam Trunk Road connects Assam with Bengal and if this road is improved there will be free and easy communications between the two provinces and thus not only trade will be increased but what is more, it will gradually do away with the provincial jealousies and this will have a moral effect in bringing round the two different provinces into one common cause. Not only this, but something higher, namely the roads, will serve as agents of civilisation. It is justly said that first roads and then commerce, institutions, etc.

Again, Silchar in the Surma Valley is so close to Chittagong that by opening a few miles of roads the two Divisions might be connected and it would thus facilitate trade. In ancient times the Assamese people had trade connections with the Chinese by an overland route but now it is extinct. It is desirable to try to open such important roads for international trade and commerce.

Similarly the Shan States in Burma can be brought near us by connecting with roads and the resources of the States might be explored.

6. The road system is absolutely defective. The main cause is want of funds and then there are not many sources of income for Government also to spend without affecting the common cultivators. The roads in Assam are in a horrible state and it is strange that there are still motor lorries and cars running about. The roads in general are so bad that even bullock carts are stuck up in mud sometimes days and night together during the rainy season. If the roads are improved, commerce and trade can be developed very rapidly and there will be enough of openings for Government income. I fully believe that by accepted programmes of reclassification and development the road system will be greatly improved and time will come when we shall be proud of our roads like the Romans of old in England. We know that the legion of Roman empire was the pickaxe not less than the sword. It is by means of the roads that they brought the whole dominion into one common cause. We wish that by your accepted programmes of road development all the Indians in different provinces will come nearer to each other and thus provincial jealousies will gradually die out and then only we can aspire after national prosperity.

7. (*a*) The need of motor transport is daily increasing and it requires immediate steps to be taken; notwithstanding the worst conditions of existing roads commercial motor vehicles are plying about and thus encouraging internal trade. The introduction of motor transport in the province, I should say, is not a hindrance to material progress but it is a resurrection to national prosperity by placing the farmer's produce to the commercial men.

(*b*) To develop the roads it must be done in a systematic way, namely, the development should be a continuous one and not at fits and starts. For this purpose the needed amount of money should be available from a fund specially created for this purpose and the sources of income to this fund also should be a continuous one, and then only there will be no handicap in developing the roads as you desire. In my informal discussion before the sub-committee I enumerated the different sources of income to provincial Government, namely:—

(1) Taxation on commercial motor vehicles whether passenger lorries or goods lorries.

(2) The existing taxation on motor cars and motor cycles of all sorts should go to the provincial Government for road development instead of going to the local boards and municipalities. This will not only help the road fund but this adopted practice will relieve the owners of cars from being taxed here and there.

(3) The levying of a toll on certain special bridges where the cost of constructing a bridge is enormous. Although toll system is an objectionable one, still it will go to meet at least a part of the interest if money is to be borrowed for the purpose. In Assam, there is already a toll system everywhere; even if you are to cross a small stream where there is a country boat instead of a bridge you are to pay at least two pice to go across and thus you may see that we are all used to pay toll and this will be not a new thing—rather people will be pleased to pay a few pice more for the benefit of getting a bridge instead of risky crossing of rivers by means of a country boat.

(4) Another suggestion I made is the introduction of a terminal tax at railway stations and steamer ghats. It should be a nominal one, say 1 pice on a maund of goods. This will not affect the people so much whereas the provincial road fund will be benefited thereby. The railway and steamer authorities are always altering their charges and this addition of a pice on a maund will not create any sensation whatsoever.

(5) The provincial Government should be empowered to legislate in matters of taxations.

(c) Within a certain limit I would prefer that money should be raised by means of loans to construct bridges and metal roads. The time for the repayment of the whole loans should be confined to, say, 30 years. I believe if the Assam Government take a loan of 75 lakhs of rupees they will be able to metal at least 300 miles at Rs. 25,000 per mile and this will be something to develop the transport. This loan can be repaid at the rate of 5 lakhs per annum which is not a big amount. This matter can be discussed more fully in person.

8. The road development for motor transport will never affect railway in way of competition. I can prove it from actual facts that motor transport is helping the railways and steamer companies. Motor transport has increased the commercial traffic in some railway stations and steamer ghats by bringing the country's produce easily for export to other places. But nevertheless this should always be remembered to construct roads at a radius from any railway station and so far as possible not at parallel lines with the railways. I can cite instances from my own district how motor transports are increasing traffic in railway station.

B.—Motor Transport and Motor Taxation.

5 and 6. I have already stated my views in brief that all motor taxation should go to a provincial road fund; and the provincial Government should allocate the amount to different local boards and municipalities with the remark that the amount is to be spent on road development. And I have also given my opinion that motor vehicles should be taxed only at one place and that the tax so paid should be a provincial one. There is a great future in our province for motor transports and this can only be effected by adopting a

system of road development. All the money collected from taxing motor vehicles should go to a separate fund for expenditure on roads and then only the roads can be improved.

7 and 11. I consider that the Bombay Government suggestion of increasing the price of petrol is a sound one and it will not affect the people so much by imposing an additional tax of annas two per gallon on petrol because the people will be aware that money so collected will go to road development. The tax payers will enjoy the benefit of good roads and there will be no cause of murmur. The money so collected should go to a central road fund.

13. The revenue from central taxation should be allocated for specific objects. For the distribution of revenue collected from an increase of tax on petrol the factor should not be according to the consumption of petrol in each province for, in that case provinces like Assam and Bihar will suffer greatly. The aim of the proposed Central Road Board, I think, is to develop the roads with the idea of encouraging motor transport; if this is so, the consumption of petrol in future, after the roads are developed, will be greater and accordingly the income will be great.

To be very fair to all the provinces the main factors of distribution should be:—

(1) Area of the province,

(2) Population,

(3) Total mileage of roads existing for the present, and the most important is,

(4) What the provincial Governments are prepared to spend on road development.

14. I think for the present taxation should be confined to motor transport only and not to vehicular traffic although there is a local taxation for vehicular traffic also.

C.—Road Board.

1. There is a Road Board formed in Assam in September last and so far I understand the Board has not taken any definite work in hand. This Road Board is only an advisory one.

2. I am absolutely in favour of having a Central Road Board—although its nature might be an advisory one still it will be a great help to systematic road development programmes in different provinces, not only by advising on different methods of road metalling in technical matters but, what is most predominant in my mind is, this will also give an opportunity to different members of the different provinces to exchange their thoughts, views and view points as to how the programmes of road developments in their provinces should be adopted according to varied provincial circumstances.

This Central Road Board will also see that the railways which are under the Government of India do not collide with the road development programmes.

Besides, it is not possible for each provincial Government to have its own research department to investigate the best methods of road construction and road metalling—it is not only expensive but a limited one. The Central Board will diffuse all their technical experiences in matters of road development of different provinces.

3. For all the above reasons I believe that a Central Road Board is desirable and it should be constituted by members of different

provinces without any exception. It should also be laid down that every elected member in local Legislative Council representing commerce and industry constituency should be a member of the Central Road Board because the members representing commerce and industry are vitally concerned with the programmes of road development and not only this but also that this constituency pays a great deal to the funds of road development.

(*For memorandum of the touring sub-committee's discussion with Mr. Saikia, see pp. 28-29*).

New Delhi, dated the 24th January 1928.

(*b*) Oral evidence of Mr. K. SAIKIA, M.L.C., Assam.

Chairman: You are a member of the local Legislative Council in Assam?—Yes.

For how long?—I came only last year.

Are you besides a member of any district or local board or municipality?—No; I am not.

Have you got a Road Board in Assam?—Yes; it was formed in September 1927 and I am not aware of any work it has begun.

Have you considered the question of financing road construction?—Yes.

What would you suggest? The idea of some is that a central fund should be maintained out of the proceeds of a 2-anna petrol excise —My idea is that the proceeds of a 2-anna excise on petrol should go to the Central Road Fund and this fund should be absolutely at the control of the Central Road Board. This Central Board should allocate this fund on the basis of the present road expenditure as compared with the income of each province. This ought not to be the only criterion, for in a province like Assam, this ratio between the road expenditure and the total revenue of the province would not give enough for the road development which the country required. Other factors ought to be taken into consideration.

What would be suitable for your province?—I would say the road expenditure and also the area of the province.

Would that not be unjust to the province which is more populous and more crowded like the Bombay Presidency where every inch of space is crowded?—Therefore I have said that population, area and expenditure, all these factors should be taken.

You want some formula of all these four or five ingredients?—Yes.

How would you constitute the Central Board? With what powers?—The Central Road Board should have executive powers simply to administer the central road fund.

Only to administer the fund? Will not that interfere with the provincial administration of roads?—No.

Supposing a scheme is proposed in the province and sanctioned by the provincial Government and then sent up to the Central Board, would you empower the Central Board to interfere or change that scheme or not?—I will not like that the Central Board should interfere in any way except to advise.

Therefore, according to you, it should be purely an advisory body with funds in its hands which it should distribute according to a certain

formula for the purposes of the road development. Is the Central Board necessary for these purposes? If these are the only functions of the Central Board the same arrangement could be had by the creation of a committee or a departmental body to look after the automatic distribution of the proceeds. What are your views in this matter?—My ultimate aim is to have a separate Ministry of Transport but not at present; after the Central Road Board takes over the inter-provincial roads into its control and management.

So you are suggesting a nucleus for future Ministry of Transport, is that what I understand?—Yes.

And for the present not to interfere with the powers of the provincial Government?—Yes.

Except sanctioning a scheme?—Yes.

Are motors taxed in your province?—Yes.

What is the taxation?—Rs. 24 per annum.

Who imposes this taxation?—The municipality, and recently local boards are going to impose also.

Have the local boards power to impose motor taxation under the Act?—Yes.

Is this Rs. 24 per annum on all motor cars?—No. This is for private motor cars. I understand that for heavy buses it is Rs. 50.

For commercial motor cars?—Rs. 50.

Motor lorries plying for goods?—They are also paying Rs. 50.

Motor buses and lorries stand on the same footing?—Yes.

Is there no other taxation?—None.

Is there no licensing fee for those who drive motor cars?—Rs. 2 per year.

Would you like this municipal and local taxation to be replaced by a provincial tax?—Yes, there must be a uniform provincial taxation.

What would be the advantages?—Firstly, the provincial Government shall be assured of a certain income coming to their hands which shall have to be spent on road development, and, secondly, it will also save us from a lot of trouble—for instance, if I go to a certain municipality and take my car there I have to show my licence to the police.

So that harassment will be avoided?—Yes.

But if the municipality and local boards give up their motor taxation in favour of a provincial taxation of 2 annas on petrol, would you compensate them to the extent of their loss of revenue?—Certainly.

Do you think it would be possible to devise a scheme by which some direct benefit could be given to the agriculturist out of this 2 annas petrol excise?—Yes. If this money is spent on the feeder roads leading to the railway, it will benefit the agriculturist.

Would you give to the District Boards directly a quota out of the provincial revenues as augmented by this tax?—Yes, with the direction that it should be applied to the improvement of feeder roads.

Hon. Sir A. Froom: The Chairman permits me to ask whether you have any objection to the memorandum of the sub-committee's discussion with you at Shillong being placed on record for publication?—No objection.

Would you tell us if the Assam Legislative Council as a whole takes a keen interest in road development —A few of the members only take, because primary education in our Council comes first, although personally I am of opinion that it is the road development that should come first and then education.

Have you ever raised a loan for road development in Assam?—No, but we are proposing in the next Council to take some loan for the purpose of improvement of roads.

Could you tell me the amount of the loan that you have in view?—Immediately Rs. 20 or 30 lakhs but the total loan that we would have to take would be about Rs. 75 lakhs.

But this shows that you are taking a very lively interest in the development of roads in Assam?—Yes.

You are of opinion that feeder roads should be taken in hand first as they would be of the greatest benefit to the agriculturist?—Yes.

You want the feeder roads to connect the railway?—Yes.

You do not agree with monopolies?—No, because even though conditions may be enforced, it is very difficult to avoid exploitation of the public and besides that, it gives much inconvenience to the parties. Although some people may say that we are sure of a certain income for the maintenance of roads but that ought not to be the criterion.

That is, the advantages are outweighed by the disadvantages?—Yes.

We have received in certain provinces complaints as to the excessive number of motor buses running along a road. Would you favour any scheme to limit the number of buses for certain roads?—There must be some limitation but I would not favour complete monopoly for one company.

You were telling our Chairman just now that you would like to wipe out all the local taxation and to compensate the local bodies by imposing a provincial taxation. Have you any idea as to the form this provincial taxation should take?—I would favour one uniform tax for all motor vehicles.

How? By what means? Have you studied the question?—At present they have got certain specifications for putting so much on pneumatic tyres and so much for solid tyres. That ought to be uniform. Once a motor car comes into a province the owner must take a licence and pay a certain amount of fees.

It has been suggested to us that provincial taxation might be levied by means of an excise on petrol which would be collected by the Central Government and made over to the provinces? Do you agree to it?—Yes.

Hon. Sardar Shivdev Singh Uberoi: You have in your written replies suggested taxation of commercial vehicles. On what do you base your opinion?—I mean this way; a private car owner has to pay Rs. 50 as licence fee, while a bus owner carrying passengers and goods and making a profit pays just as much and does more damage to the roads; therefore I say he should pay more than the private car owner.

But you said just now you would like to have a uniform figure for taxation of motor cars?—I mean there should be the same licensing fee for both, but for the commercial car there must be another special tax because it does business.

Do you mean there should be three classes of fees, one, an import duty in your province, secondly, local taxation to differ according to the capacity of the car, and thirdly, an increase in the tax on petrol?—Not exactly three kinds of taxation; the excise on petrol will affect all classes of cars and so will the licence tax. But the commercial car will have to pay a special tax in addition; it might be nominal but there must be a special tax.

How would you like such tax to be spent?—Primarily for road development.

You appear to be more enthusiastic about road development than about education?—Yes. Because children in villages cannot attend schools which are a mile or two away on account of the bad state of the roads and because of low-lying land under water. If you do not tackle the bigger problem first and provide at least these village roads leading to schools, it is no use; for this purpose you must have some money to spend firstly on road improvement. In many places there are no good approaches to schools; there is of course a local board rate which is supposed to be spent for the improvement of roads but I find that only 22 per cent of it has been spent for this purpose. I therefore prefer the development of roads in order to help the spread of education.

Hon. Mr. M. Suhrawardy: You consider that the improvement of road is a national demand for the spread of education and for sanitation?—Yes.

Mr. Mohd. Anwarul Azim: You come from Jorhat?—Yes.

Have you any arterial roads connecting your province with other parts of India?—Yes.

With Bengal and Burma?—With Bengal, but not with Burma; the road goes right up to Manipur.

If this road development is taken up for the good of the people, do you think it a good idea to connect your province by arterial roads with Burma?—Yes. I believe that any kind of industry can be started only by having inter-provincial roads and I emphasise this because I have travelled through the whole of Burma and came up once right to the Manipur border from the other side and I noticed so many things. There were so many commodities for export but on account of this separation we cannot have them; if there were roads we could get many things. To cite one instance, there has been recently scarcity in my district and the municipalities had to get rice from Manipur; if we had a through road leading to Burma from Imphal, it would have been very near and the people could have got Burma rice without difficulty. There is also the betel nut trade. I have ascertained from statistics that we import into Assam about a few lakhs worth of the nut every year from other provinces—Madras, Bengal, etc. We could get that cheaply from Burma.

Your idea is that if Assam is connected by more roads with Burma, it would improve the condition of the people?—Yes; there would be more and more trade.

You favour the idea of having a local committee or board for your province to deal with this subject?—Yes; they have recently formed a Provincial Road Board but it is merely advisory. I do not believe in that; I think they must have some voice in the matter of spending and they must be given funds; simple advice will not improve matters.

Would you like that representatives of local boards and municipalities should sit on the Board?—Yes; but they should not interfere because the Provincial Road Board is formed out of the elected members of the Legislative Council and naturally you will find that the local boards and municipalities are already represented there.

Mr. Muhd. Ismail Khan: Are these roads maintained by the local boards?—Yes, many of them, but not all; some are maintained by the P. W. D.

What are the sources of income?—From local rates; we pay one anna in the rupee.

Do non-agriculturists pay anything?—They only pay tax on income.

That goes to the Government of India?—Yes; but there is some sort of tax we pay in municipalities.

Do they pay anything in local boards for keeping up roads, I mean, these tongas and carriages plying for hire outside municipalities?—No.

Are the roads in your district in good condition?—No; they are in the worst condition.

What is that due to?—Due in many cases to want of money first and foremost.

Is it due to heavy motor traffic and lorries?—In some roads it is due to them. Before 1922, the total number of cars registered in my district was about 162; during the past five years it has come to over 600 or increase of about 100 cars per year.

These roads when built were not meant for this heavy traffic?—No; but when they were originally built by the former kings, they were meant for heavy traffic; the roads were wide and well built; but they have been narrowed down and down and now the result is that every year they are getting worse and they are gradually dying out.

Mr. E. F. Sykes: How many miles of metalled roads would you propose to build in your province? A maximum of 300 miles.

Have you any idea of how much it would cost?—On an average Rs. 25,000 a mile.

That means Rs. 75 lakhs?—Yes.

How do you propose to meet it?—From provincial revenues partly, but that alone would not be sufficient.

How much would you raise from other sources?—Our annual income is about Rs. 2½ crores and we cannot set apart more than 15 to 20 lakhs for roads.

And for the remaining 50 lakhs for new construction, you would like this Committee to recommend some means for raising it?—Yes. My idea is that we should take a loan from the Government of India; and for the maintenance of the existing roads, their improvement and also for new construction, we must have something from the central fund.

New roads will be built from these new sources of revenue?—Yes.

But you have no suggestions as to what this should be?—One is petrol tax.

How much will that bring in your province?—I understand that we are consuming about 9 lakhs gallons, and that means one lakh and twelve thousand rupees. That will mean nothing. A portion of the import duties collected from motor cars should also go to the road fund.

Your 300 miles is quite a moderate estimate. I take it that your province requires roads to the extent of thousands of miles?—Yes, we will have to wait for a considerable increase in taxation before we can meet even our moderate requirements.

Raja Ghazanfar Ali Khan: Have you got any experience of any particular District Board? What is the total income of your District Board?—I have no experience of any particular District Board, but the income of all the District Boards in the Assam Valley comes to about 10 lakhs of rupees. In my district the income is about Rs. 54,000, it is not a District Board, but it is a sub-division.

They charge one anna local rate per rupee from the agriculturists? —Yes.

Do you not think it would be equitable if the non-agriculturists were also made to pay one anna per rupee towards road development, because they derive benefits from these roads while they make no contribution? Do you not think that if the non-agriculturists are also made to pay one anna in the rupee it will bring you an extra income of 10 or 15 lakhs of rupees a year?—Now these agriculturists pay one anna in the rupee and that money is supposed to be spent on the improvement of the village roads. The non-agriculturists pay money for the improvement of the other main roads and feeder roads.

If an agriculturist has a motor lorry, will he have to pay at the same rate?—Agriculturists have not got motor lorries, if some of them keep lorries, they ought not to be treated on the same footing, because they will keep the lorries to carry their own things.

Agriculturists do pay everywhere in India one anna per rupee on the land revenue as a contribution towards road development and improvement, and a part of it is spent on sanitation and education by the District Board. The non-agriculturists residing in the same area do not make any direct contribution to the District Board?—What do you mean by non-agriculturists?

Our definition for this purpose would be anybody who is not paying land revenue or local rate?—In Assam everybody pays land revenue, and the case is different there.

Supposing there is a case in which a man does not pay land revenue?—Then he must pay some other local rate.

So that he must pay some other contribution if he does not pay land revenue or a local rate, is it not?—But the difficulty is that in Assam every one pays land revenue.

You said in answer to a previous question that there is one section of your local Legislative Council which takes keen interest in road development and that others do not. Probably what you meant was that the others give preference to education over road development, is it not so?—It is not that. The P. W. D. which must have a voice in these matters is often overridden by some of my Council friends. I personally take a keen interest in these matters, because, as you are probably aware, I am representing commeree and industry, and I believe that commerce and industry can only be developed by first developing the roads.

That is why you give preference to the development of roads over education?—Yes.

Lala Lajpat Rai: From what district do you come?—I come from Sibsagar district.

What is your occupation?—I am supplying electricity to the town.

And you represent industry and commerce?—Yes.

Is it a fact that your province has the largest rainfall in the world?—Only in one place called Chirapoonji.

Is it a fact that most of your districts are water-logged?—Only two districts, one is Sylhet and the other is Sibsagar, that is my own district.

Your experience about the lack of access to schools is confined to your district I suppose?—I am not talking so much about these districts alone as about the whole of the Assam Valley.

Is it a fact that the Brahmaputra river runs through the Assam Valley and that some districts are situated in the delta?—Yes.

And for this reason the situation of Assam is rather different from the other parts of India?—Yes.

Do you mean to say that because some of these districts are water-logged in the rainy season and in other seasons too, and that they are situated on a low level, the proper remedy lies in road making? Do you not think that the remedy should be something else rather than roads?—By having embankments.

I am not an expert to say what the remedy should be, but the chief trouble in your province generally is that the districts are low-lying and the water there comes from the hills, collects together and makes the whole area practically inaccessible except by boats. Then your chief difficulty is water-logging, and that cannot be remedied by road making, and you cannot make roads unless you make high embankments. Will not the roads be wiped off every year in the rainy season if you will not make high embankments?—Not in the Assam Valley.

But in the Sylhet district: you know the low-lying nature of the Sylhet district and also of the districts in the delta. If you make any roads they are liable to be washed away by the floods?—Yes.

So road development is not the real remedy for those districts?—No, not for those districts.

Similarly the districts of Lakhimpur and Sibsagar are also situated on a low level?—Some of them are not so very low because Lakhimpur goes further north-east where the Brahmaputra starts. So that portion is naturally higher. The reason of overflowing is not because of the Brahmaputra but because the numerous tributaries have not got a direct channel.

The fact is that the tributaries of the river Brahmaputra inundate your district every year and therefore roads are likely to be swept away every rainy season. Your remedy should be to find out proper waterways?—Yes.

Do you not think it will cost immensely more money than what is required for road development? That is a subject by itself. You should insist upon the local Government to provide those waterways because without them it will be very injurious to your health, to your trade and to everything. Therefore that is a subject by itself, is it not?—Yes.

When you say that a certain mileage of road development should be fixed every year, you mean all these measures are included in it?

—Yes, certainly. Drainage must be improved before you could build roads.

And that is what you mean by preferring road making to education, because the very existence of your province really depends upon these improvements?—Yes.

You said that 2 crores is the revenue of your province?—More than that. I think it is about 2½ crores.

Nothing substantial has yet been done to make this province more habitable from the health point of view and from the water point of view, is it not?—Yes.

Then about Burma trade, you said you have travelled from Burma to Assam by land. How much is that distance?—I have travelled from Milkena up to Manipur, and if it is connected with Assam the distance will only be 100 miles.

Do you not think that the portion of the country is covered with thick forests?—Yes.

It will require a large outlay of money to connect Burma with India by road, will it not?—Yes.

If there is a project of railways, it will necessarily fall within that project to clear up and open out all those forests, and you don't think that falls within the purview of the Road Development Committee? —No.

(*The witness withdrew*).

21.

Nagpur, dated the 8th December 1927.

(*a*) Memorandum of touring sub-committee's discussions with—

Col. H. DeL. POLLARD-LOWSLEY, C.I.E., D.S.O., Secretary to the Government of the Central Provinces, Public Works Department (Irrigation Branch);

Mr. J. A. BAKER, C.I.E., M.I.E., Secretary to the Government of the Central Provinces, Public Works Department (Buildings and Roads Branch); and

Mr. J. F. DYER, I.C.S., Commissioner, Nagpur Division.

The Chairman explained the objects of the Road Development Committee.

Col. Pollard-Lowsley and Mr. Baker agree as to the desirability of an advisory Central Road Board. Mr. Dyer is doubtful whether there would be scope to justify a permanent Road Board.

Messrs. Baker and Dyer state that the Chhattisgarh Division has extremely bad roads, the worst district being Bilaspur with an area as large as Wales and 60 miles of metalled roads. Even in the Nagpur Division only one district headquarter can be reached by road all the year round.

It is agreed that though on the whole judged by an Indian standard, Central Provinces roads are good, there is great need for more bridges and the Nagpur Divisional Road Conference decided to recommend concentration on bridging for the present.

There are roads built by Government and now transferred to District Councils for maintenance. There have been cases where roads have been transferred and have had to be taken back as the District Councils spent the money granted by Government, for maintenance of these roads, on other objects. It is very difficult to control expenditure of such Government grants for transferred roads, and also District Councils have in many cases very inferior engineering staff.

Mr. Baker agrees that District Councils vary much in efficiency of road upkeep, though few inter-district roads have been transferred to District Councils. The transfer of roads is not made with the idea of merely ensuring increased efficiency of maintenance but rather with the object of giving District Councils a larger share of responsibility in local affairs. None of the more important inter-divisional or inter-district roads have been transferred to District Councils. Mr. Dyer states the difficulties of District Councils in dealing with roads are lack of funds, inefficient staff, and specially disinclination to impose extra taxation, though they are very desirous of spending more money on education. So far in 5 years no Central Provinces District Council has imposed the optional extra cess. In Berar, however, the District Councils has imposed the extra cess fairly freely, and in Berar the transferred roads are fairly good. The Central Provinces District Councils will not face the necessity of extra taxation. A possible remedy may be making Government grants depend on the extent to which local authorities will help themselves by local taxation. District Councils have a 1 anna cess and can impose an extra 1 anna cess on land revenue and a special school rate, and have minor sources of income in indirect taxation, such as bazar fees.

Nearly all municipalities tax motor vehicles. In Nagpur the municipal tax on a private motor is Rs. 4 per annum.

A public vehicle lorry pays Rs. 30 registration and Rs. 35 owner's licence annually—these are provincial charges.

Mr. Baker states that except on a few special short lengths of road no lorries over 3 tons total weight are allowed on the roads. It has been tried but the lorries cut water-bound macadam to bits. It is impossible with this surface to build roads here to stand heavy motor vehicular traffic.

Heavy lorry goods traffic seems improbable for carrying, *e.g.*, cotton, as the return traffic is practically nil. Mr. Dyer explains that cotton is still likely to be moved by bullock carts, as otherwise cultivators' bullocks would be idle in the village and also the carting trip is often looked on as a very desirable outing to the local market town.

Practically all the motor vehicle traffic is passenger traffic.

Mr. Baker explains that road scheme conferences have been held at each district and divisional headquarters for the purpose of drawing up schemes of road development, and for fixing an order of urgency of construction.

Mr. Dyer states that the present amount of money allotted to roads by the local Government is inadequate to bring the roads into a proper

state, but is as much as the provincial finances will permit. Mr. Baker considers that the local Legislative Council is beginning to take a greater interest in roads and there are far more demands by the Council for bridges and roads than can be satisfied. Mr. Baker states that it is essential that further funds for road development be provided.

It is agreed that provincial motor taxation is desirable for road development, provided it is supplemented by other taxation and the whole burden is not thrown on motor vehicle traffic, *e.g.*, tolls on bridges are justifiable. Mr. Baker however says that toll receipts from temporary roads and bridges produce only Rs. 40,000 per annum—one bridge is to cost Rs. 5½ lakhs and the present toll receipts are only Rs. 6,000 per annum. Mr. Dyer however points out that a bridge would increase the traffic and receipts. Col. Pollard-Lowsley is opposed to tolls except where they may be expected to produce a considerable return and can be controlled, as they lead to oppression and corruption.

It is agreed that motor vehicle taxation should be provincial, and not by local authorities. It is agreed that provincial taxation would not be difficult to collect and it would be arranged to compensate local bodies. Mr. Baker would prefer a Central Provinces petrol tax as a form of provincial motor vehicle taxation. Mr. Dyer agrees.

In Nagpur petrol costs Rs. 1-8-0 per gallon. It is agreed that, in view of the present price of petrol, 2 annas extra excise on petrol would not be oppressive.

Mr. Dyer suggests that grants to local Governments, unless placed entirely at the disposal of local Governments, would lead to difficulties in the increase of non-votable expenditure in local Legislative Councils.

Col. Pollard-Lowsley states that, unless inter-provincial distribution is arranged according to provincial petrol consumption, there will be considerable friction between provinces, and that this is the only acceptable method. Mr. Baker and Mr. Dyer agree to this, though the Central Provinces might not come out so well as under some other scheme of distribution.

Mr. Dyer favours provincial taxation by an increase in petrol excise for provincial disposal, provided the expenditure on roads is also financed from other sources and not only from motor vehicle taxation. This is agreed to as petrol taxation is proportioned to the use of roads.

Mr. Dyer states that in Berar, at the height of a busy cotton carting season, especially when prices are rising, carts are hired up to Rs. 7-8 per day; on a made road the distance travelled per day is of course more, and also loads on made roads are bigger than on country tracks.

Mr. Dyer states that a monopoly system of motor transport might throttle new services, but there is certainly bad service at present in many places owing to cut-throat competition. It is agreed that such monopoly is not generally possible in the Central Provinces, though it might perhaps be practicable on one or two routes in Berar.

Col. Pollard-Lowsley considers that the Central Road Board should have some control over money spent on all-India roads, but that the rest should be given unconditionally.

On consideration, it is agreed that 4 annas extra petrol excise is preferable to 2 annas, as 2 annas would not bring in enough revenue to tackle the road problem seriously.

Nagpur, dated the 9th December 1927.

(b) Memorandum of touring sub-committee's discussion with—

The Hon'ble Mr. R. M. DESHMUKH, Minister, Public Works and Local Self-Government Departments ;

Mr. G. P. JAISWAL, M.L.C. ;

Mr. B. N. DE, I.C.S., Secretary to the Government of the Central Provinces, Finance Department ; and

Mr. J. A. BAKER, C.I.E., M.I.E., Secretary to the Government of the Central Provinces, Public Works Department (Buildings and Roads Branch).

The Hon'ble Minister would favour an advisory Central Road Board. Most of the important roads are provincial and in good order, and it is being considered whether all important roads now under District Councils should not be provincialised. Many roads are 'transferred', *i.e.*, the maintenance of road is paid for by Government, the work is done by the District Councils, and supervision exercised by the Public Works Department.

The Hon'ble Minister says that there is a strong feeling in the districts that cess taxation falls only on land and the general public reap the benefits of such taxation without paying for it. He would not object to extra cess or part of it being earmarked for roads; if it be used for general purposes, he sympathises with the agriculturists.

Mr. De explains the circumstances in which the provision that a District Council may, by a two-thirds majority, impose any tax, toll or rate has been inserted in the Local Self-Government Act, contrary to the intention of the framers of the Act. He mentions that several District Councils have been trying to impose indirect taxation, *e.g.*, terminal tax, export cess on minerals or *biris*, etc., but since such taxation encroaches on the fiscal sphere of Central and provincial Governments, some of the taxes proposed by the Councils cannot be brought into force. The whole question is now under the consideration of the local Government which is in correspondence with the Government of India on the subject. The local Government proposes to take power to control the imposition of such taxes and to fix suitable maxima. District Councils are reluctant to impose any further direct taxation on agriculture in the shape of an enhancement in the land cess but they would probably have no objection to an indirect tax, *e.g.*, terminal tax, which is in reality paid largely by agriculturists.

The Hon'ble Minister says motor vehicles are taxed in the Central Provinces to a very small extent. Mr. De states that, under the Scheduled Taxes Rules local bodies have power to tax motor vehicles, and that the local Government would not object to provincial motor vehicle taxation, provided the powers of local bodies were retained unimpaired subject to adequate safe-guards regarding a maximum limit. The Hon'ble Minister states a maximum might be imposed beyond which motor vehicles should not be taxed, and the power to tax motor vehicles left to local bodies. Asked whether it would not be practicable to take away the power of local bodies to impose taxation on motor vehicles on payment of compensation, Mr. De states such a proposal would probably be resented, but that the powers now vested in them might be restricted by the fixation of suitable maxima.

The Hon'ble Minister states a petrol excise collected by the Central Government for the provinces as a provincial tax would be suitable. The Hon'ble Minister considers that a separate provincial tax in addition to 4 annas petrol tax would be taxing motor vehicles twice over. Only experience can show what taxation motor transport can bear. For the present an extra 4 annas excise should not prove oppressive. He would not rule out the possibility of a provincial tax, if it was found, with experience, that motor industry can bear it. The difficulty of having a petrol tax for provincial purposes collected by the Central Government for the provinces would lie in the distribution among District Councils and Municipalities, if it is proposed to deprive them of the right of motor vehicle taxation for local purposes.

The Hon'ble Minister is of opinion that petrol consumption is one of the factors for a fair division of central petrol proceeds among the provinces, but that other factors should also be taken into consideration and a suitable formula devised.

The Hon'ble Minister states the roads, except fair-weather roads, are properly classified in the province and that a definite scheme of construction and improvement of such roads has been drawn up for each district by divisional committees consisting of official and non-official members. Mr. De states that the construction and improvement of such roads are taken up from general revenues as funds permit and are not financed by loans. The Hon'ble Minister states no definite steps have been taken to finance bridge building, etc., from a road loan.

In reply to a question, Mr. De states that if the Central Road Board provided funds for a specific purpose out of the resources of the Central Government, *e.g.*, by earmarking a portion of the existing customs duty on motor vehicles or the existing excise duty on petrol for expenditure on certain specified roads and bridges of all-India importance, lying within the province, the local Government would not regard it as an interference with its freedom of action if the Central Board regulated the expenditure from such funds.

The Hon'ble Minister states that the Central Provinces Government would be willing to agree that the Central Road Board should retain a certain percentage of the proposed petrol tax in the initial stages but that later the whole of the proceeds should be at the disposal of the provinces unreservedly.

New Delhi, dated the 24th January 1928.

(c) Oral evidence of Mr. J. A. BAKER, C.I.E., M.I.E., Secretary to the Government of the Central Provinces, Public Works Department (Buildings and Roads Branch).

Chairman: You are Secretary to the Government of the Central Provinces, Public Works Department?—Yes.

How long have you been there?—About four years.

Have you any objection to the statement which you gave to the sub-committee being put on our record for public use?—I had interview with two other gentlemen and I have no objection to my statement being put on your records.

You interviewed the sub-committee along with two other officers, one was the Secretary to the Government of the Central Provinces,

P. W. Dept., Irrigation Branch, and the other was Mr. Dyer, Commissioner, Nagpur Division, and I take it that you generally agree with the views expressed by those two gentlemen?—Yes.

Have you any experience of the working of the provincial department of roads in your province, the management of roads by your District Councils? Let us say by your Government first of all. Your Minister has this subject under him. Who looks after this department?—Hon. Mr. Deshmukh.

Before he came into Council who was looking after it?—We had no Minister then.

How does the new system work after it has been handed over to the Ministers?—It has worked very well, so far as I know.

You see no reason why this experiment of transfer of more roads should not be accelerated?—We are considering the desirability of handing over more roads to them. Some District Councils manage their roads better.

On the whole your roads are better than those in other provinces?—Yes.

I take it that it is the policy of your Government to entrust a larger share of responsibility to the District Councils?—Yes.

I take it your difficulty is only of funds?—We keep the roads in proper repair. Our difficulty is funds for new works.

Are you in favour of this two-anna duty on petrol? Is your province capable of bearing this tax?—Certainly the local Government supports the proposal.

You will have no trouble in your Legislative Council?—I think not.

Do you think this petrol tax should be handed over to the central body?—Our idea was that the tax should be based on consumption and should be made over to the province to be spent as it pleased.

Would you like to have a central body for the purpose of collecting and handing over your part of it?—Our idea is that the central body should have funds of its own from another source. Some of that will come from motor cars

Would you like to have the control vested also in some central body?—If the road fund was to be made up from existing sources of revenue, then the Central Road Board should have absolute control over that. It will allocate for specific objects as it pleased.

If the road fund is in the hands of the Central Board, it should be composed of the present duty on imports of petrol and the present excise on petrol and you would give those to the Central Board, while the additional duty on petrol of two annas would be given to the provincial Government and would be based on the consumption of petrol?—That is our idea.

Have the District Councils power under the present Act to impose taxes on cars?—They have.

But they have not used that power?—I believe the local Government has vetoed one or two applications that came up.

Would you hesitate to give absolute freedom to the District Councils to tax as they like?—That is a point I have not considered.

Does that disinclination arise from fear of unpopularity?—I should think so.

Mr. De of your province says "Several District Councils have been trying to impose indirect taxation, such as terminal tax, export cess on minerals, etc., but since such taxation encroaches on the fiscal sphere of Central and provincial Governments, these taxes proposed by the Councils cannot be brought into force". Do you share this view?—I do.

Their powers are crippled to a certain extent?—Yes.

About this one anna cess in your province, it falls on the land-owning classes and is regarded as an iniquitous tax?—I really do not know about the working.

What additional tax do you think that motorists, private as well as commercial, can bear in your province?—They could bear four annas a gallon quite easily.

How does petrol sell in Nagpur?—It sells at Rs. 1-8-0.

In the districts?—About the same.

You think that the consumer without much difficulty will pay Rs. 1-12-0?—I think if he got better roads he would.

Do your municipalities levy any tax on motors?—They do.

If you make it four annas more, does that involve the wiping out of the tax levied by municipalities?—The idea is that it should not be wiped out.

What is the present municipal tax?—It varies in different places. In Akola it is as much as Rs. 75, while in Nagpur it is only Rs. 4.

I should have thought it should be the other way round. What is the cause of this difference?—The matter is in the discretion of the municipal committees.

Nagpur is not really so wealthy as to discard such a prolific source of income as this?—I really do not know. It is kindness of heart, I suppose.

Should the money that would come into the hands of the province be votable or non-votable?—It should be non-votable.

Although it belongs to the Minister, you would take it away from him?—My idea is that it should be earmarked definitely for expenditure on roads.

You would create a convention by which this money would be devoted to the use of roads?—Yes.

So it will have to go to the Legislative Council?—Yes.

What test would you suggest for provincial distribution. Consumption of petrol has been suggested to us. What would you suggest?—That would suit us best.

In the inter-district distribution of this quota, would you apply the same test of consumption of petrol?—We could not possibly do that.

What would you do?—I think we should have to consider the needs of the various districts.

Hon. Sir A. Froom: I think it was agreed when we were in the Central Provinces that the roads there are in fairly good order?—Yes.

I believe you are right in saying that none of the more important inter-district roads have been yet handed over to the district roads?—Yes.

Without wishing to criticise the upkeep of roads by District Councils, would you think that that is the reason why the roads in your province are in such good order?—I do not think so.

I see from the figures that 81 per cent mileage of the roads in the Central Provinces are supported out of provincial revenues?—Yes.

Those roads are kept up by District Councils under supervision?—Yes. We transfer certain roads to District Councils to look after, giving them a grant for maintenance. The Superintending Engineer exercises supervision.

That system is perhaps a good one. It educates the District Councils to keep up the roads to a certain level?—Yes.

The expenditure on roads in your province is 59 lakhs and of this Government have to find 55 and the District Councils tax themselves only to the extent of four lakhs?—Yes.

About the question of the central fund, I think you subscribe to the idea that a two-anna excise will not be excessive, in fact I think you went further and said that you would agree to a four-anna excise so as to wipe off the provincial taxation?—Not to wipe out the provincial taxation but to put a maximum on it.

Then you said that you want the four annas given back to you straightaway?—That was the idea.

You would not be subscribing to a central fund at all?—No.

But you would not mind a central fund being created out of the existing four-anna excise?—That is the idea.

I think you told the Chairman just now that the District Councils have not taxed motor cars at present?—District Councils have not.

I did not quite understand that; was there a suggestion that they might do so?—I think they have suggested in one or two cases, speaking subject to correction.

Was any idea put up that they suggested taxing motor cars? I believe they suggested taxing minerals, etc., and the Government for some reason, good or bad, thought that it was wrong for them to impose taxation on certain articles and therefore apparently the District Councils did not put up any suggestion to tax motor cars?—I believe that applications have occasionally been received and been vetoed by Government under the powers they possess.

Could you explain why the provincial Government should veto them?—I am afraid I could not.

Is it because they want to retain that source of revenue in any case?—It may be that. The province has the right to tax motor cars. It has not been exercised so far; but suppose all three bodies, the province, the District Council and the municipality taxed cars, it would be rather a mess.

I presume that if this application by District Councils was turned down, it was because your provincial Government had in view the taxing of motor cars in your province provincially?—It may have been.

Mr. E. F. Sykes: With reference to the grants made to District Councils, are these grants made in aid of the general funds of the District Council, or are they made generally for roads or specifically for the maintenance and construction of certain roads?—Whatever grants we give are specifically meant for certain roads.

Then if they spend money that has been granted for these and other things on other things, it is a horribly illegal thing: I mean it is not a criminal offence but it is certainly not what was intended?—No, it is not.

Then the whole of the one anna road cess is paid by landowners or occupiers or tenants or somebody, whoever pays land revenue under the settlement. But the owners of motor cars are I suppose generally those people who do not pay land revenue very often, so that you think it would be much more reasonable for a District Council if it wanted money for roads, rather than putting on an extra cess, to put a tax on motor cars, and it would be fairer?—Yes.

Lala Lajpat Rai: Am I right in understanding that road development must vary according to the local conditions of each province?—Yes.

And therefore it cannot be a central subject?—No.

And it should not be administered by a Central Board?—No. Of course, the Central Board could advise that certain specific works of all-India interest should be undertaken, but there should not be any definite interference by them.

And they could not possibly advise you with regard to provincial roads?—They could advise them as to what they think was necessary in the way of bridges and so on or the type of road surface.

It would be more within the knowledge of the provincial Government rather than of the Central Board?—But we assume that the Board would be a collection of experts, with special knowledge of the work and that they would be able to advise if they are asked.

Similarly with regard to motor transport, it will be different in different provinces, and so the development of motor transport will vary according to the conditions of each province?—It will.

And therefore no general rules can be deduced which will apply to all India?—No.

Hon. Sir G. Corbett: In the memorandum of the sub-committee's discussions, it is said that the Honourable Minister is of opinion that petrol consumption is one of the factors, but that other factors should also be taken into consideration and a suitable formula devised. What are the other factors?—What the Honourable Minister had in mind was the one concerning the geographical position of the Central Provinces in the centre of India. He considers that our roads will get more use from outside vehicles.

How would that be taken into consideration in a formula?—Our idea was that we should get a little preferential treatment. We have not thought of a formula.

Then as to the distinction which you draw between the proceeds of the petrol excise duty under the existing four annas tax and the proceeds from an additional two annas which has been generally proposed by motorists, in order to get better roads, you admit the entire right of the Government of India to regulate the expenditure from the first four annas but not of the additional two annas. Now the moneys to be voted will have to be passed through a Bill in the Assembly increasing the petrol tax from four annas to six annas?—Yes.

And the tax not falling upon the provincial Government—it is not to be put on with the consent of the provincial Government but with the consent of the taxpayer by the Assembly—I do not quite understand why the provincial Government should feel they had a definite claim, a stronger claim on this. They did not perhaps mean that they would object very strongly to the tax if there were conditions attaching to its use?—Yes. I think they meant they should have some voice in the distribution.

It would not be a provincial tax at all, it will be a central tax and naturally at the disposal of the Central Government, and the Government of India will have to consider the views of the taxpayer, particularly the motor taxpayer, who is going to pay it, as expressed by his representatives in the Assembly. That was the determining factor in our minds; and at the same time the position is that the provincial roads are a provincial transferred subject, and it will be very difficult to get this money spent on the roads unless the provinces would co-operate with the Government of India in undertaking the expenditure, because clearly the Government of India do not wish to undertake the direct expenditure, if the provinces are unwilling; naturally, the provinces must spend the money, and the only question therefore is whether the provinces would agree to spend the money on the specific roads which the taxpayer who is paying the tax would like to see it spent on. Supposing the provinces were asked to submit their programme for the next five years at a conference of provincial Ministers which would discuss the programme and come to some sort of co-ordination between the adjoining provinces so as to get continuous roads in view for the next 10 or 15 years, and then if the money was voted by the Assembly by way of assistance as a grant for carrying out these programmes and particularly the main road programme, would your Government think that unreasonable?—I should think not; I do not think so.

As regards the question of loans, you are very firm that in order to develop road construction in the Central Provinces, it is necessary to take some sort of loan for the purpose?—We cannot get on fast enough otherwise.

What is there that prevents you taking a loan; you have a right to take a loan under the Provincial Loans Rules?—I do not know what prevents. But I was thinking of taking a loan on the proceeds of this extra tax.

Is your idea that this extra tax would be the security of the loan?—Yes.

Do you think it would be very good security?—We considered that it would be; possibly it might not be.

I was considering the question from the point of view of the lender of the money. After all, if the Central Legislature passes an Act, it could repeal the Act the following year if it wished, and in case the finances of the Government of India, for some unforeseen reason, came down, one of the first things to stop or postpone would be road development. During the war the road fund in England was closed down. But in that case the man who lent you the money would receive nothing during those years?—No.

Don't you think that the usual procedure of borrowing money on the security of the revenues of India would be more attractive to the investor?—Probably it would be under those circumstances.

What it amounts to is this: your Government would be prepared to take a loan for road construction if it is assured that a certain additional revenue was coming in from the petrol tax which they could mentally earmark for its service?—Yes.

I see you had in mind the question of provincial taxation on vehicles. Mr. De said that the local Government would not object to provincial motor vehicle taxation. But have they considered it? It is not a question of objection to the taxation. Have they considered the desirability of imposing taxation?—I think they have not.

I daresay your Government would realise that there are certain difficulties about raising additional taxation as a provincial tax on petrol. It is a central source of revenue, and certainly I think that we in the Government of India would prefer the provinces to develop the sources of taxation open to them under the Scheduled Taxes Rules rather than ask us to impose that taxation for them?—Yes.

Also, I daresay, you would agree that it is rather desirable to broaden the basis of taxation on motors and not tax one commodity which for all that we know may be replaced by another commodity later. We cannot tax petrol indefinitely or even for a long time; on the other hand, it might be that motor cars evade payment. There is a strong feeling in the Government of India that it is very desirable that provinces should develop their own sources of taxation, that is on vehicles, which are open to them under the Scheduled Taxes Rules. Would there be any great difficulty in the province raising money in that way?—I do not think so; as far as I know there will be no difficulty.

It has been suggested in some provinces that vehicle taxation can be easily evaded. Do you think that would be likely?—I should not think so.

How would you collect your vehicle tax?—In the same way as we collect our registration tax even now.

Are cars registered every year?—Not the private cars.

Have you considered it desirable to re-register them every year?—I think not.

Through registration you know the owner of every car and you will send him a notice?—Yes. I think there would be no more difficulty here than at home.

Taxation of public vehicles in your province seems very modest. It is Rs. 32 registration and Rs. 30 owner's licence. These are provincial charges. We were told that in Madras, local boards were levying as much as Rs. 1,300 per annum on motor buses for a 50 mile run. Do you think that in the Central Provinces motor buses would bear a heavier taxation being imposed upon them?—I should not think it desirable to increase it very much. We have not very many and we might kill the trade.

In other places the complaint has been that there are far too many, and in some cases irregular services of buses used for commercial purposes, and that might be undesirable? We do not allow heavy buses on the roads, anything over 3 tons.

There is one small point: it is rather a local point. Part of the length of the road running east from Nagpur runs through Nandgaon State. How are the arrangements made for maintaining the road?—They maintain the road themselves. We have nothing whatever to do with it.

If instead of a provincial tax on vehicles, an additional tax on petrol was raised as a provincial source of revenue, do you think that a reasonable part of it should go to Nandgaon?—Yes. There will be many difficulties.

There are many States along the east. You obviously could not tax the State consumer of petrol for the benefit of the roads in your province?—I expect there would be a certain amount of objection to it.

Another difficulty is this. If you put your provincial tax on petrol, even supposing the Government of India were prepared to agree to it, you would clearly have to have a uniform tax all over India. You would have to get all provinces to agree to it?—Yes.

And in addition get 600 States to agree to it?—Yes.

And then the rate considered suitable in one province may not be suitable in another province. For instance, we were told in Madras that the equivalent of existing local taxation, which could not be reduced, would be 6 annas a gallon; in Bombay city, it is very much about the same, and I take it that in the Central Provinces you would not care for a surcharge of 6 annas?—No.

Chairman: I want to get this idea clearly. Your province would be unwilling to have any control placed upon the administration of that quota which comes from the 2 annas petrol tax?—Yes.

Your province will have no objection to the Central Board administering at its will the proceeds arising from the present taxation, import as well as excise?—No.

Can it be that your province feels that any additional money which the Central Government makes out of the pockets of its citizens ought to go to you uncontrolled by any direction by the Central Board?—The idea is that the money is raised in the province and therefore we ought to have it.

Untramelled by any conditions?—Yes.

Also to that extent, to the extent to which an additional 2 annas tax is put on petrol, your capacity in your province to tax motor vehicles in another manner is curtailed?—Yes.

You cannot raise a duty on petrol, because excise is a central subject; but your province has the power to tax motor vehicles in another manner. To the extent you give up to the Central Government this power to tax, to that extent the power to tax motor vehicles in your province is curtailed. Therefore you want to have a *quid pro quo* for that. Can it be that?—I cannot tell you.

I am asking you this question because your Legislative Council has enough amount of trouble inside. Any scheme which you recommend must have a chance of being accepted by your Council, and judging by past political experience of your Council it may not be a smooth sailing there?—It may be so.

Hon. Sir G. Corbett: Do you think that because things are not smooth in your Council, your local Government, as soon as the tax is put on by the Government of India, might resent it?—Very probably that is the case.

(The witness withdrew.)

22.

New Delhi, dated the 24th January 1928.

Oral evidence of Mr. F. A. PRIMROSE, Deputy Chief Engineer, Construction and Surveys, G. I. P. Railway.

Chairman: You are the Deputy Chief Engineer, Construction and Surveys, G. I. P. Railway?—Yes.

How long have you been in that capacity?—Two years now.

Where are your headquarters?—Bombay.

Will your railway, so far as you are aware, fall into line with a policy of co-ordinating road development with railway development?—Yes, certainly.

And they would not regard it necessarily as involving a conflict with railway development?—No. We should naturally prefer to see a policy adopted under which the primary object would be to build roads, which would bring passengers and goods to our big arteries of transport, mainly right-angled roads. We all like road development.

What about parallel roads?—We considered that parallel roads will have to be built and that generally speaking they would be to the interests of the railway, although naturally we would prefer the roads to act as feeders to railways. But we expect to benefit in the end in either case.

That is of course the long view. I am very glad to hear that the railway takes a long view. Has motor transport entered into very severe competition with railways?—No, it has not at present, up to now. It cannot be regarded as serious. There are individual instances where it has had the effect of reducing earnings, but not to an extent that would make any appreciable effect on the total earnings of a system like the G. I. P. Railway.

Take for instance motor transport from Poona to Nasik. Motor buses begin from Poona. Do you think that the railways would ever consider entering into competition with regard to that transport?—It is not very serious. It competes with the railway, but not to any serious extent.

But supposing it did seriously conflict with the railway would you think of starting your own buses?—That is more a matter of general policy which I believe the Railway Department of the Government of India are considering. They have not come to any definite conclusions.

Is there any Provincial Road Board in Bombay?—Not to my knowledge.

Supposing one were started would the railway serve on that Board with great benefit to themselves?—I believe they would regard it as a satisfactory means of deciding these problems.

So any kind of understanding arrived at between the road authorities and the railways would be desirable?—Yes.

Hon. Sir A. Froom: I take it the written replies which were sent to us by the Agent of your Railway represents your views as well?—Yes.

You concede that it would be necessary to have parallel roads with railways although you would prefer to have right angle roads?—We naturally prefer right angle roads but in the course of development one can scarcely expect that there will not be some schemes parallel to the railway.

I put it to you that right angle roads generally would not be necessary because the produce is brought in by feeder roads to the railway from villages?—It does not necessarily follow that the feeder roads would be right angle ones. What I mean by a parallel road is one running alongside the railway closely.

You do not like them to run too close?—No; for it will then put the other transport into competition with the railway.

Do you think a certain amount of competition is harmful to the railway?—For very short leads it is detrimental to railway receipts.

In one province we were told that there was keen competition of buses with the railway and that that was extremely beneficial because the third class passengers by the railway were on that account treated better, more civilly, and had better accommodation and other facilities. In that way competition would seem to be beneficial from the public point of view?—Yes. It would be.

Can you explain why one should prefer to travel by the bus running alongside the railway for 20 miles instead of travelling in the third class by train?—Because it generally costs him less. The buses also offer quicker service. If they connect with main lines, the branch railway line would be avoided. Again, if a man wants to go to a place served by a railway, very often the railway does not strike the heart of the town so that he has to pay for his conveyance to the starting station and again from the other end of his travel to get into the centre of the town, and for short distance travel, the fare from door to door on the whole is less than what he would incur by the train journey.

I take it that your railway would not suggest that road development should not take place because it would compete with you?—Certainly not. On the whole, it is beneficial. You would get more traffic. It encourages the spirit of travel in the country which might lie dormant if there were not quick motor transport. It will lead to more goods traffic also. So far, motor traffic has not entered into competition with the railway in regard to goods traffic and I doubt whether it ever will. It is only for short haulage that competition in regard to passengers will succeed.

There is some trouble in England on account of competition of motor transport of goods with railways, but I take it that conditions are very different there?—We do not fear the same thing here. The structural features of roads in the two countries are very different and they have not got long runs as we have here.

So, the Committee may conclude from what you tell us that your railway is not in any way opposed to road development?—Far from it, it welcomes it.

Hon. Mr. M. Suhrawardy: Turning to the Agent's replies to the supplementary questionnaire, will you please explain the statement that railway transport and motor transport have each a different function and that in the interest of the country motor transport must be subsidiary to railway transport and not act in active competition?—That only means that in any specific case where it is obvious the construction of a road might set up active competition with the railway, it is to be discouraged.

But so far you subscribe that the development should be confined to feeder roads?—I should say that there are other things which outweigh the disadvantages. We are only pointing out how motor

transport might affect railways and if it were possible to develop roads to the benefit of the country without competing with the railways it would be ideal from our point of view. It does not necessarily follow that we would not countenance a general development of roads and would restrict you to feeder roads alone.

So, you agree to the views of your Agent?—I am obliged to take his views into consideration. I do not think he seriously means that road development should be entirely in the form of more feeder roads alone. There may be specific cases where to build roads alongside the railway line between two very big important centres might result in a good deal of loss to the railway and I think such cases should be dealt with on their own merits.

Hon. Sir A. Froom: A very large number of roads in this country do run parallel to the railway line. Do not they?—Yes. Very often our main trunk lines have been built alongside the original roads.

You would not object to these trunk roads being put in order?—No; certainly not.

Mr. E. F. Sykes: You would not like feeder roads running parallel?—From the railway point of view if that could be avoided, it will be a good ideal.

Have you contemplated subsidising road construction?—No; not hitherto.

Do you think it would be a good idea?—It is a thing which we never had occasion to consider. It is a question of justification.

Perhaps you would justify the construction of a certain number of branch lines on a rebate on change of traffic. You are not inclined to give a rebate to roads if you build roads on the lines you have approved of?—It is a question of policy. Isn't it?

No. It is a question of arithmetic. If it could be shown that by building a road additional traffic would come to the railway, I do not see why they should not build the road?—As I have said, we have never considered the question.

If this Committee recommended it, would you consider it?—Quite possibly we will. We would rather spend money on the development of feeder railways, for it is scarcely in the province of railways to construct roads. It would be a departure from our ordinary practice.

Subsidised by somebody else than the railways?—That can be done.

You said that the Government of India were considering whether you should be allowed to run your own vehicles on the road?—We have not yet got their final conclusions.

So far as I can see, you have got powers under the Act to maintain any motor transport which may be required for the convenience of passengers . . . .

Hon. Sir G. Corbett: No; we shall have to deal with that matter. Under the Act a railway bus service may be run to carry passengers who arrive by train to a local town. They can run it as an auxiliary to their railway, but it is doubtful whether they have powers to run a separate bus service as a common carrier open to the general public.

Mr. E. F. Sykes: It is quite clear on the wording of the Act that you have got the power already. But so far the question has only arisen in connection with the supply of vehicles?—Yes.

No question has arisen in regard to construction of any roads?—No.

Presumably, if you use the powers under the Act, you will be able to carry your things to the railway on the road you construct and you won't let other people use it even on payment of tolls?—No; It seems unlikely we would have the monopoly of the use of such roads.

Apparently the matter has been considered a good many years ago but no action has been taken so far?—I do not know that.

You were saying that the road could compete? Do you think that the fares that are being charged by vehicles or buses are economical?—I think they run on very uneconomical lines and in the end they become bankrupt.

Some day there will be stable organisation?—Then you will have a bigger motor bus company coming in and running a service on important business lines.

Would it be a higher figure than they are paying now?—It appears there is much cut-throat competition at present.

Do you think it will result in a loss?—No, the competition will die out and things will settle down some time.

At present they are charging as low as 3 pies a mile?—Much depends on what competition they are making on these roads. There was an instance where there were two companies running passengers for nothing on the roads between Talegaon and Manchar.

Your opinion is they will charge more than what the railways charge. You charge 3½ pies?—That is why we do not fear competition so much on parallel lines as we do in the short-circuiting of traffic. That is where the bus comes in. There are certain instances where we have got 125 miles lead to a junction and the bus service comes between the two places by a 32 miles motor run. We cannot hope to compete in such cases.

Chairman: In the case of Poona to Nasik have you built a railway on that line? Do you hope to compete?—No railway has yet been built. It is about 90 miles. We can compete.

Mr. E. F. Sykes: If the engineering cost were not excessive?—Yes. It is the question of engineering cost.

Do you mind my giving an instance of the part of the country I am living in. It struck me that some of this competition was due to the inferior service which the railways give. You have got a branch line that goes from Bina to Kotah Junction and a man going on any business to this place has to spend two nights before he can return?—I quite agree that our train service could be greatly improved in order that we may compete with the motor bus service. We do recognise this. As a matter of fact I do not know much about this Bina-Kotah line but many of these branch lines scarcely pay us to run more than two services a day. Besides this branch line trains usually connect with special trains like the mail trains, whereas passengers want to travel by the connecting passenger trains. The result is that they prefer to go by bus. I have got some graphs which may interest you.

(The witness then presented two graphs one showing the details under coaching earnings and the other the routes involved.)*

Chairman: You do not mind our making use of these graphs?—I see no reason why you should not.

* Not printed.

Has any motor transport developed from Poona to Pandharpur?—I do not know. I am not acquainted with this.

Mr. E. F. Sykes: I was putting this question to you because for a distance of 40 miles in a thinly populated country you cannot expect motor service to start up. There is one between these two points now and people much prefer to save two nights in the journey and will rather pay more for travelling by bus?—Yes.

Another point that you developed was that the railways do not go into the heart of the town?—That is due probably to topographical reasons or other reasons; very often on account of the high cost of land in approaching a town. Therefore we are obliged to keep a little out of it. Our object is to get close up to a town as far as possible but very often we do not succeed.

In this particular case you land about 5 miles from the business centre of Kotah. That is another reason why people take to bus?—Some of the big towns are rather inconveniently placed in respect of the stations.

Most of these defects cannot be removed now?—No. There are some very bad cases of this kind. Take Amraoti for instance. Amraoti is several miles removed from the main line with the result that we had to build a branch line there. Nasik is another case. Of course these lines were located many years ago and one cannot expect to alter those conditions now, but it is in these cases where motor competition scores over us. They take a person from town to town and we cannot do it.

You were opening a new line from Nasik Road to Nasik Town?—If the railway comes off we expect to get the traffic.

Have you in your railway sentinel coaches?—We are thinking of going in for them.

Would that enable more frequent service?—Not only more frequent service but the cost per unit would be much less.

Per passenger per mile?—Well, so long as we can secure passengers and it is not going to cost us more than to move them by ordinary train it would pay us.

But the unit would contain about one-fourth of the number of passengers that locomotives do?—The whole thing has of course to be worked out. We are not going into it blind-folded. For example, it works out to about 6 annas a sentinel coach per mile. That is little more than one would pay for running a motor bus. These cars carry anything from 30 to 40 passengers. But we have not gone into the matter closely. That is one of the means by which we propose to compete with motor traffic. If we have a fast quick sentinel coach or its equivalent service running between stations on the branch and main lines we hope to cut out this competition.

What we are impressed with in our inquiry is that funds for the development of roads would be very hard to come by and all my enquiries were directed to find out whether by any alteration in railway services and method of haulage on these railways, the necessity for some of the expenditure on roads could not be avoided. We are only dealing with the difficulties of transportation and the more the railways can be developed the less necessity there would be for spending money on roads?—Exactly. It is obvious that if the railway could offer a more convenient service the less necessity there is for building a parallel road.

The present question of roads is a question of rebuilding. We were told in Bombay that the existing roads are so bad that they would practically have to be rebuilt from foundation?—That depends on how they are expected to function. Do you mean for motor transport?

For the sort of traffic that uses the roads at present. It has been said that there is nothing left of the old road except the roadway?—Surely the roads are not so bad as that. I think it is rather a sweeping statement to say that the present roads should be scrapped.

For all practical purposes the difference in cost between reconstruction of that road and constructing it from the beginning does not amount to much?—It depends on the standard to which you want to construct; if you want to have a concreted and perfectly asphalted road, you will have to scrap the old surface. The old roads of course were not constructed for heavy motor traffic.

I gather that you are designing new branches?—We are introducing small coaches and units to run on certain lines at frequent intervals.

Would that enable you to construct new branches that otherwise would have been unjustifiable?—Not in every case.

Where there are feeder roads you would be able to construct branches?—Yes; but I do not know that it is going to make all this difference; it is a new thing entirely and we have not seriously studied the question of motor competition up to now; but we find that in certain instances we would still suffer serious loss if we do not accelerate our own service. To do so we think an economic way of doing it would be to put on these small quick units; and this is applicable not only to new projects and new feeder lines, but even on sections of our open lines where we find that a convenience of that sort would probably cut out competition.

You have no difficulty in getting all the money required for your new construction?—No, apparently not.

Hon. Sir G. Corbett: I think it is clear we all agree that all methods of transport should as far as possible be complementary to each other, though there may be a little competition. It is uneconomical to have conflicting and competing transport. Naturally the railways like their feeder roads, as you say, at right angles; but the railways, I think, would appreciate that it is no use having these feeder roads with dead ends, going from a village or town six miles from the railway up to the railway. Ultimately they should link up with some continuous system for all roads and fit into some general system?—Yes.

So that you can go from anywhere to anywhere by road ultimately?—Yes.

I think I should make my meaning clearer if I took a section of your own railway. In the Nerbudda Valley down to Khandwa through Hoshangabad, you may remember the old Bombay Allahabad Trunk Road used to run that way?—Yes.

The railway was built more or less on the same alignment?—Yes.

Then the trunk road was allowed to drop into disrepair and a series of feeder roads at right angles to the railway sprang up, coming to the stations?—Yes.

From the point of view of the travelling public the value of these roads is very much diminished unless it is possible to go from one point to another by motor direct?—Yes.

If you have got to get into a railway train, and wait perhaps till 2 A.M. for a train, and then put your car in it and go ten miles and then motor on again, it is very inconvenient?—Yes.

I imagine your company would appreciate that, and would not object to the revival of a road of this description which linked up these subsidiary roads?—No; I do not think they would object. So long as an impetus is given to travel, we are bound to benefit by it.

Chairman: One more question about subsidising. Any road which cuts your feeder roads, which are not at present connected as part of a road system which this Committee may recommend, will benefit the railways?—Yes, indirectly.

Similarly there are cases of a road leading up to a ferry across a river and then a road from which the passengers go to another place and the ferry is kept by the railway. I am putting it to you as a hypothetical case of course; the railway is interested in the development of these two roads and if it therefore forms part of our scheme of development, the railway will be prepared to subsidise to that extent?—I do not quite follow. Why should a railway have a ferry?

There are cases where a ferry plying across a river is the property of the railway at present, either because the railway goes very near it on one side or otherwise. After you ply the ferry to the other end it leads to a District Board road, but we find that the railway does not pay for the upkeep of this road: therefore if we widen this particular road it benefits the railway to that extent and therefore the railway will be justified in paying at least a part of the subsidy?—I think so.

I take it therefore as a general principle, with the broadminded outlook of the railway which you represent, that if this scheme of development benefits the railway, the railway would bear their share of subsidisation?—I should think so.

(*The witness withdrew.*)

23.

New Delhi, dated the 25th January 1928.

Oral evidence of Mr. H. L. HOLMAN-HUNT, C.I.E., Chief Engineer, Public Works Department, Burma.

Chairman: You are Chief Engineer, Public Works Department, Burma?—Yes.

How are roads managed in your province? Is it managed by a Provincial Board?—We have got a Communications Board.

Is it a separate body looking after the improvement of roads?—Sir Harcourt Butler in 1923 started a Communications Board which is composed of a certain number of members of the Legislative Council and a few nominated members. All projects for new roads or large improvements go up to this Communications Board and they either approve of them or do not approve of them.

Is it subject to the Minister's control?—Yes. He is the Chairman.

How have you found the system working?—It works very well.

You have had no trouble with your District or Local Boards?—District Councils which manage district roads get grants-in-aid for district works.

How do you finance the road improvement? By a cess?—From rice control funds which we amassed during the war but unfortunately we have finished them now.

What do you call these Local Boards in Burma?—They are called District Councils.

What is the money from which they finance these road improvements?—The District Councils have their own funds and they also get grants-in-aid from the local Government.

Are you in favour of a Central Board to control the development of roads?—Yes.

And a central fund also?—We are in favour of a central fund provided we get what we consider our share of it.

Do you think that Burma would fall into line with any scheme for India?—We are far away. The roads in Burma could not form part of a scheme for India.

Is there any road from India to Burma at present?—No. We are not connected with Assam and even Assam is cut off from India as well.

You do not think it is possible in the present state of our funds to link Burma by road communication with India?—No, I do not think it is practicable yet; Burma is so far behind hand in roads that any money that would be available for road construction would be much better spent as at present in Burma itself.

So you would like to have your own system of constructing and maintaining roads, as a self-contained one?—Yes, for the time being.

And all that you desire to have is some additional funds to be paid to you, with sole control over the administration of that fund?—Yes.

You do not want your control to be in any way fettered by the Indian administration?—I do not think that any Indian administration would feel it necessary to do so.

You do not think it would be advisable either?—No, we have got a quinquennial road programme for making arterial and other roads.

You think your own problems are so dissimilar from those of the rest of India that you would much like to have your own system under your own administration?—Yes. If we completed our own trunk system, it would be to everybody's advantage to join the greater system, but at present we are so cut off that we have not got trunk roads connecting our own parts of Burma yet.

What is the form of taxation on motor cars in your province? Is it taxed by petrol?—The registration tax covers the cost of administering the law; it is really from the police point of view.

How much is the registration fee? Is it one fee all over the province, or in certain parts of it only?—Registration is general, some municipalities also have a separate tax.

Have you any idea as to what it is?—I am afraid I cannot give you the exact figures.

What is the provincial registration tax?—I am afraid I cannot tell you off hand. It has been changed lately.

What is the municipal taxation?—I am not sure, it is about Rs. 30 in Rangoon.

You think your province is capable of bearing more?—I think we are certainly prepared to pay a petrol tax.

How much do you think your province can bear; how many more annas?—Certainly two; I do not think it would have any effect in stopping people from using petrol.

How would you like your share of this calculated?—We would be quite content with the amount of two annas per gallon consumed in Burma, that is, according to petrol consumption made use of in Burma on the principle that what the residents of Burma pay in the form of two annas should go back to them as their contribution to the expenditure on roads.

Would any other system suit you better?—No, I do not think so, it would be the fairest way because then those who use the roads pay.

Do you think your province is ripe for wiping out all municipal and local taxation and replacing it by provincial taxation by a petrol tax, or are you unripe for it?—If we had the petrol tax, other taxation could probably be abolished and, if so, I suppose the local Government would have to recompense local bodies.

Of course the assumption is that all local taxation will be wiped off, being replaced by one provincial tax?—That would be feasible.

But under that system municipalities and other bodies will have to be compensated for?—Yes, out of a petrol tax.

Will there be enough funds?—I am afraid I have not gone into the financial aspects.

Hon. Sir A. Froom: It is said that your Communications Board in Burma has been of great value in securing from the Legislative Council the supply of the funds necessary to carry through the programme works: what influence do they bring to bear on the Legislative Council?—The Communications Board are chiefly representatives of the Legislative Council, and therefore if the Communications Board has already approved of a project and to the allocation of funds for projects for which money is wanted, there is less likely to be opposition, and the Legislative Council is more likely to approve and to pass the funds without detailed investigation.

The schemes put up by your Communications Board on which the Legislative Council is fairly largely represented are more likely to get funds than if the schemes were put up by the Public Works Department, so that that Board is of very great value?—Yes, because the Legislative Council feel that the projects have already been scrutinised by their own representatives.

Motors in Burma generally are not heavily taxed?—No, I do not think that a further tax will have any appreciable result on their use. It will not retard the advancement of motors in Burma.

At present, if you make a road, before you put down any surface on the road, a motor service, if it cannot use the road, can cut across country and paddy fields?—Yes.

Do you find in Burma that when a road is put into serviceable condition for motors, new transport springs up?—Yes it almost springs up before the road is made.

So there is a considerable demand in Burma for improved roads?—Yes, very much so, as Burma is so behind hand in the matter of roads. But apart from that, the Burman is very keen on locomotion and he will use the motor car whenever he can.

As a joy ride?—Not purely as a joy ride, but in order to go to the next place. He will use the motor car in preference to the train for a short distance, because the motor car is not tied down to the schedule of timings.

Are lorries used in Burma much for conveying rice and other produce?—Not rice much, but they are coming in tremendously for other produce.

And the improvement of roads will benefit the agriculturist in Burma?—Very much so.

And it would benefit them more than most other people?—Yes.

Then in the Burma Government's reply to the questionnaire it is said that the existing local taxation in Burma and the registration fee are not earmarked for expenditure on roads but are merged in general revenues?—Yes, so long as the expenditure on roads vastly exceeds the receipts, there does not seem to be any advantage in earmarking the proceeds.

But if by means of provincial taxation, however arranged, their receipts go up, do you not think it would be a good thing to earmark taxation on motor transport for the use of roads? I presume that your revenue from motor transport, if taxed adequately, will go up, and do you not think it would be a fair arrangement if the motorist who is paying adequately knew that the money he is paying is actually going into roads, although of course we understand that you want a separate fund?—Yes.

Would there be any objection to guaranteeing that?—No, as at present it is so much less than what goes into roads.

What is the price of petrol in Rangoon?—I think it is the same price as in Calcutta.

Rs. 1-0-6?—About that, it has fluctuated of late; I am afraid I cannot give the exact figure, having only just come back from leave.

Do you think an increase of four annas per gallon in the price of petrol would be objected to in Burma, knowing that the amount realised is going to roads?—I daresay it would be objected to by the individual man when he pays his bill.

You think that it will have any adverse effect on the use of cars?—I do not think so, I do not think personally that it would retard their use.

I think speaking in a general way you said that the roads in Burma were rather in a backward state?—Yes.

Have they slid backward in recent years or have they not advanced at all or have they stayed very nearly where they were two or three years ago?—The position was that after the annexation of Upper Burma, the railway went to Mandalay, and the Irrawady Flotilla Co. ran boats on the Irrawady and the result was that people could get to Mandalay by train and they could get up the Irrawady if they were not in a hurry. The result was that roads were regarded as unnecessary; and before the advent of motor cars the Burman could do all his work with a bullock cart which did not demand a very high state of road. But lately the want of roads has been felt very badly.

It is a question of money?—Yes, we have lately spent a fair amount of money on roads from rice control profits which helped us.

I suppose Burma appreciated that Bombay was giving a lot of money in that way. Still that is an old story. In some provinces they advocated that monopoly should be given for certain buses or bus services to run over a certain section of the road and that a considerable amount is in such a case paid by motor bus companies to have the monopoly of running over the road. Do you think that would be a good thing?—The Burma Government have been adverse to monopoly.

Have you suffered at all in this way that whenever there was a good road one man's bus services sprang up and ran until they dropped and then the service to the public was no better than it was before?—They do run until they cannot run any more. Their owners get their capital back and therefore do not mind it.

That does not provide a good service for the public which wants to travel?—When the bus falls into pieces, if there is a demand, another bus takes its place.

The Burma Government is adverse to monopoly?—Yes.

Will you be adverse to giving the right to a number of motor bus services to run along the roads limiting the number? Has that ever been considered?—No, I am inclined to consider it is a case of supply and demand. If the population demands vehicles, they will certainly turn up.

Hon. Sardar Shivdev Singh Uberoi: Of course as our Chairman has remarked, there is no immediate hope of joining Burma with India by road, but if Burma is linked with India by road, do you think it would be good for India or Burma?—It would save having to go by B. I. B. N. Co.'s boat.

Will there be any improvement in the export or import freight?—It would not make any difference, because no one would export by the road route.

I gather from the reply of your Government to question No. A-7 of the questionnaire that there is a demand for roads for motor traffic and you have stated that the funds in Burma are not sufficient for the purpose?—Yes.

How do you think that the development of roads in Burma can be brought about?—It is a finance question. I cannot say how the money is going to be provided, but the idea is to provide funds by means of loans.

Going in for loans for road development would not be a paying investment?—If the building of roads is going to open out the country, the roads will pay for themselves.

Is there much motor passenger traffic and goods traffic by lorries and buses?—Yes.

You have stated that during the dry season motors and buses run through rice fields. Are they not objected to by the owners of the land through which the buses run?—No. Paddy field owners do not trouble and practically have no power to keep people from encroaching on their land.

The proposed increase in the excise on petrol by 2 annas would give about Rs. 60 lakhs for the whole of India, and Burma's share would be according to the quantity consumed by Burma. It would not be a very large sum. Do you think it would be sufficient for making any appreciable improvement in the road system?—No. It would be of very little help, but every additional road would help and the more roads we made the more petrol would be used, so that Rs. 60 lakhs would increase materially.

What is your view with regard to this, whether the amount should be given as a lump sum to the Burma Government or should it be spent through any Central Road Board?—I think the Burma Government would be able to spend the money themselves.

Hon. Mr. M. Suhrawardy: Do you consider your provincial Communications Board is an efficient machinery to work within the pro-

vince?—Yes, they have the welfare of the country at heart, and I think incidentally Government do not put up any proposals which they do not approve of. The advantage is that the Legislative Council feels that they have been taken into the confidence of Government as their representatives have already had the possibility of criticising anything and making proposals for modifications.

Has the road system of your province suffered from the lack of continuity within the province?—It has to a certain extent in the past, but at present we have programmes. We have got a programme now 7 years ahead which we aim at. We are aiming principally at trunk roads.

That is an ideal which you have to reach?—Yes.

Mr. Mohd. Anwarul Azim: We have seen the reply of the Burma Government to question A.-5 (*b*). Do you think if you had sufficient money at the disposal of your Communications Board then that road along the coast of the Bay of Bengal could be improved?—Yes, it could be. There is no traffic up there at present except the coolies who go down to Akyab during the rice season and then they go back again. The rice would be able to get away by ship. I do not think the road would be very much used.

If that road was made pucca and if motor buses were put on to that road, do you not think the country through which the buses would pass would get more prosperous and Burma produce would be within easy reach of the people of South-East Bengal?—Yes. But if other places inside Burma want roads, I think the Communications Board would undoubtedly be in favour of those roads. This road is so much on the outskirts of Burma and there are so many and pressing demands for roads in the centre of Burma.

Is it a fact that the whole of the Arakan Division is practically cut off from the rest of Burma for want of good roads?—For want of good bridges.

Bridges come along the roads?—We are going to make a road from Prome to Sandoway. That is one of our trunk roads and when that is completed, we shall no doubt extend it to Akyab.

And if that road is made, do you not think it would be beneficial and that Akyab produce would be in Rangoon and other parts of Lower Burma?—I doubt if produce would come down by road when the sea is there and it could be transported much cheaper by ship.

Is it not a fact that during the monsoon months Sandoway, etc., are practically cut off from the rest of the civilised world?—That is true.

If this road is projected and linked up with Akyab, do you not think it would be advantageous?—Undoubtedly it will come in time. As it is, on the Prome-Sandoway road at present we have surveyors and I hope this road will be finished in 4 or 5 years. The idea is to use jail labour on it.

What is the nearest spot on the borders of Burma on Assam side? Which is the nearest possible point which can be linked up with Assam?—There are two or three possible roads. We have not really gone into great details to find out which is the best road.

So it is within the limits of possibility that practically the whole of Assam can be linked up with Burma by means of roads?—Yes; but it would mean very long roads. I understand Assam also would require a very long road to join itself with the rest of India.

What sort of co-ordination has this Communications Board with regard to the administration of roads in the Shan States or do the States manage their own roads?—The Shan States manage their own roads.

Are there no roads which pass through the Shan States?—There are roads.

For better administration do you think that these roads should be under one authority? I mean those roads which pass into the States as well as into the province of Burma?—There are only one or two such roads in existence and they require some improvement. I think the Federated Shan States appreciate the necessity as much as anybody else. It is not sufficiently complicated anyhow at present to demand any special co-ordination between the two.

Are your District Councils represented on the provincial Communications Board?—No.

Are your District Councils presided over by non-official Chairmen or official Chairmen or are the Deputy Commissioners the Presidents of the District Councils?—The Chairmen are non-officials and the Deputy Commissioner and Commissioner have some supervisory powers, but as I have been away for some time I do not know what these powers consist of.

Is it not a fact that you have got the longest pucca roads in Burma for motor traffic—that the Rangoon-Prome road is about 200 miles long and the Myingyan-Shan States road is about 300 or 400 miles long?—We call a road pucca when most of it is pucca. The Rangoon-Prome road and the Myingyan-Shan States road are both called pucca but are not very good throughout.

What is the length of the pucca road running from Rangoon to Pegu?—It is about 66 miles; it is part of our Mandalay trunk road.

What about the Rangoon-Mandalay trunk road?—It is no road at all at present as many parts of it have not been constructed. It may become so within two or three years.

Mr. Muhd. Ismail Khan: Are you in favour of the creation of the Central Board?—I am in favour of the Central Board if it can give some money.

Is that your personal opinion? Your Government is opposed to the formation of the Central Board?—Such a Board is not required as regards the roads in Burma itself.

You want the Central Board to collect money for you?—We want it to make the collection of money legal.

You do not want to assign any duties to it?—I do not think the Central Board would want to order that such and such roads should be constructed.

Chairman: You do not think that having regard to the distance of Burma from the rest of India and the peculiar conditions of the province, any Central Board acting at Delhi would be able to usefully supervise and control the administration of the roads in Burma. Is that your view?—Yes.

Mr. E. F. Sykes: I suppose the Communications Board co-ordinates the road and railway programmes in Burma?—Yes. We have got the Agent of Burma Railways on it.

So before the Agent sends the programme to the Railway Board he goes to you and asks you which line you would like to have first?—He consults the local Government.

He does not consult the Communications Board?—The Communications Board has a sub-committee which deals with railways.

You are familiar with the question of the co-ordination of roads and railways in Burma?—Yes.

I suppose a great many projects which the Railway Company or the local Government would like to build are turned down because they are not remunerative?—Yes, that is the case.

Sometimes the Railway Board asks you to provide a guarantee or a subsidy for the construction of lines that the Government is very keen about?—I am not quite familiar with that. It is a finance question.

That sort of thing does not come to the Communications Board?—No.

Apart from your official capacity, I suppose you have heard of cases in which the Burma Government has given a subsidy to branch lines?—Yes, they have done it.

Have you any idea of the amount they have guaranteed?—I am afraid I cannot tell you that.

The Communications Board on any given alignment would prefer a railway to the road if they could get it for the same amount of money?—If it is a long distance I should say they would prefer to have a railway line, but for a short distance they would rather have a road.

So you might like to have a road up to a distance of 30 miles and for a distance beyond that you would like to have a railway?—I should say that would be the right division.

I suppose a good many lines of communications that you want are to run parallel to the railway and the river?—Yes.

There would be plenty of opportunity for building railways that you would prefer to roads, if it was not for the cost of doing it. Have you any idea as to how much branch lines cost in Burma?—I am afraid I have no idea.

You have given the precise figures for the cost of construction and maintenance of roads. Your minimum cost on construction of roads is Rs. 30,000 per mile. Instead of spending the amount if you gave it to the Railway Board and asked them to build your railways, everybody would be satisfied?—I have no opinion to offer on that point.

But you would be able to pay something additional to the Railway Board. Supposing this extra sum to be Rs. 30,000, do you not think this theoretical sum of Rs. 60,000 per mile would enable the Railway Board to build lines that had to be turned down because they were thought to be unremunerative?—I have not gone into that question.

But it looks rather more useful, does it not?—Yes.

Railways have many advantages on roads. I do not know how much your passengers pay when they travel by road. I suppose it is one anna per mile, but by railway it is quarter of an anna per mile?—For long distances passengers of course go to the railway every time.

But when you get a distance of more than 30 miles, there is a great deal to be said for putting in a railway?—We have not got any long trunk roads which are continuously in close proximity to the railways.

But you want them. Your programme includes trunk roads that are leading away from the railways?—That is not the case with most of them.

You mean they are parallel to the railway or they terminate on the point of railway?—They are more or less parallel to the railway; parts of them serve as feeder roads to the railways.

Raja Ghazanfar Ali Khan: You propose that petrol should be the basis of distribution of money to various provinces?—I think that would be the fairest way.

You also suggest that some compensation should be paid to the local bodies out of the central fund by the provincial Governments?—If they are made to give up their local taxation.

If they do so, what do you think will be the equitable basis of allocation of money to the various provinces concerned? Some desire to take into consideration how much they are spending on roads and how much they have collected out of the taxation. Do you not think that it will be more equitable if, so far as the allocation of money to the various provinces is concerned, some other factors are also taken into consideration, for example, the money which the provinces are spending on the maintenance of roads or the requirements of each province?—It seems that the amount that the province uses in petrol represents the demand for roads in that province.

Does that follow?—It shows the extent of the use to which the roads are put.

The object of the Committee is really to develop the roads and not to develop the roads for motor traffic?—You do not have much cart traffic on the roads now. The old state of the roads was sufficiently good for bullock carts.

The bullock carts are used by the agriculturists and probably the Burma Government will not like to keep out bullock carts at any stage because they are so cheap. In that case our main consideration should be the road development not merely for motor traffic. And so I suggest to you whether you have considered the desirability of more factors than the mere consumption of petrol?—Burma has been short of roads always, but the interest taken by the Burman to-day in the roads is due to the advent of motor cars.

Lala Lajpat Rai: Is it not a fact that a greater part of the frontiers of Burma is surrounded by foreign territory?—Yes.

Considering the fact that your frontier province is surrounded by foreign territory and considering also the fact that perhaps at no distant date Burma might be separated from the rest of India, do you not think that you would rather like to have the road policy or the railway policy of Burma determined on its own merits irrespective of the rest of India?—Yes.

In that case you would not like to centralise the subject? I mean the centralisation of the subject whether from the point of view of construction or funds will not be very material?—I think that would be a political question.

It is not a political question. As the Chairman put to you, the only access which exists now from Burma to India is by sea side. You have no roads on the Assam side, and you have already said that that scheme is impracticable. The rest of your frontier is surrounded by foreign territory. In that case your problems of roadways and railways in Burma stand on an entirely different footing from the problem of roadways in India, is it not?—Yes.

Chairman: I think you answered that question when I asked you whether by reason of your long distance from India and the peculiar nature of your road problem you would prefer to have a

self-contained and independent policy to be controlled by your own Government as regards road development, and you answered in the affirmative. That is your view I suppose?—Yes, but we certainly appreciate that the Central Board might be of some assistance.

Lala Lajpat Rai: What are your principal ways of communications?—Railways and waterways.

Do they connect you with the frontiers?—Not with the frontiers.

So for commercial purposes practically your waterways connect you more with Lower Burma than with Upper Burma?—Yes, most of the Delta are waterways and there are plenty of efficient and abundant waterways from the point of view of commerce.

From where do you get most of your produce, from Upper Burma or Lower Burma?—A lot comes down from Upper Burma.

Is rice produced more in Upper Burma or Lower Burma?—It is produced in both; but most of the exports come from Lower Burma; it does come from Upper Burma also.

You have enough roads in Lower Burma?—We are making a lot of roads.

Are you making a lot of roads in Upper Burma also?—We are making them all over; they are being spread fairly generally.

My point is this. Are you making these roads with the object of opening the country for communications?—They will be used for commerce as well.

Is there in Burma any foreign territories that adjoin it?—Not very much as the Shan States to a great degree separate Burma from Siam and China.

From that point of view the road problem will not be affected?—I do not think it would be. Most of the trade that comes from China comes by mules.

Hon. Sir G. Corbett: I quite appreciate the fact that at the present moment Burma is entirely cut off by land from India, and therefore, your road problem is a thing mainly for the Burmans to solve. But am I not correct in saying that there is a considerable demand in Burma for communications by land into India? I had myself to defend in the Council of State last summer a strong charge made against the Government of India from Burma for failing to build a railway to India, and we certainly thought then that there was a strong demand in Burma for connection with India owing to the inconvenience of travelling by Sir Arthur Froom's steamers?—There might be a demand for a railway, but I do not think there is a demand for road.

Mr. Anwarul Azim dealt with the possible demand for the development of communications with Burma *via* Arakan and Chittagong, but the position put forward by the non-official members who moved the resolution shows that there is a strong case for a railway through the Hukong Valley from Myitkyina; and although that railway scheme has been surveyed, it will not repay from the point of view of cost, particularly at the last stage where there is a good deal of tunnelling to be done. It has been suggested that the construction of a road would be quite a feasible proposition, but the last stage, as I said just now, is an expensive proposition. Although Burma is now a self-contained unit in regard to road development, am I correct in saying that we cannot shut our eyes to the possibility of the demand that might be made for through communication?—I think undoubtedly there is bound to be through communication in years to come. We are bound to connect up with the Federated Malay States, Siam and India.

Meanwhile one naturally understands that the demands from the more thickly populated parts of Burma must have preference. But our legislators when they come up for the monsoon session, after a rough voyage across the Bay of Bengal, will continue to hammer on the other aspect of the question. For that reason, would not one say that it would be wise for Burma to keep in touch with road developments in India?—I think the Burma Government is quite anxious to keep in touch with road developments in India. They do not want to be cut adrift.

And to influence road development in India on the eastern borders of Bengal and Assam in such a way that it would ultimately be connected with any extension of road development in Burma, you think a Central Board would be useful?—That is where the Central Board would be of the greatest use, and we would like to keep in touch with it.

And with regard to road construction, do you think your problems are entirely Burman problems or that the experience gained in India would also be useful to you?—We would always like to obtain any advice or knowledge that is gained in India.

And also give us the benefit of yours?—Yes.

But would you support any combined effort for research?—Yes, it might be of some use. It could not do any harm.

The proposal of the Burma Government is that there should be a provincial tax for financing road construction and maintenance. The difficulty is that the duty on petrol is a central source of revenue, which makes it rather an obstacle. The Burma Government have suggested that the Governor General should declare petrol to be a provincial source of revenue, but as I have pointed out, there is a difficulty about it, because the Central Government levy a tax of four annas for general revenues, and I am afraid the finances of the Government of India will not allow them to give it up at the present moment. But even supposing at a future date the Government of India were to forego that tax and made no claim on the tax on petrol, would it not be a little inconvenient if petrol were made a provincial source of tax, because petrol would be taxed at different rates in different provinces?—I think Burma would be quite prepared to tax at the general rate of 6 annas.

If you make it a provincial source of revenue, you have no guarantee that it will not vary from province to province. My point is that in the nature of the case petrol is entirely unsuitable for a provincial source of revenue, because you must have a uniform tax throughout India and Burma. I put this position to you, that supposing the Bengal Government were to levy a tax of 6 annas on a gallon of petrol, and the Burma Government were quite willing to levy 6 annas but the amount to which the local Council would agree was only 2 annas, would not everybody in Bengal buy their petrol from Burma then?—I think that the Burma Government does not press that point, especially if the Central Government gave 4 annas earmarked for road development.

That is a central source of revenue, and granted that it is equitably distributed, Burma would get her proper share based on its own consumption which could be ascertained from the oil companies. But it is quite conceivable that the motorists of Burma through their representatives in the Assembly would make themselves vocal and would demand that the amount should be spent on roads entirely. I take it that the Burma Government would not object to the amount being granted definitely for the purpose of road construction?—No; they would not.

And would they object to put forward their road proposals for the next five years so that the Assembly before voting the grant may know what exactly is going to be done with the grant?—No. I presume they would object to their programme being subject to such approval.

The point is that the grant cannot be made so easily. Obviously there are different points of view. I may put forward the case of the motorists, my friend to the right that of the bullock cart, while the legislators would present the difficulty of travelling by sea in the monsoon. I know that Burma is very remotely concerned with the question at present, but I would like to know from you whether you would approve of the idea of a conference, annual or biennial, of the Ministers of the different provinces who would meet and put together their road programmes, discuss and finally agree as to the programme for each province so that there may be a co-ordinated programme of development of roads as a whole?—Undoubtedly, Burma would like to be present at such a conference and they would not mind bringing their programmes for any discussion with the rest of India.

Lala Lajpat Rai: Can you tell me what is the price of petrol in Rangoon or Mandalay?—I have been away on leave and I am getting my petrol in gross and I have not noticed the rates.

Hon. Sir G. Corbett: I notice that you propose to proceed with construction out of loans. Would you have the ordinary provincial loans?—I am afraid that is a finance question and I am not concerned with it.

On the subject of local taxation, you say that you have already a certain amount of it in Burma, *i.e.*, Rs. 30. Is that a provincial tax?—No; that is a municipal tax.

You also speak of the annual registration fee?—Yes.

You have a local tax?—Yes; in various towns.

You renew your registration every year?—That is for police purposes.

Is there any difficulty about that?—No.

Any difficulty about collecting the vehicle tax?—No. I understand the police are going to collect next year the registration tax and the local vehicle tax both together.

In other words, they would issue a re-registration ticket only on satisfying themselves that the local tax has been paid?—Yes.

Lala Lajpat Rai: Is petrol imported into Burma or exported out of it?—It is exported from it.

Do you not think it is hard that Burma should pay an import tax on the commodity which itself it produces?—No; it is an excise duty.

Chairman: I will just pursue that question. Suppose the oil is produced at A and a person living 10 miles off is the consumer, do you justify his paying an excise for an article produced by nature only 10 miles away? He has got to pay the tax as if the commodity went out of the country and came into it while the fact is that he could have it in a state of nature. Is that not an artificial system of taxation?—He cannot get petrol in a state of nature which has to be refined first. He has to pay a tax for the stone that he gets out of the ground.

Is Burma going to separate from India?—That is a political question, I cannot answer.

What is your personal opinion?—I have none.

Do you know what the Burmans' view is?—No, I do not know the prevailing wish. I know that there are some sections that want to separate, while others do not and I cannot say which view is the predominating one.

(*The witness withdrew.*)

24.

Lahore, dated the 10th January 1928.

(*a*) Memorandum of touring sub-committee's discussion with—

Mr. H. W. EMERSON, C.I.E., C.B.E., I.C.S., Chief Secretary to the Government of the Punjab ; and

Mr. A. R. ASTBURY, C.I.E., I.S.E., Chief Engineer and Secretary to the Government of the Punjab, P. W. Dept. (Buildings and Roads Branch).

(Mr. W. S. Dorman, Deputy Chief Engineer, was also present.)

The Chairman explained the objects of the Road Development Committee.

Mr. Emerson says that the Punjab would not object to a Central Road Board provided that it was entirely advisory. The Punjab Government would not approve of direct communication between the Central Road Board and the provincial Communications Board, the ordinary channel of communication being from the Provincial Boards to the provincial Government—to the Government of India—to the Central Board. Mr. Emerson considers that if the Central Board was to act in an advisory capacity in regard to the distribution of funds, it would have work of a recurrent nature to perform. If, however, it was to have no concern with the distribution of funds, then he doubted whether, after a few years, it would have sufficient work to do to justify its continuance. For the first year or two it would be useful in co-ordinating inter-provincial communications; in the co-ordination of motor vehicle licence rules between provinces and local authorities, and from the political point of view in stimulating the interests of the Legislative Assembly and of the public in the development of roads. For the last mentioned reason it should contain representatives of the Legislature. He considers that it would also be useful in the co-ordination of research by the provinces. Several, if not all, of these objects might, however, be completely attained within the course of a few years, and after their attainment it appeared doubtful whether the Board would find sufficient work to justify its existence. Mr. Astbury does not think that any laboratory research which a Central Road Board would undertake could be any substitute for the field experimental work carried out under the actual climatic and traffic conditions in each province. He explains that at present the Punjab keeps in touch with experimental work going on elsewhere by obtaining published information from other parts of India, Europe and America, and by deputing officers occasionally to see work in progress. He considers that even without a Board it would be possible to arrange for inter-provincial exchange of information. He and Mr. Emerson agree that if there were a Board, the co-ordination of research should be one of its functions, but that this function alone would not justify the creation of a Board.

Mr. Astbury explains that the Punjab Communications Board has administrative powers in connection with the distribution of funds.

Mr. Emerson considers the Punjab view would be that ordinary road development should be financed out of revenue, as road expenditure is unproductive from the point of view of provincial revenue, and financing unproductive expenditure out of capital is dangerous finance. Especially is this the case with road development owing to the rapid increase of recurring maintenance charges.

The Punjab attaches great importance to the system of distribution of any funds that might be made available. Its view is that the central funds should be used to stimulate road development out of provincial revenues and that therefore a system of distribution should be adopted which would have the direct effect of helping those provinces which help themselves. Mr. Emerson explains that one method by which this might be done would be a formula by which central funds available were distributed in proportion to expenditure out of ordinary revenue on roads and the percentage which such expenditure bears to the ordinary revenue receipts. The factor of expenditure in this formula would to some extent introduce the factor of "requirements"; but if it was considered that it did not give sufficient weight to the "requirements" factor, then this might be remedied by adding a third multiple, based either on population or on the length of metalled or unmetalled or of total roads, or some other convenient element. He adds that if a provincial Government did not, over a period of years, maintain its average expenditure on roads, its grant should be reduced accordingly.

Mr. Emerson would object to the introduction of petrol consumption, on the grounds that cities would overweigh the result and it would be impossible to resist the demands of the municipalities for a share. Besides, it takes no account of how a province is trying to help itself.

If, however, central funds were to be distributed in grants for specific works, they should be divided according to cost of new construction on trunk roads *plus* the cost of maintenance of present trunk roads.

The Punjab Government does not object in principle to the proposed extra 2 annas petrol excise, but its agreement would depend on the method of distribution among the provinces. The suggested 2 annas provincial excise on petrol was discussed, but Mr. Emerson was not prepared to give an opinion.

Lahore, dated the 10th January 1928.

(*b*) Memorandum of touring sub-committee's discussion with—

The Hon'ble Sardar JOGENDRA SINGH, Minister for Agriculture, Punjab, and

Mr. A. R. ASTBURY, C.I.E., I.S.E., Chief Engineer and Secretary to the Government of the Punjab, P. W. Department (Buildings and Roads Branch).

The Hon'ble Minister states that the Punjab has embarked on a broad policy of road development and has classified its road system

into arterial, main and other roads. The arterial roads are being taken up by the Public Works Department both for construction and maintenance in the order in which they have been placed. The District Boards maintain main roads but Government makes grants for improving important roads through the Communications Board and its Engineer Secretary helps the District Boards with advice and supervision. The Communications Board is now getting interested in the question of village roads. The Communications Board is providing demonstration unmetalled roads in 10 mile lengths in the important districts of the province. The Punjab Government proceeded with the building of roads in the Nili Bar area which is now getting colonised. He was emphatic in declaring that with the opening of communications the development of traffic rapidly increased.

The Hon'ble Minister considers that if the Central Government wishes to help road development in the provinces it will have to follow the Punjab policy and classify the road system into Imperial and provincial roads. The Imperial roads will receive grants from the Central Government. This would relieve the provinces of the maintenance of the roads of Impenial importance and set free funds which could be used for improving village and other roads. He is doubtful whether the central fund could be equitably distributed and he does not think that any of the formulæ which have been put before the Committee would do justice to a province like the Punjab. He has no objection if the proposed additional 2 annas excise on petrol is entirely handed over to a province where it was used. The Hon'ble Minister is doubtful whether a Central Advisory Board could be in a position to help the provinces effectively. He is in favour of the creation of a Ministry of Transport in the Central Government and also of Research Institute for testing road material and making experiment in the matter of road making. Regarding the additional two annas excise on petrol for Central Board he could express no definite opinion as it was a financial matter: but he expressed his own personal inclination to support an indirect tax rather than a direct tax so long as this tax belonged to the province of consumption. Finally, he was prepared to welcome any substantial assistance which the Central Government can give to promote road programmes.

New Delhi, dated the 25th January 1928.

c) Oral evidence of Mr. H. W. EMERSON, C.I.E., C.B.E., I.C.S., Chief Secretary to the Government of the Punjab, and Mr. A. R. ASTBURY, C.I.E., I.S.E., Secretary, Public Works Department (Buildings and Roads Branch), Government of the Punjab.

Chairman: Have you any objection to the statement of yours to the sub-committee being publicly used?—*Mr. Emerson*: No.

You say in the statement that the Punjab Government would not object to the formation of a Central Road Board provided it was entirely advisory?—Yes, that is so.

That means, I take it, that you would like to have control of the road administration in your own hands. Is that so as far as provincial roads are concerned?—Yes.

Are there any extra-provincial roads in your province?—No; all our roads are provincial.

So far as all of them are concerned, you would like to retain their administration in your own hands?—Yes, most certainly.

And therefore you, like some other provinces, prefer to have the Central Board in the hope that you may be getting some money for road improvement?—The Central Road Board would be useful for other purposes as well.

If you want it to be merely advisory, I take it you want simply for the purpose of collecting funds from the several provinces and distribute them. What other main purpose you have in view?—If it is only the collection and distribution of a fund, the Central Government could do it without the intervention of a Road Board. A Road Board in such a case is not essential.

According to you, then, for what purpose is a Road Board essential?—Assuming that at some time or other the Government of India were prepared to give funds out of central revenues for the purpose of road development, a Road Board would be of value in distributing this fund. Assuming that the distribution varied from year to year and not according to a fixed formula, then it would be of permanent value for the purpose. If they had nothing to do with the distribution, then we can only say that the Board would be of use for a certain number of years and we find it difficult to envisage its utility as a permanent institution. It would certainly be useful in the first place to stimulate interest in road development among members of the Assembly and in the country generally.

It would be a propagandist Board, is it your idea?—Not necessarily. The mere fact that there is such a Board would stimulate interest in road development in the country. We find that our Communications Board does undoubtedly stimulate interest and we think that the Board would be valuable from that point of view. Then again, it would be of value for the purpose of co-ordination, but its limits of usefulness for that purpose appear to be small for after all, so far as the Punjab is concerned, it is a question affecting the roads in only two provinces, the Punjab and the United Provinces. So one does not see any but a limited scope for the work of a Road Board in connection with co-ordination. It would also I think be of use in co-ordinating motor licence, road certificates, etc. Even if it had nothing to do with the distribution of funds it would be of value, for a few years at any rate, and it might be proved to be of a permanent value. But at the present moment apart from the question of distribution of funds we cannot envisage the duties of a permanent nature which it could perform.

The sum total of what you say, Mr. Emerson, is that you think that the Central Board would do very useful work for a few years in the way of distribution of funds?—Permanently, in the way of distribution of funds if the Central Government gave funds out of central revenues permanently.

You mean permanent for distribution of funds and useful for a few years in co-ordinating schemes?—Yes, and might be useful later also but at present one is a little doubtful about it.

Would you give any controlling powers to the Central Board in respect of any roads administration? Would your Legislative Council or the Ministers tolerate it?—I am sure neither the Punjab Government, nor the Council nor the Ministers would tolerate it for a moment.

Therefore the road administration of your province even with this Central Board existing at Delhi must be left entirely under the control of your administration?—Yes, with one possible qualification that if the Central Government gave funds out of central revenues for the purposes of road development, then the Central Government would clearly have the right to see that the funds so given are spent on the development of roads.

Do you mean by central revenues the existing revenues of the Government of India or do you mean any future tax that they may levy. Suppose they levied a tax which curtailed your provincial capacity to levy taxation?—I understand that there are two proposals before the Committee, which relate to an increase in excise duty on petrol. One is an additional 2 annas for the purpose of road development, the proceeds of which are not necessarily to be distributed according to the consumption of petrol in various provinces. It is to be a fund which is originated and collected by the Central Government and the distribution of which will be in the hands of the Central Government. I should call that addition essentially a central tax and a central fund. Then there is another proposal which, I understand, has been made to the Committee by various provinces that they desire the Central Government to impose a duty of 2 annas which to all intents and purposes is provincial taxation except that it cannot be levied except by the Government of India but the proceeds are to be distributed purely according to the consumption of petrol.

Now, in regard to the first 2 annas do you include that within your category of central taxation for which you will allow the Central Board liberty to control your whole administration?—I do not mean the control of our whole administration.

Let me make my point clear to you. In respect of the 2 annas taxation which goes to the central fund and which is distributed on some formula, would your province speaking on behalf of your administration allow the Central Board to control your administration in respect of the dole going out of this fund?—It depends on the extent of the control, but I think it would be reasonable to give them control to this extent that they can insist that our expenditure on roads was increased by as much as the Central Government gave us.

You would have that money only devoted to road purposes?—If the Government of India, or whatever be the distributing authority, were not satisfied that we spent that money in addition to what we normally spent out of our own resources, then they would have the right to withdraw the contribution altogether or to reduce it. But I think the Punjab Government would object to control requiring that the money should be spent on particular objects. It would I think be quite sufficient, so long as we spent the money on road development.

Therefore, it comes to this that, provided that money was earmarked or received by your Government as earmarked for road purposes, the total extent of control which your Government would tolerate is that that money must be utilised for road purposes and for no other purpose like education or sanitation, and beyond that limit no control would be tolerated by your provincial Government, for instance, you would not tolerate if a particular scheme is scrapped?—I am sure in saying that if the grant-in-aid or contribution was subject to the condition that the Government of India could scrap certain schemes, then the Punjab Government would do without the contribution.

In regard to the other 2 annas which is to take the place of the provincial taxation, would you reserve the powers of the local bodies in connection with this taxation that you want to reserve for yourself in connection with the other two annas?—The Punjab Government is not in favour of this additional two annas tax on petrol.

Would you like to reserve your provincial forms of taxation?—Yes.

What are the forms of your provincial taxation?—Taxes under the Punjab Motor Vehicles Act and registration fees.

Are the registration fees uniform?—They vary according to the different types of motor vehicles from Rs. 4 to Rs. 32.

Would you like to preserve them?—Yes.

Is there any municipal taxation?—There is first of all octroi and in certain municipalities there is also wheel tax or vehicle tax.

And no licensing fee is levied by the Police from drivers?—That is a provincial charge.

Your Government is not ready to give up these in consideration of a uniform provincial taxation or petrol tax?—Not at present.

In his statement before the sub-committee Mr. Astbury says that he does not think that any laboratory research which a Central Road Board would undertake could be any substitute for the field experimental work carried out under the actual climatic and traffic conditions in each province. Do you share that view?—I am not a technical expert like Mr. Astbury. I think the position when we gave evidence before the sub-committee was that if there were a Board the co-ordination of research should be one of its functions but that this function alone would not justify the creation of a Board.

Would you like the Government of India to contribute anything out of its present revenues—out of excise on petrol or out of import duties on motor cars?—I think, if the resources of the Government of India permit, it might well put aside for the benefit of the provinces some part of its proceeds from motor taxation—not only the excise on petrol but also customs duties on motor cars, accessories, tyres, etc.

And supposing a scheme were proposed, would you favour it that the Government of India should take the average of the last few years, draw a line there, and any increase of revenue in the excise and import duties due to road improvement, for which this Committee is considering means and ways, should be distributed for road purposes?—I think we should welcome it.

As regards the formula for distribution out of the central fund several ways have been proposed, namely, according to petrol consumption, according to road area, population, etc. What would suit your province best?—We attach great importance to weight being given in the formula to the extent to which the provinces are helping themselves out of their own provincial resources.

That is, road expenditure?—Not only road expenditure but road expenditure in proportion to ordinary revenues.

That is, proportion between the general revenue and the road expenditure?—Yes. We do not say that that should be the only factor but considerable weight should be attached to that factor in order that the distribution which the Government of India make may stimulate road development.

Is that also your view?—*Mr. Astbury*: Yes.

Do you think that this formula would be suitable for all the provinces?—*Mr. Emerson*: I cannot say that because I do not know what are the views of the other provinces.

But this is the formula which suits your province best?—I cannot say whether it will suit our province best or not, because we have not worked it out and we had no material to do so. We advocate it only as a general principle.

In your statement before the sub-committee, you say that the Punjab Government does not object in principle to the proposed extra 2 annas petrol excise, but its agreement would depend on the method of distribution among the provinces. With regard to the first part of your opinion is your assent to the creation of a Central Road Board conditional on this?—I think the Punjab Government were not aware that the creation of the Central Board was contingent on the 2 annas excise on petrol.

Then you would contemplate a Central Board without the creation of a central fund?—I don't think the constitution of a Central Board should be made conditional on that.

Do you contemplate the creation of a Central Board without a central fund in its hands?—I think the whole scheme hangs together, a Central Board with its own fund and that fund is to arise *inter alia* out of petrol duty.

I think the way we looked at it was that the 2 annas additional duty might be the beginning of the fund, but we attached particular value to the Central Board, because we contemplated that perhaps in the not distant future the Government of India would be able to spare from its own revenues funds which they would not give to the Central Board but the distribution of which would be made on the advice of the Central Board. It depends upon what you call 'their own revenues' apart from the extra 2 annas?—Even if the extra 2 annas were not there it is conceivable that the revenues of the Government of India from motor cars would leave a margin which could be distributed to the provinces.

That is not the proposal before us. We were considering the proposal of the creation of a Central Board and the creation of a central fund mainly arising out of the extra 2 annas excise. Supposing the extra 2 annas were not there, would you still advocate a Central Board?—It will certainly be useful. If it has no funds to administer, its utility would be limited.

Supposing the Government of India refused to release any part of their present revenue, what would the Central Board do?—They can co-ordinate.

Why do you want a Central Board to co-ordinate? That could be done by an inter-provincial conference of all the Ministers. In fact that has been suggested by one or two people. All the schemes could be linked together and the matter could be discussed at inter-provincial conferences which could be held at some suitable place from time to time. The chief function of this Committee is to devise means to finance road development. I am asking you whether the existence of a Central Board may not be done away with if its functions could be carried out by an inter-provincial conference?—We think it might be done away with.

Hon. Sir A. Froom: In your replies to Part B-12 of the questionnaire, you say that the Central Government should have in view the gradual reduction of the central taxation on motor vehicles,

accessories and petrol?—I do not think that is correct. I think the Punjab Government's view is that the Central Government should retain its present powers of taxation, but that if it can spare any funds out of their present revenues for road development, then a fund should be formed out of those moneys and distribution should be made. I don't think the reply given to the questionnaire is quite correct. It should be modified. I know that is not the view of the Hon'ble the Finance Member. His idea is to retain our present provincial powers of taxation, and that the Central Government if it could spare funds out of the proceeds of motor taxation, should distribute it rather than reduce it.

Then again you say in reply to question B-7, that the Punjab Government is not opposed in principle to the proposal put forward by the Bombay Government. Is that so?—Yes.

I understand that you do not altogether agree with the Bombay Government as regards the amount of petrol excise. Bombay suggest 4 annas?—We stick to the two annas.

I thought after reading your replies to the questionnaire that you suggested that 4 annas might retard the progress of the motor transport in India?—If you put too high a duty on petrol, it would reduce consumption, and we think 4 annas would be too high. One has no materials to judge, but it is a factor to be taken into account. I should say that with the 4 annas addition to petrol, certain people would use their cars less than they are using them now. It would add enough to their monthly bill to make the motorist a little economical in using his car.

Now, with regard to provincial taxation, I suppose you are in favour of retaining your provincial taxation?—Yes.

How would you have it?—Either by weight or by the seating capacity of the private cars. Everybody will have to pay it, because it will be a provincial tax. Of course, there are certain exemptions like Government cars, military cars and so on, but it is in general a provincial tax.

Do you think there is much evasion?—Probably there is a certain amount of evasion. It is growing less as our administration gets better. For the purposes of control of traffic, we have had to sanction certain flying squads on the important roads, and one of their duties is to check the licences and the motor car taxation certificates. That will reduce evasion.

Is your registration system done annually or with the change of ownership of car?—It is done with the change of ownership of cars. It is not quite upto date. The return of the number of motor cars is not also reliable; some cars may also be out of use.

But still your Table XIII in replies to Part B of the questionnaire is perhaps more reliable than Table XII-A?—I should think so.

Table XIII shows new registrations?—That is much more reliable than Table XII-A.

Now, turning to the question of the policy of your Government in making roads *vis à vis* railways, you say that the Punjab Government does agree with the general policy of refraining from opening new metalled roads and so on, but I take it that in most parts of your province roads were made before railways?—In most parts they were.

Is it part of your policy to include the roads which were made prior to the advent of the railways and which run parallel to the railways?—They might compete with the railways, in fact they do compete with them.

Does competition bring in any benefit at all?—Mere competition does not bring in any direct benefit except possibly a temporary reduction in railway rates or an increase in the number of trains.

And conveniences to the public would be improved?—I think competition tends to buck up railways a bit in that sense. On the whole competition is healthy.

Although road development in India might lead to competition with railways, you still think it would be beneficial to the railways as a whole?—As a whole undoubtedly.

Hon. Sardar Shivdev Singh Uberoi: You said that an increase of 4 annas in the excise on petrol would be somewhat hard and you agreed to an increase of two annas. Considering the fact that the petrol is much cheaper in Bombay and Bengal, do you think that an increase of 2 annas would be unfair to the Punjab?—I do not think that an increase of 2 annas would appreciably affect the people who use motor cars.

May I know what is the total amount of tax collected on your motor cars?—I am afraid I cannot give you the total amount. I think it was slightly less than three lakhs in 1926-27.

Motor traffic is increasing very much in your province and it is shortening the life of the roads. Do you think that with the increased traffic you can keep the roads in proper repair?—The money derived from motor taxation compared with what we spend is very small. Public opinion is growing stronger in favour of taxing heavy motor vehicles more heavily because they are cutting up the roads and imposing a heavy burden on the provincial revenues.

Hon. Sir A. Froom: When the price of petrol came down in Bombay, was there a corresponding reduction in the Punjab?—I cannot answer that. It varied from place to place.

Mr. Mohd. Anwarul Azim: Are the District Boards represented on the Communications Board?—We try to get a fair representation of all parts of the province.

Have you any co-ordination in regard to the roads which pass through the Indian States in the Punjab?—*Mr. Astbury*: In the sanads certain conditions are laid down about the upkeep of roads which pass in and out of Indian States. *Mr. Emerson*: We have got control only of the administration of the road as such and have no control of the land beneath the surface. *Mr. Astbury*: If a murder is committed on the roads, the trial will be in the judicial courts of the State.

Does your P. W. D. take any help from the Test House at Alipore?—*Mr. Astbury*: Very rarely. It is not necessary at present. We have got the Maclagan Engineering College in Lahore and also other engineering schools from which we can get the necessary help.

Mr. E. F. Sykes: I suppose the Communications Board has had to apply for the construction of railways from time to time and the proposals have sometimes been turned down on the ground that it would not be remunerative?—The position is this. If the Communications Board insist on a particular line, the Railway Board say: Well, we will do it but you will have to give a guarantee.

Can you give me an instance of that kind?—There is the Shahdara Narowal Railway. The payment of a guarantee has not arisen yet because a financial year has not expired and we do not know whether the guarantee will be called for or not.

The guarantee is for a net return of so much for every five years?—In some cases it is limited and in other cases not.

It would not be a large amount per mile?—Taking the Kangra railway, the guarantee there is four lakhs per annum for 13 years but I may be wrong.

It is Rs. 3,000 a mile for 13 years?—The length is 103 miles.

I suppose you have many cases where you build roads because there is no hope of building railways?—Yes, in the Himalayas.

The case of hill tracts is special. I am talking of the great plains of the Punjab. You propose to build 100 miles of roads every year. I suppose you would not like to replace these roads by railways?—These are roads already existing and we are proposing to metal them.

Even if the railway was constructed you would still want a road there?—We might defer the metalling of the road. The intention at present is to metal all the arterial roads in the order of importance.

I was looking at the figures and I noticed that the Railway Board had begun to build railways at Rs. 60 to Rs. 80 thousand a mile. Would you not like to spend the money on railways instead of roads?—You will have to take into consideration the running costs of the railway. It might or might not be remunerative. Much will depend upon the tract of country involved.

There are railways which do not pay even the running expenses such as the frontier railway but whereas in the Punjab you have a population of 300 to 400 per sq. mile, that would be a nice proposition?—That rather assumes that a railway is a complete substitute for a road.

Then you do not like these roads to be replaced by the railways?—I do not think a railway is a complete substitute for a road.

How far do you think it is worth while trying the construction of railways on the same alignment as the roads?—That is rather difficult to say. I doubt whether there are any cases in which a railway can be substituted for a road. The proposal is worth examination.

Raja Ghazanfar Ali Khan: Can you give a rough idea of what is the cost of maintaining the Grand Trunk Road? I should think it would be about Rs. 1,500 a mile, but I will give you figures a little later.

If there is a central fund created, and of course it will have to be allocated to the different provinces on a definite formula, would you prefer that the Assembly should have the right of voting as to how much money should be paid to each province or to the Central Board? Would the Assembly vote and credit it to the Central Board, or would it vote it as a grant-in-aid to the local Governments?—*Mr. Emerson*: Well, from the point of view of practical convenience it would seem better that they should vote it as a credit to the Central Board, as the latter body would be in a better position to say how it should be distributed to the provinces than the Assembly.

Mr. Astbury: I have only figures from the Chenab level to the Indus, and in the years 1917-18 and up to 1921-22, the cost was Rs. 1,420 per mile per annum and from 1922-23 up to 1926-27, Rs. 13,750 per mile per annum.

Some statement has been made that the average cost of maintenance of a metalled road is about Rs. 1,900 per mile?—Yes, throughout the province.

And I understand that the Grand Trunk Road is a metalled road and its length is about 600 miles: so in that case what would be the annual maintenance cost?—*Mr. Emerson*: About 9 lakhs, obtained arithmetically from Rs. 1,500 a mile.

So would you prefer that the Central Board should be responsible for paying you the maintenance of the Grand Trunk Road, or would you prefer them to pay your share of the petrol tax?—It would be far simpler of course.

What is the general tendency in the Punjab Communications Board, whether they encourage metalled roads more or encourage unmetalled roads by giving grants to the District Boards?—*Mr. Astbury*: The major expenditure is of course on metalled roads because they cost so much more to maintain.

While considering the claims of different District Boards for grants-in-aid, is it the tendency of the Communications Board to give more money to the District Boards as grants for making metalled roads or also for making unmetalled roads?—I think Mr. Mitchell could probably answer that question more than anybody else. As regards grants-in-aid to District Boards, the system on which it worked is first of all to classify the District Board roads (*Mr. Mitchell*: Yes), and they may include both metalled and unmetalled, but mainly metalled roads (*Mr. Mitchell*: Yes), and so the distribution of funds between the various District Boards would take account of metalled roads and also such unmetalled roads as are considered to be of importance.

Another question I should ask you is whether the non-agriculturists are also paying something towards the construction of these roads in the District Board areas?—They are paying towards the general taxation of the province and therefore they are paying towards the expenditure on the roads.

But an agriculturist is paying revenue to the general taxes, besides he is paying a local rate which is spent on the maintenance of roads and hospitals and schools: are the non-agriculturists who are staying in their jurisdiction making any contribution towards the maintenance of the roads, because that is the class who use the roads most? The local bodies are maintaining most of the roads, or a large portion of them, and the agriculturist is paying in the form of local rates for the maintenance of these roads, while the non-agriculturists who use the roads more than the agriculturists and living in the towns, are not paying any contribution to the District Boards?—*Mr. Emerson*: They are not paying in the form of a local rate; many in the districts are paying a Haisyat tax.

Which has been declared to be illegal by the High Court. Did the Punjab Government consider the question that they should make some change in the law which would empower District Boards without any question from the High Court to tax non-agriculturists also?—You ask me if the Punjab Government were considering the question of extending the powers of taxation of local bodies so that they might tax non-agriculturists. I do not know that they have any particular scheme under consideration at present.

You know the price of petrol at Rawalpindi is about Rs. 1-8-0 a gallon while the price at Bombay is Rs. 1-0-6 per gallon: can you tell us the cause of the difference? Are you in a position to explain?—It is a matter of commercial interests.

Is there any reason which will justify them for charging such a high rate in the Punjab while they are charging such a low rate in Bombay?—It might be some working arrangement between the Oil Companies. I do not know why there should be a difference of 8 annas; it ought to represent the railway freight.

If the price of petrol was Rs. 1-0-6, you might have increased to four annas the duty on petrol as Bombay has done?—I am not quite clear as to what the Bombay proposal is. The original proposal has I understand now been split up into two lots of two annas each.

Lala Lajpat Rai: Your Communications Board is presided over by the Minister of Agriculture?—Yes.

Do you know that in other provinces the Communications Board is presided over by the Minister for Local Self-Government, say for example, in Bihar and Orissa?—No.

Is there any particular reason why the Minister for Agriculture should be in charge of the Communications Board?—Because he is in charge of Roads.

It is said that the two annas extra excise on petrol will bring in only 50 lakhs of rupees for all India, and considering that that is such a small sum for all-India purposes, and considering the vast amount of money you are spending already on roads, do you think there is any reason for all this fuss which is being made for the creation of a Central Board?—If it was to end with the two annas surcharge, one would say it was probably not worth while. But one naturally cherishes the hope that it will be a beginning, it will encourage the Government of India to surrender its surplus revenues, when it has surplus revenues, for the purposes of road development, and it is because we hope that will be the development that we insist strongly on an equitable method of distribution being adopted from the very beginning. It does not matter to us whether this surcharge is distributed or not; it is only a question of two or three lakhs in the Punjab in any case, but if there is a prospect of a large future surplus, then it is of great importance that an equitable principle should be adopted from the beginning. We are not going to get much road development out of 60 lakhs for the whole of India.

So it will not then be worth while to have a Central Board?— . . .

Chairman: Except for the purposes that you mentioned.

Lala Lajpat Rai: Now will it be right to say that the Punjab is a military province?—In what sense? From the point of view of defence, yes, because it adjoins the frontier.

Do you not think that the road policy of the Punjab Government has been very much influenced by military considerations in the past and even now that is so?—I do not think it has been influenced by military considerations at all. But the roads that we are building for provincial convenience, we consider are of value to the Military Department, and therefore, we think that the Government of India ought to contribute towards that cost. We feel that very strongly. *Mr. Astbury*: I may mention that the Government of India in the Army Department stated that there was no intention of classifying any roads or bridges within the Punjab as of military importance.

Do you agree with that view?—I personally do not. I know from experience that during manœuvres very excessive wear and tear is caused on the Grand Trunk Road.

Was not the Grand Trunk Road originally constructed as a military road?—The local Government has now classified the present Grand Trunk Road under class A.

It was for that reason mainly that the Government of India did not allow you to convert the Simla-Kalka Road into an unmetalled road. After building railways you wanted to convert the road into an unmetalled road?—The Ambala-Kalka road and not the Simla-Kalka Road.

You are aware that there are some roads in the North-West Frontier Province, a portion of expenditure on which is paid by the Government of India Military Department?—*Mr. Emerson*: The whole of the expenses for the administration of the North-West Frontier Province is paid by the Government of India.

I am told that one-third is allocated on most of the roads to the Military Department as military expenditure. You are not aware of it?—No.

Do you not think that the Military Department should pay for a portion of the Punjab roads which are used for military purposes?—The Punjab is a land of cantonments and land of manœuvres.

Chairman: Do the Military Department contribute anything towards the maintenance of the Punjab roads? *Mr. Astbury*: No.

Lala Lajpat Rai: You have mentioned in your written replies of certain routes or roads being maintained in the Himalayan tracts as important trade routes. Are not these trade routes also used for military purposes?—No.

Not beyond the Frontier but in the Punjab itself?—They are going in the Tibetan direction. I am not aware of it. *Mr. Emerson*: Troops march up to Jutogh, but beyond Simla the Hindustan-Tibet Road is of no military importance.

You have stated in the replies to the questionnaire (Table XII), that the total revenue of the Government of the Punjab in 1926-27 was Rs. 11 crores and 1 lakh, and the total expenditure in 1926-27 on roads was Rs. 80,16,000. In another place you state that in the future the annual road bill will be 1 crore with a recurring addition of 2½ lakhs?—Table XII does not include capital expenditure on roads. The capital expenditure on roads is extra to this.

Your expenditure on roads is going to be in this year 1 crore of rupees with a recurring expenditure of 2½ lakhs every year?—The sum of 2½ lakhs is the yearly increase in the recurring expenditure; an addition to our recurring expenditure each year.

Does not it come to this that you are paying more than 1/11th of your total revenue for roads?—Yes, if our revenues stop at 11 crores and we spend a crore on roads. The crore includes capital expenditure. It includes about 15 lakhs of capital expenditure. If you knock that off, it comes to 85 lakhs.

That is not very far from a crore. The proportion of money spent from provincial revenues on road development to the general revenue is pretty high even now?—Yes.

Could you give me the figures for education and sanitation from provincial revenues?—*Mr. Astbury*: I am sorry I was not prepared for that.

Is it the general impression that education and sanitation receive less than the money spent on roads in the Punjab?—*Mr. Emerson*: The money spent on education is very much more. I would not vouch for the exact figure. Speaking from memory it is 1½ crores.

And on sanitation you could not give me the figures?—Do you mean Public Health Department?

Yes?—About Rs. 20 lakhs.

And you also see that within the last two years the expenditure on road development has exceeded by more than double. In 1924-25 it was about Rs. 35 lakhs and in 1926-27 Rs. 80 lakhs. It has more than doubled?—*Mr. Astbury*: Yes.

And besides the capital expenditure?—Apart from capital expenditure.

I think this statement does not give information as to the Nili Bar scheme. What is it?—It is the new colony area in the Multan and Montgomery districts which was made capable of colonisation owing to the Sutlej Valley canal scheme.

As a Government you are opposed to capital expenditure being incurred for unproductive works?—*Mr. Emerson*: I have gone into that rather carefully. Ordinarily we think that expenditure on roads ought to be met out of revenue. But I have given several exceptional circumstances in which it may be properly met out of capital, and one is where a road programme has to be carried out in an area which has no roads and which is coming under intensive development or colonisation like the Nili Bar. In a tract like that the programme is not necessarily unproductive, because there is a lot of Government land which has to be settled and by having a good programme of metalled roads you increase the price of land realised by Government. You are also able to put on rather higher revenue rates and higher *malikana* rates than you would otherwise be able to do, and so it pays for itself in the long run.

Mr. E. F. Sykes: It is not being charged against roads in Nili Bar? It is charged against the Sutlej Project?—We have got two sources of revenue in the Punjab. One is ordinary revenue and the other is known as extraordinary receipts. Extraordinary receipts are really of a capital nature. The main source of them is from the sale of lands. At present we are financing the Nili Bar mainly out of extraordinary receipts. If extraordinary receipts were not sufficient, then we would finance it out of capital by raising a loan. It is not being charged to the Sutlej Project. We meet maintenance charges out of revenue and not out of capital.

Lala Lajpat Rai: How do you propose to repay that loan?—We have not taken a loan. It is coming out of extraordinary receipts, sales of land. These extraordinary receipts are capital receipts for all practical purposes, though for technical reasons the Government of India would not agree to their classification as such.

You know that the total expenditure from all Government funds in India on roads is 7½ crores?—Yes.

The Punjab expenditure on roads is quite high considering its mileage and its population. Is that true?—Yes, compared with other provinces.

In your reply to Q.-A-7 of the questionnaire you are laying special stress on the necessity for adequate facilities for getting agricultural produce to the markets. It gives facilities for the import of foreign goods?—I assume that that also suits the consumer.

I wanted to bring it on record. It is not only with a view to benefiting the agriculturist, but also for general purposes?—Yes, ordinary exchange of commodities.

Your Minister who is in charge of the Comunications Board has expressed an opinion in favour of a Ministry of Transport. Do you agree with him? Sardar Jogendra Singh has stated that he is in favour of the creation of a Ministry of Transport in the Central Government?—When?

Before the sub-committee?—I do not think the matter has been considered by the Punjab Government. May I ask what is the idea of a Ministry of Transport?

That is to concentrate all roads and communications, whether railway or roadways or waterways, in one Ministry of Transport in the same manner as they are concentrated in the Transport Board in England?—Will they then cease to be a provincial subject?

Chairman: The Ministry of Transport will be under the Central Government with a responsible Minister at the head, responsible to the Central Legislature. It represents a future state of evolution to be arrived at according to each man's opinion, 10 or 20 years hence. It is a possible development for the future?—As far as I know, the Punjab Government have not considered the matter.

Lala Lajpat Rai: Sardar Jogendra Singh is a member of the Punjab Government. You mean to say that the Punjab Government as a whole have not considered the matter?—Yes; that is what I believe.

Chairman: As far as you are aware does it represent the non-official opinion of the Legislative Council?—I would like to hear more about the Ministry of Transport before I could answer that question.

Lala Lajpat Rai: It is supposed to be in charge of ways and communications?—What would they have to do with our roads inside the Punjab?

They will determine the general policy?—While the provincial Government would be finding the funds for the programmes.

Probably their chief function would be co-ordinating the chief means of communication—railways, roads and waterways?—Will the Ministry of Transport have the right of vetoing a provincial scheme?

That is a question of detail which will be considered when we draft the constitution . . . .

Chairman: That does not represent the view of your Government?—No; the Punjab Government have never considered the matter. It has never come up before them.

It must be the view of the Minister personally?—As far as I am aware, it is.

Lala Lajpat Rai: Is there any road from Delhi to Montgomery *via* Rohtak?—Yes; that is an arterial road.

Is there any intention of connecting it with Karachi?—*Mr. Astbury*: I have not heard the suggestion.

Does not the Grand Trunk Road pass between Lahore and Mogha?—It does not.

Is not the road leading to Muzaffargarh a Grand Trunk Road?—No. I believe it was so in olden days. Now, the Grand Trunk Road runs through Amritsar.

Now it has been termed the Lahore-Mogha Road?—No; Lahore-Ludhiana road. But there is another road from Lahore to Mogha running through Harikapatan.

It is shown as a different road?—Yes.

Will it not be fair to ask in regard to roads or portions of roads running through the Indian States that they should contribute towards the maintenance of them?—It would be very fair to ask them.

Hon. Sir G. Corbett: With reference to your reply to Q.-B-12 of the questionnaire, what change would you think necessary in the Devolution Rules?—*Mr. Emerson*: I was too busy to consider exactly what change would be required.

Assuming that grants were given from the central revenues to the provincial Government, how could that be shown in the provincial budget?—They would come on the receipts side; receipts are neither votable or non-votable.

I am speaking of the expenditure of the sum?—That will depend on what way the money is spent. If on roads, it must be shown as voted. So far as I know, there are no constitutional means at present by which a grant-in-aid by the Central Government could be made non-voted unless you pass legislation by which such grant-in-aid should be devoted to specific objects and thus provide that the expenditure is governed by law. But I have not gone into that point.

You think it would be votable?—If it was spent on a votable subject, it must be votable.

I understand from your answer to Q. B-13 of the questionnaire that you have no strong objection to a system of allocation for specific objects?—No.

Although you strongly object to the Government of India dictating to you, you think it quite reasonable that before a grant is sanctioned by the Government of India or by the Central Legislature, it should be for an approved purpose?—Yes; quite.

If it gave money for a specific object, it is quite reasonable that it should insist on that object being carried out?—Yes.

Chairman: What is meant by specific object is the sending up of specific schemes to be approved of by the Board before a grant is sanctioned?—If we ask for a grant for a specific object it would be quite reasonable that the Government of India should approve of the object as a condition of the grant.

Supposing we create a central fund mainly out of a 2-anna petrol excise and that fund is in the hands of a central body and grants are made out of that, not out of the existing sources of revenue but out of this new source, how would you like the provincial contribution being made limited by any conditions relating to the specific schemes or subject to the general purpose of the grant being its utilisation for road purposes?—We would prefer the latter.

Hon. Sir G. Corbett: But you would not think it unreasonable that the grant should be allocated for a specific object, say for trunk roads?—No.

That leads us a little further. Would the Punjab Government object to what I may call the pooling of provincial road schemes at an annual conference of the Ministers of the provinces, and in accordance with the schemes as finally settled at such a conference the money should be drawn from the central source by the provinces, the provinces progressing as they like within that programme?—That means to say the whole of our road programme would have to come before a conference of Ministers although in the programme there might be no problem at all which affects any other province or at the most there is just one road adjoining any adjacent province.

If that is the proposal, the Punjab Government will strongly object to it. It is not with a view to withholding the information as to what is going on, but we cannot see the point in it. *Mr. Astbury*: If the whole scheme is to come before such a conference for administrative purposes, it would be a cumbrous process.

Not for sanctioning the scheme, but for discussion and co-ordination only?—We are spending say a crore of rupees and that expenditure really does not affect any other province at all. But if it is purely for interchange of information, we would not object to it.

There might also be an eventual modification of your scheme. You are in one corner of India and I quite see that your case is special. But take a province like the Central Provinces which is surrounded by other provinces. Will not such a conference be useful?—I do not think there will be any objection to it, but I should say it will be a waste of time. We will not object to giving information and exchange of views. *Mr. Astbury*: I personally cannot see any use in such discussion with the representatives of other provinces.

Do you admit that your general view is that the money from central revenues should be spent on main roads?—If they were giving a block grant, we would submit our own expenditure on them.

This is an additional tax put on motor transport in order to make roads more motorable, and what I feel is that the taxpayer is entitled to some little guarantee that this is going to be used for the purpose, provincial funds being released for improving district roads and village roads. I wish to know what your views are?—That is desirable, but it is very difficult to give any practical guarantee.

If it was definitely allocated for main roads, would you not have a guarantee that that amount at any rate must be spent on main roads?—Yes—but it might still be the case that the grant merely replaced what the provincial Government had previously been spending, in which case there would be no actual improvement of roads.

Do you not think it is reasonable that a part of the proceeds of this central tax should be spent on main roads?—Yes.

You would not object to it?—No.

In regard to provincial taxation could you tell us how it is working?—On the whole it is working quite well. We had some difficulty of course to begin with in getting our machinery working and even now there is some evasion, but it has certain definite merits over the excise on petrol, the greatest advantage being that we have control over it. We are not dependent on what any other province does. If we substitute petrol excise for our present local taxation, the local Government would lose all its control over it. It could neither raise nor reduce the excise without all the provinces agreeing. Also it would be taxation purely for provincial purposes over which the provincial Council has no control whatsoever. And also our present taxation on its merits is more flexible than your taxation on petrol. At present we are favouring commercial vehicles, but in the future our policy would probably be reverse. We would probably have to penalise them because of cutting up the roads.

And of course this 2 annas tax suggested by some provinces would not give you more than what you are getting out of your own provincial taxation; and the main advantage of the provincial taxation is its elasticity and that it can be adapted to suit local conditions, as you say that in the case of commercial vehicles you might like to encourage them at one time and discourage them at another?—Yes.

Chairman: Do you subscribe to the view that as the roads are a provincial subject any additional taxation that may be necessary ought to be put up by the provincial Council?—Provided the Government of India leave us sufficient scope to do so. If the Government of India are going to tax motor cars so heavily, there will hardly be any scope for us to tax them more.

Hon. Sir G. Corbett: The main point as I visualise is that as roads are a provincial subject they should be maintained by provincial taxation, but they have a certain national aspect which might justify a grant from the Government of India. But the main justification for a grant from the Government of India is that the petrol tax is considered to be a convenient form of taxation and petrol for obvious reasons must be a central source of revenue. What we really want is the co-operation of the provinces in spending the resources raised from this central source of taxation?—Yes.

There is another point in regard to this question. In the United States under the U. S. A. Federal Highway Act of 1921 they have created a fund from the Federal revenues, and a province drawing upon that pays a certain proportion. It has first to submit the project to the Federal Government and get their preliminary approval for a 50 per cent contribution. Then it has to submit its plans and estimates and the Federal Government have the right to inspect the works and see that they are properly maintained and if they are not satisfied they have the power to suspend the grant. What I want to make out is that even in an advanced country like America it is not considered extraordinary to make some sort of condition attached to grants from Federal revenues?—If you make grants on specified objects it is not unreasonable.

(*The witnesses withdrew.*)

25.

Bombay, dated the 19th December 1927.

(a) Memorandum of touring sub-committee's discussion with the following Members of the Bombay Presidency Road Board:—

The Hon'ble Sir GHULAM HUSSAIN HIDAYATULLAH, Kt., Minister, Local Self-Government Department, Bombay;

Mr. D. R. H. BROWNE, O.B.E., I.S.E., Chief Engineer and Joint Secretary, Public Works Department, Government of Bombay;

Mr. C. B. POOLEY, Superintending Engineer, Deccan Irrigation Circle;

Mr. K. S. FRAMJI, C.I.E., Chief Engineer, Back Bay Reclamation Scheme;

Dewan Bahadur K. R. GODBOLE, President, Poona District Local Board;

Mr. S. S. NAIK, President, District Local Board, Bombay Suburban District;

Mr. J. MONTEATH, I.C.S., Secretary to the Government of Bombay, Home Department;

Mr. A. X. MORAES, Superintending Engineer, Northern Circle; and

Mr. N. N. AYYANGAR, Under Secretary to the Government of Bombay, Public Works Department.

The Chairman explained the objects of the Road Development Committee.

The Hon'ble Minister, Local Self-Government, states that the Provincial Road Board is advisory and consults the divisional road committees. He says that in the Presidency as a whole the roads are fairly good, but that they are not suitable for modern heavy traffic, and require in many cases reconstruction. Provincial roads, which often run through several districts, are maintained entirely from provincial funds. Local board roads are maintained from local funds plus grants from provincial revenues. All trunk roads are provincial. Speaking generally, inter-district roads are provincial, roads of local importance are usually local boards'. As an experiment some provincial roads have been handed over to District Boards for maintenance at the cost of provincial funds. The experiment has not yet been in force long enough to say whether it is a success. Care has been taken not to hand over provincial inter-district roads. There are no funds for construction of new main provincial roads. It is difficult enough to find revenue to maintain them. The local authorities have not been left sufficient sources of revenue to tax themselves.

The Hon'ble Minister, Local Self-Government, considers that a Central Advisory Road Board would be desirable.

Mr. Naik considers a Central Road Board is unnecessary as conflicts between provinces will be few, and besides there is no need for research into making primitive roads such as India has—though 20 years hence the roads may need research.

The Hon'ble Minister, Local Self-Government, explains that the original 4 annas excise on petrol proposed by the Government of Bombay was to be in addition to the present local or municipal motor vehicle taxation. The Joint Secretary, Public Works Department, explains that the Government of Bombay letter of the 16th May 1927 did not definitely propose an extra excise of 4 annas.

The Hon'ble Minister, Local Self-Government, agrees that 2 annas on petrol for central fund would not be resented. This is agreed to.

The Hon'ble Minister, Local Self-Government, says that if a provincial tax on motor vehicles be levied, local bodies will have to be compensated for loss of motor vehicle tax and tolls, and little will be left for provincial revenue. Bombay Municipality gives very good value for its municipal motor vehicle tax. A man upcountry cannot in fairness be charged at the same rate for the bad roads he gets. The Hon'ble Minister, Local Self-Government, agrees that provincial motor vehicle taxation could fairly take the form of 2 annas extra excise collected by Central Government and distributed to local Governments on petrol consumption; the local Governments may or may not reduce local motor vehicle taxation out of the proceeds. This is agreed to by all.

The Hon'ble Minister, Local Self-Government, does not agree that any 2 annas excise should go to a Central Board even if it is divided among the provinces. At present every province is in the position of having no roads at all; as such as there are, are not fit for modern motor vehicle traffic. All have to start anew.

He also prefers that the basis of division should be consumption of petrol, because where more petrol is used, there is more wear and tear on roads. Mr. Naik protests that all income-tax and customs revenue go to Central Government, and Bombay cannot be considered ungenerous in not sparing anything from its share on petrol consumption. Dewan Bahadur Godbole is opposed to division on other than petrol consumption.

The opinion of the Road Board is that division of a central fund should be by petrol consumption. Mr. Browne adds as a rider that if some fair formula could be found involving other factors he would be prepared to consider it. Mr. Framji would add road mileage.

Mr. Pooley states that Bombay has been so starved of money that it has not been able to keep up its roads properly. He also suggests that railways should contribute towards feeder roads to railways, or should give concessions for motor traffic on construction of roads. This is an especial need in canal areas.

Bombay, dated the 20th December 1927.

(*b*) Memorandum of touring sub-committee's discussion with—

The Hon'ble Sir GHULAM HUSSAIN HIDAYATULLAH, Kt., Minister, Local Self-Government Department, Bombay;

The Hon'ble Sir CHUNILAL V. MEHTA, Kt., Member, Finance Department, Bombay;

Mr. GILBERT WILES, C.I.E., I.C.S., Secretary to the Government of Bombay, Finance Department;

Mr. D. R. H. BROWNE, O.B.E., I.S.E., Chief Engineer and Joint Secretary to the Government of Bombay, Public Works Department; and

Mr. A. R. DALAL, I.C.S., Financial Adviser to Government, Development Department and Public Works Department.

The Hon'ble Minister, Local Self-Government, states that the Bombay Government accepts the desirability of a Central Road Board.

It is agreed that 2 annas extra on petrol for a central fund would not be oppressive.

It is agreed that Bombay Government is in favour of a provincial motor vehicle tax by means of an excise on petrol of not less than 2 annas, the proceeds to be divided on petrol consumption basis. The Secretary, Finance Department, states that 2 annas petrol excise for provincial tax would at present fall short of the sum required to compensate local authorities for their local motor vehicle taxation.

The Hon'ble Member, Finance Department, agrees to a central fund provided that local Governments would not necessarily be tied down to spend all their share on capital expenditure, but also agrees that probably it would be necessary at first to spend most on capital works.

It is agreed that road tolls are objectionable in principle, but tolls on bridges are unobjectionable.

The Hon'ble Member, Finance Department, urges that as motor vehicles damage the roads and have produced the need for road reconstruction, division of petrol proceeds should depend on petrol consumption. The Hon'ble Minister, Local Self-Government, also suggests petrol consumption.

The Joint Secretary, Public Works Department, points out that conditions in Sind and Bombay Presidency are entirely different, and the Bombay Government is faced with two separate problems. He asks that the Committee should in this connection go into separate figures for the Presidency proper and for Sind, which are, as far as possible, being supplied to the Committee.

It is agreed that Bombay Government considers the division of the central petrol excise should be on a basis of provincial petrol consumption, but it recognises that other factors, *e.g.*, road expenditure might be explored. They would object to the population factor being given as much weight as the others suggested. In the alternative it was agreed that a certain part of the central funds should be distributed solely on petrol consumption.

The Secretary, Finance Department, suggests that the Committee should consider what are proper objects of capital expenditure on roads and should have the rule that no capital expenditure can be incurred unless the project is at least 5 lakhs altered suitably. Provided that a proper definition of capital works and a satisfactory system of amortisation existed, there seemed no reason for further restrictions.

It is agreed that any additional funds for roads received from petrol excise should be in addition to present provincial expenditure.

It is suggested that provinces should be represented on any Central Advisory Road Board, and also that a large Central Research Institute is unnecessary, and that the Central Board should far as possible utilise existing provincial and other facilities for research.

New Delhi, dated the 25th January 1928.

(c) Oral evidence of the Hon'ble Sir GHULAM HUSSAIN HIDAYATULLAH, Kt., Minister, Local Self-Government Department, Bombay; Mr. D. R. H. BROWNE, O.B.E., Chief Engineer and Joint Secretary to the Government of Bombay, P. W. Department; and Mr. A. R. DALAL, I.C.S., Financial Adviser to the Government of Bombay, Development and P. W. Departments.

Chairman : Sir Ghulam Hussain, you have been the Minister of Local Self-Government for several years,—rather an exceptional case in India, is it not?—*Hon. Sir G. H. Hidayatullah*: There is one more case of Sir Muhd. Fakhruddin.

Since the commencement of the new regime you have been Minister of Local Self-Government?—Yes.

The Roads Department belongs to you in Bombay?—Yes.

I suppose, speaking comparatively, roads in the Bombay Presidency are in fairly good condition?—Not for the motor traffic and the heavy lorries; for ordinary traffic they are all right.

You have a system under which provincial roads are looked after by provincial funds and local roads are maintained by local funds, and I take it that the road cess is an important source from which the local

fund revenues arise?—I might explain here that District Local Boards maintain their roads out of their own funds and a Government grant, and during the last few years we have been giving them a grant to the extent of nineteen lakhs a year.

What is the total revenue spent on roads?—Approximately one crore.

And on education?—Over two crores.

All the trunk roads are provincial?—Yes, and they are maintained out of provincial funds.

Which are the roads maintained by the District Local Boards?—Some of the inter-district roads are provincial. But there are some roads within the villages and also some feeder roads to the railway stations, some of these are District Local Board roads and some are provincial.

Your Government is trying an experiment of handing over more and more roads to the control of the District Local Boards. How has this experiment worked within recent years?—We have handed over some roads only to a few Boards. We have not come to a final decision yet.

What are those roads?—Poona District Local Board has done fairly well.

I suppose your Government will continue to follow this policy until definite results are obtained?—Yes.

How do you do it? Do you give more provincial roads or District Local Board roads?—We hand over some of the provincial roads to the Local Boards and give them a grant, in addition to the 19 lakhs.

These 19 lakhs, I take it, are spent entirely on District Local Board roads?—Yes.

How much more grant has been occasioned by reason of the transference of the new roads?—That depends on the length of the roads.

How much a year? I want to know how it compares relatively with the 19 lakhs?—We have not got that figure. It is only a small length in two divisions that we have handed over so far.

You would not agree to a scheme of road management by which you would be curtailing the power of your District Local Boards?—I think that they should look after their own roads. I cannot definitely say about the provincial roads yet, because we are trying an experiment.

Would you like a scheme under which the power of the provincial Government and also to a certain extent the power of the District Local Boards will be curtailed in their own management? For instance, if a scheme were introduced under which there was a Central Board to take up road management with reference to a few arterial and trunk roads, how would your Government regard this experiment?—Personally I would give them away to the Central Government for maintaining the roads and keeping them in proper order.

Supposing the Central Government agreed to maintain a certain number of roads running through your province, what would you say to it? At present your Government is maintaining and having control over them?—Looking to our financial position, personally I shall be only too happy if these roads are maintained entirely out of the funds of the Central Government.

If they pay money they will have to control them. But how would you regard it?—Personally I shall have no objection provided the Central Government pays for their maintenance.

They will become practically the roads of the Central Board. Are there any such roads in your province? If so, how many in number which are capable of being so transferred to the Central Board?—There is the Bombay-Agra road, then there is the Poona-Bangalore road, and there is also another road from Karachi to Bhawalpur State.

Then you are in favour of the creation of a Central Board for looking after roads?—Not for looking after roads, but as an advisory body.

What is your notion about its functions?—It might advise the Provincial Road Boards as well as the local Governments; they might also undertake the work of co-ordination.

Would you give it any power of controlling your schemes? Suppose you sent up a scheme and, as the watch dogs of all India, they thought that that scheme required an amendment in the light of the other provincial schemes, would you agree to it?—Will they pay out of their revenues for that particular road or scheme?

Supposing the Central Board had certain funds in its hands raised from revenues, say for instance 2 annas increased tax on petrol, and supposing the Central Board said that they would give you a certain amount of money out of their fund provided you agreed to modify your scheme according to their suggestion, would you agree to such a proposal?—I do not think the local Legislatures would like to give up their control.

Supposing any part of the money from the central fund came into the hands of your provincial Government, I suppose it will be subject to the vote of the local Legislature just as any other grant from the Government of India; is it not, Mr. Dalal?—*Mr. Dalal*: That depends on the shape in which you make the grant, whether it would be a block grant, or whether you make a grant for a specific road, and whether you would put that money to the vote of the Central Legislature.

Supposing this Central Board raised a two annas excise and some funds came into its hands, would you prefer that it should be a block grant or a grant for a particular purpose?—The Auditor General has ruled that if any particular sum of money has been voted on once by one Legislature, it cannot be voted on again by another Legislature. The only thing we can do then would be to treat it as a deduction from expenditure at the end of 41—Civil Works. Theoretically it would be open to the Council to cut out the grant but I do not think in practice they would do it, because they would lose the money. *Hon. Sir G. H. Hidayatullah*: I do not think the Council will be so foolish as not to vote the money, because it cannot be used for any other purpose and the local Council will lose the money.

You mean they will not get any benefit out of that money?—*Hon. Sir G. H. Hidayatullah*: Yes.

The Central Board will have two main functions, that of co-ordination and distribution. If that could be done by an inter-provincial conference of Ministers once or twice a year, do you think a Central Board is necessary? The reason why I am putting this question is this. There is a fear among some members of the Committee that if a Central Board is created and it gets funds of its own, there will be a tendency for it to accumulate more and more powers into its hands and that in course of time it may unnecessarily trench upon the liberties and privileges of the provincial Governments. Therefore I am asking you if the Central Board is necessary for the purpose of distribution?—It is very easy. Once you settle the principles on which these grants are to be made, then there will be no difficulty about distribution.

Then no Board is necessary?—If you settle the principles on which the grants are to be made, then the distribution can be made automatically in proportion to consumption or whatever it may be.

As for the co-ordination of schemes of road management, do you think it could be done without much difficulty by an inter-provincial conference of Ministers?—I think so.

Mr. Naik who came along with you before the sub-committee in Bombay told them that the Central Board was unnecessary at the present stage, though it may be necessary 20 years hence. Is that your view also?—I think there ought to be some body—whether you call it by the name of a Central Board or some other name does not matter—which will do the work of distribution and co-ordination.

Have you studied the question of the best way of constituting this Board as regards both official and non-official element?—I think there should be two representatives from each provincial government, there should be representatives of the Central Government and there should also be representatives of the Central Legislature.

Do you not think it will be a very big body consisting of 30 or 40 members? Do you think that such a Board could work with thoroughness and speed?—They can appoint sub-committees of their own. There will be the Minister and the Chief Engineer of each province on the committee.

Can you suggest some scheme by which the provinces will be adequately represented without increasing the number of members?—Then one from each province will do.

Who will that be?—You might leave that to the local Government to settle.

How are motors taxed in your province?—They pay the registration and licensing fees.

What form of District Local Board taxation is there at present?—They levy tolls.

That is levied on all vehicles. Is there any form of taxation which is levied only on motor cars?—None.

The only taxation that they pay is the municipal tax and registration and licensing fees?—Yes.

How much revenue do you get from all these sources?—I think about 25 lakhs, if I mistake not.

Could you indicate the portion that could be safely allotted to motor cars?—It is very difficult.

Supposing we had a uniform provincial tax on motor cars and did away with all minor forms of taxation, do you think you will be able to get as much as you are getting now?—I doubt it very much.

Supposing we levied a two annas tax on petrol?—It will pay us only about 12 lakhs. I think we will lose.

Then would you prefer to leave the system as it is?—Yes.

What is your view as regards the proposal made by the Bombay Government?—I am in favour of it.

Do you think the Bombay man who keeps cars will like the proposal?—He gets very good roads in the city of Bombay. He uses the suburban roads as well for which he does not pay.

Mr. Clayton told us yesterday that about 90 per cent of cars in Bombay seldom go out of Bombay?—Well, the land revenue is paid by rural areas and they might very well claim to have the whole amount spent on rural areas.

Now, if I buy petrol and I am asked to pay Rs. 1-4-6 instead of Rs. 1-0-6, it is no consolation to me to be told that I can go over fine roads to Porbander and Khandesh and Ahmednagar where I never travel?—But what does the Bombay motorist give to the provincial exchequer? He does not pay anything. He pays income-tax to the Central Government. We give them colleges, hospitals, police and everything. He does not pay anything to us. But this is going to be a provincial tax, so everybody must pay a provincial tax.

Therefore Bombay can bear an extra amount of four annas?—We have proposed two annas provincial and for the Central Government two annas for their central fund: Bombay could easily bear what has been paid till recently; only recently there has been a reduction of 3 annas 6 pies a gallon. *Mr. Browne*: The United Provinces has got a loan programme for road development and that was particularly arranged for those lengths of road within the influence of town traffic. The Chief Engineer in putting up the scheme said that the existing rate of maintenance for roads outside the influence of town traffic were sufficient to maintain the roads fairly well, but that for roads within the influence of town traffic this was not the case. Now that is exactly the problem we have got to face in Bombay because it is those miles of road close to the large towns which are being worn out at such a rate that their upkeep as water-bound roads is prohibitively expensive. It is these lengths of road which at the present time we are called on to reconstruct to meet modern traffic conditions.

Under the Act, municipalities can tax motor cars?—*Hon. Sir G. H. Hidayatullah*: I do not think they are allowed, without the sanction of Government, to levy a wheel tax. In Nasik, Poona, etc., a small wheel tax is levied.

It is not a specific tax on motors?—*Mr. Dalal*: I think motor cars pay a higher rate than bullock carts or tongas. There is a distinction between carts and cars, the rates being Rs. 6, 5, or 4 a quarter. *Mr. Browne*: Reverting to a former point, our point is that a great deal of the damage is being done by cars which really are stationed in the larger towns, and those cars, when these miles are reconstructed, will get the benefit at once: their radius of usefulness will be increased. For instance, the local Government has improved a causeway on the Bandra-Ghodbunder Road, and in the last 7 or 8 years they have spent on the 5 miles from Bandra to Andheri something like 12 lakhs on widening the road which was very narrow.

Does it go as far as Andheri?—*Mr. Browne*: Yes.

You propose to take the road up to Ghodbunder?—It all depends on developments.

Have you to pay anything to the suburban municipality for the use of those roads by the Bombay Municipality?—No, nothing. That length of road is provincial. The improvement has been effected by the local Government and it has been of great advantage to motor owners in Bombay and in Bandra; some 2,000 or 3,000 cars use it every week end.

On what ratio would you like to get grants?—*Hon. Sir G. H. Hidayatullah*: In proportion to the consumption of petrol.

You think that it is the easiest formula to adopt?—No, because that would be in accordance with the wear and tear of the roads.

It is unfair to many provinces which are not yet developed?—Ours is not also developed because our roads were never designed for the heavy motor traffic or the lorries; we have to reconstruct most of our roads.

Do railways contribute anything to your road maintenance on the principle that they benefit by your feeder roads?—Nothing.

Your Government has never made a claim for railways to pay any share?—*Mr. Dalal*: We will be happy if they give something.

In fairness they should at least pay for the maintenance and upkeep of the feeder roads:—*Hon. Sir G. H. Hidayatullah*: We should like to get something on the merits of this particular suggestion. *Mr. Dalal*: It would be a unique thing; I do not know whether there is any country in the world where railways pay for roads.

I am asking you on the merits of this question: suppose there is a station and the District Board has access to the station. The District Board at present bears all the expense of keeping up that road, and if that road were not there, the railway could not be approached by cars or carts, and would it not be at least fair on general principles that railways ought to be responsible for at least a part of the expenditure on keeping up this road, on general principles of taxation? How does it strike you as Members of the Bombay Government?—*Mr. Dalal*: We will be prepared to welcome whatever we get. *Hon. Sir G. H. Hidayatullah*: I want to say that most of the roads of local bodies as well as provincial roads are used by the military, and we ought to get something. During the war especially we got protests from municipalities (Karachi, Bombay, etc.), that their roads were very much damaged by the military.

You did not make a claim?—Yes, we did, but the Central Government said: you won't get it.

When these manœuvres take place, your trunk roads are subjected to the wear and tear of tanks and very heavy artillery, and you think it is fair that the military should pay something towards the trunk roads?—When they come to quell riots for the local Government, they should not be asked to pay, but ordinarily for military purposes, in all fairness they ought to pay. *Mr. Browne*: I might mention another point in this connection. We are building a causeway over the river Tapti at a cost of 15 lakhs. The G. O. C.-in-Chief said that that bridge would be of great military value but that in present conditions he did not think they could give funds for it. A causeway at a cost of four lakhs would have suited the Bombay Presidency, but the military pointed out that if this causeway were built it would be unfordable for at least a good deal of the rains, and they thought a bridge was necessary. The local Government very generously, in spite of the fact that the military could still give no funds, started on this bridge at a cost of 15 lakhs.

Is it not true that a dispute arose in the Bombay Corporation about some bridge?—*Hon. Sir G. H. Hidayatullah*: They wanted a grant, and we gave in; that is all. *Mr. Dalal*: I should like to explain that so far as the two annas proposed by the Bombay Government are concerned, it would be regarded as a purely provincial tax which would only be collected by the Central Government, and *ex hypothesi* it would be paid according to the petrol consumption. There can be no question about it. So we understand the question would be only about the other two annas which the Central Government will levy. There also, so far as the tax is on petrol, it seems to be *prima facie* quite reasonable that the benefit of it should be exactly in proportion to the contribution made by those who pay the tax. However, we have said in our replies to the questionnaire that we would consider the question of expenditure on roads in addition to the petrol consumption.

The two annas the Bombay Government propose is an addition to the municipal taxation?—*Mr. Dalal*: Undoubtedly. Most of the cars are within municipal areas, but all the same we want this money in order to repair our provincial roads which have been cut up by these cars. As Mr. Browne told you just now, 2,000 to 3,000 cars travel out every week end to Juhu and if we merely use these two annas to compensate local bodies for their taxes, then the question of road development simply goes.

Therefore you would not disturb the present arrangements by which municipalities and local bodies tax?—No.

Otherwise, two annas for the central revenues, two annas according to the Bombay Government proposal, and two annas to replace provincial taxation, that would be more than the consumer can pay in Bombay. And as regards the two annas proposed by the Bombay Government the Central Government is to be merely the collecting and distributing agency?—Yes.

Hon. Sir A. Froom: Referring to the question of the bridge you mentioned the cost of which should in your opinion be borne in part by the military because it is of military importance, what would you suggest, half and half basis?—*Mr. Browne*: In this case we said that a causeway would do what we wanted, but the military said it should be a bridge and this cost Rs. 15 lakhs.

Would you still be prepared to pay four lakhs if they bore part of the cost?—Yes.

Supposing the military put up three quarters of the cost of the bridge and the provincial Government put up the rest. Do you think that the military people could use three-fourths of the bridge? *Hon. Sir G. H. Hidayatullah*: Our purposes would have been served by the ordinary causeway which would have cost us Rs. 4 lakhs.

The bridge that you visualise costing 15 lakhs, would that take a motor lorry?—*Mr. Browne*: That would take any traffic. A causeway would also take it, but not always.

We have received suggestions from various provinces that the military department do not pay what they should for roads. The other side of the picture is that the military budget in the Central Legislature is generally very much criticised if the expenditure goes up?—*Hon. Sir G. H. Hidayatullah*: If they spent money on road development they would escape much of the criticism.

You agree with the Bombay suggestion of 4 annas increase in petrol excise and at the same time you suggest that municipal taxation should be left alone?—Yes.

So that where a man residing in Bombay, like our Chairman and myself, was paying Rs. 100 a year for running an ordinary size motor, he would have to pay about Rs. 200. Do you think that the ordinary man in Bombay might consider it excessive?—Only a few months back he was paying about Rs. 270. About two years back he was paying as much as Rs. 600. He never cried; never complained, when the price of petrol was Rs. 2 a gallon.

When the increase in the cost of living comes down it should be taken away?—My argument is that the rural areas pay all the land revenue, Rs. 5 crores; why should that money be spent in the city of Bombay? This is a provincial tax; everybody living in the Presidency must pay.

What about a man who does not own a motor car? This is a motor tax?—He might be paying some other tax. None of the Bombay men

pays land revenue. Why should he benefit by the land revenue. If you go on earmarking, no body would like to pay any tax.

I put it to you that if the man who uses a motor is suddenly asked to pay double, then might not he think that he is hastily treated?—He had been paying till lately and never felt it.

The Committee may record your opinion that you do not think it would be considered oppressive?—Yes.

When the sub-committee discussed this question in Bombay, discussion rather ranged round the 4-anna extra excise, that 2 annas should be central and 2 annas provincial; it was also discussed that the man who was already adequately taxed by the municipality should be given an equal relief?—I never agreed to that. That means it will go away and we would not realise anything.

You realise that you will be taxing motors half as much again?—It is not a question of the city of Bombay. The question of Karachi, Ahmedabad and several other places will arise. All that we realise out of the 2 annas will go to compensate all these bodies.

Chairman: It will be less than the amount of compensation?—*Mr. Browne*: Practically the same figure. *Mr. Dalal*: Because Rs. 17 lakhs include everything and motor cars are only paying 2 or 3.

Hon. Sir A. Froom: The result of the 4 annas extra excise would be that the man who is paying nothing would be paying something substantial?—*Hon. Sir G. H. Hidayatullah*: Yes.

Leaving the proposed new excise alone and coming back to the existing excise which is frequently forgotten, there is an existing excise of 4 annas in the price of petrol now. Supposing the Central Government found themselves in a position to give up part or the whole of this existing excise, would you suggest that the excise should be reduced or would you think it would be a good thing, in order to further road development, that the amount which they can give up should be paid into a central fund for road development?—I think we would be happy if we got more. I shall be very happy if the money goes to the road fund.

And not towards the actual reduction in excise?—Yes.

What is your idea about import duties? Supposing the Central Government found themselves in a position to reduce the import duty on motors and on motor accessories, would you prefer that that reduction should be made actually a reduction to the importer or would you prefer that the amount should be placed in a central fund for road development?—I would still like it to go also to the road fund, because I attach very great importance to good communications. The prosperity of the country depends a great deal on good communications. You in Bombay will benefit if you have good communications. All the produce could be brought in conveniently in a lorry and they will get things much cheaper.

Road communication will benefit everybody, the agriculturists and the non-agriculturists?—Yes.

About the constitution of the Central Road Board, I think you suggested to our Chairman just now that all provincial Governments should have representation on it as well as the Central Legislature?—Yes.

Would you not be satisfied if Bombay was represented by the Central Legislature on the Central Board? You do not want a too unwieldy body?—I would have no objection, but I do not think that the representatives will be in touch with the local Government.

Bombay representatives in the Central Legislature are supposed to be in touch with their constituencies?—They would not know the inner working of the District Local Boards.

Chairman: He would be representative of the income-tax payer; he would not represent the agricultural classes.

Mr. Dalal: He may not be interested in roads at all.

Hon. Sir A. Froom: You have got a provincial Road Board? —*Mr. Dalal*: Yes.

Are schemes for development of roads considered by the Provincial Board?—Yes, the Road Board make suggestions to the Government.

Are members of the Bombay Legislative Council on the Provincial Road Board?—Yes. We have representatives of the District Local Boards; we have Members of the Council on it.

And the suggestions of your Engineer, who is responsible for roads and for their maintenance and construction, I take it, are put up to you and you lay them before the Provincial Board?—We have not only one Road Board; we have divisional committees of the Road Board.

When a scheme has been passed by your Provincial Road Board and money is asked for it, is greater weight attached to that request in your Legislative Council by reason of the request having been put forward by the Provincial Board?—I think our Council would sanction every road if we had the money. There are insistent demands for good roads.

My question is this. By reason of a scheme having gone through your Provincial Road Board on which some of your provincial councillors sit and that Provincial Road Board having sanctioned a scheme, when it goes to the Legislative Council for funds, does the Legislative Council more readily grant funds by virtue of that scheme having been passed by the Provincial Road Board than they would if it were put up direct by the P. W. D.?—Yes.

Hon. Sardar Shivdev Singh Uberoi: May I know if there is any road cess charged in your Presidency? *Hon. Sir G. H. Hidayatullah*: We have tolls and wheel tax.

You have said that your Government are transferring roads to District Local Boards. May I know if Government have any control over those roads which are transferred to District Local Boards and for which annual grants are made by your Government? You have just said that 19 lakhs are made annually?—That 19 lakhs we give as a grant-in-aid. As an experiment we are transferring roads to District Local Boards and we give a grant.

The estimate is first sent up to Government for sanction?—I think we give them grants on the previous year's expenditure. *Mr. Browne*: The District Local Board engineer, if a qualified man, has the same powers as the Executive Engineer of a district. Any estimates above his power have to go to the Superintending Engineer.

It is entirely the business of the Boards to make roads as they like. Do you make yourselves sure that the money given is spent only on roads?—*Hon. Sir G. H. Hidayatullah*: Yes.

How do you make sure?—We have Executive Engineers and Superintending Engineers.

Do your provincial Superintending Engineers go to supervise and see that the roads are being built?—Yes.

You have just expressed your view that you would welcome any money from the Central Government for the development of roads in the Presidency. Naturally if the Central Government pays, it would like to have control over the roads development of your Presidency. Do you think that this change would be welcomed by the members of your Council?—We have never suggested that the Central Board ought to have any control.

You just expressed the view that you would welcome any grant from the Central Government?—Not grant. If they maintained it altogether out of central funds, I shall hand over every road.

That means transferring the whole department of roads to the Central Government?—Yes.

May I know if this idea would be welcomed in your Presidency or Council?—It will be acceptable to every sensible man if they get good roads paid for by some one else. *Mr. Dalal*: Provided the Meston Settlement is not modified on that account.

It has been suggested that there should be an increase in petrol excise of 2 annas per gallon for road development. It has been estimated approximately that this would bring in Rs. 50 or Rs. 60 lakhs. Do you think for the allocation of this amount to the different provinces, the creation of a Central Board is necessary or that this can be done by any existing department of the Government of India, namely, distribution according to any formula?—*Mr. Dalal*: Whatever we may call it, there should be absolutely an alien agency which determines the principles on which these grants should be made or how the money should be distributed. As soon as that is settled, there is nothing left.

Then there would be no necessity for the continuance of Central Road Board?—If they give block grants, there will be no necessity. The money will be allotted so much to such and such a province. If the division is according to a formula, the Board may bear in mind the principles and the province will be automatically getting their money.

Mr. Mohd. Anwarul Azim: Have you many roads in your province which pass through the Indian States?—*Hon. Sir G. H. Hidayatullah*: There are some which do.

Do you think it necessary that there should be some sort of co-ordination between your Government and the Indian States in respect of such roads?—We cannot compel them, even if we desire it. I would very much like that there should be such a co-ordination.

Are your District Local Boards and Municipalities presided over by non-official Chairmen?—Yes, all by non-officials.

I suppose this non-officialisation was introduced in 1920?—After 1920.

What is your idea as a Minister with regard to their working since then?—They are working very well.

If more responsible work of administration is entrusted to them, do you think they will come up to the required standard?—I cannot say about all of them. A majority of them are doing well.

Mr. Muna. Ismail Khan: Are your District Local Boards exercising their power of taxation?—Yes; they are levying tolls.

Are they levying a tax on bullock carts or tongas that ply for hire?—That is impossible. It is a large area and collection would be impossible.

It has been done in some provinces?—The municipal areas are compact areas and you can have the statistics and the collection is easy. But District Local Board areas extend over hundreds of miles

They are registering them in the municipality?—Yes.

Heavy lorries are also not taxed?—They have the tolls. They are taxed if they are within municipalities.

What do you think of granting monopolies?—I thought over it when I was the non-official President of a District Local Board. I think that will go a great way to facilitate the construction of roads.

Is it true that no new roads have been built in Bombay for the last three years?—That is probably correct.

Do you find the District Local Boards maintain the roads properly?—They have not got money and under the Government of India Act they have not left many sources to tap.

But they have got the cess and the grant that you give?—Yes; they have to provide for education and other services rather than roads.

Do the non-agriculturists pay anything?—They are the most lucky people living in the rural areas. They get all the amenities without paying anything for them. If you go and tax them, the Government of India think it an interference with their income-tax.

And they get their education free?—They are getting everything free not paying a farthing in return.

Mr. E. F. Sykes: As far as new roads are concerned the necessity is most in Sind, I suppose?—Yes; there is no road worth the name there.

You have got only through roads for Karachi and nowhere else?—It is so. It is a pressing question. As a non-official I moved a resolution to provincialise about 12 roads; as a Minister I have not been able to find money to put them in good order.

You have a programme for road construction?—Yes; the whole trouble is want of money. We have appointed a special officer.

You have moved the Railway Board to provide feeder lines for railways?—Yes.

And are paying guarantees to them?—They have made the suggestion. It is going before the Council. That is not through yet.

Your programme in one place favours railway and in another road. Can you tell us the reason why you prefer roads to railways in some places?—(No reply).

You also proposed alignments for railways?—There the railways and our Road Board are working together. Between them, they will decide the whole question. We have no definite programme from them yet.

But you have got a programme for railways?—Yes; we have for three feeder lines.

The question I want to ask is that if you could have a road or a railway for the same price on any alignment, which would you choose?—That would depend on the conditions and circumstances of each place.

So there would be some circumstances under which a road is preferable to a railway?—Yes.

In what respects, will you tell us?—I will prefer a feeder line if it goes through many villages or many districts, and a road if it goes to important places where they have a market.

From the main line of railway to a principal market?—I would rather have a road than a railway.

For long distances you prefer feeder railways?—Yes.

Can you give us an idea of the distances?—For distances over 15 to 20 miles roughly.

Raja Ghazanfar Ali Khan: Of the two courses which would be better, the Central Government managing a road themselves or your managing it, the Central Government giving you money to maintain it?—I would be happy if I get the money and control over it.

You said that the non-agriculturists did not pay anything towards the maintenance of the roads?—They pay nothing for other services also like education, hospitals, etc. I have several times sent a recommendation for the levy of a profession tax according to their income but the Government of India wanted that it should be a flat tax on professions and not on the incomes.

Is it necessary under the District Local Boards Act to get the sanction of the Government of India?—Yes; in the case of those taxes which interfere with the taxes of the Central Government. In this case, they will not allow us to interfere with their income-tax.

Do you regard petrol consumption to be the fair basis of division?—Yes; it ought to suit Bombay, for the more a car consumes petrol, the longer it uses the road.

Will you distribute within the province on the same basis?—We give lump grants to local bodies. But assuming this amount is used for provincial purposes, I think that it will be a fair test, even in the case of grants to local bodies.

Lala Lajpat Rai: Would it not give a larger share to the Bombay Municipality?—It might.

You therefore think that petrol consumption is a sound basis?—I think it is fair.

Although the object of the Road Development Committee may be to develop roads for general traffic and not for motor traffic in particular?—But what other test would you apply? We must take into consideration the wear and tear on the road. The more motors that use the road, the more they ought to pay for it.

Then some other backward provinces will suffer?—We are also backward because we never designed our original roads for this heavy motor traffic. *Mr. Dalal*: We have also suggested that backward provinces may be helped by means of grants for specific purposes beside their own share. I do not know whether you contemplate everything in the shape of block grants, but if so, you may help them. *Hon. Sir G. H. Hidayatullah*: Our roads cannot stand up and are getting bad with more mechanical conveyances. In that way it is backward.

May I ask you whether the question of road development has to be decided only from the point of view of motor transport or would you

take other forms of transport also into consideration?—*Mr. Dalal*: If a road is fit for motor transport, it is certainly fit for other kinds of transport.

Supposing we have roads in the villages, does any programme of road development in that area come within our scope of road improvement?—I thought at present we were talking only of provincial roads.

Do you want the whole subject to be considered from all points of view; from the point of view not only of transport?—No.

If you consider it from all points of view, you would not give very great prominence simply to roads which carry motor transport?—It is the heavy lorries that damage the roads.

But heavy lorries do not go everywhere?—They are going almost everywhere in every province.

My point is this. We are not considering the case of Bombay alone. This Committee is dealing with the question of India. There are many parts of India which require road development from other points of view than motor transport. But you are considering only from the point of view of motor transport?—What are those other cases? Will you kindly suggest them?

Some people have said in their evidence before us that bullock carts do greater damage than motor transport?—*Hon. Sir G. H. Hidayatullah*: I doubt it very much.

You do not agree, but in that case you will have to consider the case of all—bullock carts as well as ekkas, tongas, etc. I would ask you whether you don't consider motor transport to be of the paramount importance?—I do.

If you consider motor transport to be of so much importance to the country then I think the best thing would be to encourage motor construction in the country and devise means by which this vehicle of importance and prosperity to the country becomes self-contained?—If you can do it nothing would be better than that.

But should not the Government do it?—I will be too happy if you could compel the Government to do it.

Lala Lajpat Rai: We cannot compel them even for road purposes.

Hon. Sir G. Corbett: I would just clear up one point. Mr. Dalal was speaking of a block grant to be made from the central revenues to the provincial budget. How is that exempt from any vote of the Provincial Legislature?—*Mr. Dalal*: I think that if once it has been sanctioned by one Legislature, it cannot be subject to the vote of another Legislature.

So if the Assembly voted a block grant of, say, Rs. 3 crores for road development generally, then there will be no control either of the Assembly or the Provincial Legislature over the projects on which that grant should be spent?—If they are going to spend these Rs. 3 crores they will mention it in the budget. *Mr. Browne*: Before the schemes are entered in the budget they will consult the Provincial Legislature.

As I understand it, your proposal would be—supposing a certain amount of the petrol duty was set aside for expenditure on roads, there would first of all be a deduction, possibly for grants for specific objects which might be made for inter-provincial roads or any other object, and there would be a further deduction for possible research?—*Mr. Dalal*: Yes. I think Mr. Browne may have something to say about all-India research. *Mr. Browne*: In our answer to the

questionnaire, we made it clear that if there was to be such research it should be on a small scale and we do not think that any large organisation is at all required. If there were such, it would be undesirable.

You consider provincial research to be more useful than central research?—I think the provinces themselves will make experiments.

Out of their own block grant?—Yes.

There seems to be a general idea that very great strides are being made in road construction which lead to great economies, and it is a matter of investigation in different climates, different soils, etc., and if a stimulus could be given to this investigation in the methods of road construction, considerable permanent economies might result; but unless some specific grant is earmarked for research either in the central or in the provincial revenues, very little is likely to be done?—Personally I doubt if any rapid progress is being made. For 10 years or more we have been working up asphalted roads.

A road engineer told us that the progress was so rapid that he could not keep pace with the thing, until he was discouraged?—I do not think that is really the case.

And obviously you would not advise any expenditure on research in your province?—Not exactly research, but the trying out of new materials as they become available. My own view is that the functions of the Central Road Board should be to keep the provinces informed of any likely methods which come to their knowledge and which some provinces have tried.

A small grant would be allotted to the Central Board to disseminate this information?—That is our own view. It should be a sort of clearing house for information.

And report the results of the Alipore Test House?—Yes, if necessary.

After these two deductions, if any amount is available, it should be distributed according to petrol consumption between the provinces?—Yes.

Do you think that the grant from central revenues should be devoted only to national highways or provincial trunk roads?—Yes.

So that brings us to the proposed amendment of the Devolution Rules. How would you amend the Devolution Rules?—*Mr. Dalal*: This is a most difficult question. It would entirely depend on the way in which the Central Government would dispose of the grants.

We have only got so far as the distribution between the provinces for the purpose of expenditure on national highways or provincial trunk roads. The representative of the Bengal Government agreed to an amendment to this effect, "subject to legislation by the Indian Legislature as regards the sums granted to provincial Governments for these subjects." Would that formula meet your wishes?—But the legislation may involve any amount of control. That would not suit us. If the legislation were to lay down some general principles on which the grant must be distributed, there would be no objection; but if subsequently the Government went on to prescribe details of control on the part of the Central Government, then there will be great objection.

Then you would not take the grant?—No.

Obviously there has to be an agreement between the Central Government and the provinces in the matter so that the conditions of the grants must be acceptable to the provinces?—Yes. But I understand

there will probably be some legislation necessary before we carry out anything. That legislation might prescribe the principles on which the grants are to be distributed. For block grants made on those principles, we do not want any further control on the part of the Central Government except to see that the money that they give us is used for the purpose for which it was given; but in regard to grants for specific projects we admit that the Central Government ought to exercise a little more control in the shape of inspecting the projects and checking the plans and estimates, and for that purpose we have suggested a little further modification in the Devolution Rules.

What I want to do is to amend the Devolution Rules so as to make it legally possible to make this grant?—I think that can be easily achieved by altering Devolution Rule 14, if you only want authority to make grants from the central funds to the provincial Government.

But we cannot make the petrol tax a source of provincial revenue because it is a central source of revenue?—But you can say that a certain portion of it might be made provincial.

The petrol tax as a whole could be made a provincial source of revenue, I readily admit it, but 4 annas is a central source?—But cannot a proportion of it be made a provincial source?

That would be contrary to the spirit and meaning of the Rules. The whole idea is to separate provincial taxation and central taxation as sharply as possible. We are definitely informed by the Finance Secretary to the Government of India that an amendment of the Devolution Rules would be necessary?—If you object to the divided head, I do not see any way out of it; otherwise it could be provided that such and such proportion of the import duty on petrol as may be fixed under such and such an Act may be a source of provincial revenue.

(After some discussion it was agreed to take the advice of the Legislative Department on this point).

We have agreed that this block grant is to be granted for national highways or provincial trunk roads which will be shown in your provincial road map. Now we come to a point which you appreciate very much in Bombay. How do you contemplate the suggestion that there should be a conference or rather conferences of Ministers every year or every half year or every two years, with certain members of the Legislature who after all have got to vote the money, to agree among themselves to which of the schemes priority should be given? For instance, there might be in your province a scheme No. II on the list, while in the Central Provinces there might be another on their list numbered I. To which of them will you give priority?—How do you contemplate the suggestion that the block grant should be earmarked in the first instance for the construction of one road in preference to the other roads?

The programme would be laid out first and block grants made subsequently.—It will be more like a grant for a specific object. We would rather have the block grant first. The only thing earmarked would be the highways and trunk roads.

Then we come to the question of additional provincial taxation. This 2 annas additional tax does not take us very far. There is another difficulty about this, and it is this. The additional taxation must be the same for all the provinces, and all of them must agree to it, and you cannot have it varying from province to province. I think you will admit that the reasons are obvious. The Punjab do not

regard this additional 2 annas with favour, and the representatives of the Punjab Government practically told us this morning that they would not agree to it. Another difficulty is that it will be putting rather a heavy load in some parts of India on petrol; it will be putting too much taxation on one commodity. There is also a further difficulty, and that is about the Indian States. How would yet get an agreement among the 600 States? Supposing one small State somewhere in Rajputana sets up an enormous bulk installation which might feed the whole of India at a lower rate of duty?—The only thing to be done would be to put an excise cordon.

Can you contemplate the possibility of the Government of India putting an excise cordon round a large State in the middle of India merely to enable a provincial Government to levy this 2 annas?—I admit that theoretically it is a serious difficulty.

It is certainly a practical difficulty, is it not?—It would be possible in practice to bring round the majority of the States.

Have you considered the possibility of a provincial vehicle tax?—We have not considered it so far.

Would you consider it a practical proposition. They have got it in the Punjab and we have been told that it works well?—*Mr. Browne*: We consider that a petrol tax is by far the best.

Having regard to the difficulties raised by the Finance Department, would you pursue your investigations as to the possibility of a provincial vehicle tax?—I do not think it will be half as good as the petrol tax.

If there is a system of registration, is there any practical difficulty in collecting the vehicle tax, because the police would refuse to re-register a vehicle until they know that the tax has been paid?—*Sir G. H. Hidayatullah*: Speaking off hand I cannot see any very serious difficulty, but the question would have to be very carefully considered.

Might I suggest that it should be turned over in your mind, because motors are not adequately taxed considering the damage that they do to the roads and the expenditure involved in keeping them to a high standard. The Finance Department made a point that this was a provincial matter and that the provinces should apply their minds to it and work out a practical scheme . . . .

(*The witnesses withdrew.*)

26.

Lahore, dated the 11th January 1928.

(a) Memorandum of touring sub-committee's discussion with—

The Hon'ble Rai Bahadur LALA RAMSARAN DAS, C.I.E.; and Mr. R. E. GRANT GOVAN,

representing the Punjab Chamber of Commerce.

Mr. Govan says that the Chamber's view is that a Central Board by its constitution might find itself in conflict with the provincial Legislature. No one could object to a Central Technical Advisory Board, but on other than technical subjects the question would need careful consideration. Rai Bahadur agrees with a Technical Advisory Board, and with its possible function of adjusting road relations with

Indian States. The Punjab Chamber would not object to a Central Board of a purely advisory character.

Rai Bahadur would suggest that any central fund should be distributed according to mileage of roads. Mr. Govan states the Punjab Chamber is definitely in favour of distribution of any central fund according to provincial petrol consumption. Rai Bahadur personally differs from this view.

Mr. Govan says the Chamber's view was that allocation by expenditure would give rise to so many contingent factors, *e.g.*, the needs of a province for roads, for other subjects, etc., etc.

Mr. Govan states that the Chamber is against any central fund for road development, but agrees to central collection of money for provincial purposes, and, if it is proved that further taxation of motor vehicles is justified for road development, the Chamber agrees to further petrol excise, but does not commit itself to what amount. He states that the allocation of funds should be decided by the Legislature and not by the Central Board. The Chamber considers that any central fund must be largely controlled by the Central Legislature, and thereby there would be interference with provincial autonomy. The Chamber considers that inter-provincial road coordination can be assured by conferences of Provincial Road Board. The Central Board should be technical advising body, convene conferences, and conduct road research.

Rai Bahadur is opposed personally to any increase in petrol excise as it would retard the development of motoring. Rai Bahadur would favour an increase if necessary in provincial motor vehicle taxation and the grant to local bodies of powers to impose motor vehicle taxation also. He is against any increase in petrol price. The drop in the price of petrol will increase the number of cars, an increase would restrict the number of cars and the petrol consumption.

Mr. Govan states that the present excise of 4 annas *plus* 2 annas for central fund, *plus* 2 annas as provincial tax would be heavier than English motor vehicle taxation. The Chamber would support the idea of single provincial motor vehicle taxation.

Mr. Govan states the Chamber is satisfied that the high cost of petrol upcountry is due to cost of railway freight. Petrol is produced at Attock in the Punjab but the price is kept up to that of other petrols.

Mr. Govan gives as his personal view that motor transport requires protection to secure proper organised services, *i.e.*, it may be desirable to restrict the right to run services or to give a monopoly.

Mr. Govan further states that the Chamber is against any interference with or restriction of the competition of motor transport with railways, and that the Chamber suggests conferences of Provincial Road Boards with railway authorities.

(*b*) Written statement submitted by the Punjab Chamber of Commerce.

The views of the Punjab Chamber of Commerce on the question of road development in India are as follows:—

1. *Central Road Board.*—The Chamber do not advocate the creation of a Central Road Board for the purpose of *controlling* road

development throughout India. They advocate the creation of a Central Advisory Board for the purpose of co-ordination of provincial road activities, dissemination of technical information, the arranging of periodical conferences of all Provincial Road Boards and as a medium through whom the Government of India can be consulted in connection with sanction for road loans, etc. They also advocate the creation in each province of a Provincial Road Board entirely responsible for each provincial road policy.

The Chamber do not support the idea of forming a separate Ministry in the Central Government for roads, railways and waterways.

2. *Taxation.*—The Chamber favour the proposal that a tax on petrol should be imposed for the purpose of raising funds for the development of road. They also favour the proposal that the present multiplicity of provincial, municipal and local taxes, in all forms, on motor vehicles and motor transport should be replaced by one uniform tax on petrol throughout India. It is recognised however that no equitable figure for the whole of India could be arrived at as taxation provincially to-day varies considerably in different provinces.

They recommend therefore that both these taxes should be grouped together in one tax on petrol of say as. 4 per gallon which will be collected from the petrol companies by the Central Advisory Board and distributed to the provinces on the basis of the petrol consumption in each province. All existing forms of provincial taxation on motor vehicles and motor transport should be abolished and each province will compensate local bodies out of this petrol tax and utilise the remaining balance in road development. The accounts of this road fund should be kept entirely separate.

It is believed that the present excise on petrol of as. 4 per gallon will bring in, in the current year, a figure considerably in excess of the budget estimate and that this excise will continue to expand. Provided that the price of petrol in India does not increase (in which event a reduction in the excise duty is urged) the Chamber consider that all excess over and above the budget estimate obtained from this petrol excise should be distributed to the provinces *pro rata* with the petrol tax distribution. Such contribution to be utilised by the provinces on any particular road development purposes specified by the Central Advisory Board and if no such work is specified then on ordinary road development as directed by the Provincial Road Boards.

As regards the present customs duty the Chamber urge that this should be reduced as soon as circumstances or increased receipts from such customs duty permit.

3. *General.*—The Chamber consider that at present there is no proper road control and it is considered that more efficient control over motor vehicular traffic should be exercised. Certain classes of vehicles such as heavy steam tractors are believed to do an excessive amount of damage to roads and steps should be taken to stop this.

It is not known how military or strategical roads are being dealt with at present but the Chamber consider that expenditure on such roads is not a proper charge on provincial road funds, but should be met by the Central Government from either military or civil funds.

New Delhi, dated the 26th January 1928.

(c) Oral evidence of Mr. R. E. GRANT GOVAN, representing the Punjab Chamber of Commerce.

Hon. Sir A. Froom: Mr. Grant Govan, you represent the Punjab Chamber of Commerce. You put in a written statement which more or less contravenes the previous statement before the sub-committee?—I should like to explain that the interview in Lahore I understood was purely informal. This is the statement submitted by the Punjab Chamber of Commerce based on that informal discussion.

At the informal discussion, the Hon'ble Rai Bahadur Lala Ram Saran Das attended with you?—Yes.

Does he approve of this substituted statement?—He has had no opportunity of discussing matters with the Punjab Chamber of Commerce. This fresh statement is the considered view of the Punjab Chamber.

And the first informal discussion had better be retained because it represents the views of Lala Ram Saran Das?—Yes. The record of the informal discussion should be taken as the personal view of Lala Ram Saran Das, but I have modified the views we jointly expressed then, and I am now in agreement with the Punjab Chamber.

You are in favour of a Central Road Board in an advisory capacity?—Yes.

Would you consider that it should have any control over road development throughout India?—Only in so far as any particular grants might be made out of central revenues, it should have the power of specifying the works on which such grants should be utilised. We consider that any special taxation should be handed to the provinces for provincial use, as decided by Provincial Road Boards, and any grant made out of central revenues should be utilised on works specified by the Advisory Road Board. We have suggested that there might be such grants to be made by that Board. The Central Government might consider allocating towards road development any surplus over and above the budget estimates derived from the excise on petrol.

You are in favour of an increase to four annas in the petrol tax?—We favour a tax of four annas a gallon to cover not only the existing provincial taxation but also to provide funds for road development, but we consider it is necessary to group the two together because of the inequity that at present exists among the provinces with regard to these local taxes.

Really then your recommendations amount to this that you are in favour of increasing the excise on petrol to provide for road development by the amount of the extra four annas tax, but you are not in favour of the idea that any part of the revenue accruing from the four-anna excise should go into any central fund and you want it distributed to the provinces immediately?—Yes.

As regards the present customs duties, you would apply the same action in respect of the customs duties you propose for the existing

petrol excise? You would suggest that any excess over any budgetted demand for customs should go over to a central fund?—As distinct from our suggestion that any excess from the excise on petrol should go to a central fund, we advocate that in place of that, the customs duties on vehicles and accessories should be reduced so as to encourage the use of motor transport to the greatest possible extent by reducing capital costs.

With the object of reducing the original cost of a car or tyres to the purchaser?—Yes.

Hon. Mr. M. Suhrawardy: Does your Chamber consider that a reduction of the import duty will increase the taxable capacity of the motorist? . . . .

Hon. Sir A Froom: In other words, Mr. Suhrawardy suggests that if you make the car cheaper, then he would be better able to pay increased taxes levied in other directions?—No, I do not think so.

In the last paragraph of your written statement where you say that there is no proper road control, well that I take it is a domestic problem for your provincial Government?—That is purely provincial and only a general remark meant for the provincial Government.

Hon. Mr. M. Suhrawardy: Your Chamber does not support the idea of forming a separate Ministry of the Central Government for roads, railways and waterways. Will you please explain to the Committee how the present constitution conflicts with the formation of a Ministry of Transport?—We do not favour a Central Ministry because that would involve central control of road development. We do not favour the co-ordination under one head of control of railways, waterways and roads because we believe that the development of the country would be better if they were under separate control. In other words, we rather encourage the idea of competition between roads and railways apart from co-ordination between the two.

Hon. Sir A. Froom: You like co-ordination, but at the same time a spirit of competition between them?—Yes. We do not favour centralised control, and we do not agree that they should all come under one head.

Mr. Muhd. Ismail Khan: When your Chamber considered this question, was Lala Ram Saran Das informed of it?—I have no doubt the Secretary sent him due notice, but he was in Lahore, and we had our meeting in Delhi. We had had a preliminary meeting to give us a certain amount of guidance, but Lala Ram Saran Das was unable to attend that meeting also.

Your Chamber had considered certain aspects of this question, but I think they subsequently had the opportunity of considering them more deeply as the result of your discussion in Lahore?—Yes.

You say that you favour the distribution of the petrol tax on a consumption basis. Do you know that your provincial Government is opposed to it?—We believe they are.

What about the bulk of non-official Indian opinion?—I do not know, I have not ascertained it.

Raja Ghazanfar Ali Khan: Your Chamber is in favour of a four annas petrol duty, two annas to replace provincial taxation and two annas extra, and you prefer not to allocate them separately?—We

do not think two annas would be equitable throughout India in substitution of existing taxation. We consider that if we make it an all-round four annas, those provinces at present taxing on the basis of three annas will have only one anna and those not taxing now will have over four annas for road development.

So you do not favour making it a petrol duty?—We favour the proposal that a four-anna tax should be levied in substitution of existing taxation to provide for road development.

How will this money be distributed throughout the provinces?—*Pro rata*, in accordance with the petrol consumption, the whole of the four annas.

Do you realise that some provincial Governments who have already got local taxation will lose some money?—We do not think that there is any province at present taxing in excess of a figure that works out to four annas a gallon on the petrol consumption in that province.

Chairman: But there is in Madras; the Madras tax is in excess of 4 annas. All the municipal and local taxation represent an amount of about 6 annas excise on petrol?—It seems very high.

But it is a fact. . . . .

Raja Ghazanfar Ali Khan: It would be necessary for provincial Governments to agree in case provincial taxation is replaced by excise duty?—Yes.

Supposing local Governments do not agree, will you favour increase of 2 annas only? Supposing local Governments want to retain their present taxation?—The Chamber would approve of an additional tax on petrol purely for road development.

How much?—I think 2 annas. That is the original figure discussed in Lahore.

Does it not lead us to believe that you think that a tax of 2 annas is enough to replace the present taxation, because even if it is not replaced you say that 2 annas should be imposed?—We know that in the province of the Punjab that would work out almost equitably. The present taxation works out to 2 annas and therefore there will be 2 annas surplus for road development, but I cannot say in regard to other provinces.

You suggest that the military should be made to pay some contribution?—We do not know exactly how the frontier roads are maintained, but we do consider that they are not a proper charge on road development or road activities of the province as a whole.

Do not worry about the frontier, but say the Punjab: supposing the military are using some roads. and they are chiefly meant for the military (for example there is a Grand Trunk road which has a camping ground every 10 miles), would you suggest that the maintenance of this Grand Trunk road should be entrusted to the Central Government and they should meet the charges, besides this 2 annas petrol duty, from general revenues?—My Chamber did not mean to suggest that grand trunk roads should be maintained out of special funds, but they were referring more specifically to roads essentially maintained for strategic purposes.

Could you give me any case of road which is entirely meant to be a strategic road?—For instance, the road through Khyber Pass.

You cannot think of any other road except the frontier roads?—I believe there are certain roads round Dera Ghazi Khan and Bannu which are strategic roads.

Are there any roads in the Punjab?—I cannot specify; there might be on the west frontier.

You propose that local bodies should be compensated by this tax on petrol?—Yes.

On what basis?—On an estimate of the present income from such local taxation. For instance, take Delhi Municipality as an example. They get certain revenue from terminal taxes, taxes on motor cars, road tolls, etc. The average for 3 years would be the compensation payable to Delhi Municipality for cancellation of all such taxation.

Did your Chamber consider this question? Supposing petrol consumption is not the sound basis, some other factor may also be taken into consideration, while petrol consumption should also be one of them?—That did come into our discussion.

You thought you would not like any other factor to be taken into consideration definitely or you thought that petrol consumption was the easy method and therefore it should be the chief consideration?—It was felt that this would be the most equitable method.

You say something about petrol price in your statement before the sub-committee that the high cost of petrol upcountry is due to the cost of railway freight?—That was my personal view. I had no opportunity of discussing the question in the Chamber.

What is your Chamber's opinion?—The matter has not been put to them.

Do you think that the price charged for petrol in the Punjab is satisfactory, especially in view of the fact that the Attock oil fields are only about five miles from Attock?—It is very unsatisfactory. The price charged in the Punjab is the port price, plus allowance for railway freight, use of receptacles, etc.

Can you think of any reason for this high price at a place which is near Attock and where railway freight has nothing to do?—It is due entirely to the petrol companies working together and fixing rates.

You do not think it is equitable?—No.

Lala Lajpat Rai: What is the constitution of your Chamber?—Half and half European and Indian.

What is the total number?—77.

Its headquarters are in Delhi?—Yes.

What is the strength of the Committee?—I think the total number is about 14.

You said your Committee had a preliminary discussion before you gave evidence at Lahore?—Yes.

Do you mean to say the Committee or the Chamber?—The emergency Committee.

Could you tell me how many attended that meeting?—4.

Lala Ram Saran Das was not one of them?—He was not able to be present.

They were all 4 Europeans?—There were 2 Europeans and 2 Indians.

And on the basis of their instruction you made the statement to the sub-committee at Lahore?—I tried to follow their general directions as much as possible.

Then you had another meeting of the Committee at Delhi?—Yes.

And what was the attendance at the second meeting?—Five.

The same gentlemen attended who attended before?—No. All except two were different.

Then you have no means of ascertaining whether the two members who did not attend this meeting, and Lala Ram Saran Das, agree with your present view or the last view?—Individually or as the representative of the Chamber?

Have you ever placed these matters before the Chamber?—We have placed the matter before the Punjab Chamber of Commerce as any Chamber matters are dealt with.

Please understand my point. Considering that there is a great divergence of opinion between the opinion you expressed at Lahore and the opinion you expressed at Delhi, I want to know exactly what is the weight that should be attached to the evidence which you are now giving. Did you ever lay this matter before your Chamber as a whole at a general meeting?—No, we never lay such questions before general meetings.

You did not lay this?—No.

It comes to this, that the present opinion is the opinion of the three new members who attended your Committee at Delhi and yourself?—I maintain it is the opinion of the Committee of the Punjab Chamber of Commerce, because every member of the Committee had an opportunity of attending if he wished to do so.

You do not know what the majority of the Chamber of Commerce might be thinking, because you never convened a meeting of the Chamber?—I must adhere to my opinion that it is the opinion of the Committee of the Punjab Chamber of Commerce.

As convened at Delhi?—As convened at Delhi.

You know that Lala Ram Saran Das differs in these matters radically?—Individually he does not agree with the Chamber.

There may be other members also who may agree with him and not with you?—It is quite possible.

Coming to the opinions, may I ask what is your occupation individually?—I am a merchant.

General merchant or motor merchant?—East India merchant.

That does not signify anything?—I have various activities.

Among them is selling motors?—Financing the sale of motors.

And petrol also?—No.

You said in the statement before the sub-committee at Lahore that you were opposed to the Central Board taking any but purely advisory functions, and now you say they should have the control of the central funds and the distribution of it for specific objects. Does it not convert the Central Board from an advisory board to an executive board?—It creates a central body to ensure that any funds given by the Central Government for road development will be utilised in accordance with the wishes of the central body. This body will not exercise any control over provincial road development financed by special taxation.

You said at first at Lahore that the Central Board should be a technical body to conduct road research and that it should be an advisory body. Beyond that you would not give any power to the Central Board. Now you have expressed the opinion that you would

have a Central Board in charge of the central fund, which may be created for distribution of money to provinces for specific objects. Does not that convert it from a purely advisory board to an executive board?—It only gives certain powers with regard to the use of central funds.

It still remains an advisory board in your opinion?—Yes.

The functions of taxing, of receiving money and distributing it, does it not change its advisory character?—Receiving special taxation and distributing it?

Whatever funds might come into the hands of the Central Board, whether by special taxation or from central revenues or by taxation on petrol, they would administer those funds completely?—No.

They would not distribute them?—They would have to distribute special taxation *pro rata* according to petrol consumption to different provinces. They would have no control.

You do not want the Central Board to have anything to do with any other fund except the fund that may be raised from petrol tax?—Except any funds that may be granted out of central revenues.

Central revenues is a very general term. Central revenues are not confined to petrol tax?—That is our intention. We have suggested that any special taxation, such as the 4-anna tax on petrol, must be given to the provinces in accordance with the consumption of petrol and that any funds handed over out of central revenues should be utilised in the provinces in accordance with specific directions of that Central Advisory Board.

You do not want the Central Board to have anything to do with the petrol excise duty?—We do want the Central Board to have everything to do with petrol excise, but not with petrol tax.

You distinguish petrol tax from petrol excise?—Yes.

You do not want to have them to do anything with petrol tax?—No.

You want them to dispose of petrol excise duty?—Yes.

Petrol excise duty is levied at 4 annas?—Yes.

You want them to have charge of the duty?—Not the existing revenue, but any surplus over the existing budget revenue. I believe the present budget revenue is something like 70 lakhs. It is expected that the revenue from petrol excise may be considerably more this year. We advocate that any excess over and above the 70 lakhs should be handed over to the Central Road Board to be allocated *pro rata* to the provinces to be utilised on any special works directed by the Central Road Board.

Except the surplus from excise you do not want the Central Board to have any other fund?—I shall be very glad if there could be other funds.

What do you propose? It is not a question of your being glad or otherwise?—We do not advocate that the Central Government should hand over any other funds. If they can we shall be glad to get them.

You do not advocate any further taxation?—No, not for the central fund.

Then, you want the surplus to be disposed of by the Central Board *pro rata* to the provinces for specific objects laid down by them?—Yes.

Is that, in your opinion, the whole function of the Central Board?—Oh! no. We think they can do extraordinarily useful work in relation to research, collation of technical information and circulation of same to Provincial Road Boards.

They should be paid for them, I suppose?—Yes. We consider that any Central Advisory Road Board should be paid for out of the central revenues.

You therefore want that research, co-ordination of road schemes and collation of technical information should all be paid for from the central funds?—Yes.

From funds made over to the Central Board?—Not to be made over to the Central Board.

Then? It has to be constituted; it is not already existing?—We suggest one be constituted. I cannot definitely say whether as a department of Government. It should be a paid body.

What is your idea of its constitution?—We have not gone into the question. But we feel that it should be a small Board fairly representative of technical information and knowledge of transport and the requirements of the country as far as possible.

How many members?—I should imagine, not more than 4 or 5.

That excludes necessarily members of the Legislature?—Representatives of technical information and of transport are the two essential members.

And they should be paid members?—We consider that they should be paid.

Responsible to the Government of India on the executive side and not to the Legislature?—No, not to the Legislature.

That will be a new department separate from the Railway Department?—Yes; entirely separate.

You also advocate practically the abolition of all existing taxes at present levied by the municipalities or the local boards? At present do you know that road administration is a provincial subject?—Yes.

And that they have a power to levy taxes and to spend them?—Yes.

You want to take that power away from them?—With the approval of the provinces, yes. I will prefer centralisation of that provincial taxation in regard to motor vehicles and such like.

You will provincialise any tax for roads?—No; the tax may be utilised for roads but it is really a tax on vehicles.

At present, besides the provincial Government administering roads as a transferred subject, powers are given by legislative Acts to municipalities and local boards to levy tax on motor transport and other means for road purposes. Are you suggesting that all these taxes should be abolished and a central tax should be imposed to be administered by the Central Government?—No, to be administered by the provinces individually.

It comes to this; you do not want the power of imposing a tax in the hands of the provincial Government or the local bodies?—No, they will not have the power.

But whatever share you give them from the central tax, you will have that administered by the local Government?—Yes.

Ad hoc without any special reference to roads?—Firstly for compensation to the local bodies for the loss of their local taxation and

next for development of new roads. We suggest that all the local taxes that we refer to should be abolished but the local bodies will have to be compensated for the loss of revenue.

Will you leave the function of building roads in the hands of local bodies?—No. I will explain myself. The Delhi municipality for instance would be charging at present certain amount of terminal tax and they have to maintain the Delhi roads. It is not an unnatural assumption that a certain amount of the taxation on vehicles in Delhi is spent in maintaining the roads in Delhi. And if that taxation is abolished, the Delhi Municipality would require a grant in substitution of the tax which will enable them to continue to maintain their roads.

So, according to you, the building of roads and their maintenance will still be in the hands of the local bodies but not the imposition of a tax?—I refer only to the maintenance of roads, not their construction.

Please make your position clear. You do not want any powers of taxation in the hands of the local bodies?—That is right.

You also do not want any local body or municipality to do anything with the construction of roads?—No; we do want it but they should be guided by the Provincial Road Boards.

And the maintenance also?—No; maintenance is a local subject for the District Boards. They should not be guided by the Road Board in regard to maintenance. I am afraid that you are going too much into details of local administration.

I just want to know whether you would urge a change in their administration. I want definitely to understand what is your position with regard to the powers of local boards and municipalities in regard to construction and maintenance of roads?—I do not think it is the intention of the Punjab Chamber of Commerce that they should have powers of construction for they recommend the creation of Provincial Road Boards for the purpose.

The whole thing to be in their hands?—Yes; in the provinces.

So far as the Provincial Boards are concerned you do not want to invest them with any taxation powers for road purposes?—No; they will have no taxing power.

Then they should have only to administer any funds that may be given to them by the Central Government?—Yes. But that is not all. Provincial Governments are at present spending money for the purpose of roads.

But you do not allow them any power of taxation?—The local Governments have at present considerable provincial revenues which are being spent on roads.

And you will leave them that power to spend on provincial roads?—Yes. I would also add that the Provincial Road Boards may decide what powers of maintenance and direction should be given to the District Boards and the local bodies.

You want to remove the statutory power which the municipalities and local boards are having at present for raising taxes and spending them on roads?—Yes.

Do you know that the policy of the Government for the last 20 years is towards decentralisation?—Yes.

You want a change in the policy?—No; I suggest this as an alternative to the petty local taxes and I do not think that by substituting the petrol tax for all these local petty taxes, the policy of decentralisation is violated in any degree.

With regard to the actual taxation, you know that there is at present a four annas excise duty which will remain with the Central Government. You want to reduce that?—Yes; if the price of petrol goes up.

If the price does not go up?—We will have it as it is.

If the price does not go up, you would not reduce it?—No.

You advocate 4 annas.—Yes, a four annas tax.

In lieu of all other taxes?—Yes, and also for the provincial road fund.

That would be practically taxation by Central Government for provincial Governments?—That is really collection by the Central Government for distribution to provincial Governments.

According to the consumption of petrol?—Yes.

Have you any idea as to what is the income of the Punjab local bodies and the Punjab Government from all this taxation which you now want to abolish?—I think it is in the neighbourhood of 3 to 3½ lakhs.

What do you think will be the income of 4 annas taxation so far as the Punjab is concerned?—About 7 lakhs.

You do not know anything about the other provinces?—No.

What do you think will be the total income from this 4 annas tax for all India?—I should think that it will be in the neighbourhood of Rs. 130 lakhs.

Do you stick to the opinion expressed before the sub-committee that the Chamber considers that the central fund must be largely controlled by the Central Legislature and thereby there would be interference with provincial autonomy?—That is not correctly expressed. What was intended was that any fixed allocation to the provinces should be fixed by legislation and it should I think be capable of being altered by the Central Legislature.

Is it your idea that the allocation should be decided by the Legislature and not by the Central Board?—Yes.

You have already said that so long as the present price of petrol continues, you will not have any reduction of the excise duty?—That is so.

How does it tally with your opinion that the customs duty should be reduced as soon as circumstances which necessitated such increase disappear?—That is with reference to the customs duty on the import of motor vehicles, tyres, accessories and spare parts.

You want them to be reduced?—Yes.

Not the excise on petrol?—No.

So you want a decrease of import duty on motor cars, accessories, etc., and you want the Government to spend money from the central revenues for the maintenance of roads which are required for these motors?—Over and above the present excise if there is a surplus.

You said something about military and strategic roads. Do you consider the Grand Trunk Road to be for that purpose?—I do not think I can consider the Grand Trunk Road as a purely strategic or military road.

You gave the instance of Khyber road. Do you not think that it is a very ancient route?—Yes, for camel trade.

That has nothing to do with motor transport?—To-day I believe it is maintained for motor transport but mainly for the military.

But you know that its cost is paid by the civil department?—I do not know.

Do you not think that ordinary roads and grand trunk roads are used for military purposes?—Yes.

And they are being used for heavy military transport and tanks and other military vehicles do a certain amount of damage to the roads?—I do not think the military motor transport does any more damage than the other transport.

But they do a certain amount of damage?—They are bound to do that.

Then do you not think that the military should contribute something towards the maintenance of these roads?—It is only coming out of one pocket and going to the other.

So it does not matter to you?—It is only a transfer from the military funds to the civil funds.

But it will exactly be the same so far as the strategic and military roads are concerned. You say that the military should contribute towards strategic roads but not for other roads. I want to know what is the basis of that distinction?—There are certain roads which have to be maintained for ordinary trade requirements but the military may use those roads. We do not advocate such roads to be maintained out of central funds or military funds but we advocate that frontier roads specifically maintained for military and strategic purposes should not be a charge on the provincial road funds or the provincial revenues.

But do you not know, Mr. Govan, that all the so-called frontier roads are used for trade purposes also?—But only in the inverse ratio that the Grand Trunk Road is used for military purposes.

Do you know what is the number of these strategic roads?—No.

Have you any idea how much is spent on the construction of these roads?—No.

Hon. Sir A. Froom: You put forward that as a general principle you observed?—Yes.

Lala Lajpat Rai: You said that heavy steam tractors do a considerable amount of damage to the roads. To whom do these tractors generally belong?—I do not really know. In Delhi there are quite a number owned by the engineering department of the Government of India.

They are not owned by private persons?—I am not sure about it.

You do not know anything about the Punjab. There are a lot of tractors there too?—I do not know who are owners generally.

You know that these military tanks etc., do a great deal of damage to the roads?—I was referring to the solid tyre heavy 6 ton or 12 ton steam tractors.

Hon. Sir G. Corbett: The point that has been generally put to us by motorists and others interested in the development of motor transport, is that the roads of India are inadequate for the development of motor transport and should be improved and extended for that purpose, and that motorists and those engaged in the motor industry would be prepared to pay a reasonable tax or an enhanced tax for that purpose to be spent on that development. Are these also the views of your Chamber?—Yes.

You say that all local taxation should be abolished and a substitute tax of 4 annas per gallon on petrol should be imposed and that

should be the limit or extent of taxation on motors for the purpose of road development. Is that what you mean?—Yes.

Sir Arthur Froom put it to you that local taxation in Madras works out at 6 annas a gallon. How would you compensate the Madras local bodies out of the tax of 4 annas?—I think that if the whole of India is going to find it difficult to come into line because Madras is 2 annas in excess, possibly the Madras Government might be induced to lower its existing incidence of taxation to agree to 4 annas for road development as a whole.

We were informed that in the Bombay Municipality the allotment that could be received from a 4-anna tax on petrol on a *pro rata* basis would be much less than what they are receiving to-day from vehicle tax. At the same time we were told by the Municipal Commissioner that he did not think that motors were taxed up to their taxable capacity in Bombay, considering the condition of the roads provided for them. How would you square this difficulty?—I appreciate the difficulties, Sir, in regard to the possibility of taxation in a city like Bombay being in excess of what it would be in other places; but at the same time it does seem, if we look at the matter from an all-India point of view, that it would be beneficial for road development as a whole if we could centralise all forms of local taxation into one tax instead of putting on these further local taxes which numerically are considerable and which in total amount to a very large sum. We cannot however put the 4 annas tax and also allow local taxation.

It does seem to me rather paradoxical that this proposal of increased taxation on motors in order to finance road development should result, in such important areas as Bombay and Madras, in an actual reduction of taxation?—Yes, but on the other hand, it would be unfair to the whole of India that the other provinces will have to tax at a very high rate simply because at the moment there is high taxation in Madras and Bombay.

Do you know what the average horse power tax in England works out in terms of petrol tax?—Not more than 8 annas I think.

In terms of shillings?—I am sorry I have not gone into it.

The annual average consumption of petrol in England is about 320 gallons per car?—In this country we do much longer mileage per car.

The average consumption of petrol in India is exactly the same as in the United Kingdom?—That is very surprising.

Figures are very often surprising. It is rather dangerous to come to conclusions. The horse power tax in England which is devoted entirely to the maintenance of roads and the construction of new roads, works out to a shilling a gallon?—I do not know.

Do you still think that in India where the roads are in a very backward condition and much capital expenditure has got to be incurred in order to construct new roads and bring them to motorable standards, four annas a gallon is the maximum which ought reasonably to be fixed?—They also pay indirectly a four-anna excise; that makes it eight annas. I think that the state of roads in England is such that a shilling tax might be equitable, while the state of roads in India is such that a four anna tax is equally equitable. I do not see why existing motorists should have to pay all that money in advance; they will not get the benefit of it; the future will get the benefit.

Who is to pay for road development?—I consider under present conditions four annas is a very fair tax.

I understand that it may be a fair tax to pay for roads as they now exist?—And to provide funds for further extension.

Do you know the total expenditure on roads?—I believe it is about 7 crores.

This four annas petrol tax would give a crore of rupees in British India?—A little more perhaps; this tax should be collected from the companies direct.

If it is on consumption in British India, it is one crore of rupees out of a total expenditure of 7 crores on actual maintenance do you think that is too high a proportion for motor transport to pay—one-seventh of the total expenditure?—I do not think it is too high a proportion.

In England it is 50 per cent?—England is a very much smaller country.

But it is 50 per cent?—Yes; but far more motor cars pay it.

My difficulty is this. I do not see how it is reasonable to expect that motors should pay less than 1/7th of the cost of maintenance of the present roads?—Motors are only a small proportion of the users of the roads and they should not pay very excessively for its maintenance.

I do not see why not?—Because bullock carts, camel carts and others pay no tax.

But the cost of maintenance of these expensive roads is mainly for motor transport. The bullock cart needs so little that there is no need for these very expensively constructed roads. There is even a strong movement among motorists to drive these carts off these roads?—Yes; but it is strongly opposed.

I am trying to put to you the motorist's point of view?—I do not think it would be equitable for motor transport and motor users in the present state of the roads and present state of motor transport to try and bear a bigger incidence of taxation. I do not think motor transport will develop if it is overtaxed, and we consider that four annas is about the maximum of additional taxation.

Do you mean to say that if it is more than four annas, the development of motor transport will be very much retarded?—It might be very much retarded.

Has it been retarded in Madras where they are paying six annas?—I do not know very much about Madras.

Do you know there is a tax on motor buses in Madras?—No.

In some areas it is as much as Rs. 1,300 a year on motor buses and still buses are developing by leaps and bounds?—The public must have means of travel. But that tax would never be possible in a place where you have railways or other forms of transport to compete with motor transport.

Your interest in motor transport is to create a means of transport to compete with railways?—Not only that; but on certain roads it is more convenient for the public to travel by motor.

I would like to take you on to this point, namely, the present taxation of motors for general revenues; that is, the import duty and the existing tax on petrol of four annas. You would admit, I suppose, that it is quite reasonable that motorists should make a contribution to general revenues?—Yes.

You are not one of those transport fanatics who consider that it is a crime that motors should be taxed at all?—No.

And you would agree that there is no *prima facie* reason why the import duty on motor cars should be less than the general rate of import duty on all goods?—There is one point there; I think we do want to do our best to reduce the original cost of motor vehicles so as to encourage development.

But you have to take into consideration the fact that the motorist makes considerable demands on the general administration in the way of police supervision, safety and welfare of the country, etc., all of which are supported from general revenues; the motorist benefits from those as much as any other class of the community and it is only reasonable that he should make a fair contribution to the general cost of administration in this country. Is there any reason why he should pay less than the general rate of import duty, which is 15 per cent?—I would not like to state that it is possible to make that comparison.

Railways pay 15 per cent on all the stores they import; why should the motorist pay less?—For one reason that we wish to encourage the development of motor transport for the general benefit of the country and which will indirectly produce increased revenues.

But do you not wish to encourage the development of railways and the reduction of freights and fares?—Yes and motor transport will help to do that.

Why then should motors get preferential treatment?—I do not see that it is preferential treatment in the development of a new activity like motor transport. I do not see why it should be equitable to tax on exactly the same basis the import of motor vehicles if that is calculated to retard motor development.

Is it calculated to retard? The whole case is that motor transport is increasing at such a pace that the existing roads will not stand the strain and therefore greater expenditure has to be incurred on roads in order that they might bear the strain and the rapidly increasing strain of motor transport?—I say that this import duty is likely to retard motor development which you have got to encourage.

But the revenues will be diminished?—I do not say diminished; but it is anticipated that our present customs duty is going to be in excess again of your budget and in that event the incidence should be reduced.

You had better wait till you see the budget?—That is what we have said in our written statement.

Of course we would all like the customs duty to be reduced on all articles from 15 per cent; but all I want to know is why should motor vehicles be singled out as the first article of import on which customs duty is to be reduced?—It is not a protective tax.

But why should it have preference?—Because I still think we have to do all we can to encourage the further development of motor transport; we have only touched the fringe of it.

I quite agree; but where is the money to come from for the roads. We are told that already motor transport is developing at such a pace that money has to be found somehow in order to keep the roads in repair and to build new roads; and yet you say in one moment that the duty has to be reduced below the general level in order still further to encourage it, and at the same time that 1/7th of the expenditure on roads is entirely adequate for motors to pay, and also that existing taxation in some important areas, where the roads

are fairly good, should be reduced and the roads there supported from some other source of revenue. I find it extremely difficult to get a logical position from your various arguments?—I am sorry about that.

I think it is no use pursuing that point. There is another point which it is necessary to make clear. You distinguish between the existing central sources of revenue and the petrol tax which is to be a provincial source of revenue?—Yes.

And the petrol tax is to be collected at the source on all petrol consumed in India and distributed to the provinces in proportion to their consumption?—Yes.

I gather that you propose that the petrol tax on petrol consumed in the Indian States should be given to the provinces for road development?—No.

How are you going to work it?—Why should not the States receive their proportion?

How are you going to calculate it?—On the amount of petrol going into the State.

Do you know how many States there are?—There are quite a number.

Have you any idea of the number?—No.

There are 600; are we going to calculate the amount of consumption in each State separately?—The return will be furnished by the petrol companies.

Will it be possible for them to do it?—I think they will; I see no difficulty in their submitting a return to the Government of the total amount of petrol consumed in each State.

The subjects of these States might buy their petrol in British India?—Yes, they might.

How are you to differentiate between petrol bought in British India and consumed in Indian States?—I should not imagine that would be a very large proportion of the amount consumed in the States.

Some of these States have a good deal of interlacing of frontiers?—If they knew this tax was put on, they might probably make it a point of buying it in the State.

They might or might not. You agree that the tax must be uniform all over India?—Yes.

You consider it possible to get all the provinces to agree to a uniform rate?—We hope they might agree.

Would all these six hundred States agree?—We see no reason why they should disagree at the moment.

I put it this way; supposing a State says it will have a mere two annas duty; all States have sovereign power in their internal matters; would it not be distributing petrol from that State to the surrounding country?—Yes; you would have to have something like the Viramgam line.

For every State?—Possibly.

And for every motor crossing that line?—I quite agree that it is impossible to put a uniform tax unless you get unanimous agreement. We quite agree there.

At the same time it would be a considerable advantage to any one who set out to do it, because he would become the petrol supplier to the rest of India?—It might be possible to overcome that perhaps.

Anyhow there would be considerable administrative difficulty about overcoming such matters?—I take it that the petrol companies will charge a rate that recovers to a central collecting agency the four annas. They have to put on the four annas and that would come to the Advisory Board for distribution.

Anyhow you admit that there are certain administrative difficulties?—We must get uniformity between the different provinces and between the different States.

Lala Lajpat Rai: I want to ask you one question about petrol. How many kinds of petrol are sold in India?—I think about 3 or 4 kinds.

Out of these 3 or 4 kinds, two at least are local productions, is it not?—I think the Indo-Burma, the B. O. C. and the Attock are local productions.

Do you not think the country which produces petrol should be able to sell it cheaper than countries where no petrol is produced?—I certainly think that petrol should be cheaper in the territories where it is produced.

What is the price of petrol in Great Britain just now?—I am not certain, but I think it is about a shilling.

In India it is more than 2 shillings at present?—It is Rs. 1-0-6 in Bombay, but in Delhi it is Rs. 1-8-6.

What is this due to? Could you tell us the reason?—Our opinion is that it is due to an agreement between the petrol companies to fix rates.

Is it not unfair to the consumer?—It is unfair.

So you would like the rates to be reduced?—Yes.

Hon. Sir G. Corbett: You represent the Punjab Chamber of Commerce, and in the Punjab there is a provincial vehicle tax. What is your objection to it?—There is no particular objection to it, but over and above that we have got to pay various other local taxes; we have got the road licensing fees, we have got the municipal taxes and the terminal taxes on vehicles.

You would not object to a single provincial vehicle tax instead of a provincial 2 annas?—It should be calculated on the basis of the amount the vehicle is used.

Seeing that there are considerable administrative difficulties in having a uniform petrol duty all over India, would you have any valid objection to the different provinces putting on their own vehicle tax?—We have no objection, if it is impossible to arrive at a uniform rate. We would much prefer the proposal we have put forward, but if that is not possible we would not object to the continuation of the present method of taxation.

Hon. Sir A. Froom: Touching this question of the price of petrol, in reply to a question put by Lala Lajpat Rai, you said there is a difference of 8 annas in price between Bombay and Delhi. Have you got any criticisms to make on that 8 annas? Do you think it is correct or it is excessive?—I do not think it is correct. I believe 2½ annas are put down as depot charges, and it is rather difficult to be sure about that; then there is 1½ annas put down for leakage which is also equally difficult to be satisfied about, then there is one anna for receptacles, and the rest, I believe, is freight.

I take it your Chamber is asked for its opinion on various legislative matters which may be brought forward by the Central Government or by the provincial Government and these legislative matters

are generally circulated for opinion throughout the country, and I take it that your Chamber of Commerce amongst other Chambers of Commerce is also asked for its opinion on such matters. Is it the custom of your Chamber when such matters come before it to deal with them itself or to call for a general meeting of the Chamber?—The position is that a Committee of the Chamber deals with all matters; the Chamber has also created an emergency Committee to deal with any matters that have to be disposed of urgently.

So that if your Chamber did not like the views of the members of your Committee in any matter, I suppose such members would not be elected the next time?—That would be the position.

But your Chamber as a body have delegated their responsibility to the Committee, and I suppose you represent both your Chamber and the Committee?—Yes.

Lala Lajpat Rai: When did your last meeting take place which gave you authority to give your evidence before us, what is the date?—We had two emergency meetings; one was held on Monday the 23rd January and they authorised me to give evidence before this Committee; only two days ago the other emergency meeting was held.

And this evidence is based on the decision of that Committee?—Yes.

So the general members of the Chamber of Commerce have had no time to study the question as a whole?—The general members have created a Committee to study such questions.

The general members have had no time to find out what the evidence to be given by you was going to be?—No, they have had no time to consider it.

(*The witness withdrew.*)

Supplementary written question by Mr. E. F. SYKES and written answer submitted by Mr. R. E. GRANT GOVAN of the Punjab Chamber of Commerce after the Committee had finished its sitting.

Question: We have been told that in competition with each other and with the railway, between Lahore and Amritsar and elsewhere, motor buses are carrying passengers at rates lower than railway rates. Some witnesses have expressed the opinion that this competition is uneconomic and can only result in the bankruptcy of the owners. Do you share this opinion? If so, when it has run its course and the road-passenger-carrying industry has settled down to normal conditions, at what rate per mile do you think that it will be possible to carry passengers and yet make a profit?

Answer: I agree that in certain areas there is excessive competition in motor transport resulting in excessive price-cutting which can only lead to the failure of such transport owners.

The rate per mile at which passenger carrying vehicles could be maintained at a profit varies very considerably according to the state of the roads, the type of vehicles used and the carrying capacity of same, the amount of local taxation and the nature of the country on which the transport is run. Speaking generally, however, I consider that suitable type of passenger carrying vehicles could be run on good roads in the plains at about as. 8 per mile and in the hills from as. 12 to Re. 1 per mile and that these rates should show a reasonable profit.

27.

(a) Written statement submitted by Mr. F. P. ANTIA, Bombay.

The questionnaire issued by the Committee is primarily meant for local Governments. The information asked for is of a nature, essentially, and in many cases exclusively, available to officers of such Governments. I take the liberty therefore of submitting a statement of my views crystallised in the course of my researches on road transport in India, not basing it strictly on the questionnaire. May I hope, that will not detract from its merits, and it will be admissible all the same?

I.—Road Administration.

2. *Classification of roads.*—There can be only one fundamental basis of classification for the aggregate mileage of a nation's roads, *viz.*, the traffic accommodated. The range varies from the highway of nation-wide importance to the minute spur emanating from it, to facilitate communication with the outlying hamlet or farm. At the top stands the arterial trunk system of the country, joining centres of importance that constitute the converging points of the nation's economic nerves. The Calcutta-Peshawar Grand Trunk Road and the Bombay-Agra Road are instances in point. The former runs through Bengal, Bihar, United Provinces and the Punjab, and the latter through the Bombay Presidency, the numerous Indian States of Central India and the United Provinces, regardless of administrative barriers. Next to these stand the highways of provincial concern, joining the largest cities within the province. Such are the Bombay-Poona, Sholapur-Dharwar and the projected Bombay-Ahmedabad Road in the Bombay Presidency and the Calcutta-Darjeeling Road in Bengal. The traffic these carry is of interest to the province only. A step lower down come the numerous main roads of the locality laid out in the midst of vast agricultural tracts, joining *inter se* towns and large villages. The road system of a district will be usually found to be of this character—such roads radiating from the district headquarters. Lower still stand the spurs linking tiny villages or outlying farms to one of the main roads above enumerated. Often it is an extravagant claim on their part to desire to be called roads. The traffic on each of these classes, it will be observed, stands to vary in its nature and intensity, shrinking down progressively from the highest class to the lowest. More often than not, the area in which the road is located is the least interested in the traffic that utilises the roadway.

3. *Administrative divisions should correspond to this classification.*—Given this variation in the nature and intensity of traffic, it is necessary that the administrative and financial arrangements should conform to the given classification. The national arteries had best be looked after by the central authority of the nation, the provincial trunk roads by the constituent Governments, the local highways by the district authorities, and the purely neighbourhood roads by the village or union panchayats. The reasons thereof stand in no need of elaboration. It is the angle of vision that counts most in the delineation of the policy as also in the practical execution of a line of action already chalked out. It should not be surprising, for instance, to find that the district board had made a mess of a national artery when entrusted with the administration of the portion within its own boundaries. There is a limit above which the imagination of a district can never be expected to rise. This is

broadly the *raison d'être* of the principle that administrative authority should of necessity correspond to the character of the road.

4. *Absence of national interest in India.*—As the position obtains to-day, India follows this principle not so much in practice as in breach — increasingly so of recent years. There are to-day available numerous roads of national importance, transcending provincial barriers, in all parts of the country. But one has still to hear of a central authority designed to administer these roads, to accord with the principle above adumbrated. The national high roads when projected in the latter part of the last century were so designed to be administered indeed. But with the establishment of the provincial Public Works Departments and gradual devolution of authority in other fields, it was considered but in the fitness of things that roads authority should also be so devolved. In the stage in which road transport then found itself, this could hardly be found fault with. With the initiation of motor transport, however, when highway travelling has come into its own once more after the set back it had received at the hands of the railway, perpetuation of the old policy of disrupted administration amounts only to an indication of the fact that the Government of India refuse to recognise the rôle of nationwide importance, road transport is capable of playing. And this rôle is to be computed only next to if not exactly on a par with that of the railway. The United States of America acted otherwise. Finding it essential to centralise administrative control they gathered up the reins of their national arteries in the 1916 Federal Aid Road and the 1921 Federal Highway Acts. In passing these, they only refused to shut their eyes to facts and attempted to keep the efforts of the Government parallel to the actual social necessities of the times. India appears to continue in the old groove perhaps because of her attachment to the apron strings of the mother country. A state of affairs exists here, scandalous in the extreme, and unworthy of her high economic traditions. The 2,000 administrations here "exercise jurisdiction which has no relation to the character and extent of the highways included in them."*

5. *Prevalent policy of provincial disruption.*—The perpetuation of an old policy misfitting the present day developments, attributable to the Government of India, is however much less liable to condemnation than the initiation of such a policy in the lower hierarchy of road authorities at the present moment. The provincial Public Works Departments at present in charge of national as well as provincial roads, are following just that policy of disseminating control from which the Government of India need to strike away. The provinces whilst continuing to bear the burden of administering the national highways without a groan of complaint, are developing a partiality for delegating the administration of provincial trunk roads to the authorities lower down. The Madras provincial road system found itself without a proper controlling authority to guide its destiny with the 1871 Local Funds Bill of the Government of India, and the Financial Relations Committee of 1920 attempted to camouflage the important issue of the allocation of proper administrative authority by designating the provincial trunk system as first class district roads. This has somehow caught on the imaginations of the district authorities in the Bombay Presidency and they are at present clamouring for similar delegation of control over provincial roads. On the other side, the Bombay Government, though not officially committed to such a policy, have given indications of the fact that they look with no antipathy upon this demand of the District Local Boards. This can be gathered from the delegation

*Stephenson's W. T. Communications : Resources of the Empire Series, p. 122.

of authority already effected in Poona and Ahmednagar Districts in respect of some provincial roads. The appointment of Messrs. Braganza and Godbole to go and study the Madras system on the spot by Government Resolution No. 17 of 25th June 1926 and the appointment of a committee to consider and report upon similar readjustment of control, shows the direction in which the wind blows. It is remarkable that the scientific system of classification and administration devised by the Punjab Communications Board in 1923 which allocated the provincial systems of the Grand Trunk and the Delhi Seira systeme with addition of highways of new colony areas to the provincial administration, leaving the main roads of secondary importance to district authorities and local roads to village and municipal bodies, has not attracted the attention of any other province. The Madras policy is sought to be adopted in Bombay, despite the fact that it was weighed and found wanting in Madras itself by Messrs. Braganza and Godbole. The verdict they gave after an inspection of provincial trunk roads under district administration in Madras is "on the whole the condition of roads we inspected is much below the standard of maintenance in the Bombay Public Works Department". In the Trichinopoly district as well as in Chingleput district where such inspections were held, it was found that second and third class roads (*i.e.*, district roads from a scientific view point), were maintained in quite decent condition, standing in marked contrast to the provincial roads. This is but a repetition of the state of affairs England has reached, because of scattering away administrative control of national arteries to county authorities, and the condition upon which the State Government in United States of America improved, by instituting complete State administration for State trunk roads catering for interstate traffic, beginning with New Jersy State as early as 1891. It is imminent that the provincial Public Works Departments concerned themselves with conserving administrative control over their provincial systems, rather than fritter it away on the district authorities.

6. The roads that cater for district traffic linking up villages and market towns, are in fact to-day under the district authorities. Roads still lower down in status have been handed over to the village of the union panchayats. So that readjustment of administration is necessary only in the higher wrungs of the ladder. The ideal to aim at should be the creation of a central authority in the Government of India to exercise control over national arteries, of which the provincial Governments should be deprived, and the reallocation of conrol of provincial trunk systems to the Public Works Departments, along with stoppage of the process of disruption the provincial Governments are at present indulging in, keeping the District Local Boards strictly within their legitimate sphere of controlling roads of district concern.

II.—Finance.

7. *Finance at basis of centralisation.*—Administrative efficiency has the closest association indeed with finance. It is the rock upon which one administration founders as against another which manages to steer a course clear. Money is required in large amounts not only for construction, but for recurring expenditure on maintenance, establishment and tools, stores and plant as well. For maintenance of whatever high or low grade of road surface that is built, begins the very day its construction is finished, if it is desired to save it from breaking and disrupting. The administration of a road constituting, as it thus does, a permanent grindstone round the neck of the

exchequer, the centralisation and unification of control finds a still potent argument in the sufficiency of finance, which the higher authorities may be expected to command, so as to enable construction and maintenance on the higher scale necessitated by the greater intensity of traffic to which a main road is subjected. Financial aid was thus the first bait held out to the county authorities by the State Governments of United States of America when the first schemes of central control were broached—the acceptance of the aid by lower authorities implying submission to supervision in construction as well as maintenance by the State authorities giving such aids, in respect of provincial roads maintained.

8. *Financial aid control of provincial system not efficient.*—The control was thus sought not to be centralised but to be divided, as obtains at present in Madras and in the provinces that follow that policy. The State-aid control policy in America was soon, and is being increasingly, abandoned in favour of full State control policy in face of the glaring deficiencies of the former. For one thing there cannot be complete and efficient connection between main arteries, so long as there is any dependence upon district co-operation, the sections of the trunk roads scattered under various administrations, not being invariably the ones in which the district is vitally interested. By their very nature the provincial trunk roads are necessarily subjected to heavier traffic and require a large appropriation year by year for repairs, and the district authorities as certainly are either unwilling or financially unable to spend after, what to them is a non-district concern essentially. It has besides been found in the United States of America that the bulk of traffic on provincial highways originates in the cities, and it is unjustifiable to burden the districts with their administration or finance. From more points of view than one therefore and particularly from that of the fact that the district authority will be more prone to administer the roads down to their own standards rather than up to the provincial standards, it is desirable that the administration of the system of the provincial trunk roads be centralised in the provincial authorities only, and there be a provincial administration rather than provincial aid administration for them.

9. The above appertains to the relations subsisting between the provincial and the district authorities, so far as provincial trunk roads are concerned, and casts no reflection upon the financial aid rendered to district authorities for acknowledged district roads, because of their weak financial position—a subsidisation in fact. It is desirable nevertheless in the interests of both, the province as well as the district, that these aids be systematised on lines analogous to those suggested by the 1920 Financial Relations Committee of Madras.

10. *Financial aid control by nation likely to succeed in India.*—The policy of national control over national arteries is however capable of practical realisation in India, if coupled with a scheme not of national control but of national aid control. The improvement desired to be effected in India could thus be accomplished with a minimum of disturbance to the existing organisation. The national arteries can continue to be under provincial administrations, subject to supervision in respect of construction, improvement and maintenance by the Government of India, in return for which the provincial exchequer would be aided, by the Central Government, from a fund constituted for the purpose, to the extent of the national use of these roads. The necessity of this can be realised with greater

poignancy when it is appreciated that the Indian province is necessarily a very large territorial division, and in many cases it will be sheer waste to have separate national and provincial systems. The Grand Trunk Road passing through Bengal, Bihar, United Provinces and the Punjab caters as much for intraprovincial traffic as for interprovincial. If therefore a fixed mileage, carefully marked out in each province as catering mainly for interprovincial traffic, is segregated and designated as national mileage, the purpose of central control would be saved as well by financial aid control.

11. *The American plan guide to India.*—The Federal legislation of United States of America can here serve as a beacon light to us. The 1916 Federal Aid Road Act provided for active Federal participation in road building by way of financial aid, up to 50 per cent. of the costs of construction or improvement, to States that created a State Highway Department, capable in dimensions and calibre of working in collaboration with the United States Bureau of Public Roads—created by the Federal Government in the Department of Agriculture—and assumed complete responsibility for maintenance of the mileage thus aided. This went so far in urging the States to create road departments that in a short space of time practically all the States had a State Highway Department working under each.

12. The 1921 Federal Highways Act went a step further in tightening control, in authorising the Secretary of Agriculture to designate up to 7 per cent. of the then State control mileage, as Federal mileage, and aid in the construction or improvement of such mileage up to 50 per cent. in lieu of accepting Federal supervision in construction and maintenance. The scheme could with profit be adapted to our conditions. The provincial Public Works Departments and the Road Boards in provinces will constitute the basis of such a national system once they have put their own houses in order.

13. *Government of India revenue and expense.*—The consolidation of funds for road finance of all authorities has as great a bearing upon roads development as administration has. Beginning with the Government of India, as little thought appears to have been devoted to finance of national roads as to national control. There is complete lack of any scientific system. The Government of India have during the last six years taxed road transport to the aggregate of Rs. 9½ crores as under:—

TABLE I.

Government of India income in thousands of rupees.

Year ending 31st March.	Duty on motor spirit.	Duty on cars and cycles.	Duty on tyres.	Total.
1921	54,26	..	..	54,26
1922	61,10	51,50	21,85	1,34,45
1923	64,69	56,08	32,42	1,53,19
1924	65,15	74,13	29,33	1,68,61
1925	78,86	79,44	27,69	1,85,99
1926	76,30	1,05,30	46,03	2,27,63

(Table compiled from the Finance and Revenue Accounts of the Government of India.)

Not a pie of this sum has hitherto been applied to roads in any direction whatsoever.

14. *Provincial revenue and expenditure.*—The case is quite the reverse when we come to the provinces. With the Government of India it is all earning, with them it is all spending. A generalisation might well be hazarded to the effect that the provincial authorities have never grudged the reckless absorption of lakhs, year after year by the roads in programme of construction or maintenance. This by no means intends to reflect upon the quality of their construction or maintenance. All the revenue they derive is the pittance available to them from the much hated and obstructive source of tolls and ferries. The table under, will show to what extent it really does benefit the road exchequer of the provinces, and what percentage of provincial expenditure it contributes :—

TABLE 2.

All-India provincial Revenue and Expenditure on road account, in thousands of rupees.

Year ending 31st March.	Revenue from tolls and ferries.	Expenditure.			Percentage of revenue to expenditure.
		Original Works.	Repairs.	Total.	
1905 . . .	10,60	52,91	60,28	1,22,19	15½
1906 . . .	11,01	52,58	71,53	1,24,11	15¼
1907 . . .	11,48	47,01	80,59	1,27,60	14¼
1908 . . .	11,73	53,82	85,46	1,39,27	14
1909 . . .	11,08	57,88	85,79	1,43,66	13
1910 . .	11,51	37,59	88,63	1,26,22	13
1911 . . .	10,78	35,58	95,91	1,31,49	11
1912 . . .	10,64	40,14	99,86	1,40,00	11
1913 . . .	10,74	53,85	1,03,71	1,57,55	10
1914 . . .	8,96	92,97	1,05,99	1,98,96	9
1915 . . .	5,29	83,76	1,19,44	2,03,20	4½
1916 . . .	4,63	57,99	1,15,27	1,73,36	4
1917 . . .	4,64	47,41	1,16,74	1,64,15	4
1918 . . .	4,37	51,89	1,28,11	1,80,00	3½
1919 . . .	4,25	66,72	1,31,64	1,98,37	3¼
1920 . . .	5,20	1,06,37	1,46,01	2,52,38	3½
1921 . . .	..	..	..	..	..
1922 . . .	2,43	93,16	1,86,93	2,70,08	1¼
1923 . . .	8,63	76,79	1,83,35	2,60,14	4⅓
1924 . . .	11,10	79,45	1,98,42	2,77,86	5½
1925 . . .	10,31	88,96	2,10,16	2,98,12	5

15. *Suggestion for a provincial registration tax, coupled with a petrol levy.*—It is perhaps not mere coincidence that the provincial revenue falls short of its expenditure by more or less exactly the amount the Central Government taxes road transport with. It has all the appearance of an undue appropriation of this sum by the Central Government. This revenue is by all canons of justice and equity due to the provincial authorities and should rightly go to them alone. Taxes could well be imposed therefore, the proceeds whereof accrue to the provinces directly. A vehicle registration tax levied on all vehicles on the road by the provincial authorities, regardless of such levy already imposed by the city and district municipalities, would make a decent aggregate replenishing the provincial exchequers. One treads on treacherous grounds, however, when discussing the basis of such a levy, particularly so after the severe criticism the horse power tax in England has come in for. The wear caused to the road is of course the best measure of equitable levy. But the horse power tax fails to distribute the burden equitably, as between one user and another; and the Auto-Association Hand-book of England remarks: "The present system results in the extraordinary anomaly of the smallest user of the road being compelled to pay the largest tax per mile and correspondingly the largest user pays the least tax per mile and escapes his proper contribution to the costs of road maintenance and improvement".

The United States however have gone a step further in equitable distribution, in taking the horse power combined with the weight as their basis. This is necessary when it is realised that a low horse power car is not necessarily a light car and the wear it may cause may be quite out of proportion to the tax computed on horse power basis alone. A dual basis levy is devoid of this shortcoming. This plan is worth our serious consideration in India. Nevertheless it is subject to a limitation which curtails considerably its claim for our adherence to it. Such a tax is likely to penalise commercial haulage by reason of the necessarily large horse power and immense weight of the commercial vehicle. It is therefore desirable that the registration tax be on as low a scale as possible, and be coupled with a petrol tax to fill the major part of the provincial road exchequer. In this connection the proposal submitted by the Bombay Government is indeed of considerable value, solving as it does the thorny problem of equitable interprovincial distribution of a necessarily all-India tax. This will solve the difficulty raised by the commercial vehicle which can now be given a rebate in registration tax, when it is made to pay for its road use by way of petrol duty. The advantages of such a combination of sources can be poignantly appreciated when it is realised that taxation fails in its primary social purpose, if it cannot conform to the classical canons of certainty, ability, convenience and above everything equity. Also that on a strict scientific basis the road user should be required to pay for no more than the damage caused to the road, which varies directly with:—

1. The distance travelled,
2. The speed maintained, and
3. The weight imposed on the surface.

16. *Central Government to renounce import duties, save on petrol.*—An important issue arises here. Will not the imposition of an additional petrol levy plus registration tax imposed on the top of the import duties on auto-vehicles, tyres and accessories, at present levied by the Government of India, hinder road transport development and starve the vehicle whilst arranging to feed the road? This is indeed

a likely contingency. It is therefore necessary that the Central Government renounce their right to impose any taxation whatever on the instruments of road transport, so as to give the provincial authorities their legitimate scope of taxation. The Central Government will thus serve only to collect the additional petrol duty and distribute it to the provinces on lines suggested by the Bombay Government, besides the present petrol levy.

The adoption of a rational progressive basis for the registration tax is very essential in the interests of equity. The ideal should be, to keep a democratic basis for small cars, and impose a scale sufficiently progressive for the high priced ones, to bring the ordinary car within reach of the man in the street, just as much as to raise revenue for provincial coffers.

18. Assuming that the number of motor vehicles registered in India have gained 25 per cent during the official year ending 31st March 1927, *i.e.*, have reached the figure of a hundred and forty thousand, and assessing the average annual provincial levy at Rs. 125 per vehicle the aggregate income to provinces will be hundred and seventy-five lakhs. The additional petrol levy to go to the provinces at but half the scale proposed by the Bombay Government will add in the aggregate near about Rs. 40 lakhs, calculating on the basis that the 4 anna duty on motor spirit levied by the Government of India brought in 1925-26 Rs. 76·30 lakhs. This will take the provincial total of revenue, *viz.*, 215 lakhs, very near to their total expenditure; particularly so when it is considered that the provinces will be relieved appreciably of their present burden, by reason of the national exchequer making annual allocations to the provinces from the road fund, in respect of the national arterial system. The provinces will then have additional scope for making grants to district authorities for district roads.

19. The Central Road Fund will consist of the import duty on motor spirit levied on the present scale, that is 4 annas per gallon. The aggregate of Rs. 80 lakhs distributed amongst the provinces will augment the revenue sides of the provincial budgets by that sum and the 295 lakhs of Road Fund thus coming in the hands of national and Provincial Governments will afford sufficient scope for all developmental projects.

III.—Loan Finance.

20. *Borrowing necessary.*—Developmental policies mean money. Taking the road development programme of the nation first, such roadless tracts as those lying east of the Central Provinces, for example, need to be provided with arterial roads of a good character. The participation by the Central Government will mean at most half to three-fourth costs to the provincial exchequer. What about the rest?

A proper realisation of the nature of expenditure involved in roads will lead to the solution of this problem. Highway construction after sound judgment is business. The capital sunk in it is going to pay dividends to the nation in one shape and another, year after year in the provision of a reduced cost of living, better national defence and efficient communication, to name only a few. Why not then capitalise the dividends and borrow the amount? Loan finance may involve a permanent mill stone round the neck of the exchequer by reason of the intrusion caused by the debt services, but there is nothing half so preferable to it when it is realised that the highway

can thus be put into use immediately rather than waiting for decades, till funds have been accumulated sufficient in amount. The provinces should therefore embark upon bold programmes of loan finance and with the aid of national participation, bring the interprovincial and intraprovincial systems upto date. The district authorities also will do well to shake away their lethargy and adopt a policy of progress rather than one of contentment of placidity over the existing state of affairs. In this respect they can all take a feather from the caps of the United States of America and England, and learn the lessons of their ambitious loan programmes applied to roads*. It must be realised however that loans are to be utilised for capital investment in construction or improvement only and never for maintenance, which is to be a charge upon current revenues. The debt services of the loans will also be a charge upon current revenues. There is no reason why there should be any hesitation to borrow for essentially productive purposes.

IV.—The Road and the Railway.

21. *Exaggerated notions of competition.*—Road transport development does indeed have an adverse effect upon the earnings of railways. But the loud hue and cry raised against roads by railway interests in the United States of America and England is liable to be taken exception to from two points of view. For one thing, the smoke raised by the clamour of railway interests is much too thick and widespread for the small flicker of fire responsible for causing it. A statistical study of the effect of road competition on railways conducted by the Interstate Commerce Commission of the United States of America gives the following analysis of the causes of the railway mileage abandonment during 1916—1925, the period of phenomenal road transport growth.

Table 3.

Rail mileage abandonments, 1916—1925.

Cause.	No. of Railways.	Per cent. of No.	Length in Miles.	Per cent. of length.
Exhaustion of natural resources .	78	65·0	1,411·20	57·8
Competition of other railways .	14	11·7	713·34	29·3
Competition of motor vehicles .	10	8·4	104·46	4·3
Re-arrangement of railway lines .	5	4·1	32·64	1·3
Miscellaneous	13	10·8	177·31	7·3

22. *Road transport has its own sphere.*—Then again such an attitude implies that the road is taken for an illegitimate intruder upon railway traffic, appropriating to itself something it had no right to. This is a tendency observable in all old institutions that feel the pinch of the new though improved ones. That road transport has its own independent part to play without any reference whatever

*County borrowings on road account. Percentage of total road incomes.
U. S. A. 50 (1921) England 20 (1923)

to the railway is not widely appreciated hitherto. The short-haul traffic, and the less than car load freight are not only unprofitable to the railway, they are an uneconomic waste from a broader viewpoint of the nation's transport energy. The railway should leave these hauls to the road instruments, better and more economically fitted to cater for them.

23. *Co-ordination.*—This does not necessarily mean that the railway company is to lose so much traffic to the road. As a matter of fact, proper co-ordination between the road and the railway can work in the interest of both, and what is of infinitely greater importance, of the country too. The provision of transport facilities needs to be looked upon as a national service just in the way that the provision of national defence is. It then becomes unnecessary to think of transport from the point of view of rail, road, water or air interests. Whatever instrument is most economic, given a particular time, place and commodity, is then the most appropriate one.

The role road transport has to play subordinate to, as also independent of, the railway, having been recognised, there could not be any objection to tacking road transport facilities to railway transport. Such co-ordination will save the country from enormous wastes, which other pioneering nations have undergone or are still groaning under, during the period of conflict. We in India have already been committed to a policy of national provision of railway transport. There is now a wide field open for national provision of road transport, with the railway at the top of the organisation and the road serving independently or as feeder to the railway. It is necessary for that purpose that the railway starts upon a policy of running road transport services in outlying areas, so as to develop economically, the kernel of country, as against the present superficial development of the crust. The nations that got a march ahead of us have taught us this lesson at least that there is waste in an economic war from a communal point of view. Why not avoid it by making a straight hit at what is sure of attainment after a long period of painful growth?

V.—Recommendations.

The Central Government to formulate developmental policy.

24. *The Road.*—It is necessary, if the road system of India is desired to be developed, that the Central Government give the initiative. They should actively participate in a programme of construction of gaps left in the national arteries with the provinces. The medium of such participation will be the Central Road Fund, constituted out of the receipts of the petrol duty continued at the present rate of 4 annas a gallon. This fund should be in charge of a Central Road Board, who would examine claims of provinces for help. Regular annual allowances should be made in respect of maintenance of what would be designated as national arteries by the provincial Public Works Departments. After construction, constant supervision will be necessary to ensure maintenance up to a standard laid down by the Central Road Board. The extent of participation needs to be flexible if a harmonious development is desired all round, including the backward provinces.

25. *The Central Road Board.*—The Road Board above named will be constituted of members from all provinces, and attached to the Department of Transport hereinafter proposed. It is necessary that

a business element should preponderate in its composition, rather than engineering. This is by reason of the fact that the whole system will be put on a business basis, and a broad business viewpoint needs therefore to be developed.

26. *Loans finance. Provincial registration tax.*—To supplement national aid, the provincial Governments will do well to resort to loans for strictly construction purposes, instead of straining their resources or starve other essential services, such as education and public health. The debt services shall be paid for from current revenues accruing to the provinces by the imposition of a new registration tax and the additional petrol levy. Rules should be made which guard against loan funds being devoted to maintenance. Similar loan policy should be adopted by district authorities to supplement the provincial aids given on a systematic basis.

27. *Provincial systems under Road Boards.*—Provincial highway systems need to be rigidly marked out and to be administered by Provincial Road Boards in collaboration with provincial Public Works Departments. The Road Board will decide upon all questions of policy. The constitution should be identically on lines with that of the Central Road Board, *i.e.*, business element should again preponderate. A reversal of policy is necessary in those provinces where the provincial system is at present being broken up and entrusted to district authorities.

28. *Department of Transport in the Government of India to be started.*—The above, it is hoped, will bring the road system into perfection. The vehicle is as necessary as the road and calls for as vigorous a policy of central initiative. To ensure harmonious development and to avoid wasteful conflict and clash, it is desirable that the competing instruments of transport be unified in control. Our railways follow a policy of nationalisation, and the same principle should be extended to road vehicles, *i.e.*, to motor transport. With this end in view, a Department should be created in the Central Government, in charge of a member of the Viceroy's Executive Council, and be entrusted with the working of all instruments of transport, rail, road, water or air.

29. *Committee on transport should be appointed.*—A committee of all-India character should be appointed to investigate into the most economical means of transport suited to each homogeneous economic tract, and upon the recommendations of this committee the Department should run services, irrespective of political barriers, on lines more or less identical with the Posts and Telegraphs services to-day.

30. *Government should establish assembling plant.*—Further development of road transport can be assured by manufacturing the vehicle itself in India. It is a long and difficult trail indeed to assemble plant on the Ford or the Dodge scale, but pioneering has been long overdue. The Government of India, in absence of such a venture by private capitalists hitherto, should itself give the lead, in erecting a plant to assemble parts imported from abroad, for the motor vehicles they employ in the army and the postal services. Students trained abroad should be employed in this plant. It will not then be long before one of these engineers registers a patent, and brings the manufacturing plant many a step nearer.

31. *Demonstrations necessary.*—Demonstrations should be given by such authorities as the provincial departments of agriculture and such bodies as the taluka development associations, to bring into relief the advantages of road motor transport in certain spheres over bullock cart and railway transport. Public interest should be

aroused to a pitch where keen economic discrimination as between one instrument and another becomes a habit with each shipper. The country will then have reached a stage in transport development enviable by many a modern nation.

New Delhi, dated the 26th January 1928.

(*b*) Oral evidence of Mr. F. P. ANTIA, Bombay.

Chairman: I must congratulate you, Mr. Antia, on the excellent written statement you have given to the Committee. You have made a special study of road development?—Yes, Sir.

Where did you make that study, was it in any foreign university?—I was a Government Fellow in the Sydenham College of Commerce in Bombay.

Did you go out of India at all?—No, I have made a special study of the subject entirely in India.

Are you an M. Com. or B. Com?—I studied this subject for the M. Com. I have submitted my thesis, and am waiting for the result.

Your thesis is on road development?—Road transport in India.

You have devoted some thought to transport as a national service as you call it. You say that a Department of Transport should be created in the Government of India which should be in charge of all forms of transport,—railways, roads and waterways. You have also given some details. But have you considered this question in its All-India aspect?—Yes.

What is your idea of the Government of India Department of Transport? Could you kindly explain a few details of it?—It should be worked on the same lines as the Posts and Telegraphs Department and it should be under a Member of the Viceroy's Executive Council.

Would it not involve taking the subject out of the purview of provincial administration, because, as you probably know, roads are a transferred subject. Now the policy is to give more and more autonomy to the provinces, and if the roads are transferred to the Central Government, would it not be regarded by the public in this country as a retrograde step to put roads once more in the hands of the Central Government?—I have looked upon the question in this way. So far as vehicles are concerned, they should be placed in the hands of the Department of Transport which I have suggested. So far as roads are concerned, they should be classified as central, provincial and local, and the provincial roads should go to the transferred sides of the provincial administrations.

Your scheme necessarily involves the Central Road Board taking over what are called provincial roads. Now those roads are in the control of the provincial administration. If such roads were to be transferred to the Central Board, would it not interfere with provincial rights?—My conception is this. The Central Road Board will first of all segregate a certain mileage and designate it as the national mileage and offer a certain sum of money to the provinces in return for the provinces accepting supervision over the construction of new mileage and maintenance.

These roads which are now provincial will be taken out of their control and handed over to central control?—To a certain extent they will be.

Why do you say to a certain extent? For all practical purposes they will be taken out of the control of the provinces?—So far as this particular mileage is concerned, I have advocated centralisation.

Can you suggest from your studies any direct way in which benefit could be given out of an increased revenue to the villages? At present the method which the Committee think possible is from the central fund, and to the extent money would be given to the provinces to that extent they will be released down and down until it percolates to the village administration. That is one way. Others have advocated a direct grant from the central fund to the village administration. Can you suggest some direct method by which increased benefit might be given to village administration without disturbing the village autonomy?—In so far as the Central Board will make a direct grant to the provincial Government for the maintenance of national mileage, the provincial Governments will be relieved of that expenditure, and so a certain sum of money will be left over.

That is no doubt an indirect method. But can you suggest any other more direct method? Would you advocate for instance the allocation of a certain portion of the central fund for a specific purpose?—So far as the roads are concerned, I have not considered that question. So far as the provision of transport facilities is concerned, I have conceived the problem in this way. If those services do not pay their way, the Central Government will subsidise the village transport indirectly.

The suggestion that has been made to us is to impose a petrol tax, and one of the ways of making this tax popular is to convince the public and the representatives of the public that this tax is going to benefit the cultivator. I am therefore asking you if you can suggest some method by which the poor man in the villages will be benefited apart from the release of funds downwards?—I have already told you about the method in reply to an earlier question.

Hon. Sir A. Froom: Would you mind telling the Committee what made you take up the study of road transport or road development in India? How was your interest aroused?—The regulations for the degree of M. Com. require that we should write a thesis first and then submit ourselves to four papers. The thesis should be on Indian transport, Indian finance or Indian trade.

You were provided with a selection?—Yes, and I took transport.

From your study you are of opinion that the development of roads would not interfere with the existing system and the further development of railways in India, is that so?—I do hold that there is room for both, because I think that road transport has an independent function to perform quite apart from the railways; I mean besides the auxiliary function to the railways.

Do you mean that a big system should be devised for road transport and railways or would you co-ordinate the two?—I would co-ordinate the two, but as I said, roads have their function to perform independent of the railways also.

You say that the Central Government should renounce the import duties except the duty on petrol; what do you mean by renounce? Do you mean they should give them up or they should transfer them to a road fund?—They should give them up absolutely. I have recommended that the provinces should have some sources of taxation for themselves, and if those sources are superimposed on motor transport

it would be excessive. So I say the Central Government should give them up so as to increase the field of taxation for the local Government.

Have you studied the question of starting some central authority to assist in the development of roads in the shape of a Central Board?—Yes.

Would you give it executive powers or would it be merely an advisory body?—I would give it executive powers.

To whom would that Board be responsible?—I have suggested that it should be attached to the Department of Transport. The Department of Transport should have some control over the Central Board.

And the Board would be a sort of advisory committee to the Department of Transport?—Yes.

Hon. Mr. M. Suhrawardy: You just now said that roads will have an independent existence apart from the railways in India. Do you think road transport development has an adverse effect on the railways?—My view is that road transport has an independent function as well as a function auxiliary to the railways.

Do you apprehend that it will have an adverse effect on the earnings of the railways and railway development?—I do not think so because the railways should start motor transport services themselves.

Mr. Mohd. Anwarul Azim: I suppose you have been making researches on road-making also?—Do you mean from the engineering aspect? I have studied the question to some extent.

It is said here that as the great majority of the roads in India are unmetalled, the most urgent object is to do research to improve the roads. If the kachha roads are made in a scientific way with a little addition of bricks, do you think that will be less costly than making pucca roads properly?—Whether they will be less costly or not will depend upon an intense study of the question as to how much traffic the road will have to cope with.

Let us say a road which has not got to deal with a very heavy traffic, which comes out of a district headquarters and runs to a distance of 10 or 20 miles and passes through two or three bazars, if a road of that kind were to be kept up, should it not be a pucca road to meet the requirements of the district?—I think the sort of road you describe would require to be a pucca road, and it should at least be macadamised.

Macadamised roads are much cheaper than asphalt roads?—Yes, but what do you mean by pucca roads? Do you mean roads made of asphalt?

I mean roads made on the latest methods similar to those existing in Bombay and Calcutta?—Some of the roads there have no asphalt, and if you were to use asphalt for through traffic it will be very expensive.

How should these road improvements be financed? Would you like an additional petrol excise of 2 annas for a central fund and a further additional 2 annas for provincial purposes?—I have recommended this additional petrol duty and it will bring something like 80 lakhs which should be distributed among the provinces. That itself will not be sufficient, and so in addition there should be a registration fee based on the horse power and weight of the cars.

Do you think the registration tax would be popular and would be sufficient to meet all the local requirements?—I have worked out some figures. Please refer to paragraph 18 of my statement.

You would like the provinces to have some sort of taxation through which they should benefit and some other sort of taxation through which the Central Board should benefit and these two should be separated?—Yes.

What is your idea about the working of the present Provincial Road Boards?—I have not had occasion to examine the question closely.

You have stated in reply to the Chairman that you would like important arterial roads to be directly administered by the Central Board?—Yes.

Mr. Muhd. Ismail Khan: Who would maintain these national roads?—The Central Government. The actual executive work would be done by the Provincial Board.

You said that the Central Board would have executive powers. Will it have over provincial roads?—Only so far as national arteries are concerned.

You say in paragraph 9 of your statement that provincial aid to district authorities over district roads should be systematised. Will you explain it?—At present except in Madras there is no system of making grants to district authorities.

The Bombay Government have?—They have no system.

Raja Ghazanfar Ali Khan: The question of allocation of the money of the central fund to the various provinces will not arise if your system is to be carried out?—No.

The Central Board shall have power to spend money direct on the maintenance of roads in various provinces?—The Central Board will allocate money to the provincial P. W. D. enough to maintain the central roads.

What will be the basis of distribution?—A certain percentage of the maintenance expenses.

On what basis the money will be distributed to the P. W. D. in provinces?—On the basis of the use of the provincial road by the central traffic, I mean to say, national traffic.

You think that petrol consumption is not the equitable basis for distribution of money?—I am afraid you are mixing up things. I have recommended that the present petrol duty be retained to form the nucleus for the funds of the Central Road Board. That money should be allocated to the maintenance of the national roads, the national arteries.

What roads will you call national roads?—Those roads used by national traffic, inter-provincial roads, such roads as the grand trunk road, *e.g.*, Bombay-Agra and Calcutta-Peshawar roads.

You think funds will be enough to maintain all these roads?—I think so.

We were told yesterday by the Punjab Government witnesses that they spend about 9 lakhs annually on the maintenance of a portion of the trunk road which passes through the Punjab. You think it will be possible even if the Central Board had 2 or 3 crores at their disposal to maintain all the roads?—On the basis of the present petrol consumption this will come to about 80 lakhs.

You think that 80 lakhs will be sufficient to maintain all the trunk roads throughout India?—That is not so. In so far as the national traffic uses roads of this character—grand trunk roads—the Central Government will pay for the maintenance. Of course part of the expense will be paid by the provinces themselves, because provinces also use those roads. The provinces are themselves interested in the good maintenance of those roads.

Do you mean to say that provincial Governments will also contribute?—Certainly.

They will contribute to the central fund?—As a matter of fact the provincial P. W. Departments will maintain those roads.

Who will be the controlling agency?—The Central Road Board; they will specify the standard of maintenance, and they will carry it out through the agency of the provincial P. W. D.

They will finance from their own funds?—In part.

How will it be decided? How is the part to be decided?—That is an engineering question that could be decided easily. To the extent of the national use of those roads the national exchequer is to pay.

May I ask what you mean exactly by national use?—The extent of national traffic, inter-provincial traffic, which these roads carry.

You think that the importance of the roads should be a factor with the Central Board to spend money?—It is a question of the character of the traffic. A man going from Madras to Peshawar in his motor car knows no provincial boundary.

A man going from Lahore to Amritsar will not be so?—No.

Lala Lajpat Rai: I want to join the Chairman in congratulating you on your written statement. I want to clear one or two important points. In paragraph 28 of your statement, you advocate the establishment of a Department of Transport in the Government of India. You are aware of the difficulty that roads is a transferred subject. Could you tell us how it will be possible to create this Department without taking away the power given to provincial Governments?—Provincial roads, roads that cater for provincial traffic will continue to be under the transferred departments of the provinces.

Is it perfectly consistent with the present law to create a Ministry of Transport, eventually in charge of all the means of communications and transport?—Yes.

Would it be possible to do so until all the railways have been nationalised?—I do not think that will come in the way materially, because we have been already committed to the nationalisation of railways.

But there are still some company-managed railways, and if a Government Department of Transport is established and it formulates a policy with regard to waterways and transport, it might come into competition with those railways?—Yes, it might.

But it is possible to obviate those difficulties by some arrangements?—It is possible; for example, railways might start those services. There is nothing to prevent it.

In the long run it will be in the national interests to have this subject administered by one department?—Yes.

And that will not make it necessary to take away the powers which have been given to provincial Governments?—No, that would not be necessary.

You consider that the development of motor transport is very necessary for the progress of the country both from the civil and military point of view?—Yes.

You also consider in view of its importance that the industry should be encouraged in India?—Yes.

And steps should be taken by the Government of India to start the industry in the way suggested by you, so as to result eventually in the manufacture of motor cars in the country?—Yes.

And that will be to the furtherance of the national interest?—Yes.

And also result in at least a reduction in Government expenditure, because a lot of motors are bought for military purposes?—Yes.

You consider it to be very necessary that some such steps to start with the assembling of parts should be taken at once by the Central Government?—Yes.

It is one of the industries which might be appreciated as a key industry and therefore should be started and subsidised by Government?—Yes.

Do you not think that in that case some start should be made by subsidising a portion of the revenue that is realised by customs duty on imports and on petrol towards that industry?—I have not really considered this question, whether such an industry will require subsidisation. What I thought of it was that the Government of India at present require so many motor cars for use, so many trucks for their railways, for their Posts and Telegraphs services and for their Army. Why not import the parts and assemble them here? That will provide labour to our people and incidentally will reduce the expenditure to Government.

That will be the beginning of the industry, eventually it can be developed into manufacturing in the country?—Yes.

Hon. Sir G. Corbett: We are very much obliged, Mr. Antia, for your interesting statement. I have read it with great care. There is only one point on which I want to be quite clear, and that is, the effect or value of different kinds of motor vehicles on the road, whether six wheelers, for instance, are preferable over particular kinds of roads to four wheelers?—I have not written anything about it in my statement, but I have gone into it.

What is your view? Certain classes of cars do less damage to roads than others?—Exactly so. Six-wheelers by reason of their axle weight being reduced compared to the four-wheelers do less damage to roads. So also about the tyres. Pneumatic tyres do less damage than solid tyres.

You think that from the point of view of road development, it would be possible to encourage the use of six wheeler bus service vehicles which do less damage to roads than others, and also pneumatic tyres?—Yes.

How would you encourage the use of such cars in preference to other cars?—In so far as tyres are concerned, it would be best to give a sort of rebate to those who use pneumatic tyres.

Or have a surtax on solid tyres. It comes to the same thing?—Yes, six-wheelers by reason of their axle weight being lower come in a lower category when registered.

Your registration will be on axle weight and horse power?—Yes.

It has been suggested by witnesses appearing this afternoon that taxation on the basis of horse power or weight of motor vehicles is

unsatisfactory, because it unduly hampers manufacturers in their design?—That is one of the stock complaints.

What is your view?—It has really been found, I suppose, that the horse power basis at least has gone a great way in democratising the motor car.

On the other hand, I suppose Henry Ford represents the most democratic part of the world and he would be penalised?—So far as the tax on his car is concerned.

So far as the taxation of his car is concerned, the user of a Ford pays £20 in England, while the user of an Austin 7 pays only £7. Am I correct in saying that a horse power tax has certain disadvantages, in respect of design, etc.? Have you heard any complaints? For example, engines of shorter stroke?—I too have heard of these complaints.

You think that a combination of horse power and weight is better? Yes, the combined basis would be better.

Which countries tax on horse power, the United States?—Yes.

And the Union of South Africa?—I do not know.

(*The witness withdrew.*)

28.

(*a*) Replies to the questionnaire submitted by Mr. G. C. BANERJI, A.M.Inst.E., Consulting Engineer, Calcutta.

A.—Road Development.

2. (*a*) Rate per 100 Sq. miles of area—

(*i*) Surfaced	..	.. 5·19 miles.
(*ii*) Unsurfaced	..	.. 42·57 miles.
	Total	.. 47·76 miles.

(*b*) Rate per 1 lakh of total population—

(*i*) Surfaced	..	.. 8·41 miles.
(*ii*) Unsurfaced	..	.. 68·19 miles.
	Tofal	.. 77·30 miles.

(*c*) Rato per 1 lakh of rural population—

(*i*) Surfaced	..	.. 8·90 miles.
(*ii*) Unsurfaced	..	.. 73·40 miles.
	Toial	.. 82·30 miles.

3. (*a*) (*i*)—

Total expenditure on roads from provincial revenues. . . . . $\frac{30 \times 100}{1,064}$

Total provincial revenue . . .

= 3% nearly.

(*a*) (*ii*)—

Total expenditure on roads from local funds . . . . . $\frac{36,21,827 \times 100}{1,03,39,621}$

Total local fund revenue . . .

=34·93 or 35%

(*b*) (*i*) The incidence per head of total population of all road expenditure from provincial revenue .. 1 anna nearly per year.

(*b*) (*ii*) The incidence per head of rural population of all road expenditure from provincial revenue .. 1 anna 1 pie nearly per year.

(*b*) (*iii*) The incidence per head of rural population of all road expenditure from local funds, excluding union board figures .. .. 1 anna 4 pies nearly per year.

4. So far as my information goes no road traffic statistics are kept in Bengal. I think investigation of traffic on roads should be proceeded with. The points that require to be noted in this connection are:—

(i) The nature and number of vehicles, load, speed, diameter of wheels, width and material of tyres and distribution of axle loads.

(ii) As regards volume of traffic the records should show whether the traffic is *regular* or due to any *special or temporary cause* such as a fair and the like.

(iii) The traffic statistics should show the effect of the traffic on the roads, *i.e.*, the *wear* of the roads, the "quantities" of the road metal required per mile per year and the cost involved in keeping the roads in a regular condition.

5. So far as my information goes co-ordination seldom exists.

6. The defects in the existing road system as far as I can see is the lack of co-ordination, that is to say, the roads are constructed mainly to serve local interest rather than the interest of the province as a whole.

The other defects in the roads are:—

(*a*) They are not properly drained.

(*b*) They are weak at the surface.

(*c*) They become dusty.

(*d*) It is difficult to maintain water-bound roads where the rainfall exceeds 50″ per annum.

(*e*) The width of the metalled portion being 8′—0″ they appear to be too narrow.

7. (*a*) In attempting to answer this question we must keep our eyes open on roads, railways and the waterways of India as the three means of inland transport. Many hundred miles of railways and navigable canals (besides there are navigable rivers) have been constructed incurring heavy capital outlay. Railway extensions have to a certain extent superseded the use of waterways, the reasons set against the latter being that they have been unproductive and the lower cost of haulage cannot always be claimed as an advantage in favour of the waterways. Up to a few years back we entertained the idea that as a cheap and rapid means of transport, railways can have no rival. Looking back into the history of railway development in India from its inception during the administration of Lord Dalhousie in 1845 as compared with the development of roads beginning with the construction of the Grand Trunk Road in 1839, it is quite clear that the development of road transport has led to an increase in railway business by opening up the country, and railway expansions have created a demand for feeder roads only and so long roads and railways have acted as two complementary agencies. But the late war has revolutionised the state of affairs and we see that in England with the immense development of motor transport the railways are no longer in the same impregnable situation where they were, as with sufficient roads and good roads motors can carry a great deal and they have the advantage that they can convey goods direct from the producer to the consumer without breaking bulk, or, in other words, motor transport now stands as a competitor to railways and in that connection the "Times Trade and Engineering Supplement" says, and says quite rightly, "that if road maintenance and development are charged to public funds there is no escape from the conclusion that road transport is subsidised to the disadvantage of railways which in addition to meeting the cost of upkeep of their own tracks are compelled to contribute by rates and taxes the upkeep of a competitor". This is the condition which now prevails in England. Here in Calcutta we also see that motor transport stands as a competitor to the tramways and consequently the tramways have to incur heavy loss of income. So if we take a lesson from outside as well as from inside we must be very careful at the outset, in consideration of the immense sums of money invested on railways and waterways to see that the construction of roads may not be detrimental to their interests, that is to say, those roads only should be constructed which can actually act as *feeders* to the railways and waterways by means of motor transport.

So far as I can see the rate of development would depend on three factors, *viz.*, (1) the future requirements of the country, (2) devising suitable and economical schemes of development. and (3) funds at disposal.

(*b*) The development of these feeder roads may be financed by means of—

(i) taxation on motor transport and other vehicles which will ply on these roads.

(ii) a duty of annas 4 per gallon on the consumption of petrol as proposed by the Bombay Government on *motor transport*. I say on motor transport, for petrol is used for motor boats, aeroplanes and other engines and it would not be fair to tax them for road purposes.

(c) A loan, of course, may be raised on the security of the above petrol duty after making sufficient allowance for fluctuation in consumption but there is very severe risk in investing money on roads obtained by means of loans as even with limitations as to load and speed (which is very difficult to control) unless a very accurate census of traffic is obtained and the effect of different classes of traffic on roads is very accurately known, a scheme may prove—

(1) either "inefficient", that is, not sufficiently strong to stand the traffic, in which case the life of the road will fall short of the period over which the instalments and interest including sinking fund on the outstanding balances of the capital expenditure will remain undischarged; or

(2) "too efficient" or extravagant, that is built with costly durable material but the traffic does not develop as anticipated, in which case money would be locked up to meet the annual outstanding instalments to cover the cost over a long period when it would be so urgently needed for other work.

When the life of a newly-constructed road is under-estimated and the traffic develops beyond anticipation, it becomes necessary to meet maintenance charges far above the amount expected and further reconstruction works have to be faced during the time when the instalments of the balance of the capital cost of first construction scheme are still to be cleared off. This is a contingency which should be guarded against as it not only puts a tax on the rate-payers of to-day for debts incurred and which should have been paid by their predecessors who got the benefit of the road; but it places a mortgage on the sums to be raised by the rate-payers of to-morrow.

If the density of traffic has reached a point necessitating the construction of a road with costly durable material, then the borrowing of money to be repaid over a future period of years is justified but the life of the road must extend beyond or at least up to the period after the instalments on the loan have expired.

But as there would be practical difficulties as regards obtaining accurate data for this purpose it does not appear advisable to finance construction of roads by means of loans. Bridges, of course, stand on a different footing and their construction may be financed by means of loan, if required.

The future development of roads in India should be taken up by local bodies only. Provincial Governments should subsidise the attempts of the local bodies to develop roads.

8. (i) *Vide* answer to Q. 7(*a*).

(ii) It seems necessary to me that there must exist in each province an agency for co-ordinating the work of the different districts and railways within the province and in this connection I am disposed to think that a *Road Board* should be established in each province.

(iii) *Vide* answer to Q. 7 (*a*). I am afraid it might prove a competitor in the long run as is the case in England and also as is the case of tramways in Calcutta.

(iv) Recommendations of the Ackworth Committee in 1921.

(v) Railways are under the control of Government while the roads are under diverse bodies. So far as my experience goes I am inclined to think that there has not hitherto been any consistent and

systematic policy in regard to road construction due to the absence of a regularly constituted co-ordinating authority. The District Boards have mainly looked to local interests without any regard for facilities for inter-district traffic. An extensive motor traffic with long hauls presupposes a continuity of good roads through different districts and it is therefore essential that there must exist in each province an agency for co-ordinating the works of the different districts within the province and I am thus inclined to think that a Road Board should be established in each province.

9. (*a*) As far as I know chemical and mechanical tests are carried out in the Alipore Test House.

Yes, in the direction of research.

(*b*) and (*c*) As far as I know nothing has been done.

(*d*) The Alipore Test House is under the Government of India and I do not think that there is any harm in making provision for road research purposes provided the Central Government is prepared for subsidising the attempts of other industries too for research.

B.—Motor Transport and Motor Taxation.

1. I have not been able to get hold of the number of motor vehicles registered in Bengal during the years in question, but I understand that the total number of motor vehicles registered in Bengal from the year 1904 up to 1927 is 22,655, out of which Calcutta only accounts for 20,357, the number outside Calcutta thus being only 2,300 in round figures. The numbers here given include those numbers which have become useless and those numbers which have changed hands and thus been renumbered. I understand from the Calcutta Corporation that the number of licences issued for all classes of motor vehicles in 1926-27 is 7,014. This leads me to believe that the total number of running motor vehicles in Bengal at the present day would not exceed 9,000 in round figures.

2. So far as I can see future prospects depend on four factors and further development will depend on how these factors are met with:—

(i) Any factor that will reduce the wear and tear of vehicles—which means the construction of good roads.
(ii) Any factor that will reduce the running costs—which means low price of petrol and other accessories.
(iii) The supply of skilled labour to act as drivers.
(iv) The establishment of mechanical engineering workshops in the mofussil.

Also the demand for *cheap and rapid* transport is bound to increase in proportion as the economic condition of a country increases and as it is expected that the agricultural and industrial conditions of the country will improve, I am inclined to think that there are ample prospects for the development of motor transport in the province. So far as my information goes there are about 43,000 miles of railways in India which give 127′—0″ nearly per sq. mile. This is much less than the same figure for any country in the world with the exception of the Russian Empire. The length of metalled roads is also about 53,600 miles. It would thus be seen that there is ample room for the growth of roads and railways side by side.

3. There is no provincial, District Board or Local Board taxation on motor transport.

4. *Vide* answer to Q. 3 above.

5. (i) Central.—As roads are a transferred subject, I think it is quite undesirable to set apart a portion of the central customs revenue for the development of motor transport in the country.

(ii) Provincial and Local.—It does not appear to me that there is any necessity for allocating the proceeds of taxation on motor transport and petrol duty to roads by provincial Governments. The proceeds should be handed over to the local bodies for expenditure.

6. (*a*) Central—Customs revenue.

(*b*) Provincial—Excise.

7. I subscribe myself to the opinion of the Bombay Government that an additional duty of annas 4 per gallon should be levied on petrol, but it should not be levied on the total consumption as shown in the books of the oil companies, for, as I have said before, petrol is also used for other purposes too. The duty should be on the quantity of petrol used for road purposes only. Further, the duty should not be collected by the Central Government simply for the reason put forward in the letter of the Bombay Government, that is, the proposal means nothing but the imposition of customs and excise duty to be used for the benefit of the provinces on a transferred subject leading back to the old state of affairs. The duty should be imposed simultaneously in all the provinces and Indian States.

8. (*a*) Import duty—*ad valorem*.

(*b*) For registration, etc.—horse power.

9. Owing to diversity of conditions, physical and economic, it does not appear to me to be sound to limit the maximum taxation for this purpose. Each province will have its discretion in imposing taxes.

10. It is not possible to say at this stage.

11. The money should be under the control of the Provincial Road Board and thus there should be a separate fund.

12. No revenue from central taxation is to be allocated for expenditure on roads (a transferred subject).

13. On central subjects.—No.

14. Yes.

15. Yes. Half by the tenant, half by the landlord. The amount is collected by the provincial Government along with the land revenue and credited to the District Boards for expenditure.

C.—Road Board.

1. No.

2. (*a*) I do not consider it proper that revenue from central taxation should be allocated for expenditure on roads which is a transferred subject and thus think that a Central Road Board is undesirable.

(*b*) If provincial programmes (and those affecting Indian States) of road development are to be co-ordinated, the necessity for a Central Road Board comes in. But as the establishment of a Central Road Board means nothing but taking back the powers already granted and thus reversion to the old state of affairs, with the sacrifice of railways' and waterways' revenues in return for spending money on roads (although at a distant date). I do not think that it is desirable.

(*c*) The development of roads and railways may be achieved by means of Provincial Road Boards and the necessity for Central Road Board does not come in.

(*d*) No. The Alipore Test House is under the Government of India and I think researches in all classes of industries may be carried out there by setting apart a certain amount for research in all classes of industries.

D.—GENERAL.

1. The whole range of question appears to me to hinge on the proposal for the formation of a Central Road Board which I think is absolutely undesirable.

2. Facilities should be given at the Alipore Test House for researches in all classes of industries.

New Delhi, dated the 26th January 1928.

(*b*) Oral evidence of Mr. G. C. BANERJI, A.M.Inst.E., Consulting Engineer, Calcutta.

Chairman: You were an Executive Engineer of the Bengal Government?—Yes, and I worked in Bihar also.

So you were an Executive Engineer in the Bengal P. W. D., and have worked in the provinces of Bengal and Bihar and Orissa, and have experience of these provinces?—Yes.

How many years did you work in the capacity of an Executive Engineer of the Bengal Government?—About two years.

You are an engineer by profession?—Yes. I was an official from 1906 to 1921, and after that I have been practising on my own account in Calcutta as a private practitioner.

Well, the provincial Governments are dealing with roads as a transferred subject at present. Now the suggestion is that the improvement of roads would be considerably accelerated if some central body is appointed and takes up the management of a few roads or of the road system of India. Can you suggest any method by which the improvement of the roads may be effected without causing in any way any interference with the powers of the provincial Governments in respect of a transferred subject?—I would not approve of a Central Road Board.

You would not approve of any central administration for looking after roads?—No.

How would you provide for additional funds?—By means of taxation on motor transport and vehicles and by duty of 4 annas per gallon on the consumption of petrol.

You would leave the trunk roads undeveloped?—Yes, I am suggesting the development of feeder roads only. At present there are some trunk and inter-provincial roads, like the Grand Trunk Road, etc., and I would not approve of new trunk roads being taken from one province to another because that would interfere with the railway revenue.

What is good from the agriculturist point of view, to develop railways only?—The agricultural and industrial development of the country

requires feeder roads to be made so that the railways may be fed. Railways can cope with all traffic, when fully developed and aided by feeder roads. There are nearly 40,000 miles of railways in India and there is ample room for its development. Construction of new trunk roads will create competition but later on.

Do you think that the State would allow competition?—I dare say not, but if new trunk roads are developed, competition is sure to come on.

Is not a certain amount of competition good for the railways, as some railwaymen themselves have told us that the development of trunk roads benefits the railways: do you wish to advance a contrary view?—So far as I have studied the situation in England and with regard to the bus service in Calcutta competing with tramways, I see the tramway revenue in Calcutta and the railway revenue elsewhere have been affected by improved bus services. The competition may be good from a different standpoint.

What is good of the tramway may not be good of the railway: have you experience of a railway administration?—No.

Have road buses done any harm to Calcutta as a city?—No, but some harm to the tramway company.

What does it matter from the point of view of the ordinary man?—It affects him in this way that a railway has invested a large sum of money, which is public money, and if this is rendered unproductive, the public is affected.

Does this view not lead you to this view that when there are big organisations like railways, tramway companies, etc., competition should not be allowed so as to starve these companies?—Yes.

Do you think that a sound basis of action in a country like India to stifle all competition?—I am afraid it is not, but India in her present condition cannot afford to develop an independent system of roads side by side with the railways which have far advanced to promote competition and we will have to rely on the development of feeder roads and the development of railways in developing the country.

What do you mean by feeder roads: supposing there is a big trunk road going, and a railway going parallel and there is also a road connecting the trunk road with the railway station, do you call that a feeder road?—Yes.

These roads should be developed?—Yes, where the trunk roads exist.

How can they develop to the fullest extent unless you develop the trunk road which connects the feeder roads?—Existing trunk roads will have to be improved and maintained. New feeder roads will also have to be taken from the important business and agricultural centres, and they are to be connected with the main trunk roads where they exist. The feeder roads from the industrial and agricultural centres will lead to the railways and waterways.

Therefore you are merely thinking of road development as an accessory to railway development?—Yes.

You do not conceive of road development as an independent system by itself?—I have not studied the problem from that point of view, simply because India cannot afford to spend money in developing an independent system of roads side by side with the railways when money is badly needed for other works.

Hon. Sir A. Froom: Were you in charge of any district as an Engineer in Bengal and Bihar in charge of roads?—Yes.

What difficulties did you find in your way of developing these feeder roads?—They were not properly co-ordinated. They did not connect one district with another.

How would you suggest that co-ordination should be established—by these roads being taken over by the provincial Government? What is your remedy?—If a Provincial Road Board is established, they could be co-ordinated.

You think lack of development is due to lack of funds?—Yes, in many cases.

You would support the idea of some increased taxation to put your province generally in funds?—No.

Hon. Sardar Shivdev Singh Uberoi: You would recommend the development of the road system in India only where it does not compete with the railway system?—Yes.

In some provinces, and especially in mine, on the Grand Trunk Road the motor transport is running to the competition of railways and the competition is being felt by railways: would you recommend that this road should be closed entirely to motor transport because it affects the railways?—I do not mean that existing trunk roads should be closed; this point should be borne in mind in constructing new trunk roads.

On account of there being no competition among the railways in India, many inconveniences are being felt by the public on the railways, and sometimes also for the purposes of commerce the rates of goods traffic on railways are higher. Taking into consideration the many inconveniences which are being felt by the public in railway journey, would you favour the encouragement of motor transport by road development?—Those have to be decreed on the merits of other works.

Considering the fact that motor transport is giving employment to a lot of people, would you still maintain that the road systems should not be developed for fear of competition with railways?—If the feeder road system is developed, the people would not be debarred from employment.

Do you not think that it would give an impetus to travel if the means of transport are more and better?—Of course, in some cases public opinion may be in favour of transport by motors. But the question is whether the country's revenue should be allowed to be spent for the development of motor transport in competition with railways over and above what is absolutely necessary.

Hon. Mr. M. Suhrawardy: You confine your scope to the development of that kind of roads leading from business centres to the railway stations?—Not only to railway stations, but also to waterways.

Just for marketing all their goods from a business centre to the railway?—Yes.

In other words, you confine yourself to the development of what are called feeder roads?—Yes.

Mr. Mohd. Anwarul Azim: Have you got any idea of the conditions of North and South-Eastern Bengal?—No.

Mr. Muhd. Ismail Khan: I suppose that so far as long distance are concerned, people will prefer to go by rail and there will be no question of competition?—Yes, given a system of good and sufficient roads, some may go by roads.

Would any one prefer to travel on road from Bombay to Delhi by a car?—Some may, but for the purpose of travel by motor cars, there is no necessity for constructing such new trunk roads.

You will maintain the existing trunk roads or inter-provincial roads?—Yes.

Would you not create gaps if one province breaks away from the system?—Existing trunk roads should be maintained so that they may be used as much as possible but as new trunk roads should not be constructed, there may be gaps.

Raja Ghazanfar Ali Khan: You are in favour of 4 annas petrol duty?—Yes; that appears to be the only means of raising a substantial sum of money.

And you think that this tax should be imposed only on the petrol consumed by motors?—Yes; I would exempt motor boats, aeroplanes, etc.

Chairman: Why should they be exempted?—They will not get the benefit of the roads.

Unless there are roads how will people go and get into a boat?—They should not be taxed for the petrol consumed for their journeys.

How will you collect this 4 annas duty? Will there not be practical difficulties in dividing the incidence in the case of boats and aeroplanes?—Yes, but concession will have to be made as they do not use the roads.

I suppose you know that the duty is collected at the source where nobody knows what use is going to be made of the petrol, whether it is for the boat or for an aeroplane. The only way that you can suggest is a rebate for the exempted article?—Yes; exemption ought to be made on the quantity of petrol used by them.

Raja Ghazanfar Ali Khan: You think that the funds of the Central Board should not be spent on the development of roads for motor traffic. You are opposed to the development of motor traffic?—I do not approve of a Central Road Board and thus there cannot be any Central Board fund to be spent in the development of motor traffic.

Any increased duty on petrol will have to be earmarked for roads?—Yes.

The Central Government will collect that money?—No.

Your proposal is that this money should be distributed to the local bodies by the Central Board?—My proposal is that there should not be any Central Road Board.

The Central Government should then distribute the money to the local bodies?—No, not the Central Government but the provincial Governments.

But the money will be collected by the Central Government?—The provincial Government should collect the money by petrol excise.

Chairman: You have not made any special study of excise collection?—No, I have not.

(*The witness withdrew.*)

29.

(a) Written memorandum submitted by Army Headquarters.

The general policy to be adopted by Government with regard to the functions of a Central Road Board and the relations of the Board with provincial Governments are matters upon which Army Headquarters are not qualified to offer an opinion. We need only say that, in so far as a Central Road Board will be a body devoting its attention to the improvement of road communications and to the encouragement and development of mechanical transport, the proposal to form such a Board has our full support.

2. Closely interested though we are in the upkeep and development of roads in connection with the movement of troops and in enabling the Army itself to make more extended use of mechanical vehicles, our chief concern is with the encouragement and development of civilian mechanical transport.

3. It is axiomatic that no country can maintain in peace sufficient mechanical transport to meet its potential war requirements. To do so would be to place an intolerable burden on the taxpayer. The Army must, therefore, look to civilian sources to supplement its establishment both in vehicles and personnel in time of war. Thus, any measures tending to increase the scope of mechanical transport in India will benefit the Army and in the achievement of this object we are particularly concerned that every encouragement should be given to civil mechanical transport to develop on lines suitable for military purposes.

4. It is obvious that the development of mechanical transport can best be furthered by the provision of adequate roads and the easement of any taxation that bears hardly on this form of commercial activity, which, in India, is still in a nascent state.

5. With regard to road policy, we are of opinion that the development of provincial roads as feeders to the railways will be more likely to conduce to the increased use of load and passenger vehicles than expenditure on an enhanced scale on the extension and improvement of the main trunk arteries. In a country of such great distances, trunk roads cannot compete with the railways commercially, and though, we fully realise the importance of maintaining such roads in good condition, our object is not, in the first instance, to benefit mainly the touring car. It is the present bullock cart traffic which we would wish to see gradually replaced by mechanical transport and this process would, we believe, be of the greatest benefit to the prosperity of the country as a whole, while at the same time helping us to meet our military requirements.

6. In view of the above, we advocate primarily the development of provincial (or district) roads tapping agricultural areas not provided with railways and enabling their produce to be brought to the railway by mechanical transport.

7. With regard to taxation, excise and customs, the provision of funds is obviously essential both for the Central and for Provincial Governments if any progress is to be achieved. The details of taxation and the allocation of such revenue as accrues are matters beyond our province.

We only wish to indicate the lines on which, in our opinion, the incidence can best be adjusted for the furtherance of the objects we have in view.

8. A tax on petrol is in our opinion the most equitable method of taxation, as the amount of petrol consumed by the motor owner will then be proportionate to the size of the vehicle, to the actual mileage run, and the consequent damage done by the vehicle to the roads.

9. We are definitely opposed to any tax based on the horse power or weight of motor vehicles, as such a tax has the effect of hampering the manufacturers in designing a vehicle suitable for economical employment in India and tends to encourage the introduction of small or underpowered vehicles which are of little use for military or economical commercial employment.

New Delhi, dated the 26th January 1928.

(b) Oral evidence of representatives of Army Headquarters :—

Colonel D. OGILVY, D.S.O., O.B.E., Deputy Engineer-in-Chief (Works), Engineer-in-Chief's Branch.

Colonel S. F. MUSPRATT, C.S.I., C.I.E., D.S.O., A.D.C., Director of Military Operations, General Staff Branch.

Colonel W. PARKER, C.B., C.M.G., D.S.O., Deputy Director of Transport, Quartermaster-General's Branch.

Captain C. B. EVANS, I.A.S.C., Deputy Assistant Director of Transport, Quartermaster-General's Branch.

Chairman: You are described as Deputy Engineer-in-Chief (Works), Engineer-in-Chief's Branch. What are exactly your functions in regard to the Military?—*Col. Ogilvy*: I am Deputy Engineer-in-Chief in charge of military works.

And you are the Director of Military Operations, General Staff Branch?—*Col. Muspratt*: Yes.

This is what you say in the written memorandum which has been submitted to the Committee—"Closely interested though we are in the upkeep and development of roads in connection with the movement of troops and in enabling the Army itself to make more extensive use of mechanical vehicles, our chief concern is with the encouragement and development of civilian mechanical transport". I suppose so far as you can say the Army would be willing to fall into line in a scheme of road development all over India?—*Col. Muspratt*: Yes.

Because our roads on the civil side serve military purposes in case of necessity?—Yes.

And if the Committee recommended a scheme of road development which would be beneficial to the military, I take it that the military would be quite willing to work in co-operation and harmony with any civil establishment in this connection?—I should think so.

At present many roads authorities on the civil side have complained to us that the military do not bear their share of the burden. Do you agree with that view? I will give you specific cases later on after you give me your answer to this question?—We do not bear any share in the main arterial roads in the country but we have got a certain number of roads which we construct for our own purposes.

But the Army does make use of arterial roads on occasions?—As members of the community generally.

I will give you a case specifically put to us by a European member of the Bombay Government. In Bombay it so happened a few years ago that the Bombay Government were thinking of getting across a river by having a causeway which would have been sufficient for their civil purposes. The military said: No, it will not be useful for the troops. Construct a bigger road which would be useful to us in times of necessity. Accordingly the Bombay Government constructed a bigger road which cost Rs. 15 lakhs. A causeway would have cost only Rs. 4 lakhs so that the amount of Rs. 11 lakhs was incurred at the express suggestion of the Military Department and for the use of that Department. Ultimately the Bombay Government made a claim that a part of this additional Rs. 11 lakhs should be borne by the military. The military refused to do so. Now I want to ask you, without committing yourself more than you can, do you not think that in this case the military ought to have borne its share of the expenditure?—They do pay in the North-West Frontier Province.

These are purely military roads?—But they are used by the civil.

I do not want to entrap you in any question, but I merely want to know if we prepared a scheme in which the military materially benefited, would it not be just to ask the military to pay a certain quota in order to lighten the burden of the tax-payer?—I do not think the military get much more benefit than the other Departments like Posts and Telegraphs and Railways and I do not know whether the military wanted that road in Bombay for their own domestic use or whether they required it for local purposes.

It was entirely for military purposes because they said that they may have to move heavy artillery some day and a causeway would be of no use?—The question is whether the heavy artillery was required for the use of the Army or not.

We do not use heavy artillery for things like riot and *ex hypothesi* it was required for military purposes. I can understand military being useful to the civil Government for quelling riots and things of that kind, but I am speaking of a road purely constructed for military purposes. Of course as a layman I am putting to you the view of the non-officials that the military ought to contribute a certain quota if not a large amount if they desire to co-operate with the civil population in improving roads?—We do so particularly on the frontier but we are not so concerned in the roads further down country. Besides in the cantonment we spend quite a lot of money.

But you go beyond cantonments for military purposes?—Yes.

This Committee is drawing up a scheme in which everybody will make a sacrifice. The ratepayer will make a sacrifice by paying 2 annas extra on petrol. The local bodies will be asked to make a sacrifice by giving up the existing revenues from tolls; so that when everybody is making a sacrifice, would not the military fall into the scheme and contribute its share in the development of roads?—I do not think that anybody in the Army would possibly agree to contribute very much,

and it would mean a lot of increase in the Army budget. *Col. Parker*: We shall also contribute if you put a tax on petrol. That will be the Army contribution to some extent.

That will be under the increased tax but what about the existing condition. You say in paragraph 9 of your written memorandum that you are opposed to any tax based on the horse power or weight of motor vehicles. May I ask you why you are opposed to horse power being the basis of taxation?—*Col. Muspratt*: Because if you go on horse power only, the result will be the introduction of small or under-powered vehicles which will be of no use to the military and it does not really aid in the efficiency of design and in the efficiency of development of mechanical transport vehicles as we should like. That is the chief reason. We know that the manufacturers and designers of motors try to escape this tax by various means.

If I may say so without any disrespect to the Military Department, does that arise from the selfish motive that if horse power were made the basis of taxation, the military would have a very heavy bill to pay?—We are very doubtful indeed whether we do not pay more as it is; we do not know at the moment what you are going to do, whether you are going to put a charge on petrol; we are perfectly ignorant about it; there is no idea of saving or otherwise from the military point of view, but there is a definite idea behind our minds of trying to encourage what we consider a commercial vehicle which will be of value to this country and of value to ourselves.

Hon. Sir A. Froom: In supporting the idea of a Central Road Board and the development of roads, I gather from your written memorandum that the interests of the Army march together with the interests of the development of the country?—Yes.

Because you can make roads available for mechanical transport commercially, in time of war you will be able to move that mechanical transport for Army needs?—Yes.

And in that way the Army is lessened?—It does obviate the necessity of our maintaining a large amount of mechanical transport?

Supposing you had roads worse than those now existing and you had less facilities for mechanical transport moving about, would it necessitate your keeping a bigger army in this country—the mere fact that the forces were less mobile than they would otherwise be?—I think to a certain extent it would.

If you move your forces about more quickly you would be able to obtain more mobility with less numbers?—To a certain extent.

Chairman: Mobilisation does not generally take place by roads, it takes place by railways?—Yes.

Very rarely you have got to mobilise an army by road except for very short distances?—The whole of our mobilisation takes place by railway practically.

Hon. Sir A. Froom: I did not mean general mobilisation. I said the Army would be more mobile if we had better means of transport?—To a small extent what you say is certainly true, but not for general mobilisation.

Chairman: Given a certain amount of minimum surface improvement, I suppose it matters very little to the Army whether the surfaces are made still better or perfectly macadamised?—Now that we are introducing six-wheelers, it matters very little.

Beyond that the Army does not want a very perfect road?—Not from an Army point of view; but we want to encourage the use of mechanical transport in this country for our own purposes.

Speaking from the point of view of what Sir Arthur Froom was just saying, does it really make any practical difference?—Of course we are moving every six months, or every year; sometimes every three months; and with the advent of the six-wheeler our difficulties are very much less; we can move across country if we want to; we do not even require metalled roads.

Hon. Sir A. Froom: You say in paragraph 6 of your written memorandum "In view of the above, we advocate primarily the development of provincial or district roads tapping agricultural areas not provided with railways and enabling their produce to be brought to the railway by mechanical transport". Of course you naturally look at it from the point of view that the more roads are put in good order the more mechanical transport could go on them at a time of stress?—Yes.

In this direction the interests of the agriculturists and of the Army regarding the smaller roads are identical?—Yes.

Is that the reason for the criticism of the horse power taxation in England that it is mainly mechanical and engineering?—Yes; and another great reason against it is that you do not pay in accordance with the damage done to the roads. The petrol tax is almost proportionate to the amount of damage done to the roads, but a horse power tax is not; a car travelling 15,000 miles in a year does fifteen times more damage to the road than a car doing 1,000 miles a year can do

Would the same thing apply as regards weight? The heavier the car the more petrol would it consume to the mile?—No, not entirely; it depends on the tyres to a very large extent, whether you are having pneumatic, solid or even iron tyres.

But in some countries the weight of the car is taken into consideration for taxing purposes?—I certainly think the weight tax is preferable to a horse power tax.

It does not necessarily follow that the heavier the car the more petrol it would consume, given equal conditions of tyres?—Generally I think it would; I think you can say it is proportionate.

In that respect the weight of the cars is represented in a petrol tax?—Not entirely because two users of the same type of car may not use it to the same extent; one may do 20,000 miles and the other may do 2,000 miles and allow it to lie quiet during the rest of the year.

Mr. Mohd. Anwarul Azim: May I osk whether in cantonment areas the P. W. D. look after the roads?—*Col. Ogilvy*: Only after the trunk roads running through cantonments; the cantonment boards look after other roads.

Mr. Muhd. Ismail Khan: I take it that armoured cars and artillery wagons damage the roads to a considerable extent?—The armoured cars do to a certain extent.

Suppose you hold manœuvres and there is a large concentration of troops in one province, you damage their roads; is it not fair that the military authorities should compensate that province to that extent?—If you get the petrol tax, we will be doing so; I should have thought that it would have been up to the province to pay the cost as a public spirited act.

Lala Lajpat Rai: That public spirit ought to be divided over all departments.

Mr. Muhd. Ismail Khan: If you spoil the roads of a particular province, should you not make some contribution to the income of that province?—I think that is a very thorny subject.

Mr. E. F. Sykes: Is the Army in the same position as any other road user or has it any special privileges in the matter of paying tolls or as to weight of axles or anything like that?—I do not think it has any privileges; it is subject to the rules as to load and weight on axles when going on bridges—otherwise the car would go through; we have no privileges at all as far as I know.

Your vehicles in any case would be restricted to the rules laid down by any road authority?—Yes.

Do you pay tolls, say, on the Jhelum bridge?—I do not think we do; I do not know where the privilege exists or where it is laid down but we have never in fact paid.

Raja Ghazanfar Ali Khan: Are there any roads in the Punjab which you would call military roads?—Outside cantonment areas?

Yes?—It is a difficult question to answer offhand; I do not know really.

Is there any road in any province in India except the Frontier Province, besides the cantonment areas, which you would call a road of military importance?—Yes; there are two or three; I think the road from Kathgodam to Ranikhet is one; also the road from Kotdwara to Lansdowne; anyhow on those roads I believe we contribute a portion of the upkeep.

This Grand Trunk road that passes through the Punjab to the Frontier: do you not think that it is a road of military importance because you have got regular camping grounds at the end of every nine or ten miles throughout the road?—*Col. Muspratt*: I should be very sorry to say that any road is not of potential military importance. I would not characterise any of these as particularly of military importance; I would not call the trunk road of primary strategic importance because we use the railway rather than the road.

I put that question because some witnesses have said that the idea of maintaining these inter-provincial roads should be given up altogether—that there should be no road joining one province with another and that the Grand Trunk Road should be altogether ignored?—From the military point of view we should like the main arterial roads kept up.

But if the financial position of certain provinces does not allow of maintaining a certain grand trunk road and they do not consider it necessary for civil purposes, would you be prepared to make some contribution?—I do not think we would be able to step in to assist.

Are there many roads in the Frontier Province which are not of military importance, but military roads?—*Col. Ogilvy*: Only one or two big military roads which are constructed and maintained entirely by the military.

Could you please give me a rough idea of how much money you spend on the maintenance and construction of roads in the Frontier Province?—I could not tell you offhand as regards construction, but the amount of money allowed for maintenance is Rs. 1,000 per mile, for the maintenance of metalled roads, and for new construction it varies. In the hilly country it is up to Rs. 2 lakhs a mile, and in flat country it gets down to about a lakh or even less.

Do you know that the average cost of construction of a metalled road as given by the P. W. D. is about Rs. 25,000 a mile?—That is on perfectly flat country. We bridge our roads rather more pucca than the ones made in the plains of India, and most of the extra cost is in bridging.

May I ask if there are any roads in the Frontier Province for the upkeep of which you pay a portion?—There are a considerable number.

On what principle do you pay?—If for example we want a road of a higher standard than the civil require, that is to say, we want a second class instead of a third class road, we pay one-third of the upkeep.

Have you any idea roughly of the mileage for which you pay one-third?—I could not tell you offhand.

Chairman: Take the case which I put in the course of my earlier question: the Bombay Government wanted a causeway but a bigger way costing about 11 lakhs more was built for military purposes, does it not fall under the same principle?—I do not know the facts, but I have heard of it.

Supposing it was, as I put it to you, on the same grounds on which you pay part of the expenses of military roads in the Frontier Province, do you not think here also it should be paid for *pro rata* by the military?—That seems reasonable.

Lala Lajpat Rai: You know that there are certain strategic railways classed as military: are they paid for by the Army Department?—No.

You know that in designing different railway routes sometimes alternate routes are provided for from the military point of view for the purpose of enabling the military to move about freely, and the mobility of the troops is kept in view and there are double sets of lines on railways. Do you not think part of the expenditure should go to the military?—I do not agree; it should not come from the military budget.

I mean you may have that budget extended to that extent; paying from the existing military budget is a different thing and debiting it to the military is another?—It is I think the fact that it is kept out of the military accounts, and I think that is better.

Do you not agree that the development of mechanical transport is framed from the military point of view?—Yes.

And you would like to reduce expenditure on military transport. Very well, if Government were to have an organisation for assembling here different parts of mechanical transport, will not that reduce the cost of military transport?—*Col. Parker*: Yes, if the efficiency was the same. I am not quite clear, are you proposing that you should manufacture in this country?

For the present perhaps I would advocate that different parts of mechanical transport might be obtained and assembled in this country, and that would reduce the cost to a certain extent?—How are you going to reduce expenditure in that way?

Because labour will be cheaper here, and it will also reduce the cost of bringing it?—We want trained artificers to assemble those parts; and if such were available (which I say is not the case) there might possibly be some saving. *Capt. Evans*: I think it would be very much more expensive because if you buy a motor car in bits, they charge you very much more for the individual bits.

But certain Companies do assemble their parts in India?—*Capt. Evans*: But we do not buy in enough large quontities. There would probably be a saving when a commercial firm like Morris's or Ford's did it.

How much motor transport do you buy in India? Will not that be cheaper?—To make it cheap, you must have quantity and by quantity

one visualises perhaps 30,000 cars assembled in the year; but to assemble a hundred or two hundred, which is nearer the figure which the Army buy, it will not pay.

Do you not think that for military purposes it would be much better for the country to be self-contained in that respect?—Yes.

Do you not think it is the duty of Government to do something towards encouraging the manufacture and assembling of motors?—*Col. Parker*: We cannot criticise the Government of India, and we do not like to say anything; we have no views about it.

From the military point of view, it would be very useful?—I think it would.

Hon. Sir A. Froom: Do you consider that the Government of India should interfere with commercial enterprise?—I do not know anything about it.

Lala Lajpat Rai: Col. Muspratt, when you conduct manœuvres, do you not stop all ordinary traffic?—*Col. Muspratt*: No, but I cannot say that it has never been done before As a general rule, I should say that it is not done. If we are doing any firing, for the safety of the public we restrict the traffic for a short time. But during manœuvres we very rarely do firing. I should say manœuvres tend to increase traffic and I think the passage of troops very little interferes with the traffic.

Hon. Sir G. Corbett: Col. Parker, with regard to the question of the equitable way of taxing motor transport, it is generally admitted that a tax on petrol is the most equitable way, but you will understand that there is on economic limit beyond which you cannot put a tax on a particular commodity?—*Col. Parker*: I do.

And therefore you have to distribute your taxation over a broader basis?—I agree. I think that is the usual system.

You never find in any country that the taxation which you get from your motor vehicles is sufficient to pay for the whole of the maintenance of the roads which they use: there is an economic limit beyond which you cannot go, and the general practice of other countries is that a contribution is made from the general finances of the country. There is an economic limit to the tax on petrol?—Quite.

And the balance required may be a considerable amount?—Possibly I think you are right.

The vehicle tax in the United Kingdom reduced to terms of petrol tax works out to a shilling a gallon and it has been objected that this is higher than the consumer would bear?—That may be so.

Assuming that there are difficulties in enhancing the petrol tax up to the full economic taxability of motor transport, we must explore other avenues and you have objected to horse power or weight. What would you consider the next best?—I am not prepared to say straight off. I personally should think when you have got the limit of your tax on petrol or on horse power, you must find the remainder of the money required from some other source, not from that industry.

You know that in America there are different sources of taxation, petrol, excise on manufacture, etc.?—Yes.

In the Punjab they have a tax on seating capacity. Will there be any objection to that?—Would there be equity in that? You will get a Ford 4-seater and a Rolls Royce 2-seater. You are going to charge the Rolls Royce less than the Ford?

On the other hand, it might easily be argued that the owner of the Rolls-Royce might afford to pay a higher tax?—Are you going to discriminate against a man who is wealthy or not?

The Punjab Government, whose representatives gave evidence yesterday, claimed that the direct vehicle tax was much more satisfactory on account of its elasticity. They took as an example commercial vehicles, which at present were paying on a lower scale than private vehicles. That was in order to encourage the use of commercial vehicles. But the complaint has been made that commercial vehicles do a lot of damage to roads and they wanted to put them on a higher scale than private vehicles. Would a petrol tax provide for all that?—*Col. Muspratt*: It seems to me that it would not meet the case entirely.

It would not allow elasticity. You may consider that you wish to develop commercial transport in one tract. They may over-develop and knock up your roads and then you would want to increase your tax on them?—There is no perfection in any method, but to us it seems that this is the most equitable method.

From the point of view of design, the question of seating would not affect the design?—I do not think it should.

Or even a flat rate on cars?—No.

You prefer that method of taxation from your point of view to any mechanical form of taxation which might have the effect of interfering with design and other things?—*Col. Parker*: Our chief point is that we want to encourage the right design.

There is one particular form of design which you may wish to encourage, and that is six-wheelers. I take it that six-wheelers are of particular value to you?—They can move across country. They can take heavier load on the road than the four-wheeler and they can take practically the same load across country that the four-wheeler can take on the road.

Then what is the effect on the road?—Six-wheelers are less destructive because the load is distributed.

From your point of view it would clearly be desirable to encourage six-wheelers and also from the point of view of road development apparently, because they do not require such a high type of road and they do not do the same amount of damage?—Yes.

It seems to me if we wish to encourage the use of six-wheelers by the method of taxation, we should have to take into consideration this design particularly?—Yes, we rather hope you will.

We could not do it on the seating tax?—Quite so.

We come back to technical considerations, the mechanical design of a car, in assessing taxation. Could you, at your leisure, work out any suggestions for taxation which would encourage the use of these cars which are of special value and less destructive to roads?—I could.

I think it would be very useful. A witness this morning suggested that axle weight would meet the case, because weight was more evenly distributed?—That is the next best.

He favoured six-wheelers because the weight was distributed over six axles?—Yes.

In taking into effect the value of petrol tax as being the most equitable method of taxation, have you considered the effect of such a tax on other industries which use petrol, particularly aviation? If you push up the tax on petrol up to the full taxable capacity of motor transport,

what would be the effect on aviation?—I am not prepared to answer that. It must have some effect.

One cannot look at the petrol tax merely from the point of view of motor transport?—The Government of India cannot. Possibly there is a difference between the two types of petrol. I do not know to what extent it can be separated.

Hon. Sir A. Froom: For aviation should petrol be specially refined? Where is it specially refined?—It is the lighter element.

You would not call it ordinary petrol?—You would have your motors using it. We use it in our tanks as a matter of fact. The Rolls Royce armoured cars use aviation petrol. Everybody would use aviation spirit if it was cheaper.

From your point of view, I take it, you would not wish the petrol tax to be raised to such a height that it would discourage aviation?—No.

Because the encouragement of aviation is important?—Aviation is very important.

Can you give us an idea of the amount of petrol tax that is paid by the Army?—No; the finance people will tell you.

(*The witnesses withdrew.*)

30.

(*a*) Written memorandum submitted by the Railway Board.

1. Generally speaking any scheme, by which the development of the road system of India will receive an impetus, will be welcomed by the railway administration. The benefits that may be expected from it probably far outweigh the losses that may be suffered in some areas from the competition that will arise from road motor traffic. Railways in India have always felt the lack of roads to feed them, and there have been many instances in the past of representations being made to local Governments for the construction of feeder roads to facilitate access to the railways, the main arteries of communication; it is known that it has been the practice of some railway administrations to address the local Government concerned, when the construction of a new railway line has been sanctioned, with suggestions for the construction of roads to feed it.

It is natural that in the replies received by the Committee from railways the latter should have expressed themselves as opposed to the construction of roads parallel to and running alongside the railway lines, but it must be recognised that a road system will have to be connected up and cannot be limited to roads more or less at right angles to railways. It is suggested, however, that there is large scope for many years to come in the development of roads which will feed the railways rather than compete with them, and that, even where roads are required parallel to the railways, they will open up the country better if built at some distance from the railways. The views of the B. N. Ry. Administration as expressed in A.-2 and B.-2 of their replies to the questionnaire seem to put the matter in a sound way.

2. It is noticed that the question put to railway administrations about combined rail and road bridges has been interpreted in various ways, and the replies given appear to be somewhat contradictory. The views held by the different railways are, however, probably more

or less similar and approximate those which have been expressed more than once by the Government of India in the Railway Department; they may be stated briefly as follows:—

(i) Roads should not be permitted to run on railway bridges in such a way as to be coincident with the railway track. This principle has been in force for many years and only in very exceptional cases should be departed from. It is unsatisfactory and may be dangerous to both road and rail traffic.

(ii) Opportunity should always be given for the provision of a road on a railway bridge over an important river, whenever such a bridge is being built on a new line, or when on an existing line such a bridge is being rebuilt or regirdered. The road, however, must be provided either above or below the railway track on a separate floor, or outside the main girders of the railway track. Rules governing the incidence of cost are laid down for such cases and briefly require that only the extra cost involved over the cost of the bridge for the railway alone has to be met by the road authority.

3. It has been the policy of all railway administrations to give all possible encouragement to the construction of roads by quoting very low rates for the carriage of road metal. The question of reducing the rates for the carriage of petrol by rail has been under consideration lately, as a result of a reference which was made by the oil companies to the Railway Board and also of an application to the Rates Advisory Committee by the British India Corporation.

4. The co-ordination of road and railway development becomes more important if there is a possibility of a large increase in the mileage of roads. It is suggested in some of the replies sent in by the railway administrations that this co-ordination should be effected by co-operation between the proposed Road Board and the Railway Board. Although the latter will be very glad to co-operate in this matter, if a Road Board is constituted, it is felt that the extent to which this can be effected can only be limited in view of the very wide area to be considered. It must be remembered that the responsibility for suggesting schemes of railway development has been put upon the big railway administrations, working in conjunction with local Governments, and it would be a more practicable method of obtaining the necessary co-ordination if the local Governments were all to institute Communications Boards (as has been already done in some Provinces) and were to invite the railways concerned to put representatives on them. The same principle might be extended to local areas, as some railways have suggested, if thought desirable.

New Delhi, dated the 26th January 1928.

(*b*) Oral evidence of Sir AUSTEN HADOW, Officiating Chief Commissioner of Railways, and Mr. P. C. SHERIDAN, Member, Railway Board.

Chairman: You are the representatives of the Railway Board? *Sir A. Hadow*: Yes.

We happen to be very ignorant of the Railway Board. Will you please tell us something about it? It is an expert body, I imagine?—We call ourselves an expert body.

It is composed of people who had to do something with the railway administration, who have served in connection with railways and who have expert knowledge about railways?—That is so.

Has the railway policy undergone any change in recent years from the one pursued a few years ago when, under the old economic ways of thinking, it was regarded that there was a necessary conflict between roads and railways?—That is not our attitude now, and that attitude was only in a limited sense, if ever.

What has been the attitude in India? Has it always been to regard roads as supplement to railway transport?—That was the view in the past.

Now is it becoming more and more clear to the railway mind that roads must be developed in order to develop railways?—Certainly, not only to develop the railways, but to suit the country generally.

We had one railway representative from the G. I. P. Railway. He was extremely helpful to the Committee. He said that railways would be quite willing to harmonise and co-operate with schemes of road development in a spirit of harmony. Does that represent the view of the Railway Board?—Absolutely. I did not know whether the Committee wanted a memorandum. But I have prepared one in case they did. Perhaps you would like to go on asking questions. It would perhaps clear the air and save a certain amount of questions if I read it. I call this a brief memorandum by the Railway Board.

(Sir A. Hadow read paragraph 1 of the memorandum).

I have next put in a paragraph on the question of roads and railway bridges because there seemed to be some confusion among the various railway administrations as to what the question meant. I daresay the Committee have noticed that the answers they have received diverge very much on the point.

(Sir A. Hadow read the rest of the memorandum).

Chairman: It has been complained by one or two authorities relating to provincial Governments that railways did not pay the cost of construction or maintenance of roads even when they connect two lines as feeders. I shall give you a specific case. In a certain place in India the railway keeps a ferry across a river. That is owned by the railway. On this side of the river there is a road maintained by the local board which feeds the ferry service. If that road got into bad repair, to that extent the traffic to the ferry will be affected. On general principles the railway ought to pay for the maintenance of that road because the proceeds of the ferry which is fed by this road go to them. Do you not think that is a specific case where the railway should contribute to maintain the road?—The question of the liability of railways to either build or maintain roads is rather difficult under the Devolution Rules; I think, as things stand, it would not be allowable for the railways to put down money for the construction and maintenance of feeder roads.

I am not suggesting that the railways should themselves as part of their departmental activity undertake the construction or maintenance of roads but is there anything in the Devolution Rules which prohibits railways from contributing to the cost of construction or upkeep of a road in a clear case like that?—I would like to ask one question. Is the ferry used by the population of that neighbourhood quite apart from railway purposes, apart from the means of getting on to the railway, to get across the river?

Chairman: The position on the other side is that there is a railway station just on the bank of the river and the steam ferry

is plied by the railway for the passengers only?—If so, I think, it is a case which could be considered. I do not know whether it has been.

In such a clear case, without asking you to commit yourself to any position, I think the railway will agree to contribute for the upkeep of the road?—Yes, I think where it is actually a part of the transportation. *Mr. Sheridan*: May I know why the railway does not go to the river instead of stopping short of it. Where is this place?

Chairman: At Patna.—*Sir A. Hadow*; I think there are two different railway systems on either side of the river, the E. I. Ry. on the one side and the B. and N. W. Ry. on the other.

So far as the ferry is confined to the use of passengers only and you make use of a bit of road in order to get to the other station, should this principle of different ownership come in. It is a case where applying general principles, the railway should pay.—*Sir A. Hadow:* It strikes me as a peculiar case. *Mr. Sheridan*: Perhaps the railway station is not close to the river owing to the vagaries of the river itself. I personally know that ferry service. Perhaps the river cuts into the bank at floods.

Chairman: I understand that the river has no vagaries at all.

Lala Lajpat Rai: It is on the Digha Ghat side.—*Sir A. Hadow*: The railway is responsible for maintaining the roads inside its own boundary. If the railway line goes down to the river bank and another railway begins on the other bank, they may not be maintaining it. But it is a case I do not know of.

Chairman: In the case of the roads which clearly act as feeders to the railways, will it be difficult to induce the railways to bear a part of the upkeep, if it were legalised, the Devolution Rules being altered?—It would be impossible to give a general answer. It will depend on the merits of each case.

The reason why I am asking you is this that the Committee may as an ultimate result of their discussions be faced with the question whether like the tax-payer, the Government of India and everybody concerned, would be prepared to make just a little sacrifice to bring the road systems of India into good order?—*Sir A. Hadow*: There is a sacrifice already made by us because the road motor traffic that we are helping to develop in some areas will be in great competition with us and will take the traffic off the railway lines. We are suffering some disability already. *Mr. Sheridan*: You have to bear this also in mind. The railways are heavily taxed.

Hon. Sir A. Froom: In such a place where an important road runs parallel to the railway, would railways look against such road being kept in good order?—*Sir A. Hadow*: No, not now. Of course we feel that it is bound to be against us and we should do our best to compete with traffic on that road to the best of our power. It is only an ignorant idea that railways must be opposed to this and that is because they had a sort of monopoly so long until the motor traffic began to be a thing of importance.

I take it that the railways would not use any influence to prevent that road being put in order?—No; I do not think so.

In the history of railways and roads, many years ago we are told that because a railway was built, a metalled road running alongside it was obliged to become an unmetalled one. Do you think that idea still exists?—*Mr. Sheridan*: Are you referring to the case in which I was trying to find out from the records of the Punjab Government about the Rohtak road. Nobody yet knows who made that statement.

Lala Lajpat Rai: In his evidence, the representative of the Punjab Government has admitted that they put one case where the Government of India did not allow them to do so. I think it was the Kalka-Ambala road.

Hon. Sir A. Froom: I am merely referring to that to know whether such idea still exists in order to ask whether the Railway Board would act in that way. The point is that if money is spent on roads running parallel there would be competition?—*Sir A. Hadow*: We do think that in the present state of road communications in India the money would be better spent in other ways than on parallel lines running closely alongside railways. There is such a vast area untouched by roads in India at present and even where they have got metalled roads they have not got bridges. I think there is immense necessity felt for expenditure on roads generally for the development of the country. Apart from that it will be more economical, more financially advantageous to build roads not immediately paralleling the railway.

You want feeder roads at extreme right angles?—Yes; but we do not put that in the forefront of our policy.

You cannot immediately take a road straight from a village and find a station there. You should have connecting links?—That was brought out in my written memorandum. The road system cannot be limited to roads more or less at right angles.

The connecting link is probably a main road?—Of course, that is absolutely so.

You told us that when a railway bridge was built the question was put to the local Governments whether it would be beneficial to extend that bridge to make it capable of carrying a road, not over the railway line of course?—In the case of all important bridges we do that.

Has there ever been any disagreement between the railways and the provincial Governments as to the amount that the latter should pay for the road over the bridge?—There have been arguments but we have brought it down to this now. What we do is, we calculate what it would cost us to build a bridge for the railway alone. If we are going to put a road over it we should have to strengthen its various parts. When we decide in collaboration between us and the local Governments that a road shall be provided on that bridge, they only pay the difference between what it would have cost us to build a mere railway bridge and the cost of building a bridge with road as well. That practice is only definitely laid down for the last three years but it has been worked on State railways for I should say something like 20 years.

But have there been disagreements, the provincial Governments not being willing to pay?—There have been. We had to pursue a case, return it again and again with the Bengal Government in regard to the Bally bridge over the Hooghly near Calcutta, an enormously expensive bridge. With the greatest difficulty the local Government could persuade the municipality to pay out of the total cost about a tenth, a very comparatively small amount. We pointed out to them how stupid it would be to lose the opportunity for providing the bridge. It was the Legislative Council that gave much difficulty in regard to this but they eventually agreed to part of it being done. But then we had to point out to them again that that was a very uneconomic way to do it as it would be more expensive to complete the work some 10 years hence when all the machinery would have been taken away.

I understand from what you say that this trouble might have been spared if there had been on the Communications Board a railway representative?—It is just possible that it might have been but the main difficulty I gather was in getting it through the Bengal Legislative Council.

Passing on to the question of petrol, we have had very many complaints before us on the price of petrol, of petrol upcountry, and we were shown by a witness who assured us that difference in the price of petrol upcountry was absolutely part of it out of pocket expenses and part of it freight. You have told us that the price of petrol is being considered by the Rates Advisory Committee. Can you tell us why the carriage of petrol in bulk should cost more than carriage in tins?—*Mr. Sheridan*: I understand that you would like to know why the cost of petrol in bulk should be more expensive. As a matter of fact it is not so. It is much more expensive really to the railway. First of all, we provide a special wagon, a very expensive wagon to carry the bulk stuff and we never get a back load. Supposing we carry petrol in tins, in a large number of cases we get a back load. There is also more risk of damage in carriage in bulk by wagons. The Railway Board some time past recognised that this was not an attitude which we would like to maintain and we are now supplying petrol wagons all over the country and that will facilitate carriage in bulk. The real trouble is to get accommodation at stations upcountry. There again we are giving accommodation as far as we can.

That does not explain the reason why the carriage of petrol in bulk should cost more than that in tins?—The cost is the same per gallon, I think. Petrol is carried on railway risk at 1·04 pies and at owners' risk at 0·83 pie per maund per mile. The cost is the same. But I may read out here a note I have made on meeting a representative of the oil companies on the 17th March 1927: "It was pointed out that the position amounted to this that as between the port basic price and can price at Delhi, there was a difference of 10 annas of which the railway got 5 annas 3 pies for conveyance for some 850 miles, while 4 annas 9 pies went somewhere else as the distribution and selling cost at Delhi. It was therefore difficult to understand how the railway could be asked to make a reduction on their 5 annas 3 pies. Mr. Heathcote stated that his figures were taken at the can rate and he agreed that the bulk rate quoted was correct. He said he understood the railway point of view and asked whether if reductions were made by the oil companies in the price of petrol he could look for railway rate reduction for bulk transportation. Sir Clement Hindley stated that if oil companies made reduction in their charges, an application from the oil companies for reduction of railway rates would be considered." Since then we have practically gone no further beyond what Sir Austen Hadow said that a reference had been made to the Rates Advisory Committee and we are waiting to see what happens.

Is there any particular reason why the carriage of a gallon of petrol should be more expensive than the carriage of a gallon of kerosine? What is their respective value?—After all we are coming back to the old subject; we put such a rate on things as the traffic will bear. I think it is right that we should charge extra for a more valuable commodity if it will bear it.

I think you said that perhaps part of the cost of the petrol upcountry when it is carried in bulk could be saved but the high freight is due to the expense of these tank wagons that you have on railways?—Yes; but I certainly would not agree to these being private tanks; we

have always objected to private ownership in this country; and from the dreadful state into which England has now got, I think we are quite right.

Anyhow, we could leave it at this that perhaps this Committee could recommend that there should be some reduction in the cost of carriage of petrol?—Certainly; the matter is being considered.

Would it be to the advantage of the railway, if they reduced the cost, to carry more petrol?—We should do it as a purely business proposition because we hoped to earn more by carrying more.

Carrying more would not place you at a disadvantage?—No, we do not fear competition.

Supposing you were suddenly called upon in five years' time to place five or ten times more of these bulk wagons, it would embarrass the railways?—I do not think so though we are a little bit tight for money.

But you will probably make more money on the freight? You could even pay for it out of the increased earnings?—It is a matter which would have to be considered.

Hon. Sardar Shivdev Singh Uberoi: May I know if it would not be advantageous to the railway administration to reduce the freight so as to give an impetus to the motor traffic for bringing passengers to the main railway stations and to carry passengers from there?—That is a point we have been considering. It might be so; on the other hand, it may not; you must remember that we are dealing with an active competitor and I, looking at the thing from a purely business point of view, would have to consider that.

But the view of the Railway Board is not to consider with disfavour the growing traffic by motors?—You must recognise that there are certain places where it is becoming a bit of a nuisance; we have to look at it rather carefully. I do not mean to say that that is the case all over India; speaking generally, we are very pleased to see an extension of motor traffic because we believe that once people start travelling they get a taste for it and we know they will come back to the old firm in the long run.

Hon. Sir A. Froom: And competition might bring about increased efficiency on any particular railway. Competition always does?—Quite; it has been known in steamers also.

Hon. Sardar Shivdev Singh Uberoi: Having taken that view, I understand that you would not like any railway administration placing any obstacles in the way of motor traffic by not allowing them the same privileges which you allow to ordinary tongas and other vehicles?—We go further than that; at a meeting with Railway Agents we had last October, we tried to get them to have through-booking with these motor companies; but the only one we have any through-booking arrangements with is the concern which runs between Pandu and Shillong on the Assam-Bengal Railway. The trouble is that most of these companies are mushroom growths with no capital, and it is very difficult for a stable concern like the railways to have dealings with them; but we have told Agents to do what they can in the matter.

I was speaking of facilities extended to carriages, like tonga stands and the like in railway station compounds; I understand that such privileges are not extended to motor cars and lorries plying for hire?—It might exist in certain places where there may be some difficulty about it; but there is no such rule preventing the granting of such facilities.

You would not like that any obstacles should be put in the way of these lorries plying for hire?—Speaking generally, I should say there is no objection to the lorries coming into the station compound.

But is it a fact that they are not permitted to go into station compounds?—If the lorry proprietors reported it to the local authorities, they will probably be told the reason why, and if there was no objection they might be permitted to do so. But perhaps there are places where there are rival lorry proprietors fighting to get passengers for their own conveyances and in order to stop these unseemly squabbles the railway authorities prohibit both of them coming into the compound.

But not for the reason that these lorries might snatch away passengers who are likely to go by train?—I do not think so.

Hon. Mr. M. Suhrawardy: You would welcome road development whether auxiliary to or independent of the railways?—I think we went further than that. We said, generally speaking any scheme by which the development of the road system of India would receive an impetus will be welcomed by the railway administrations; the benefits that may be expected from it probably far outweigh the losses that may be suffered in some years from the competition that will arise in road motor traffic. The implication of that is that we are ready to take the rough with the smooth; we believe that the smooth has the advantage; we are already standing the rough in order to get the smooth; that is the implication.

That applies to the auxiliary feeder roads and also to the independent roads?—I did not confine myself to feeder roads; I was generally speaking. We recognise that feeder roads involved the construction of connecting roads which must run, some of them more or less parallel to the railway; we further recognise that must be so and we say on the whole it will benefit us.

Mr. Mohd. Anwarul Azim: Are the freight rates on all the railways the same?—Yes, I think so; they may vary slightly, but I do not think so.

Do the railway companies pay any public works or road cess to the authorities in the provinces?—*Sir A. Hadow:* I cannot tell you straight off, but they pay municipal taxes.

Would you like the money realised from this cess to be applied to the improvement of these feeder roads?—I answered the Chairman about that. We should have to consider first whether it required any alteration of the law and if that disability were removed, we would have to consider each case on its merits before we could agree to a thing like that. It is purely a matter of business.

My idea was that if railways in certain provinces are not paying any road cess, they should pay something to maintain these feeder roads?—Would you in turn help railways which are not paying their way?

Regarding railways which run through Indian States, do you have any agreement with the States or do you acquire them?—As a rule, an Indian State constructs its own railway inside its State.

Have you not got any system of railway which passes through an Indian State?—Yes; we have some.

What arrangement do you have with them?—A complicated question of jurisdiction comes in which is the main stumbling block; but apart from that we have not got any difficulties; the State recognises that

the railway passing through its territory does it a large amount of good and helps to develop its country and is quite glad to have it for that reason.

You have not to pay anything to the States for running your railway line through their territories?—There are different arrangements. In some cases the States give free all land which is owned by them; other States which cannot afford to give land free would ask us to pay for it, but where a State can afford to give land free it generally gives it to us because it realises that the railways will do an enormous amount of good to the State itself. But as a rule the Indian States like to build their own railways.

Mr. E. F. Sykes: Do you feel the necessity for reducing the railway rates in view of the inauguration of motor traffic on parallel roads or for improving your railway service?—There of course you hit upon a weakness which I admit we have been trying to overcome for the last 7 or 8 years. The position is that the difficulty of evolving a self-propelling unit has not been completely overcome. We have already got sentinel coaches as they are called on the railways in several places, but they have not so far proved a success. I believe those coaches are being entirely re-designed, the makers recognising the fact that they have not hit upon a right design. We are also trying various other kinds of self-propelled vehicles; we are also getting out a certain number of small engines, they will be like the ordinary locomotives in miniature, but I am afraid that scheme will not develop for some time to come, because we have not got the right design yet.

I was looking at the monthly statistics of the Railway Board, and I observed that the coaches run about 50 miles which is the highest mileage in a day. I should think that 52 should be the highest mileage on any road for steam coaches?—There are very few of that kind on railways.

For instance, take the case of a man living at a distance of five miles from Kotah. If he comes in the evening he has got to go the next day to do his work, and he has got to stop for two nights there .....?—Has any attempt been made to draw the attention of any officer to it?

I am not directly concerned with it. I do not live in Kotah, but I have come through Kotah and I see what happens, and I think there must be many such cases elsewhere too?—I recognise that in many places the railways have not in the past always been sufficiently alive to this particular point. I am sure in mony places the services can be improved, but it must be remembered that it is not worth while running a train for just a few people. The Kotah-Baran line is not a particularly rich line, and so it does not pay to run several trains a day, and so they have got to try and find out what is the convenient time for the greater number of people to use it. If we do not look to the convenience of the largest number of people it only means that we lose more than we gain by it. We try to fit our train service to the majority of the passengers, but I admit that with road competition something more will have to be done.

Do you think there is a case for a careful inquiry into the question of passenger service at present?—*Mr. Sheridan*: It is a matter which the District Officer in these days looks after much more carefully. On account of road transport he finds that his passengers' receipts are going down, and so he is much more alive to it now than before,

He has no powers to do anything?—He has got to put on extra trains to try and compete with the motor traffic.

But the district officer can do nothing for himself in the matter?—But in these days he has got access to the Divisional Superintendent. It is not like the old days where the district officer had to write up to the headquarters; in these days he has got the boss by his side.

Is there any obvious reason why railway road vehicles have not benefited to the same extent by these engineering improvements?—*Sir A. Hadow*: There have been attempts made to improve the self-propelled vehicles in the past and all sorts of extraordinary mistakes have been made. The designs were not always easy to evolve.

You were referring to the Devolution Rules, I suppose they supersede the Railway Act?—I doubt that.

Has any railway administration ever exercised their powers to run their own vehicles on the road? Does not section 51 cover every railway administration?—"Railway administration" is different from "railway company." It will be very difficult to take action.

My point is whether you require fresh legislation before the railways can take control of the feeder traffic?—As a matter of fact, we are inclined to be tempted by the idea of running our own feeder motors. In fact it has always been done in the big terminal stations like Bombay and Calcutta, and we have always run our own parcel vans, but to go beyond that is rather a difficult question and we have not yet arrived at its solution.

With regard to the question of railways, I looked up the statistics the other day, and I find that the local taxation paid by the railways appears to be a very small amount indeed?—It does not of course compare with what it is in European countries. Our view on that point is influenced a good deal by the very little benefit that we get from the taxation. It seems big to us, because we get so little as a result. English railway companies probably pay municipal taxation.

That taxation is purely for local purposes; they will have no provincial taxes at all, but you pay one per cent. on your capital charge as central taxation?—That is right.

Raja Ghazanfar Ali Khan: What are the considerations which lead the Railway Department to select a particular area wherein to construct a new railway line?—It looks to the economic condition of the country, its flourishing nature, if the people are well fed, and also to the fertility of the tract.

Is it the Railway Department official who reports or is it the district authority who recommends a scheme?—The railway authorities investigate, but the investigating officer cannot get very far without the co-operation of the local civil authority.

I understand there are Communications Boards in certain provinces, and that railways are represented on those Boards. Do these Communications Boards in the different provinces recommend to the Railway Department what particular areas are fit for starting railway communications?—At times they do. I was for a long time in the Punjab, and as far as I remember a Communications Board was started in the Punjab somewhere in 1920, and I think that Board was useful because it brought the railway representative in touch with the local ideas as regards the roads and whether communications were wanted and so on.

And so the decisions are generally influenced by the Communications Board in the Punjab?—What would happen is this. The Communications Board would suggest the making of a railway, say from a certain point to another point. I should answer either by saying that I would send out an officer to investigate its possibilities or that I have already had an investigation made for a railway and that it did not appear to be a commercial proposition.

Do you think the constitution of a Central Board here will be useful to some extent from that point of view as well?—If you are talking of the main trunk roads, it will be useful.

You tell us you make some contribution to the local Governments, you mean contribution to District Boards or municipal committees?—You are asking me a question I did not come prepared to answer.

Can you not conceive of any form in which railways should pay anything to the District Boards, because the latter is the real body which is maintaining all the feeder roads?—Why should they pay to District Boards.

Would you welcome the law being amended, if under the law as it stands at present, you cannot?—If it were amended we would consider if at any particular place it was worth our while as a commercial proposition to pay something towards the construction of a new road or the maintenance of an old one.

Hon. Sir G. Corbett: You said, Mr. Sheridan, that you might consider the possibility of reducing the freight on petrol, probably as a business proposition in the anticipation that increased traffic would compensate you for the reduction. What kind of reduction do you think would stimulate consumption up-country, say in Delhi?—*Mr. Sheridan*: I cannot say that off-hand; it will be very difficult to say what that would be. We considered a reduction some time ago. We said to the oil companies: 'Look here, you reduce what you can and we will endeavour to reduce the same amount but we want the reduction to go to the consumer.

Obviously the consumption would be much more stimulated if the oil companies made a corresponding reduction in their selling charges so that the actual cost to the consumer would be less?—Yes.

But would it be possible for the oil companies and the railway companies working together in concert to make a reduction by an amount of say two or three annas?—I should not like to say that off-hand, because we have first to see if the Rates Advisory Committee have something to say, and therefore, I would rather not give any complete answer.

There probably would be more scope for reduction?—I think there might.

But the Railway Board's policy in the matter was that a reduction in the rate of freight should go to the consumer and not to the oil companies?—Yes.

Looked at from the opposite point of view, if there were a substantial increase in the excise duty on petrol, it might have an effect neutralizing the effect of reduction in freights or selling charges as far as consumption was concerned. It might upset the whole thing. It might not be a business-like proposition?—Yes.

(*The witnesses withdrew.*)

31.

(a) Written statement submitted by Rao Bahadur S. D. GARUD, President, District Local Board, West Khandesh, Bombay Presidency.

I have the honour to state my views on some of the points covered by the terms of reference to the Road Development Committee.

2. *Kinds of roads and facilities needed.*—In the first place I would like to deal with the kinds of roads that are needed in the rural areas. The roads can be divided into two kinds for the purpose:—the trunk roads and the village roads. As regards the trunk roads, now that motor cars and bicycles have become almost universal, time has come to leave special space on these roads for motors. So all these trunk roads will have to be kept as broad as one chain at least as shown below:—

9′ Carts
16′ Motors
9′ Carts

The central road should be kept open for motor traffic only and the breadth should be at least 16′ for two cars to freely pass each other. The other two roads on each side should be for the use of bullock carts and country chhakras for going by one side and returning by the other. The central road should be very hard and fully metalled and I would also go so far as to have it even tarred if possible with no dust on it. The side roads should be murum roads sufficiently hard to permit traffic to pass in the rainy seasons. The metalled roads being harder are not liked by the villagers as the metal pricks the feet of bullocks. They therefore have a strong liking for murum roads which are soft and the bullocks and horses can pass very easily on them.

As regards the village roads, the only work that appears to be necessary to improve these well beaten cart tracks is (1) to remove the overhanging branches of trees, if any, and thorn shrubs and stems; (2) to remove protuberances and stones from deep ruts; (3) to fill out the deep hollows; and (4) to make the surface of the cart tracks flat and level by horrowing and rolling it.

As regards the facilities needed I would point out that there should be cart stands at a distance of 12 to 15 miles on trunk roads where the carts can stand, men can take their food and animals and motor cars can be watered and the cattle and men rested. These stands should be shady and should have water conveniences at hand. These are the minimum facilities that are needed by the poor villagers.

3. *The financing of road development.*—As regards the financing of road development I would urge that Government should set apart a large sum which should be kept with a Central Road Board and the District Local Boards should be asked to set apart 1/4th portion of their revenue for this purpose as is done in the case of primary schools. When the provincial grants and the local board grants are amalgamated, it will make a good road fund and all the road developments would be carried out from this fund.

4. *Taxation of motor cars.*—As regards the taxation of motors, I am of opinion that in order to have equal taxation, petrol is the only unit which can be taxed; if a small tax on petrol is levied as road tax, it would realise a good revenue and the tax will also be universal and alike. The income from the taxation of imported motor cars should also be transferred to this road fund.

5. *The constructing and planning and research agency.*—As regards the above, I suggest that Government should prepare standard plans and estimates of all such roads. They should be kept ready in Government Central Press for the use of District Local Boards and Municipalities and the local bodies should be asked to follow them. If any deviation be necessary in any case previous sanction of the Provincial Road Board should be obtained. When this is done, the question of the constructing agency will not be difficult to solve. The village roads should be handed over to the Revenue Department for good maintenance and the other roads should be given to the District Local Boards for construction. These agencies should be financed by the Central Road Board.

6. *Central Road Board.*—For the purposes mentioned above, a Central Road Board should be established by Government with its branches such as provincial, divisional and district. All these branches should ascertain first the new roads, bridges, culverts, etc., to be constructed and the cost for the new construction and the current repairs and should submit their requirements to the Board. The Board should consider the necessity in each case and distribute the funds at their disposal. The Board should also be in charge of research work in connection with roads.

In my humble opinion this procedure will give good results and will also improve the condition of all kinds of roads.

7. I beg to submit herewith my views about the condition of roads in West Khandesh (Appendix A) and about the use of the proceeds of taxation of motor cars for your information (Appendix B), as accompaniments.

APPENDIX A.

LETTER No. M. S. C.-2030, DATED DHULIA, THE 7TH JANUARY 1927, FROM RAO BAHADUR S. D. GARUD, PRESIDENT, DISTRICT LOCAL BOARD, WEST KHANDESH, TO THE COLLECTOR OF WEST KHANDESH.

SUBJECT:—*Repairs to village roads.*

Now that motor cars have become almost universal it is, I think, necessary to improve all approaches to villages from main roads to enable heavily laden carts and motor cars to pass to and from the main roads to the villages without any difficulty. The only work that appears to be necessary to improve these well beaten cart tracks is (1) to remove the overhanging branches of trees and thorn shrubs and stems; (2) to remove protuberances and stones from deep ruts; (3) to fill out the deep hollows; and (4) to make the surface of the cart tracks flat and level by harrowing and rolling it. This work could easily be done at a small cost by the local village agency. I have therefore to request you to desire the Mamlatdars to get the work done as economically as possible. An estimate for each cart track in their talukas might be prepared with the help of the Presidents of taluka local boards, and sent to me for approval and the

work might be entrusted on contract to the village agency as soon as the estimates are approved. A rough plan from the village map may also accompany.

LETTER No. M. S. C. 2029, DATED DHULIA, THE 7TH JANUARY 1927, FROM RAO BAHADUR S. D. GARUD, PRESIDENT, DISTRICT LOCAL BOARD, WEST KHANDESH, TO THE COLLECTOR OF WEST KHANDESH.

SUBJECT:—*Repairs to Provincial roads.*

You are perhaps aware that all the provincial roads in the district were constructed by the District Local Board and handed over to Government for efficient maintenance. I may be permitted to point out that the present condition of provincial roads is far from satisfactory; and that there are more unbridged nullas than miles and more pot-holes than yards on these roads as was remarked by one who claimed to have counted them. Heavily laden bullock carts need four bullocks to drag them out from some nullas and depreciation charges imposed on motor cars that ply for hire on these roads and other private cars are disproportionately heavy; yet full toll, in some cases amounting to more than the cost of the railway journey for the same distance, is imposed on these roads. It is often difficult on these roads to obey the regulation which requires a motorist or cartman to keep to the left. The roads within 15 miles of Dhulia are as you know particularly bad and do not appear to have had anything spent on them for ages. My Board therefore on the recommendation of the road committee desired me to make a representation to you to move Government to improve this state of things, to, if necessary, spend more money on the repair and efficient upkeep of these roads, to get the nullas bridged and thus to facilitate rapid and cheap communication in the district.

LETTER No. P. W. D.-129, DATED DHULIA, THE 10TH JANUARY 1927, FROM H. F. KNIGHT, ESQ., I.C.S., COLLECTOR OF WEST KHANDESH, TO THE SUPERINTENDING ENGINEER, CENTRAL CIRCLE, POONA.

SUBJECT:—*Repairs to Provincial roads.*

I have the honour to attach copy of a letter No. M. S. C. 2029 of 7th January 1927 received from the President, District Local Board.

2. I have no record to show which roads in this district were originally constructed by the District Local Board, but at any rate I think the Bombay-Agra Road was constructed by Government and not by the District Local Board.

3. However I regret to say that I entirely agree with the President as to the present state of roads in this district. In the two years I have been here the roads have very noticeably deteriorated—stretches where two years ago I could travel in comfort are now a mass of pot-holes and where a year ago I could motor at a fair speed, I have now to drop into the lower gears of my car and crawl along. As for unbridged nullas and dips, I believe you have had personal experience of at least one. A few months ago I had to have my car dragged out of one by bullocks twice in the same day, when on urgent work. As a training ground for changing gear the dips in this district are unrivalled, but they do not encourage either comfortable or economical

travel. The Divisional Forest Officer, I understand, has just fitted a lorry spring to his Ford car, to enable it to stand the local roads, and I have had petitions from local public service motor owners that no service can pay on the present roads owing to breakages and depreciation, as the President, District Local Board, observes, even the bullock carts, the principal users (and destroyers) of the roads are beginning to find them difficult to travel over; possibly in the future touring officers may travel by aeroplane and the road surface be a matter of indifference to them, but I do not think that air transport of the West Khandesh cotton crop to market at Dhulia is within the bounds of possibility and the condition of the roads is of great importance to every agriculturist. One of the great needs for the development of Indian agriculture is rapid transport. It would be a pity were the breakdown of the made roads to lead to the revival of Wanjari bullock trains as the means of taking agricultural produce to market, (in 1833, the Collector, Khandesh, sent Rs. 8,000 worth of cotton to Panwel on pack bullocks).

4. Obviously I do not intend from the above to imply that the roads here will be useless very shortly, but I would urge in all earnestness that the condition of the roads here is rapidly deteriorating, and that unless prompt measures are taken to put them in order by larger grants for repair than at present, their eventual repair will cost an excessive amount. The example of Europe and the cost of repairing roads neglected during the war should be a sufficient warning.

APPENDIX B.

LETTER No. M. S. C.-1970, DATED DHULIA, THE 7TH DECEMBER 1926, FROM RAO BAHADUR S. D. GARUD, PRESIDENT, DISTRICT LOCAL BOARD, WEST KHANDESH, TO THE COLLECTOR OF WEST KHANDESH.

I have the honour to inform you with reference to your No. M. U. N.-358, dated the 24th of November 1926, that the toll tax now imposed on roads by Government and the District Local Boards is very unpopular and the collection of this small direct tax leads to frequent hold-ups and petty annoyance. In some cases the tax is actually more than the cost of travelling the same distance by railway which provides a far finer road and far more comfortable accommodation. The 20 per cent import duty at present charged by the Government of India on motor cars is I think unduly excessive and any further taxation of motorists would actually come in the way of the development of trade and communications. The life of a motor is ordinarily supposed to be three years, and this import duty which has to be charged to depreciation actually works out at an unduly excessive figure for running cost during the three years. The charges at present realised everywhere by hired motor cars and motor services are so small that they do not even cover the running expenses and no motor company has been able to make any tempting profit in its business. Whilst they cannot charge anything more than the rate fixed by Government, the travelling public is always unwilling to pay them even that. The suggestion of the Taxation Committee to tax motorists still further would instead of facilitating the use of this quick transport make its maintenance by private owners and farmers, for marketing their farm and dairy produce, absolutely prohibitive. I agree with the suggestion of the Taxation Committee that there should be a road fund maintained by provincial Governments out of which the

roads should be constructed and repaired and since the Government of India have a direct interest in the development of trade and communications which will benefit their income tax, I suggest that the 30 per cent. import duty should be made over in its entirety to this road fund and the District Local Boards should receive grants out of this fund for the maintenance of roads. Any further taxation of vehicular traffic will then be unnecessary.

New Delhi, dated the 26th January 1928.

(b) Oral evidence of Rao Bahadur S. D. GARUD, President, District Local Board, West Khandesh, Bombay Presidency.

Chairman: You are the President of the District Local Board, West Khandesh?—Yes.

How long have you been working in that capacity?—For more than six years.

Have you any objection to your written statement being used by the press?—No.

You were a non-official Member of the Bombay Legislative Council under the old regime?—Yes, and I am an ex-Hon'ble and an ex-M. L. C.

You have for many years worked in connection with these local bodies?—Yes; for more than 20 years.

Have you tried this road, which you suggest in your statement, with a motor road in the centre and a cart road and so on?—We have not tried it, but I have seen this experiment in the Holkar State.

And you think that according to this arrangement considerable economy and comfort are also ensured, in so far as you suggest that the 9 ft. side roads should be of murum and not of metal?—Yes, if, for instance, tarring is resorted to and if the surface were properly consolidated, it will not be possible for bullocks or horses to go on it.

Have you been able to ascertain what economy it occasions in the cost of maintenance?—It would certainly save a large surface being prepared as at present; for instance, in British India take the Agra road, the breadth of which is much more than this, and it has all to be maintained in a proper state by proper consolidation.

Has your District Local Board considered the building of such roads in the near future?—No, Sir. In the first place, this pattern has not yet been adopted in British India, and unless Government departments adopt that standard, it will not be possible for District Local Boards to take it up.

You speak of improvement of village roads?—I am very keen about it. In the first place villages want to be connected not only with trunk roads but they want motor cars and bicycles and rubber tyred traffic to go straight to them, and that is now one of our greatest necessities; and all that traffic wants is merely a level road and easy gradients. What will obstruct a motor car will also obstruct a heavy-laden cart. These two things are absolutely necessary: level, flat surface and easy gradients. If protuberances and hollows are removed and if the ruts are properly drained by not allowing monsoon

water to run into them, they get well-beaten and consolidated by the animals running into them and need very few repairs for proper maintenance.

Have you considered the question from the village point of view, the bullock cart point of view, of regulating the width of iron tyres and the fixity of the bullock cart wheels?—I do not think that the iron tyres of bullock carts should be widened as by presenting a greater surface to the road they would cause more friction and would be harder to pull. My own experience is that the cart wheels do not wobble about in the track in which the bullocks are also able to pass. That is why the cart tracks get properly consolidated after a little use and do not need much repair except perhaps an occasional filling of murum. But these tracks are not properly aligned and laid down by any technical expert through suitable sites. They get formed naturally without any attention being paid to them and take all kinds of bends and curves and pass through deep ditches, trenches and hollows. Proper alignment of these cart tracks is necessary. They should be made to pass over flat surfaces, avoiding all unnecessary obstacles. They should be shown in the village map only after this proper alignment is fixed by technical experts.

To whom would you give this power of maintaining and controlling village roads?—I have suggested the revenue authorities and we have found that very successful by experiment.

Whom do you mean?—The Mamlatdar and his staff of village officers.

Working under whom?—Working under the Mamlatdar's orders.

The Mamlatdar working under whom?—At present under the District Local Board with the permission of the Collector.

Would you keep that?—Yes.

The Mamlatdar will be the executive authority to see whether roads are repaired properly?—Yes, actually going round and helping the District Local Board to get the proper amount of labour at the proper cost and seeing that the maintenance is carried out in a responsible manner by the village officers.

But would you have it by altering the Local Boards Act?—No; it is possible under the present Act.

What you desire is greater harmony between the District Local Boards and the revenue authorities represented by the Mamlatdar and the Collector?—Yes.

You do not think there is enough harmony now?—There may not be.

It depends on the District Local Board and the Mamlatdar?—Yes, it depends really upon the sympathetic relations of the District Local Board and the Collector.

These relations might be improved and made more harmonious?—They could certainly be improved by Government executive orders.

If it were made part of a policy of the Government and promulgated more effectively, it will be done?—Yes.

You do not share the view that the power of the District Local Boards ought to be curtailed or taken away in respect of road management?—No; because the revenue authorities have not got the necessary engineering personnel for maintenance of roads.

Therefore you think, I take it, that the necessary reform could be had by bringing about by some means greater co-operation between these two branches?—Yes.

May I know what is exactly your idea of a Central Board? What are the functions, according to you, that would be useful from the villagers' point of view or the cultivators' point of view?—I regard the Central Board first as an agency for collecting the finance and giving it.

You would stop there?—I would stop there. But later on it would secure uniformity by creating a continuity of policy and by co-ordinating the different efforts that are being made. The Central Board would then act as an advisory body and give directions, give plans, etc.

But you are aware, Rao Bahadur, that roads are a transferred subject and we have to be very careful that undue interference is not caused by the Central Board on a question about which the Minister is very touchy and would you respect that touchiness by avoiding all occasions of interference or would you give a certain amount of interference to the Central Board?—I think I would give a certain amount of interference to the Central Board, because it is a necessary evil.

What power of interference would you give to the Central Board?—In the first place seeing that the amount earmarked for roads is spent instead of money being put in the budget and allowed to lapse.

Supposing by some arrangement the Central Board was able to earmark this revenue and by framing the law in the necessary way, you could see that the money so earmarked is spent upon road purposes, would you be content with that?—That would not be the only function I would assign to the Board.

I am speaking of road management for the moment?—All road control I will certainly leave entirely in the hands of the District Local Boards.

And construction and maintenance?—Yes, construction and maintenance. But I would have this as a sort of supervising body for creating the necessary finance, for distributing it, and for seeing ultimately that it is spent for the purpose earmarked.

Would you go further and give them the power of seeing that the method and the manner of spending was correct or would you be content with the Board seeing that the amount allotted to a province for roads was spent on roads only; in the latter case there is no interference?—Yes, I would prefer the latter method.

You say that Government should prepare standard plans and estimates of all such roads. Will you explain what you mean by standard plans?—Standard plans of approved roads. Government should prescribe definitely how much expenditure, for instance, would be needed for a particular road.

Information, statistics, data?—Yes.

Government should have this information compiled and kept for the use of anybody who wants to have this knowledge?—Yes.

You want estimates like this, a road with tarred surface will cost so much per mile and such other data?—Yes, that asphalted pavement would be suitable in certain areas, that stone slab pavements would be suitable in other areas, that wooden block pavements might be tried in certain other areas, that they would cost so much and last so long.

With your knowledge of village working and having regard to the fact that there are several lakhs of villages in India and this Committee is anxious to see that the agriculturist is benefited, could you suggest a direct method of benefiting the agriculturists?—The first method I would suggest is that tolls should be abolished forthwith.

On bridges?—On bridges and everything, for one reason only. It works out ultimately as a very great hardship not only to the agriculturist, to the cart-owner but also to the motorist. I will cite an instance. I just passed from Dhulia to Bhusaval, a distance of 73 miles, and there were 8 tolls; they charged 8 annas at each toll. They charge Re. 1 for a lorry. A lorry plying between Dhulia and Bhusaval has to pay Rs. 8 a day for going.

Does the rupee cover the return journey?—The toll is charged for a day from midnight to midnight. If a lorry leaves at 8 P.M. and starts from the other end at 1 A.M., it has to pay twice. The toll practically works out in the mofussil to about 8 miles per rupee for the lorry, so that if a lorry covers 10,000 miles a year (it is quite an ordinary average), it has to pay Rs. 1,000 a year for that purpose alone.

It is utilised for road purposes?—It is not; it goes to the general revenue.

He gets no benefit?—He does not get any benefit out of it; nor are these tolls limited to roads on which there are bridges, on which any convenience is provided. It is charged on all roads, whether there are bridges or not.

Is it not a fact that in the Bombay Presidency at some stage they removed these tolls and put them on again?—Yes.

Why have they put them on again?—Some of them suggested that more revenue was required and that they were unnecessarily losing revenue in hard times; they had removed them in good times but they thought they came on hard times. These were re-imposed. I moved a resolution in the Council that these should be removed and Government promised to take these off gradually as their finances permitted. They removed them on two roads, the Bombay-Agra road, Poona-Mahableshwar and Poona-Bangalore road, so that on these two roads which are fully equipped there is no toll bar. On other roads where there are no bridges, no convenience whatever, where, for instance, people have actually to pull their cars out, there is toll. I was the other day taking the Director of Agriculture with me and then we came to a nulla. Everybody had to get down, including the Director of Agriculture, and pull my car out of that nulla. Even on such roads taxation is there. So that if a man buys a car for Rs. 3,000, he pays Rs. 1,000 as tax for importing the car, then Rs. 1,000 a year for these toll bars and then finally pays something on his petrol.

Repairs cost a lot of money?—On these roads repairs come to a huge lot. You do not know where your spring will smash; you have practically to carry a small workshop with you.

And your chauffeur has to be a mechanic?—Yes; indeed you are yourself trained to be a mechanic within a very short time. I have described our roads, for instance, in Khandesh, on which full tolls are levied "as having more unbridged nullas than miles and more pot-holes than yards", and our Collector agreed with this description.

Would you suggest any method of bringing the money down to the villager? How would the money in the central fund percolate to the villager?—In the first place it will come to the province and in the

second place from the province it will come to the District Local Board and the District Local Board is the place from where it would go to villages.

If you abolish tolls which are existing now and are a substantial source of revenue, how would you make up for the loss of revenue?—They are not a substantial source of revenue. These tolls need a large establishment to collect the money; whatever is collected is eaten up by the establishment and the contractor.

Why do they require a large establishment? One toll collector with a receipt book and a counterfoil will be sufficient?—He cannot work for 24 hours. At every hold up, there is a great deal of wrangling going on between impecunious people who have no money to pay and the toll-keeper. So the toll-keeper wants two sturdy men with quite strong strong voices, in the first place, to argue out the case of the toll-keeper to the impecunious person; and then probably that person has got nothing to pay. At different tolls he pawns something starting with his turban, vessels and other things. At the last place he sells his cart-load of fuel and then with the money redeems all these articles. Out of the money collected, therefore, a lot goes in keeping up the establishment, and after the contractor's profit, a part of it goes to the revenue chest.

You think there is not much loss in absolutely wiping it out?—We must chocse any other source of taxation which will bring the money straight into the State coffers without the establishment charges and make that money available for expenditure on roads directly. Every pie you collect will be spent on the road; then there will be no leakage. Tolls are a great source of leakage and contractors themselves do not often get enough. I would therefore suggest a substantial tax on petrol.

Have you applied your mind to the question of monopolies to motor companies with a view to improve the roads from the subsidy the motor companies give?—We have not got such monopolies in West Khandesh.

Would you advocate that in Bombay?—No. It is wrong lines altogether because ultimately the consumer will have to pay greater charges for being carried.

Monopoly there is in two senses: in the sense of a single company being given the power and in the sense of say 5 or 6 being empowered. Are you against both these forms?—I am entirely against all forms. I would not restrict the number in any way. Even these mushroom companies that come bring the rates down so low as to make it possible for villagers to enjoy joy rides for small sums of money. It is nothing unusual to see a passenger going 20 miles for 4 annas.

But do they not last only for a short time?—Yes; but others come and try the experiment.

Some people have complained before this Committee, especially the railway authorities, that the absence of one big and continuous organisation makes it difficult for them to treat with the motor company and arrive at some economic arrangement by which the incidence of the tax would be considerably rendered easier. Do you share that view?—I do not wish that the railway companies should treat with these motor companies. Rather they should treat with the District Local Boards with whom they are often not willing to treat at all.

What has been your experience about the railway companies?—It is a very unsympathetic administration. They never listen to any

suggestions made by District Local Boards even for slight improvements and do not in any way help or finance roads or cart and motor stands. If any change is suggested for the passage of roads through their limits, they demand immediate payment before they will do anything.

Do they pay you for feeder roads which you keep intact?—Nothing at all. In the case of feeder roads which have to run through their premises just at some stage, they ask us to make the necessary payments then and there but would not trust us and send their bill for payment in due course.

How do you think this could be remedied?—It could perhaps be remedied by an agency like the Central Board who would officiate as mediators between these two. Where a railway gate had to be widened so as to allow two carts to go through and the District Local Board approached the railway administration, they refused and insisted on payment beforehand. The same demand is made in the case of roads which have to cross the railway line with a view to avoid unnecessary curves.

If they had the right of sending one representative to the Provincial Board to which these questions were referred for arbitration or opinion, would this difficulty to that extent be removed?—I do not know because the Board may not decide these matters. The only person we go to is the Collector and then the Commissioner. In 90 out of 100 cases the representation is not listened to even at the intervention of the Commissioner. That is why I characterise the administration as unsympathetic.

You are in favour of abolition of all existing taxes and the levy of a petrol tax?—Yes; for it is an indirect tax and a gallon of petrol in a Ford car will go for 20 miles and the tax is collected for the whole distance. I would be willing to let Government tax petrol to almost the fullest economic extent even if it goes to one rupee a gallon provided Government control prices. Another reason is that the military officers and the Government officials who at present escape payment of tolls will also pay. It is an equitable arrangement and will not work hardship in the case of any one. The highly priced cars which give less mileage to the gallon will naturally pay more and so the tax will be equitably graded for the rich and poor.

Have you considered the proposal of the Bombay Government that there should be a 4-anna excise collected by the Central Government and handed over to the Bombay Government for the purpose of improving roads, all local and municipal taxation to remain intact?—No. But I would like that all the local taxation should go, for it does not work equitably and the tax on petrol might be increased even to a rupee if 8 annas is found insufficient, Government controlling the prices. In the case of the municipalities at present, four seater and touring cars pay Rs. 12 a year and seven seaters and heavy cars Rs. 24 and above. In addition to this, as soon as they leave the municipal limits they have to pay tolls. The tolls work a great hardship on the agriculturists as toll is collected on animals which pass the toll bar. Goats, sheep, horses and elephants, laden or unladen, are all taxed.

Hon. Sir A. Froom: There are tolls on the Bombay-Agra Road?—They have been abolished perhaps in consequence of my resolution in the Council on the Bombay-Agra road and the Poona-Mahableshwar road. But there are tolls on all other roads, provincial and District Local Board.

The Bombay-Agra Road runs through your district?—Yes.

Do you find it in good order?—The road within 15 miles of Dhulia is in very bad order.

Is that road used by agriculturists for their bullock carts?—Yes.

In pursuit of their ordinary occupations?—Yes, for bringing in heavy loads of cotton, juari and grain.

So the improvement of the trunk roads along with the improvement of village roads, the whole thing forms one big scheme according to you?—Yes.

Your suggestion for putting the village roads is not an expensive one?—No; it is almost inexpensive.

Is there no money at present forthcoming to put the village roads in order? Do not the Mamlatdars pay any money?—We are now trying an experiment. We put down a lump sum of 5 or 6 thousands for improvement of village roads and we ask the Collector to get the help of Mamlatdars in the task. They have agreed to give us the necessary labour. This has been tried only for one year and it yielded some good results. Of course, again in the next monsoon there should be some repairs made.

Can you remedy the defects during rains by cutting drains?—No. That is one of the difficulties with which we are faced. I think it would be necessary for us to change the alignment at a little cost of acquisition.

Does not the earthen surface give a good surface even for motors?—No; it gives better surface than macadamised roads which make potholes during rains.

You consider that the petrol tax is the best kind of tax?—Yes, the best kind of indirect tax.

And if all other taxes are abolished you do not mind how much the petrol tax comes to?—I do not think one rupee is excessive. If you are prepared to abolish all other taxation, I would even go to a rupee provided the prices are controlled by Government.

What do you pay for petrol in your district?—We used to pay 10 annas. It had gone up to Rs. 5 per gallon, but it settled down to Rs. 1-8-0 after the war. Now the rate varies between 1-6-0 and 1-8-0.

Taking that it roughly varies from Rs. 1-4-0 to 1-6-0, would you mind it going up to Rs. 1-8-0 and 1-10-0?—I would not mind its going up to even Rs. 2 provided the prices were controlled by Government, and the middleman's profit is avoided.

Is your view shared by many people of your district?—That is my own personal view. I do not think there would be strong objection to it, for this reason that all the harassing taxation which exists at present will disappear and it does not affect any one very much what petrol costs to the motorist, who will pay in small lumps and would not find it troublesome.

You say that the life of a motor car is three years. Is the shortness of the life due to bad roads in your district?—Yes, owing to bad roads. If you return a car in three years' time they give you some price. They deduct Rs. 500 for every year so that within three years the amount will come to Rs. 1,500.

And at the end of four years, it will pay nothing?—No.

Anyhow the life of car is not very great?—No.

And therefore you consider that the people would gladly pay these 4 annas on petrol or even more?—Even more if this harassment is removed.

You mean the tolls and other minor taxation?—Yes.

Are there no tolls on bridges?—Yes, over the bridge on the Tapti.

There cannot be many tolls on bridges?—There is only one but on the Tapti they are allowed to charge Rs. 1-8-0 for a car for merely passing over the bridge of ferries.

(*Lala Lajpat Rai*: In Lahore you pay a rupee.)

Will you kindly tell me if in your division the neighbouring districts are also adopting the very laudable plan that you have adopted of financing the village roads?—No.

Why do you do it?—This is my own idea that something should be done.

Mr. Mohd. Anwarul Azim: What are these District Local Boards? Are they like District Council Boards in the C. P.?—Yes.

What is the area?—It is the district unit.

Are you allowed to tax motor vehicles in your areas?—Yes.

You stated to the Chairman that you would accept the proposal of the Bombay Government that there should be an additional tax of 4 annas on petrol and that you would abolish all local taxes. Would you at the same time abolish the registration or licensing fee?—No. This is only a small amount.

If a Road Board is formed in your province would you like the District Local Boards to be represented thereon?—Yes.

Mr. Mohd Ismail Khan: Do you tax other vehicles besides motors?—Yes, everything that passes the toll bar.

Is there any wheel tax in the District Local Boards?—No. The municipalities do so but not the District Local Boards.

Are your District Local Board roads in a better condition than the provincial roads?—I do not propose to pronounce an opinion.

Do you receive any grant from the local Government?—Yes.

A recurring grant?—Yes.

You have got a sort of cess. Besides that you have no other income?—No.

Mr. E. F. Sykes: If you look at the map which the Bombay Government has supplied, you will see that your district is very well supplied with provincial roads but there is only one District Board road in the whole district?—Yes.

Is that the only District Board road you have got?—No, we have several small bits of road.

How many miles?—42 miles.

In the whole district?—There are also 259 miles of provincial roads built by the District Board and handed over for maintenance to the provincial Government.

Even the Bombay-Agra road?—Yes.

Your District Local Board is rather well off because it has got only 42 miles of District Board roads and therefore you can make these advances to village roads?—Yes.

You say you are quite willing to pay one rupee extra on petrol. If anybody asks you to pay Rs. 2, would you object?—Yes, because it will begin to pass the economic limit.

How much do you want to spend on your immediate necessities in your district?—We want about Rs. 4 lakhs. This estimate we had placed before the Minister for Local Self-Government when he had come to Nandurbar. The trans-Tapti road is a very great necessity connecting three talukas and also other districts. This is a very important route and there are places leading up to the Tapti.

It is rather not an unusual thing that the District Local Board constructs a road and hands it over to the local Government for maintenance. Most of the District Boards maintain the roads out of their own funds?—Yes, but that depends on the personnel we employ. The Government then thought that these roads would be under the Executive Engineer and we gladly handed these over to them. We pay a consolidated amount for maintenance which is only nominal and they themselves collect toll tax also.

Raja Ghazanfar Ali Khan: Do the non-agriculturists make contribution of anything to the District Local Board funds?—Very little indeed. They pay for cattle pounds, etc.

They do not make any contribution for roads. Do you not think that they ought to do?—There is no other way. We have tried to find out some means but it was useless.

Do you think it will be good if a new way could be found to tax the non-agriculturists?—It would not yield much in taxation and it will only cause harassment.

Suppose you got a professional tax?—We have tried all these taxes but we found that they yield very little and there is harassment and leakage.

Are there any people who pay income tax?—Yes, there are a number of people paying income tax.

Suppose you say that everybody who pays so much income tax should pay Rs. 20 to the District Local Board?—But unfortunately those people who pay income tax mostly live in towns and municipalities.

Lala Lajpat Rai: This country produces a lot of petrol from the oil fields in Burma and the Punjab. Do you not think it is a hardship that a foreign country should sell petrol at 11 annas a gallon, while in the country in which petrol is produced it should be sold at Rs. 1-0-6 at the port or Rs. 1-8-0 in the mofussil stations because these oil companies have combined?—I think that on account of the rate-war which the firms are having between themselves the prices will be cut down. But I think the prices should be controlled by Government and the extra money taken by Government as a tax.

Petrol is produced in this country; is it not therefore extraordinary that a commodity produced here should after paying the same excise duty be still very costly?—We should be able to sell our petrol cheaper than foreign petrol: I do not know why we are not able to do it.

Would you not therefore advocate an extra duty on foreign petrol?—I would not because it would be hitting the motorist hard.

Chairman: Do you not think that if Russian petrol came here, it would cut the price of petrol by competition? If that was dumped into India, would not that competition lower the cost of petrol?—We should be able to produce our petrol cheaper.

That is a distinct question: would you or would you not put a ban on foreign petrol coming in?—I would not put a ban for the simple reason that we want as much petrol as we can get for the development of the country in various directions. Tractors and the like have yet to come in; let all petrol come in and we will utilise it and try and produce our petrol cheaper. Otherwise we would be driving the petrol that comes here to some other country.

Lala Lajpat Rai: Considering the importance that you and others attach to the extension of motor transport, tractors, etc., do you not think something should be done to encourage the manufacture of those things here? Considering that Government pays such a heavy subsidy to the Tata Iron Works, should not the Government make that factory produce motors?—I do not think so; this is a thing which will have to be done by an absolutely separate endeavour by men interested in collecting money and starting the industry.

Should not the Government do something in that line?—I do not think it is the business of the Government; I do not think they are interested in it.

Is it not the business of the Government to foster and improve industries necessary for the development of the country?—It undoubtedly is; but I think from what I have seen there are some insuperable difficulties in the way; for instance, the metal used in the parts of these motors is a speciality invented by each firm on which it has spent a lot of money.

Do you think it is impossible to be done in India?—We have no laboratories and if there are any they have not made any endeavour in that direction.

Should not an endeavour be made?—I certainly wish that men like you go about the country, collect a hundred crores of rupees in shares and start the industry.

What is the Government for, if not to provide for these things?—I do not think Government is really particularly interested in foisting upon us these American and other goods. The British motor interests perhaps do not know enough about this business. Otherwise they would not have let this German and American competition in this line survive. How can they then teach us what they do not know themselves.

I am not talking of that; is it not the duty of Government to foster industries in this country?—Undoubtedly it is; as a truism it is the duty of Government as of the private citizen to foster industries; but in this particular case there are insuperable difficulties which commence with the personnel and then the perfecting of that mechanism which has been done by other people who are foisting their goods upon us.

There were insuperable difficulties in the manufacture of steel and they have been all met?—But they have now gone much beyond steel.

Chairman: You are in favour of Government undertaking the development of industries?—Yes.

Hon. Sir G. Corbett: You are looking forward to a great increase in the number of motor tractors for agricultural purposes?—Yes.

Which will be driven by petrol?—Or by kerosene oil.

What will be the effect? Would it have a retarding effect on the introduction of motor tractors if a four-anna tax was put on petrol?—No, I do not think so; they are at present driven on crude oil or kerosene oil; whichever is cheaper will be used.

Chairman: There are Bhils in your territories?—Yes; they are one-third of the total population of the District of West Khandesh.

Do you think that the opening of your roads through Bhil territory will be one of the means of educating them?—Yes.

You think the process of education will be considerably accelerated by the opening up of roads in their territory?—I am not really thinking so much of their education as of their immediate advancement and of the produce which they will be able to bring into the market, which they cannot bring now. The produce which they are bringing now in four carts, they will be able to bring in one cart and this will give in itself an impetus to their production.

You think agriculturally also they will be benefited?—Far more benefited agriculturally.

(*The witnesses withdrew.*)

32.

(*a*) Written statement submitted by the Maharashtra Chamber of Commerce, Bombay.

On the subject of road development in this country my committee has placed two principles before itself, *viz.*, that there is need to-day of having in the first place a network of metalled road communications available all the year round between the villages and the taluka or other bazar places and district towns, and that asphalted motor roads may come later on after this primary want is satisfied. There are places to-day in Maharashtra (and what is true of Maharashtra is also true of other parts of this country to a greater or lesser extent according to the nature of the ground in those parts) which are cut off from all other places during some days in the rainy season and there is during that time no communication possible between those places and others owing to their isolation. This state of things ought to disappear and the sooner it is done the better. Some roads for instance have no bridges on big streams and the people have to suffer a lot and unnecessarily lose time even in dry part of the year, much more so do they suffer in rains. It is therefore necessary to have a network of metalled roads with necessary bridging all over the country to make possible all the year round unbroken communications by bullock carts and other vehicles. High class asphalted roads and similar things can conveniently wait for some time to come. My committee prefers more mileage of roads to the improvement of the surface of existing first class roads—on the whole it is satisfied with the existing surface of roads. The people of villages will thus be enabled to take their goods such as hay, kadba, cowdung, fuel, cotton seeds, etc., more cheaply to bazar places than at present.

Unless village communications are so improved as to make them available all the year round there will be no tendency created, and naturally enough, among people with town and city habits to go and stay in the villages. Better communications will mean in the long run improvement of our villages and their life in general.

2. My committee favours the proposal of the Bombay Government regarding the raising of money for road making, *viz.*, putting a tax on petrol consumption and its collection through the petrol companies. The idea of raising a loan within the limits of the income from this source is also a happy one and my committee endorses that proposal of Government in this respect. Generally speaking additional money to be spent on road making and road improvement

should be spent on local roads, though my committee has no objection to giving say a 15 to 20 per cent. from that to provincial roads which will be also useful for motor traffic. The provincial expenditure incurred at present should be wholly devoted to the construction of new roads and to the improvement of the existing ones as suggested in paragraph 1 above and no money should be devoted to special treatment of first class roads as it is done at present.

3. My committee advises the removal of all tolls throughout the country. It will mean a good deal of relief to poor people from annoyance and it will also mean saving in time for motor traffic. Revenue available from petrol tax, or from any other sources, intended to be spent on roads should be merged in general revenues but a separate account should be maintained for that. This should suffice for all practical purposes at present.

Funds so available should be given to provincial Governments as block grants to be spent on important or central trunk roads and bridges on them in addition to the usual average expenditure on these by the provinces. The distribution should be effected on the basis of their consumption of petrol. My committee is not in favour of taxing other vehicular traffic than motor transport.

4. My committee do not think that there is any necessity for the creation of a Central Road Board for India and that things in this respect may be left as they are.

New Delhi, dated the 27th January 1928.

(*b*) Oral evidence of Mr. M. L. DAHANUKAR, representing the Maharashtra Chamber of Commerce, Bombay.

Mr. E. F. Sykes: You say that your Chamber prefers more mileage of roads to the improvement of the surface of existing first class roads; that is to say, you do not mind if the roads are unmetalled?—Where it is necessary they should be fairly metalled and if the murrum surface would do, I would not mind them metalling for the present.

But you want to have a road to every village?—Yes, the important villages should be connected with taluka towns and bazar places.

You know the Thana road?—I know its present condition is good, but some years ago they did not repair it and it was therefore bad for traffic.

Suppose this is a first class road whose surface is not improved; it is likely to become totally impassable?—For that our Chamber has suggested that 15 to 20 per cent. out of the new revenue should be utilised for treating the surfaces and for co-ordinating the first class roads.

But just as you want roads to villages to originate the traffic you must have roads to link up these village roads?—Yes.

And you want the additional money to be spent on these village roads and the balance, if any, should be spent on the linking roads?—Yes, 15 to 20 per cent. as we have already said.

But do you not think that if you create new roads and presumably new traffic of that style, the traffic on the provincial roads would go up very much and that this 15 to 20 per cent would be insufficient?—My Chamber thinks that it would be sufficient for the purpose at present.

You have not examined this in detail?—We have prepared our statement on broad lines. We did not much consider about technicalities or the details of the cost.

Chairman : You represent the Maharashtra Chamber of Commerce. What is this Maharashtra Chamber of Commerce?—It is a Chamber which represents 11 districts of Maharashtra and States in Maharashtra.

Which are those districts?—Bombay and suburbs (this is considered as one district), Thana, Ratnagiri, Kolaba, Khandesh (both districts East and West), Poona, Satara, Sholapur, Nasik, Nagar and adjoining States.

How many members have you?—Over 100.

All trading firms?—Yes.

And each represents a firm, I suppose?—Individuals and also firms.

When was it started?—It was about six months back. You will remember that there was a conference of all the Maharashtra merchants at Poona and it was inaugurated at that conference.

Can it be said that it is fairly representative of non-official opinion in Maharashtra?—Yes. We have representatives of important commercial and industrial interests and include prominent members such as Kirloskar Brothers, Ogale Glass Works and others.

Is it the same over which Mr. S. D. Kelkar presided for some time in Poona?—I do not quite see which you mean. But it was presided over by Mr. Walchand Hirachand.

Its headquarters are in Bombay?—Yes.

Your grievance as mentioned in the written statement of your Chamber is that whatever money is available at present should be utilised for improving village and taluka communications?—It refers to the sums which are given by Government of India to the provincial grants. This is about Rs. 55 lakhs. Out of this at present about Rs. 20 lakhs are spent on the special treatment of surfaces of roads, such as the asphalted and tar macadam roads. We say that all this money which is about Rs. 55 lakhs or so should be given to the P. W. D. and to the District Local Boards in order to improve the existing village roads.

Stated briefly, that means that you would concentrate on improving village communications and taluka communications for the present and then you want to spend on improving motor roads and asphalted roads?—Of course. We have suggested that 15 to 20 per cent. of the new revenues should be spent on roads which would be serviceable for motor purposes and also for special treatment to surfaces which would be better for motor transport.

In other words, you want to open up the villages and talukas as these will benefit the agriculturists?—Yes, and also commerce and industry.

And you mean that at present more than adequate money is utilised for the improvement of these big roads like motor roads and asphalted roads. Is this the implication in your suggestion?—Yes. We have said so in our statement.

You favour the proposal of the Bombay Government of putting on an extra tax on petrol to be paid to them by the Central Government. How much money out of this would you devote upon village and taluka communications?—About 80 per cent.

So you would apply the same percentage out of this revenue for developing village and taluka roads as you would apply to the motor roads out of the central revenues?—Yes.

Do you think Maharashtra can bear this increased tax on petrol?—We think that 4 annas on petrol could be easily borne.

In addition to the municipal and local taxation?—Yes. We have already suggested the abolition of all tolls.

Can you say, so far as you have been able to ascertain, that the Maharatta merchants of the Central Provinces and Berar are of the same view?—We are not concerned with them.

You had no occasion of ascertaining their views?—No.

Have you considered any machinery like the Central Road Board or the Provincial Road Board?—Yes. We do not want a Central Board.

Then how will you collect money?—Through the existing machinery of Government.

You will simply have the existing machinery to distribute proceeds on the basis of petrol consumption?—Yes.

Then you will leave absolute freedom in the hands of the provincial Government to distribute this money?—Yes. We have suggested that the Government should give grants *en bloc* on the petrol consumption basis to the Provincial Road Boards—there is a Provincial Board in our province which is at present nominated and which we suggest should be made a representative Board, representative of the provincial Legislature, representative of commerce and industry and local boards. They should draw up a programme for the particular province and utilise the money allotted for the development of roads.

Could you suggest a definite percentage which the taluka and local boards should get out of this money?—We would suggest that the Provincial Board should decide this according to the needs of the districts and places of that province.

What do you think would be the best way of benefiting the cultivators in the villages out of the proceeds of this new tax of 4 annas?—There should be, as we have suggested, some feeder roads linking important villages with bazar places and so on, so that they can bring all their produce to a nearer market place and sell it at better prices. If you do not mind I would quote the example of American villages which I have seen personally.

When did you go there?—Only last year. I was there in the Ohio State. I saw that a village with a population of only about 400 or having about 100 houses was connected with a main road which passed from one town to another and these small villages had linking roads and they could take all the produce of their farm and agriculture at a very cheap transport price to proper and nearest bazars and sell them at the best market price available, while in our country on account of want of such roads all vegetable and farm produce rots in the villages as there are no good communications and as it cannot be taken to proper and nearest markets at a cheap transport price. So I would suggest the improvement of such roads which may connect the villages with market places and towns. We had also published an appeal in our Maharashtra local Marathi papers and I could mention several cases out of them. We have received over a hundred letters signed by people from different villages showing their needs and grievances.

If you could give to the Committee for their use the names and designation and the addresses of those people who have applied to

you showing exactly whom they represent it would be of some use to us?—As soon as I reach Bombay I shall make out a statement like this and forward it to you.

We particularly want to know whom they represent and what is the extent of the demand for greater village communications?—Certainly, I will send you such a statement with full details as soon as I reach Bombay.

The roads which you want to construct need not be very costly roads?—No.

Rao Bahadur S. D. Garud whom we examined yesterday suggested one or two methods like taking hold of the present cart roads and improving them because very often they are very good. Do you share that view?—Yes.

So you hold that we need not have a complicated and costly machinery or plant for improving the village and taluka roads and that it is possible to do so with little money?—Yes. I also tell you that I am a contractor interested in the construction of railways, buildings, roads, etc., and doing business on a fairly big scale so I know how these roads could be constructed at a comparatively small cost.

As you have an expert knowledge, taking the present cart roads in the villages, how much money do you think would be necessary to construct out of that a fairly passable road?—For the village produce to come out?

For bullock carts and even for motors?—I think if you improve the existing cart roads it should not cost more than Rs. 2,500 a mile.

And if you construct new roads which would serve the villages, as you have said, as feeder roads and with fairly metalled surface and bridging, how much do you think would be the cost?—I would say that it would be between Rs. 5,000 and Rs. 10,000 a mile, but that would depend upon the site where these roads are to be constructed.

And for repairs?—Say between Rs. 500 to Rs. 2,500, but it depends upon the kind of road as there are certain roads which require repairs every monsoon, while there are others which do not require.

Can you suggest any other way of improving the villages out of this road fund?—I think if the communication of roads is provided there, it would be sufficient.

Have you considered the question of monopoly for certain roads?—Monopoly to whom?

Monopoly to motor transport people?—We have not considered that.

Hon. Sir A. Froom: Your Chamber has a fair number of members. Could you tell me in what particular business your members trade? What is their chief interest taken as a whole?—Our members are all businessmen. Some have factories of indigenous industries, some are agriculturists dealing in grain and cotton, and some carrying on business of various kinds.

Chairman: One is a glass manufacturer?—Yes. We have also among our members some who are agriculturists and some who are trading in agricultural produce, etc.

Kirloskar Bros. are, I think, hardware manufacturers?—Yes.

Hon. Sir A. Froom: As some of your members are agriculturists, your Chamber of Commerce is in a peculiarly good position to know what the needs of the villagers are?—Yes.

You said that in America the villagers are able to bring their produce to the main road. What transport do they employ? Is it

motor transport?—They of course employ motor lorry transport and also horse carriages.

Is it chiefly motor transport or horse carriage?—The small villagers of course employ horse carriages, the horses of which they also employ for ploughing purposes and they find this cheaper.

And they use them for carts too?—Yes.

You want to develop the village roads by means of making them good enough for bullock carts. You have no idea of their being used for motor transport?—Certain feeder roads, of course. But I would not mind if as soon as motor traffic grows up they are improved just to make them fit for ordinary motor transport, but not at this stage.

And by improving roads you think the villagers will be directly benefited as they can move about their produce cheaper. Will the improved road reduce the cost of carting?—Yes, it will.

You gave the Committee the description of your experiences in America. Do you know the system in America by which roads are assisted and developed?—I think the motors are taxed at the factories and that tax is directly given for roads purposes.

They have a Federal Department of Agriculture there which collects money and has a considerable amount of money at its disposal from which it helps the States. You might almost compare this with the Central Government in this country?—I do not know anything about their administration but the conditions here are different from those in America. They are a very rich people possessing so many factories for motor manufacture and other indigenous industries and they can afford to spend heavily on motor roads. There, as you may be knowing every sixth or seventh man possesses a car, while in India the proportion is I think a car for every 30,000 to 40,000 people.

What I was trying to make out was that in America it is the Federal Government which assists every State with funds and the money is originally collected by it. You say in your written statement that you do not want to have a Central Board. Do you not think that the system which has proved of so much benefit in America should be adopted in India also?—I do not know much about the administration there but we have thought over the question here and the reason why we do not want a Central Board here is that it would simply add to the cost of existing machinery and as the existing machinery would be efficient and sufficient enough to carry out the new programme of road development, there is no reason why we should have another machinery which would add to the expense. I am personally of opinion that if there be anything like the Central Board, I would not object to it if it only be an advisory one, simply distributing the technical information from and outside this country just like a clearing house but it should have no voice in the programme to be formed or executed.

What about the Provincial Road Boards in the provinces?—At present we have a Provincial Board which consists of nominated members which should be improved and made representative of the non-official members of the Legislative Council, Government officials, of commerce and industry and local boards.

Would you visualise that one of its functions is to give assistance to the District Local Boards?—Yes. It should lay out programmes for road development and it should give them for execution to the P. W. D. and the District Local Boards.

Do you suggest that on the Provincial Board there should be representatives of the District Local Boards?—Yes.

You do not further go and say that you should have a Central Board which should contain representatives from the provinces?—I have said that if there be such a Board it should have no more functions than an advisory body.

You support the Bombay Government's idea of a petrol tax?—Yes, a four-anna tax.

Your Chamber would cheerfully pay a tax of 4 annas?—Yes and I have my own personal views in the matter besides those of my Chamber.

Will you briefly state them?—At present the cost of petrol is very high compared with the price in America, which is 6 or 7 annas, or with that in England, which was 11 annas or so last year. I do not know why it should be sold high here. If the Government could control the price and bring it to a level with the price prevalent in America, the extra levy of 4 annas would be further justified. And thus if we have any margin in the difference of the existing prevalent prices and the prices which would be controlled, it could be utilised for road development.

Hon. Mr. M. Suhrawardy: What are the chief sources of revenue for road development at present in the country?—The grant from the central revenue given to the provinces and the local board funds. There is a sum of 55 lakhs or so for our province out of which about 15 to 20 lakhs is spent on roads, and for special treatment, such as asphalting, etc. The rest of it goes to grants to local boards and they out of their revenues also set apart something for their road purposes.

Where from does the tax come?—From the agriculturists mainly.

There is no tax on non-agriculturists in your district?—No, excepting the tolls which both agriculturists and non-agriculturists have to pay for all vehicular transport.

Are the tolls popular?—No, for the simple reason that some like the military or Government officials are exempted, while others going on vehicles have to pay. It is considered that this sort of taxing is not fair. I do not know why Government people are exempted. The tolls are felt to be oppressive and highly troublesome.

You say that the abolition of tolls would give a good deal of relief to the poor people from the annoyance which is being caused to them at present?—Yes, especially to the bullock cart owner.

Chairman: You mean that the manner in which the tax is levied causes unnecessary irritation?—Yes.

Hon. Mr. M. Suhrawardy: It is irritating and also not desirable?—Yes.

What tax do you want to substitute for this?—We suggest that the 4 annas tax proposed should cover up the loss by abolition of tolls and for the necessary expenditure. If found insufficient, we suggest that the petrol tax might be a bit higher.

You want the abolition of all taxes and to substitute a four annas tax on petrol?—Yes.

And you want that it should be kept as a separate fund?—Yes, with a separate account earmarked for road development.

With the provincial Government?—Yes, at the disposal of the Provincial Board.

You are not in favour of a Central Board?—No.

You know that the petrol tax is a central tax. How do you propose it to be collected without a Central Board?—It would be collected by

the machinery of collection which at present exists for collecting the central taxes.

How will it be distributed?—According to the books of the petrol company. We have said so in the written statement.

On the petrol consumption basis throughout the country?—Yes.

Chairman: You suggested that you would leave the distribution within the province to the provincial Government?—I mean petrol consumption basis for distribution among the provinces and the Provincial Board should decide the distribution within its own province.

You would leave it to the Provincial Board without any directing or mandatory power with the Government of India?—Yes.

Mr. Mohd. Anwarul Azim: Can you tell us the reason why petrol is sold at six annas in America?—I have not gone into the question.

Can you tell us from which source they get their supply. Is a greater part of it imported from India and Persia?—Yes; the major part from Burma.

Can you give us any idea as to why it should be so dear here at the source?—I said that I had not gone into the question. I will only say that it should be cheaper here than in other countries, since it is produced here.

With regard to the improvement of village roads, you estimate that the kachha roads will cost from two to three thousand rupees per mile?—Yes; with earth alone.

Suppose they are made fit for motor traffic as well, do you think that the cost for the District Local Boards will be within that figure?—The question was put to me as to how much it will cost to have fair repairs to existing roads. I replied that it should be between 500 and 2,500. If roads are improved with a metalled surface for the villages, it would come to Rs. 2,500 to Rs. 5,000.

My question is how much do you think it will cost for a mile of kachha road by the local board to repair?—I said that if repairs are very light it should not cost more than Rs. 1,000. If heavy, it would go up to Rs. 2,500.

You have already said that the District Local Boards should be represented on your Provincial Road Board if one is formed?—Yes. It should represent the provincial Legislature, the local bodies, the commercial section and the Government.

Mr. Mohd. Ismail Khan: Your Chamber is in favour of an additional petrol tax and you want to have a fund for the construction of more village roads?—Yes.

Do you want the tax on motors for constructing your village roads which will now have a chance of motor traffic?—Now or later?

I mean that you want the village roads and to tax motors for the purpose?—No, but there is then the additional provincial grant for the development of such roads.

You suggest in your answer that you want the proceeds of that tax to be devoted to the improvement of village roads which probably motors will have no chance of using?

Chairman: He said 20 per cent.

Mr. Dahanukar: I have suggested that 15 to 20 per cent should be spent for special treatment like asphalting or tar macadam to the existing roads and a reasonable percentage for fairly metalling and developing roads which would also be useful for motor transport.

Chairman : Just make the point clear. Is it your suggestion that 20 per cent should be definitely set apart for village and taluka roads?—No. 15 to 20 is the percentage which should be set apart for development of superior roads and special treatment to surface of such roads.

So you say that a large percentage should be devoted to village and taluka roads?—Yes; for kachha roads and for metalling and constructing others.

I thought you confined yourself to the roads referred to by Mr. Garud?—From my personal point of view as a contractor I should say that it is not economic to take the whole thing to begin with. There should be some beginning made and as communications develop, the roads could be made fairly metalled and made useful for heavier traffic. To begin with I should certainly like to have some roads which have only metalled surface or even murrum surface.

Instead of waiting until really good roads could be had, it is better according to you to have a kachha road rather than no road at all?—Yes.

Mr. Mohd. Ismail Khan: Are your District Local Boards starting new roads?—I have not enquired into it.

They do collect a cess with the revenue?—Yes.

And in addition they get grants?—Yes.

Raja Ghazanfar Ali Khan: Are the military and Government officers exempted from tolls under any recognised rule or bye-law in the District and Local Boards Acts?—I do not know. As a matter of fact, they are so exempted.

Hon. Sir G. Corbett: Do you speak of the importance of bridging streams from the point of view of the agriculturist?—No, I have not said so. But we want certainly fair bridging for important roads.

You say that some roads have no bridges on big streams and people have to suffer a good deal especially during the rains?—What I mean is this, that at important places where a bridge is necessary it should be provided. But as we have said later on, funds for the larger bridges should be derived from special grants by the Central Government out of the import duty on motor cars.

I am talking of small ones. My own experience as a Revenue and Settlement Officer is that the thing that troubles the agriculturist more than anything else is that a small stream acts as a barrier in the rains, and even in the dry season, he could bring only half his load because of a bad crossing over a nulla coming between?—Yes, if the traffic is heavy I would certainly welcome such improvements to the nullas and streams.

Is it your experience that in America they attach greater importance to bridges than to surfacing?—Yes. When they lay out a new road they are rather inclined to the putting of bridges and think of improving the surface as the traffic develops.

That is perhaps on the trunk roads?—In village roads I think they have small ordinary causeways.

As a means of crossing the stream, irrespective of its size?—No. In some places I have seen they have no bridges at all. I crossed from Philadelphia and went to Atlantic City where the whole of the traffic from one bank to the other was simply carried through ferry service, which they call floating boats.

Yes, but that is a big stream and some rivers are very wide?—Yes. I do not think we have such difficulties here. If the bridging is to cost a lot and if no funds are available, I should say that some good ferry service should be introduced.

But you cannot put up a ferry service over a river of 20 yards?—No; certainly we want small bridges.

I am only referring to them, the nullas and small streams?—I think we have on some roads at present.

Bridges are expensive and could only be constructed on a few roads?—Yes. We have said only at important places.

From the point of view of the villager, it is far more important for him to get across nullas by bridges than that he should have a series of village tracks connecting villages?—I would leave this question for the consideration of experts. I have not studied it so closely in America.

Your proposal is that 80 per cent of the petrol tax on motors should be spent on the improvement of village tracks?—Yes, not purely on kachha roads but also those which will serve both cart and motor traffic.

You would spend it on what I may call the backbone road for the village road system?—Not exactly so, on feeders also. I would have a backbone which will provide sufficiently for the feeders around and I would not have any trunk or main roads without feeders. In our chamber we have considered this point. There are at present sufficient main roads and we want only to connect them at important places.

We are all agreed that it is necessary to improve village tracks in order to get produce to the market?—Yes and for passenger traffic as well.

But we have got to justify a tax on petrol for this purpose. Can you suggest how we can do it?—I have said that 15 to 20 per cent will be available for the superior roads. There is no other way of taxing motors. They cause immense damage to the roads.

Do you say that they are contributing a disproportionate share to the expenditure on roads generally? Have you any idea of the expenditure incurred on making roads generally motorable?—No. The figures could be taken from Government books.

They would of course show the expenditure on roads for making them motorable. But it is rather difficult to earmark 80 per cent of a tax on petrol for improving roads which are not required for motors?—I have allotted 80 per cent for road improvement for both kinds of transport, for motor cars and carts.

That percentage is to be spent on roads generally?—Yes. A large portion of them would be motorable roads.

The effect of that policy would be that motors would be able to penetrate eventually into these villages?—Yes, and eventually these kachha roads would be improved and would be useful for motor transport also.

In any case the improvement of village tracks would enable goods and passengers to get to these backbones as I have called them, and they would act as feeders to motor transport working on these backbones?—Yes.

You think that we should improve feeder roads by taxing motor transport on the main roads, which might be said to depend on the

village tracks because they bring traffic to the motor transport operating on the main roads?—Yes. Both by passengers and goods.

It would bring the village people into direct contact with the bazar towns?—It would rather be a stimulus to the motor transport.

You said that these roads are going to cost Rs. 10,000 a mile?—Between Rs. 5,000 and Rs. 10,000.

That is for village tracks?—No, for metalled and fairly bridged roads and these would also be motorable.

(*The witness withdrew.*)

33.

Madras, dated the 14th December 1927.

(a) Memorandum of the touring sub-committee's discussion with the following members of the Madras Road Board:—

Mr. F. B. EVANS, C.S.I., I.C.S., Secretary to the Government of Madras, Public Works and Labour Department; (President.)

Mr. C. B. COTTERELL, C.I.E., I.C.S., Secretary to the Government of Madras, Local Self-Government Department; (Secretary.)

M. R. Ry. Rao Bahadur S. BHASKARA AYYAR AVARGAL, Acting Chief Engineer, Public Works Department (Roads and Buildings);

Mr. R. DANN, M.T.P.I., Director of Town Planning;

T. M. MAIDOO Sahib Bahadur, M.L.C., President, District Board, Malabar;

M. R. Ry. Rao Bahadur B. MUNUSWAMI NAYUDU GARU, M.L.C., President, District Board, Chittoor;

M. R. Ry. Bhaskara Rajarajeswara Setupathi alias Muthuramalinga Sethupathi Avargal, the RAJA OF RAMNAD, M.L.C., President, District Board, Ramnad;

M. R. Ry. M. R. SETURATHNAM AYYAR AVARGAL, M.L.C., President, District Board, Trichinopoly;

M. R. Ry. Rao Bahadur C. S. RATNASABHAPATHI MUDALIYAR AVARGAL, M.L.C., President, District Board, Coimbatore;

M. R. Ry. Diwan Bahadur P. C. ETHIRAJULU NAYUDU GARU, M.L.C., Ex-President, District Board, Guntur;

Mr. D. B. SNOWDON, representative of the South Indian Motor Union; and

Mr. F. G. LUKER, representative of the Madras Trades Association.

The Chairman explained the objects of the Road Development Committee.

It is generally agreed that a Central Advisory Road Board is desirable. It is also suggested that the Board should contain persons of both expert administrative and financial experience. The Raja of Ramnad does not think that a Central Road Board will be of use, as he is against centralisation of administration on principle. He would agree to an expert Board. The Chief Engineer, Roads and Buildings, is of opinion that the principal function of the proposed Central Board would be research work.

Mr. Cotterell states that co-ordination of roads in various provinces is not of much interest to Madras on account of its geographical position. This is agreed to.

It is stated that on the whole the main provincial roads are in fair order, but district roads, some of which carry very heavy traffic, are not in such good order. The need is money. Mr. Evans states that on, *e.g.*, the Calicut-Madras road, the road receives the same grant per mile in each district, but the various District Boards are of various efficiency, and therefore the road varies from district to district. The divided control does not tend to efficiency. Practically only Ghat roads are under the Public Works Department.

It is generally held that the suggestion for provincialisation of main provincial roads is not applicable to Madras as, were sufficient grants given by the local Government to District Boards for such roads, the roads would be well kept. Mr. Evans would prefer main roads provincialised and put under a Board—the present system is not unsatisfactory—but more funds are needed. The Chief Engineer, Buildings and Roads, states that little improvement might be shown, but the District Engineer at present is hampered by lack of higher technical supervision and advice. If the road system is centralised under the Chief Engineer, Buildings and Roads, that is all needed. Mr. Cotterell is in favour of provincialising main trunk roads, so as to free the District Board staff for feeder roads.

The Raja of Ramnad is against it, as, were higher technical supervision and more funds provided, there would be no need. Mr. Luker suggests that either the Provincial Road Board be much strengthened or main roads provincialised. The other members of the Board do not consider that there would be any advantage in provincialisation, provided the Government provide funds and insist on a standard from the District Boards.

Mr. Cotterell states that motor vehicles are taxed in all municipalities, and also pay tolls at all municipal and local board toll bars. All municipalities tax motor vehicles up to Rs. 50 maximum. Motor vehicles pay a considerable amount. He would prefer consolidation of motor vehicle taxation, abolishing all municipal taxes and tolls and compensating the local bodies. It is generally agreed that as a principle motor vehicle taxation should be provincial and other motor vehicle taxation abolished, local bodies being compensated.

It is generally agreed that an extra 2 annas on petrol would not be oppressive if earmarked for roads, and on the understanding that funds are not available at present. One member dissents from this view unless the proceeds are entirely spent on District Board roads.

It is agreed that the possibility of a still further petrol excise being utilised to take the place of provincial and local taxation might be explored: the principle is admitted.

It is generally agreed that, in the distribution of the proceeds of any petrol excise for a central fund among the provinces, various factors including petrol consumption will have to be considered.

Madras, dated the 16th December 1927.

(*b*) Memorandum of touring sub-committee's discussion with—

The Hon'ble Mr. N. MACMICHAEL, C.S.I., I.C.S., Finance Member to the Government of Madras ;

The Hon'ble Dr. P. SUBBAROYAN, Chief Minister to the Government of Madras ;

Mr. C. B. COTTERELL, C.I.E., I.C.S., Secretary to the Government of Madras, Local Self-Government Department ; and

Mr. H. A. WATSON, I.C.S., Secretary to the Government of Madras, Finance Department.

The Chairman explained the objects of the Committee.

The Chief Minister states that if a Central Road Board were purely advisory and had no power to interfere with provincial Governments, its establishment is desirable.

The Chief Minister does not consider that the feeling in Madras is towards relieving District Boards of maintenance of provincial trunk roads. The Secretary to the Government, Local Self-Government Department, states the present system of a flat rate grant per mile for such roads to District Boards is unfair as taking no account of the cost which varies. The Chief Minister is in favour of provincialisation of such roads, but this is not possible perhaps at present and he would suggest stricter supervision of District Board's work on such roads. The Hon'ble Member, Finance Department, is doubtful if full provincialisation would not present administrative difficulties.

It is agreed that the agriculturists are greatly interested in road development.

The Chief Minister would in principle be in favour of a provincial tax collected by petrol excise, though 2 annas would not compensate for present local taxation and tolls. The Hon'ble Member, Finance Department, agrees and adds that in Madras the question of abolition of tolls is very desirable in the public interest—but of course that is a provincial question and no funds are available at present. It is agreed that tolls on bridges are, however, justifiable. The Hon'ble Member, Finance Department, agrees that provided a satisfactory formula for division among the provinces be found, he has no objection to the imposition of an extra 2 annas excise on petrol to form a central road fund for development of roads throughout India. The Chief Minister agrees.

The Chief Minister and the Hon'ble Member, Finance Department, agree that they have no objection to a road fund, provided that the share of Madras is not allotted to any other province, and provided that the Central Road Board should not be able to dictate to the local Government that one work should be taken up in preference to any other.

The Secretary to the Government, Local Self-Government Department, suggests that a Government of India Department of Transport dealing with roads, railways, etc., would be preferable to any Central Road Board.

New Delhi, dated the 28th January 1928.

(c) Oral evidence of Mr. C. B. COTTERELL, C.I.E., I.C.S., Secretary to the Government of Madras, Local Self-Government Department.

Chairman : You are Secretary to the Government of Madras in the Local Self-Government Department?—Yes.

I think you have seen the statement which you made to the sub-committee which met you in your province?—Yes, I have read it.

Would you have any objection to my referring to your statement as made before that sub-committee?—No, I have no objection.

The Local Self-Government Department is a Transferred Department in your province, is it?—Yes.

Who is the Minister in charge?—The Minister who deals with Roads is Dr. Subbaroyan, Chief Minister.

And the Raja of Ramnad is a member of your Provincial Road Board?—Yes.

How long has this Road Board been in existence?—It has been in existence about five or six years before my time. When I came it had not had a meeting for some time, but it is now meeting two or three times a year.

Is it the Minister in charge who presides over this Board?—No. The President is the Secretary, Public Works Department.

Has it control of all the roads in the province?—It has not any control at all. It is really an advisory body to discuss questions regarding road development and classification. It does not exercise any administrative control at all.

Its functions are advisory with a view to co-ordinating the road policy?—Yes, that is the idea. It largely consists of Presidents of District Boards, and we like to hear what they have got to say about the possibilities of new roads, or the different claims of various districts for roads, before any road policy is framed by the Government.

Have you any representatives from local bodies on your Board?—Yes; what we generally do is this: for convenience sake the Road Board generally meets about the same time as the Legislative Council which contains a lot of Presidents of District Boards. We generally take those most interested in roads and put them on. The Governor appoints them to the Road Board so that when the Legislative Council meets we very often have at the same time a meeting of the Road Board which contains a lot of these Presidents.

How has this experiment of linking up non-officials with officials worked in your province?—The Road Board, as far as I know, has, within its limitations, worked very well. But, of course, it can only express its opinion. There is no control of funds or of administration.

It does not interfere with the freedom of the Public Works Department, does it?—The Public Works Department in Madras have little control over the roads.

Who looks after them?—There are about 1,000 miles of roads under Government maintenance, which is a small number out of the 20,000 or 30,000 miles of roads. The other roads are looked after by the local bodies, with, of course, the exception of a few hundred miles of certain expensive roads, such roads being too expensive for the local bodies to maintain.

How has this system of District Boards being held responsible for the maintenance and upkeep of these roads worked in Madras?—It is difficult to say because up to about 1920 or so all the District Boards had official Presidents and they looked after the roads fairly well. Now, all the District Boards have non-official Presidents. In some cases the roads have deteriorated, in others I think they have improved. But, on the whole, I think the District Boards may be said to have kept the roads up pretty well. The difficulty in keeping up roads is that the engineer of each district is responsible for his district roads and although he is a very well qualified man, he has got no one to advise him or to give him any official assistance. He is subject to no authority except that of the President of the District Board who is a non-technical man. The general opinion is that a technical man is necessary to help him with estimates and in connection with general supervision. At present all that the Public Works Officer does is pronouncing opinions on the question whether this or that road is in good order or not, and whether repairs should be carried out, and of course deciding whether or not a grant shall be made.

What system would you recommend for the purpose of giving him this expert assistance?—What we said in our statement, I think, is that we should like trunk roads to be provincialised, and put under the Government Public Works Department for supervision purposes, possibly either continuing the use of District Board engineers or amalgamating them with the Public Works Department.

I presume you share the view expressed by the Chief Minister in Madras which is to the effect that he does not consider the feeling in Madras is towards relieving District Boards of maintenance of provincial trunk roads?—Yes.

But I take it that you agree that such a step would have a better chance of being accepted if it was suggested by the Legislative Council rather than by this Committee?—Probably so; I do not know.

Because it may look like a serious interference with the liberty of District Boards, and if you are anxious not to create any unnecessary irritation it would be better that such a step should emanate from the Legislative Council *suo motu*?—Probably so.

You speak of a Central Advisory Board. By that I understand you mean a board for the purpose of research and co-ordination without having powers of interference over provincial matters?—Well, you cannot have that without powers of interference.

That is what I want to know. You state that co-ordination of roads in various provinces is not of much interest to Madras on account of its geographical position. What exactly do you mean by that?—Madras is at the bottom of India and it is surrounded on three sides by the sea, so that on the three sides of the province we do not wish to communicate with any one at all. On the other side, namely the centre of the country, there is only the jungle tract or the tract appertaining to Hyderabad which is rather thinly populated, and the only two roads which can be said to be of inter-provincial interest from Madras are first the road to Calcutta along the coast, and secondly the road to Bangalore, Poona and Bombay. We are not particularly interested in developing these two roads because the train communications between these distances are obviously much more economical than the road communications for travellers. As I say the Calcutta and Bombay roads are the only roads which can be said to be inter-provincial, and are not important to us at all.

What I mean to say is that the rest of the roads are merely a question of finance; no problems of provincial control arise?—Our road system is practically internal; it is a self-contained system.

But your problem so far as other roads are concerned, that is, roads which are really important, is purely a question of more funds?—Yes, it is purely a question of internal finance and organisation.

I find that the Raja of Ramnad was against the creation of a Central Board and the Chief Minister also takes the same view. For instance, the Chief Minister states that if a Central Board were purely advisory and had no power to interfere with provincial Governments, its establishment is desirable. That is practically the same view which you have stated?—My personal view is that the Central Board would be useful for technical work.

Do you ever take advantage of the Alipore Test House, or is it too far away?—We do not take advantage of the Alipore Test House but I know of one Engineer who sent some material to Alipore but the result was not satisfactory.

Would you prefer to have your own research institute in Madras?—I do not think so. I think a central institute well equipped would be quite good.

Even if it were some distance away from Madras?—Distance is not the difficulty; the difficulty is that under our present system the results achieved by the technical institute are not applied.

Have you experienced any difficulty on account of the want of a research institute in your own province?—What we generally do is to take the metal from the nearest available quarries.

You do not carry on experiments in road metalling?—No.

Would you like to carry them on?—We would like to have the advantage of a technical authority carrying on experiments and to send samples to them. At present we only find out by putting the stuff on the road and seeing how long it lasts; that is all we do.

With reference to the question of having one provincial tax on petrol to replace all local taxation, I should like to know whether, if that was done in your province, that is to say, if all municipal and local taxation on motor-cars were abolished and one uniform provincial tax on motors, say, 2 annas or whatever the incidence may be, were levied, you think that you would be able to raise enough money to compensate municipal and local bodies and leave a balance?—That is our difficulty. At present in Madras cars pay a vehicle tax in all municipalities in addition to a customs duty. They only pay one registration fee when they are first bought, but they pay tolls every twelve or fifteeen miles and we are very anxious to get rid of the tolls. Consequently we are very agreeable to substitute a provincial form of taxation for this municipal vehicular tax and tolls.

For all vehicles or only for motors?—I am not sure for all vehicles, but certainly for motors.

Can you give this Committee any figures showing what is at present the total amount of the tax raised in your province by municipalities and local bodies on motors only?—I think I worked this out before the sub-committee when it came down to Madras. I think that we could take 6¾ lakhs and 2½ lakhs, that is, a total of 9¼ lakhs as the revenue from car licences and local fund tolls, excluding municipal tolls; tolls outside municipalities and on the open roads would come to between 7 and 8 lakhs. In all about 17 lakhs. If you abolish the vehicle tax the toll keeper cannot tell whether any particular car belongs to a

particular municipality and is therefore exempt, or whether the car comes from another municipality and therefore should pay a toll. So that the only answer is to abolish municipal tolls, and that would involve another three or four lakhs, which would bring the total up to something like 20 lakhs.

Do you think that if we put a 2-anna tax on petrol and with your contribution to be paid to you on the basis of petrol consumption you would be able to raise 20 lakhs?—The figures given up to date were that a one-anna tax would yield something like 3½ lakhs; a 2-anna tax would yield 7 lakhs against the 20 lakhs required for compensation. But, of course, the petrol figure is subject to a very rapid increase.

It could never be brought up to 20 lakhs surely?—It could be brought up to that figure in five years. The petrol people told me that they expected a thirty per cent. increase every year.

At present I do not suppose that you would agree to such a scheme?—We agree to it, but we do not see how it can be worked.

It would not be possible?—I do not think that it would be possible for the next few years at any rate. If we cannot do it with the whole scheme, we should be very anxious to buy out the tolls and employ the 2 annas duty on petrol to compensate local bodies for their toll fees.

And would you like to take your own time for replacing by provincial taxation all municipal taxation?—Yes.

So that your Government or your Council would be the best authority to find out when the time would be ripe for such replacement?—I should think so.

Hon. Sir A. Froom: I understand that at the present time the Provincial Road Board does not consider any particular scheme in one or more districts for the development of roads. Let me be a little plainer. Does your Provincial Road Board first of all pass a scheme which is put up to them and then apply to your Provincial Council for funds for that scheme?—No, I think in Madras we do not really require to develop new main communications. What we are doing is to develop our feeder roads, because we have got what we call district or second class roads which are fairly adequate for our purposes. All we want now is to connect the larger villages dotted about the country to these more or less main roads, and that is exactly what we are doing now. We are spending some 10 or 12 lakhs a year in this connection.

I did not necessarily mean a scheme for new roads. I was referring really to the upkeep of your village roads. You want your feeder roads or roads from villages to your main roads to be in order. Now I want to know whether you find any difficulty in obtaining sufficient money from your Provincial Council for that object?—We have had no difficulty at all. Each time the Government of India have been good enough to make us a remission, we have applied a good deal of that remission to these village roads. It is a matter on which our Council is very keen. They are keen on developing village communications. Their cry is that most of the money is spent in the cities, in fact in Madras, so that if they could get a few lakhs to be devoted to rural development they would be very pleased indeed. The Road Board is not concerned with these village roads; that is purely a matter for the District Boards. We ask the District Boards how much they can provide out of their money for the development of rural roads and they write and specify the sum and we try to give them an equal grant. And then of course we put in for our share in the budget and that is passed without trouble.

But even with this system and in spite of the willingness of your Provincial Council to vote funds for the development of these village feeder roads, you are short of money?—I do not think that we are really short of money; it is difficult to get the money. Of course we are in a way short of money, but money has always been found to develop the village roads. The amount is only about seven lakhs a year.

I do not quite follow you. These feeder roads are in a backward condition, are they not? If you have not been short of money then why have they not been attended to in the past?—This policy has only come into operation since we began to receive the remission.

I take it that it is the result of a new feeling awakened in your province?—Yes, since we have been receiving a remission of our provincial contribution to the Government of India, we have been applying a good deal of the money to the development of rural feeder roads and also on rural water supply. These are the two things on which the Council is most keen. We spend about seven or eight lakhs a year digging wells and making feeder roads.

So that in connection with this scheme for the development of roads in the Madras Presidency, you are chiefly looking to the needs of the villager?—At present, they are looking with a very keen eye to the needs of the villages.

When you make these grants from your Provincial Council to the District Boards, is there any supervision over the spending of the grant? Supposing one District Board said 'I can put a lakh', and then you came forward and said 'All right, we will put in another lakh'. Of course there can be no control over the lakh contributed by District Boards as they are autonomous bodies, but is there any control over the contribution which you make to them? Does the provincial Government exercise any supervision to see that that money is legitimately spent on the roads and adequately spent?—We pay the grant on what is called the post payment system; that is to say, the District Boards submit their accounts to the Treasury who satisfy themselves that the money is vouched for, and then half the money is paid. This process is repeated over and over again. The question whether the money is spent on the particular purpose for which it is given is one which is left to the District Boards Engineering staff who have to certify the expenditure. Of course there is no supervision over them at all beyond the supervision of their own Engineer.

The District Boards themselves are asking for supervision from technical experts, are they not?—Yes.

Do you find you are able to give it to them?—It has not been done so far, because it does not form part of the scheme. But I imagine that it will have to be a part of the new policy.

And I presume that that is why your Chief Minister is in favour of the provincialisation of certain roads?—Partly so.

He does not suggest that the actual maintenance of the roads should be taken away from the District Engineer, but by provincialisation I gather he means that they should maintain the road under direct supervision?—I do not think that it has been very definitely formulated as to what provincialisation of roads means. Some people think it ought to be handed over to the Public Works Department entirely; other people think they should have greater controlling power.

This is a new thing which has arisen I take it out of the desire recently created for better roads?—Yes.

Perhaps the desire has arisen out of the visit of the sub-committee?—It has arisen out of the formation first of this Committee and then as a result of the visit of the sub-committee.

With regard to taxation you told the Chairman that in Madras provincial taxation would be preferred to all these varying taxations like municipal taxes, tolls, etc.?—Yes, we should prefer it; so also would every one else I imagine.

And for that reason you supported the idea, which other provinces have also supported, namely the imposition of a two-anna excise on petrol for provincial taxation?—Yes.

I gather that with a two-anna tax on petrol and a second two-anna excise on petrol you would practically be able to wipe out your tolls on roads?—Road tolls on motors only.

You would still have to keep your toll gates for vehicular traffic?—For carts.

Your expenditure would not be reduced?—There is no expense because the tolls are all auctioned by the local boards and the lessee bears all expenses at specified rates.

They are able to make much money there?—It is like a toddy shop lease. Sometimes they pay and sometimes they do not.

Presuming your wishes were acceded to and only 2 annas imposed, would you set about starting any form of provincial taxation in some way to make up the difference which comes to something like Rs. 10 lakhs?—There is an idea but it has not yet crystallised itself that we should put on a tax of something approaching Rs. 80 a vehicle, which is heavier than now.

Why should it be considered heavier?—Not exactly heavier, if we include the tolls. It would be a matter of collection by the provincial Government instead of the central.

It might even be less for it is imposed on people who were not paying the tax, I mean the petrol tax, so that really the incidence of taxation would be considerably less?—I do not think that is true, for as it is, no one can escape tolls.

Hon. Sardar Shivdev Singh Uberoi: Would you mind explaining the system of roads, provincial and local, their construction and maintenance in your Presidency?—Practically you may say that there are no provincial roads except a few ghat roads, like the one going to Ootacamund and a few roads which the P. W. D. maintain at Government cost. With that small exception all the roads in the Presidency are maintained by local bodies.

Do the Government give the District Boards any grant?—They give a lot. We classify roads into trunk roads or first class roads, second class roads and other roads. For the first class roads the Government give a flat rate of Rs. 500 a mile for their maintenance in addition to what they pay for the construction of all capital works like bridges. They do not pay this latter of course until the District Board decides to have a bridge and the Government are satisfied that they should have it. The Government give in such cases the whole cost of the construction. That is in the case of the first class roads. In the case of second class roads, the Government give a fixed sum to each district which is a survival of the old contribution of a quarter of the land cess, the balance being provided by the District Boards.

Do the District Boards levy any cess for the purpose of maintaining the roads or is it spent from the general revenues of the District Board?—From their general revenues.

Any special cess for the maintenance of roads?—No. The income of the local bodies comes from land cess which is a cess on land revenue, from the lease of toll gates, from licences on public vehicles and from other minor sources like market fees. Out of these they provide for their roads.

Can you give us any idea of the total expenditure on roads in your Presidency for the last year?—I think it is stated in the answer to the questionnaire. From local funds in 1926-27 it was Rs. 76 lakhs.

And subsidies by provincial grants?—From the provincial grants, I think it was about Rs. 39 lakhs.

In all, about one crore and fifteen lakhs?—Yes, in 1926-27. It will probably be more now.

Are the Government satisfied with the condition in which the roads are maintained?—Not altogether. Some are bad and some are good.

Is there any Communications Board in your province just as the one we have in the Punjab?—No. Our Road Board does not practically look to the maintenance and construction of roads.

How is the motor traffic developing in your Presidency?—I should say enormously, especially in the public buses there is a tremendous increase which are largely responsible for the bad condition of the roads.

Of course this would necessitate that roads should be improved?—Yes.

And some fund should be had for the purpose?—Yes.

May I know what are the taxes which either the motor owner or the bus owner has to pay?—There is no provincial tax as such. Really it is a registration tax when you bring a car into the country. That is the only kind of provincial tax. There is a small fee of Rs. 5 collected for driver's licence. All the other taxation is local.

What is the rate and how is it charged?—The rates I think are given in the answer. The municipal tax varies from Rs. 50 in the mufassal to Rs. 70 in the city for a year on touring cars, and business cars pay from Rs. 200 to 400, motor cycles pay Rs. 20, 30 and so on. That is what we call the vehicle tax.

In the last paragraph of your statement to the sub-committee you say that a Government of India Department of Transport dealing with roads and railways is far preferable to a Central Road Board. Do you mean that there should be one transport department in which the railways and roads should be amalgamated?—I do not remember having stated it. What I remember saying was that the equation or co-ordination required in the matter of road development could be better done by the Government of India officially than by a non-official board.

According to your suggestion, the control will be with the Government of India?—That is not the idea at all.

You are still in favour of having the control in the provincial Government?—Most certainly.

May I know the rate of petrol in Madras?—I think we pay Rs. 1-0-6 per gallon.

Mr. Mohd. Anwarul Azim: I suppose you have got some roads passing through the States of Travancore, the Nizam's Dominions and Mysore?—Yes.

You are the Secretary to the Madras Road Board?—Yes.

What sort of co-ordination have you in the maintenance of these roads which run through the Indian States?—Up to the present time we had no trouble at all with them. The States which we are concerned with in the matter of roads are chiefly Mysore and Travancore. Practically our roads disappear when they reach the Nizam's Dominions. We have had no trouble with Mysore or Travancore which are always in agreement with us in regard to the roads.

Have you any standard of allocating the expenditure?—No. They keep their roads and we keep ours and on no occasion has there been any trouble.

Are they kept up uniformly all through?—More or less. Sometimes ours are a little better and at others, theirs. Generally they are kept about the same standard.

You were telling the Chairman that in District Board areas practically the District Engineer is the sole authority as to how a road should be made and how it should be maintained?—Yes. He has to send estimates to the Superintending Engineer of the P. W. D. Beyond that there is no supervision at all.

Has any Superintending Engineer anything to do with the work of the District Engineer in the district?—No.

Suppose a project cost a good lot. Must it not come to the P. W. D., not only for sanction but for supervision as well?—The estimates come to the department. As far as I know there is nothing further.

And the estimates of the project made by the District Engineer will have to pass through the P. W. D. to the District Board?—Estimates above Rs. 5,000 pass through the P. W. D.

Mr. Muhd. Ismail Khan: Do not the budgets come to the Commissioners of the divisions?—No. We have not got Commissioners. They come to the Government.

They are scrutinised there?—Yes. But they can do nothing with the District Board which shows a surplus budget. If there is a deficit budget, they will suggest curtailment of expenditure.

Twenty years ago, when there were official Chairmen in the District Boards, were the roads maintained by the P. W. D.?—No, by the District Boards exactly as they are now.

And they are spending the same money now?—No, probably more as the Government give them more now.

How much do the District Boards spend out of their income?—About Rs. 68 lakhs.

They are spending more money on education and sanitation?—They are spending more money all round.

You favour the idea of the formation of a Central Road Board for research?—Yes.

Could that not be carried out by the Provincial Road Board?—No, that would result in duplication of work. Instead of having one expert, you would have ten experts.

But they will have local knowledge of the soil and other conditions?—I am ignorant of what the experts will do. I imagine they will be making chemical and other experiments with road metal which I think can well be done by one man.

But there is already the Alipore Test House?—We have not availed ourselves of it. We do not know much about it. I know of only one District Board which sent its material and got an opinion.

Do your District Boards tax other vehicles besides motor cars?—They do not tax even motors. It is the municipalities that tax. The District Boards do not tax them except by way of tolls. The only licence which they give to motor buses is the public vehicles licence, which is different from the vehicle tax, to ply for hire. Some District Boards fix it on the number of miles run per day, some on the number of seats and some at a percentage of the fare collected.

Would you favour the idea of granting monopoly for buses?—I personally should like local bodies to be able to auction the right to limit the bus companies running on any road to two or three and I think that will be a fair method but our legal advisers say that we have not the power to limit the number of buses running on any particular road. As a result of it, there is a large number of them which make the road bad for traffic.

Raja Ghazanfar Ali Khan: What is the average cost of the maintenance of the trunk roads?—The District Board engineers say that you ought to be able to maintain a road for about Rs. 700 or Rs. 800 a mile.

Metalled road?—Yes.

What is the difference between the trunk roads and second class roads so far as the quality is concerned?—It is difficult to say. Some second class roads are better than the first class ones. It depends on the traffic.

You said that the construction of roads is generally financed out of loans except in the case of village roads. Can you tell us why the exception exists in the case of village roads?—I do not know. The difference arises perhaps from the fact that as I was explaining to the Chairman, the village roads have been begun recently out of the remission of the provincial contribution, when there was no necessity for loans. The idea of increasing the number of feeder roads has been taken up largely after the Madras Government received part of their contribution to the Central Government back and these village roads are being now financed from the remission made and there is no necessity for the local boards to ask for loans. If the local board wants to make a first class or second class road, it provides its share by means of a loan.

You are opposed to the distribution of the Central fund on the basis of consumption of petrol?—Population and mileage should be the two factors which should decide the matter and I think that would be fairer than the petrol consumption basis.

Do you not think it would be quite reasonable if we took the expenditure of each province in regard to the maintenance and construction of roads?—But the poorer provinces which cannot afford to spend would only get very little. After all the needs of a province should be measured by the population and the total length of roads.

Are not the members of the Road Board opposed to the provincial Government taking over the provincial roads from the District Boards?—The Road Board largely consists of District Board Presidents and non-official members. Some of the members said that they were in favour. What is stated in the statement is right.

And I take it that the majority of them are opposed to the idea?—I should not like to say that. I know that many of the non-official Presidents are quite strongly in favour of main roads being provincialised. I do not know whether there is a majority differing from that view.

The Chief Minister holds that view, is it?—The Chief Minister, I think, was in favour of provincialisation. It is so stated at paragraph 5 of the statement before the sub-committee.

It is also stated that the Chief Minister does not consider that the feeling in Madras is towards relieving the District Boards of maintenance of provincial trunk roads?—Yes; evidently that is the opinion of the Chief Minister.

Some supervision is exercised by the Superintending Engineer on the trunk roads managed by the District Boards. Is it not so?—Yes, to this extent that he inspects the roads once a year and says whether they are up to the standard or not.

You think that the amount of supervision that is at present exercised is sufficient?—No, I do not think so.

Do you think that the work should be carried on directly by the Superintending Engineer?—I think there ought to be some person of the position of a Superintending Engineer who should have control of the maintenance and construction of roads.

But so far as the giving of contracts of certain roads or spending moneys on them is concerned, that should lie in the hands of the District Board?—I am not prepared to say so. It does not lie in my province. I know that the feeling on the part of engineers is that they would like to be advised by some experienced person. They would like some technical help in the preparation of estimates and watching the progress of the work.

The arrangement is satisfactory so far as the carrying out of the work is concerned?—I think so. They are very competent. But they themselves feel the need of some help from the more experienced engineer in the case of big works.

Lala Lajpat Rai: What kind of roads is constructed by the local bodies?—Any kind of road. If a District Board wants a road, the Government first sees how it is going to finance it. The Government do not finance the construction of a road at all although they pay for the maintenance in full for the trunk roads and half for the second class roads.

All the loans are raised by the District Boards?—Yes. The Government will not commit themselves to pay for the construction. The responsibility to find the money for the construction is on the District Board which very often raises a loan with the sanction of the local Government.

How are the loans repaid?—By equated payments over 20 years.

From the current income of the District Boards?—Yes.

From the savings of the revenue or is it a necessary item in every year's budget?—Before the Government grant a loan they get a statement showing how they propose to repay it, what their surplus has been for the last four or five years and if the loan can be repaid in 20 years in equated payments, then it is sanctioned.

How many years has this system been working?—I think for a very long time. I would not say more than 20 years for at the time when there were official Presidents of District Boards, they did not have any money lent to them at all.

Who constructs these roads?—The District Boards.

Have any loans been repaid by them?—I do not think any have been in full but all of them are in the course of repayment.

In your judgment is that system quite satisfactory?—Perfectly satisfactory, especially more in the case of bridges than of roads because there is more construction of new bridges than new roads.

Is there any specific percentage of District Board revenue reserved for this purpose?—No.

Do you know whether there are special percentages fixed with regard to education and sanitation?—I do not think there are any.

Are your loans to be spent on works of ordinary construction or on some semi-permanent works, such as bridges, etc.?—The Government would have to approve the whole system before they advanced money on loan.

Loans can be spent on the construction of that particular road or on any part of it in any way. They are not restricted to certain works, such as bridges, embankments, etc., on that road?—Certainly.

You would find that construction out of loans is not good. You first of all provide services for the loan and then funds for the maintenance of the road?—We take that into account in examining the question of giving loans.

Do you actually earmark any particular source of the revenue to the District Boards making that a legitimate first charge in your budget?—They will have to put it in their budget otherwise we should not pass it.

Hon. Sir G. Corbett: From the road map of Madras, it seems that the road system of Madras is more developed than in most parts of India. Could you tell us exactly the principles on which it has developed? For instance, you tell us that you are now concentrating on the improvement of village roads. Do I understand that you first of all laid out main roads and then built up your village system on the main roads?—I cannot tell you the system of roads in Madras as it is very old.

In reply to question B-12 of the questionnaire, you say that the Devolution Rules should be amended by providing that it shall be competent to the Central Government to contribute to provincial revenues for expenditure by the province on roads classified as being of all-India importance, and then in reply to question B-13, you say that the revenue from central taxation should be distributed in the form of block grants and should be spent on provincial trunk roads. What exactly is your distinction between roads of all-India importance and provincial trunk roads?—We were hoping that if there was any classification to be done, then owing to the peculiar condition of Madras, all our provincial trunk roads should be considered to be roads of all-India importance.

Bearing in mind the fact that there are only two roads running into other parts of India, you think that this money should be spent on the provincial roads?—Yes.

Who is to do the classification of provincial trunk roads?—We have done it ourselves at present.

But under your Devolution Rule, it is the Governor General in Council who will classify the roads. Is it your idea that the classification should be made by the provincial Government and approved by the Governor General?—I think that would be sufficient. You see our difficulty. Our roads are not strictly speaking of the nature of all-India importance.

In the Punjab too they do not consider their roads to be of all-India importance and the same is rather true of Bengal. There is only one grand trunk road and the others are all provincial roads. But at the same time there is a provincial boundary somewhere?—Yes.

Admitting that you had to cross to the next province some time and that the frontier districts were at any rate affected, would you think it

desirable if there was some sort of conference—perhaps an annual conference—of all the Provincial Ministers meeting at Delhi under the presidency of the Member in charge of the subject, discussing their road programmes and agreeing among themselves which should be regarded as the roads on which grants from the central fund might properly be spent? The approval of the Governor General would then come automatically in accordance with the agreement. This is merely to ensure a certain amount of uniformity in the system of road development of India. Do you approve of this?—It was not our idea. The general idea that we gathered from the sub-committee's discussion with us when it came to Madras and the idea favoured by ourselves was that the contributions from the Central Government were to be on a fixed principle.

That is so. But you yourself have said that the projects on which this fixed contribution should be spent should be according to the classification approved by the Government of India?—Our idea was that we would get a grant from the Central Government on a fixed formula and then we shall be able to spend it as we liked on roads which we have classified.

Or on the actual classification?—We wish the actual classification to follow our trunk roads. If this is done the whole matter can be left to the province.

But there are other provinces which might naturally be anxious that their road schemes should link up with their neighbours, and not end on provincial boundaries?—I do not think that the question arises sufficiently in Madras. The only road which goes outside Madras is the road to Bombay *via* Bangalore and this is primarily the business of the Mysore Government.

I would give you the case of an Indian member of this Committee who comes from Madras. He has been urging us in the Central Legislature to accept the local demand for the construction of a railway along the coast from Mangalore to Marmagoa. Whether a railway should be constructed or not, I cannot say, but supposing that the demand for a railway was diverted to a demand for a road and it was considered that that road should be constructed, and suppose the allotment was limited to the construction of that road, what are your views?—You mean to say if the Central Government were to ask the Madras Government to spend the whole of their grant for some years on this particular road?

Yes.—I would most strongly oppose it. We want to spend the money on the maintenance of our roads.

Now suppose this very active member of the Legislature, who is particularly anxious for this link to be made along the coast, comes and says 'People are very much inconvenienced. If they have to go to Marmagoa they can only go by ship, which is very inconvenient', and things like that,—and on paper there is certainly a case for this railway—suppose the Assembly made it a condition precedent to the voting of the grant that it should be spent on that road?—Are these grants necessarily to be voted by the Assembly?

It is a central source of revenue. Under Rule 67A of the Government of India Act, the revenue and expenditure of the Governor General in Council have to be placed before the Assembly every year and all expenditure has to be voted in the form of demands for grants. It is easy to say that the provincial Government should spend the money as they liked, but if the Assembly has got to vote it, there

is a certain difficulty?—Yes. Do you think that the Assembly would wish to interfere with the provincial discretion in the matter?

I do not think they would wish to interfere at all if there was a general discussion about road programmes between the Ministers of the provinces and certain members of the Assembly in the form of some kind of central advisory body which should take the place of the Standing Finance Committee. In that case they could be induced to vote these grants automatically.—I see. But we would not spend that grant ordinarily on new schemes at all. We would spend it on improving our existing roads and I do not know whether the scheme of improving the surfaces of our local roads would be of sufficient importance to be discussed in the Central Legislature.

The authority which provides money is entitled to lay down conditions on which the grant should be spent. You cannot lay down conditions yourself. That was my point.—Yes. In the particular case of a road along the coast which you have mentioned, it would cost many hundreds of lakhs and the grant of Rs. 10 lakhs which we would get would be quite insufficient.

A general objection has been expressed by witnesses to any toll system and your Government have also said that if an alternative source of revenue could be devised tolls should be abolished. It has also been objected to by the Taxation Enquiry Committee of which a Madras official was the Chairman and it proposed that provincial taxation should take the place of tolls. The same question has arisen in Bombay that tolls should be abolished—not merely on motors but on all vehicles. Now, supposing a condition was laid down that a first charge on this grant should be the abolition of tolls and that it should be devoted to replacing tolls in the first instance, would that be regarded as objectionable by your Government? In this Committee we are looking at the question as a whole. What we say is that tolls as a whole should be replaced by some other form of taxation.—Yes. My own personal view is that tolls must go at any cost.

Do you consider that the development of commercial vehicles—especially the large number of motor buses—is knocking the roads to pieces?—Yes.

The representative of a local board in Madras told us that commercial vehicles are already in certain areas taxed very heavily?—That is the licence fee which is purely an economic question for the buses.

The point I was making was whether there is any substantial scope for the taxation of motor bus services?—Yes.

If they are taxed heavily, would it not have the effect of limiting the number of motor buses?—That was our idea and we have been raising the licence fees.

Did that have any effect?—I do not think it has. People complain that they have got to pay enormous fees but they go on paying them. It is a commercial proposition.

Then do you not think that the roads should be improved to meet the demand?—I think so. But until that is done the traffic should be limited to a certain number of vehicles.

By putting this high tax on commercial services you come to a state where you get the maximum amount of taxation with the minimum inconvenience to legitimate traffic?—I think theoretically that position should arise but practically whether it would or not I cannot say.

Without going into the question of monopolies?—Yes.

When you get a monopoly you can only put on a certain number of buses and they may not meet the demand?—In giving a monopoly we should not give it for any particular road. The proposal would not be to give to one person but, say, to four or five in order to ensure a limited competition.

But even so the monopoly would reduce the number of buses on the roads?—Yes.

Have you considered the question of a provincial vehicle tax, just as in the Punjab they have a tax on the seating capacity?—On public vehicles or private ones?

On all vehicles.—You mean a system corresponding to the English or American system?

Yes.—It has been considered. When the Taxation Enquiry Committee came round we prepared a case for the abolition of tolls and we considered this question in that connection but it was dropped.

What schemes have you considered?—We have considered the English system of horse power or petrol consumption tax:

Petrol after all is a central tax?—No, we cannot touch it, but I think we can adopt the horse power system.

Did you get very far?—No, we did not get far because several difficulties arose.

Could you let me hear those difficulties?—The general feeling about the abolition of tolls, as far as we could make out from the local people, was that a toll was the fairest tax on vehicles.

Have you considered how this provincial tax could be collected?—No, we did not go very far because it was dropped. We found an opposition against it from the very start as a substitute for tolls.

Where did the opposition come from?—I could not say that.

They like tolls in Madras?—They seem to.

Do you register your car only on arrival?—We only register it once.

Have you considered the possibility of registering every year for police purposes?—No.

Have they considered it in any other province?—Yes. It has actually been adopted in Bombay. As far as I know it has not been considered in Madras. I recently consulted the police people and they said that they had never considered any scheme of registration beyond the first registration, and I think the registration fee paid by a man is only once.

Except when you transfer the car?—Yes.

I am merely raising this question because it has been suggested that if you have annual registration fee, it would make the collection of the provincial annual vehicle tax simpler. There is one other point in regard to provincial taxation which has been put to us. I do not know whether you have read the evidence in the papers. The representatives of Army Headquarters are anxious to encourage, for military reasons, the use of six-wheeler vehicles, which they claim would not only be valuable from the military point of view but would also be a great improvement on Indian roads because they do much less

damage to the surface of roads than four-wheelers. From an economic point of view, therefore, it would be desirable to encourage the use of six-wheelers, and this could be done if the vehicle tax was based on axle weight?—You mean 3 axles instead of 2?

Yes.—They would get off light, I think. Has it been proved that six wheels of balloon tyres do very much less damage to roads than four wheels of balloon tyres?

I do not know about that at all. It is a matter for provincial Governments to work out for themselves. Another point is the use of pneumatic tyres instead of solid tyres. You insist on pneumatic tyres?—Yes. The local boards have to send their rules about motor traffic for approval, and we always say that no public vehicle should be licensed which has not got pneumatic tyres on all its wheels.

Chairman: You said generally that when you got a remission of the Meston award, you devoted a part of it to road improvement. Will you kindly give us one or two figures? What was your last remission?—I do not remember the last remission. I think it was about 100 lakhs.

How much was the actual amount spent on village roads?—I think about 7½ lakhs.

On other roads?—Out of the remission?

Yes?—I cannot say that. The remission is lumped up with the general revenues, and we give a contribution to sanitation, roads, bridges, etc.

What was the amount spent on sanitation?—About 7½ lakhs, I think.

Anything on roads?—I think about the same amount. You see by the time the remission of 100 lakhs came to us, it had dissolved down to about 30 or 40 lakhs, because we had a big deficit budget and this remission helped us to wipe out that deficit. The actual amount we got for expenditure was only about 30 or 40 lakhs out of which roads and sanitation got about 7½ lakhs each and education the rest.

There is one more point. You have already discussed the possibility of making the grant from central revenues depend to some extent on a particular expenditure. There is a further suggestion which has been put forward by some of the witnesses that there should be some guarantee that any grant from central revenues should be in addition to, and not in substitution of, the existing provincial expenditure. Suppose the present expenditure in your province is 70 lakhs and you receive 10 lakhs as grant from central revenues, would it be possible to secure that your allotment is not cut down to 60 lakhs?—I think we could spend the whole amount.

Hon. Sir G. Corbett: How could that be secured?—I suppose it could be secured in the budget.

Chairman: Even then you may not spend the budgetted amount. I do not think it would be possible to secure that except by a convention or understanding?—As far as the Madras Government is concerned, I think they would only be too anxious to spend the whole amount.

(*The witness withdrew.*)

34.

New Delhi, dated the 28th January 1928.

Oral evidence of—

Major H. L. WOODHOUSE, Deputy Chief Engineer, Surveys and Construction, N. W. Railway, and

Mr. F. D'SOUZA, Senior Assistant, "Rates", (Commercial Branch), N. W. Railway.

Chairman: You have read the replies to our questionnaire submitted by the North Western Railway?—*Major Woodhouse*: Yes.

In your reply under "Road Boards", you say that it is essential that there should be railway representatives on any Road Board to form a link between the road and railway authorities. I take it your experience is that it is necessary to establish harmony and co-operation between the road and railway authorities?—That is so. I am speaking more from the provincial side. At the present moment we have a Communications Board in the Punjab on which we have railway representatives as members and we discuss our needs with them. But when the road programme is extended to other provinces, it will increase our work very much. The N. W. Railway serves six provinces more or less and each province has a different outlook. The only province which really concerns us is the Punjab, because our programme in Sind has not yet been started. We have very few projects in the United Provinces and in Delhi, and we have two lines in the N. W. F. Province, so at the present moment Punjab is the only province which concerns us.

You would like to see more and more harmony and co-operation established between road and railway authorities?—I think it is essential because there are now practically very few lines of communications that would support both road and railway, and unless the road and railway authorities work very closely together, you will find there will be trouble in deciding whether it should be a road or railway communication.

Then you have expressed the opinion that you would like to have larger representation on the Communications Board of the Punjab?—That is more or less a matter for the Communications Board to say. I think we have at present the Deputy Chief Engineer of the N. W. Railway on the Communications Board of the Punjab, and the Agent sometimes attends. Our object in suggesting these other two members—the commercial member and the transportation member—is simply to let the Communications Board have the advantage of expert knowledge.

That is, on principle, there should be larger and larger co-operation between the road and railway authorities?—Quite so.

You have not got a Road Board member on the railway administration of your province?—Well we have the advisory committee which meets every month or so and which has a large number of commercial gentlemen on it.

But is there not a limitation on their functions? I was myself a member of an advisory committee in Bombay. I think there was trouble on the scope of our functions by reason of the ruling that the personnel, staff, internal discipline and internal administration of the railway should be taken out of the purview of the advisory committee?—No. I would not suggest that the railway member should do anything

of that sort. The Communications Board would have to satisfy themselves what lines, whether road or railway, are to be built, and in that case, both sides would want to speak on their own case, and we could ask the railway member to place the railway point of view before the Board and supply them with information in our possession which would be of great value to such a body.

But when the railway lays down its own lines for railways, is it not necessary to get some light thrown from the point of view of roads?—In practice what happens is this. There are not many projected railways which are likely to work as commercial propositions and yield, say, 4½ per cent. on capital expenditure. In the majority of cases, it is a question whether the provincial Governments are willing to give us a subsidy. When we send our report on a new line to the Railway Board, they approach the local Government and enquire whether they are willing to give such subsidy.

I follow that. But other questions must be coming up constantly with regard to the development of roads or the building of a new road or the building of a new branch line, and so far as that project affects road development, who considers that question from the road point of view?—The Communications Board is very much more strongly representative of the Punjab Government than the railway and that Board concerns itself with these matters.

Then you say that the policy of building or metalling roads parallel to railways will have a very serious effect on the earnings. Well we have it on the authority of the railways that they would rather welcome this competition as it does good?—Well. It must be a very funny railway.

We have heard it said that the competition has done a lot of good on the G. I. P. Railway. It has made the railway staff to behave more politely towards passengers, and they pay more attention to the comforts of passengers than was the case before?—I am afraid I cannot understand that. But my experience of the last hot weather was that we had lost nearly 60 per cent. of our earnings from 3rd class passengers between Amritsar and Patti. It is the short distance competition up to 20 or 30 miles that is killing our traffic.

Taking the railway as a whole, I think there are very few stations where the roads are metalled and run parallel to the railway on which there is a motor service?—But in this particular case, it has lost a very large amount of its short distance traffic.

Taking a long view of the situation from the point of view of the traveller, I think I may say from the point of view of the man in the street or the taxpayer, he is only concerned with the provision of communications whether by rail or by road?—Exactly. But is the taxpayer willing to subsidise competition by providing two means of communications or is he more anxious to spend money on providing communication where none exists?

He would only be anxious to get the benefit of the money spent?—There are so many areas in the Punjab where there are no roads at all that it would be more advantageous to spend the money in providing new roads rather than spending it on metalling roads running parallel to railways. There is likely to be a definite limit to metalling roads. You see when you build a metalled road, you incur an annual recurring expenditure on maintenance, and this expenditure will be going up, because if you are going to have this heavy motor traffic, the present roads will have to be improved, and maintenance will be much more expensive. Consequently the Punjab Government may

have to spend oll their money in maintaining the roads they have already got.

Is that due to the peculiar condition of the Punjab?—No. There is also the question of priority. It is no use spending more money on roads which run in competition with railways before the other roads are improved.

The railway will still have its traffic to take?—They already take the traffic they have, but it is much better to spend money in providing communications where these do not exist.

That is what you mean by priority?—Yes.

Now could you say the same of roads which connect two railway stations and which take less time to reach by motor communication than by rail? Why should not such roads be developed, although it might involve serious competition?—It is a matter for the Government to decide.

Do railways contribute anything towards the maintenance and upkeep of any roads which feed the railways?—Not that I am aware of.

Do you not think that in certain clear cases feeding is done by roads? Of course any railway station must be approached by a road which feeds that particular station and which is kept up by the local authorities. Do you not think that, after properly ascertaining all the facts, if there is a clear case, the railway should pay something towards its maintenance?—It is a policy that should be settled by the Railway Board.

Hon. Sir A. Froom: What I was thinking of putting to you is this. If all contributed their little mite for the development of what is after all a most important national problem, *viz.*, the road development of the country—the Government contributing to it, the military contributing to it and the taxpayer too by reason of paying a higher tax on petrol—will the railway fall into line and contribute their mite?—*Mr. D'Souza*: The railway already does it by subsidising road construction indirectly

How?—By carrying road metal at a cheap rate. Ordinarily road metal is charged twice as much on other railways. We carry it at very much lower rates.

Chairman: That must be infinitesimal?—Well the difference in charges amounts to nearly 10 lakhs per annum.

For the whole country?—I am speaking only for the Punjab. Our rate for road metal is 1/12th pie per maund per mile.

I follow that. But I want to put a typical case. Suppose the Bombay Government wants to build a causeway across a certain river for its own purpose and suppose the railway department comes and says you build a bigger road which will feed our railway at a cost of 15 lakhs. The causeway will cost about 5 lakhs and the extra 10 lakhs will be spent merely on the laying out of a pucca road for feeding the railway. In such a case, will the railway department contribute to the construction of the causeway?—*Major Woodhouse*: It will be built of stone which the railway will carry. You see there is no stone in the Punjab plains. I think it is a question on which I could not give any information.

Chairman: It is too large a question for you to answer? . . . . .

Hon. Sir A. Froom: I take it that such roads and many other roads in India were in existence before the railways were constructed?—*Major Woodhouse*: I think so.

As I understand it, your complaint is that metalled roads running parallel to railways are used by motor traffic in competition with the railways. I am not arguing in favour of roads or railways. I only want to get a fair conception?—Yes.

But there were roads before the railways were constructed?—They were roads of a sort. Other than the trunk road from Ambala to Peshawar, I do not think there was any metalled road worth speaking of.

(*Hon. Sardar Shivdev Singh Uberoi:* The road from Sialkot to Sahiwal was in existence before the railway was constructed.

Lala Lajpat Rai: Also the road from Ambala to Kalka and Kalka to Simla. It runs almost parallel to the railway line.)

As regards the Communications Board in the Punjab, you say that a railway representative attends the meetings of the Punjab Communications Board and you suggest that in future railway officers representing not only the construction but also the transportation and commercial branches of the railway should be made members of the Board. What is the idea of making them members of the Board? If your Agent or your representative attends, I take it that there is no objection to such advisers sitting by his side to give technical advice. But there is no reason to make them members of the Board and give them votes. If it is simply a matter of helping the Board with technical advice, it can be given without being a member of the Board. This is my experience. I take it that when you attend a meeting of the Board you take an expert with you?—It has not been done in the past. That is the reason why I have put it in.

As to what you describe as radial roads leading to the railway, is it the idea that proper approaches to the railway would induce traffic to get to the railway and would benefit the agriculturist? Would it not be more practical and less expensive if you have one main road with feeder roads leading to the railway?—Well, the trouble is this. In the Punjab you have a large number of irrigation canals developing the country but there are no pucca roads. Kachha roads are often washed away and communication is cut off from the railway until the roads have dried up. So if you have a number of radial metalled roads leading from the station, the villager will only have a short distance from his village to the radial road from which he could get to the station without any further difficulty.

I do not think I quite understand that. My point is that, in building up a road system, just like a railway system, you should not have little lines running all over the place. You run a main line from which you get a shorter line to these other places. Similarly if you have an arterial link, you can get more quickly to these places?—My point is that it is infinitely cheaper to bring goods or passengers by rail than by road to the market towns.

But you cannot have market towns all alongside the railway for the benefit of the railway?—In fact that is what is happening. When new railways are built, mandis spring up alongside the railways to which the local agriculturists take their produce. That is why we want radial roads to the surrounding areas.

I am not sufficiently acquainted with it.....

(*Lala Lajpat Rai*: That is a fact. The agriculturist gets better price for his stuff in the market towns.)

It is one of the chief ideas of this road programme that the agriculturist should take his produce to the nearest market. Therefore you should make roads to enable him to get a better price for his produce and not force him to sell his produce in his own village. In your supplementary answer you make this statement: "In many cases unmetalled roads run parallel to existing railways". And you also told us that the railway carry road metal at a very cheap rate, and that the short distance to be covered by the more expensive carting is liable to offer strong temptation to road authorities to metal these roads in order to show good results in low costs of metalling and maintenance as compared with work on roads at a greater distance from the railway. Now, from the commercial point of view, I would describe that as 'window-dressing'. Do you seriously make this charge against the Public Works Department, namely, that they deliberately show a low cost in metalling embankments and the like?—We do not make the charge, but we definitely say that they do take that factor into consideration.

In other words it is merely problematical. But I must say that it is rather a serious charge against a big department?—As I say it is not a charge against them but it is a question which might be taken into consideration and it has been taken into consideration by the Public Works Department judging from a note put up to the Communications Board in the Punjab.

Do you not agree that this idea of objecting to roads being built which compete with the railways is one which infringes on the convenience and liberty of the subject or the public? Supposing I prefer to travel by motor rather than by train, your attitude, I take it, would be 'travel by train and not by motor'. That is an attitude which is not in keeping with modern times?

(*Lala Lajpat Rai*: He is speaking from the railway point of view.).

Major Woodhouse: What we do say is if it is proposed to metal fifteen roads and we find that out of fifteen twelve are more or less parallel to the railway line, then efforts should be concentrated on improving the more badly needed radial roads in preference to any scheme of arterial road development. We do not so much object to roads running parallel to the railway line being put into sufficiently good order to carry on traffic. We object to these parallel roads being treated first when there are so many other roads where we think that improvement would be more to the advantage of the province as a whole.

Hon. Sir A. Froom: I put it to you that if there is a good road system developed, it would be of great advantage to you in that it would be the means of feeding the railways with more produce?—It may or may not be. For instance, in Italy and Austria-Hungary, one of the provisions in the licence to run a motor bus is that it shall not run parallel to a rail line. In America the various States also have power to issue or withhold licences to motor buses, and one of their provisions is that the service intended shall be of advantage to the public, and if it is parallel to the railways the licence can be withheld.

(*Chairman*: But those are very highly developed countries.)

Lala Lajpat Rai: At least in the United States they are not nationalised?—No, other railways are I think. I must say that the same is the case in South Africa in the matter of motor service competition. In America I believe 95 per cent. of the motor services are regarded as competing with railways.

Hon. Sir A Froom: That is in accordance with the advancement of modern times. You may have competition from aeroplanes?—That of course would do away with the advantages of arterial services.

There is only one other question which I should like to ask you. I have read this letter that you have written to the Punjab Government. You say that paragraph 10 of this letter requires modification as the Railway Board has declared its policy to be that it regards motor traffic favourably, as the formation of the travel habit will have a good effect on railway passenger traffic. That is the Railway Board's declared assumption. Do you still hold the same opinion?—As a matter of fact in answer to this letter we had a meeting between the railway and the roads people in Simla where these roads were discussed and in certain cases the roads people agreed to defer metalling the roads pending a further development. Since that letter was written we have come into very much closer contact.

Have you had an official reply to the letter?—Yes; a meeting was held and we came to some sort of agreement.

So that, at any rate, there is considerable co-ordination going on now?—Yes.

Lala Lajpat Rai: With regard to the question of the building of railways along roads that already exist, may I refresh your memory by drawing your attention to the fact that several roads in the Punjab, for example, the Delhi-Hissar and Delhi-Rohtak roads have been in existence before the railway came?—Are the Delhi-Hissar and Delhi-Rohtak roads metalled?

Certainly, the Delhi-Rohtak road is a very old road. What I mean to say is that good metalled roads did exist in many parts of the Punjab before the railways were built. In fact I can give you some other roads as well. Take the Ambala-Kalka road and the Kalka-Simla road; also the Ambala-Karnal and Ambala-Delhi roads. And further there is the project which is now in hand in the Kangra Valley, up to Dharamsala. In fact up to Dharamsala a pucca road exists. So that your statement is not correct when you say that only in two cases railways have been built alongside roads?—It is not a question that I have gone into deeply.

I am quite satisfied with that statement. Now with regard to the question of competition between railways and roads, do you not think that it would be advantageous to the tax-payer and to the State if both these departments were under one control?—That is opening a very large proposition. The railway as you will realise is an extremely, highly technical organisation.

But that does not mean that there should be no technical advisers in the department. You can have technical advisers. My point is that when the question of opening a railway line parallel to a road comes to be decided, all the interests can be taken into consideration jointly and the best possible policy could be decided which would be satisfactory from the national point of view?—That is beyond my province, I am afraid.

Now to come to the letter written by the Agent of your Railway to the Punjab Government?—I might explain that when your questionnaire was received, Col. Walton, who is now the Agent of the North-Western Railway, was on leave and we did not know exactly what line he wished us to adopt on this question, and therefore it seemed simpler to give the Committee a general idea of his views by sending a copy of this letter. Since then of course many things have

happened. The road people have met us and the matter has been discussed in fuller detail.

So far as that question is concerned, I am quite satisfied with your reply. But I am led to the conclusion that in giving that reply you were simply influenced by the railway point of view, by the point of view of profit to the railway?—Not entirely so; you cannot help being biassed in favour of your own concern; on the other hand, I submit that the more prosperous the province is the better it is for the railways.

Do you not think that for shorter distances travel by motor is more convenient than travel by railway?—Yes, provided you are not killed on the way.

Of course that is quite a different thing. You can just as well be killed on the railways where so many accidents occur from time to time. There is the same risk involved in both cases. Do you not think that it would be in the best interests of the tax-payer, or the general public, to have these parallel roads?—No, I do not think so, but I think that the possibility of their construction will have to be faced.

Chairman: I may read an extract from the Report of the Commerce and Marine Commission of the American Bankers Association on "Automotive transportation and railroads" where they say: "The earlier attitude of (American) railroads towards highway competition was antagonistic and obstructive. Railroads managers were slow in comprehending the nature of the development that was taking place, and their efforts in the main were directed toward curbing the competitive strength of the new form of transportation and protesting against the abridgment of the railroads' prior rights. That attitude has now changed". Do you not think that a similar revolution ought to be taking place in India?—Yes, undoubtedly. Our trouble is that we do not want arterial roads to be built before the other roads.

That is purely a question of priority?—Yes.

Hon. Sardar Shivdev Singh Uberoi: Judging from the opinion expressed by the railway administration as contained in the letter from your Agent to the Punjab Government, it is quite apparent that you do not look with favour upon the construction of metalled arterial roads. You prefer feeder roads?—We prefer feeder roads, but we realise that there must be a certain number of arterial roads and we think that those ought to be so aligned as not to be alongside the railway.

But you would I take it not object to communication or connection between two or three main stations by a shorter route, by pucca routes, for instance, connecting Sialkot with Wazirabad by road which would be a shorter distance by about 10 miles than by rail or connecting Sialkot with Gujranwala by a direct route?—As a matter of fact that particular line is probably going to have a railway shortly.

The point is that it is cheaper to spend money on the road than it would be on the construction of a railway?—In the long run it is cheaper to have a railway. It is all a matter of cheapness to the province as a whole.

Chairman: Sardar Uberoi means that with the limited resources in the hands of the Punjab Government it is better to spend money on roads which do not run in competition than to spend on roads which detract from those advantages.. .....

Hon. Sardar Shivdev Singh Uberoi: My question is whether you would have any objection to the building of these roads where two main stations are joined by a shorter route, than would be the case by railway?—That is entirely a matter for the province to decide.

What would be your own personal opinion?—My own opinion is that if the railway does not build a line, it would be better to join the two places by a road system for the convenience of the public than to have nothing.

In reply to Lala Lajpat Rai, you said that the Railway did not compete with the roads. As a matter of fact, I think the railway have been competing with the existing modes of conveyance. If it is considered that travelling by motor buses is more economical and more convenient, and affords more facilities, as admitted in your Agent's letter to the Punjab Government, would it not be better from the public point of view to encourage that sort of traffic? First of all can the motor buses give cheaper transportation than the railways?—I do not think that they can.

At present they can as a matter of fact. Sometimes they are running at third class fares, and there are occasions when they run at still cheaper rates when competition arises?—Our own experience is that when a train is in the station they charge a couple of annas less than the railway fare, but when the train has gone, the rate is automatically raised.

As far as my information goes they never charge more than the third class railway fares; in fact on occasions they charge less than that?—But suppose those motor people were under the same obligations as the railways with regard to safety, fixed time table, regular traffic and maintenance of track, I doubt if they could run as cheaply as the railways.

Assuming that they can run even cheaper than the railways, would it not be better for the railway administration either to encourage this sort of traffic or to reduce the third class railway fares?—We cannot reduce the third class railway fares beyond a certain point. We are tied down.

Have you reached that point yet?—No.

So that there is still room to reduce?—Provided you are willing to subsidise the railway.

In what form? May I know how much the railway is getting out of the outlay on capital on the N. W. R.?—*Mr. D'Souza*: About 4½ per cent. which is the interest on the capital outlay.

What I wish to drive at is this, from the public point of view, that if the public can travel by a cheaper route, would it not be better to encourage the development of roads, by which means the transport of the people would be cheaper? I am simply asking you in your capacity as a public man and not as a railway man?—Provided the public is prepared to pay the loss on the capital already expended by the railway.

Why should the public pay?—The Government borrow so many millions to construct railways and unless the railway earns the interest on these millions Government would have to pay.

You mean to say that if it is a loss to the railway, that ultimately means a loss to the public?—Yes; except in one or two case where there is enough traffic for both road and railway.

Now then do you think that by reducing the rates the railways would earn more than they would by charging full rates?—To a certain point.

What I mean to say is this that now of course the stone is to be had from Tarki. Before the railway administration reduces the rate, no municipal committee or local board could afford to get stone from Tarki for the roads and the goods traffic was not as high as it is now on account of the reduction in the freights. It has not occurred to the railway to reduce the freight on carrying metal for roads?—It all depends on whether the rate we charge pays for moving a train. We have more or less worked out that it costs about 1·6 rupees to move a train one mile and if these rates and fares do not give the Railway 1·6 rupees then it is a dead loss. That does not take into account the overhead charges.

You are sure that the rate charged for the carriage of metal is not one which puts the railway administration to loss?—We consider that this is not a remunerative rate. At times it must involve us in a loss when there is a demand for stock for the movement of more highly rated traffic. But it is a loss which the railway faces in the general interests of the development of the country.

Am I to take it then that the rates are not remunerative and that the railway has to carry the metal at a loss?—Yes, spread over the whole year it would be a loss.

What do you mean by 'spread over the whole year'?—At certain times when the traffic is slack and the stock is lying idle, in other words it is not being utilised, it would be remunerative, but at other times, when the traffic demand is heavy, the rate would not be paying.

It is stated in the reply to the questionnaire under Part B—Motor Transport and Motor Taxation: "It is unfair competition as the railway is hedged round with regulations in the interests of the safety and convenience of the passengers, whereas till now the motors have been free from any effective control or supervision." May I know what those rstrictions are which are placed on the railway administration and not on the motor traffic?—First of all there is a senior Government Inspector for each railway whose duty it is to see that the regulations of the railway are carried out, that the track is in safe condition and that the method of working a railway is not such as might cause accidents.

Is the same not the case in the motor traffic organisation? At the time of granting a licence the officer concerned sees whether the motor is all right, whether the engine is in order, whether it has got a horn, and whether the driver is competent and so on?—Is the licensing officer always competent to say that.

I think the Government have appointed an officer for that purpose? —I do not think the Punjab Government have got such an officer. And again if you were to see the motor buses running between Lahore and Amritsar you would see that the buses were overcrowded and running at the risk of the lives of the passengers.

The same thing happens on the railways, I think. I am speaking from my own experience through travelling on railways?—But that does not affect the safety of the travelling public, does it?

It does, especially in the summer when the poor passengers might be suffocated to death by being huddled up together. .....

Mr. Mohd. Anwarul Azim: In your reply you have suggested the composition of the Central Road Board. You say that the consti-

tution of a Central Road Board would be welcomed, particularly if the railway had a definite representative?—Yes, we want to be in close contact with the road people, to ensure that there will be no overlapping; and we would naturally work together.

Raja Ghazanfar Ali Khan: You stated that you made certain concessions to the Public Works Department in carrying this road metal on the railway line. Do you extend a similar concession to the local bodies?—Yes, to municipalities, District Boards, cantonment authorities and Indian States.

You have written in your replies to the questionnaire that one of the temptations of the Public Works Department is to construct a road near to the railway station so that it does not cost them more money. To encourage those roads which are far away from the railway stations, would you consider that there is a possibility of taking this road metal free of charge? Do you not think that that would afford a sort of temptation to the local bodies?—*Major Woodhouse*: No; the point is that anybody working on his own particular professional line is apt to favour that particular line and wants to show the best results possible.

If the other roads which connect the railway stations are metalled that should of course be very useful from the railway point of view. Do you not think that to extend the temptation, the railway should carry free of charge the road metal to a fixed distance, of course from the commerciol point of view?—Somebody has got to pay for it. If the railway people do not pay direct you will pay yourself as the tax-payer.

But still that would bring more money to the railway ultimately?—*Mr. D'Souza*: We could not agree to that.

Do I understand that you are giving that concession to the Public Works Department and to local boards for carrying their stone because we as the tax-payers have got to pay according to you?—*Major Woodhouse*: We might pay higher charges.

Supposing we pay less or more, ultimately we have got to suffer for it?—It finally comes back to the country; both roads and railways are State-owned after all.

You will very much like if the Communications Board will attach some importance to the opinion of the representative of the railway?—The Board does it.

You would also like that when you are thinking of constructing a railway line, you should attach some importance to the opinion of the Government?—In practice we do it because practically all the new railway lines can only be built if the Punjab Government will give a guarantee. If they do not want a line, we do not build it.

So you welcome the idea of forming a Central Board here because they will be in close touch with the Railway Board and will probably avoid any conflict of interests?—The conflict of interest will then be between the provincial Governments and the Central Government. But that is a political matter.

So far as the railway point of view is concerned, do you not think it will be very useful?—It does not matter so long as we have the co-operation in the first instance between the railway and the road. That is what we want.

Chairman: But the railways may gain by the establishment of a Central Board which may act in co-operation with the provincial Governments?—No; what I mean is the Railway Board is under-

the central Government and roads are under provincial Governments. It will be necessary to carefully arrange the exact form of the administration of the Board to make sure that they do not effect on the one side the provincial budget and on the other the central. It is no use in merely having two separate organisations.

You are thinking of the interference that one may cause to the other?—That is a political matter as I have said and I am not competent to deal with it.

Raja Ghazanfar Ali Khan: Do you not think that the railways do not provide sufficient convenience to the third class passengers?—We are doing our best to give them all conveniences. I was for a time Divisional Superintendent, Lahore, and we are always considering if further amenities can be given to them.

But it is only where there exists competition between motor and railway that they are anxious to give these facilities?—No. I am speaking in general without singling out those parts where such competition exists.

Hon. Sir G. Corbett: I think it is generally admitted that co-ordination between roads and railways is absolutely necessary and they should be as far as possible complementary to one another?—Yes.

To the general benefit of trade and commerce and of the travelling public?—Yes.

I take it that your position is that for long traffic over 30 miles, the railway wins every time both in goods and passenger traffic?—Yes.

And for short distance traffic, a road is at an advantage?—Yes.

Can you tell us in what way the advantage lies?—There is considerable advantage. First of all, by a road a man may get into a motor bus almost at his own door and go at the other end almost to his own door. Secondly, there is very much more frequent service, which now we are also trying to afford, namely rail sentinel coaches. Thirdly, there is very much less formality about booking goods or passengers as the motor services have no tickets and regulations which third class passengers do not understand.

And for goods traffic?—For goods traffic also up to the same distance more or less, there is some advantage. Goods have to be taken from the shop to the station and at the other end from the station to the shop by the bullock cart. Over short distances, the actual time of transport by road may be shorter than the time taken by railway.

That is due to the extra handling of the goods which is avoided by carrying them by road?—Yes, extra handling and there is the possibility of damage and loss being less.

On these branch lines, apart from any question of profit on the capitalised value of guarantees, I think the road authority, *i.e.*, the local Government, should take into consideration the convenience for these short distances of coming in by road and avoiding the trouble of handling, and not merely giving extra traffic to the railway?—Yes.

In the same way for passengers, one passenger train each way does not afford the necessary facilities?—We hope to improve it, and increase the services.

I mean that any development of transport should take into consideration these factors and not merely the fact that the initial capital outlay might be less. The question must be looked at from the point of view of the economic development of the country?—Yes.

Then there is the point that Sir Arthur Froom raised, about the main roads running parallel to the railway. I am not familiar with the conditions in the Punjab. But in the Central Provinces, there are many places where you get feeder roads coming in alternately on either side of the railway. In a country like that, the difficulty is that you have to transport goods by the feeder road to the station and then by rail for some distance and then unload them and take them by the feeder road on the other side of the railway line?—Yes. But that does not occur very much in the Punjab. Our traffic is largely cotton and coal which is long distance traffic. It is however a question of local considerations.

It may be very desirable in the economic interests of the country to link up short distances from one place to another and to base feeder roads on a backbone in order to get the full economic value out of your feeder roads?—If there is only enough traffic to support one form of communication, it is essential to have an arterial road; it would be better to have roads only.

But you have long distance traffic and you have to provide railways. If the country can afford it, for both short and long distance traffic, is that not the right method of development?—That is so. But in the Punjab the country has been developed so largely by irrigation schemes since the introduction of railways, that the general movement of traffic tends to build itself up on the railway system as a base.

But that does not happen in older established provinces, in the Central Provinces for instance?—It is simply a question whether they can afford it.

The only way to link them up is by a main road which in many cases has to be alongside the railway?—The road may go where a railway cannot. If you put your main roads 5 or 6 miles from the railway, that could be done.

The main roads should be designed as far as possible to tap the country through which there is no railway and at the same time serve as a link to your feeders. That would of course be a matter for consideration between the railway and road authorities and those engaged in commerce?—Yes.

(*The witnesses withdrew.*)

35.

(a) Written statement submitted by Chaudhury FEROZ-UD-DIN, Vice-Chairman, District Board, Jhelum, and Khan Bahadur MUHAMMAD HAYAT QURESHI, C.I.E., M.L.C., representing the District Board, Sargodha, Punjab.

1. The roads in the Punjab may be divided into following classes:—
   1. Inter-provincial.
   2. Inter-district.
   3. Second class.
   4. Village roads.

2. While even the condition of inter-district roads needs improvement that of second class and village roads is not in good condition. The chief reason is want of sufficient funds. The inter-provincial roads are entirely managed by the P. W. D. from provincial revenues and inter-district roads are being gradually taken over by the P. W. D. For construction and maintenance of second class roads District

Boards get some grant from the Government, but the village roads are entirely managed by the District Boards. It is the last class of roads which requires special attention and upon which the welfare of agriculturist mainly depends and deserves special notice of the Road Development Committee.

3. The sources of District Board are very much limited, while it has to maintain and finance so many schemes of national importance. The chief source of income of District Boards is local rate which is charged at the rate of 12 pies for a rupee on revenue. This being the maximum fixed by District Board Act. The following are some of the means, which, if adopted, might improve the financial condition of District Board and consequently bring about development of road system.

4. (*a*) Second class roads should receive 50 per cent, construction and maintenance grant from provincial revenue and village roads 25 per cent. grant.

(*b*) The District Board should have powers to give limited monopoly to such enterprising companies who would undertake to construct and maintain certain portions of second class and village roads for a particular period.

(*c*) The non-agriculturists residing in District Board areas are not paying any contribution to the District Board while they enjoy, if not more, equal advantage from District Board activities. Some provisions should be made in District Board Act by which they can be made to pay their share. This would bring a considerable sum to the District Board funds.

(*d*) The Provincial Road Board should undertake reclassification of roads, making some of the present second class roads as arterial roads, and village roads as second class. We may also emphasise here that the District Boards can construct and maintain these roads more economically than the P. W. D. and when we propose some roads being taken over by the Punjab Government, we mean that the cost should be paid cent per cent from provincial revenues. But if the P. W. D. insist on their taking over even the management and construction, the District Boards shall have no objection. But with more funds at their disposal and more works, the District Board shall be able to keep an efficient staff or in other words they shall be prepared to keep more efficient staff provided they know that they can take sufficient work from them. In this case one or two technical P. W. D. experts at the headquarters will suffice and the P. W. D. mainly relieved of their responsibility in the direction.

5. The District Boards in Punjab, with due regard to other requirements of the Public such as education, medical, and sanitation, are making great efforts for road development as they attach very great importance to it from the point of view of the agriculturists who shall greatly benefit if the village and second class roads are made suitable for taking produce to the nearest market by bullock carts even in rainy season and ultimately we have the development of motor traffic both for passengers and for goods as our ideal.

6. We favour the proposal of duty on petrol. As to the exact amount, we are not in a position to express any opinion but it should not be so high as to embarass the rapidly growing motor transport in the province.

7. In this connection we may also submit for the consideration of the Committee the desirability of Central Government making a small sacrifice and contributing some thing out of the daily increasing revenue

from petrol excise and import duty on motor cars towards the development of roads in the country.

8. North Punjab has great military importance and the roads are generally used by the military—sometimes for heavy motor vehicle traffic. We deem it fair that they should also make some contribution. Similarly, the Railway Department should be made responsible to maintain such roads which only lead up to and terminate at a railway station. If they cannot maintain they must pay for their maintenance to the District Board.

9. We have no objection to the constitution of a Central Road Board provided its powers are limited to co-ordination of roads system and distribution of central funds, which in our opinion should be done by taking into account special circumstances, and requirements and efforts of self-help by each province. A Provincial Road Board exists in the Punjab and is doing quite useful work. But as it does not contain sufficient number of non-official members it cannot fully appreciate and realise the importance of road development in remote parts of the province.

10. We are strongly opposed to the distribution of central funds on basis of petrol consumption, as this would be unfair to some provinces which deserve encouragement owing to their keen interest in this direction.

11. We are opposed to the substitution of present provincial taxation by another 2 annas petrol duty: firstly because to tax a particular commodity beyond a certain extent is undesirable, and secondly, this shall be an encroachment on the rights of provincial Legislative Council to abolish, increase or decrease their existing taxation on motor vehicles.

12. As to the competition with railway, while we admit that it has its special advantage in so far as it has brought home to the railway the importance of looking after the comforts and convenience of third class passengers, it shall ultimately do more harm than good. Owing to this competition the private taxi drivers are not making any profits but they are desperately keeping the flag flying and shall ultimately bring ruin upon themselves. On the other hand, if they go over to the roads not parallel to railway, they shall get more profits and passengers more convenience. This does not, of course, mean that we are under the circumstances opposed to the construction of line parallel to the railway, but feeder roads should be given precedence.

13. In the last we bring to the notice of the Committee our inability to appreciate the justification of the petrol companies charging such a high price as Rs. 1/8/6 per gallon on petrol in the Punjab, while there are petrol fields in Attock District in the Punjab itself.

New Delhi, dated the 30th January 1928.

(*b*) Oral evidence of—

Chaudhury FEROZ-UD-DIN, Vice-Chairman, District Board, Jhelum, and Khan Bahadur MUHAMMAD HAYAT QURESHI, C.I.E. M.L.C., representing the District Board, Sargodha, Punjab.

Chairman: The road problem in your province, as you say in your written statement, is mainly a question of improving the roads leading

to the villages and the agricultural tracts and you say that more money should be spent on these roads than is done at present?—*Khan Bahadur*: Yes.

You say that the inter-district roads are being gradually taken over by the Public Works Department. That means that the local authorities and village authorities are deprived of their powers of control over those roads. Do you approve of this system?—*Ch. Feroz-ud-Din*: Not at all.

What would you like?—My opinion is that if we can get more money we will be able to keep efficient staff and when we have much more work to do we will be able to pay them also.

Therefore you would like these roads to be kept in the hands of the District Board if more money is provided and more expert and engineering assistance is given to them. Is that what you suggest?—Yes.

Since how long has this tendency of taking district roads by the P. W. D. commenced?—For the last two or three years.

What was the reason that led to this?—I think the reason was that the District Boards find it impossible to keep these arterial roads in good order and they cannot afford to spend money to metal them.

And you think that if these village roads or District Board roads were kept in the hands of local bodies and more money was given to them they would be able to repair and maintain them more economically than the P. W. D.?—Yes.

You express an opinion that in levying a duty of 2 annas on petrol the Central Government should simultaneously make a small sacrifice and contribute something out of the daily increasing revenue from petrol excise and import duty on motor cars. As you are a member of the Legislative Council and are in touch with the non-official opinion there, could you tell me if this represents the bulk of public opinion in your province?—*Khan Bahadur*: I think so.

And you similarly say that military authorities who make use of your roads should also make some contribution. Is that opinion also shared by a large section of the public?—Yes.

You further say that the railways also make use of the roads and that they should also contribute something at least for the maintenance of roads which feed the railways. Is it also shared by a large bulk of public opinion?—Yes.

Speaking about the Central Road Board you say that its powers should be limited to the co-ordination of the road system and the distribution of central fund. Does that mean that your province would be opposed to any control being centred in the hands of this Board?—Yes.

If the Central Board were to have the power of co-ordination, they must necessarily enforce that co-ordinating system which might in certain cases involve an interference with the provincial system. To that extent will you give any power of co-ordination to the Central Board or not?—If that is beneficial to the whole country it must be given to the Central Board.

You say that a Provincial Road Board exists in the Punjab. How many non-official members are there on it?—As far as I know about six or seven.

Out of?—There are 10 official members, 2 co-opted members, 7 non-officials and one Secretary. They are nominated by the Government

Is your Provincial Board established under any Act?—No.

How many members would you like to have?—In my opinion every district should have one representative.

How many districts have you got?—28.

Would it not be unwieldy then?—*Ch. Feroz-ud-Din*: We may then have groups of districts, I think.

Would you like the members to be elected or nominated?—Some by election and some by nomination.

But the bulk to be by election?—Yes.

And you would have nomination in order to establish an equilibrium in case any injustice is done to any District Board?—Yes.

Your province is opposed to have an uniform provincial tax of 2 annas on petrol. Do you think it will encroach on the rights of your Provincial Council?—Yes.

Does that also represent a large bulk of public opinion in your district?—*Khan Bahadur*: Yes.

Hon. Sir A. Froom: As regards the classification of roads, I think you have suggested that there should be a new classification of roads. Has there not been a classification recently in your province?—Yes. Some District Boards have more important roads than those which have been put into second class, and I think this classification should be again considered and important roads might be put into second class and the unimportant into third class.

You mean that roads which are at present called village roads should be put into second class?—Not all, but those which are more important and which, for example, connect tahsil headquarters to the district headquarters.

But then what would be the result. Would the District Boards get advance for the roads? Is that the idea?—Yes. We get a grant for the district roads but nothing for the village roads and if we get more district roads we will get more Government grant and the result will be that we shall be able to engage a better paid and efficient staff. The Jhelum District Board gets 35 per cent. for the maintenance of second class roads and the Sargodha District Board gets 50 per cent. for hill roads and 25 per cent for ordiuary ones.

When this grant is made does Government send down any engineer to inspect the roads?—Yes. Mr. Mitchell has given us much help in connection with these second class roads.

You say that the second class roads are not in good order for want of funds?—Yes.

Then would you not first put your second class roads in order and leave the inter-district roads to the Government at present?—We have no objection if we get good roads but we cannot neglect our village roads which sometimes go up to 20 miles or so.

But is any money spent on village roads now?—Yes, from the District Board funds.

Not much, I suppose?—Our District Board has taken a loan of Rs. 1½ lakhs from Government for only kachha roads.

Would you mind telling the Committee if there is any great demand for good roads in the province?—Yes.

Does the agriculturist also take keen interest?—Yes. The fact that the District Board people are taking money from Government on loan proves this.

May I know your views about the grant of monopolies to motor bus companies. Are you in favour of limited monopoly, that is, monopoly to several companies over the same road?—Yes. We have received applications from certain firms that they are willing to construct the road if they get monopoly for 15 years and we propose to give them this monopoly on the condition that they will not charge exorbitant fares.

But if they spend money in putting the road in order or give money to you to put the road in order, I suppose the cost would be reflected in the fares?—There are certain villages on which if a tonga is hired between one place and another, it will cost about Rs. 4 or Rs. 5 but if a motor bus company comes in and puts the road in good order we pay only a rupee or 8 annas.

So you would exercise some control over the roads and fares to be charged?—Yes.

You refer to the competition with railways and you suggest that competition with railways makes it very hard on motor buses to make a living. Do you mean to say that parallel roads should be left to the railways and the motor buses should turn their attention to feeder roads?—Yes. The difficulty is that good roads are naturally parallel to the railway line and the buses using these roads have to lower their fares on account of railway competition.

The railways have now become very polite?—Yes.

Do we understand that you would like to see feeder roads to these main roads put in order?—Yes.

And you think that the District Boards would devote their attention to improving the communications between the villages and the main roads?—Yes.

And then the competition with the railways would disappear?—Yes.

Has there been any complaint on the part of the railways about this competition?—Yes.

So if that complaint has to be removed it would be in the interest of the railways to advise Government to build feeder roads?—Yes.

Hon. Sardar Shivdev Singh Uberoi: Khan Bahadur Sahib, in your statement you say that the finances of the District Boards are limited and they have to spend money on schemes of national importance more than on roads. May I know what are these national schemes on which the District Boards are spending more money?—Sanitation, education, medical, etc.

Could you please give us an idea of the ratio of the amount you spend out of your annual income on education?—The Sargodha District Board spends 25 per cent. on education. Then 20 per cent. is spent on medical and 5 per cent. on veterinary; while the remainder is spent on staff and on roads.

It means that 50 per cent is spent on these three branches of administration and the remainder goes to road development?—Yes, and also arboriculture.

Could you give us an idea of the annual income of the District Board including grants?—It is about ten lakhs.

Out of this sum what is the amount you get from the Government as grants?—I cannot tell.

I understand you have got an engineering staff in the District Board to look after your roads and to make roads?—Yes.

Is more attention being paid to inter-district or second class roads or to village roads?—More attention is being given to inter-district roads, but village roads are also being taken in hand. We have taken a loan of one and a half lakhs of rupees from Government and we have spent it all on kachha roads For instance, in the year 1925-26, on metalled roads (new works) Rs. 58,764 was spent; and on unmetalled roads about Rs. 1,805. Repairs to metalled roads account for Rs. 38,000 and unmetalled roads Rs. 45,000. This year Rs. 1,44,253 has been spent on roads.

With regard to the tax on petrol you express the view that you are opposed to the substitution of the present provincial taxation by another 2 annas tax on petrol. May I know what exactly you mean by this?—The provincial tax should be as it is and this 2 annas tax should be extra.

When the touring sub-committee was at Lahore, one of the members of the Communications Board was of opinion that it would not be fair to increase the tax on petrol over and above what the provincial tax in the Punjab was. Do you think that view is generally shared by the public?—We really think that provincial taxation should not be substituted by another tax. The provincial tax should be as it is and this two annas tax should be extra.

Chairman: What would suit your province?—I think it should be according to the ratio of the money spent on the roads to the provincial revenue; that should be the criterion.

Hon. Sardar Shivdev Singh Uberoi: Of course you are aware that the petrol rates vary in different provinces and that perhaps the highest rate is in the Punjab and in the United Provinces. Taking this point into consideration, you think that a two-anna increase would not be felt by the public?—We can only hope that this abnormal increase in the price of petrol will some day be decreased by Government, and that we might be as fortunate as Bombay and other provinces in securing a low rate whereas the rate in this province which produces petrol is much higher.

In your opinion this increase of two annas will not be keenly felt by the motor-car using public in your province?—I do not think so.

Mr. Mohd. Anwarul Azim: You are the Vice-Chairman of the District Board of Jhelum?—*Ch. Feroz-ud-Din*: Yes.

And, you, Khan Bahadur, are representing the District Board of Sargodha?—*Khan Bahadur*: Yes.

You have made a statement in answer to the Hon. Sir Arthur Froom to the effect that the District Board is suffering for the want of funds?—*Khan Bahadur*: Yes.

You and your District Board emphasise the need for the development of second class and village roads, but for want of funds you cannot raise the economic condition of the villagers with a view to developing the roads?—Yes.

Will you refer to your statement, and say what is the kind of revenue which is derived by the District Board? You have got only one source of revenue as stated there?—Yes, and that is a local rate of 12 pies per rupee in the land revenue.

You emphasise another point, which is that it falls on only one class of people, namely the agriculturists, and therefore you want the Government of the Punjab to amend the Local Self-Government Act?—Yes.

Because the non-agriculturists residing in the district area are not paying any contribution to the District Board funds in spite of the fact that they enjoy the use of these roads. Is that your view?—Yes.

Who are these non-agriculturists?—The trading people.

Will you define, for the information of the Committee, what is meant by trading people. I suppose that term covers only the commercial people?—It also includes money lenders; in this province both money lenders and traders are synonymous.

By commercial people you mean *baniyas* and money lenders?—Yes.

These people escape the liability of paying while they enjoy the use of the roads?—Yes.

What income would be derived if you were to amend the Local Self-Government and Road Acts?—It might fetch something like Rs. 20,000 to Rs. 25,000 in my district; and in the Jhelum district it would fetch about Rs. 40,000.

If the Act is so amended that all classes of people are taxed, then you think it would fetch more income for your District Board for the development of second class and village roads?—Yes.

Mr. Muhd. Ismail Khan: Are your District Boards empowered to levy any wheel tax?—*Ch. Feroz-ud-Din*: No.

What about the ekkas, tongas and such like vehicles plying for hire? Do you not tax them?—Yes, we tax them but that does not fetch much. It is a small amount.

Are you aware the haisiyat tax has been abolished?—Yes.

When was it abolished?—It was abolished some time in November last, I think about the 15th of that month.

There was a ruling against the power of levying the tax?—Yes.

But there was a validating Act, was there not?—Yes, but that was up to the 15th of November.

What is the approximate amount of money that you spend on these village roads?—We have got some 710 miles of village roads which are all kachha roads. We have been spending some Rs. 14,000 a year on these kachha roads.

What is the income of the Jhelum District Board?—About one lakh of rupees.

And you spend only Rs. 14,000 on village roads?—Yes; and in Sargodha about Rs. 50,000 has been spent on kachha roads.

Mr. E. F. Sykes: Do you know the road that goes from Jhelum northwards in the direction of Mirpur?—Yes.

Is that a second class road?—Yes, and we are maintaining it out of the cent per cent grant of the Government.

And a second class road need not be a metalled road all the way through; it can be partly metalled and partly unmetalled?—Yes.

You only call it second class if it is metalled?—There are second class roads which are not metalled also.

Khan Bahadur, your district is mostly a colony area?—*Khan Bahadur*: Yes.

In the colonies there is a good deal of land set apart for roads, that is land which is left uncultivated for the purposes of constructing roads?—Yes.

Alongside every chak there is a strip of land that is left for the purpose of making roads?—Yes.

And how wide would that strip of land be?—About 20 feet wide.

And these strips of land have been very little used I take it for road-making purposes?—Yes.

A good deal of the district of Sargodha contains *audh* villages?—Yes.

There are village roads there as well?—Yes.

But the land has never been acquired for the purpose of these village roads?—No.

They are just strips of land where paths have existed from time immemorial. Are these wide enough for decent roads to be made? What I want to know is whether you would have to acquire any land, or whether you have already got sufficient land for road-making? Can you give me any idea as to how much land has been left in the colonies for the purpose of making village roads?—I cannot say.

Raja Ghazanfar Ali Khan: Perhaps I might elucidate Mr. Sykes' point. In these new chaks in the colonies which the Government have sanctioned for roads, it is definitely laid down that roads must be of a particular width. Do you think that this width is enough?—Yes.

Mr. E. F. Sykes: That width is greater than the width to be found in the *audh* villages, I presume?—Yes, the width is not enough in the *audh* villages.

Then if that is the case I want to know whether you would have to acquire a lot of land?—Yes.

But you have no idea, I presume, of how much that would cost?—No.

Out of mere curiosity I once made a calculation of the land that would be required to make village roads in any area and I was surprised to find as a result the large quantity of land that would be required. But it is not a question which you have considered, I presume?—No.

It appears from your statement that you would first prefer feeder roads to be metalled or newly constructed rather that roads parallel to the railways should be constructed. Instead of feeder roads, would you not like to have a feeder railway?—A feeder railway is also a good idea, but I am afraid I cannot tell you which I would prefer as I have not considered the matter.

Raja Ghazanfar Ali Khan: Is the consent of the District Board obtained by the Provincial Road Board at the time of classifying the roads, or is this classification done of their own accord?—It is done in consultation with the District Board.

Has the District Board the authority to stop them from changing a particular road from one class to another?—The Provincial Road Board do this themselves, and the District Board have no authority over them.

Do you consider that before any classification is taken up the approval of the District Boards should be obtained by the Provincial Road Board?—I think that would be a good thing indeed.

Because in that case, I take it, there would be no complaint against wrong classification?—Quite so.

You said that when some roads are taken over by the Public Works Department, it would be preferable if Government gave you a cent per

cent grant for those roads and vested the maintenance of such roads in the hands of the District Boards, and the reason you give for this is that the District Boards would do it more efficiently and more economically?—Yes, that is so.

What is the average cost of metalling a road in the Sargodha district?—About Rs. 15,000.

And in the Jhelum district?—*Ch. Feroz-ud-Din*: Between Rs. 8,000 and Rs. 10,000. The cost is less here because we are fortunate in having metal all along the road, the district being hilly.

What roughly would be the maintenance cost of a metalled road per mile?—Rs. 1,000.

I am asking these figures particularly because we were informed that the Public Works Department's estimate of the average cost of metalling a road is Rs. 25,000?—That is not the case in the Jhelum district.

And that Rs. 1,000 is the average cost of maintaining a metalled road. So that the conclusion to be drawn is that the District Boards are capable of maintaining these roads more economically because the roads are constructed more cheaply, by reason of the fact that the local conditions are known more intimately by the District Board than by the Public Works Department?—Yes.

Your suggestion then comes to this that the whole system should be decentralised, that all the roads should be given to the local authorities for maintenance?—We do not want first class roads; excepting those roads, all other roads should be given to us, and of course a cent per cent grant should be made by the Government. Only on that condition would the District Board take over the roads.

In that case do you think that the Government would reduce their Public Works Department staff accordingly?—No; there will of course be a reduction in the expenses, and the provincial Government would be saved to that extent of any extra expenditure. They would then have only one or two technical advisers to help district engineers, and besides the District Boards would be able to maintain a very efficient staff with more money at their disposal.

You are in favour of limited monopolies?—Yes.

You think the construction of roads is very important at present?—Yes; if there is a good road and motors are able to ply on it, use will be made of it not only by the travelling public but also by the agriculturists as well.

So that the advantages to the agriculturist would outweigh any disadvantages that might exist in a monopoly system?—Yes.

Is the Gharibwal road in the Jhelum district, which has been constructed and for which a cent per cent grant has been made, of any advantage to the district at all? The benefit of the road goes to the Kashmir State?—Yes. The Jhelum district does not get any benefit from it.

The Jhelum district is an important district from the military point of view?—Yes. As a recruiting ground in times of war.

There are no railway lines in the district except at the two corners?—The whole is a broken tract and it is practically impossible to have railways and the question of roads deserves some more attention.

As regards the question of acquisition of land for roads in the villages, do you not think that the villagers would agree to part with

their land provided they are sure to get the benefit of a road running on the land?—There will not be any difficulty I think in persuading the villagers to part with their land for the purpose. Generally the necessary land can be got free.

Even if they charge for the land, they would be willing for a nominal price?—No. Either they would give free or they would charge the full cost.

But is there a tendency on the part of the people to give land free for the purpose?—Yes; some villages are advanced enough to realise the benefit arising from roads and are willing to give land free for the purpose.

Lala Lajpat Rai: Do you know what is the present constitution of the Provincial Road Board in the Punjab?—I do not know exactly. There are more than 10 officials, I think. The officials are larger in number than the non-officials.

How long ago that Board was constituted?—It was constituted about four or five years ago.

Have you any idea as to how much money the Punjab Government are spending now and how much before the creation of the Board?—*Khan Bahadur*: I do not know exactly.

Supposing the figures show that they were spending Rs. 34,000 before and now Rs. 85 or 95 lakhs, do you not think that there has been much improvement?—Yes. I should think so. The Punjab is spending a large amount of money on roads.

Considering the proportion of the general revenue to the share spent on the roads, it is sufficiently high?—Yes.

Do you not think that you should have representatives of the District Boards in the Road Board?—Yes.

Municipalities also should be represented?—Yes. I have no objection to that.

In that case, do you not think that the Board will become a very large body?—Yes, but groups may be made.

How much would be the total strength according to you?—Now, I am told there are 20. There may be say 25 members in all, 10 officials and 15 non-officials.

You would like more non-officials to be there?—Yes.

How many of the 15 non-officials would you like to be elected and how many nominated?—Ten elected by the District Boards and Municipalities and 5 nominated by the Government.

So far as the district of Jhelum is concerned, am I to understand that you had a lakh of rupees income and in addition got 4 lakhs grant from the Government?—*Ch. Feroz-ud-Din*: Yes; we got cent per cent grant for primary education and for buildings therefor; about 35 per cent. for second class roads and about 25 per cent. for medical relief and nothing specially earmarked for sanitation.

For every rupee spent by you, you get four rupees from the Government?—Yes.

Wherefrom does the money come?—From the provincial funds.

Do you think the non-agriculturists contribute to that fund?—Surely they do.

So you cannot maintain that the non-ogriculturists do not pay anything to the fund of the District Board for its expenditure on

roads?—No. But taking the ratio of the contributions, the non-agriculturists are paying less but getting more benefits by way of roads and schools.

Can you give us any figures?—No, I have not got any.

How many non-agriculturists and agriculturists in the district are there?—About 70,000 non-agriculturists and about 4,40,000 agriculturists.

In that case it is clear that the money spent by the District Boards is largely for the benefit of the agriculturists?—It is surely so on the basis of the population. Barring income tax, the non-agriculturists do not pay anything to the provincial funds.

What does the provincial fund consist of then?—It is mainly land revenue, the water rates and I cannot say whether there is anything further.

Do you know that the provincial Government gets some grants from the Central Government?—Surely they get.

In that case, do you not think that the non-agriculturists are making some contribution to the central fund and is thereby contributing a share of the expenditure of the District Boards?—But there are taxes which they do not pay along with the agriculturists and on that account I should say that they are not making any contribution.

Leaving the haisiyat tax, which you said was abolished from the 15th November, do you know that the non-agriculturists pay any other tax?—The chowkidari tax and the house tax.

How do the non-agriculturists use these roads?—There are artisans who carry the things to the market by the roads.

Do the shopkeepers make use of them?—They also bring in imported goods.

Do you think that these roads are mostly used for the purpose of taking village produce to the markets?—Yes; from the market to the villages also. In the Punjab generally the peasant sells the produce on the grain field.

In that case if the village roads are metalled, it will not benefit the agriculturists. It will benefit the middleman?—It would help the agriculturists also.

In what way?—They would take the things themselves to the market instead of selling them on the fields.

In that case will not the agriculturist mainly get the benefit of the roads and not the non-agriculturist?—My idea is that when you work out the ratio, the non-agriculturists get the greater benefit than the agriculturists.

How many mandis have recently grown in the colonies, can you tell us?—There are a sufficient number of them and they will not crop up in these colonies in large numbers. There are some new towns which have developed and they are important marketing towns.

Do you think their growth has reached the limit?—Yes. No further development is expected.

No new areas which are open to the canal irrigation will develop such towns or mandis?—There may be some at some places.

In these areas, what do you think will be the average distance between two mandis?—It will be between 20 and 30 miles.

And there are roads between them?—Not all pucca roads.

Is there any controversy in the province about the levy of the haisiyat tax?—Yes.

Who lebied it and at what rate? Was it with the sanction of the local Government?—The District Boards were authorised to levy it and the rates were submitted to the provincial Government and they approved of them.

Do you not think that the tonga fare also will become cheaper if all the roads were metalled?—No, at any rate not so cheap as motor fares.

Is the Sargodha district a district of big landowners?—*Khan Bahadur*: Yes; the biggest landowner owns, I think, about 20,000 acres.

Who pays the local rate?—The landowners pay it.

Can you give us some idea of the expenditure on roads in the Jhelum district?—*Ch. Feroz-ud-Din*: We are not making new roads but are incurring expenditure on repairs. Besides pucca roads we spend Rs. 14,000 on repairs of kachha roads.

Did you not tell us that the benefit of the road from Jhelum to Amirpur went to the Kashmir State?—Yes. It is so.

Did you not object to the provincial money being spent on that road for the benefit of the neighbouring State?—We represented to the Punjab Govt.

Is there much trade carried on through that road?—Amirpur gets things from here. We do not get anything from there.

How will you effect the transfer of the inter-district road to the control of the District Boards?—It can be done by each District Board maintaining the road within its limits.

Do you not think they will be better managed by the provincial Government than by the District Boards piecemeal?—No. It is rather the other way.

You are of opinion that all the roads in a district should be maintained by the District Boards?—No. Not inter-provincial roads. We want only inter-district roads under the management of the District Boards.

What distinction does that make?—One road is to go from Sohawa to Attock and then join the provincial road. That road is taken over by the P. W. D. If it were in the hands of the Attock District Board or the Jhelum District Board, they will manage it very well.

Who will maintain the inter-provincial roads?—The provincial Government.

If they are to maintain that portion of the inter-provincial roads which falls within the province, why not they have the control of the inter-district roads also?—There is dual management which is more costly. It would work cheaper if the whole thing were in the hands of one man.

Do you keep any engineering establishment under the district board?—*Khan Bahadur*: Yes. In Sargodha we have an Engineer on a monthly pay of Rs. 1,000 entrusted with expenditure on roads.—*Ch. Feroz-ud-Din*: In the Jhelum district, we have an engineer to look after the roads and school buildings on a pay of Rs. 300 per month and the expenditure comes to a lakh a year.

Do you not think that the establishment is larger than the requirements?—*Khan Bahadur*: If more roads are taken away it would surely be. At present we have to get efficient men.

Some say that there is a wastage of 50 per cent. due to corruption and petty contractors. Do you agree with that opinion?—There is but I cannot say the percentage accurately. It depends upon the persons concerned. Whatever the disadvantages, we are for allowing the management in the hands of the District Board for it builds up the village administration and has much educative value.

On the same principle you would not like to allow any interference with other departments like education and sanitation?—Yes, but there must be advisers from the provincial Government.

Mr. Muhd. Ismail Khan: You get a grant from the provincial Government on the one lakh that you raise?—*Ch. Feroz-ud-Din*: Yes.

Most of this comes from land revenue?—Yes.

Can I take it that the 4 lakhs that you get comes from the tax collected from the landowners or the tenants?—Yes.

Raja Ghazanfar Ali Khan: Have the Government fixed a maximum which can be spent on the establishment?—Yes; 15 per cent.

Chairman: Do you spend the maximum fixed?—We have to spend it.

Hon. Sir G. Corbett: In the classification in your statement, village roads are called class 4 roads and you say that the village roads are entirely maintained by the District Boards. I was given to understand that in the Punjab the village roads are *shamlat* or the property of the village?—We are not referring to them. Strictly speaking they are part of class 3. They are roads which are the property of the District Boards.

Mr. E. F. Sykes: You said that the people wanted roads at all costs. Does that mean that they are willing to pay for them?—The District Board has not got power.

I mean the people. Are they willing to pay for them?—If a reasonable charge is made.

In your District you are allowed to charge land revenue cess up to 2 annas?—.....

Lala Lajpat Rai: It is only 12 pies. That is the maximum amount.

Chairman: You said that your province is spending about a crore of rupees on roads. Is that because your province is a province of military importance?—Yes.

I suppose that is aptly the reason for your spending more. Another witness also told the same thing?—Yes.

It has been suggested that the form of distribution of central revenues should be on the proportion between the total revenue of the province and the money spent on roads. Now having regard to the condition and importance of your province, will this not work a hardship to other provinces which are of non-military importance. You see you are spending a crore of rupees?—I admit that, Sir. That is due to the military importance and not due to the civil importance.

Whatever Punjab spends, it is spending for the defence of the whole country?—Yes. Taking a nearer view, I think a part of that is due to the fact that the province is one of military importance.

Raja Ghazanfar Ali Khan: By non-agricultural people, you mean those whose incomes are not deducted for local rate?—Yes.

(*The witnesses withdrew.*)

36.

Allahabad, dated the 21st November 1927.

(a) Memorandum of touring sub-committee's discussion with Mr. T. GAVIN JONES, M.L.A., representing the Upper India Chamber of Commerce, and Member of the Board of Communications, United Provinces.

It is agreed that the road system of India needs development. Mr. Gavin Jones refers to the Upper India Chamber of Commerce's letter* of 14th June 1926 to the U. P. Government which gives the Chamber's views of the situation.

The Chamber would support strongly the idea of road development and would probably agree to a 2 as. excise on petrol provided no other arrangement is possible; the price of petrol is however considered to be very high and the Central Government should earmark part of the present petrol excise for road development. If there has to be an increase in taxation, the Chamber would prefer an import duty on tyres which could be earmarked for roads. The Chairman explained the danger of earmarking taxation for specific objects and suggested it would be better to reduce the import duties to encourage motor transport and referred to the Departmental Committee Report of the United Kingdom to show objections to a tax on tyres.

Mr. Gavin Jones considers that the Central Road Board should have executive power to deal with the distribution of any central road funds and that his Chamber would prefer that distribution should be made according to the expenditure on roads in each province. If distribution were made only upon proportionate consumption of petrol, Bombay and Calcutta would gain at the expense of the general road development of India.

Mr. Gavin Jones further suggests that a monopoly of carrying passenger transport on certain routes should be auctioned by the local Government for periods of five years, to provide money for road development and to secure an efficient and economical service. He expressed the opinion that the direct taxation on motor transport is not particularly high, but when indirect taxation is taken into account the total taxation on motor transport is very high. Direct taxation is generally unpopular. The U. P. Government introduced it for a short period but had to relinquish it as it was not worth the expense and trouble of collection.

Mr. Gavin Jones does not consider that area and population of provinces should be taken into account as factors when distributing central funds on roads—his Chamber could not agree to that without further consideration. The principle should be adhered to that the distribution of funds should be made in order to encourage and assist local authorities to develop roads from their own local funds. The Chamber would be willing to accept any reasonable modification of the methods of distribution.

*See appendix to this memorandum.

APPENDIX.

LETTER DATED THE 14TH JUNE 1926, FROM THE ACTING SECRETARY, THE UPPER INDIA CHAMBER OF COMMERCE, TO THE SECRETARY, BOARD OF COMMUNICATIONS, UNITED PROVINCES.

SUBJECT:—*Motor Traffic and Taxation.*

I am directed to refer to your letter No. 93—5-1926-14, dated the 6th May, covering a copy of the minutes of the eighteenth meeting of the Board of Communications, United Provinces, and to convey the suggestions of the Committee of the Upper India Chamber of Commerce in regard to proposals, considered by the Board on the 21st March 1926, for recovering from the owners of motor lorries the cost of the extra repairs for which District Boards are rendered liable by wear and tear of road surfaces caused by lorries.

2. The committee recommend the adoption of the following principles:—

(1) Good roads are essential.

(2) The present provincial and local metalled roads are not as good as they should be, having regard to the increasing use of motor transport.

(3) Kankar roads are unsuitable for the traffic that they are now required to carry, since they call for too much attention and repair.

(4) There is a necessity for raising supplementary funds for maintaining provincial and local roads.

In stating these principles the committee recognise the necessity for taxing all vehicles using these roads in order to provide the necessary funds.

(5) Having in view the increasing use of motor vehicles and the advantages they are bringing to the country's trade, such vehicles must not be too heavily taxed.

(6) Recognising that a great portion, if not the major portion of the damage done to roads, is due to country carts, such carts, with certain exceptions, should also be taxed.

(7) All revenue derived from taxes levied on motors, country carts and other vehicles should be devoted to the maintenance and improvement of roads.

3. The committee proceeded to devise ways and means for the achievement of these principles. These were divided in their applicability:—

(*a*) to motor vehicles, and (*b*) to vehicles with animal and human draught.

4. *Motor Vehicles.*—(1) All motor vehicles should be taxed without exception and inclusive of vehicles used for army purposes, an exception being made in the case of agricultural tractors, which for the purposes of this investigation should not be classed as vehicles.

(2) Indirect taxation is preferable to direct taxation. The latter being expensive in collection, unpopular and evasable, is entirely condemned as a source of provincial revenue.

(3) Indirect taxation can be imposed by two methods: a petrol tax and a tax on tyres. The objections to a petrol tax are:—

(*a*) That the price of petrol is already too high. In India, where the petrol is produced, the prices are 100 per cent. dearer than at home.

(*b*) That steam motors and electrically propelled vehicles will escape such a tax.

5. A tax on tyres would bring in all motor vehicles, except traction engines, and to include these it might be necessary, as a special case, to impose a direct tax. As an alternative, it might be recognised that traction engines using the roads would be comparatively few in number and, if suitable provision were made for very low speed, suitable tyre widths and the prohibition of grooved or barred tyres, traction engines might be excluded from the tax without an appreciable loss of revenue.

The committee recognise that, to be productive, a tax on tyres must be out of proportion to the original cost of tyres. There must also be a differentiation between pneumatic and solid tyres, the latter being taxed more heavily.

6. The committee are of opinion that a tyre-tax such as they have suggested will have to be collected by the Imperial Government through the Customs Department; it does not seem possible that the collection should be undertaken by provincial Governments. The funds collected from this tax would have to be allocated to provincial Governments either in ratio to the number of motor vehicles or on terminal returns of tyres imported provincially.

7. The committee consider that the imposition of speed limits for heavy and commercial vehicles is essential, but at the same time they recognise that there are considerable difficulties in enforcing such limits. They are of opinion that the limits to be imposed should depend on the class of roads.

8. The committee are of opinion that commercial vehicles should in addition to the tax on tyres, be subjected to direct taxation by means of provincial licences for the monopoly to run transport services on recognised routes. They are of opinion that this could be effected without much difficulty. If there is at present no legal sanction for the introduction of such a tax, legislation to this purpose should be introduced. In making this recommendation the committee have before them the successful working of the system adopted by the Assam Government, where a portion of the road on which a public transport company operates is periodically put up to auction, or tender, and the sums thus produced are devoted to the upkeep of the roads. This secures to a company a monopoly on the section of a road leased, and, of course, Government takes into consideration when approving the tenders, or bids, the capacity of the company to provide and maintain such transport facilities as Government may consider necessary for the convenience of Government, the military department and the public. In working the system, traffic is efficiently controlled, control posts being established at convenient distances on the roads and vehicles permitted to pass only in the one direction between those posts during certain hours. The fares chargeable are fixed by the successful tenderer in consultation with Government and the road efficiency of the vehicles is supervised.

9. The committee realise that objections may be raised in certain quarters to the institution of a monopoly of traffic. But by laying

down established commercial routes and disposing of the rights to conduct a transport service on such routes, separately, it is believed that there will, in effect, be little hardship to the smaller class of transport companies or private transport agencies.

10. The great advantages which the committee see in their proposal, include:—

(1) The monopoly licence fees would be devoted entirely to the upkeep and improvement of the roads and would immediately produce an appreciable, and, it is believed, eventually an adequate, revenue for the purpose. By suitably framing the rules this revenue could be made directly proportionate to the use to which the roads would be put and therefore to the damage which they would suffer.

(2) There would be proper control of traffic and this would, especially on hill roads, eliminate a great deal of the present danger to public safety. The reasonable regulation of fares, the supervision of the safety and road efficiency of the vehicles employed, the problem of controlling cross traffic and the maintenance of the efficiency of drivers, could all be secured satisfactorily under such a system. Legislation necessary to give effect to this proposal might, and, in the opinion of the committee, certainly should be included in the Tramways Act, thus avoiding superfluous new statutes and at the same time providing a very necessary protection to existing tramway venture.

11. *Vehicles with animal and human draught*:—

(1) Country carts without iron tyres should not be taxed.

(2) No iron tyres under 3 inches in width should be permitted in any circumstances on any country carts, or thelas, such carts or thelas should be either without tyres or have tyres of 3 inches or more in width.

(3) Country carts and thelas with iron tyres should be taxed under a licence system, and as this will involve registration and supervision, the committee recommend that with the opportunities thus afforded for inspection of iron tyred carts and thelas precautions should be taken to ensure good axle fitting to such vehicles before granting a licence. Ill fitting axles cause much damage to roads.

(4) The taxation and the licensing of country carts and thelas should be vested in local authorities, *e.g.*, municipalities and District Boards, and the proceeds of this tax should be devoted entirely to local road funds, which should be framed by each local authority.

(5) Ekkas, tongas and other horse-drawn vehicles should also be taxed by local authorities, under a licence system, on the basis of the present wheel tax levied in certain municipalities, and the whole of the revenue produced by such taxation should also be devoted to the local road fund.

12. The committee make the following further and general recommendations:—

(1) The provincial roads must be brought up to meet the needs of modern motor traffic. Indications are not wanting that the reverse process is favoured both by local authorities and certain Government officers, who have shown an indication that they would prefer to impose unreasonable restrictions

on motor traffic rather than squarely to face present-day traffic problems and meet present-day traffic requirements.

(2) The institution of a provincial road fund and local road funds is strongly recommended, with the express provision that all sums collected by taxation, direct or indirect, on motors or carts, should be devoted to these funds. Obviously the proceeds of indirect taxation of motors should be paid in entirely to the provincial fund. The direct taxation of motor vehicles by means of a municipal licence for service on certain roads would pass respectively to provincial or local authorities, according to whether the commercial routes for which the licences are granted comprise provincial or local roads.

(3) The committee have not hitherto touched on the local taxation by local authorities of private motor vehicles. They would prefer to see such direct taxation done away with, but they realise that there would be difficulties in meeting from the provincial proceeds of an indirect tax the claims of local authorities for contributions to cover the damage to local roads by private vehicles. These difficulties might be sufficient to render necessary the continuation of local taxation on motor vehicles. But if this is unavoidable, it is recommended that such taxes be moderate and subject to Government approval and that the whole of the proceeds should be devoted to local road funds.

(4) To minimise the damage to provincial and District Board roads by country carts, the committee recommend the introduction (? re-introduction) in these provinces of the *leek* system such as is believed to be in force in Bihar and Burma, whereunder bullock carts are restricted to the use of a *kachha* track or *leek* by the side of a metalled road, using the metalled road only to cross culverts and bridges.

The committee were of opinion that though the proper allocation of funds raised by the various methods of taxation suggested may not be easy, the details can be arranged after the primary object has been attained, which is provision by local enactment for further taxation of wheeled traffic in order to maintain and extend the provincial and local roads.

(*b*) Replies to the questionnaire submitted by the Upper India Chamber of Commerce, Cawnpore.

A.—Road Development.

The Committee of the Chamber are of opinion that none of the questions in Part A are appropriate for the Chamber to deal with except No. 8 and that this question can best be answered in general terms.

(8) They hold the view that while road development to meet the special needs of motor transportation might at first, and to some degree, encourage competition with railways, its ultimate benefits, as providing feeder ways for railways, would be certain and considerable. The competition would be more in the direction of passenger traffic on routes running near to, and parallel with, railways.

The best steps towards co-ordination in the common interests of the railways and road transport would be the development of transverse,

or of merging road routes and of routes in continuation of railways. The Chamber is not aware that any special machinery exists for the co-ordination of road and railway development beyond the suggestive efforts of Provincial Road Boards or Boards of Communications, where these exist. In the case of terminal railway serving areas not at present opened up by, or impracticable for, railways, roads have to a certain extent developed, as for instance the motor roads serving portions of Kumaon, but there are very probably special reasons for such development, such as the location of Government headquarters, sanatoria for troops, and centres of pilgrimage. These do not, however, point to any co-ordinated policy or special machinery for development.

Vast areas, at present only tapped for the benefit of railways, and of agriculture by country cart tracks or inferior District Board roads, need investigation from the point of view of the development of motor transportation. Even such passenger transportation enterprises as exist in present competition with railway have an immediate benefit to the railways by the development of the slowly awakening sense of the benefits to the agriculturist of quick passenger transportation. This sense must grow into a realisation of the advantages of equally quick transportation for his produce to the railway.

For short lead or semi-local movements of goods traffic motor transportation must always successfully compete with railways, where suitable roads exist parallel to the railways, by reason of the fact that the motor takes up the goods at the consignor's own premises and leaves them at their actual destination, thus cutting out cartage and extra handling charges at both ends. But for long lead traffic motor transportation can only serve to the benefit of the railways.

B.—Motor Transport and Motor Taxation.

1. The information required is not available to the Chamber. It must have been furnished by the local Government.

2. The prospects of further development are considered good but it will be handicapped by the condition of the roads and by high running costs, particularly by the high price to the consumer of petrol.

It may also to a certain extent be restricted by the action of local authorities who may be apprehensive of giving full encouragement to the development of motor transportation by fear of the wear of, and damage to, roads, or by reason of other considerations. Precautions should be taken against unreasonable or unnecessary restrictions from this direction.

3. There is no provincial taxation, except registration fees and driving licence fees. Local taxation is in the form of municipal licence fees on motor vehicles. This varies according to the municipality. In Cawnpore it is assessed on the following scale:—

	Rs. per annum.
Motor car, private	48
Motor cars for hire	100
Motor or steam lorries and vans	144
Motor bicycles for hire	36
Private motor bicycles	18
Motor bicycles with side car, private	24
Motor bicycles with side car for hire	48

4. It is not known how provincial receipts from registration and licence fees are allocated. In Cawnpore, receipts from licence fees for motor cars, as for all other vehicles, are merged in the revenues of the municipality.

5. (*a*) *Central.*—The proceeds of the present central taxation on motor vehicles, *viz.*, customs duty and the excise duty on petrol, are understood to be merged in the general revenues of the country. This should be altered, only the minimum necessary being retained for general revenues. The whole of the proceeds of the duty on petrol should be reserved for roads.

(*b*) *Provincial.*—The whole proceeds of provincial taxation should be credited to road development, and the cost of maintaining the registration and licensing services should be a charge on the Provincial Road Boards.

(*c*) *Local.*—Similarly, the whole of the proceeds of local taxation on motor, as on other, vehicles should be credited to the local roads fund.

6. The most suitable forms of taxation for the development of roads are considered to be:—

(*a*) *Central.*—A duty on petrol and a tax on tyres.

Customs duties on motors and parts thereof and on accessories, except tyres, should be reduced, but none of this revenue should be devoted to the development of roads. There should be no central vehicle taxes, tolls or licence fees.

(*b*) *Provincial.*—Registration fees.

Driving licence fees.

Monopoly licence fees for commercial services on specified routes.

(*c*) *Local.*—Vehicles tax.

7. The Chamber is unable to support any proposal for an additional duty on petrol, but the Committee desire to stress the recommendation made in answer to question 5 that the proceeds of the duty on petrol, whether excise or customs, should be devoted to road development. In regard to the method of distribution to provinces, this should certainly not be on the basis of consumption, as this would unduly favour the Presidencies (Bengal, Bombay and Madras) owing to the large consumption in the Presidency towns. Distribution to provinces should be entirely proportionate to provincial effort, *i.e.*, to the expenditure on the road development by the province from its own revenues.

8. The most appropriate methods of assessing motor vehicles for taxation are considered to be:—

(*a*) For import duty—*ad valorem.*

(*b*) For registration—in the case of private cars and passenger buses, on the number of wheels and the seating capacity; in the case of goods lorries, on the weight.

9. It is considered to be both possible and desirable to limit taxation in certain cases, *viz.*:—

(*a*) *Central taxation* (import duty) being *ad valorem* would be limited by the value.

(*b*) *Provincial Taxation.*—Registration fees should be variable according to assessment but limited within the assessment.

Driving licences should be uniform and limited.

Monopoly licences should be granted for commercial services on specified routes, by tender or auction, with a minimum upset fee, but without limit as to the maximum. Please see in this connection paragraphs 8 to 10 of the Chamber's letter of 14th June 1926 to the U. P. Board of Communications.

(*c*) *Local Taxation* should be limited according to an accepted scale.

The scale should be uniform as among:--

(*a*) City Municipalities.

(*b*) Town Municipalities.

(*c*) Notified areas and Act XX Towns.

(*d*) District Boards.

10. (*a*) It should be possible to arrange for reciprocal exemptions and it is certainly desirable that there should be such arrangement.

(*b*) This should not involve any change in the present rules regarding registration and licence fees save in so far as these are necessary to provide for the working of the registration or licensing authority in conjunction with Provincial Road Boards.

11. Revenue from taxation on motor transport should be definitely credited to the road funds, provincial and local.

12. No reply from the Chamber to this question appears necessary or appropriate.

13. (*a*) Revenue from central taxation should be distributed in the form of block grants for the improvement and development of road communications under the supervision of the Provincial Road Boards.

(*b*) It should be allocated to the different provinces strictly in proportion to provincial expenditure on roads. It should not be based on the consumption in each province.

14. The principle of taxation for the purpose of road development should most certainly be extended to vehicular traffic other than motor transport. This taxation would be local in its scope. In the case of municipalities all vehicular traffic should be taxed, as, in most cases, it is at present.

In the case of District Boards bullock carts should be taxed as far as possible. In regard to such taxation the difficulties in the way of universal taxation are recognised, as well as the certainty of opposition to such a proposal. But at the same time it is now accepted as certain that the bullock cart, in the aggregate, is the greatest contributing factor to the destruction of the road surfaces, particularly when its wheels are tyred with narrow iron tyres. It is accordingly recommended that while bullock carts without iron tyres might be exempted, those with iron tyres should be taxed and the use of tyres of less than 3 inches in width should be absolutely prohibited. This system of licensing bullock carts will give the additional opportunity of controlling the road-worthy condition of such carts.

15. As far as the Chamber is aware there is no road cess. The District Boards impose a local rate under section 3 of the U. P. Local Rate Act, 1914, as modified by the U. P. District Boards Act, 1922.

C.—Road Boards.

1. (*a*) There is no Road Board in the United Provinces, but there is Board of Communications, formed in May 1919.

(*b*) The functions of this body are entirely advisory.

Its constitution comprises (1) the Chief Engineer, Public Works Department (Buildings and Roads Branch); (2) the Chief Engineer, Public Works Department (Irrigation Branch); (3 to 7) one representative from each of the Railways serving the province; (8) the Director of Industries, United Provinces; (9) the Director of Agriculture, United Provinces; (10) the Chief Conservator of Forests, United Provinces; (11 and 12) one representative from each of the two Chambers of Commerce; (13 and 14) two members elected by the Legislative Council.

The Secretary to the Government of the United Provinces, Industries Department, attends meetings when necessary. The Board is presided over by a senior member of the Civil Service, usually the Member of the Board of Revenue or a Senior Commissioner.

(*c*) Having no executive powers its value in the development of the road system has been necessarily extremely limited.

2. It is considered, and strongly recommended, that a Central Road Board be formed.

3. The functions of such a body should be executive in regard to the allocation of funds and supervisory in the directions indicated in paragraphs (*b*), (*c*) and (*d*) of—question C-2 of the questionnaire.

As to its constitution the following is suggested:—

(1) A Chief Commissioner or President, who should be a high officer of Government.

(2) A full time Consulting Engineer having expert experience in road construction.

(3) A member of the Railway Board.

(4) to (13) A representative, to be nominated by Government, for each province or Administration.

(14) A Financial Commissioner.

There should be a full time Secretary.

4. The alternative does not arise.

New Delhi, dated the 31st January 1928.

(c) Oral evidence of Mr. T. GAVIN JONES, M.L.A., representing the Upper India Chamber of Commerce, Cawnpore.

Chairman: You are the representative of the Upper India Chamber of Commerce?—Yes.

And a member of the Communications Board of the United Provinces?—No. I ceased to be a member a year ago.

How many members are there on this Chamber?—79.

How long has it been in existence?—For the last 30 years.

Does it contain Indian members or are all the members Europeans?—There are a number of Indian representatives of Indian firms.

Upper India includes how many provinces?—Originally it included the whole of Upper India but now the Punjab Chamber of Commerce has come into existence. So the Chamber now provides only the United Provinces and Bihar.

Have you any objection to the memorandum of your discussion with the sub-committee being made public?—No, none.

You say there that the Chamber would probably agree to a 2 as. excise provided no other arrangement is possible. What arrangement would you suggest as an alternative?—A tax on tyres.

Then the memorandum shows that the Chairman of the touring sub-committee explained by reference to the Departmental Committee Report of the United Kingdom, the objections to a tax on tyres. Do you still take the view that an additional import duty on tyres could be imposed?—My Chamber still think so but they have no objection to the existing excise on petrol. The position of my Chamber is this. They are for road development and they think that motor transport has got to make some sacrifice but they consider that it has already been over-taxed and would suggest that instead of reducing the taxation, a part of the taxation now contributed by them should be utilised for road development.

In speaking of the United Provinces, you say that the direct taxation on motor transport is not particularly high, but when indirect taxation is taken into account it is very high. If an additional taxation is put on petrol, will it have the effect of curtailing motor transport?—We think that it is already over-taxed and it should not be taxed further. There is another point which has just cropped up. We said that there were no provincial licence fees in the United Provinces. But we understand now that they have under consideration a proposal for imposing the licence tax again. The amount that they originally made by this tax was only 2 lakhs and it was not considered worth collection and was given up. Now owing to the increase of motors, they estimate a total income of Rs. 6 lakhs and are thinking of reviving the tax. If all these taxes are to be paid, an additional tax of 2 annas on petrol will be really heavy.

But there are many provinces representatives of which have told us that a 2-anna tax would not cause any hardship in those provinces. What are the conditions in regard to your Chamber?—Our conditions are the same.

Do you say that this 2-anna tax will not cause any hardship at all?—Our Chamber takes the view that the present tax should not be increased at all.

Will you please give us some details regarding the statement that the United Provinces Government introduced direct taxation but had to relinquish it in a short period?—I was saying that the matter has now come before the Public Accounts Committee of the United Provinces Government and they are thinking of putting this tax on again because of the increase in the number of motor cars. They were only realising 2 lakhs and considering the bother of collecting it they dropped it. Now they think of reviving it, as they expect it would give them 6 lakhs for the whole province. But the matter has not been finally decided yet.

In your statement you proceed to say that the principle should be adhered to that the distribution of funds should be made in order to encourage and assist local authorities to develop roads from their own local funds. Is it your suggestion that out of the central fund a grant should be made to the provincial Government earmarked for the

development of roads, the expenditure of which should be controlled by the provincial Government?—Yes. Our view is that all local taxation on motor transport should be for road development and that the taxation collected by the Central Government should be returned to the provinces in the form of a block grant.

Without any restriction?—We consider that the Central Board should have executive powers as far as the distribution of the funds goes so that the provinces might be encouraged to spend more on roads.

You are against giving the Central Board any other powers than mere distribution?—I do not think you can give executive powers to a great extent to that body.

You would not like the Central Board, if it was established, to have any powers of interference with the provincial arrangements?—To the extent that the funds would not be allotted if they did not manage the roads properly.

From the replies sent to our questionnaire by your Chamber it seems that you do not apprehend any difficulty by the parallel development of railways and roads?—We do not think there would be any.

You further say that it would benefit the railways by developing the slowly awakening sense of the benefit to the agriculturist of quick transportation. How long has this process been in existence?—It has been there for the last five years. It is becoming more manifest now as roads have improved.

Do you hold the view that motor transport in so far as it competes with the railways should be absorbed with the railways and that the railways should also take up motor service?—I do not see why the railways should not run motor services.

Hon. Sir A. Froom: In reply to the question of the Chairman, you said that your Chamber was in favour of road development?—Yes.

Can you tell us briefly in what direction you hope that road development would benefit your province?—It will benefit us if the present roads which are kachha are improved and if new roads are made in districts which are not properly tapped at present.

What do you propose to tap by these new roads? Is it agriculture?—Yes, mainly in the villages and small towns in the outlying districts which are not on the railway and are not properly connected with the railway. The roads are so bad that no motor transport will thrive on them.

Your Chamber strongly recommends monopolies?—Yes.

And you gave us an instance of monopoly on the Pandughat-Shillong Road?—Yes.

Would you control the monopolies in any way?—I certainly think that the rates should be controlled by the authority in charge of the roads.

You suggest the grant of monopolies to the District Boards or the provincial Government?—To the provincial Government.

Would you give them sole monopolies or would you allow the right of using the road to 2 or 3 companies so that there may be some effective competition under fixed rates among the companies running along the roads?—That would be governed by the circumstances, I think, generally sole monopolies would be better. We would get better services.

You want there should be strict control exercised over them by the authority granting the monopolies?—Yes. It would be very much on the same lines as the tramway. In fact we think that it might be possible to incorporate provisions in this respect in the Tramways Act.

And you lay great stress on fixing the maximum fare?—Yes, certainly. You cannot give a monopoly otherwise.

Are there many buses plying for hire in your province?—Quite a number. They are increasing.

What sort of service do they provide?—The service varies very much. Some of them are very bad. There is a heavy depreciation and buses generally break down owing to the bad condition of the roads. Some of the buses have to run on very bad roads and I think therefore that on certain roads a monopoly would afford a better service.

So your Chamber is in favour of monopolies because they would afford better service and would also bring in some money for road purposes?—Yes.

You have got a Board of Communications in your province?—Yes, there is one.

How does it function?—It is a purely advisory body.

Does it consider any road schemes?—All road schemes come up before the Board for consideration and then go to the Government.

Does the question of funds come before the Board or the Board having approved of a road scheme, it goes to the provincial Government who take up the further stages?—It comes before the Finance Department. The Board goes through the schemes and recommends the order in which they should be taken up and the Finance Department has to say whether funds are available.

Is it your experience that the passage of a demand for grant in the Local Legislative Council is made easy by the Local Council being represented on the Board?—It is. The railways, chambers of commerce and the Council are represented on the Board.

During the tours of the sub-committee it was stated that apart from the 2-anna excise for the central fund, there should be another 2-anna excise on petrol to be earmarked as a provincial tax for road purposes. Some provinces suggested that the Central Government should act as agents for collecting it and that the proceeds of the collection should be paid back directly to the provincial Government according to the quantity of petrol consumed and that all local taxation should be wiped out. How does your Chamber view the suggestion of another 2-anna excise?—It would be agreed to if it did not mean additional taxation.

Arising out of this question, does your Chamber recommend that all taxation in your province should be provincialised by means of a petrol excise or by any other means? We found that the taxation in the provinces was very uneven and as a step to make it uniform it was suggested to provincialise the tax on motor transport?—We quite agree with the view.

Whatever form it may take?—Yes. We think that the taxation should be co-ordinated and made equal.

In fact some sort of uniform tax might be levied through registration?—Yes. We quite agree with that.

Your Chamber has cast longing eyes on the existing excise on petrol?—Yes.

Most provinces share that view. But at the present time it might not be possible for the Central Government to give up this source of revenue. How do you view the suggestion that a portion of it might be given. Presuming that the Government of India provided for an income of Rs. 90 lakhs in the last year and for Rs. 120 lakhs in the current year, and it is decided that the Central Government should be content with what they got last year and make over the surplus towards the central fund, would you think that it would be a step in the right direction?—It would certainly be a step, but we think that the entire amount should be so made over.

Yes. But the Government of India have to balance their budget?—I quite see that. But they have got the import duty on motor cars which is bound to bring increased income. I would leave that to the Central Government. The tax on petrol should be devoted entirely for road development.

Chairman: What? The whole of the 4-anna excise levied at present should be devoted for improvement of roads. Is that the idea?—Yes. That is our idea and it is shared by a large number of non-officials in our province.

Hon. Sir A. Froom: Supposing the Central Government would not give up the whole of it all at once?—Then we will have to take what they can spare.

If they gave up the whole of the present 4-anna excise, they have to raise money by other sources?—If they encourage motor transport they will have increased customs duty on everything, on accessories, parts, tyres, etc.

You suggest that the Government should take a long view of encouraging motor transport?—Yes. It pays in other countries and it will pay here also.

They should give up some portion of it, if they cannot give the whole of it all at once?—Yes.

Hon. Sardar Shivdev Singh Uberoi: There is no provincial taxation in the United Provinces for motors?—No, at the present time, except the registration fee and drivers' licences.

In your replies to questionnaire you have given the rates prevalent in the Cawnpore municipality?—Yes, but a portion of it like the registration fee and the driver's licence fee is provincial.

What are the rates for the drivers' licences?—They vary in several places.

Hon. Sir A. Froom: Perhaps Cawnpore rates will be the highest?—Yes, Cawnpore and Lucknow.

Hon. Sardar Shivdev Singh Uberoi: Is it your idea that the local taxes should remain intact and that the central tax whether on petrol or on tyres should be extra?—Yes. But they should both go to road development. At present the local taxes are amalgamated with the general funds and not earmarked for road development.

You prefer a tax on tyres to a tax on petrol?—No. We suggest a tax on tyres as an additional source.

Will you tell us what discrimination exists between increasing the tax on petrol and on tyres?—We think that a tax on tyres would be more evenly distributed over motor transport and motor industry. In the case of petrol tax, steam cars and electric cars escape altogether.

Has your Chamber made any calculation as to how much more can be expected from an increase in the tax on tyres?—No. We have not made any calculations.

Of course, you would like that petrol is sold in the United Provinces very much cheaper than what it is sold now?—Very much so.

Have you considered why petrol is selling there at 8 annas per gallon more than at Bombay and at Calcutta?—I think that is due to the oil companies and also to the railway freights which are very high. The matter is however being considered by the Railway Rates Advisory Committee.

You said that a Communications Board exists in your province?—Yes.

Its functions are only advisory, just to pass the schemes of the local bodies to the Government and to see that the grant given by the Government is properly spent?—Yes. That is so.

Hon. Mr. M. Suhrawardy: With reference to your answer to Q.-B.-6 of the questionnaire, will you please clear the matter why your Chamber insists on the reduction of the import duty on motors, motor parts and other accessories, except tyres?—Our proposal is that the tax on tyres should be utilised for road purposes and that there must be no reduction in that, while the tax on motors is very high now and should be reduced. That is the only reason.

Mr. Mohd. Anwarul Azim: As a businessman, will you tell the Committee where the tyres are manufactured which are used by the motors in India?—They are manufactured in the United Kingdom and America. Dunlop and Good-Year are manufactured in the United Kingdom.

And what other quality is manufactured in the United Kingdom?—I do not know further.

As far as you know these two qualities are manufactured in the United Kingdom?—Yes.

Do you not think that in any arrangement for the development of roads system in this country, the village roads should be looked to?—I would like to have feeder roads first.

But if the roads which connect village to village are not improved you can not get the agriculturist to make use of the feeder roads, or do you want to extend these feeder roads right up to the villages? Is that your idea?—Yes.

You say that you have got a Communications Board in the United Provinces. Have you got any representation from the District Boards on it?—Yes.

By a system of election or nomination?—It is by nomination.

Who is the President of that Communications Board?—The Member of the Board of Revenue.

Do you think that the Communications Board should be placed under the Minister in charge of the Transferred Department?—I do not see any reason why it should not be so.

Are the District Boards in the United Provinces presided over by non-official Chairmen?—Yes.

Do they employ their own engineers?—No. The P. W. D. engineers work for the District Boards also.

If some means could be devised for putting a higher registration fee, do you think it will be sufficient for the development of roads, of course abolishing all other taxes?—No. It will not be sufficient.

Even if you put a registration fee of Rs. 300 on a car?—I do not want to make taxation so high.

Mr. Muhd. Ismail Khan: You suggest that the power of granting monopoly should be vested in the local Government. Do you want this for provincial roads or for District Board roads also?—For all roads.

Do you think the District Boards would agree to this?—I think so.

They had a discussion about the transfer of roads recently in the local Council and the District Boards were against this. They do not like any control being exercised by the provincial Government?—But you can't help that. Besides, these roads might run through two or three District Boards.

So you want monopolies for these inter-district roads?—Yes.

Are you satisfied with the efforts that the Government are making on the improvement of roads?—We would like to see more improvements.

Are you aware that they are doing more to improve motor roads than these district roads?—They are doing as much as their finances permit.

Do they make any grants to District Boards for road making?—They do in some cases. These are non-recurring grants.

Mr. E. F. Sykes: Do you think that at present motor services are running in an uneconomic manner and the fares they are charging are more or less railway fares? Are they competing with the railways?—I do not think they are competing with the railways.

What charges do they make?—I do not know.

If you give monopoly you have to fix the rate?—Yes.

Have you any idea of the sort of rate that would be reasonable to fix at the present moment?—It will depend on the route entirely.

Raja Ghazanfar Ali Khan: You propose that the power of granting monopoly should be in the hands of the Government and in that case they should also control and regulate fares, etc. Would you then create a new department of Government to do this work?—I think the P. W. D. could do this.

And the P. W. D. would see that these companies observe the conditions laid down in the agreement. You would not entrust this work to the local bodies?—This is a matter of arrangement with the local Government.

But what is your objection to the District Board having the power of granting monopolies?—Because the district is too restricted and with what it has got to do now it has quite enough on its hands.

While giving monopoly you want the Government to consider the capacity of the company to provide and maintain such transport facilities as Government may consider necessary for the convenience of Government, the military department and the public. Would you just throw some more light on this? Do you think that the development of roads is very important from the military point of view?—Yes.

In that case would you not like that the military department should also make some contribution for these roads which are so very important to the military?—I do not think so. The military department cannot afford to pay any money: in fact they want more money

for their department; and after all they are a servant of the Government and it is no use taking money out of one pocket and putting into the other.

You think that the petrol price is very high and probably the chief cause is railway freight?—This is one of the causes.

In the Punjab the petrol sells at Rs. 1/8/0 a gallon at a certain place, while the petrol fields are only a mile from that place, so that you will agree that the railway freight has nothing to do with that. Could you imagine any justification for its price being so high?—I think this is due to the oil companies.

Can you suggest any remedy to curtail the prices?—That is very difficult. I cannot suggest any definite scheme just now but I think pressure should be brought on the oil companies to reduce the price of petrol.

Do the District Boards impose a local rate?—Yes.

Is that local rate charged on the land revenue?—Yes. It is 10 or 12 pies per rupee.

Then do you not think that a certain class of persons who already pay local rate are indirectly taxed twice because when the local Government gives grants for roads the provincial funds also consist of land revenue, and in that case will you not agree that those people whose income is not subject to local rate but who are residing under the jurisdiction of the District Boards should, if they have sufficient income, also make some contribution for the development of roads?—But I do not think you can differentiate.

In the Punjab they had imposed a haisiyat tax, that is, a man whose income was more than Rs. 400 a year and who was not paying a local rate he was required to pay one rupee yearly to the District Board which roughly brought in an income of Rs. 50,000 or Rs. 60,000. The High Court have ruled that this tax is illegal. But if the Government were to make some provision in the Act validating this sort of taxation, do you not think it will bring sufficient income to various District Boards and they will be able to utilise that income in developing their roads?—I fear I cannot give an opinion on this.

Lala Lajpat Rai: Are you aware that the road department is a transferred subject?—Yes.

You have given the constitution of your Board of Communications in your replies to the questionnaire. It seems that the Minister for Local Self-Government is not a Member of that Board. Could you tell us the reason?—We have provided representatives from the Legislative Council and they will be nominated by the Minister.

But in your written statement there is no mention of any representative being nominated by the Minister?—I cannot say. This is a matter of details.

Chairman: You are not dogmatic about it?—No.

Lala Lajpat Rai: You say that any scheme for road development first comes to the Board of Communications and then the Finance Department sanctions or rejects it according to the finances at its disposal. The Finance Department is a reserved side so that it means that in the whole of the policy of the road development of the United Provinces, the Minister does not come in at all. The whole thing is determined by this Communications Board and the Finance Department?—I think the allocation of funds must have been made in consultation with the Minister.

The funds might be allocated in consultation with the Minister but the schemes are not sanctioned by him?—Yes.

Several witnesses have said that the conditions of provinces differ in regard to roads. Do you agree with this?—Yes.

And therefore the policy of each province in regard to roads must be different?—Yes.

In that case do you not think it will be better if the roads departments were provincialised rather than centralised?—The roads departments will remain provincialised. There is no proposal to alter it. The idea is that there should be an expert staff on the Central Road Board to see that the money which is being expended from the central fund is being properly spent and the development is in accordance with the latest practice and they will also co-ordinate the work of the provinces.

Chairman: Does that not in practice involve a certain amount of interference with the freedom of the provincial administration?—It will only be in regard to the allocation of funds. If the Central Board are not satisfied, they would not get those funds.

In actual practice would it not come to this that the Central Board would be in the position of a court of appeal over the Provincial Boards?—Only as regards the allocation of funds.

Lala Lajpat Rai: You also want to give the Central Board supervisory powers?—I do not think they need have much supervising staff to supervise the details of work.

How will you allocate the central fund?—According to their expenditure on roads.

Chairman: Do you mean that it should be based on the budget allotment for road programme?—Yes. What we mean is that this fund is to be used as a lever to encourage each province to spend more money on roads.

Lala Lajpat Rai: There is no Road Board in the United Provvinces?—No. But there is the Board of Communications which was formed in 1919.

How do you distinguish the Provincial Road Board from the Board of Communications?—Because the Road Board has, generally speaking, executive powers, while the Board of Communications is merely an advisory body.

But surely this is not the meaning of the words "Board of Communications" in the English dictionary?—Anyhow the term may be wrong but it is there.

Chairman: Does this Board deal with any other method of communications except the roads?—It deals with feeder railways too.

Lala Lajpat Rai: Do you not think that the practice followed by the Provincial Board should be followed by the Central Government also?—No. I think the roads department should be kept quite apart from the railways.

Chairman: If the two departments were kept separate but if they were in the hands of the same man who could look into the needs of each and co-ordinate them, would it not be a public convenience?—Do you mean having a Ministry of Transport?

Yes?—I would not like to give an off-hand opinion on behalf of the Chamber, but this is a possible means of evolution.

Lala Lajpat Rai: In the constitution which you have recommended for the Central Board, you do not provide any power to any elected agencies to send their representative—I mean the District Boards or the local Legislative Councils?—But we have provided one representative from each province.

That is to be nominated by the Government?—But the Legislature can have a voice.

So that you do not see any need for a representative elected by the District Boards or the local Council?—No.

The U. P. Government have just taken a loan of Rs. one crore for the development of roads. May I ask you if in the present state of funds which are available to the provincial Government they are not doing enough for road development?—They are doing as much as their funds allow.

So you would not ask them to do anything more unless more funds are available?—Considering the needs from other departments I think that what they are doing is quite sufficient.

You do not know on what basis the local rate is levied by the District Boards?—No.

Hon. Sir A. Froom: Your opinion is that monopolies should be supervised or granted by your provincial Government and I think your reason for it is to have a uniform system of granting monopolies in the province, otherwise it may happen that one District Board may make an attempt to get too much money and therefore fix high fares to the disadvantage of the travelling public. You want a uniform system of granting these monopolies and one uniform system of fixing fares in the province?—Yes.

Why I am referring to this again is because I understand it would be quite within the jurisdiction of your province or your provincial Council to pass an Act to allow these monopolies?—Yes.

I see your point as to why you like your monopolies to be level. Supposing these monopolies are sanctioned by your provincial Government on roads which are maintained by the District Boards, would the proceeds of the monopolies you suggest be handed over to the District Boards. Let me put it in this way. Supposing the revenue from certain monopolies is received from motor services running over roads which are kept up by certain District Boards, would you suggest that the proceeds of these monopolies should be given to these District Boards?—Yes.

Lala Lajpat Rai: In the written statement of your Chamber you say that the Board of Communications contains one representative from each of the two Chambers of Commerce. What are these Chambers of Commerce?—There is what is called the United Provinces Chamber which is principally Indian; and the other is the Upper India Chamber which is composed of both Europeans and Indians.

Is it principally European?—The majority are Europeans, but there are a number of Indians also.

Just as you call the first one Indian, would you be justified in calling the other principally European?—I do not think so; there is only a majority of Europeans on it. As a matter of fact, a large number of the members belonging to the United Provinces Chamber also belong to the Upper India Chamber.

So it is common to both?—Yes.

You represent only the Upper India Chamber, I take it?—Yes.

Hon. Sir A. Froom: The other Chamber of Commerce is composed entirely of Indian firms, is it not?—Yes.

Whereas the Upper India Chamber contains both Europeans and Indians?—Yes.

(The witness withdrew.)

37.

Bombay, dated the 19th December 1927.

(a) Memorandum of touring sub-committee's discussion with Mr. T. R. S. KYNNERSLEY, representing the Bombay Engineering Congress.

Mr. Kynnersley states that traffic facilities are necessary for opening up any area, and that for India, America is the best example to copy, as the distances there are great as in India, and that experiment is needed for discovering method of cheap road-making that will stand up to traffic with cheap maintenance. It is suggested that a form of wheel track was to take the traffic except where passing, *e.g.*, concrete runways 18 in. wide of standard gauge. Provision of such runways would reduce cost of making roads. The Technical Adviser states that the experiment was tried in the Punjab, but the result was not conclusive as the road on which the experiment was made was a heavily trafficked one. Mr. Kynnersley agrees that all-India arterial roads are necessary as linking up feeder roads.

Mr. Kynnersley states he is concerned with the heavy traffic roads in Bombay where Improvement Trust is laying roads costing Rs. 7 per sq. yard for surface coat of 3". He suggests that registration is needed to control the wheels of bullock carts, and that this would save much money; not only is the wheel loose on its axle, but the tyre is too narrow, a definite width of tyre should be enforced.

Mr. Kynnersley considers that a Central Road Board to advise and especially to co-ordinate research is essential to any real development of road system.

Mr. Kynnersley states it is impossible with present knowledge to make a road suitable for both motor and bullock cart traffic, as the damage done by each is of a different nature. Whether a road should be built for light, medium or heavy traffic is a different problem, as one has to envisage conditions 10 years ahead, and no hard and fast rule is possible as every road is used by all sorts of traffic.

Mr. Kynnersley does not consider that motor vehicles in Bombay city are more than normally taxed. He would agree that provincial motor vehicle taxation is desirable inasmuch as many motor vehicles escape taxation. He would agree that such tax should be a petrol tax. As regards Bombay city, people would object to pay a petrol tax for Central Road Board for general road development, as they would say they are only concerned with Bombay municipal roads, which they already pay for.

Mr. Kynnersley himself would subscribe to the view that a 2 annas petrol excise for central fund and 2 annas as a provincial tax would not be a hardship.

(b) Written statement submitted by Mr. T. R. S. KYNNERSLEY, representing the Bombay Engineering Congress.

In order to obtain the opinions of representative members of the Bombay Engineering Congress, I issued a short questionnaire as

follows. The concensus of opinion, so far as it was obtainable, appears to be on the following lines:—

Question No. 1.—Are you in favour of a Central Road Board being formed under Government, the function of this being the general financing of road projects and control of road development throughout India?

Answer.—The functions of a Central Road Board should be primarily of an advisory nature and they should co-ordinate the work of local Government Road Boards and the allocation of funds for works of inter-provincial importance. The Central Road Board should not exercise any direct control over local Government but should deal with and advise the Government of India on the division of any central taxation from motor vehicles and the apportioning of funds for the carrying out of any works which they consider of all-India importance. The Central Road Board should have expert road engineers whose duty it is to co-ordinate information received from road engineers all over India and Burma and disseminate the knowledge so gained to the provincial Government engineers.

Question No. 2.—It is suggested that a tax on petrol of annas four per gallon be levied by Government through the oil companies, the money to be utilised for road construction. Would you be in favour of this?

Answer.—The general opinion is that funds should be provided for the Central Board if the Roads in India are to be made adequate for the heavy traffic that will be expected on them. A tax on petrol is thoroughly approved provided that the apportionment of this tax is made, as far as possible, to those areas which provide it. At the same time, the existing taxes should not be interfered with in any way. A part of the tax on petrol should be allocated to the general improvement of roads, whether the areas through which these roads pass produce the tax or not. In other words, it is necessary to spend a certain amount of money beyond actual requirements of the day, as it is generally agreed that roads are the surest means of expanding a country but on the principle of putting something in before you can expect to get anything out, a liberal view must be taken at first, at any rate, in the allocation of funds to opening up district roads.

It may be pointed out here that, at present, petrol forms only about 10 per cent. of the total outgoings of the average motorist. The increase of two annas on the present price of petrol represents only approximately 1·2 per cent of the motorist's budget.

Question No. 3.—Have you any views on the most suitable type of road for:—

(*a*) Grand trunk roads (Inter-provincial).
(*b*) Provincial trunk roads.
(*c*) Provincial bye roads.

Answer.—It is difficult to lay down any hard and fast rule as to the most suitable road for any particular district, as so much depends on the road making material available but it is generally agreed that some form of dustless carpet must be provided, whether it be bituminous or concrete. In America, there are thousands of miles of narrow strips of concrete which carry through traffic at a high speed. These seem most successful in connecting up places of importance a long way apart. The width of this strip of concrete depends naturally on the money available. If the importance of the road is not so great as to warrant the expense of this form of construction, then bituminous surfaces of varying depths and density must be chosen to suit the circumstances of the case. It is agreed that for long distances, the

railway is the best means of communication, though feeder roads in connection with the railway will be of the utmost service to all parties concerned. The various types suggested are as follows:—

(1) Reinforced concrete with 3″ of asphalt in two coats. This will stand the heaviest traffic possible and can only be used in big towns.

(2) Plain cement concrete with a smaller layer of bituminous substance laid on it.

(3) Consolidated macadam road covered with varying thicknesses of bituminous material.

(4) Penetration of road metal with bitumen and a sealing coat of bitumen on top.

(5) Macadamized roads sprayed with bitumen and chips rolled into it, and finally,

(6) There is the main alternative of all-concrete roads, the efficiency of which in India has still to be proved, its greatest enemy being the iron-shod wheels of the bullock cart.

Some members are of the opinion that a strip of bituminous surface about 2″ thick and 12′ to 16′ wide with water-bound side width offers a very fair solution for important long distance roads.

No great importance is attached to grand trunk roads at present. The importance of provincial trunk roads varies and there may be certain lengths of such roads where it is most necessary to have a really good service as between two important towns.

Provincial bye roads or local board roads must be considered on their own merits, but in considering this, a liberal view should be taken of possibilities for expansion which would only come after the roads were repaired or built.

Question No. 4.—Have you any views as to how the revenue obtained should be allocated, *i.e.*, should money raised in a large city such as Bombay or Karachi be used for trunk roads or for suburban development?

Answer.—It is generally conceded that motorists in large towns, in spite of the fact that they already pay wheel-tax, should assist in developing trunk and suburban roads. They have certainly contributed a certain amount already, but the amount is nothing like sufficient and they should not grudge a portion of an extra petrol tax on general improvement which in time is bound to react favourably on their own towns owing to general development and expansion in the neighbourhood.

Question No. 5.—Have you any other views on the subject such as:—

(*a*) Taxing non-petrol vehicles;

(*b*) Extra tax on commercial vehicles;

(*c*) Regulation of wheel widths and loading;

(*d*) Restriction of fast and slow traffic to different roads;

(*e*) Abolition of tolls, etc.?

Answer.—(*a*) and (*b*). It is generally accepted that bullock carts, as they do a considerable amount of damage, should be taxed as far as possible and steam wagons according to their weight. Iron-shod wheels, apart from those of bullock carts, should be banned as far as possible.

(*c*) Local Governments and municipalities should make regulations concerning the widths of tyre treads of bullock carts and general rules as regards loading, taking advice from the Central Road Board for co-ordination purposes.

(*d*) Restriction of fast and slow traffic to different roads is only applicable to large towns and can well be managed by the local police.

(*e*) It is considered that tolls are a nuisance and should be abolished except for bridges, viaducts, and such like constructions.

New Delhi, dated the 31st January 1928.

(c) Oral evidence of Mr. T. R. S. KYNNERSLEY, representing the Bombay Engineering Congress.

Chairman: Mr. Kynnersley, you represent the Bombay Engineering Congress?—Yes.

What exactly is that Institution? Is it a periodical meeting of Bombay Engineers?—Yes; we meet in Bombay or Karachi once a year and read papers and discuss current engineering topics.

It is not a standing Institution; it only meets once a year?—Yes.

And all those who are engineers in the Bombay Presidency take part in it?—They are put up for election and if they are considered sufficiently advanced, they are elected and made members, after which they are free to take part in all the discussions.

How long have you been connected with the Bombay Engineering Congress?—Six years.

Since its inception?—No; it has been going on for a good many years.

Besides being a member of the Engineering Congress, you are an officer of the Bombay Government, I take it?—No; my appointment is partly a governmental post; it is under the Bombay Improvement Trust. It used to be under the Government, but it is now practically under the Municipality of Bombay.

Do you hold any post in the Improvement Trust?—Yes; I am the Chief Engineer.

So we may take it that your experience is more or less indicative of what happens in Bombay?—Yes, as connected with roads.

When did you join the Improvement Trust?—I joined it in the year 1920.

Before that were you in India?—No; I came out to India to join the Improvement Trust. I have acted for two years as Chief Engineer.

Have you any objection to the statement which you made before the sub-committee being published?—There is one thing which I would like to point out which does not have my approval. It is written as follows:—"Mr. Kynnersley states it is impossible with present knowledge to make a road suitable for both motor and bullock cart traffic, as the damage done by each is of a different nature." I certainly did not mean to emphasise that and would like to qualify that statement by using the word "difficult" for the word "impossible". I would only say that it is difficult at present because nothing is impossible if you have the money to spend.

Then you say in your statement that "registration is needed to control the wheels of bullock carts, and that this would save much money; not only is the wheel loose on its axle, but the tyre is too narrow, a definite width of tyre should be enforced." I suppose you mean in towns like Bombay and not in up-country places?—No, whether in towns or up-country they do an enormous amount of damage.

A number of people have come and said that it would be hard to tax the bullock carts in agricultural places. But you hold a contrary view?—I refer specially to the big towns where they do a good deal of damage.

In Bombay they are registered and they have to pay a tax?—Yes, but they are absolutely free to put on any kind of wheel they like.

I am thinking more of up-country places where these carts are more used than is the case in Bombay?—I wanted to suggest that, if possible, they should pay their way in some way by a tax for the damage they do.

If you were told that these people are so poor that they go to the length of actually pawning their *pugrees* and *lotas* to pay their toll, then would you say that they should be taxed under such conditions?—Not if they could not afford it.

One witness who has considerable experience of Bombay District Board roads suggested that the roads should be so constructed that the centre of the road should be 16 feet wide and reserved entirely for motor traffic, while on the sides the road should be 9 feet wide to allow cart traffic. What do you think of this suggestion?—One of the actual drawbacks to that suggestion is that where you have got shops and buildings it would be practically impossible to introduce that system; but where there are no shops and buildings, I think it would be a good idea to introduce it. I have a suggestion to make in this connection.

May we know the details of your suggestion?—I would put a 12 or 14 ft. asphalt penetration in the middle and keep that for motor traffic and another of ordinary macadam on the sides which would be useful for cart traffic.

Would that be of the same level or different?—No, it would be the same level; I am against a different level.

Further on you say that you do not consider that motor vehicles in Bombay city are more than normally taxed. What heavier burden do you think they can bear? Would the municipal tax remain in tact?—I think another three annas would do.

As regards Bombay city, the people would object to pay a central tax for general road development purposes because they would say that they are only concerned with the Bombay municipal roads which they already pay for. We have had before us a Municipal Commissioner of Bombay and he told us that nearly 90 per cent. of the cars and lorries in Bombay very rarely go beyond the city walls. Supposing you were in possession of this information, what would you say?—I would qualify it by saying that a certain percentage should be used if you are going to tax the people on petrol.

Bombay is spending Rs. 25,00,000 on its roads. Supposing another Rs. 25,00,000 is realised through the petrol tax for central funds, would you like Bombay to contribute a little of these twenty-five lakhs?—Yes, about two-thirds.

Would you reduce this two-thirds in the case of Bombay particularly of which you have special knowledge, having regard to the fact that you are paying nearly Rs. 100 a year on motor tax?—Yes.

How much would you reduce it for Bombay?—One-third for Bombay city or Karachi, that is to say, it should not be more than one third for the city; the remaining two-thirds for outside the city.

Further you subscribe to the view that a 2-anna petrol excise for central funds and 2 annas as a provincial tax would not be a hardship. Would this be in addition to the municipal taxation?—Yes.

Three annas include everything?—Yes.

How much would you have in the form of provincial taxation? I want to know how much of that tax you would allocate for purely provincial purposes and how much would go to the central funds?—When I put down this 2 and 2 annas before the sub-committee, I did so without possessing the enormous amount of information which I have since seen and I wish to modify the last paragraph of my statement in this manner, namely, that the extra 3 annas petrol tax should be taken by the Government centrally and distributed to the provinces in proportion to their earning power, that is to say, by their consumption of petrol. One anna would be expended on the big towns and the other two annas outside the towns.

Hon. Sir A. Froom: I have listened with great interest to what you have told the Chairman with regard to the levying of this three annas tax on petrol. You said that of the three annas, a third or one anna should justly be spent in the large cities and the other two annas on improving the roads in the province?—Yes.

So that a man in Bombay or Karachi would be paying 3 annas extra per gallon on his petrol, one anna of which he would pay cheerfully because that would go to improve the roads of the city. But do you consider that he would pay the other two annas to improve the roads throughout the province?—I think he would if it was explained to him that the total percentage he is paying as a motorist is so small that he should not grudge it, in view of the benefit to be derived by the city from having better roads in the neighbourhood.

In other words, is it your opinion that any improvement in the provinces, or any increased prosperity in the provinces, has also its reflection in the city?—Absolutely so.

There is only one other question which I should like to ask you. As an engineer you are very much interested in the different methods of road construction?—Yes.

I see here that you quote America and you would like India to profit by the experiments made in other countries, that is to say, profit by not copying their mistakes and so on; so that this is one of your reasons for suggesting the idea of a Central Road Board?—Yes.

Hon. Sardar Shivdev Singh Uberoi: You have suggested an increase of 3 annas in the petrol excise?—Yes.

You know that in some provinces petrol is being sold at 8 annas per gallon more than is the case in Bombay?—I did not know it was as much as 8 annas.

It is Rs. 1-8-0 in Delhi now. Do you think that 3 annas would be fair for those provinces which are already paying Rs. 1-8-0

per gallon?—No; I wish to confine my remarks entirely to the present price of petrol in Bombay.

Would you agree that it would not be fair for the people of other provinces, which are paying more, to have to pay an increased tax?—Yes, that would certainly make a big difference to them.

Hon. Sir A. Froom: As regards the price of petrol in Bombay, am I right in saying that it has recently fallen?—Yes, to a considerable extent.

Then it has equally fallen up-country?—It ought to have fallen at any rate.

It has in fact fallen. Therefore if Bombay is ready to share an extra 3 annas because the price of petrol has come down, the people up-country should also share an extra burden proportionately?—I do not know; they may have already complained that they are paying excessively at present. I have got the figures with me. The price in 1925 was Rs. 1-11-6; in 1926, it was Rs. 1-8-0; in 1927, it went down to Rs. 1-4-6 and in 1928, it went still further down to Rs. 1-2-6 and subject to 2 annas rebate making present price at Rs. 1-0-6.

Hon. Sardar Shivdev Singh Uberoi: Do you know which company's petrol is mostly used in Bombay? Is it the petrol of the Burma Oil Co.?—I am afraid I could not answer that question straightaway.

Hon. Mr. M. Suhrawardy: Do you consider that it is essential for the real development of road system that a meeting be held every year of representatives of the various provinces of India?—Yes.

Have you ever heard of the Alipore Test House?—Yes.

You think that it is a useful institution?—It is not as useful as it ought to be. I do not suppose that many engineers of my Congress have heard of it. It is not sufficiently advertised or sufficiently known.

Why do you consider that it would be a good idea if all the provincial engineers met once a year to develop the road system?—Because they can see each other and exchange views and discuss results of the various tests made. At the present moment each engineer is in the dark as to the other's experiments and results.

Mr. Mohd. Anwarul Azim: Would you like to have some sort of arrangement made in Bombay for research purposes?—Not necessarily in Bombay.

Or at each provincial headquarters where you would have the road committees to advise? Would you like to have an institution of that sort?—No; I would like to see a central organisation established where engineers from all over India could be brought in touch with each other.

And with that aim in view you would like to have one central institution established somewhere?—Yes.

And you would like that institute to be a part of the Central Board which is proposed?—Yes.

You say that almost all the motor traffic is confined to the city of Bombay. Suppose you had some sort of arrangement for taking out the arterial roads to the villages, would you like to have these roads of the same standard as those roads which are maintained by

the Bombay municipality, so that in your opinion as an engineer, road-making in the villages or in the districts would be much less costly?—Yes.

Mr. Muhd. Ismail Khan: Do you consider that *kankar* roads are suitable for heavy motor traffic?—It is difficult to give a definite answer. A good deal depends on the amount of traffic, and the way in which these roads are made, whether they are made properly or not. So that it is not possible to make a definite statement one way or another.

(*The witnesses withdrew.*)

38.

Allahabad, dated the 21st November 1927.

(*a*) Memorandum of touring sub-committee's discussion with Mr. J. R. BHATTACHARYA, A.M.I.E., District Engineer, District Board, Allahabad.

Mr. Bhattacharya states that finance is the great difficulty, the Allahabad District Board has practically no money for improvements. The present roads need more maintenance money than they get, which is the same as some 12 years ago. The increased traffic and cost of materials plus labour needs more money for the upkeep of roads. The Allahabad District Board has not been able to introduce special taxation. For ordinary maintenance only Rs. 350 per mile is given, whereas Rs. 700 is needed. In Allahabad District, provincial roads are entirely maintained by the Public Works Department. A rough standard of Rs. 33,000 annually for the ordinary maintenance of 1st class local metalled roads in the Allahabad District, was fixed by Government about the year 1912, and the District Board used to pay this amount approximately according to estimate, to the Public Works Department which maintained these roads till they were transferred to the District Board in 1924. This standard needs raising. In the Allahabad District also more roads are wanted, but no money is available.

Motors are not considered heavily taxed, and probably an extra 2 annas tax on petrol would not be objected to, if proceeds were used for roads. Heavier taxation on motor lorries might make them unable to compete with bullock carts. One can get to all the principal towns by road, but sometimes over unmetalled roads.

Financial stringency makes it necessary to make kachha roads; the great problem being provision of culverts and bridges. Light motor lorries should be able to use kachha roads, if only bridges and culverts can be provided. The new American machinery should help for constructing kachha roads. The District Board rations its budget, *i.e.*, provides a fixed proportion for roads, etc. The road grant for original works and special repairs is not stable from year to year.

Estimated cost of maintaining pucca road is Rs. 700 per mile, and estimated cost of maintaining kachha road is Rs. 60 per mile. Present motor traffic is all passenger traffic, but people want to use lorries to bring produce. If heavy motor vehicles are allowed, the

kankar metalled roads will not stand it. The road needs remetalling every three years, and finances only allow it every 7 to 10 years. Provided money is available for better roads, there is no reason why heavy lorries should be taxed out of existence. At present, it is objectionable for heavy lorries to run on roads not suited for them. Bullock carts do damage as there is no regulation to the maximum load of bullock carts; a brick cart takes sometimes 8,000 lbs.

New Delhi, dated the 31st January 1928.

(*b*) Oral evidence of Mr. J. R. BHATTACHARYA, A.M.I.E., District Engineer, District Board, Allahabad.

Chairman: You have no objection to the memorandum of your discussion with the touring sub-committee being made public?—No, I have none.

How long have you been connected with the District Board of Allahabad?—Since only 3 years.

You are an official or a non-official?—Non-official.

Since when you had official Presidents of the District Boards?—Before 1922, I believe.

You are the District Board Engineer?—Yes.

Now will you kindly explain to us the system of financial supervision as between the District Board and the provincial Government? You are working a transferred subject in your province under a Minister. What is the system of financial supervision?—Supervision is mainly in the local board.

How do you raise the money? By a cess?—There is no particular cess. Correspondence on the question of a special tax being imposed is still going on with Government, that is, a tax on circumstances and property. Government objected to it on certain grounds and informed the District Board that it was the maximum limit of taxation fixed by Government. So this could not be imposed. The present income-tax was very uncertain and only 10 per cent. of the land revenue is now received from the Government as contribution to the District Board. This is the only income, other than income from ferries, pounds, rent, etc.

Then your grievance is that the amount for the maintenance of roads was fixed 12 years ago and that although the cost has increased in the meantime, the contribution has not been increased. What is the percentage of this increased cost compared with the average level of 1912?—In some cases it has gone above 50 per cent.

The cost of construction as well?—Yes.

Then certain roads were transferred to the District Boards in 1924. Why was that done?—Because before that they had no engineers. There was a condition laid down by Government that as soon as a Board appointed a qualified engineer, the local roads would be transferred to it.

How many roads have been transferred to your District Board?—Nearly 100 miles.

Is it the policy of your Government to transfer more and more because a competent engineer has been sanctioned to your Board?—It is not the policy. Only local roads have been transferred.

Is it the policy in any other District Board?—No. Except perhaps in one or two District Boards which do not like to take up roads, the roads are under the Public Works Department.

So given the prospects of a staff of competent engineers, you see no difficulty in their continuing the policy of transferring the roads to the District Boards?—No.

So given the prospects of a staff of competent engineers, you see think they were found incompetent, except in some cases where they have not followed the restrictions on the qualifications of engineers to be appointed by the District Boards. I think that better qualified men should be appointed.

What is your opinion about provincialising more and more roads of an important character, that is, taking them out of the District Boards and placing them under direct provincial administration?—Well I think that will be rather more costly. I think the District Boards can maintain them cheaper.

What about the road surface? Will not they be badly kept?—Yes, unless sufficient funds are provided for their maintenance.

Increased expenditure also means better and more improved roads. Is that not so?—Yes. I think the establishment cost in the P. W. D. is more than that of the District Board, because each District Board looks after its own roads and the cost of establishment is much lower.

You think the work done by the District Board is done much better than by the Public Works Department?—If improvements are to be made, I think it is better to hand over the money to the District Boards and have the work done through them rather than by the costly establishment of the Public Works Department.

You say that heavier taxation on motor lorries might make them unable to compete with bullock carts. Are your motor lorries not capable of bearing additional taxation?—We have all along been dealing with bullock carts only.

At what point they enter into competition with bullock carts? Do they compete successfully?—No.

Can they ever compete with bullock carts?—I think they can in some cases. For instance in the carriage of bricks and building materials.

Would it not be cheaper to take them by motor lorries?—I think motor lorries will be cheaper, because they can carry 3 or 4 times more load than the bullock cart. What is lost in cheapness is gained in time and quantity. So I say that motor lorries will be cheaper.

You would not like to do anything to increase the cost of maintaining them. You cannot even afford to increase it by 2 annas?—So I have recommended at least 2 annas.

Is that your maximum or minimum figure?—Two annas is the minimum.

It can bear more. Can it?—Provided all the money is applied to roads.

How much more than 2 annas can it bear?—I think 2 to 4 annas.

But then you say that heavier taxation on motor lorries might make them unable to compete with bullock carts?—Yes. We have also

got other taxes. Besides the 2 annas I recommended there are other taxes also.

Hon. Sir A. Froom: How much more can you bear on motor taxation without impairing your present competition?—Well not more than 2 annas.

Before 1924, what roads were maintained in your district? How long have you been District Engineer?—Since 1924.

So you had no opportunity of knowing what took place before 1924?—I knew because I had been in Allahabad for a very long time.

What roads are maintained by the District Board?—Only the unmetalled roads.

Then you were given metalled roads?—Yes.

Could you tell the Committee briefly what roads are maintained in your district (1) by the District Board and (2) by provincial Government?—The provincial Government maintain the provincial roads, *e.g.*, the Grand Trunk Road and roads connecting dibisions.

The Public Works Department maintains them?—Yes.

What roads are maintained by the District Board?—We look after local roads or rather inter-district roads and feeder roads.

That is, roads leading to another district?—No, roads to other towns within the district.

Supposing a road goes through your district to another district, then you maintain that part of it which is in your district?—No. If it is one continuous road passing one or more districts, it is called a provincial road.

Who keeps them—the P. W. D.?—Yes.

Even that which passes through your district?—Yes.

So really your chief work is to look after roads that act as feeder roads to the provincial roads or as feeders to the railway station or from one small town to another?—Yes.

What about village roads? Do you look after them?—Yes.

Do you know about other districts than Allahabad?—Yes.

Does every District Board have a qualified engineer?—Yes. Other districts also have qualified engineers.

Are they all qualified engineers? Perhaps not all are qualified. In some cases, they are old servants serving as overseers or sub-overseers and have been taken as district engineers.

You say in your statement that the present motor traffic is all passenger traffic, but people want to use lorries to bring produce. Who want to use them for bringing produce?—Grain merchants and others. At present we have only kachha roads, but if we have improved roads with sufficient number of culverts and bridges, they will use motor lorries. But even so these light motor lorries can run over these kachha roads.

Even on kachha roads?—Yes.

How do they take the agricultural produce to the market?—At present we have got markets very near railway stations. There are feeder roads serving the railway station as well as the grain markets. The grain is brought from grain stocks in villages to where the mahajans have a central market and they bring them to this market in bullock carts. If motor lorries are introduced, it will make matters cheaper for them as well as save time.

You would like motor lorries to bring grains from villages to market centres?—Yes.

From the fields to grain centres too?—No, it will not be practicable.

You must be having general complaints about bullock carts carrying bricks being overloaded. Is any action taken to prevent overloading?—There are no rules regulating the maximum load of bullock carts and so there is the danger of overloading.

What load these bullock carts carry?—Bullock carts take about 8,000 lbs.

That is, about 4 tons. How do the bullocks pull them?—There are 4 or 5 bullocks.

Mr. E. F. Sykes: How many wheels have you in these carts?—Only 2 wheels.

This would cause a lot of damage to the road?—Yes.

Has there been any agitation to introduce some rule or law to prevent these carts tearing up the roads like this?—Yes. At least in the Allahabad municipality, they have recently made some rule preventing the overloading of these carts.

Is there any outcry in your district to improve village roads?—Yes. They want village roads.

Have you been able to do anything to help them?—Very little.

Why?—There is no money.

Are there any monopolies on the roads for motor buses?—No.

Mr. Mohd. Anwarul Azim: I suppose you passed out of the Sibpur Engineering College?—No, Roorkee Engineering College.

You as a district engineer serving in the District Board would not like in any way to be controlled by the P. W. D.?—I do not like that. But I would suggest that the services should be provincialised, and controlled by the Minister, Local Self-Government, with the help of a technical Secretary of a Superintending Engineer's standing.

That is to say you do not like that the District Board should pay for your services and you would like to be under the provincial Government rather than under the District Board administration. Then what control would the District Boards have over the engineers?—The same as they have in the case of Medical officers.

What is the income of your Allahabad District Board?—Its total income will be about 7 lakhs, including Government educational, medical, and sanitary grants, etc.

I suppose you have not got to maintain many roads?—Yes.

What is your idea with regard to the general improvement of roads? Do you think that it will be sufficient if the bigger roads are improved and the village roads are neglected?—No. Village roads should be the first consideration, because they are the channel of communication from villages to the bigger roads.

At Allahabad you have got a non-official Chairman in the District Board. I suppose the administration has been a success?—Yes, so far as my information goes.

In spite of that, you have not got any co-ordination between the District Board and the provincial Government. Have you got many District Board roads?—Not many.

I suppose your information is that, so far as Allahabad is concerned, at the present time the grain centres are not properly served with roads?—Yes.

Do you get any Government grant for the roads?—No.

And did the District Board ever apply for any?—Yes, but we did not get any. I cannot say why. It may be due to lack of funds.

How much do the District Boards spend on roads generally?—It spends about Rs. 33,000 on metalled roads and about 21,000 on unmetalled roads, besides some amount on original works.

Mr. E. F. Sykes: Mr. Bhattacharya, I understood you to say to the Chairman that motor lorries were a cheaper transport. I expect it is so, but you have no experience?—I have no experience.

Still it is your opinion that it is cheaper . . . .

Chairman: Are they cheaper now?—No. We have not been using them for bricks, stones, etc.

Mr. E. F. Sykes: The motor lorries are passenger lorries. I was under the impression that they were lorries used for carrying bricks, etc. If haulage by motor is cheaper, people will begin to use them?—Yes. But there are difficulties. There are certain places where we have not got good roads for these lorries to carry goods.

You said that a bullock cart carried 8,000 lbs. of bricks. Do you mean to say that for this weight one axle is quite enough?—Yes.

You said that it would be cheaper to carry these bricks by motor lorries. How is it that people have not taken to motor lorries for this purpose?—I think it is perhaps due to difficulties of loading and unloading from the brick-kilns. The bullock carts do not experience these difficulties. If some one introduced the lorries and roads were made leading to the brick-kilns, then I think people will use motor lorries.

How much per thousand do you pay for carting bricks?—In the town they take from Rs. 3-8-0 to Rs. 4 per thousand bricks within six miles.

How much would it be by motor lorry?—For these 6 miles I think the motor lorry will not demand more than Rs. 3.

How do you arrive at this figure of Rs. 3?—I have taken 8 annas as running expense per mile for the motor lorry.

You have no experience of the cost of carrying by motor lorries?—No.

Are you quite certain about this 8,000 lbs. load?—Yes. This is the maximum load.

What is the size of the axle on which this is carried?—I think the size will be about 1½" thick to 2".

That is mild steel I suppose?—Yes.

What is the width of the tyres?—The width varies from 3 to 5 inches.

You said that 2 annas is the figure which the people could stand as additional petrol tax. How did you get at that figure?—The figure is only a guess work.

You have not arrived at it by any kind of calculation?—No.

Do you agree with the Bombay Government's recommendation of 4 annas excise on petrol?—No. Not exactly to that extent. At one

time we used to get petrol at 1-8-0 a gallon at Allahabad. Now it has only been reduced to Rs. 1-6-0 or 1-6-6 a gallon.

You have got to pay import duty on tyres and cars also. How much do you think that an excise of 4 annas on petrol would be equivalent to?—I have not calculated that.

You have no idea of it?—No.

It has been suggested to the Committee that it is equal to 13 annas. The motor owner has to pay 13 annas to the Central Government for every gallon of petrol that he uses?—My idea is that that is the only way by which we can get out of the difficulty of getting some money for the roads.

He is already paying 13 annas. You are making that suggestion without knowing the effect of it?—Of course when I find that it is 13 annas, 2 annas is only a sixth part of it.

But 2 annas is the definite figure you have arrived at?—Two annas is the minimum sum, and it is also rather insignificant.

But do you consider that also to be the maximum?—Yes. It is also the maximum.

You say it is also the maximum and yet you are paying 13 annas without knowing it . . . . .

Raja Ghazanfar Ali Khan: What do you think will be the consumption of petrol per mile for that kind of lorry about which Mr. Sykes was speaking to you?—I think between 6 to 8 annas.

Do you think that a lorry runs more than 12 miles an hour?—About 12 miles. Not more than that.

The present rate of petrol at Allahabad is Rs. 1-8-0?—Rs. 1-6-0.

And the cost will come to about 6 annas per mile?—Yes.

You have said that when the traders go and purchase grain from the different centres, they bring their purchases by lorries which are cheap, while in the case of agriculturists, they bring the corn to the market on bullocks or bullock carts. The agriculturists must be keeping bullocks and carts. How does it cost them more?—Yes, but the difficulty in some cases is that they want to use the bullocks for other purposes also on the fields.

They have to bring grain only after the harvest when the bullocks will have no work there?—It does not cost the agriculturists then.

Chairman: What improvement would you suggest in the wheels of carts from your experience in order to avoid the heavy damage caused to roads? We are told that the ruin of the village road is often caused by the iron tyre and the wheel not being fixed wobbles about?—I think the damage is caused purely by the load.

The load can be regulated. But I was speaking about the wheels, what improvement could you suggest?—I think broader tyres, say 6 inches, can be insisted on.

Any other improvement in the wheel or in any other part of the cart?—I think much would depend on the local circumstances because the specimens of carts vary from province to province and if we deviate from the specimen, there might be much difficulty felt.

Can you suggest any general improvement in carts as they exist in the different parts of India?—I think at present all that can be done is broadening of the tyre.

(*The witness withdrew.*)

39.

Bombay, dated the 19th December 1927.

(*a*) Memorandum of touring sub-committee's discussion with—

Diwan Bahadur K. R. GODBOLE, President, District Local Board, Poona, and

Mr. S. S. NAIK, President, Bombay Suburban District Local Board.

Diwan Bahadur Godbole states the villager gets little advantage from the taxation he pays, where the village has no cart track to it. The advantage that the villager will most appreciate is the provision of village roads. The District Local Boards have no funds to make provision for these village cart tracks. District Local Boards get funds from an one anna cess, one-third is earmarked for education, two-thirds have to provide for everything else. The great rise in costs after the war has made it impossible to maintain the roads as before. He would not increase the cess, but press for further and larger grants from the local Government. The condition of the agriculturists has not improved so much.

Mr. Naik hands in replies to the questionnaire. He would use the income from petrol excise to improve roads for motors and use general revenues for improving cart tracks. The total number of motor vehicles is about 25,000 in the Presidency. The number of carts is two to three lakhs.

Diwan Bahadur Godbole says general revenues should contribute more freely to village roads. Some of the 1,100 miles of main roads in charge of the District Local Board might be handed over to Public Works Department which would release the District Local Board money for village roads. He would also emphasise the need for an intermediate form of transport between railway and road, *e.g.*, tramway, road-rail. Such system is often preferable to road construction where this latter is very expensive or difficult.

Mr. Naik says the main roads are on the whole good, it is the feeder roads which are bad.

Both the gentlemen agree with the principle that a petrol excise be levied to form a central road fund.

Diwan Bahadur Godbole explains that District Boards are not usually willing to raise the cess to two annas. Mr. Naik says that the Bombay Suburban District Board has done so. Diwan Bahadur Godbole considers that there is very little room for further local taxation except by way of increasing the cess from one anna to two annas and that no other sources of local taxation will bring in anything worth while owing to the cost of collection.

Mr. Naik says the cultivator gets almost nothing for the general taxation he pays, neither roads, nor schools, etc.

(*b*) Replies to the questionnaire submitted by Mr. S. S. NAIK, President, Bombay Suburban District Local Board.

A.—Road Development.

5.—We should like to have further co-ordination than at present particularly in respect of connecting villages with taluka and other bazar places. As regards Ratnagiri and Colaba districts, we would certainly like to have more roads although we are aware that owing to the nature of the ground this may be found costlier. There are trunk roads but no feeder roads.

6.—On the whole we are satisfied with the surface of the metalled and murrum roads—we prefer more mileage to the improvement of the existing roads for the present, with bridges at important places.

7.—Mileage should be increased as early as possible to open up all the year round communications between different places according as funds permit.

(*a*) We have given our view in reply to question 6.

(*b*) We generally agree with the Bombay Government's proposal regarding collection of petrol tax through oil companies.

(*c*) Here also we generally agree with the Bombay Government proposal to develop roads by means of loans within the limits of the additional revenue obtained from the petrol tax which should be utilised to pay interest and sinking fund.

8.—We think generally the road development will help railways by feeding them with more traffic in goods and passengers. When the roads are made at right angles to the railways, cheap goods such as hay, kadba, cowdung cakes will get better facilities to be sold in right places when there are roads all over.

B.—Motor Transport and Motor Taxation.

2.—Broadly speaking we expect developments on the same scale in the future as in the past. It will depend upon the prosperity of agriculture, trade, etc. At present we are passing through a depression.

5.—Generally this additional taxation on motor transport should be allocated to expenditure on local roads—we do not mind, however, a small part of it, say 15 to 20 per cent., going to the provincial roads.

6.—We refer to our earlier reply to question 6 of part A. We advise removal of all tolls, even if it means a small further addition to the petrol tax. It will mean relief to the poor from annoyance in a variety of ways.

7.—We endorse this plan.

8.—In view of our suggestions above we do not want to go into any of these details.

9 and 10.—These do not arise.

11.—A separate account is enough for all practical purposes.

13.—It should be given to provincial Governments—

(*a*) as block grants to be spent on important roads or central trunk roads and bridges on them, in addition to the usual average expenditure of the provinces, and

(*b*) on the basis of the petrol consumption.

14.—No.

C.—Road Boards.

2.—No.

D.—General.

I have placed two principles before myself, *viz.*, that there is need to-day of having in the first place a network of metalled road communications available all the year round between the villages and taluka or other bazar places and district towns, and that asphalted motor roads may come later on after this primary want is satisfied. There are places to-day in Maharashtra (and what is true of Maharashtra is true of other parts of this country to a greater or lesser extent—according to the nature of the ground in those parts) which are cut off from all other places during some days in the rainy season and there is during that time no communication possible between those places and others owing to their isolation. The people cannot have medical aid from outside. This state of things ought to disappear and the sooner it is done the better. Some roads for instance have no bridges on big streams and the people have to suffer a lot and unnecessarily lose time, even in the dry part of the year; much more so do they suffer in rains. It is, therefore, necessary to have a network of metalled roads with necessary bridging all over the country to make possible all the year round unbroken communications by bullock carts and other vehicles. High class asphalted roads and similar things can conveniently wait for some time to come. I prefer more mileage of roads to the improvement of the surface of existing first class roads—on the whole I am satisfied with the existing surface of roads. The people in villages will thus be enabled to take their goods such as hay, kadba, cowdung fuel, cotton seeds, etc., more cheaply to bazar places than at present.

Unless village communications are so improved as to make them available all the year round there will be no tendency created among people with town or city habits to go and stay in the villages. Better communications will mean in the long run improvement of our villages and their life in general.

I favour the proposal of the Bombay Government regarding the raising of the money for road making, *viz.*, putting a tax on petrol consumption and its collection through the petrol companies. The idea of raising a loan within the limits of the income from this source is also a happy one and I endorse the Government proposal in this respect. The present provincial grant for roads should be spent on the repairs and maintenance of the existing roads with a view to keep them in a fit condition for ordinary traffic, and on the development of the road system as suggested above. The money thus derived from petrol tax should be partly used in further improving the existing first class roads for motor traffic, and partly in raising loans for fresh construction of roads. I have to further emphasise that the District Local Boards should be liberally financed with a view to enable them to improve their road system.

I advise the removal of all tolls altogether. It will mean a good deal of relief to poor people from annoyance and it will also mean saving in time for motor traffic. Revenue available from petrol tax or from any other sources intended to be spent on roads should be merged in the general revenue but a separate account should be maintained, and this will suffice for all the practical purposes.

Available funds should be given to provincial Governments as block grants to be spent on important roads or central trunk roads or bridges on them in addition to the usual average expenditure on these by the provinces. The distribution should be effected on the basis of their consumption of petrol. I am not in favour of taxing other vehicular traffic than motor transport.

I do not think that there is any necessity for the creation of a Central Road Board and that things in this respect may be left as they are.

(c) Written statement submitted by Mr. S. S. NAIK, President, Bombay Suburban District Local Board.

I think that for the commercial world and for those business people to whom time is money, and whose ideal is to transact as much business in as short a time as possible, the advent of the motor car is a blessing. Also, the motor lorry as a means of transportation for goods from towns to cities, and *vice versa*, is becoming more important every day. The third aspect of motor traffic is the use of motor buses for the transport of passengers where there are no railway facilities, or where they act as supplementary means of railway communications or in a few cases where they run in competition with the railways owing to various reasons.

2. Thus these three aspects of motor traffic which is every day growing more and more important, require the Government and the local bodies to keep the roads used by motors in such at state of repairs as to give them an easy run on the roads with the least possible damage to them. The general traffic including the pedestrians, bullock carts, and tongas using these roads also demands that the motor vehicles should use the roads in such a way as to cause a minimum amount of dust nuisance. The motor vehicles should however not be allowed to endanger the safety of the various types of traffic above mentioned. It is not an uncommon sight to see bullocks or tonga-ponies shying at the onrushing motor cars and overturning the carts or tongas and causing damage to goods or endangering human lives.

3. Under all these circumstances, the ideal roads for motor traffic should be wide asphalted roads where ordinary traffic would be confined towards the outer edges and motor traffic in the centre. But this ideal is far from being realised owing to want of funds except in the case of roads in a few large cities like Bombay, Madras, Calcutta, Delhi, Lahore, etc. The ideal cannot be achieved in even 5 per cent. of the ordinary provincial roads or in ·5 per cent. of the local board roads for years to come.

4. Let me turn to the other aspect of the question of roads. India is pre-eminently an agricultural country where about 75 per cent. of the population is engaged in agricultural or allied work and reside in small towns or villages. The small towns so called are merely villages though dignified by the name of towns. The provincial revenue is mostly contributed by these people. As long as the funds for road

repairs come out of the pockets of these people in the shape of the taxes they pay, they have a right to expect the Government, the Provincial Road Boards and Committees to safeguard their interests in particular, and satisfy their needs, which are at best of a very modest nature.

5. Here we come to the ordinary needs of the agircultural population as regards the means of communication necessary to them. They require good cart roads from their villages to the nearest market town so that they can transport their agricultural produce with facility and with the minimum expense. Bullock carts are the best means of transport to a village farmer, as he can best utilize his bullocks when not needed for agricultural use by putting them to a cart and this is the cheapest way of transporting his produce as it costs him nothing. They require also roads to connect their villages with the adjoining villages and also their market town with the adjoining market towns and cities. All these roads must have good masonry work so that nullas and streams can be crossed without trouble to the bullocks and without loss of time. The village roads need not be metalled. They can be murrummed. The roads leading to towns must be metalled 2nd class roads, those from towns to towns 1st class roads and those near the cities asphalt roads, as remarked above.

6. But when I look to the conditions existing in this Presidency, I think that we ignore the existence of this vast mass of humanity who are the most important factors in the economical problems of India. These village and town roads have been handed over to the district and taluka local boards to maintain, who, with all their best efforts and desires, have to depend for their funds on the grants given by the Government. The income of these Boards is so meagre that they can barely keep up their existence. They cater for the education, the sanitation, the roads communication facilities, and for the medical aid of the rural population. Their resources are so scanty that if they spent all their income on any one of these objects their whole income including Government grants would be swallowed up still leaving vast deal more undone. The road repairs programme of any of these Boards cannot efficiently cope with the requirements and with the advent of the motor transport they have to concentrate almost all their energies and resources on the upkeep and maintenance of the motor roads, and as a result the ordinary town and village roads are neglected so much so that in the eternal struggle for making the two ends meet, not even an idea of making new village roads can be entertained by any of these Boards.

7. The nulla and river crossings are in most cases natural crossings unfordable during some months of the year in rains and extremely difficult for the bullocks during the fair season on account of the sand and pebbles in the beds of the streams. If the nulla or river happens to be 400 to 500 feet in width, I have seen the bullocks taking hours in dragging a fully loaded cart, and the strain put on the bullocks is such as to make them useless for further work during that day. This is by no means an exaggerated picture, but those who have seen the crossings of the rivers Panjra, Burai, Aruvavati, and Tapti in the West Khandesh District, or the Godavari, Pravara and Mula in Nagar, or Bhima in Sholapur, or the various tidal creeks in Karwar, Ratnagiri, Colaba, and Thana will bear me out.

8. Looking to our Presidency, Sind is without roads practically, as the road construction work is costly in that part. Gujerat is very much backward in roads as again road construction there is likewise costly. The Konkan districts of Karwar, Ratnagiri, Colaba and Thana are

very much in need of roads and the Government has a problem before it how to construct the main roads. The most important 1st class roads in Ratnagiri alone require 35 lakhs of rupees for their development. The only place which can boast of some roads is the Deccan high lands but here too the village roads are almost conspicuous by their absence. Wherever there are roads to and from towns many of the big rivers, which these roads have to cross, are not bridged.

9. Even in the instance of a district like Ahmednagar where the road programme is supposed to be very well developed, there are 1134 villages, of which 950 are not provided with any roads at all.

As to the total mileages of roads, there are provincial roads 505 miles, local board roads 474 miles, village roads 67 miles. The amounts spent on provincial roads are Rs. 1,83,028 per year, on local board roads Rs. 47,783, and on village roads Rs. 5,344.

10. It is thus essential that in this Presidency at least the first point in any programme of road development must be the increase in the mileage of the village roads and the provision of masonry culverts and bridges on the various streams and rivers. There seems at present no scope for any expenditure on the roads for facilities of motor transport only, out of the funds from provincial or local revenue.

11. The total number of motor cars in the Bombay Presidency is, roughly speaking, 25,000. As against this there are hundreds of thousands of bullock carts. The roads must be such as to make them fit and comfortable for the majority of the vehicles, that is to say, the bullock carts or tongas. From this point of view I would rather advocate that the repairs to roads should be undertaken on a scale to render the roads fit for the major portion of the traffic. The surface must be good and strong but extra expense need not be undergone to make them very smooth. On such surface motor cars can travel at a rate of about 12 to 15 miles an hour which is a very convenient speed for all concerned and less harmful to the bullock cart traffic. High speed of cars tends to make the bullocks shy and run away with the carts. If this system is followed in future, larger mileage of roads can be repaired.

12. I may only quote one instance of want of village roads within 15 miles of Bombay—the premier city of India and of the East—the road from Bandra to Andheri (a distance of 5 miles) which is in charge of P. W. D., has been repaired, widened and asphalted at a cost of lakhs of rupees. The road from Andheri to Kurla (a distance of 4 miles) is being maintained from local board funds at a cost of Rs. 1,500 per mile per year, whereas Bamanwada, a village of about 300 residents—about ¼ mile from Andheri-Kurla Road and about 2 miles away from the Bandra-Ghodbunder Road—has no road at all and in the rainy season people have actually to wade through knee-deep mud. The District Local Board which has to take this work in hand has to devote its resources earmarked for public works on the maintenance of existing roads in the district.

13. If such condition of things exists near Bombay, one can easily imagine what is happening in far out country. My own village in Ratnagiri District, 4 miles from a big trading and municipal town, has no road even for carts but has only a foot track, part of it is constructed and is being maintained by my family members at their own cost.

14. Unless village communications are so improved as to make them available all the year round, there will be no desire among people with town or city habits to go and stay in the suburbs. Better communications will mean in the long run improvement of our villages which will

place the blessings of village life within easy reach of middle class men having to attend business in towns.

15. The present provincial grant for roads should be spent on the repairs and maintenance of the existing roads with a view to keep them in a fit condition for ordinary traffic and on the development of the road system as suggested above. I have to further emphasise that the District Local Boards should be liberally financed with a view to enable them to improve their road system and to concentrate attention on village roads.

16. I favour the proposal of the Bombay Government regarding the raising of money for road making, *viz.*, putting a tax on petrol consumption and its collection through the petrol companies. The idea of raising a loan within the limits of the income from this source is also a happy one, and I endorse the Government proposal in this respect. The money thus derived from petrol tax should be partly used in further improving the existing first class roads for motor traffic, and partly in raising loans for fresh construction of roads for the convenience of motor traffic.

17. This will give us the funds for the programme of improvements to the roads from a point of view of motor transport and this money will be usefully and rightly spent on motor roads only.

18. The classification of roads for motor transport should be from the point of traffic importance. For instance, the road which is a small station feeder road and has very heavy traffic like the Nasik Station Road or Sangamner-Belapur Road, should be classed as a more important road than even the big Bombay-Agra Road or Nagar-Manmad Road, as more vehicles pass by that road than on any of the latter roads. These roads need all the attention that can be given to them and all improvements such as asphalting.

19. The question of tolls and taxes on motor cars is a very peculiar one. Motor vehicles, being garaged in the limits of some municipal towns, have to pay tax to the municipal authorities. But this is not uniform and people can easily escape it by garaging cars outside the municipal limits. The provincial roads are generally exempt from tolls. I have gone in my car from Bombay to Harihar, a distance of about 500 miles without paying any toll, by the Bombay-Poona and Poona-Bangalore roads. Whereas ordinary carts which have generally to use the local board roads or 2nd class provincial roads have to pay tolls every 15 and 20 miles and sometimes even at a distance of a few miles. This is because the local bodies are so starved for finances that they catch at the first chance of getting a little income by imposition of tolls. The incidence of the taxation in this way is very unfair. I would therefore advocate that all tolls and wheel taxes on ordinary vehicles should be done away with. The only tax on the motor vehicles should be the petrol tax which would be the most equitable of all taxes, because a car which uses more petrol uses the roads proportionally more and hence pays more tax.

20. Thus the policy of road development should be: (1) the increase in the mileage of village roads constructed with murrum or metal surface with masonry culverts on nullas and streams, (2) the construction and maintenance of 2nd class roads to and from important towns with bridges and metalled surface, (3) the construction and maintenance of 1st class roads completely bridged and drained with fine metalled surface or asphalted in important places, and (4) the construction and maintenance of the most important roads bridged and drained with asphalt surfacing and having sufficient width of road to prevent congestion of traffic and danger to pedestrians.

21. Roads under classes 1 and 2 should be in the charge of the District Local Boards and they should be freely and generously helped by the provincial Governments both for their construction and maintenance. Roads under class 3 should be partly in the charge of District Local Boards and partly of Provincial P. W. D, and the funds for maintenance should be wholly provided by the provincial Government. Roads under class 4 should be in the charge of the P. W. D. and should be maintained, constructed and improved from the petrol tax and subsidies from time to time from the Central Government.

This will make the whole arrangement efficient and equitable.

New Delhi, dated the 31st January 1928.

(*d*) Oral evidence of Mr. S. S. NAIK, President, Bombay Suburban District Local Board.

Chairman: You are the President of the Bombay Suburban District Local Board?—Yes.

How long have you been there?—For the last three years.

It has a non-official President?—Yes.

When did it get the right of having a non-official President?—It was created a separate district in 1920. For two years it was managed by the Thana District and since 1922 we have a separate non-official President.

What area does the Suburban District of Bombay include?—It includes right up to the end of Borivili from Bandra.

How many square miles do you think?—153 square miles.

What is your annual total income?—Our annual income including Government grant is Rs. 81,000.

What is the Government grant?—For the roads we get Rs. 16,000; for abolition of tolls Rs. 9,500; for water supply Rs. 5,000; and for education we get two-thirds of our expenditure. The total expenditure on education is Rs. 1,30,000.

What is your source of revenue?—Mostly the two annas cess which is called the local fund cess.

How much out of that do you spend on roads?—We earmark 16 pies out of that on education, and out of the remaining 8 pies we spend on all other purposes, including roads.

What is your total expenditure on roads?—Rs. 45,000.

Is the problem which has presented itself to you mainly the financial question or a question of competent supervision and competent staff?—It is purely a question of finance.

And if you were given more money you would be quite competent to maintain your own roads in efficient condition?—Yes.

Does Ghodbunder Road pass through your district?—Yes.

And that road is maintained entirely by your District Local Board?—No, by the Public Works Department.

That is, by the provincial Government?—Yes.

The whole of it?—Yes.

What is your total mileage of roads?—48 miles.

Pucca?—Yes.

They are used for motors at present?—Yes.

Have you got any engineer who looks after them?—We maintain one engineer and 5 mistries.

Did you appoint the engineer yourself?—Yes.

The Government does not appoint?—The Government only give approval.

What amount do you pay to the engineer?—We pay Rs. 220 pay *plus* motor allowance.

Is he given free quarters?—No.

How much has the cost of construction and maintenance risen since the war? Is it 50 per cent.?—No. Rather cent per cent.

And your revenue has not gone up?—Not at all.

You say that your only source of revenue is a two annas cess?—We have some other sources of income. We have income from lime stone quarries and other quarries.

How do you levy that?—The Government does it and credits the amount to our district. They farm out the land of stone quarries to desirable firms and per year they give us so much. The whole of it goes to the District Local Board.

How much is that?—In 1924, it was Rs. 69,000 but now it is only Rs. 5,000.

Where do these quarries exist?—All along the Ghodbunder road. They have gone down considerably now.

You express in your written statement your clear and definite opinion about the way in which the agriculturists could be benefited. Is that also the view of the non-official section of the public?—I suppose so.

You say that they require good cart roads. Is it your view, as some witnesses have said, that even to the exclusion of the surfaces of the big roads, more money ought to be spent on cart roads?—They are now awfully neglected?—There is no doubt about it. You may see this from the figures which I have given: I have some experience of the Ahmednagar district, and I was a Government servant there in charge of roads for about 7 years and then I resigned it. I have now an engineering firm of my own doing business all over India. From my experience in Ahmednagar, I have found that the roads by which motors do not go are badly neglected and the whole attention is paid to the roads which are specially meant for cars.

What remedy do you suggest?—I would suggest a certain percentage to be earmarked for village roads.

How much would you suggest?—At least 30 per cent. of the total provincial revenue should be set aside for village roads.

And how much out of the District and other Local Boards' revenues?—Even up to 50 per cent.

Then you think that it will enable the farmer to bring his produce to the market?—Yes.

Are there many roads which now serve the villager to bring his produce to the market or to the trunk roads?—In my district there is none.

So the villager does not benefit at all by motor transport?—No.

Are there any motor services for passengers?—Very few.

They do not seriously compete with the railway?—They only feed the railway.

But is there any scope for developing motor transport in your district competing with the railway?—No.

So you cannot offer any opinion as regards that part of our work as to whether the motor transport be developed which runs into competition with the railway?—In our part all roads are feeders to the railways.

Mr. Godbole suggested for the use of the agricultural population an intermediate form of transport between the railway and the road. Do you share that view?—No.

You do not think there is any scope for this in your district?—No.

You said that you would favour the creation of a central road fund. Would you favour any organisation connected with it or merely a collection?—Merely a collection.

What is your idea about the creation of a Central Road Board?—You do not favour this idea?—No, because it will be top-heavy and then there is nothing to control just now. Each province has yet to develop its schemes.

Do you think, as some witnesses have said, that it will cause interference with the provincial programmes of supervision and administration?—Yes, we do not want any Central Board.

Is there much interference with the freedom of your District Local Board by superior authorities?—We are free.

And you would like to retain that freedom?—Yes.

Hon. Sir A. Froom: You say that the total revenue of your District Local Board is Rs. 81,000. Is it exlcusive or inclusive of Government grant?—It is inclusive of Government grant. Some of the municipalities that are self-supporting subscribe their own quota for education—for example, Kurla pays about Rs. 10,500.

You spend Rs. 1,30,000 on education, of which two-thirds are paid by Government?—Yes.

That is, about Rs. 90,000?—Yes.

But your total revenue is only Rs. 81,000?—This does not include education grant.

What Government grant is included in the Rs. 81,000?—Roads grant Rs. 16,000; abolition of tolls Rs. 9,500; water supply grant Rs. 5,000, and there is a small grant for office establishment which is about Rs. 5,000.

So actually it is half of your income?—Yes.

Your district must be a very poor one?—It is a small one.

What is the amount you get from your quarries?—We used to get about Rs. 69,000 per year but now it has fallen to Rs. 5,000.

Chairman: Why?—Because the development activities in building trade have gone down considerably and there is no demand for quarries.

So practically from quarries you get nothing?—Yes.

And your Rs. 40,000 represents what you get from your 2 annas cess?—Yes, mostly.

Do you think all your tax is collected? There is no evasion?—No.

Hon. Sir A. Froom: In your statement before the sub-committee, you say that the cultivator is paying practically all the taxation and he gets nothing for it?—That is what I am urging.

But you spend Rs. 40,000 over roads?—We spend Rs. 41,000 on the repairs of roads and not on new roads. I have got applications from scores of villages for roads but I cannot give them even a single foot of road.

Are there any village roads existing at present?—There is no existing village road.

In your idea to put village roads in order you do not suggest making very elaborate roads. You want them only for bullock carts?—Yes.

How do the villagers take bullock carts now?—On any suitable track that they can find through their fields or the surrounding fields or by the boundaries of two fields.

And in times of monsoon they cannot take out their cart?—No.

You say you are paying Rs. 220 a month to your District Board engineer *plus* a motor car allowance but that he does not get any house rent allowance. What sort of man do you get on this pay?—We get fresh graduates with two or three years' experience of the Poona College of Engineering.

So that they have qualifications but not much experience?—When the present man joined us he had no experience but we have trained him.

What I am trying to find out is whether you can get a sufficiently good man to look after your roads for Rs. 220 in a district where the living is so dear and he has to find out his own house?—The present man is a very able man.

Will he be satisfied to remain?—I do not think he will.

What roads are you maintaining now?—We are maintaining the so-called secondary roads.

For instance, who keeps the Andheri-Kurla road?—It is maintained by us.

Hon. Mr. M. Suhrawardy: Can you give an idea to this Committee as to what kind of roads are still existing in Sind and Gujerat? You say in your written statement that road construction is very costly in that part but what is the existing kind of roads—main or arterial roads?—There are very few main roads in Sind and Gujerat. Mostly they are cart tracks in which the wheels go about two feet in dust.

You speak this from your personal experience?—Yes, in Gujerat.

And in Sind?—I have seen only a few roads there.

Are they main or arterial roads?—Only main roads.

Who looks after these roads?—The provincial Government.

Are there no District Local Board roads there?—Very few.

Do you mean to say that in Sind the District Local Boards do not look after the roads?—They have no funds to look after these roads.

What is the kind of income the District Local Boards have got in Sind?—The same as ours—one anna cess is their chief source of income.

And the same thing in Gujerat?—Yes.

Can you tell me for the information of the Committee if there are any committees to look after road development in Ahmednagar?—No. I have cited Ahmednagar because the provincial roads were handed over to the District Local Board as an experimental measure. Two districts were selected as a tentative measure in the Bombay Presidency.

And in spite of this experimental measure they are not keen on the development?—They are keen on the development but it is the question of want of finance.

Mr. Mohd. Anwarul Azim: Are you conversant with the Local Self-Government Act as it prevails in the Bombay Presidency?—Not very.

Has it not been laid down by the local Government that a District Board engineer must answer some requisite qualifications before he can be selected by any District Local Board?—Yes.

You would not, as the Chairman of a District Local Board in Bombay, like to see your district engineers put under the control of the Public Works Department?—Surely not.

In answer to the Chairman you just stated that you would not like to see the creation of a Central Board?—Yes.

There are many Indian States in Bombay, are there not?—Yes.

There are a great many roads which pass through the Indian States and you, as an engineer, would perhaps admit that if researches are carried out in road-making, some cheap plan might be hit upon by which these roads could be constructed. How would you have these things done?—My first point is the creation of village roads. That of course would take 20 years and the maintenance would be costly.

Supposing you have a district road passing through the Indian States how would you negotiate with them?—I think the District Local Board can approach them without the intervention of the provincial or Central Government.

Do you consider that the Poona College of Engineering is sufficient to cater for the needs of the province of Bombay so far as development of roads is concerned?—Yes.

In paragraph 20 of your written statement, you have prescribed certain remedies. Do you suggest that these things could be locally arranged through the establishment of a local provincial committee?—Yes.

Mr. Muhd. Ismail Khan: You have no village roads in your district?—No.

How do the agriculturists bring their produce to the markets?—They bring them along through the fields as best they can.

There are no kachha roads even?—No.

They have never been constructed before?—Never.

Since you became the Chairman have you constructed any?—Yes, I am doing it now.

How much money would you require?—My total requirements would be something like Rs. 50,000 for construction; this is the minimum I require.

Do you set apart any portion of the grant which you receive from the Government for the purpose?—No.

Have you any other source of income?—No.

Are you empowered to levy any tax?—We are empowered, but I think the people are already over-taxed.

Your Board has not considered this question, I take it?—We have certainly considered the question, but we have come to the conclusion that it would be most inadvisable to burden the people with further taxation; as I say, they are already heavily taxed, in fact over-taxed.

Mr. E. F. Sykes: You have got a new railway in your district?—Yes.

It links up a lot of villages, does it not?—Yes; about eight or ten villages.

What is the total number of villages in your district?—Eighty-five.

For a great many of those villages you have got some sort of useful communication?—Half of them have.

Does this new railway run parallel to your Andheri-Kurla road?—It runs almost parallel to it.

From the point of view of your district, would you rather have a road in place of a railway?—Yes.

In what particular respects would you prefer a road?—I prefer a road because the people would take their carts on it; and besides carts, motor services can ply on the road.

You think the district would much prefer to have a road instead of a railway?—Yes.

But surely that particular railway takes you into Bombay very cheaply?—It is only in an experimental stage and we do not know how far the people would take to it.

You do not really know whether it is advantageous or not?—No. The District Local Board was once un-officially asked to take up that railway and the Government were willing to finance it, but we thought it too risky a thing to do and we ultimately gave it up.

But in the absence of any experience, arguing *a priori*, would you say that you would much prefer to have a road rather than a railway, so that the people could drive their own motors on it as also their carts, and even be able to walk? I notice too that you find people experiencing difficulty in walking during the monsoons?—Yes.

Raja Ghazanfar Ali Khan: Do you propose that the money collected by the central fund should be earmarked for the construction of village roads?—I have never said that. My point is that the money which is derived from the central fund should be put down for the use of motor roads only.

How would this extra taxation help the villagers?—That would relieve a bit the expenditure on motor roads.

Are the District Local Boards maintaining any roads which you call inter-district or metalled roads?—Yes.

The District Local Boards have to construct from their own funds?—Yes.

Supposing the District Local Boards now decide not to construct those roads but devote their attention to the construction of village roads, is there anything to stop them from doing so?—But what is going to happen to the roads which are already in existence; they must be maintained from time to time surely.

What is your average cost per mile of maintaining a metalled road?—In my district we spend about Rs. 1,500 a mile on maintenance.

Those roads generally link up with the districts?—Yes.

Do you consider that the people of the District Local Board are already over-taxed and that there is no room for further taxation?—Yes.

The local rate is, you say, the chief income of the District Local Board and this is collected from agriculturists at the rate of 12 pies per rupee on revenue?—No; at the rate of 24 pies per rupee in our district.

Is that the maximum beyond which you cannot go?—Yes.

Are there certain people living in the jurisdiction of the District Local Boards who are not paying any revenue, and consequently escape the payment of any local rates?—Not in my district. There may, however, be just a few such people, but that is the exception rather than the rule.

In the case of those districts which contain a large number of such people who do not pay any local rate and revenue, would you propose that they should also be made to pay something?—No.

Why not?—Because they are poor people.

But there are also some big commercial people among them?—The big merchants are being ground down by the income tax officers.

Similarly the agriculturists are paying revenue, and besides paying revenue they are also paying something for District Local Boards in connection with education, medicine and road development. But do you not think that in the case of those people who do not pay anything, it would be equitable that such people should also be made to pay?—Yes, I agree.

Hon. Sir G. Corbett: I am very much interested in your written statement which contains a connected scheme of road finance, and there are only one or two points which I want to clear up. You said to the Chairman that you thought that 30 per cent. of the total provincial revenues should be spent on village roads. By that did you mean the total provincial allotment for road expenditure or the total revenues of the province?—The total provincial allotment for roads.

And 50 per cent. of the local board expenditure?—I mean the expenditure on roads.

You mean that 30 per cent. of the provincial expenditure on roads should be spent on village roads and 50 per cent. of District Local Board's expenditure should be spent on main roads?—Yes.

Your idea would be, put briefly I gather, that the benefit to the villagers from this petrol tax would be that it would release funds that are now being spent by the provincial Government and by the District Local Boards on motor roads for expenditure on village roads?—Yes.

What would be your idea of a fair tax on petrol?—Four annas per gallon.

Do you know how much that would give in Bombay?—Between 19 and 24 lakhs.

Part of that of course would be payable, so to speak, on the petrol which is used by motor cars in Bombay city alone?—Yes.

Would that be spent on roads in Bombay city or would that be definitely earmarked and used on the motor roads in the province generally?—Yes, on the motor roads in the province generally.

And what about the maintenance of the Bombay city roads?—Bombay city should bear that.

Should they continue their present method of taxation, namely a vehicle tax for motors?—Yes.

Would you recommend a vehicle tax for motors in any other part of the province?—The municipalities are taxing the motors.

And this would continue?—Yes.

In your reference to the petrol tax you speak of the annual tax on motor vehicles. By that, I gather, you mean the annual provincial tax on motors?—Yes.

Do you think that the District Local Boards ought to be able to levy any tax on motors?—No.

For instance, it was stated to us that in Madras motor buses are taxed by the local bodies quite heavily for definite runs, the idea being that these motor buses did a great deal of damage to the roads and therefore they should pay a substantial tax. Have you thought of that at all?—No.

You say that roads under class 4 should be constructed and made from the petrol tax and that subsidies from time to time be given by the Central Government. But in answer to our Chairman, I think, you said that you did not think that the Central Government should have any say in the expenditure on roads in the provinces?—On the roads policy of the province.

If they are to pay for it to this large extent, do you think that it is reasonable that they should have no say in the policy that they have got to pay for? The policy might out-run the amount of money available?—If they pay for it, then I have nothing to say.

So that whatever may be the money that accrues from central revenues, you consider that the Central Government should have some voice in the manner in which it is spent?—Yes.

You attach great importance to bridges?—Yes.

In a general policy, I think, it is common ground that one of the very great difficulties in road transport in India is the lack of bridges and that, as you have pointed out in your note, affects cart traffic very badly indeed?—It affects the motor traffic still more. I have myself been held up for days together.

And cart traffic is also held up?—Yes.

In a programme of bridges, on what roads would you build first?—Provincial roads first.

After that?—The ordinary inter-city town roads.

And after that?—The village roads.

(*The witness withdrew.*)

40.

(a) Replies to the questionnaire submitted by Mr. B. M. SINGH, District Engineer, District Board, Partabgarh (United Provinces).

A.—ROAD DEVELOPMENT.

5. (*a*) There is co-ordination in the system of roads under the control of the Government P. W. Department, as the department is under the control of one Chief Engineer in the province. But there is absolutely no co-ordination in the case of roads under the District Boards, which control most of the roads in the province. The system of co-ordination suggested by me is noted further in my answer to question No. 2 (*d*) under the head 'C—Road Boards'.

(*b*) As far as is known to me, there is no system of co-ordination between the system in adjacent provinces and States.

7. (*a*) I suggest that the following programme of work should be undertaken in the order given below with minor modifications according to the special necessities of particular places:—

(1) Portions of metalled roads subjected to regular heavy traffic should be treated with special methods of road construction such as laying of concrete or various other methods coming in vogue in India recently. The best method for a particular place could only be determined by experiments and the facility of material available. This work may be done within the first five years.

(2) As far as possible all second class unsurfaced roads (good kachha roads) should be provided with bridges and culverts wherever required. If these roads are maintained in good order and are not blocked at intervals for want of bridges and culverts, ordinary light motor traffic can easily develop on them. Funds permitting, this work should also be undertaken within the first ten years.

(3) The providing of bridges and culverts on those unsurfaced roads, which are bad submerged kachha roads, should be taken in hand along with their conversion to second class unsurfaced roads, so that they may become suitable for light motor traffic. This work may be done during the next ten years.

(4) Lastly as funds permit, the second class roads should be metalled gradually—portions where motor traffic has developed rapidly may be taken first in hand.

(*b*) The manner in which road development should be financed has been discussed by me in question No. 7 under the head B—'Motor Transport and Motor Taxation.'

(*c*) The construction of all the bridges, culverts, etc., will certainly require the raising of loans and it is desirable that such loans be raised as could be repaid within the next fifty years.

8. The development of interior roads in the districts will not generally affect the railways adversely, but on the other hand is likely to increase their earnings owing to development of trade, etc., which is at present, for want of proper roads, impeded. It must have come to the notice of the Committee that most of the present unsurfaced roads in the interior of the districts are impassable for traffic during the

rains while at other times they are passable only with great hardship. But to co-ordinate the development of roads and railways, a provincial road committee in each province consisting of representatives of railways, road authorities and some public men is desirable. These provincial road committees or boards should be under the Central Road Board as suggested by me with reference to question No. 2, under the head C—'Road Board.'

9. (*a*) I have never made use of the Test House at Alipore nor I am aware of any instructions on the subject.

(*b*) (i), (ii) and (*c*). As far as I know, very little organised work has been done on experiments and much facilities are not in existence for this sort of work. If there are any, I think the circle of work has been very limited. I consider that the formation of a Central Board to which a body of experts for experiment purposes shall be attached, is essential. The road engineers should also be encouraged to make experiments and report to the Central Board for further help and suggestions on their experiments and experiences.

(*d*) Yes.

B.—Motor Transport and Motor Taxation.

2. As a citizen, I think the motor transport will develop to double its present numbers within the next ten years. With improved roads the development will be much faster.

3. There is no special taxation as far as is known to me.

5. (*a*), (*b*), (*c*). I am of opinion that for the present almost all the proceeds of the taxation on motor transport after deducting the administration charges should be spent on roads.

6. (*a*) Customs and excise.

(*b*) Road cess or petrol tax.

(*c*) Vehicle taxes.

7. I do not agree with the view of the Bombay Government. To be more just in the realisation and distribution of a cess, I consider that a road cess be imposed on all motor transport and all other vehicular traffic. The cess can be fixed and realised by the district authorities according to standard rules or formulas framed for the purpose. The proceeds of the cess be distributed to the different road authorities in the proportion of mileage of roads under each authority in the district. Any contribution towards the Central or Provincial Road Boards or for experiment purposes, etc., to be fixed by the Central Board and paid by the road authorities concerned from the income of this cess. The road authorities to be bound to spend all the income from this on road purposes and to maintain proper accounts, etc.

If this proposal is not thought suitable, then the proposal of the Bombay Government is worthy of acceptance.

8. (*a*) On the cost of the cars.

(*b*) On per-ton-mile basis for commercial motors and on horse power on private cars.

9. No.

10. If the taxation is on per-ton-mile basis, commercial motors can be taxed by different districts without unduly injuring the interest of the motor owners. No such double taxation is necessary in the case of private cars. They may be taxed only in the place of residence of their owners.

11. As suggested already, no separate fund is needed but the road authorities should be compelled to maintain separate accounts and spend all the proceeds of the cess on the roads.

13. (*a*) The revenue should be allocated for specific road purposes on the recommendation of the Central Road Board.

(*b*) The Central Road Board in consultation with the Provincial Road Boards may distribute the amount in a way so that works most important from commercial or public points of view be undertaken first.

14. Yes.

15. No.

C.—Road Boards.

1. There is a Board of Communications in the United Provinces, but for want of funds it seems to have made very little headway towards the betterment or extension of roads.

2. I consider that the formation of a Central Road Board with Provincial Road Boards is essential to co-ordinate the road development of whole India on sound lines.

(*a*) and (*b*). This has already been noted by me in answer to question No. B.-13.

(*c*) and (*d*). In cases where the road and railway may compete with each other, the deliberations of the Central Board will be very helpful. Without co-ordination, development on proper lines is not possible. At present in the United Provinces, there is no co-ordination of activities in the District Boards as far as roads or other public works are concerned with the result that progress is impeded and much public money wasted. As a means of co-ordination and help to the road development, I would suggest the appointment of a Superintending Engineer in each province to co-ordinate the activities of the District Boards in matters of roads, etc. The Superintending Engineer may with advantage be a secretary or deputy secretary to the Provincial Road Board and may in some similar way be attached to the provincial Minister of Local Self-Government. The expenses for the Superintending Engineer can be easily met by the District Boards by a nominal annual contribution and will be repaid a hundred times by the increase in the efficiency of works and saving of wastage. As far as District Boards, are concerned, I consider that unless some such arrangement is made any schemes of road development will not prove successful. The need for co-ordination in research and experiments is self-apparent and can only be facilitated by the appointment of a provincial technical man, as suggested above.

3. The Central Road Board may consist of about 30 members representing each Provincial Road Board, Government railways and company worked railways, commercial interests and Government.

The following may be its functions:—

(1) To allocate revenue from central taxation.

(2) To co-ordinate the road system and activities in India.

(3) To co-ordinate provincial programmes of road development.

(4) To co-ordinate the development of roads and railways.

(5) To co-ordinate technical experience and information, and research in road construction and to help road authorities in such experiments, etc. Also to standardise the methods of road construction and of certain types of bridges, etc.

Apart from the lack of funds, the present deplorable condition of roads and their continued deterioration is to a great extent due to the lack of co-ordinaion, lack of proper technical control and advice, and the helpless position of road engineers in local bodies, whereby numerous decisions are taken which entail waste of funds and instead of improving roads sometimes make them worse in various ways.

(6) To bring to the notice of Governments the desirability of altering or making new rules or acts as will help in the development of roads.

For example, owing to the scarcity of good kankar and for several other reasons, it is felt desirable to collect stone metal, but the present rates of transport by the railways are almost prohibitive. It would then be the function of the Central Board to request the Government for arrangement to reduce railway freight on road metal, and to get rules made for stopping the present common practice of undertaking new constructions of roads without making sufficient provision for the maintenance of the existing roads.

New Delhi, dated the 31st January 1928.

(*b*) Oral evidence of Mr. B. M. SINGH, District Engineer, District Board, Partabgarh.

Chairman: You have given very complete replies to the questionnaire, Mr. Singh, and so I do not wish to trouble you very much. I have just a couple of questions to ask you. You say that you are of opinion that for the present almost all the proceeds of the taxation on motor transport after deducting the administration charges should be spent on roads. Then you give customs and excise. Do you suggest that all these should go into a road fund?—If there is a central taxation then customs and excise should go to that central fund.

The whole of the customs and excise?—Yes.

Supposing that was not possible, would you be satisfied with another scheme by which the customs and excise revenue would be taken as a basis for that particular year and all the increased customs and excise which is due to further road improvements should be given to the central fund?—Yes, I agree.

Is this view also shared by other non-officials?—I think that this view is shared by other District Board engineers in my province.

Have you ascertained that view?—Most of them are known to me and I being the Secretary of the District Board Engineers' Association in the United Provinces, have had informal talks with them and ascertained this opinion.

What is your opinion as to the way in which District Boards have been discharging their duties? Tell us quite frankly what you think about it?—Well, Sir, there are certain Boards that are being run very well indeed; but there are others which have been neglecting their duties very much.

What may be the cause of that neglect to which you make reference? Have the wrong men come in?—Not wrong men, but there is no system of administration fixed as yet. District Board engineers have been appointed only as recently as last year or the year before last, and there are some places in which District Board engineers

still remain to be appointed. So all the rules and regulations have not been completed by the Government as is the case in other provinces. In places where there is a good engineer he makes his arrangements all right and all the people willingly hear him; whereas, on the other hand, there may be a silent man working quite honestly and faithfully, and although he does his work well, decisions are taken against the interests of the roads.

Whose fault is this?—There are no rules, and that is the cause.

Do you share the view of some witnesses that owing to there being a non-official President who has no time to devote and who does not understand these things, the administration of the District Board has deteriorated?—To a certain extent it has deteriorated; but I have told you that there are certain Chairmen who are doing quite well.

Is it want of knowledge or want of competence, which is the cause of this deterioration?—It is want of knowledge as well; they are not administrators. I myself think that in road construction, it is not merely the technical knowledge that is essential; experience of administration is also wanted.

Was this not considered when the law was altered making non-officials eligible as Chairmen of District Boards?—Yes, I quite agree. I myself say there is no harm in having non-official Chairmen. But what we require is that people who have got some experience of administration and also have common sense should be appointed as Chairmen.

Do you mean to say that these men who have been appointed as Chairmen are devoid of common sense?—There are all sorts and conditions of men, some good, some bad, some indifferent. And the men who have proved incompetent are people of the type to which I refer. But as I say there are also other men who have done remarkably well.

And these men are non-officials?—Yes.

So that your reference is individually and not generally. It is the individual, the incompetent man who has come in, against whom you have your complaint?—Yes. To avoid this if there are certain rules framed by the Government—and this can be done under the Act—I think things will right themselves.

What kind of rules are you thinking of? Rules defending the election of these bad men?—No; what I mean to say is this. Supposing a District Board engineer in pronouncing his opinion on a certain project says that if so much money were spent on this or that particular road, it would all go to waste, the Engineer's advice should be accepted and the work should not be proceeded with. But in the present state of affairs, the District Board engineer's hands can be forced, and he can be compelled, much against his will, to undertake the construction of a particular road on which he has pronounced an adverse opinion.

Would you give the engineer a final voice in the matter?—No; only in exceptional cases should this be allowed. As I have already stated in my replies to the questionnaire, a Superintending Engineer may be appointed in each province to co-ordinate the activities of the District Boards in matters of roads, etc. This would avoid the discord which may exist between the District Board engineers and the Chairmen of District Boards. Matters on which these two officers are not agreed can be sent up to the Superintending Engineer for his opinion and his suggestion accepted by the Board.

But still according to your suggestion, the final authority must be the Board, and not the superior authority?—Yes.

All that you say is that, in case there is a difference of opinion between the expert and the non-expert, the opinion of the superior authority should be had?—Yes.

You do not mean thereby that this superior authority should take the place of the Board?—No.

You mean to say that for purposes of consultation he should be considered as a sort of a court of appeal?—Yes.

Then you speak of the formation of a Central Road Board and you give it certain powers. Is this Board to be empowered to override the provincial administration or merely to recommend to them?—Only when there is a wastage. Otherwise there should be very little interference.

Who is to judge that there is wastage?—There will be a committee of experts attached to the Board and they will be able to judge.

Your suggestion comes to this: that although roads are a transferred subject administered by a Minister responsible only to the local Legislature, his work should be judged by another body of experts at headquarters. At present the Minister is all important in his domain, subject of course to the proviso that he is responsible to the Legislature. Your suggestion is that this central board of experts should have control over the administration of this Minister. Does it not come to that?—It will be so to a certain extent.

To a very large extent?—I do not mean that they should interfere with his work.

Then you suggest the formation of a Central Road Board with Provincial Road Boards to co-ordinate the development of the road system of India?—Yes. The Central Road Board will get suggestions from the Provincial Road Boards and from all.

Cannot the same thing be done better if a periodical conference of these Ministers with their expert engineers took place in a central place like Simla or Delhi?—I think it is a very nice suggestion, provided it is well represented.

The Minister will be helped by his engineer, and all that you want to secure by way of co-ordination could be done equally well, if not better, by this conference of expert men?—But as far as co-ordination in District Boards is concerned, the Minister has got practically no control over the Boards or any of their officers from whom he could get information.

What do you mean by no control? Has he no control over the officers of the district? I am not speaking of the Imperial Service men?—I mean to say that there is no officer over the District Board engineers who keeps himself in touch with what is going on in the district and who can give information to the Minister. The Minister does not get his information direct.

Mr. E. F. Sykes: The Superintending Engineer also has got no supervision over the District Boards roads?—Nothing at all.

You would suggest the creation of a new officer to supervise the provincial administration of roads and to give detailed information to the Minister? For that you have got the present Chief Engineer of the Public Works Department. As the matter is one of internal arrangement, you do not want a Central Board for that?—No, but the P. W. D. Chief Engineer does not look to the works of the Boards.

Chairman: You suggest the creation of a new Board, if not of a new officer, to keep in touch with all the districts and collect information through him. Is there no officer who does it now?—No.

Then how does the Minister derive his information?—I do not know. Perhaps when he tours in the districts.

Hon. Sir A. Froom: Talking on this question, do you suggest that the District Boards make their own reports to the Minister?—They do not make any report. They only send the annual administration report to the Commissioner.

The Minister has to rely upon the reports of the District Boards for what is going on in the districts?—Yes.

So in order to verify these reports and to find fault with the District Boards, you suggest the appointment of a superior officer to whom these reports should be sent?—Yes, because at present they do not pass through a superior technical officer.

Mr. E. F. Sykes: What would be the function of this Superintending Engineer?—He will be the technical officer to the District Board engineers and he would look after the work of the District Boards.

There is no such man now?—That is why I say that such a man is required.

Each District Board is now a water-tight compartment?—Yes.

Does the District Board of Partabgarh get any grants for road?—My district does not get any grants for roads.

But there are some districts which do get?—That amounts to 5 per cent of the total amount. There are very few such districts in my province.

You know some districts do get. Is there any supervision by Government on these District Boards?—No.

This grant is given by the provincial Government to a District Board, say, for roads. Suppose it does not go to roads, who is there to supervise it?—No. They put it on the roads, because they are already short of funds for the roads, so whatever they get, they put on the roads.

Hon. Sir A. Froom: You are the District Engineer of the District Board, Partabgarh. Are you a qualified engineer?—Yes.

Do you draw up any schemes for road development?—I do.

You submit them to the District Board. What do they do?—They are shelved—postponed—for want of funds.

Do you happen to know the amount of revenue of your District Board?—It is approximately 1,10,000 rupees.

Is that all local, or do Government give any grant for education separately and, if so, is that also included in that item?—No, Sir. It is not included in this.

How much do they spend on roads?—About Rs. 19,000 on pucca roads and about Rs. 8,000 on kachha roads. Even these figures are far less than the standard fixed in official time.

Is that the budgeted amount?—Yes.

What are the actuals?—The actuals are sometimes 15,000; sometimes 16,000 for pucca roads.

You do not get all that you have budgeted for?—No.

The same is the case with kachha roads?—Yes.

How much do you generally get out of it?—This year, I got only about Rs. 3,000.

Where does the rest go?—They spend it on some other works which come up in the meantime. Two or three months before the close of the year, they get some other work and spend the money on it and they say to us that we do not want that work to be done, we have no money for it as the budgeted amount has been spent on some other works.

Do they amend their budgets?—Yes, they do. They have an amended budget in November. The first budget is made in January for the following year and the amended budget is made in November.

You mean the actuals?—Yes.

How long have you been District Engineer?—For the last 2 years.

You have seen only two budgets?—Yes.

Did that happen on each occasion?—Yes.

The budgeted amount is not sufficient for your requirements?—Not sufficient.

Even if the whole amount budgeted for is given to you?—No. I should like to have Rs. 50,000 for our requirements.

The whole trouble is want of money?—Yes.

What roads do you look after?—In our district, we have got 85 miles of pucca road, while the P. W. D. has only 70 miles of pucca road. They spend about Rs. 26,000 on pucca roads, while we get only 19,000 for 85 miles of pucca road, and even then, the whole amount is not given to us.

What roads do the P. W. D. look after?—The P. W. D. have got the main roads, and we have got the roads leading to tahsils and other roads leading to the sub-divisions of the district.

You mean feeder roads?—Yes. Feeder roads, important and unimportant—all sorts of roads we have got to deal with.

You have suggested that you would like to have some sort of a superior officer in the province over the District Boards. What would he do? You want such an officer to make all sorts of reports?—There is one thing in the P. W. D. They have got standard specifications, designs, etc., they have got printed books and I have got to waste 15 days to prepare the design of a culvert. They look up these books and choose what they want without any waste of money or energy. If there is a Superintending Engineer, he will make these designs for us and we will have them for ready reference.

You want some sort of co-ordination with your provincial Government?—Yes. If I make a mistake there is nobody to correct me.

Your trouble is want of funds. The next trouble is that you have not got a superior officer who would tackle your engineering difficulties when you are in trouble on the principle that two heads are better than one. You have to stand by yourself and nobody helps you?—Another thing is that, when the Board wants to dismiss a man for some reason or other, and for no fault of his, he can be dismissed. There is nobody to help him to enquire into the matter. If there is a Superintending Engineer, he will give his advice and the advice of a superior officer getting big salary—and a Government officer—will carry more weight with the District Boards. This is another point that I want to put forward. Government have recently made a rule that unless two-thirds of the members of

the District Board voted for it, a district engineer cannot be dismissed. This rule was only made last December. Before this was made, if there were 4 members present at an adjourned meeting and 3 members voted, they at once dismissed him. Even now they do not take any explanation. If there is a Government officer, he will help us in that way. I do not want that he should be the final authority. The final authority should be the Board, but if there is a Superintending Engineer, his opinion will, I think, carry more weight than the opinion of the Engineer.

You want a sort of a referee?—Yes.

Does this happen in all districts of your province?—Practically in 95 per cent of the districts. I am the Secretary of the District Board Engineers' Association in the United Provinces.

Only district engineers suffer from this sort of trouble?—All.

Have you been able to make any representation? Who appoints you?—The District Board.

Any sanction obtained to your appointment from Government?—They simply send the resolution appointing the district engineer to the Commissioner, and he formally sanctions it.

Mr. Mohd. Anwarul Azim: You have visited the whole of the United Provinces and have gathered experience as Secretary of the District Board Engineers' Association of the United Provinces. How does that Association work?—It was only started a few months ago, but I have met more than 4 District Board engineers.

Six months or less than that?—Six months or so.

You just told the Chairman that you are looking after the roads, both pucca and kachha. Does it require much technical knowledge to look after kachha roads?—Yes. It does.

Are not the gradients very regular? Had you any training with regard to road-making?—Yes.

Training with regard to buildings also?—Yes. I was trained in the Roorkee College.

Is it not necessary that the District Board budget should be passed by the Divisional Commissioner?—Yes.

And is it not a fact that the local auditor will catch hold of every item which is put in the budget and would not allow the amount sanctioned for road-making to be spent even for education and sanitation? Is it not the correct practice that the items put in the budget should be spent for that particular purpose? Is the District Board authorised to shift one item of expenditure to another?—The District Board is authorised to do that.

They cannot modify the budget in the middle of the year. Can they?—Yes. They do so in November.

You have got a non-official Chairman for the District Board of Partabgarh. Is it not?—Yes. Lala Jai Singh Bahadur Talukdar.

Mr. E. F. Sykes: Have you got the headquarters town on a railway station?—Yes. The railway station is within half a mile of the town.

Then there is no motor car service on the road to the railway station?—The station is only half a mile from the town. But there are motor buses standing at the station which take passengers to distant places. For example, there is a motor service from Partabgarh to Kunda which is 36 miles; from Partabgarh to Patti which is

about 16 miles; from Partabgarh to Allahabad, although there is a railway service, which is 30 miles; and from Partabgarh to Sultanpur in the adjacent district which is 24 miles. There are several services to other places which go on by even kachha roads.

Are these services on your roads or on provincial roads?—Except the Allahabad service, all are on our roads.

Do you know how much a mile they charge for passengers?—Yes. Six pies a mile.

But the railways charge only 3 pies? What is the inducement for a man to go by motor bus?—Yes. The timings of trains from Partabgarh to Allahabad are not very convenient. One train goes at about 4 o'clock in the early morning and the other train at about 3 o'clock in the afternoon. Everybody feels this difficulty. We cannot go in the morning and return the same evening. If you want to return, you will have to return the next day. Besides they have to pay something to take them to the station and back.

Mr. E. F. Sykes: There is one other point. It happens to be an interesting proposal. You suggest that the charge on motor lorries should be on a per-ton-mile basis. Do you not think it would be rather difficult to work it out? How is it going to be worked out?—I think it is very easy.

I want to hear how it is done?—Take any lorry, say, of 1, 1½ or 2 tons. If we know that it is a 1-ton lorry and it makes a trip of 30 miles a day—we know that it makes a trip of 30 miles a day—then whatever taxation we want to put can be put on that.

You will have to send a man to go with the lorry, is it not?—No. We know what a particular lorry does for a whole year, so we can calculate the amount.

You would have these lorries run on one road only?—But a lorry that runs on one road runs on the same road.

By per-ton-mile basis of commercial motors, I think you mean carrying cost?—Yes. For carrying cost the capacity of the lorry is taken.

Commercial lorries will go by one road one day and by another road another day. You cannot license a commercial lorry for one road only?—In my district there are no such commercial lorries taking commercial goods. All our lorries are passenger lorries.

Then this term which you have used is a little misleading. You mean "bus"?—Yes.

Then you are going to have them licensed by District Boards to run on certain roads. But if they are provincial roads, how could the District Board license these?—The provincial authorities will license them.

But suppose it is a service to Allahabad. You will not be able to license it?—As a special case we will permit it. This will be mutual. Sometimes their lorries run on our roads and sometimes our lorries run on their roads.

How do you expect such a bus to take out a licence for a whole year on a ton-mile basis? Would it not be simpler to charge them a lump sum for the whole year? The difficulty is in licensing on a ton-mile basis, because you have to send somebody to see what mileage it does?—We have got to allow for these things.

But we cannot agree that these lorry owners should be allowed to have this advantage. In fact you are going to give them an annual

licence?—By the per-ton mile basis, it is very simple to work out the amount. I can calculate the amount in two minutes and tell the lorry owner to pay so much.

Raja Ghazanfar Ali Khan: Have you got any experience of District Boards with official Chairmen? Of course you have experience of District Boards with non-official Chairmen?—No.

Is your District Board a second class Board or a first class Board?—I do not know.

Do you know that in several District Boards if there is any work costing more than 2,000 rupees, the sanction of the Superintending Engineer is necessary?—Not in my province.

Are you sure on this point?—I am quite sure.

Even if the work costs 50,000 rupees?—Even if it is 50,000, we do not require the sanction of anybody, and the rules are clear on this point.

In my province, they have to obtain sanction. You were complaining that money budgeted for roads is spent on other works in your province. Do you know that for any re-appropriation of money from one head to another, the sanction of the Commissioner is necessary?—No. Because I have seen in this year and the last also that things have changed. Sanction is necessary when they send the revised budget. I am sure they do not ask for it.

If a district engineer is removed by the District Board, an appeal lies to the Commissioner. Is that so?—No appeal lies to anybody.

Similarly for his appointment, is not his approval necessary?—No, Sir. At present that is the practice in the United Provinces.

(*The witness withdrew.*)

41.

New Delhi, dated the 6th March 1928.

Oral evidence of Diwan Bahadur K. R. GODBOLE, President, District Local Board, Poona.

(*For the memorandum of touring sub-committee's discussion with Dewan Bahadur K. R. Godbole, see page 552.*)

Lala Lajpat Rai: Diwan Bahadur, you have read your statement—the note of the statement which was recorded by the sub-committee at Bombay?—Yes.

You have no objection to its being incorporated in the proceedings?—No. I think it will facilitate matters if you would allow me to place my views before the Committee. I have thought over the subject and I wish to place my own views before the Committee and then I would answer any further questions that may be put to me. I find that the questionnaire that has been framed makes no reference to village roads. I think however that the village roads ought to be properly considered by the Committee. What I want to say is that many of the villages in our Presidency, I mean the Bombay Presidency, have practically no roads. I have been President of one of the District Local Boards in the Bombay Presidency for over 10 years. The number of villages in my district is 1,204, out of which some of the villages have been swamped by the hydro-electric schemes. Some are municipalities and cantonments. Deducting these the net number of villages is 1,173. Not even half these villages have got any made roads at all.

Diwan Chaman Lal: What do you mean by made roads?—Surfaced roads, roads that are repaired and maintained either by the District Local Board or by the P. W. D. Now, these villages are detached from the main roads, and what they have in the shape of communications are simply cart tracks, many of them being difficult for traffic. Some villages have got rocky tracks over which country carts have to ply and very often they break their axles. In some cases the cart tracks go through deep ruts—are worn down—where you find that if there is a cart coming from the other side, the incoming cart has to be lifted up before a passage could be made for the other cart, and then . . . . .

Mr. K. V. Rangaswamy Ayyangar: Are these ruts so deep?—Very deep. They are in some cases 10 ft. deep. And being locked like that for six or seven hours, very often the load in one cart has to be removed, the wheels have to be removed and the body of the cart lifted and a way made for the other cart. Some of these cart tracks again are in the black cotton soil area and during the rains the black soil gets extremely muddy and the villagers have to put an extra pair of bullocks—sometimes two or even four pairs—to get out of this quagmire.

Mr. K. V. Rangaswamy Ayyangar: Of the 1,200 villages, how many villages lie in the black cotton soil area?—Some of our districts are large black cotton soil areas. Then, there are nulla approaches. You know that after rains the banks of nullas are cut on account of the flood and then the carts find it very difficult to get up these banks that have been denuded and cut and very often the villagers have to collect together and they have to slope down the banks before the carts can go over. In canal areas, very often the waste water of the canals collects on the roads and they simply become impassable. In some places we have steep slopes and on them pairs of bullocks have to be brought from the adjoining villages so as to enable the carts to go up. There are these difficulties in the case of villagers and I think the Committee ought to pay attention to this matter also. It should consider not only the surfaced roads but make some kind of provision for surmounting the difficulties that the villagers find in the way that I have explained. It may be said that the local boards and the local cess exist specially for this purpose and that these people pay local cess and therefore the local boards, ought to come up to their help. All those that have practical acquaintance with the working of local boards know however that in the case of many of these outlying villages it is very rare that money is spent on them. The bulk of the local cess collections is spent on maintaining dispensaries, schools and the more important roads of the districts, and usually a village gets no local board work constructed in it for about 18 or 20 years, and then probably a small school house is constructed in the village or a dispensary is constructed in the neighbourhood. But during the rest of the years, the villagers go on paying the local cess and have no direct return for their money. Indirectly, of course, the money is spent in the district and they share its advantages in a remote fashion, but this way of using this local cess does not appeal to the villagers at all. The villager thinks that he pays the cess and gets nothing in return for this taxation in a direct manner. That is a hardship which he naturally complains about . . . . .

Hon. Sir G. Corbett: What is your suggestion, Mr. Godbole? Is it your suggestion that the cess should be spent on village roads?—I am coming to that. I have got a solution. What I want is that there should be a return for the taxation that the villager pays. He should have some direct local expenditure from the tax collected in his village. He should see that a portion of the tax that he pays either

in the shape of tax to the provincial Government or to the Central Government or to the District Local Board comes to his village within a reasonable time, and what I suggest is that where the provincial Government collects land tax, a certain percentage of this land tax should be set apart for the use of the village itself. Suppose a village pays Rs. 1,000 in the shape of land tax, I would have about 2 or 3 per cent of this amount set apart for the village.

Diwán Chaman Lal: What do you mean by land tax?—The Government land revenue. About 2 or 3 per cent—any percentage that may be settled—may be set apart for expenditure in the village itself in return for the tax. Similarly from the cess which the villager pays there should be a certain portion set apart for expenditure in the village individually. The cess in our Presidency is one anna for every rupee of the land tax. I would suggest that one-sixth of the cess should be earmarked for expenditure in the village. For example, if we have a village that pays Rs. 1,000 land tax, I would suggest that 3 per cent. out of this—that is, Rs. 30—*plus* one-sixth of the cess collected should be earmarked for that village. We might call it the village fund and from that fund the villagers should repair these cart tracks and keep up their water supply arrangements, and so on; the general and immediate wants of the village should be met from this village fund. The proposal comes within the purview of this Committee on account of the village roads. A small expenditure of about Rs. 15 or Rs. 20 spent on the village cart tracks would keep them passable all the year round. In times gone by the village officers had considerable influence in the village. They could get together the villagers and carry out these petty repairs themselves without any assistance from the Government but that kind of thing has disappeared; the village officer has lost all his influence and now the villagers will do nothing at the bidding of the village headman. Therefore the necessity of this fund is urgent and some arrangement of the kind indicated should, in my opinion, be made. I have known instances of village roads where the carts cannot travel at a more rapid rate than 1½ or 1 mile per hour on account of the numerous obstructions and difficulties. This state of things must be improved.

Then the next point that I want to make is the very bad state in which the majority of District Local Board roads are as compared with provincial roads. From the figures that I have been able to obtain—I am taking figures for 1926-27—I find that in the Bombay Presidency the maintenance expenditure on provincial roads comes to Rs. 433 per mile, while in the case of District Local Board roads it comes to Rs. 97 per mile, that is, less than one-fourth. So, what I have to urge is that a larger assignment should be available for the maintenance of these District Local Board roads. The Boards by themselves are unable to get any additional income. The main source of taxation in the provinces is the cess that is collected from the land revenue. All other sources are incapable of giving any income which will come to any large figure as the cost of collection would be so heavy that the net gain would come to a very small amount. In the case of the District Local Boards, the only source from which money can be had is this cess and that is devoted to so many different purposes that the amount available for roads is very limited, and the consequence is that except a few District Local Board roads the rest of them are rarely better than cart tracks. It is necessary in the interests of the rural tax-paying public that a larger amount of expenditure should be made available for the maintenance of these District Local Board roads. For carrying out repairs to provincial roads, additional sources of

revenue should be found out by the provincial and Central Governments and the money that is spent at present on provincial roads should be made available to District Local Board roads to a much larger extent than it is at present. I am talking of the Bombay Presidency with which I am intimately acquainted. The Bombay Government at present make grants but these grants must be quadrupled or even made five times what they are, if the District Local Board roads are to come up to a reasonable standard of efficiency. In the case of rural areas, we also find that a number of additional roads are wanted. In the case of the district with which I am acquainted, I know of valleys containing 30 and 40 villages and having a considerable amount of produce available for export without any kind of road at all. These villages have a right to be served with adequate means of communication—not of a very high standard but of a reasonable standard—to take their produce to the nearest market. All this shows that money must be made available to a much larger extent than it is at present for the upkeep of rural roads and for the opening of new roads in those rural areas. The sources of local taxation are very limited. The only source is land cess and even if it is increased the additional income that might be derived will be required for education and other miscellaneous purposes, the wants of which are growing every year. So, my plea is that the provincial Governments should search for additional sources of revenue for provincial roads and set free a larger amount for expenditure on roads in rural areas. This is what I wanted to say with reference to roads in the rural areas.

Hon. Sir G. Corbett: The point that you have made is that a greater expenditure is necessary on roads, but the point is where is the money to come from?—The suggestion of the Bombay Government is worth taking into consideration, and it should be adopted certainly.

You mean the 4 annas duty on petrol?—Yes.

Do you know how much that would bring in?—I do not know the exact figures.

Have you any idea?—I am told that in the Bombay Presidency, it would give an additional revenue of about Rs. 20 lakhs.

And you think that that would meet all the money necessary for these large schemes of road development that you have in mind?—No, I would like to have additional sources of revenue.

Have you got any suggestions for that?—It is not my province. My business is to place the wants of the rural areas before the Committee.

We are trying to get from witnesses some solution. The wants are well-known but our business is to find a remedy. We are anxious that the witnesses should suggest some remedy, but you can suggest none?—I am sorry that so far as local taxes are concerned, it is impossible to get any further money from them.

Are there any other points that you wish to speak on?—Yes. Now a suggestion has been made that roads and bridges should be constructed from loan funds. I am not very optimistic as regards these proposals, because I consider that works should not be carried out from loan funds which are not likely to be productive or which are not likely to pay even their working expenses. With railways and tramways, it is quite different. We know that the railways are likely to pay their working expenses—even if no net return, at least their working expenses—while in the case of roads, if you incur any expenditure on the construction of roads you have to take into consideration the fact that

you have to provide for annual maintenance charges. For instance, if you construct a length of road, say 10 miles, and spend about a lakh of rupees on that road, you find that after it is made you have to maintain it at an annual expendtiure of Rs. 300 or Rs. 400 per mile. So I would be very chary of constructing roads and bridges from loan funds. They should be constructed out of funds in hand but not from loans.

But the bridges do not require much for maintenance. Do you also object to the construction of bridges from loan funds?—But the road on the bridge will require some money for maintenance.

That is not a very long road?—What I want to drive at is this that no work should be constructed from loan funds from which there is no reasonable likelihood of having any income.

If there is a toll revenue, then you would agree to a loan. Is it so? —Yes. If there is a revenue from tolls sufficient to keep up the cost of maintenance. But at present, we find that tolls collected are never sufficient to cover the cost of repairs. They come to about one-fourth of the amount required, the remaining three-fourths being met from the general revenues of the country. I am therefore opposed to the construction of roads and bridges from loan funds except in exceptional circumstances.

I now pass on to the main question of roads *versus* railways. We have, in dealing with this question, to bear in mind that the tax-payer in India has made a very large investment in railways. He has spent Rs. 787 crores in the construction of railways hitherto and has put up a mileage of 39,048. A huge property like that has been built up which gives the State about 6 crores of revenue every year. And I submit that the paying character of this property must not be endangered in any way. If the motor roads are going to rob railways of their traffic and are going to be detrimental to the paying character of the railways, I think it is the duty of the taxpayer to see that this matter receives the most careful consideration and that competition on motor roads should not be encouraged.

You are aware that the railway authorities do not object but would rather welcome the development of roads on the ground that such development brings fresh traffic to the railways?—I am coming to that. The general policy should be that no roads should be constructed to carry bus traffic parallel to a railway. An ordinary road I do not object to, because it will be used by the villagers for their ordinary traffic. But a special bus road which costs say about Rs. 50,000 a mile should never be constructed parallel to the railway. For feeding the railways any number of feeder roads at right angles to the railway should be constructed where they are required for the development of the country.

Have you worked that proposition out? Do you think it is practicable to construct a road system without ever having a surfaced road parallel to the railway?—I would allow a metalled road being constructed but not a road for public buses to run on. An ordinary road metalled and sufficient for private cars to go upon, I am prepared to allow, but not a public bus road.

Have you not realised that bus services over short distances afford good service to passengers, more convenient than railways?—I have. I have got my solution for that. In the case of big traffic centres, big cities, Presidency towns and commercial places like Allahabad and Cawnpore, the tax-payer should construct good motor roads not only in the city itself but also in the suburbs, so that time could be saved and

business could be promptly transacted. In other places, I would not allow public bus services running parallel to the railways. All roads will however be open to private motor cars and other conveyances. Public funds should not be spent on constructing motor roads parallel to railways. Feeder roads to railways should be freely constructed wherever they are required for the development of the country. I will illustrate my position. Supposing there is an individual tract which wants additional means of communication, the first suggestion that ought to receive precedence over others, is to investigate whether that part of the country will bear a railway service which will pay its working expenses and a small percentage—1, 2 or 3—of net revenue. If it would, I will advocate the construction of a railway rather than a road.

You are aware that you can construct a railway only in areas where it is possible to have two or three trains a day, and therefore it may be more convenient to have a road for short distances?—Yes. But the railways can utilise the self-propelled sentinel coaches which run like motor cars.

We were informed by the Chief Commissioner of Railways that no satisfactory solution has been arrived at on that matter?—It is being worked out, however. I think it would be possible to run shuttle trains every half hour. Instead of constructing a road over which we have to bear maintenance charges, wherever it is possible, construct a railway which will pay at least its working expenses without throwing any additional charge on the taxpayer. If a railway is impossible, then construct a road. But do not construct the road parallel to the existing railway except in big traffic centres, and under exceptional circumstances.

Another point that I want to take up is that where a railway is impossible, the construction of tramways should be considered. There is a proposal now being considered by the Madras Government in connection with what they call Perry's patent. What he does is instead of having sleepers and rails, he uses angle iron rails without any sleepers and the cost is somewhere in the neighbourhood of Rs. 15,000 per mile. The Government of Madras have already given him permission to lay a line like this, but I am told that the question of allowing passenger traffic is under consideration. They have come to a satisfactory conclusion on that point, I am informed, and Mr. Perry has been writing to me to say that he shortly expects permission to take passengers and goods on the line. Wherever a regular railway is not possible, I would advocate the construction of these cheap tramways costing only Rs. 15,000 per mile. A regular railway would probably cost Rs. 75,000 and a road not less than Rs. 15,000. Recently I investigated proposals for the construction of a road in an Indian State; and I found that in that State for the particular line, the cost of the road would come to Rs. 25,000 per mile on account of the distance over which the metal had to be carried, while a tramway would cost Rs. 42,600 per mile, I mean a cheap tramway not furnished on the railway scale but just sufficiently equipped for purposes of traffic. The road would not only cost Rs. 25,000 per mile but also impose the additional obligation of Rs. 350 per mile per year on its maintenance.

What is the cost of maintenance of a tramway?—I have not got ready figures with me. In the case I have mentioned I went into both the projects and I found that in the case of the tramway which I have recommended, allowing for its working expenses and a sinking fund, it would be paying over 3 per cent, while in the case of the road, though the first cost would be less, it would create a recurring burden on its maintenance of Rs. 350 per mile every year. Evidently in a situation like that, a tramway should be constructed in preference to a road.

Has not the road got this advantage that the villagers could bring their goods on their carts directly to the market, whereas if you had a tramway, they must unload and load their carts at the tramway at either end and take their goods to the market?—We have considered all that. Where the villagers do not want to use the tramway, they can use kachha roads.

The tramway will then be used only in the rainy season?—No: it will be used at all times in the year when the villager finds that he can incur the expenses of loading and unloading on the tramway. He will still have the choice of taking the produce to the market himself in his own cart on existing cart tracks.

If there is no road, how will he take the produce in his cart?—There are the existing cart tracks.

I thought your whole object was to replace the tracks by surfaced roads?—In any case, you have to keep the present cart tracks. You cannot get rid of them. And a tramway is a device that has to be put up by the State in the place of a metalled road. My point is that instead of constructing a new road, give preference to a tramway which pays its working expenses and sinking fund charges. In the case of a bus road, the initial cost of laying would be from Rs. 50,000 to Rs. 70,000 a mile and there will then be the onus of keeping it in repair at the rate of Rs. 1,500 per mile per year. The ordinary roads will of course be kept up everywhere and will be open for private motor cars. I find from the latest railway report that the Government of India are going to construct 1,000 miles of additional railways every year. So where roads are urgently needed you can ask the Government of India to investigate whether they can construct railways in the tract in place of roads.

In regard to the Test House at Alipore, I would like to have a test house on a moderate scale for every Presidency attached to its Engineering College for the testing of road metal, the stones for foundation of roads and the testing of bridge materials. It will be ordinary testing, not carried out on a very elaborate scale. At present, the metal used for roads is hardly better in some cases than what we call *murrum* and some test is needed, to find out metal which will last.

As regards the Road Board, I think it would be better instead of having a new Board, to expand the present Railway Board into a Communications Board with the addition of special officers for road purposes. Special engineers conversant with the modern methods of road construction would be necessary. The great advantage of such a Communications Board will be that it will be in a position to consider the general question as to whether a railway is required for the development of a particular area or a road will suffice. If it were to be a new Board, you will have to provide for a large number of officials, construct new premises, attach a big establishment and provide electric punkhas, etc. You have got the Railway Board already and I think it is a workable arrangement to have extra officers attached to it to look after road problems. It will be only an advisory body, the provinces having their own Road Boards to look after executive functions in each province. The Central Board will only give advice and distribute the money that is collected by the Central Government. I find at present that the Railway Board are undertaking works which are by no means urgent. They have taken up remodelling of stations; and I know of a case where the old station could have served all purposes for another fifteen years, but the Railway Board are spending Rs. 15 lakhs on the remodelling of this station. If there was a joint Board, a single

Board for both roads and railways, perhaps a road project awaiting allotment of funds would have been given preference over the remodelling of the station.

Is it your suggestion that railway receipts should be spent on roads?—No. In the case I have just cited, a joint Communications Board would have perhaps built a new railway, instead of remodelling the existing station at such a cost, thereby providing communication to serve new areas.

I strongly advocate the fostering of the motor industry in the country. I think it will be possible to make a commencement in the steel works at Jamshedpur. Special parts may be imported in the first instance and until we are able to manufacture them ourselves. I quite agree with the suggestion that has been made before the Committee for the reduction of duties on spare parts with a view to encourage the assembling of motor vehicles in India. The greater the facilities that we give for the starting of the manufacture of motor cars in India, the more it will be conducive to our interests in the future.

The last point that I have to bring to the notice of the Committee is that the Committee should bear in mind that in the next ten years air transport is going to play an important part. The special efforts which are being made for safety in air transport are sure to develop to a considerable extent in the next 8 or 10 years and when air transport is well established, several of the problems which are facing us now as regards rapid transport will be solved.

Do you realise that the 4 annas tax on petrol which you are proposing would tend to retard the development of air transport inasmuch as the machines are driven by petrol and the price of petrol would be increased?—Two annas additional are proposed. The difficulty pointed out must be faced.

Lala Lajpat Rai: You said that 2 per cent. of the land tax should be reserved for being spent on the villages?—Yes.

Is it for all purposes or only for road development?—It will be utilised for roads, water-supply and for the other immediate wants of the village. My object is to establish good will between the Government and the villagers by the institution of the village fund.

Am I to understand that the proposal is that the village unions in the villages should be financed by this special percentage of land tax being reserved for their expenditure?—Yes, wherever there are village panchayats established or wherever they will be established in the future, the fund should be handed over to them and be earmarked for expenditure in the village itself on specific objects like communications and water works.

On only those two?—Yes.

And on no other object?—No other purposes so far as I can see at present. The fund will be so small that it will be impossible to do anything more with it.

Otherwise, if the funds were large, if the village was a big one, you will include education also?—Yes. Everything concerning the village should be in the hands of the panchayat of the place.

Subject to the control of whom?—Of the District Boards and not of the Government.

You know that there are under the scheme of Reforms certain powers of taxation reserved for the District Boards. Would you interfere with them?—No.

I suppose you are also aware that under the Devolution Rules, the local Governments are practically independent in the matter of road administration in the provinces. Would you interfere with that and vest any authority or control in the Central Board or the Central Government?—I would make the provincial Governments independent of the Central Government in the matter of road administration.

I understand your proposal is to add one or two technical officers to the Railway Board and not any executive officers for road administration?—Yes. I would not transfer any part of the executive work to the Central Government or the Central Board. It should remain with the provincial Governments.

The only provision that you want to make in the Central Government is the provision for technical advice?—Yes, and for dissemination of technical information and for the division of funds centrally collected.

For the present, the only suggestion for a central collection of funds is the petrol duty of two or four annas. Besides that, do you suggest any other taxation?—I would say that all the taxation that is collected at present by the Central Government in the shape of customs duty on tyres, tubes, motor cars and accessories should be made available for distribution to provincial Governments for road development.

No other tax?—Whatever is collected in connection with road transport should be distributed to provincial Governments for expenditure on roads by the Central Board.

What will be the constitution of the Central Board?—There will be the present Railway Board with the addition of a technical Road Commissioner, a man duly qualified to give advice on road matters generally. I would make no other addition to the Members of the Board. If necessary a few technical officers may be added to deal with road matters.

The technical officers that you propose would only give advice on technical matters. I am asking you to which Board you are going to entrust the task of distributing the funds?—To the present Railway Board. I will of course call it the Communications Board.

Do you not want any non-official members on the Board?—No.

It has been suggested by very many witnesses before us that there should be a Central Board for Roads. Opinions differed as to what should be the functions of that Central Board but all were unanimous in thinking that a Central Board independent of the Railway Board should be constituted. What is your view on the matter?—I am not in favour of such a separate body.

You will then give the work of distribution of the funds to the existing Railway Board?—Yes.

And you propose the addition of only one or two technical advisers?—Yes.

On what principle would you distribute the fund?—In the case of the petrol duty the principle is clear. It should be on the basis of petrol consumption in the province.

You would not make any distinction between province and province?—No, except by way of giving doles in addition, to really backward provinces.

You are in favour of giving doles from this fund?—Yes, as an exceptional arrangement. In the case of revenues from duties set apart by the Central Government for expenditure on roads, the basis of division would not be so easy. It should depend I think on the

provisions made in the budgets of the several provinces for road purposes. If Bengal makes a provision of Rs. one crore and Bombay Rs. 1·25 crores, the grants to be given to the Bombay Government should be 1·25 times of that given to Bengal. The grant should be in proportion to the expenditure sanctioned by the provincial Government from provincial revenues.

In the case of petrol excise would you make any distinction?—No.

Do you not think that there are other means of communication also to be tackled besides roads?—Yes, there is water transport and there is also aerial transport.

Do you not think that if one department were to tackle with all these questions, it will be more economical to the taxpayer and more satisfactory to the transaction of business?—As regards roads, I must say that a central organisation will be of very little use because each province has got its own problems. What is required in Bombay is different from what is required in Bengal for instance. I think that the present arrangement of roads remaining with the provincial Governments should not be disturbed.

But there is one difficulty which arises out of your suggestion. Your suggestion I understand is this, that originally the provincial Governments should sanction whether they want a bus road or a railway for a particular place and if railways are needed, it will again be sanctioned by the Railway Board. Is that so?—I think the provincial Governments have also the power of sanction with regard to tramways and feeder railways.

In that case, the Railway Board cannot consider the question of road making?—They can consider it and send it to the proper authority for sanction and further action.

You mean the provincial Government should sanction it?—Yes, there will be no difficulty in regard to it.

But your main reason for giving the Railway Board powers over other communications was to avoid competition between roads and railways?—Yes. The Board will consider the whole problem in a comprehensive way.

You have said that the motor industry should be promoted here and that special facilities should be given in that direction by the Government. What will be your suggestions in that behalf?—All the parts that are imported at present should bear very light, if any, duty. That will be my initial suggestion.

So that you will begin with the assembling of parts?—Yes.

And you do not suggest the making of the parts themselves here?—That will be ultimately done and will have to be encouraged by grant of subsidies by the Government.

Hon. Sir A. Froom: As President of the District Local Board, Poona, you are intimately acquainted with the conditions in that district?—Yes.

I think that you stick to the main suggestion of yours before the touring sub-committee that the village roads should be improved in the first instance?—Yes.

As a step in the direction of improving the village roads, you want that they should be linked up rather with the railway than with the main road?—That would depend on the circumstances of each place. As a general rule, instead of linking up to the main road, I think they might be linked up with the nearest railway station wherever practicable.

I think it was your opinion that bus roads should not be constructed parallel to the railways?—Yes.

You recognise that motor transport has progressed much in modern times and may I know why you should ask the villager to go by train and not by a bus in spite of the conveniences afforded by the latter?—From the taxpayers' point of view, we have to serve the needs of the people with the money available. If our funds were illimitable, I would have motor roads everywhere.

But we were told during our tour that the competition of motor buses with railways was very useful in that it resulted in better service being provided by the railways and better attention paid by them to the passengers. I suppose you agree with that?—Yes. But you have to put yourself in the position of the Government of India who have invested a large sum of money in the railways. It would be cutting their own throat if they were to allow free motor competition by constructing motor roads parallel to railways.

Are you urging the needs of the villager or are you taking the posision of the Government of India?—Railway expenditure is the villager's money. It is not the money of the Government of India. It is the money of the taxpayer.

Is it your experience that your District Local Board is short of funds?—Yes, it is.

What proportion of your revenue do you spend on roads?—I should say we are spending nearly 40 per cent. I am not quite sure. The expenditure on roads in the Poona district from the Local Board funds was Rs. 1,53,000 in one year.

What is the total income of your District Local Board?—Roughly, including Government grants, it is about ten lakhs.

What is the amount granted by Government?—7 lakhs.

So you collect the remaining three lakhs?—Our revenue is in the neighbourhood of 2½ lakhs, out of which we spend Rs. 1,53,000 on roads, half of which is given as contribution from Government. We are thus spending a reasonable amount.

Your revenue is chiefly derived from the one anna cess on land revenue?—Yes.

You have power to increase the cess up to 2 annas?—Yes.

Has your District Local Board discussed the possibility of increasing the cess to that level?—Individually I was very much for it.

But your Board was subject to other influences and did not favour the increase?—Yes. By a majority the Board negatived my proposal.

I put it to you that your District Local Board is not sufficiently advanced at present to tax itself adequately. Do you think so?—Yes. I would not consider this addition to the taxation in any way oppressive.

Evidently there were vested interests which were brought to bear?—Yes.

Do you not think it a dangerous example to set up that the import duties pertaining to motors should be earmarked for the improvement of roads?—I do not think so. We are collecting a tax on road vehicles and spending it on the improvement of roads. There should be no objection to this.

I only meant to suggest that if that argument should be granted, it would be a just demand that the import duty on sugar for instance

should be spent on the sugar industry and so on?—I should like it but such earmarking is impossible at present.

Will it not be a dangerous precedent to set up that all the revenue accruing to the Central Government from customs duty should be applied to the various industries with which they are concerned?—Wherever possible, the customs duty should be so applied.

So you agree that you have got to explore that with a certain amount of caution?—Yes.

Along with the motor industry which we all like to be developed in this country, do you not want to develop motor transport equally?—Yes; we do want it.

How would you develop them side by side? I take it that if you lessen the import duty on parts with a view to encourage the assembling of motor cars in India and put a high protective duty on imported cars in order to foster the motor manufacture in India, the price of cars will go up enormously in the country?—Yes. The prices would go up temporarily but the country should put up with it for a time.

Do you not think it will retard motor transport in the country?—There will be a temporary set back but in the course of five or six years, in view of our having cars made here, we would be gainers in the end.

Hon. Sir G. Corbett: I do not think you contemplate any increase in the present duty of 20 per cent. on motor cars but only advocate a reduction in the duty on parts?—Yes, that is so. I do not think it is desirable to increase the duty on cars.

Diwan Chaman Lal: I take it that your object, in fostering road development is to help the villager mainly?—Yes.

And it is not merely to help the motor industry in this country?—No. I am not in favour of fostering that industry by itself. The main object before the Committee must be the benefit of the villager who should be in a proper position to transport his produce to the nearest market or town.

Therefore in your scheme you would much rather concentrate on the development of roads in the villages and develop the feeder roads and link up the villages with the market towns?—Yes.

In reply to the Hon. Sir Arthur Froom, you said that the District Local Board refused to increase the cess. May I know why?—Human nature is averse to all fresh taxation. That seemed to be the only reason why they refused to impose the taxation on themselves.

The proposal has also to be considered in the light of the capacity of the villager to bear the additional taxation?—I myself thought that that increase to 2 annas would not be beyond the capacity of villagers to pay.

Can you give us any rough idea of the average income per head and the average taxation per head in the villages of your province?—The figures have not been worked out. I think 2 annas per head is the average taxation. I have not got the figures relating to income. But I may assure you that this increase of the cess from one to two annas would not impose a very heavy burden on the villagers considering the present prices.

We cannot discuss that until we are in possession of the exact figures?—Yes.

Hon. Sir A. Froom: The gentleman whom the sub-committee interviewed along with you during its tour said that in his district, the

cess had been increased to 2 annas. I mean Mr. Naik. Is that not so?—Yes. In two or three districts the cess has been increased already but then the people are sorry for having raised it, while in other districts, the cess remains where it was.

Diwan Chaman Lal: Suppose we agree to spend Rs. 15 or 20 on each village. Taking the 7,50,000 villages in India, the total sum that would be required would be about a crore and a half. Is it not so?—Yes.

How much do you think the suggested increase in the petrol excise would bring?—In my Presidency, it is estimated that it would bring in about Rs. 20 lakhs.

It is stated that a 2-anna increase in the petrol excise would bring about Rs. 50 lakhs. Even granting the increase at 4 annas, it would bring a crore. So that even if you concentrate on the development of village roads, you would have to find another 50 lakhs from somewhere else. Have you any suggestions to make for this extra money?—No, I have not considered this question.

Even taking the petrol excise, it is not only the petrol companies but the public also that will have to pay it?—Yes, it will be the richer public.

Will not the passenger who travels in the bus, say from a village outside Amritsar to Amritsar, pay for it?—Yes. He will have to pay in the shape of an increased fare.

It is therefore the villager who will be paying this money. Have you considered any other method of taxation? As regards local taxation, the only tax that you can think of is an increase of the cess from one to two annas?—I have already dealt with that.

Have you considered the question of taxation of land values?—That is a provincial source of revenue. Generally it affects municipalities and the bigger towns, not the villages.

The more communications you have the more will be the value of property in the village. Can we not get a portion of this increased value for the purpose of road development?—In the case of rural areas, I am afraid that this source will not give us much. In the case of municipal areas, we are likely to get some income.

Supposing you had a Central Communications Board, would not the scheme that you suggested for the laying out of tramways create a conflict with the Provincial Road Boards?—I do not see how it will.

You said that in many of the villages the cart could not go more than 1½ miles per hour?—Yes, it is so.

Therefore it is urgently necessary to develop the village road system?—Yes, but I do not suggest the laying out of made roads on any elaborate scale for the villages. The means of communication which exist at present should be made easy and all difficulties removed in the way. They should be made passable all the year round.

Suppose we recommend an increase in the petrol duty, would you at the same time like the Central Government to be invested with powers to keep down the price of petrol to a particular limit?—In what way could they do it?

Say, by fixing the scale of prices. Would you favour the suggestion?—I am not prepared to give an opinion on this question.

Would you recommend the Tatas setting up a motor manufacturing industry?—Yes.

Would you like to have high tariff duties?—In the initial stages against imports, yes, provided there are reasonable chances of the industry being established within a reasonable period.

For the purpose of furthering road transport, would you recommend any differentiation in the matter of duties in the case of cheaper and lighter cars, buses and lorries, with a view to encourage the use of the lorries and buses in the villages?—That is looking too far ahead. I think what the villages now need urgently is facilities for transport along means that exist at present by country carts or horse-drawn carriages. Motor transport is a problem that is troubling the large towns and cities. Villagers are hardly affected by it.

I refer to it because in the Punjab, it is rapidly increasing. Each village which is on the main road is linked up with other villages by motor transport wherever there are no facilities for travelling by railways. The motor buses are coming largely into vogue and over the huge area from Rawalpindi right up to Lahore, motor bus service is largely made use of and practically links up all the towns. And I am putting it to you whether it would not facilitate the villager to encourage the use of the lighter buses on the kachha roads in the village areas?—I am afraid that the maintenance charges of such roads will then be much more heavy. We maintain roads at about Rs. 300 per mile and if we allow heavy motor lorries to work on the road, the cost of maintenance would go up to nearly a thousand rupees per mile. That is the problem. The local authorities should be armed with powers of not allowing the heavier buses and lorries to work on minor and second class roads.

Have you considered any other scheme for the purpose of allotting the money to be derived from any source whatsoever for the purpose of road development?—You mean additional taxation.

You suggested, for instance, that excise duty should be distributed according to petrol consumption in any particular province. Have you considered any other system?—No.

Mr. K. V. Rangaswamy Ayyangar: Does it take Rs. 300 every year to maintain a mile of road?—Yes.

You repair roads every year?—Generally. In the case of some roads the expenditure comes to Rs. 600 a mile, while in the case of others it is Rs. 200 a mile. In the case of your Madras roads in the neighbourhood of Trichinopoly, the cost of repairs varies from Rs. 300 to Rs. 1,500 per mile. In the neighbourhood of Madras it comes to Rs. 1,500 per mile.

For the main roads?—Yes.

And do you repair the roads every year or every other year?—It depends on the way in which the roads wear down on account of the traffic. The average cost of repairs in the Bombay Presidency is Rs. 450 per mile and in the case of Madras it is Rs. 250 per mile.

You have said that you impose one anna cess on every rupee of land revenue which is collected by Government, and you say that out of this one anna cess they spend on education, health as well as on roads. Do you not think that the villagers can afford to pay more than an one anna cess?—Personally, as I said to the Committee, I think that the cess could be easily doubled, but it is very difficult to get such a proposal passed in the Board.

The Government has given powers to the Board to raise the cess up to two annas?—But the Board has not exercised those powers in Poona.

And you have said that all the cess collected does not go to improve the village roads?—On account of the other duties that the Board has to perform—such as keeping dispensaries, maintaining roads and schools—very little money is left for villages. In the case of remote villages a local board work is seldom carried out.

There are other classes of people besides the landholders and every one is benefited by the roads, while the tax affects only the landholders?—We have considered this. The only other classes in rural areas are tradesmen and shop-keepers. We tried to tax them but the cost of collecting the tax was heavy and the net revenue was found to be small.

Do you not think that the commercial people, that is the village bazarmen and the town bazarmen, who deal in the village produce are mainly benefited by the roads, while very few villagers take manure to their fields, so that they use the village roads very little, while it is the commercial man that uses these roads to a very great extent?—We have considered the imposition of a non-agricultural cess but we found on calculation that after deducting the cost of collection the revenue realisable was hardly worthwhile considering.

But instead of that would you like to have an equitable distribution of the cess collected for the maintenance of roads? Suppose you put a surcharge on the excess of produce that is exported from the village and a surcharge on the imported goods, would you think that to be an equitable distribution for the maintenance of roads?—The question will have to be dealt with by the Central Government. Do you mean a surcharge on income tax?

I do not mean income tax. I mean a surcharge on the customs, that is, on the goods imported and the goods exported. Would you recommend a surcharge on the goods imported and the goods exported instead of having tolls and the cess?—Yes, I would welcome the surcharge if the Central Government agree.

Your District Local Board attends to the district education and the district health. Is there any district educational committee there?—Yes, we have one, which goes by the name of the School Board.

Would you not like the education work to be handed over to the district educational committee?—It is at present left to them under the control of the District Local Board.

And there is a health board also?—No, we have not got one.

In Madras we have such health boards. Now, supposing these things were eliminated from the duties of the District Local Board, would you not like the District Local Board entirely controlled by the Central Board, if one should be constituted by the Central Government?—But what about the funds?

It is for the Central Board and the Central Government to provide funds?—You mean the Central Government should look after the provincial and local affairs. It is hardly possible. It is a vast area and a central organisation will not be in an efficient position to see what is required for a particular district and a particular village.

But when the Railway Board attends to the whole of India and attends to every feeder line of every district, do you not think that it would not be impossible for the Central Board to attend even to village roads?—I will give you one or two figures which will clear my

point. You see that the Railway Board has at present under its control 39,000 miles of railways, while in the case of these small roads I think each district has nearly 3,000 miles of roads and each province probably 10,000 miles. You cannot ignore the provincial Government.

Is there any special object in attaching District Boards to the provincial Governments?—Because they are acquainted with the conditions of the country and are in a better position to control and supervise than a Central Committee at Delhi and Simla.

That is your only objection?—But that is a very great objection.

Hon. Mr. M. Suhrawardy: Do you consider that the taxable capacity of landholders is greater than the taxable capacity of the agriculturists in your district?—In our Presidency the landholder is generally the cultivator of the soil. It is not like Bengal.

Hon. Sir G. Corbett: When you gave your first statement before the sub-committee, your proposal was that additional taxation should be placed on petrol for expenditure on provincial roads, thereby releasing the money that is now spent on provincial roads for District Local Board roads and village roads. That was your proposal. Then we came to the question of the allocation of this petrol tax, which I did not press because it seemed from what you said that you had not studied it; but you said that the Central Communications Board would divide the funds available from petrol excise or other taxation to be collected by the Central Government, amongst the provinces. Would that be according to the consumption of petrol and would that money be earmarked for expenditure on a definite project or on a definite class of road; in other words, would that allocation from central revenues be made to the provinces on the express condition that it be spent on provincial roads so as to release the money that is now spent on these provincial roads for improving the District Local Board and village roads?—Yes, my suggestion is that fresh sources of revenue should be found out for expenditure on provincial roads and that a considerable portion of the present expenditure on provincial roads should be transferred to village and District Local Board roads.

(*The witness withdrew*)

42.

(a) Replies to the questionnaire submitted by the Hon'ble Rai Bahadur Lala RAM SARAN DAS, C.I.E., Lahore.

A.—Road Development.

I. (i) Arterial. 1925-26—

Metalled	1,672·37 miles.
Unmetalled	199·85 miles.

District. 1916-17—

Metalled	1,534·31 miles.
Unmetalled	20,029·30 miles.

(ii) The bridges exist at present on the—

1. Jamna, near Saharanpur.
2. Sutlej, near Ludhiana.
3. Sutlej, near Ferozepore.
4. Bias, near Bias.
5. Ravi, near Shahdara.
6. Chenab, near Wazirabad.
7. Jhelum, near Jhelum.
8. Chenab, near Shershah.
9. Indus, near Attock.

Construction of bridges under contemplation on the—

10. Jhelum, near Khushab.
11. Chenab, near Chiniot.
12. Ravi, near Dehra Baba Nank.

(iii) Construction desirable on the—

13. Ravi, near Kawalia.
14. Ravi, near Abdul Hakim Sidhnai Canal.
15. Chenab, near Jhang.
16. Indus, near Bhakkar.
17. Indus, near Dehra Ghazi Khan.
18. Sutlej, near Sulemenke.
19. Chenab, near Pindi Bhattian.

(iv) Provincial Government Public Works Department is responsible for arterial roads: District Boards for district roads; and municipalities for municipal roads.

(v) Arterial roads are financed by provincial Government, district roads by District Boards but these Boards receive grants-in-aid from provincial Government. The municipal roads are financed by municipalities.

2. (*a*) The total mileage of roads, arterial as well as district, appears to be 24,000 miles (metalled and unmetalled, both inclusive). The total area of the Punjab, including Indian States, is 137,000 sq. miles. This gives 17·5 miles per 390 sq. miles of area.

(*b*) The population of the Punjab, including Indian States, is 25 millions. This gives 96 miles per 100,000 population.

(*c*) The population of the Punjab, including Indian States, in rural area is 22 millions. This gives 109·1 miles per 100,000 rural population.

(i) The present surfaced mileage of roads in the Province is about 3,000 miles.

(ii) The present unsurfaced mileage of roads in the Province is about 31,000 miles.

3. (i) The total expenditure on roads is:—

Year.	New works.	Repairs.	Grants-in-aid to District Boards.	Total.
	Rs.	Rs.	Rs.	Rs.
1924-25	3,21,151	29,27,705	12,28,560	44,77,416
1925-26	18,25,159	35,57,883	12,32,806	66,15,848
1926-27	24,94,070	35,00,000	12,28,000	72,22,070

Total receipts of the Province:—

Year.	Rs.
1924-25	10,85,80,000
1925-26	11,38,56,000
1926-27	11,01,30,000

Provincial expenditure on roads—

1924-25	4 per cent.
1925-26	5·8 per cent.
1926-27	6·5 per cent.

(ii) District Board income excluding grants-in-aid—

	Rs.
1924-25	89,63,449
1925-26	99,31,556
1926-27	Not available

Total District Board expenditure on roads—

	Rs.
1924-25	20,52,132
1925-26	26,85,304
1926-27	Not available.

Percentage of District Board expenditure on roads—

1924-25	22·9 per cent.
1925-26	27 per cent.
1926-27	Not available.

(*b*) (i) The incidence per head of total population, of all road expenditure from provincial revenues=5 annas 9 pies per annum per head.

(ii) Rural population of all road expenditure from provincial revenues=6 annas 5 pies per head.

(iii) Rural population of all road expenditure from local funds=4 annas 9 pies per head.

4. No road statistics are available to the public.

5. (*a*) It is only recently from 1922-23 that the scheme of arterial roads has been started in this province. Up till now there were only a few arterial roads, namely, (1) The Grand Trunk road from Delhi to Peshawar, (2) Road from Lahore to Ludhiana *via* Ferozepore, (3) The Hindustan Tibet road metalled from Amballa to Simla, (4) The Kangra Valley road from Pathankot to Baijnath, (5) Kashmir road from Rawalpindi to Kohalla, and (6) Wazirabad to Jammu road. But now a good many other arterial roads are also under construction.

(*b*) The following Punjab roads are co-ordinated with roads of other provinces and States:—

(i) Grand Trunk Road on the one side with road from Delhi to Allahabad and the other side from Attock to Landikotal.

(ii) Rawalpindi to Kohalla Road continues on to Srinagar in Kashmir.

(iii) Wazirabad to Jammu Road continues on to Srinagar in Kashmir.

6. The reclassification of the Punjab roads into arterial and district will in many cases provide to the motorists through routes for many important stations in the province.

7. (*b*) I personally oppose strongly the proposal of the Bombay Government to the effect that an additional import duty should be levied on the import of petrol, and the revenue realised therefrom should be allocated to different provincial Governments. Such a duty is bound to discourage motor transport on roads, and the very object, namely, of providing increased facilities for commerce by development of roads, would be defeated. A part of the interest charges on the construction of such of the provincial arterial roads, which are built in co-ordination with the arterial road systems of other provinces, and which are also important from a military and strategical point of view should be paid by the Central Government, from its own revenues.

(*c*) The construction of bridges and roads should be provided for by loans, which should be raised for the purpose, within such limits that the interest charges on a portion of these loans may be paid out of the funds realised by special taxation raised for the purpose. Here also a portion of the interest charges should be paid by the Central Government.

8. Arterial roads will to some extent affect short journey railway traffic. But the construction of these roads by linking up out of the way places will eventually bring more traffic to railways.

B.—Motor Transport and Motor Taxation.

2. Motor transport is bound to develop very much in the future.

3. Motor vehicles tax is at present levied in this province.

5. The present provincial motor vehicles tax should be developed and made permanent, and in the case of district and local roads, the District Boards may be authorised to levy a road toll on the motor traffic, as is at present levied on the Rawalpindi Kohalla Road. All revenue realised from this taxation should be earmarked for payment of interest on the loans raised for the construction of roads.

6. Answer to this has already been given in answer to question No. 5 above.

7. I strongly oppose the proposal of the Bombay Government. The levy of a duty on the import of petrol will discourage motor transport and the power for allocation of revenues raised therefrom among provinces, proposed to be given to the Central Government will bring about the interference of the Central Government in provincial matters, and affect seriously autonomy of provinces.

8. There should be no import duty on the import of motor vehicles and their accessories, but in levying registration fees and tolls, or

motor vehicle taxes, they should be levied on a combination of horse power, weight, wheel track and number of wheels.

11. Separate accounts should be kept of revenues received from taxation on motor transport. It is necessary that these revenues should be credited to a separate fund.

12. In view of the opinion already given against the Bombay proposal of levying duty on the import of petrol, it is not necessary to answer this question.

13. Answer to this question is not necessary as the proposal to empower Central Government to levy taxation for road development is not approved.

14. This principle of taxation for the purposes of road development should not be extended to vehicular traffic other than motor transport.

15. There used to be in former times a road cess in this province, but it is now merged in the District Board local rate, a surcharge on land revenue.

C.—ROAD BOARDS.

1. There is a Communications Board in the Punjab. It was formed probably in 1920. It at present consists of ten officials, 7 non-officials, two co-opted members, and a Secretary—a total of 20 members. The Minister of Agriculture is the President of the Board. It has done very useful work, in preparing programmes for road construction, and for co-ordinating the provincial road system.

2. It may be useful to have a Central Road Board for co-ordinating technical experience, and information, and research work in road construction. But such a Board is not needed for co-ordinating provincial programmes of road development, or for co-ordinating the development of roads and railways.

3. If a Central Road Board is constituted, it should consist of:—

(*a*) all Buildings and Roads Chief Engineers;

(*b*) one representative from each of the chambers of commerce in India; and

(*c*) one representative of the Railway Board.

(*For the memorandum of touring sub-committee's discussion with the Hon'ble Rai Bahadur Lala Ram Saran Das, see pages 387-388.*)

New Delhi, dated the 12th March 1928.

(*b*) Oral evidence of the Hon'ble Rai Bahadur Lala RAM SARAN DAS, C.I.E.

Chairman: You will remember having appeared before the sub-committee at Lahore?—Yes.

Have you any objection to your statement before the sub-committee being published?—No.

You gave your evidence then along with Mr. Grant Govan?—Yes.

Do you adhere to the views you expressed at that time or have you altered them like Mr. Grant Govan?—I adhere to my views. I see that my views in certain matters differ from the views of the Punjab Chamber of Commerce, so whatever I said then represented my own views.

Mr. Grant Govan said that a Central Board by its constitution might find itself in conflict with the provincial Legislatures, and on that ground you went further and said that if it was a technical advisory Central Board, you had no objection to it?—Yes. I added that the Board may also have the powers of adjusting road relations with Indian States, because the provincial Governments are not in a position to deal directly with the States.

Then in your opinion the Central Board shall be of a purely advisory character. What do you mean by that?—I mean that whenever they can get any technical information they should place it at the disposal of the Provincial Boards so that they might benefit by it.

What you mean by 'advisory' is as against executive powers?—Yes.

Powers of supervision of the programme of road development in each province. Would you give this power to the Central Board?—No.

So, leaving for the moment the co-ordination of relations with the Indian States, the Board you would like to have would be a purely distributing body?—It will be a distributing body as well as a technical advisory body, that is, it will circulate useful information which it has found by experience in other provinces.

Would you include research also or not?—Certainly. In technical matters research is also included.

Then you also are in favour of a central fund being created. Would that be out of an extra tax on petrol?—I am against further taxation.

Where would this money come from for the central fund?—My idea is that the present import duty on cars and accessories should form a nucleus for this fund.

And the present excise on petrol also?—Yes.

That means that Government should part with the money that they now get from importation of motor cars and accessories and also from petrol?—And distribute it according to the metalled roads that each province has.

But supposing the Government of India were not in a position to do that, your central fund would not exist?—Then, of course, each province will raise its own revenue for road construction and road maintenance.

But suppose there were no central fund, would you still have a Central Board apart from the central fund?—Yes, because it will then be a purely technical advisory body.

And supposing a central fund could be created out of these two sources which you mention, you would have the funds distributed by the Central Board?—Yes.

The distribution lying in the hands of the Central Board or any other Board?—Of course, there would be a certain rule of procedure laid down by the Government of India by which each province will get its due share according to its mileage of pucca roads.

You mean to say some formula will be laid down, for example, consumption of petrol, or some such thing. What would you suggest would be the best for the Punjab?—Of course, there are certain provinces where the road development programme has been very slow. In the Punjab, as you will see from my written evidence, the allotment in earlier years was very small. For instance, in 1924-25 for the new works Rs. 3,21,151 were allotted as against Rs. 24,94,070 in 1926-27; the total

expenditure on roads has also increased considerably from Rs. 44,77,416 in 1924-25 to Rs. 72,22,070 in 1926-27; and so of course it shows that in the Punjab the earnest road programme has only been taken up since last year. Those provinces where road development has not gone on a good scale ought to receive every patronage from the central fund than those provinces where the road development has been quite up to the mark.

Then you are quite positive about your opposition to any increase in petrol excise?—Yes.

Not even a 2 annas?—No.

And your ground for this is that it will interfere with the development of motor traffic?—Yes.

Have you got any figures or any data on which your opinion is based?—At present in the Punjab we have got motor vehicle taxation—that is a provincial tax—which is levied on each car and each lorry according to its carrying capacity.

You think that the institution of a central fund is not very necessary?—No, not very necessary.

Your need is some technical advisory body to make available to you the useful information which it may have found by experience in other provinces?—Yes, and it might also control the condition of roads in Indian States.

You think that, speaking for the Punjab which you represent, even a 2 annas excise on petrol would interfere very seriously with the development of motor transport?—Yes, it will, because at present the petrol price in the Punjab is very high.

How much are lorries taxed per year? What is the form of taxation? Registration fee?—The registration fee is an initial charge.

Is that yearly or is that once for all?—The registration fee is once for all, but the taxation is yearly. It is so much per ton on lorries.

Is it levied by the provincial Government or by the local bodies?—Provincial Government.

Same throughout the whole of the Punjab?—Same. In case there is any municipal taxation in addition to that then we get credit of it from the local Government.

The owner is not taxed twice?—No. One point which I stated in connection with my evidence was that as far as the Punjab was concerned all the roads which were now under construction also formed part of a military programme. I have got this map (the witness presented the map to the Chairman) showing the arterial roads and you will find that every one of them leads to the frontier province. A share in the expenditure of such roads ought to be borne by the military department.

Has any demand been made by the provincial Government, so far as you are aware?—I am not aware.

Are you in a position to recommend any particular proportion which the military ought to contribute?—I would like it to be a reasonable proportion and leave it to the Government to settle. I would recommend at least $\frac{1}{3}$, if not $\frac{1}{2}$.

Would you recommend that for every other frontier province like the Punjab?—Where, of course, the conditions are the same as in the Punjab. There is only one province like that—Assam.

Mr. E. F. Sykes: Has not the frontier province taken all the military roads from the Punjab?—No.

Mr. Mohd. Anwarul Azim: In any scheme of road improvement would you not include the village roads?—So far as the Punjab is concerned the arterial roads are constructed from the provincial revenues and the District Board roads are constructed from the District Board revenues, so it all depends upon the prosperity of the province.

Have you got Local Boards in the Punjab like Bengal?—We call them District Boards.

What is the subordinate agency under the District Board that will carry out their administration in the villages?—District Boards are quite independent of municipalities and, of course, each District Board has its own district engineer and the engineering establishment and they construct and maintain roads in their own districts.

All kinds of roads?—Yes.

You have a Provincial Road Board in the Punjab?—Communications Board.

Are the District Boards and municipalities well represented on that body?—Yes. It is a fairly representative body.

Would you like the other provinces also to follow the Punjab?—Let them copy the Punjab.

You stated before the sub-committee that you would like to allocate funds according to the mileage of roads that each province has. Have you thought of any other scheme which may be more equitable to all the provinces? For instance, in the United Provinces and Assam they have not got many pucca roads?—I have proposed in my written replies that in all provinces expenditure on new pucca roads is to be raised by loans and at present the expenditure on roads is met by provincial revenues, so I say that in case we take capital expenditure on these new metalled roads by loans, so much of the provincial capital will be released and that can be used for the betterment of roads in rural areas.

If by any chance this should be agreed, would you like that fund to be controlled by the District Boards in each province or place it in the hands of the provincial Government?—That should be in the hands of the provincial Government and they should divide it according to the needs of each District Board.

Do you entertain any idea of increasing the registration fee?—In the Punjab the registration fee is Rs. 16 and I think it is reasonable.

Mr. E. F. Sykes: In the Punjab vehicles that are plied for hire are I suppose separately licensed. Is there any restriction put upon the number of passengers that they can carry?—At present although the restrictions are not in force but nominally there is a restriction as a one-ton lorry can carry so many passengers and so on. But still that has not been fully enforced. Steps are now being taken in that direction. Two Inspectors have been appointed to inspect this.

But the effect of this would be to increase the fares. Would it not be so?—No. The fares depend upon the railway fares and because there is competition with the railway they cannot raise the rates. It will simply mean that their profits will go down a little, but still I do not think it will retard the development of motor traffic.

But now are they carrying their passengers at railway rates?—They are now carrying passengers at lower than the railway rates in certain areas.

When their carrying capacity is restricted—apparently it is not at present—you do not think that that will seriously affect the question?—No.

Kumar Ganganand Sinha: You are against the Central Board having any executive powers?—Yes.

What is your idea then about the maintenance of inter-provincial communications, that is, the roads which run through different provinces?—Each province has to bear its own cost on its own part. So far as the inter-provincial roads are concerned no difficulty has been experienced during the last 75 years. We have a road from Calcutta to Peshawar and Peshawar to Bombay and there are a number of provinces intersected by these roads but so far we have had no trouble.

So you are satisfied that they are maintained properly?—Of course, whether they have been properly maintained or not, they have been maintained in the sense that pucca roads are at present. They have not been badly maintained. The only trouble is that some of them have not been bridged.

What is your idea about the constitution of the Central Board? How should it be constituted? You say that it should be a technical advisory body?—In my written replies I have said that the Chief Engineer of Roads and Buildings of every province is to be on the Board and I think they may have other engineering experts with road experience behind them and the experts may be paid for their advice and that advice ought to be communicated to each province. In the Punjab, for instance, experiments are being made with all sorts of bitumens and other things and with brickbats and tar and so on, and the provinces should also benefit by the experience of one province.

You are in favour of the creation of a central fund for the Central Road Board out of central revenues, but what will you do in case the Government do not part with their revenues?—I am not keen on it.

Then how do you think that the provinces should be financed—by provincial taxation?—In case the Central Government do not part with a share of their present revenues for the central fund, then, of course, each province can contribute to the Central Board according to the nature of service rendered by it.

What I want to know is how the provincial revenues should be raised. Would they be for specific road purposes?—It would be by borrowings on the basis of the provincial revenue. In the Punjab we can easily raise a loan of rupees one crore and meet the interest of the loan from the revenue that we are now getting from motor taxation.

But what about the other provinces who are not so fortunately placed as the Punjab? Have you taken that into account?—But they have not yet started motor taxation. Let them follow the Punjab in this respect.

But you must remember that they have got their own difficulties in not following the Punjab in that respect—*e.g.*, the financial and other difficulties?—Yes.

You are against raising any tax on petrol?—Yes, because the petrol prices as now exist are very high—higher than what they prevail in New York, Paris, London and all other places.

Chairman: Supposing they were lowered owing to reduction in freight and other causes, would you in that case agree to the additional taxation of 2 annas on petrol?—No. Let it go towards encouraging the motor development.

What is the petrol price in Lahore?—It is Rs. 1-9-6.

Kumar Ganganand Sinha: But you are aware of the fact that petrol prices vary in different places according to their distance from

the port?—Unfortunately we produce petrol in the Punjab but the prices are c. i. f. Karachi *plus* railway freight, so that at Rawalpindi where the oil fields are very near they pay a higher price for petrol than we pay at Lahore.

The matter about the high prices of petrol has to be investigated independently?—Now as there is keen competition going on between the various oil companies the prices may be reduced. The B. O. C. practically has the monopoly of petrol. The Asiatic Petroleum Company simply buys petrol from the B. O. C., puts it in its own tins, and sells it as Shell petrol but really it is B. O. C. petrol, and in the Punjab it is the Attock petrol. Of course, there are certain arrangements for this monopoly between the Asiatic and the B. O. C. in that the B. O. C. should not compete in the Malayas, Malaccas and Far East places and the Asiatic should not compete in India. But now as this competition has started from the Bolshevik fields and, as I hear, 7 million gallons are coming, perhaps it might put down the prices.

Hon. Sir A. Froom: We hear they have settled their differences?—I think the fight is going on. So far the Government has not intervened and so Providence has come to our help.

Kumar Ganganand Sinha: But any way the difference between the prices of petrol from one place to another should, as you say, be investigated?—My own information is that when the Attock Oil Company was formed, the stipulation was that it ought to make only a reasonable profit. In the Punjab that condition was made but later on it was quashed. I do not know how, but it was quashed, and the result was that even the crude oil went up owing to this combine and the price of crude oil is c. i. f. Karachi price *plus* railway freight.

But I think the petrol as it sells to-day is much cheaper than what it used to be some two or three years ago?—It has not yet reached the pre-war price in the Punjab.

What do you think would be the effect of the reduction of duty on motor cars and accessories?—It will increase the number of cars and lorries.

And suppose correspondingly the price of petrol is raised, will it retard trade?—It will retard the motor development which I do not want.

Suppose the price of petrol is raised by imposing an additional duty and the duty on motor cars and accessories is reduced?—So far as the Punjab is concerned we can raise the amount required for construction and maintenance of roads without an additional duty; so there is no necessity. In case the prices go down, let it be a factor in the development of more motor traffic and thereby the development of the province.

It appears from the evidence you gave before the sub-committee that you were for giving powers to the local bodies to tax cars, etc. That implies that you are not for having one provincial taxation?—What I meant was that in those districts where they have not ample funds for new construction or maintenance of roads they may be allowed to put on road tolls as is the case on Murree road. On that road there is a tax on every passenger and on every animal and conveyances of any sort, and thereby of course they make something like Rs. 70,000 a year which goes towards the maintenance of that particular road. That is not, I should say, a trunk road. It is a feeder road connecting Kashmir with Murree and Rawalpindi.

Do you not think that the motor owners would resent their being taxed by the province once and by the local bodies again?—At present

they don't feel it. We have two cases in the Punjab where we have a road toll in addition to the provincial taxation but we have heard no complaints so far from anybody.

Then, what is your idea of the development of village roads?—I want them to be increased and to be improved.

But where are the funds to come from?—At present all the maintenance of roads is done from the provincial revenues. What I wish is that all these programmes of new roads ought to be carried on by loan and the capital released thereby ought to be utilised for these roads in rural areas.

So, you will first have the improvement of the inter-district roads and when that is done, you will take up the village roads?—No. Both should be taken up concurrently.

You have then a programme for the province as a whole?—Yes. The village roads are very important as feeder roads and trunk roads cannot be of much importance unless there are good feeder roads.

Raja Ghazanfar Ali Khan: You know much about the Provincial Road Board?—I do, to some extent.

You think it is useful from the public point of view?—Yes.

Does it contain a large number of non-officials?—Yes; it does.

Are the non-officials in the majority?—The Board contains 10 officials, 7 non-officials, 2 co-opted members and a Secretary, 20 members in all.

Chairman: Are the co-opted members officials or non-officials?—They may be either.

Raja Ghazanfar Ali Khan: So, there is a majority of official members?—Yes, 10 are officials.

Are any of these officials road engineers?—The Chief Engineer, Roads and Buildings, is there. The Secretary, Communications Board and the Chief Engineer, Punjab, Irrigation Branch, and the Chief Engineer, Punjab, Sutlej Valley Project, Irrigation Works, are also there. These four are technical men. I have not got the personnel of the Board before me.

Do you not think the Board should have more non-officials than it has at present?—I have always been for more non-officials on it.

Is it not true that those districts which are not represented on the Board do not fare as well as those who send a representative to it?—No. I do not think it is so. I am a member of the Lahore District Board which has no representative on the Communications Board. As Chairman of the Public Works Committee, my own experience is that during the last few years whenever any reasonable proposal was sent to the Board, the Board sanctions a reasonable share, from one-third to one-half for the construction of new roads.

Would you not prefer to have one representative from each District Board?—Certainly I would.

Regarding inter-provincial roads, say a road from the Punjab to the United Provinces, do you not think that if the Government of the United Provinces do not agree to the construction of a canal or a bridge, the advice from a Central Road Board would be valuable towards arriving at a settlement?—It is possible. But I think that once you allow the intervention of the Central Government, there would be no end to it. Where to draw the line will be a great difficulty. It would therefore be a safe policy to leave the road programme to each

local Government. I have said, however, that in the matter of inter-provincial roads, of roads in the Indian States and in matters of technical advice, the Central Board may give help to the local Governments.

So you would not object to the Central Board having executive power so far as the inter-provincial roads are concerned?—No. It is not a question of giving them executive powers. The Board will simply advise that a particular province should be more considerate than it happened to be in any specific instance to the sister provinces and give such like advice when called for.

At present, are there any village roads maintained by the District Boards?—All of them are being maintained by the District Boards.

And as a rule the financial conditions of the District Boards are not very satisfactory?—Yes. Many of the District Boards have not been able to develop the roads and only a few have done.

How would you suggest the improvement of their finances for road purposes? Would you like that the roads should be taken by the Road Board and financed out of provincial funds or would you like that the provincial Government should make more liberal grants to the District Boards for the maintenance of roads?—Some years back some of the metalled roads were taken away from the District Boards by the P. W. D. Later on, some of these roads were re-transferred to the District Boards, and the Government gave from 50 to 75 per cent. of their maintenance charges. The District Boards resented the arrangement and wanted to have the full maintenance charges which the P. W. D. were incurring on the roads. The result of this disagreement was that many of the good roads fell into disrepair. Now things have improved owing to the creation of the Communications Board. The Government are now giving their best attention to the arterial roads.

Do you not think that it would be an equitable method of financing the District Boards if the non-agriculturists residing in each area were asked to pay a small sum for the purpose?—As a businessman my own experience is that the roads are mainly used for carrying produce from the agricultural areas. The commission agents are not making much profits now-a-days. It is the agriculturists who make more profit by employing the commission agents.

I quite agree. But the District Boards have to maintain schools, hospitals and a large number of roads and their only income is the local rates which the agriculturists pay. Do you not think it is fair that the non-agriculturists should be asked to pay something?—I should like the term 'non-agriculturists' to be defined at the outset.

Say, taking the term to refer to any one who does not pay the local rate, in other words, any one who does not pay anything to the District Board in any form?—Do you expect the carpenters, the smiths, sweepers and watchmen to contribute? Will you like them to be kept out from rural areas?

Suppose the communes are exempted and only income-tax payers are made to contribute?—In very many cases you have got only three kinds of people—the land-owners, the communes and the artists—who help the agriculturists. I am not aware of any fourth class which exists in the villages.

The villager attaches more importance to the development of village roads than to the development of motor transport. Is it so?—I think both are interdependent. Motor transport development is giving the zemindar greater profits than what he used to get because the carriage charges on carts were much higher than those on motors.

Do they use many motors for carrying produce from one place to another?—Yes. They do.

Is it so in a fairly large portion of the province?—Practically that is the case in all the central and Doaba districts. The lorries carry produce cheap. Take the instance of the traffic between Pathanpur to Mandi. The cost of carriage has gone down from Rs. 8 to Rs. 2-8-0.

Chairman: Are you aware of any tract which is not a hilly tract where carriage by motor lorry is less expensive than by carts?—There is plenty of traffic between Lahore and Amritsar, passenger as well as goods traffic. The lorry competes with the railway so far as goods traffic is concerned. Silk goods and traffic in non-explosives are carried in lorries. I do not think it is the case on every road.

Raja Ghazanfar Ali Khan: Is it a fact that wherever a new motorable road is constructed, motor traffic is springing up on it?—No. That depends upon the traffic. In case there is no traffic, motors cannot ply.

Is it the non-existence of motorable roads that stands in the way of motor transport development or is it the price of petrol?—Both things are contributory causes. In case the price of petrol goes high, motor transport will be retarded.

Can you give us an idea up to what limit in the price of petrol motor development would get on?—That is difficult to say because it depends upon the paying character of the transport concerned.

Supposing the price of petrol at Lahore goes down from Rs. 1-9-6 to Rs. 1-4-0, do you think it will help the development of traffic?—Certainly it will, also it will tend to the reduction of fares.

If then a 2 annas duty on petrol is imposed, what will be the effect?—It will correspondingly retard the motor traffic development.

Lala Lajpat Rai: You do not want to interfere with the existing taxing and administering powers of the local Governments and the District Boards?—No, I do not want.

You do not also want a separate department, call it the Road Board, in the Government of India?—I want the establishment of a Central Board for advisory functions.

You would not like to have a costly establishment here in the Government of India like their other departments?—In case good technical advice has to be got, the cost for it will have to be incurred.

Coming to the Punjab, I wonder whether you have seen the evidence given by the Chief Secretary of the Punjab Government?—No, I have not.

The Punjab Government have stated that at present they are spending Rs. 80 lakhs on road development and the amount is bound to be higher this year. Do you think that considering the revenues of the province, it is fair that the Government should spend so much money for the purpose?—At present the Punjab is spending 9 per cent. of its revenue on roads and I think it is much more than the needs of the case for there are other beneficient departments which deserve larger contributions. In the Punjab the expenditure has been raised perhaps 20 times and that is due to military reasons.

Do you not think that it is not fair to the taxpayer that such a high proportion of the revenue of the province should be spent on roads, particularly those meant for military purposes?—As far as the finances of the country as a whole are concerned, it may be considered better to have preventive measures than remedial ones.

I am not putting it from that point of view. In the distribution of revenues among the different departments, do you think it is fair to the civil departments that they should be deprived of so much money spent for purposes of the Army Department?—Certainly not. In no country 9 per cent. of the revenue is being spent on roads as in the Punjab.

Do you not think some of the bridges on the roads are also meant for military purposes? I mean the double bridges.—Yes. I think that double bridges are cheaper than having two bridges.

But are there not two bridges side by side, I mean the road bridge and the railway bridge?—But that practice has now been given up because it is too costly. For instance a new bridge is being constructed across the Chenab and the Jhelum and with that they are also constructing a road. The expenditure is estimated at something like Rs. 9 lakhs and in case the road authorities want to put their own bridges, it will cost in all something like Rs. 40 lakhs. It has been found more economical to contribute to the railway for the expenses of a road bridge in addition. It only means a little strengthening of the girders which will not cost much.

On the question of village roads, is not the Punjab more or less a land of peasant proprietors?—Yes.

Do you not think that a village peasant keeps a pair of bullocks for his cultivating purposes and is it not a fact that he uses the same pair of bullocks for taking his grain to the market?—Yes. Generally the cultivator takes the grain on carts after harvest, using the same pair of bullocks.

And it does not cost him anything over carriage?—No, for that is done only for short distances. Some mandies are located a long way off and the cultivator finds it difficult to spare his own set of bullocks.

My experience is quite the other way. I have seen agriculturists from Mogha taking grain to a distance of 35 miles with their own bullocks?—I will give you an instance. Within a radius of 10 miles from Lahore it pays an agriculturist to use his bullocks with better profit in other ways.

That is on account of the contiguity of the city?—Yes.

I mean for the carrying of the produce to the market, the cultivator uses his own cart and pair of bullocks as much as he can?—Yes, in certain seasons he does so.

Is the Punjab fairly well provided with roads?—No.

Do you not think it is but fair that the villages should be provided with roads?—Certainly.

What would you call a good or a fairly decent road for the rural parts, a metalled road or a macadamised road?—A macadamised road is prohibitive in cost.

Do you not think the heavy lorries and the military vans injure the roads to a very great extent?—In my opinion iron tyred vehicles damage the road much more than rubber tyred ones. And the motor lorries and the armoured cars have all rubber tyres. Even the rubber tyred heavy motor lorries damage the roads but that is due to their high speed.

Hon. Sir G. Corbett: Your view is entirely at variance with the general trend of evidence given before the Committee that the most equitable way of finding the necessary funds would be to raise a petrol tax, which would be least felt and which would also proportion the tax to the use made of the roads. You do not wish to have any increase in

the petrol tax. Will you tell us why?—Many of the motor car owners do not use the arterial roads to a great extent and in cases where they use them, they pay the vehicle tax.

How is the vehicle tax more equitable than the petrol tax?—Because I think it is more evenly distributed than the petrol tax.

How is that tax calculated?—On the seating capacity of the car and the tonnage of the lorries.

What would be the tax on a five-seater car?—I have not got the figures. I think it is somewhere about 80 rupees a year.

And on a one ton lorry?—Perhaps about Rs. 37½. I am not quite sure. And for heavier lorries, I think, it is Rs. 300 for a four tonner.

If it were a petrol tax, what would be the difference?—If it is a petrol tax, the consumption of petrol is very nearly equal on small buses and heavy lorries. A light motor bus which could carry only 8 passengers would be taxed as much as a heavier bus which carries 18 and therefore makes more income. In that way, I think the tax would not be evenly distributed.

It is then a question of the income they make and not the use of the roads?—Yes. The use of the roads would come in only when you consider the injury to the road by the heavier cars.

Your point is that commercial vehicles will not pay enough in petrol tax and private cars would be made to pay more?—Yes.

Your proposal was that any funds available from central revenues should be distributed on the basis of mileage?—Yes.

Why do you recommend mileage as the basis?—Because in certain provinces road development has been so very meagre and in case they now take up earnestly road development, they ought to get a bigger share than the provinces already developed.

So your idea is that the less the mileage, the more the province should get, in inverse ratio to mileage?—Yes.

Do you know who controls the Attock Oil Company? What is its profit?—In the case of the Attock Oil Company, because the B. O. C. practically owns the company, why not the profits of the B. O. C. be taken?

What dividend does the shareholder of the Attock Oil Co. get?—That depends upon the mercy of the Burmah Oil Company.

How much, I wish to know, are the shareholders of the Attock Oil Company getting now?—They did not get any for the last two or three years. Now they are getting something, not very much.

Then why do you think that Attock oil is being sold at high prices?—They have been so exhibited. I think that as far as the shareholders of the Attock Oil Company are concerned, they were not well treated. They were subject to an intrigue between the Burmah Oil Co. and other companies

As a commercial proposition, is the Attock Oil Company a paying one? Is it expensive to produce oil there? Do you have to pump out the oil or are there gushers?—There are no gushers. The oil has to be pumped out. The cost of production is therefore more than that in Burma.

Hon. Sir A. Froom: When the touring sub-committee was in the Punjab, we were told that as soon as a new road was improved or an old road was put in order, there was a tremendous rush of bus traffic. Is that not so?—No, not on all roads. It is true in the case of roads where there are no railways.

I quite see that it cannot be in the case of all roads. But we were told that any road which tapped any important district, a new road or an old one put in order attracted busy motor traffic to it?—Yes. It is generally the case.

So it seems to me to point out to the fact that they can run the motor bus at the present time at the present cost of petrol. These motor vehicles which run at present, are they making a profit?—Yes. They are at present. But within a year or so, the profits will vanish.

That is probably on account of the bad management where they have to write down the cost of the buses. Now that you have got a windfall in the reduction of the railway freight for carriage of petrol and which will probably represent a reduction of 2 annas a gallon in the Punjab, would you not change your views given before the touring sub-committee about the petrol excise being collected?—No. I still adhere to that view because as I say, all the lorries and buses now plying are practically new and the profits for the first year are usually good.

Perhaps these motor owners who manage their affairs in the way you describe, when the price of petrol goes down, will not put aside some money out of the first year's profits for keeping their buses in order. Are they managing it in such unbusinesslike manner?—Yes, when the repairs bill comes, they realise how foolish they had been.

If then you give them a margin of 2 annas they will be more foolish, will they not?—My own opinion is that all these buses will be useless in a short time. They are running them to death.

You are in favour of the idea of improving the village roads. Now that you have got this windfall, would you revise your previous statement expressing yourself against the 2 annas petrol excise?—No. I will not call it a windfall. It is a reduction. Notwithstanding that, I will not favour an extra excise on petrol.

In your opinion new roads should be constructed out of loans?—Yes; provincial loans.

Having made the roads, where would you get the money for their upkeep?—From motor taxation. In the Punjab the estimated revenue from motor taxation is sufficient enough to raise a loan of a crore of rupees.

Are you getting more than you can spend on your roads?—Yes.

When the sub-committee was in the Punjab, we were told that they had to ease up their road programme because they had not enough money?—The reason is quite evident. That is because the new roads are being constructed at an excessive pace and the charges on their maintenance are getting more and more. Many of the new roads constructed are more of military importance and, as I said, they are only contributing about one-third for the maintenance of the trunk roads.

In one of the most important countries which has gone far ahead in road development, they started with putting their roads in good order first and taxing themselves for the purpose. Motor traffic developed in consequence. You do not subscribe to that principle and you seem to suggest the other way. You seem to want that roads should be constructed but you do not want to subscribe towards it?—The fund could be got by existing taxation on motors using existing roads.

Chairman (to Hon. Sir A. Froom): The witness said before you came here that a part of the present import duty on motor cars and parts ought to be given up by the Government of India for the purpose.

Hon. Sir A. Froom: What are your suggestions for replacing that money which you are taking away from the Government of India?—There are various avenues of taxation.

Whom are you going to tax?—That I cannot say off-hand.

(*The witness withdrew.*)

Supplementary statement submitted by the Hon'ble Rai Bahadur Lala RAM SARAN DAS after his evidence has been taken by the Committee.

It is not only the motor vehicles that consume petrol, but petrol is now used for lighting, industrial and agricultural purposes as well. Petrol incandescent lamps are getting into favour, the petrol tractor is beginning to be used for hauling up ploughs, mowers and other agricultural machinery. Petrol water-lifts, and small engine sets are now being used for industrial as well as agricultural purposes. These facts support my opinion that raising of capital for road constructions and maintenance by levy of excise on petrol is not just, as petrol which is used for industrial and agricultural purposes and which does not contribute directly to the wear and tear of roads, will also be taxed and will retard the development of our industries and agriculture.

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