The English Press on the Proposed Construction of Railway in India (1869)

Reports in Press

"NULLA VESTIGIA RETRORSUM."

THE ENGLISH PRESS

ON THE PROPOSED

CONSTRUCTION OF RAILWAYS IN INDIA

BY

GOVERNMENT AGENCY.

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"TIMES" City Article, 26*th July*, 1869.

"*It appears from the financial speech of the Secretary of State for India that it is contemplated during the next ten or twenty years to construct* 7,000 *additional miles of railway in that country, being nearly double the amount thus far completed. Supposing the outlay to be at the same rate as hitherto, the cost will be* £126,000,000, *and even if, as seems to be hoped, a reduction of one-third can be achieved by the work being carried on by the Government, instead of through the agency of companies, the minimum required will still be* £84,000,000. *Taking* 15 *years as the average of time over which the outlay is to be spread, it will thus be necessary to raise about either six or eight millions a year throughout the whole period. The Indian Government calculate that because they can now get money at* 4 *per cent. they may hope to effect the whole operation at that rate, and thus avoid the necessity of guaranteeing* 5 *per cent. to public companies. In the City of London, however, there will be little response to this sanguine anticipation.*"

INDIAN RAILWAYS.

To the Editor of "Engineering."

SIR,—An article in the number for this month of the *Westminster Review*, on "Indian Railway Reform," appears to require notice, as the writer affects to have access to special sources of information, writes as if in the confidence of the high authorities of the Indian Office, and yet evinces so many prejudices and gives expression to so many misapprehensions, that his statements and conclusions are calculated to cause a misunderstanding of the very important subject which he treats.

His doctrine on the land question, as conveyed in a repetition which he now publishes of an article which he wrote ten years ago, "that the land of every nation belongs to the people as a whole, that Government as their representative is the supreme landlord, and that it cannot alienate in perpetuity any part of its trust to individuals," would be impossible of application in Europe without a revolution, and shows how much disposed he (the reviewer) is to radical measures.

With this disposition he at present proposes to dispense with the existing railway organisation in India, but he scarcely even sketches in outline the arrangement which he would substitute for the system which he proposes to abolish.

After expressing his opinion on the intellect of the late Marquis of Dalhousie, and that the men "brought up in his lordship's school" have been influenced by his lordship's views, the reviewer takes safer ground, and notes that the 4,000 miles of lines now open in India are a poor result after so many years.

It does not require much argument to show that railways should have been much more extended in India, and that one mile for each 275 miles of territory in a country without any other roads is inadequate for the requirements of traffic and communication. Without suggesting a comparison between the active commerce in England and the comparatively inert traffic in India, it may be useful to note that in England, already covered by a network of roads and canals, that one mile of railway for every six miles of country has already been provided at a cost per mile even exceeding the Indian rate for the trunk lines, whilst India, without roads or canals, has only one mile of railway for every 275 square miles of country.

It is happily now not necessary to argue the question, as there is a general concurrence with the urgency of the need for further extension of railways in India, and in the certainty that lines of railway, constructed with due economy, should be as advantageous and profitable to the State as such lines would certainly be to the inhabitants of the country.

The failure in the past, shown by the fact that there are now only 4,000 miles open in the vast extent of the Indian empire, has to be deplored; but the reviewer's extraordinary assumption that the blame cannot rest with any member of the Government services to which he appears to belong, and must attach, of course, to the gentlemen whom he politely terms "adventurers," meaning not the directors of the late East Indian Company, in whose employment he was, but the present railway directors, has to be noted.

It is, however, clear that the railway companies could not, under the existing system, have proceeded with a greater extent of railways than the State authorised, and it must be admitted that one-fourth of the extent of railways required has not yet been sanctioned. It can be shown that some of the railway companies have time after time represented to Government the advisableness of proceeding with inexpensive extensions, but that Government has not even yet authorised the commencement of the works, so that the greatest failure in Indian railway operations, utterly inadequate extent of lines

so far constructed, rests not with the companies but with Government.

For the secondary failure, that the cost of the works executed has been frequently excessive, the companies must take their share of blame; but the reviewer has gone too far in assuming that they are solely responsible for all defects of management, as under the several contracts Government had the most absolute control over expenditure, and has throughout maintained a staff of officers who have audited and authorised every item of expenditure, and every arrangement for works, and have passed and sanctioned every one of the designs and specifications, which, on further experience, have been found to be defective as well as those which have been proved to be sufficient.

The present writer has, in a memorandum written within this month, submitted that the main cause of the excess of outlay on Indian railways has been that the works were often commenced and carried out on incomplete and insufficient surveys, on which suitable designs and correct estimates could not have been framed.

That there has been waste and extravagance approaching to the waste and extravagance on English lines is certain, but it does not follow that the excesses have approached to the amounts which the *Westminster Reviewer* of this month assumes. The original estimates for the whole system are no guide in the matter, as even if the estimates from the preliminary surveys had been trustworthy, many works which were not in the first place thought of, have since, with the full concurrence of Government, been carried out by the railway companies. Towns have been built for the accommodation of European mechanics, extensive workshops have been constructed, and all the great rivers of the continent have been bridged. The most costly portions of the main trunk lines have been constructed, and the extensions on the central plains, every mile of which would have counted towards a reduction of the general average, have been in many cases omitted, and yet the reviewer quotes as the proper limit for outlay the estimates (guesses) at a mileage rate, which were made before the requirement of a railway in the tropics, or the magnitude of the traffic to be accommodated were duly appreciated.

The reviewer, however, passing over any such considerations, speaks of Lord Dalhousie's estimates of the cost per mile for a whole system, and says that it would "be edifying to compare with the estimates actual realisations." Either

the reviewer knows nothing of what has been done or else he argues with extreme unfairness.

Whilst enlarging on losses to Government from the cost of the Indian railways, the writer in the *Westminster Review* omits to note the large indirect profits which the State has derived from their construction. The free carriage of the mails, the increase in the land revenue to Government on the districts opened to the outer world by the railways, the saving by the transport of troops and military stores, and the reduction of garrisons rendered safe by the direct communication afforded by the railways already built, appear to be trifles in the estimation of the reviewer, but are, notwithstanding, of such magnitude, as in the belief of many to more than counterbalance the whole of the present extra payments by the State on the guarantee account.

The reviewer, however, treats the whole question on the narrow grounds of the advantage of obtaining the possible profits from a possible or impossible hard bargain, but does not show that when the railways were commenced and carried on before and during the mutiny that the necessary funds could have been obtained on any less liberal system than was adopted by Government.

The reviewer says that it would ill become him to speak of the late Board of Directors otherwise than with the "respect which he sincerely feels for their august memory;" but still he labours to show that "they were persuaded to egregiously stultify themselves;" and, to make out his case, he passes over the fact that, although the guarantee was to be extended to the whole outlay, that the fullest control over the outlay was retained by Government, which took upon itself to decide upon the course for each line, as well as on the fitness of the designs for adoption.

After attributing the faults—some well founded and some exaggerated—to the railway companies solely, the reviewer proposes, as a remedy, to hand over to the direct management of the Government the construction of the railways yet to be built. The works to be carried out by the Indian Public Works Department, of which the reviewer says that "its warmest partisans will scarcely say that the result of its management has been altogether satisfactory," and that "it must be admitted to be singularly slow in bringing its products to maturity;" "children who were looking on when the Grand Trunk road was begun had full time allowed them for growing into middle-aged men before it was finished;" and "if in railway affairs Government action must needs be

marked by similar procrastinations, it were better perhaps that the guaranteed company should be continued in tranquil possession of the field."

The reviewer further describes the Public Works Department up to this time as utterly unable to accomplish the important works which it has in hand, but he proposes to hand over to it a vast amount of additional work of a description of which its members have had no experience, and which in any other country it would be considered a folly to entrust to any other than the railway construction branch of the engineering profession.

In elaborating a case against the companies, the reviewer passes over the fact that the works heretofore have been under Government control, and notes that the boards sitting in London can know little of what their servants are doing in India, and states that a local government would more readily find out defects. The results in the Railway and Public Works Departments, however, on more full information and consideration, will be found to show that the members of the local governments can no more than distant boards of directors, prevent the waste of money on defective designs, and on bad workmanship, without the assistance of a fit organisaion for the purpose.

Members of ephemeral local governments, Civil Service judges, promoted from the mofussil courts, or eminent revenue officers, who take late in life to engineering, are scarcely likely to do much good by personal inspection of works, and it would appear that the boards and Government had better, instead of counting upon personal inspections, adopt a system by which they may secure professional advice or direction for the engineering operations on which they purpose spending the money of the State.

For the past, matters will not be made better by any endeavour to show that failures have been caused by the non-performance by distant boards of duties which they could never have been expected to perform, which non-professionals, if even on the ground, could at best only perform imperfectly, but which it is now proposed that the members of the local governments should undertake.

If such work could have been performed by the members of the local governments who were resident near to the railway works in India, they would have much to answer for, in that they did not exercise their power, power which it will not be possible under any system to increase.

Instead, however, of condemning railway boards and

members of Government for the faults of the old system, it would be better to consider the amendments which may be made to guard against future failures.

To a Government about to expend 30 millions sterling on Indian railways the question is one of grave importance, and deserves to be treated otherwise than with a view to the petty interests or jealousies of any service covenanted or otherwise.

Government has at command the highest professional ability and character which England can afford, and will find economy in obtaining such services rather than in experimenting with untrained establishments.

For the direction of Indian operations on the scale now contemplated there appears to be room for, and a want of, an additional power, which need not interfere with existing establishments, but which would control, advise, and direct the several departments.

Such an authority, a board of engineers, intrusted with full powers by Government, would be able to advise Government authoritatively on every engineering question, to insure the completion of surveys, to reject crude or incomplete designs or defective estimates, to sanction or to reject proposals for constructing operations, to examine the organisations on each line, and to notice for Government and for the home boards, the neglects, inefficiencies, or the merits of the officials in charge of, and responsible for, operations on the several lines.

Such a board would be looked to by the chief engineers, and by the Government consulting engineers on the several lines, for advice in any difficulties, and for an immediate and authoritative decision of questions on which reams of foolscap are now every month consumed in an endless and often resultless correspondence—questions which must now often puzzle the unprofessional members of the local governments, or else be decided on in the name of government by a secretary, who may have many eminent qualities without being a safe guide or authority on professional matters.

Such a board might have charge of and be responsible to government for the construction of the State railways, and would afford to Government and the companies an additional security against a recurrence of mistakes by errors in designs and neglects in executions, such as have too often, to whomsoever due, to be deplored in the past history of Indian public works.

It has to be remembered, as regards State railways, some of which being for military purposes only, may have to be built without the intervention of companies, that home, as

well as Indian management, has to be provided for. Whatever may be the shortcomings heretofore attributed to home boards, it is beyond dispute that they have bought, inspected and shipped to India, vast quantities of necessary materials of the best description, and at rates of cost which testify to the high character and business qualities of the gentlemen whose services the guarantee system enabled Government to obtain.

The great proportion of the whole outlay, which has been for these purposes judiciously expended in England, appears to have escaped the notice of the *Westminster Reviewer*, as he speaks of a rate per mile on the original estimates, but does not notice the extent of double line already laid with costly permanent way, and the large amount of sidings which on every Indian railway has been found necessary for a traffic of a magnitude which was unexpected, is still growing, and will continue to grow until the great Indian railways, notwithstanding past extravagances, become not only profitable to their shareholders beyond the guarantee, but a source of large direct revenue to the State.

For such results the time will come when the workers on and for Indian railways—the directors who in England have, without reward, given their time and thought, and the workers under them in India—will be deemed to deserve other treatment than the *Westminster Reviewer* would accord to them. "Adventurers," and the "servants of adventurers," is a description of the British gentlemen who have been engaged on the Indian railways unworthy even of the anonymous reviewer.

The railway services, heretofore, as a rule, slighted by Government, denied any share of the honour which the State confers on all other of its services, working without hope of rank or pension, have yet furnished as much honest zeal, high intelligence, and, sad to say, have already filled as many British graves in Indian jungles as any service, during the time employed by the State in the subjugation or improvement of the great Indian Empire.

As one of the measures advisable for the safe and economical management of the great system of Indian railways, there are, happily, grounds for the hope, with the expressions of which this somewhat hastily written paper will conclude, that the whole question of railway administration in India, will now be considered by British Statesmen with the broad liberality of view which has, heretofore, in all other departments, insured the adoption of measures which have rendered

the British government of India the most just, the most generous, and the most successful in the world.

Yours, &c.,

FRANCIS MATHEW.

Charing Cross Hotel, London,
July 7, 1869.

INDIAN RAILWAYS.

*To the Editor of the "Standard."**

SIR,—In view of an approaching parliamentary discussion, will you allow me space in your columns to refer to a matter connected with our railways in India, which is attracting considerable attention, and which has been commented on very freely by the Indian press? I allude to the proposal that the government should make the railways by its own direct agency, and thus do away with the intervention of companies or contractors.

This proposal, which at first assumed only the shape of a rumour, has recently received strong confirmation; and it is to call the attention of the public to the gigantic blunder which the government appears bent upon committing, that I have trespassed on your space. That so retrograde a policy should have commended itself to the serious consideration of a Liberal government, whose very name is supposed to be synonymous with progress, cannot easily be accounted for, except on the ground of an imperfect acquaintance with the subject, and a too ready acquiescence in the narrow-minded views put forward by a happily select few, who have devoted their time and talents to the solution of the problem, "How not to do it."

The little interest which Indian affairs excite in this country has already been too long a matter of notoriety. Gradually, however, the system of guaranteed railways has called into existence in England a large and enlightened public body, who, as shareholders in these undertakings, have of late years learnt to feel a direct and personal interest in the welfare of our Eastern dominions. It would be in the highest degree unwise of the government to step in and interpose a check on a system which has acted so well in the past, and which promises in the future to bind together the interests of England

* This letter also appeared in the "Morning Herald."

and India in a manner so strongly conducive to the well-being of both countries.

When the great pro-consul Lord Dalhousie, as Governor-General, sent home a comprehensive and carefully considered scheme for supplying India with railways, he recommended that they should be allotted to and undertaken by separate companies. Although it had, even at that time, been proposed to construct railways through the agency of government, Lord Dalhousie was most strongly opposed to such a course. He properly regarded the introduction of railways into India as partly a commercial enterprise, and as such he fully realised the fact that these undertakings were better placed in the hands of English capitalists. He foresaw that by this means the extensive introduction of British capital would be ensured to India, as well as a large addition to the European population, hitherto almost exclusively restricted to the officials connected with the government services.

Lord Dalhousie's views, which were ultimately adopted, led to agreements being entered into, during the year 1853, with certain companies for the construction of railways under the guarantee of the government; and the result shows that at the close of 1868, by the aid of British capital and British enterprise, about 4,000 miles of line had been completed, at a cost nearly approaching £80,000,000. What railways India would now have possessed, had their construction been undertaken by government, it is more easy to conjecture than to define.

It is, of course, contended that circumstances have altered so greatly since railways were initiated that the time has arrived for the inauguration of a new system; that the system that now obtains confers upon contractors large profits, which might be saved by the State; and that the government have gained the experience necessary to enable them to carry out the works. This may be accepted theoretically, but, practically, he that believes in it must be of a confiding nature indeed. One is apt, in this matter-of-fact age, to look to the past as an earnest of the future, and I should be only too glad if the government would show us either roads, canals, irrigation works, or harbour improvements efficiently or promptly carried out, as a test of their capabilities for constructing railways.

A recent writer, advocating the new system, naively remarks (after premising that the government can command all the necessary resources of money, knowledge, and skill), "all that is required is a well-organised system of administration,

so as to procure the proper application of all resources to the great object in view." Exactly, Sir Oracle, and this, I contend, is precisely what the government cannot show they possess. Judging from what has been done, a child born but yesterday may reach his manhood, and see his hair silvered by time, ere he beholds a locomotive run over two hundred miles of a railway made through the "direct agency" of government.

The State has, as most of your readers interested in this subject are doubtless aware, undertaken the construction of one railway—that from Lahore towards Peshawur—and already it is shown that the course of government railways does not promise to run smooth. It would appear that the authorities have hit upon the device of utilising as far as possible what is designated with more pomp than accuracy the "Grand Trunk Road" by widening the embankment for the reception of the rails. The amount of saving, if any, which is doubtful, would be but small, whilst the danger would be very great of laying the rails upon the old road, which is exposed to serious injury from floods. The road which, notwithstanding the twenty years or more which the government have spent on its construction, is entirely destitute of bridges, is, moreover, exceedingly ill adapted for a railway, the gradients being very unfavourable. Yet, whilst this is under consideration, a large staff of engineers are, perforce, kept in comparative idleness, and that at an enormous expense. The *Friend of India*, writing on the subject, expresses a belief that it would be more economical to adopt the route most approved by the engineer (Mr. Lee Smith), but adds, that "if railway and road must be near each other it will be cheaper to move the road to the railway than the railway to the road," otherwise it appears that the result will be a defective railway and a bad road.

That the most disastrous delay will occur should the government resolve to undertake the construction of the new lines (estimated to cost within the next thirty years no less a sum than £100,000,000) does not admit of a moment's doubt; and what does this delay entail? It is admitted that the railways already made in India have developed to an extent unthought of the resources of the country, that they have strengthened its military position, and improved the social and moral condition of its inhabitants. It is a fact, that year by year the returns of traffic show a vast and steady increase—an increase that has been fostered by the energy and promptitude with which railway works have been prosecuted, and an increase

that may reasonably be supposed to continue in the same ratio, provided future extensions are carried out with equal speed and certainty. And how do the government propose to aid this most desirable work? The outlay on the Indian railways has, for the past nine years, averaged very nearly £7,000,000 per annum. Under the new system it is proposed to spend £3,000,000 per annum only, or not one-half; and this in the face of a crying want for increased facilities of transport, with a famine of bread destroying the very life of the empire, and with a famine of cotton paralyzing the industry and blighting the prosperity of the Lancashire operatives.

Generally, it may be received as a fact that any scheme for carrying out railway extension in India by the government, even if shown to be practicable, will inevitably lead to a delay that will retard the progress of trade, dwarf the usefulness of existing lines, and prevent in a great measure the introduction of British capital and enterprise into India.

Let the government look to their roads and irrigation improvements—they will have quite enough to do—and leave in the hands of those best competent to undertake them the vast works entailed in the development of a complete system of railway communication. The very organization in which the government is deficient can be commanded by any one of the railway companies, each of which has an efficient staff on the spot, and available at a moment's notice.

There is one line that we may reasonably suppose is not included in those proposed to be undertaken by government, viz., the Indus Valley line, to connect the Scinde and Punjaub Railways, and supersede the antiquated notion of navigating such a river as the Indus by steamers.

It could scarcely enter into the imagination of even the wildest theorist to introduce a foreign element into the middle of one of the existing company's lines, and especially as the company concerned virtually hold a concession for the traffic on the entire through route from Kurrachee to the East Indian Railway at Delhi.

It would be impossible within the limits of this letter to enter, in detail, on the many objections that exist to the government undertaking the construction of railways in India, and I will therefore reserve those for a future occasion. A few words more and I have done.

The importance of the cotton trade of India is becoming enormous. This trade has been estimated as worth £30,000,000 per annum if proper facilities were afforded for its development. India has already proved herself a most formidable

rival to America as regards her capabilities of producing cotton; and what the trade might ultimately become it is difficult to estimate. It is admitted in Lancashire that the quality of Indian cotton has greatly improved, and it continues to command a very high price notwithstanding that the war in America was brought to a close more than three years ago. Nevertheless, the government would appear to be lending their ears to the advice of unwise counsellors, the result of which can only be to delay indefinitely the completion of the network of railways so necessary for the development of the cotton trade, and to check the production of a staple that might bring work to thousands in this country, enhance the prosperity of the empire, and place the now silent looms of Lancashire and the far north once more in active operation.

My name may not be entirely unknown to you, and the stake I hold in this country, and the interest I cannot repress for all that concerns our Indian possessions, must be my excuse for the length of this communication.

I am, Sir,

Your very obedient servant,

JOHN SMITH.

London, July 15.

"TIMES," 27*th July*, 1869.

The following relates to Indian Railway finance:—

"London, July 26.

"SIR,—I think that most people who have had much to do with Indian finance and Indian loans will agree mainly with what is said in your city article of to-day, and think that the Duke of Argyll may be 'going ahead' somewhat too fast in his idea that he can raise at 4 per cent. all the money he wants to make 7,000 miles of new railways in India, and that he can have 1 per cent. as compared with the former plan of the railway companies borrowing at 5 per cent. under guarantee. I presume that when he looks to borrowing at 4 per cent. he must mean to do so in London, for it was only the other day that when Sir Richard Temple brought out his 4 per cent. loan in Calcutta he did so at 90, or equal to nearly 4½ per cent.; and though he might, perhaps, be able to borrow in India itself a moderate amount annually for reproductive works like railways, irrigation works, &c., I doubt if he could do it to any large extent under 4½ per cent., if at that, and

though in London moderate amounts may have been raised at 4 per cent. by the plan of making dividends payable at the Bank of England, like dividends on Consols (numerous old ladies believing, in consequence, that East India Stock and Consols are much the same thing), it is to be doubted greatly if this can be done for such large amounts for a series of years, and with so many other claims on the 'national savings,' the reservoir from which so many different borrowers are supplied.

"I had the pleasure of hearing the Duke of Argyll's statement, and a pleasure it was, for his sketch of the progress of India since the mutiny was, on the whole, very favourable, and he speaks so well and clearly that you not only hear his words, but understand his thoughts. For good or for bad, the new system of government making the new railways is inaugurated, and properly managed, I believe with you, that it will prove for good; but many people will begin to ask how, 'If the India Office are to make 7,000 miles of railway, at a cost of at least 70 to 80 millions, what is the India Office composed of?' It is only to-day that we read of the great saving effected by Mr. Baxter at the Admiralty, and the inefficient state until now of that great public department. Will not the Council of India stand now in more need than ever of having put on it some business men who know the India of to-day and its wants, instead of being limited, as at present, to military men and civilians, however able they may be?

"A CALCUTTA MERCHANT."

INDIAN RAILWAYS.

To the Editor of the "Standard."

SIR,—Having read with much interest a letter in your impression of the 20th July, on the subject of Indian railways, I venture, as one not altogether unqualified, to speak a word on the subject, to point out the dangers which appear to menace those already in existence, and to make the realisation of those not as yet commenced a matter of harassing uncertainty.

Happily, the importance of an extension of the Indian railway system needs no argument. The public mind has long ago recognised its necessity, and hitherto government alone has thrown obstacles in the way of progress; but it would appear that government now contemplates not only taking in hand those railroads which public enterprise and money have already nearly completed, but also, with a spirit more valorous than discreet, constructing those which are as yet

only projected. In the former case the shareholders, as an aggrieved and injured body, will, doubtless, make their disapprobation known; in the latter the projected lines will not only be "railroads of the future," but of a very dim and distant future indeed. In some eyes, however, this very distance will "lend enchantment to the view," for government likes a good perspective, and a wide margin is always an agreeable detail in official eyes.

It is a remarkable fact that whenever India or Indian affairs are mentioned in public it is with a sort of apology, a kind of timid deprecation, conscious of a scarcely courteous and scantily veiled impatience. "I have had the most valuable contributions from the ablest official and non-official men in India, sent to me for publication in my magazine," said an eminent publisher the other day, "but I could make no use of them; the English public generally is bored by India! the English people are utterly and profoundly ignorant and careless as to Indian politics, statistics, and enterprise." Strange, but true, "the brightest jewel" in England's crown, a jewel that many have looked at with envious eyes, is a matter of languid tolerance rather than of pride and glory to its possessors. And every one who has paid the slightest attention to the subject must have observed the shoulder-shrugging, dispensing even with the courteous grimace of patience, with which any mention of Indian affairs is greeted in "the House." Not a "jewel in the crown," but a thorn in the flesh; a grievance; an infliction; in the comprehensive slang of young England—"a bore." The sooner Indian affairs can be shunted the better; they stop the regular parliamentary train, shove them into a siding, and let them wait until the line is cleared. Many of your readers will know this is a true picture.

Now, Sir, in the old Leadenhall Street days, there was one place at least where poor India, her hopes and prospects, her interests and sufferings, were not only tolerated, but discussed with an animation and interest worthy of the theme, by men recruited from all ranks of society. In the old "Company's" days there was a local habitation and a name for India; now it appears to be the wish of some to give India a name indeed (and a bad one) and then emphatically to do as the proverb does to the dog—"hang it."

As an "outsider" I cannot presume to lift, even in thought, the sacred veil, or penetrate the governmental gloom which now-a-days enshrouds everything connected with the official affairs of India; but this much I do not hesitate to say—that

if ever, like the spectre of the Commandatore in *Don Giovanni*, this ghost of the old India House presides unseen at those official orgies, where red-tape, pigtails, buckram, formula, etiquette, *et hoc genus omne*, tie the arms and legs and stiffen the backs and necks of the presiding deities of those saturnalia, he must be a very philosophical ghost indeed if he do not groan in the spirit, and gnash his skeleton teeth at the blunders and bungling, the buckram and bondage, of which he is a silent but not uninterested spectator.

What is it but this which makes our government of India like the car of Juggernaut—ponderous, heavy, rolling slowly and dispassionately over thousands in its stolid, unseeing, unknowing, uncaring progress? Progress! Perhaps; but a progress so incommensurate with the requirements of an ardent age like ours, that the world, having got ahead a thousand miles or so, will scarcely pause to look round and see if this Indian tortoise has put its best foot foremost; nor will lamentations be very loud if that interesting animal be found "nowhere" in the race.

But if the lump of public leaven which, however small, still does to a certain degree leaven the whole lump; if the salt of public criticism and inquiry is to be summarily shut out of this matter: if the public is to be altogether excluded from a voice in Indian affairs; if the 60,000 shareholders who, under the present system, have a right to make themselves heard, are to be silenced once for all, then we may look for an exhibition of helplessness, obstinacy, bungling, incapacity, red tape, formula, and hopeless stupidity, such as the British nation, and the British nation only, "delights to honour;" then, shut up safely within their doors of cedar of Lebanon, the fossil senators of the Indian Council may indulge in tea, toast, and twaddle to their hearts' content, whilst the world gives them the go-by.

We had, sir, brilliant results during the Crimean war from a plethora of cooks and a multitude of counsellors; and there have been people found to declare that the flattering flavour of those notorious times still lingers on their palate.

Let us, for a moment only, try to imagine the delay, the hopeless confusion, the injury to trade, the lamentable waste of time which must inevitably accrue if here a bit of line belongs to a company and there a bit to government; if the official hand meddle here a little and modify there a little, with a sweet and benevolent unconsciousness of the ultimate evils likely to result from such mixings and meddlings; if, here-

after, there be brawling and bitterness, here petty jealousy and there yet paltrier spite, we shall know that the whole machinery has been thrown out of gear, because some Utopian scheme has flashed across the genial (but unpractical) brain of some well-meaning man in office, and we shall know whom we have to thank for a "pavement" of good intentions, resulting in a "confusion worse confounded."

I have seen nothing tangible in the shape of a proposal as to the organisation of the future. Every practical man will feel that an "amalgamation" of the two systems is an impossibility. Economy, sir, by all means, and I, as a proprietor, should be very glad if the profits of the contractors were less and that of the proprietors greater than they are; but I protest, in the name of common sense, against a piece of impotent patchwork. Let us have no hybrid management in the matter of Indian railway government. *Aut Cæsar, aut nullus.* Only, if it be Cæsar, let it be remembered we shall expect nothing less than heroic results!

With the characteristically ungrateful treatment of old gloves, a writer in the last number of the *Westminster Review* gracefully acknowledges the obligations of the country to those gentlemen who have honourably borne the heat and burden of the day, and who, with honesty, energy, and patience, have initiated, organised, and administered the Indian railways by stigmatising them as "adventurers;" and, lest there should be any misconception of his meaning, designates their subordinates "the servants of adventurers." This is a graceful tribute in classic language, and, no doubt, these "adventurers" and their "servants" will be grateful accordingly. It would appear as though the balance of justice in the writer's mind required for so many halfpence received so many kicks given.

With a rare and fanatical injustice the same writer wails out a rather plaintive lament over "the very little" that has been already accomplished in India. He must know (for there is an indefinable something which tells us that he has lifted the veil and burned incense on those sacred altars) that every delay, every obstruction, has been due to the faltering and indecision of government alone; that it has required a bombardment of arguments and proofs to gain official consent to even the most urgently necessary of the works in hand.

We, the insignificant portion of the community, the drones in the hive—the *mobile vulgus*, commonly called "the public"

—are to know nothing until everything has been settled by the powers that be, beyond recall. In the debate on Indian affairs in the House of Lords, on Friday evening—if debate it can be called—all the noble lords who spoke represented either present or past officialism, and the current of their thoughts naturally ran in the same groove. It is to be hoped, when the subject of Indian railways comes on for debate in the Commons, some common sense will be shown in the discussion, and that members qualified to speak in behalf of the commercial and non-official community will not fail to point out the many objections which exist to the retrograde policy contemplated by the government. Let us trust that the country will not be sacrificed whilst years are consumed in departmental organisation, in drilling and establishing that staff which is to accomplish nothing short of an entire revolution in the Indian Public Works Department.

A great writer has said that there is no waste so lamentable as waste of time. We are accused of having wasted money—certainly the lesser evil of the two—but it remains to be proved what brilliant results would accrue in the shape of economy in time and money should the scheme of governmental railway construction in India be realised. The writer in the *Westminster Review* talks a great deal about economy. He touches the Englishman's tender point; we all prick up our ears when the talk is of money; but it should be remembered that there is such a thing as penny wisdom and pound foolishness.

If the railways of the future are to be made by government; if roads are to be shifted to railroads, and *vice versa;* if engineers and surveyors are to devote months at a time to contemplation, revision, re-contemplation, correction, and amendment; if whole districts are to starve, countries to perish, trade to die a natural death; if Indian cotton is to be an unknown quantity at Manchester and Liverpool, whilst government officials are waiting for that wisdom in council and that promptitude in execution with which kind heaven has not hitherto signally blessed them; then, sir, I think it very likly before the iron roadways are completed, that eternal bore, Macaulay's New Zealander, will be the "man of the period," and pigtails, buckram and red tape will have definitively died the death.—I am, Sir, your obedient servant,

SCRUTATOR.

29*th July*, 1869.

INDIAN RAILWAYS.

To the Editor of the "Morning Herald."

SIR,—A perusal of the debate which took place in the House of Lords on Friday night, on the subject of the Indian Budget, brought vividly to my recollection a famous speech of the late Lord Brougham, in which he gave utterance to an expression of his regret that no response had ever been made to the prayer that the Lords of the Council might be endued with "grace, wisdom, and understanding." If he were living now, how much more would it strike him that this prayer is still unanswered.

It is not many days since that I read in your columns a letter on "Indian Railways" signed "John Smith," which had reference to a proposal that the government should itself in future assume the responsibility of constructing the lines, but I am free to confess that up to Friday last I could not readily believe that such a step was really intended.

The speech of the Secretary of State for India has proved to me, however, that the government do not hesitate to inaugurate a system that I venture to predict will fail miserably. The authorities seemed prepared to sacrifice to the ambition of the few persons whose aim it is to place all public works of whatsoever kind under the Public Works Departments, the best interests of India, and to make us a jest and a bye-word amongst the nations upon earth.

Your correspondent said very truly that "generally it may be received as a fact that any scheme for carrying out railway extension in India by the government, even if shown to be practicable, will inevitably lead to a delay that will retard the progress of trade, dwarf the usefulness of existing lines, and prevent in a great measure the introduction of British capital and enterprise into India;" and it would appear to be an act little short of insanity for any government to allow itself to be the means of bringing about so disastrous a state of affairs.

As your correspondent has indirectly promised to pursue the question further, I will merely refer to the debate of Friday in a few words. The Duke of Argyll, presuming his speech to have been correctly reported, may be congratulated

on a sublime indifference to the past, and an almost childlike belief in the future. He said, referring to the railways :—"It "is generally supposed that these undertakings have been "undertaken by private enterprise, but he hardly thought that "could be said, seeing that the State guarantees 5 per cent. on "the capital expended, thus taking all the chance of loss from "a less receipt without having any hope of profit from a "larger receipt. The result of this operation is that the "government, without the slightest chance of gaining any "advantage, guarantees to these railways a return which they "do not realise. Why should not the government raise the "money for constructing these railways by their own direct "action at 4 per cent., instead of raising it on the credit of the "companies at 5 per cent.? He could see no reason, and the "India Council, after a full discussion, agreed with him in "this opinion."

Passing over without comment the first part of the foregoing quotation—the answer to which would flow readily to the lips or pen of any one even pretending to a knowledge of the subject—I come to the statement that the government have guaranteed the lines "without the slightest chance of gaining any advantage." Can any man in his senses, even a Secretary of State, shut out the fact that the government have gained, and gained immeasurably beyond the amount of the guarantee, by the introduction of railways into India? Why even Lord Halifax, a supporter of the new system—no mean authority—and albeit certainly not an enthusiast, stated on Friday night, that "he believed nothing had led to more improvement in India, and that the railways had done more than anything else to break down the barriers of caste and prejudice, to extend civilisation, to unite the empire, and place our power on a more solid foundation."

Surely the Duke of Argyll must have given utterance to his views not dreaming of contradiction ("Yea, when I ope' my mouth let no dog bark"). And as he was not contradicted, it may reasonably be presumed that he knew his audience.

It has become almost proverbial, in connection with certain public works carried out many years ago on his grace's estates in Scotland, to exclaim, "God bless the Duke of Argyll," and this may, perhaps, have moved an honest ambition in that statesman's breast to extend to other countries the benefits already bestowed on his native land.

With this no one could quarrel; but, unfortunately, a reproduction of the works I have alluded to, which must be

familiar to your readers, would hardly be received with corresponding favour in India, and—again most unluckily—the alternative appears to have been railways. As these great works will, however, be beyond the personal control of the Duke, and, in a great measure, dependent in India on the caprice of the "powers that be," I would charge His Grace, in all sincerity, to "fling away ambition," and to be wise in his generation.

The following picture presented to us by the writer of an article entitled "Our Indian Railways," in the *North British Review* of December last, might well deter even the strongest heart from courting an almost certain failure. Speaking of the difficulty of communication, and especially as regards an inland spot, he says:—

"The advent of a railway to a station of this kind, resembles a special intervention of Providence. Such interventions, it must be confessed, too rarely manifest themselves in India in the shape of ordinary roads and bridges. For these works although probably existing in the form of designs of various dates and many shapes, prepared by the Public Works Department, seem incapable of getting beyond that embryotic stage.

"Engineer officers, overflowing with honest zeal, may have prepared project after project to supply works, whose cost might in a few years be recouped out of the increased land revenue they would assuredly bring in. But such well-aimed efforts can seldom survive the deliberations and discussions they have to undergo at the hands of the many authorities whose sanction is required for the funds necessary to carry them out. Stifled soon after their entrance into the region peopled by secretaries and members of council, they find a premature grave in the pigeon-hole of some government office book-case.

"In vertical catacombs of this kind, which garnish the walls of public offices in India, there repose in peace the neatly labelled remains of projects innumerable; some of them possibly unsound, but many well worthy to be revived and embodied.

"The intermittent manner in which public works are carried on by the government in India renders it doubtful whether it be desirable for the state to retain in its own hands the construction of certain lines required to complete the present railway system. As a reason for such a course, it has been urged that these lines, being chiefly needed for

political purposes, do not offer the hopes of commercial success which are likely to induce individuals to take them in hand.

"And this reason may, in some cases, possess certain force. At the same time, should these works be carried out by direct government agency, there is a risk of their progress being interrupted or retarded by the many contingencies which await all efforts of the Public Works Department. Above all, the funds required for each year's operations must be liable to such uncertain conditions of supply as the failure or abundance of opium, or the high or low price that it happens to yield to the Indian revenue; or not impossibly to the caprice or whim of some Minister of Finance, whose short exile from the House of Commons is insufficient to render him acquainted with the country whose finances he regulates; and whose efforts are usually engrossed in cutting down all expenditure so as to enable him to show a good surplus in his annual budget."

I desire to add nothing to this realistic quotation, and will, therefore, subscribe myself your very obedient servant,

CHUTNEE.

London, *July* 27, 1869.

THE "BULLIONIST," 31*st July*, 1869.

Is the new plan announced, but not yet matured, by the Indian Government with respect to the construction in future of railways in Hindostan, a safe and sound one, either as respects Indian finance or the interest of existing shareholders in the lines already made? The question is one pregnant with importance to all parties, and demands other elements of judgment to decide it than are furnished by officials whose perfunctionary duties alone call on them to consider the subject. If equal results could be got from capital borrowed at 4 per cent. as from works on which 5 per cent. is guaranteed and paid, nothing more need be said. But there is a further question: is it quite clear that English funds will flow into India railway enterprise without a special inducement? We are

strongly inclined to think not, especially as the Government proposes to take the construction of the lines into its own hands. Whoever knows, even in the slightest degree, the jobbery, peculation, extravagance, and general wastefulness of Government works, would hesitate long in investing his money in such hands without a good guarantee. And if this be true as regards the home country, with how much greater force does it apply to India? We may say absolutely that the present shareholders, some fifty or sixty thousand in number, live in England. Out of many millions invested probably only a few thousands are held in India, although the security is a Government guarantee of 5 per cent. Where does the Duke of Argyll expect to get the money? Not in India, of course, but in England.

A 4 per cent. guarantee was at first vainly offered for the inauguration of a railway system in India. No response came from British capitalists. Then 5 per cent. was proposed, but was passed by, and only subsequently, when money became temporarily plentiful, did the London market respond. It responded freely, but that was in consequence of fair terms being offered; and under the system thus began, combining private administration and Government security, the construction of railways in India has steadily progressed. Why not let well alone? This tendency to eternal meddling is pernicious, and upon the slightest, sometimes the most fanciful, and often on no grounds at all, enterprises of great pith and moment miscarry and effort is in a great degree lost. We do not write on behalf of this class of shareholders or that class of possible investors; as individuals these persons are perfectly able to look after their interests, and the Government can no more depreciate the value of the shares of existing Indian railways than it can coerce the money market to come into its proposed terms. We speak on behalf of India and of its progress and prosperity in the future.

Few acquainted with the subject will have much hesitation in saying that money for railway extensions in India cannot, under ordinary circumstances, be got in England at 4 or even 4½ per cent. The guarantee, it must be understood, is not that of the British but of the India Government; and as nearly everything connected with the future of our Indian Empire is more or less wrapt in doubt, the guarantee itself is much less than perfectly secure. But this, it may be said, is a question for the India Office and the authorities of Bengal. That is so; but it is also a matter of importance to every one

interested in India. Suppose this ambitious attempt of the Government to take the further construction of the railways into its own hands should fail—what then? The result is very likely, and it might disastrously affect the investments already made, notwithstanding the guarantee. On the other hand, it would throw back railway works in India for an indefinite time, and retard the development of general prosperity in the peninsula. This latter is a consideration far paramount to that with respect to questions of per centages and guarantees; but both are inseparably bound up together. The truth seems to be that the present minister for India and other official men, his predecessors, looking superficially upon the credit of the Indian Government as being better than 5 per cent., but either unaware or not taking into account the enduring influences which discriminate between a temporary loan and a permanent investment, have jumped to the conclusion that because short loans can be had at the lower rate, therefore large and lasting investments may be had on similar terms.

We have not heard any emphatic complaints of neglect of economy in the construction of the great trunk lines in India so far as completed; and the Government certainly dispenses with no means of control over their working as a guarantee to itself for the guarantee it grants. Not a sixpence worth of grease for the wheels can be expended without, as we understand, an official order and sanction; and this stringent supervision seems very well calculated to dwarf profits. But in the case of future lines made by Government itself, what jobbery, what peculation, what uncontrolable waste and extravagance! To describe the working of railway lines by a Government staff in India is a task we decidedly shrink from attempting; in England, under the vigilant eye of public opinion, and always responsible to the Cerberus of Parliament, it is just possible that if the entire railway system were in the hands of the State it might be worked fairly; but in India, no. The thing is impossible, and that conviction alone would suffice to deter capitalists from investing on so much worse terms than at present.

But this suggests another consideration. Indian railways, unlike those of England, have been blocked out upon a consistent plan: a few great trunk lines first, to be followed subsequently by connecting and subsidiary branches. A portion only of the former has been as yet completed, and this under the 5 per cent. guarantee; some thousands of miles yet

remain to be made of the trunks, and nearly all the branches. Under the proposed change the additions will be in possession of, and be worked by, the Government, while the portions already in operation will remain in the hands of the companies. Is this feasible? Can arrangements for a harmonious working of the two parts be safely left to the Government in India, or is it ultimately contemplated to buy out the existing shareholders?

From any point of view that this scheme, plausible as it is, may be regarded, it seems worse than dubious; and in the interest of Indian railway enterprise, of the 80 millions of capital already invested in these undertakings, and of the future prosperity of that great empire, we venture to demand a more comprehensive and careful deliberation of it than is likely to be given by the India Office. Because, well-intentioned as we cheerfully admit that department to be, it is notoriously deficient in practical knowledge of India, and is only too prone, unless gently pressed, to reject wholesome advice. If a policy at once so mischievous and so retrograde as that which is contemplated be persisted in, it cannot but lead to a radical change in the composition of the Council of the Secretary of State for India.

THE INDIAN STATE RAILWAYS AND THE HOUSE OF LORDS.

To the Editor of the "Daily News."

SIR,—Sixteen years ago the court of directors requested Lord Dalhousie to draw up a comprehensive scheme of railways for India, and he transmitted his celebrated minute of April, 1853, which became the basis of the system, and resulted in the sanction of about 5,600 miles of rail to be constructed through the agency of guaranteed companies. More than 4,000 miles are now open, and the rest is in rapid progress. An extension of the system is now deemed necessary to the security and improvement of the empire, and the Secretary of State last year called on the Government of India for a full exposition of their views on the subject. This has elicited a despatch recommending the early construction of about 7,000 miles of additional rails at the different

Presidencies. The despatch and the reply of the Secretary of State were laid on the table of the House of Lords on the 23rd instant, when His Grace stated that he acquiesced in the advice of the Indian Government, and had resolved to try the experiment of dispensing with the intermediate agency of the companies, and to raise the funds required for the new lines on their own credit, and to expend them by their own officers. This determination was based on the assumption that the money could be obtained more cheaply and expended more economically than under the present system; and this plan was represented as likely to ensure a material improvement in the finances of India.

Both these propositions are open to controversy. During the debate one noble lord stated that he never could perceive why the Government should have guaranteed 5 per cent., and another peer considered it absurd to be paying 5 per cent. to the shareholders when the money could be obtained at 4 per cent. With equal pertinence it might be asked why the Government of India should be paying 5 per cent. on a large portion of their promissory notes, when they could obtain funds at 4 per cent. Simply because at the period when the obligation was contracted, funds could not have been obtained on better terms. In 1847, when the system of Indian railways was struggling into existence, the court of directors offered the East India Railway Company a guarantee of per 4 cent. It failed, as a matter of course, for the Indian Four per Cents. were then at a discount of 15 per cent. After a twelvemonth had been wasted in the effort, they found themselves reduced to the alternative of relinquishing the enterprise or conceding 5 per cent. Times have changed; and the East India Company has in the present year obtained a million of stock at 4¾ per cent., and it has previously obtained money on debentures at 4½. There can, moreover, be little doubt that in the present exuberance of capital in England any railway company could obtain funds, to a certain extent, at 4½ on the guarantee of the Secretary of State. Regarding the acquisitions of money direct, it should be borne in mind that, although the Government of India can procure it at 4 per cent., their stock of that value has always been at a discount, and sometimes a very heavy one, during the twenty years of railway construction, and that they have been obliged, on one occasion, to give 5 per cent., and even 5½ per cent., for money. Indeed, it is only a few months since the Finance Minister in India con-

gratulated the Government on the success of a new loan of two millions, which he obtained in Calcutta at 4½ per cent. The rate of interest, whether on funds raised through the guaranteed companies or not, depends on the fluctuations of the money market, and another turn of the political or commercial kaleidoscope may dissipate the pleasing vision of 4 per cent. At all events, he must be gifted with extraordinary credulity who will assert that during the next 10 or 15 years the Secretary of State will always be able to command funds at 4 per cent., to the extent of eighty-four millions.

It has likewise been assumed that while the lines constructed by the companies have cost £18,000 a mile, they could be constructed by the State at £12,000, by which a saving of forty-two millions would be effected on the 7,000 miles of proposed lines. But the fair and legitimate measure of comparison is not the amount which the railways have cost in times past, but the sum for which the companies are now able to construct them. At the commencement of the enterprise the engineers had to feel their way in the dark, in an untrodden field of labour, with no local experience to guide them, and the expenditure was necessarily, and in some cases excessively, high. The same thing would have occurred if the Government had made the railroads themselves. The actual cost was found to be double the estimate, just as the cost of the Great Ganges Canal exceeded the original calculation a hundred fold. The interruptions and devastations occasioned by the Sonthal revolt and the Sepoy mutiny were calculated to have cost three millions. The East India Railway Company lost more than 15,000 tons of material in endeavouring to convey them in native boats, and were constrained to construct an expensive steam and transport fleet for the conveyance of that which can now be led at a fourth of the cost. But what is the present scale of expenditure, when experience has been matured, and the requirements of the undertaking have been clearly ascertained? The Oude Railway Company —the youngest of the family—are constructing a lighter line, as it regards rails and engines, for less than £12,000 a mile; and the chord line of the East India Railway Company, now approaching completion, will be found, with its heavy rails and powerful engines, to entail an expenditure of only £12,000 a mile; that is to say, the cost is £16,500 for a double line, from which the usual charge of about £4,500 a mile for making it double has to be deducted in the calculation. This is precisely the sum for which the Government calculate they

can construct the lines by their own officers. Far be it from me to impugn the resolution which has been adopted, to try the experiment of making the lines by the State. The new system may result in improvements, only we must bid adieu to the forty-two millions of savings.

During the debate it was remarked that if the government undertook the construction of the lines there would be single responsibility and single management, and consequently a considerable reduction of expense. Past experience does not warrant this conclusion. The contracts with the companies give the government on both sides the water the absolute control of every movement. Not a contract can be concluded, and not a single farthing spent, without official authorisation. If there has been waste, therefore, the government ought to take its full share of the blame. But the fact is that, except in trivial matters, the government in times past has too often been more ready to sanction than to control the costly proposals of the railway staff. With regard to the rail of the greatest magnitude, it may be asserted without contradiction that the magnetic pole of economy is not in the Council Chamber in Calcutta, but in the Board-room in London, where every item of expenditure is subjected, week by week, to the most laborious and jealous scrutiny. The double government has in no instance fostered extravagance. The intervention of the Board has been invariably employed to check it, and in one instance it was successful in saving a million, after this outlay had received the sanction of the government in India. When a check like this is removed, and the expansion of expenditure comes to depend upon the fiat of the single officer who happens to be secretary to the government of India in the new Railway Department, and he has to face, unaided, the importunities of railway officials, each ambitious to render his department perfect, with little regard to expense, it is to be feared that he will not long be able to resist the incessant pressure.

In his place in the House of Lords, Lord Lawrence, while he advocated the new system of State railways, paid a high compliment to the "original companies," and affirmed that, "but for the energy and spirit with which they took up the "subject the railways would never have been in existence." To judge from present appearances, the proposed system is not likely to be characterized by the same zeal and promptitude. The Jubbulpore line, 225 miles in length, was completed by the East India Company about two years ago, within two

months of the period prescribed by the contract; whereas the Lahore and Peshawur line, the first undertaken by government, exhibits a lamentable instance of dilatoriness. After it has been sanctioned more than a twelvemonth, and the engineering staff has been collected on the spot, not a single mile has been staked out, and even the course of the line has not been determined on.

The case of the Great India Peninsula line is adduced to show the disadvantages of the present system. That line was constructed with so little regard to stability, that it is found necessary to expend another million and a-half in rebuilding bridges and strengthening the works. But the responsibility of this failure rests quite as much with the Government consulting engineer, who urged the construction of the line on the most parsimonious scale, as with the company's engineer, who was anxious to earn the merit of having made the cheapest line in India. The consequence is that in some places the line cannot be maintained in efficient working order without a very heavy additional outlay, and thus cheap construction is overbalanced by dear maintenance. But this exceptional instance of default ought not to be allowed to throw discredit on all other lines. It is unfair and un-English to rest the argument for the establishment of a new system upon the condemnation of the existing companies without an impartial investigation by unprejudiced judges of all the distinctive circumstances of the undertaking, or the unexpected difficulties with which it had to cope, and without affording the directors an opportunity of vindicating their proceedings. It would then be apparent with what zeal and energy they have laboured to restrain expenditure, and to promote the prosperity of the great national enterprise entrusted to them. When they are charged with mismanagement, let it be remembered that on the longest of the lines, and that best known to the Governor-General, who travels on it, while the rates and fares are decidedly lower than in England, the working expenses were less in proportion to the receipts than on any of the great railways in this country.

I am, &c.,

July 31. MARCUS.

THE "MORNING HERALD," *5th August*, 1869.

The Duke of Argyll in the Lords had prepared us for Mr. Grant Duff in the Commons upon the financial state of India. But the volunteer declaration in the Upper House was, of course, not intended to supersede the usual discussion of the subject in the representative chamber. The House of Commons, though it cannot check Indian expenditure, is entitled to control it in the sense of approval or disapproval of the Government policy; and it would be strange indeed, if "the faithful and the few" hon. members who care about the question should be shut out from an expression of opinion concerning it.

The Under-Secretary of State, moreover, is evidently not the man to allow the wind to be taken out of his sails, or suffer any interruption of his usual course. He had prepared his budget speech and was determined to deliver it, come what might. Otherwise, after the statement of his chief, he would have been justified in doing very little more than lay the resolutions before the House. So he not only made a speech, but made a long one, and exhausted his subject, not without risk of a similar effect upon his hearers. Determined to begin at the beginning wherever he might happen to end, he informed a House laudibly anxious for information that the Indian empire covers a very large portion of the earth's surface, and is inhabited by various races of men. There is a certain elementary Mr. Pinnock who, in an "Abridgment of Geography for the Use of Schools," has said something of the kind before; but the ignorance of hon. members of all matters relating to India is so proverbial that it was prudent perhaps on the part of Mr. Grant Duff to impart this preliminary fact. The Under-Secretary also suggested previous reference to Pinnock by the accuracy with which he stated the population of the empire. Most speakers refer in round numbers to "the hundred and fifty millions whose destinies are committed to our charge." Others, remembering the native states, say "the hundred and eighty millions under our rule or influence," and there has been a tendency of late to take the combined number at two hundred millions. But Mr. Grant Duff does not trifle with facts in this manner. He speaks boldly of the "hundred and forty-seven millions of our fellow subjects," and the "fifty millions more who are amenable to our influence," giving one the idea of a man who has not been sufficiently long acquainted with his authorities to take liberties

with them. His exordium was, on the whole, very creditable, but he could not dwell upon generalities for ever, and had to settle down presently into the sober statistics with which the Duke of Argyll had already made us acquainted. The main points of these are, that the past year showed a deficit of more than a million, and that the present year will show a modest surplus of £50,000; that if the expenditure is increasing, so is the revenue, though the increase in the latter would be more satisfactory were it mainly made up from less objectionable sources than opium and salt.

With regard to the various items, on the one side and the other, the speaker was wonderfully explanatory, and it is strange if he did not tell his audience a great deal more than the majority knew before of the details of Indian administration. With regard to policy he had little more to say than was already understood. The Government is prepared to spend a great deal upon public works, and fully adopt the policy of Sir Stafford Northcote in distinguishing the remunerative from the unremunerative, allowing the former only to be paid for out of loans, and sparing money for the latter out of income, being a check upon the imagination. Mr. Duff held out no hope of being able to enter into the views of those who have asked for the disbursement of ten millions a year for the promotion of the cotton cultivation. On the whole—notwithstanding that the Government have to raise a little sum of eight millions on loan between the present time and 1872, and, as Mr. Duff expressed it, are "running near the end of their tether" as regards their borrowing powers—the Under-Secretary is of opinion that the financial position is "not so very bad;" for the country is making immense progress, ought to be very well off, and would be but for exceptional drawbacks; while mental is following material improvement, and the civilisation of Europe is stirring the Indian mind to its very depths.

In the debate that followed—which was not concluded on Tuesday night—some important criticism was passed upon the policy of the Government. Thus Mr. Crawford condemned the practice of exercising the powers of borrowing without direct communication with the public, instead of taking advantage of competition and raising money upon more advantageous terms; and, without altogether opposing the proposed policy with regard to the future construction of railways, he complained, with justice, that the new system should be based upon a condemnation of the old. For, whatever fresh con-

ditions may have arisen to justify a change in the present arrangement between the Government and the companies, this at least is clear—if India would be now without railways without the Government guarantee, India would equally be without railways had that guarantee not been accepted by private capitalists. Let it be admitted that the double responsibility has not worked well; still it is a double responsibility, and each side should take its share of blame for shortcomings. The *Homeward Mail* put the position very well the other day when it said—"Why the Government and the companies should always pull against one another like ill-coupled hounds we can no more understand than that the companies should, according to the Duke of Argyll, be alone to blame for defects of construction, when the representatives of the Government have been constantly inspecting and reporting on the progress of works, and a Government director has been keeping guard at each board table in London." Our contemporary also doubts, with Mr. Crawford, whether the Government would be always able to borrow the necessary money at 4 per cent., and so save 1 per cent. by ceasing to deal with the railway companies; while Mr. Crawford went so far as to deny that there are sufficient grounds for supposing that the Government will carry on the work of construction at less cost. This is one of those cases in which—in proverbial phrase—a great deal may be said on both sides; but it is certainly unfair to condemn the railway companies alone for waste and extravagance. It should be remembered, too, as Mr. Crawford reminded the House, that the railway companies carried on their works during the mutinies—which the Government could never have done—and that the progress then made was of great importance to the state. Sir Stafford Northcote also expressed his opinion that there had been a want of cordiality and generosity in the manner in which the railway companies had been treated. "Even assuming," said Sir Stafford, "that such companies were to be altogether dispensed with, still there should have been some acknowledgment of the fact that we should never have had this great network of railways so well constructed, and so ably worked, in so short a time, had it not been for the assistance of the companies. Though they might find fault with some details of management, and with the principle upon which the system was founded, still they should speak a little more gratefully of those who had initiated the plans of so great a man as Lord Dalhousie, and who had carried them out so successfully."

THE "OVERLAND MAIL," *6th August*, 1869.

The *Money Market Review* publishes the following as a well-timed letter. We cannot accept all that the writer puts forth about the Public Works Department, but the letter is entitled to a position among the Indian records of the week:—

SIR,—The proposal of the Duke of Argyll that the Government should for the future undertake the construction of railways in India can scarcely have surprised anyone who remembers for how many generations his Grace's family has been identified with works of public utility. Doubtless his Grace, grown accustomed to the veneration and gratitude with which his countrymen have been wont for ages to regard the name of M'Callum More, has become fired with a more extended ambition, and desires to raise for himself a monument whose foundations shall rest in the hearts of the hundred and fifty millions of British subjects who people the vast territories of Hindostan. The motive is not an unworthy one, and the object which the duke holds out as an inducement to adopt the imperialist notion of placing railway construction under a Government department is one which is highly creditable to his Grace's good intentions. Economy is the object desired, but it appears to me that the mode by which it is sought to be obtained bears but scant testimony to the noble duke's wisdom or experience.

I make bold to say that if the Duke of Argyll were practically acquainted with the history of the Indian Public Works Department, it would be the very last thing that would enter his mind to entrust to that department a work which is at once foreign to its experience and altogether beyond its resources. The history of the Public Works Department in India is a history of delays, procrastinations, and failures; a history of cheeseparing economy; of great conceptions and stilted realisations; a record of designs for useful and necessary works subjected to a game of shuttlecock played by the officials of a hydra-headed executive; a game usually drawn and seldom leading to any result. I do not mean to say that the Public Works Department has nothing to show as the result of its long existence. I have myself seen works in India of which any Government might well be proud. The roads over the Ghauts on the Bombay side of the peninsula, and some of the trunk roads in other parts of the country, are evidence enough of what Government engineers can in time

accomplish; but I do not believe there exists in any part of India a single public work, worthy of the name, which has not been the work of an entire generation. In addition to the railways, the crying wants of the country are roads and irrigation works. In the energetic prosecution of the two latter, the Government have a splendid opportunity of redeeming the errors of past inaction; and a field, assuredly, sufficiently large to tax their resources to the utmost. I have said that railway construction is foreign to the experience of the Public Works Department. No one can deny this. Some time since the Government decided on making the Lahore and Peshawur Railway without the intervention of a company. This decision was, I should observe, reasonable enough, as the Peshawur line—whatever it may ultimately become.—has not at present much to recommend it on commercial considerations; and the case was, therefore, one which might fitly be chosen by Government to test its own capacity to undertake such a work. And what has been the result? Instead of placing the work in the hands of an officer already in the pay and service of the state, the Government forthwith adopts the very course which would be taken by a company under the circumstances, and engages a civil engineer—of great ability I admit—to superintend the undertaking, with a staff (also of civil engineers) to assist him in carrying it out. But whereas, in the case of a company, the work would have been prosecuted forthwith, will it be credited that all these engineers engaged by the Government at liberal—I do not say excessive—salaries have been kept for months and months doing literally nothing, while the Government is engaged in the edifying task of trying to satisfy itself as to the propriety of sacrificing the usefulness and success of the railway for the sake of a possible saving which it has occurred to somebody might be gained by combining the railway with what by courtesy is called the "Grand Trunk Road"—a "grand" road, truly, without a bridge! And this is a specimen of what we may expect if the policy put forward by the Duke of Argyll be adopted. The new system proposed is confessedly an experiment. I think that even the most strenuous opponent of the Government policy can hardly deny that it is only right and proper that Government should make the experiment. The Peshawur line affords ample opportunity for doing so. If, as that line approaches completion, the Government can point to it as a good, a cheap, and a quickly-constructed railway, there can be no opposition to the Government extending

its operations over a wider field, as there will then be little or no argument on which to base an opposition; but in the meanwhile, in the interest of the entire community, I would lodge my strongest protest against the adoption of a policy which would permit the possibility of the history of the Public Works Department repeating itself in the case of the railways, to the serious and irreparable injury both of India and Great Britain.

I am, Sir,

Your obedient servant,

NULLA VESTIGIA RETRORSUM.

London, July 28, 1869.

"STANDARD," *5th August*, 1869.

The following letter has been addressed to the Secretary of State for India in Council by the Chairman of the Scinde Railway Company in reference to the proposed Indus Valley Railway to connect the upper and lower portions of that company's line. Notwithstanding anything that may be said in favour of the proposal of making railways by the direct agency of government, the company's claims for the concession of that line would appear to be unanswerable, as the case is clearly one to which the reservation of the government of India in favour of actual or implied engagements with existing companies was applicable.

"Scinde Railway Office, Gresham House,

"Old Broad Street, London, July 8th, 1869.*

"THE UNDER-SECRETARY OF STATE FOR INDIA.

"SIR,—I have the honour to acknowledge the receipt of Mr. Melvill's letter of the 1st inst., stating, in reply to my letter of the 23rd ult. (No. 3284), that the question of constructing a railway through the Indus Valley, to connect the Scinde and Punjaub lines, is still under consideration. The subject being under consideration, the present appears a fitting opportunity

* This letter appeared also in "Allen's Indian Mail," the "Morning Herald," the "Overland Mail," &c., &c.

for laying before the Secretary of State for India in Council the views of the directors regarding it, and for reminding him of the claims of the Scinde Railway Company for the concession for its construction. The Indus Valley Railway forms a necessary and integral part of the trunk line between Kurrachee and Delhi, of which both extremities are in the hands of this company. The intervening portion of the route, moreover (from Kotree to Mooltan), has also been placed in the hands of this company, who at present conduct the traffic by means of the Indus Steam Flotilla, and the very necessity for completing the railway has in fact arisen out of the inadequacy of the flotilla to maintain an efficient connection between the upper and lower portions of the company's line. This company, who, it is to be observed, originally proposed the line, have already, with the sanction of the Secretary of State for India, and at considerable expense, taken surveys of the country through which it would pass; and they have the various plans and sections in their possession. They have in their service a chief engineer of great skill and experience, who enjoys the confidence alike of the directors and of the government, and who might well be entrusted with the execution of the undertaking. Mr. Harrison, the engineer in question, is moreover supported by an efficient staff, the members of which have acquired considerable experience, some of them having taken part in the survey of the Indus Valley line itself, and whose services will be lost to the company after the completion of the Delhi railway, unless it should in the meanwhile be decided to proceed with the construction of the Indus Valley line. I would here draw attention to an extract from a dispatch from the Government of the Punjaub to the Government of India, under date the 13th October, 1868, in which it is stated that the Indus Valley line 'is absolutely necessary as constituting what has been appropriately termed the 'missing link,' the fitting in of which alone can secure for the Scinde and Punjaub lines, already completed, the prospect of becoming ultimately remunerative, and enable them to fulfil efficiently the object for which they were formed; the navigation of the river Indus having been proved to be wholly inadequate to the object in view.' The dispatch concludes by observing that 'if the concession of a guarantee is sanctioned, it should be given to the Scinde Railway Company, and the construction be entrusted to one chief engineer, subordinate either to the Government of Bombay or to the government of this province, as the supreme

government may be pleased to decide, but hereafter, to save the unnecessary expense of a double agency, the entire system of the Scinde Railway Company from Kurrachee to Delhi, 1,129 miles long, should be managed by an agency with its head-quarters at Lahore.' The arrangement thus recommended by the Punjaub Government is in strict harmony with the policy adopted in regard to the proposal to amalgamate the company's several undertakings into one; and I may state that the strong encouragement which the government has extended to that proposal has led the shareholders to believe that they would receive authority to construct the Indus Valley Railway to connect the upper and lower portions of their line so soon as the Secretary of State should be of opinion that the proper time for the commencement of active operations had arrived. The Board are aware that a proposal has been made for the construction of some of the future extensions of the Indian railway system by the direct agency of government, but they trust that the case of the Indus Valley Railway will not be considered one to which such an arrangement could with propriety be applied. The directors submit that under any circumstances the employment of any agency, other than the company's own, to connect the sections of the company's line already constructed, would injuriously affect the interests of the shareholders, and would otherwise entail considerable public inconvenience, but the inexpediency of such a course becomes still more apparent when regarded in connection with the proposal to merge the several undertakings in one, as all the arguments which have been so strongly urged both by government authorities and by the directors in favour of an amalgamation, are equally conclusive against the propriety of establishing an entirely separate agency in the very centre of the company's system. There is reason to believe, however, that a scheme for the irrigation of Scinde is being considered by the government in connection with the construction of the lower portion of the Indus Valley Railway. If this be the case there may be, *prima facie*, a reason for delaying a decision as to the lower half of the undertaking, between Kotree and Sukkur, or for adopting, in the case of that part of the line, a principle different from that which would otherwise commend itself. But it does not appear to the Board that the consideration of that question affects in any degree the upper half of the line, between Mooltan and Roree, or that it need involve any delay in proceeding with that portion of the undertaking. If the upper

half of the line were constructed the worst part of the navigation of the Indus would be avoided, as well as the necessity of making the passage of the rapids at Sukkur; and the efficiency of the company's flotilla would thus be more than doubled; while the time when the Scinde and Punjaub lines will be sufficiently remunerative to relieve the State of further payments of guaranteed interest would be immeasurably hastened.

I am, Sir,

Your obedient servant,

(Signed) W. P. ANDREW, Chairman."

"ALLEN'S INDIAN MAIL," 18*th August*, 1869.

We publish elsewhere Mr. W. P. Andrew's letter to the Secretary of State for India on behalf of the Sindh Railway Company's claim to construct the line of railway from Mooltan to Sukkur and Kotree. Mr. Andrew certainly advances some good reasons for allowing the company of which he is chairman to carry out the programme of their own designing. The line between Mooltan and Kotree would fill up the present gap between two sections of what is virtually and will soon be formally one undertaking. It has been surveyed at the cost of the Sindh Railway Company, whose staff of trained engineers could begin the work at any moment. Its construction would ensure an early return for the money laid out on the Sindh and Punjab railways; and the Punjab Government has enforced this last argument by urging the concession of a guarantee for that purpose to the Sindh Company, on condition that the whole line from Kurrachee to Delhi should be placed under one agent dwelling in Lahore. To our thinking the demand is entirely reasonable, and accords with the spirit of the new rules proclaimed in the Indian Minister's recent dispatch. The Indus Valley line may fairly be classed among the extensions which the Duke of Argyll proposed to leave in the first place at the disposal of the existing companies. If the Sindh Company is ready to begin work upon it under due conditions of time and outlay, we should think that the Government would act with equal fairness and wisdom in keeping under one management the several sections of what would practically

be one line. There is open of course to Government the alternative of buying out the company altogether; but as that is probably out of the question, Mr. Andrew's claim deserves all attention, and his management of the existing lines forms an additional argument in his favour.

"HERAPATH'S JOURNAL," 31*st July*, 1869.

The Duke of Argyll proposes that the Government, instead of companies, shall in future construct railways in India, and that the money shall be raised at 4 per cent. interest instead of 5; that some 7,000 miles of new and additional railway shall thus be constructed, which is about double the length made.

We wish the Indian Government may get money at 4 per cent., but we have no hope of it. When money in large amounts is continually wanted, a liberal rate of interest is necessary, and 5 per cent. upon Indian security, and under such conditions, does not seem too much.

As to the Government itself making the new Indian lines, it should be considered whether the Government is likely to make lines of railway as substantially or as well as companies managed by persons having a knowledge of the business. Take for example the greatest and most important of the Indian lines, the East Indian. It is well known that the construction of this line is excellent, but why so? Simply because the business has been well attended to and skilfully managed. Would the Government have constructed it as well? We doubt it. In all probability, instead of costing less it would have cost more in the hands of the Government, while it could not have been better constructed than it is. People commonly think that they could build their own houses better than contractors do for them, and that they could save the contractor's profits, but they only find out their mistake when they are so unwise as to undertake the work. "Wise men buy, fools build houses," and something similar will apply to railway-making by those who can hardly be supposed to be well up in the work. It is much better for the Indian Government to confine itself to guaranteeing lines than to attempt to build them itself.

THE "RAILWAY RECORD," *July 13st*, 1869.

INDIA—THE BACKWARD PATH.

On Friday last the Duke of Argyll, as Secretary of State for India in Council, laid on the table of the House of Lords certain despatches received from the Government of India, on the subject of the construction of railways in India, and in doing so made a statement in regard to the finances of the Indian Empire; in other words, the Indian Budget, which it has been the custom hitherto to lay before the House of Commons, was submitted in its general and broad outline to the Upper House. As a whole, the finance of India must be regarded as in a very satisfactory condition, and the extraordinary increase in the revenues of India must be accepted as in the highest degree remarkable, whilst at the same time the declared policy of the Secretary of State for India, in reference to the future railway works in that empire, presents itself to our mind as one of the most striking illustrations of the *non sequitur* school of reasoning that it has been our misfortune of late years to encounter.

In the year immediately preceding the mutiny in India (1856-57) the total Indian revenue stood at £33,378,000. In the year 1867-68 it stood at £48,534,412; in other words there was an increase of £15,156,000, which in fact amounted to 45½ per cent. In the year before the mutiny the imports were £28,680,000; in the year 1867-68, they were £44,291,000; being an increase of £15,500,000. The exports in the former year were £26,500,000, and the latter £50,000,000, being an increase of £23,500,000. It is not necessary that we should point out in detail the specific articles of export in which the enormous increase has been more specially manifest, but the export of raw cotton attracts attention from its striking magnitude. For instance, in the year before the mutiny, the export of raw cotton amounted to £1,400,000 only; but in 1867-68 it had increased to no less than £8,318,000! Without, therefore, encumbering the few remarks which suggest themselves to us regarding the policy of the Duke of Argyll in reference to the construction of the future railways of India being taken in hand by the Government, it is impossible to conceal from ourselves the conviction that these vast figures representing the increase in the imports and exports of India would never have been attained without the establishment of

the facilities of transit, both for men and merchandise, which have been provided by the system of railways in that empire. Nor is it necessary that we should do more than simply remind our readers of the unceasing exertions which were necessary to overcome the *vis inertiæ* of the old East India Company, which for a long time obstinately refused to listen to the proposals of the early promoters of railways in India, when capital was abundant and was prepared to embark in these works without any guarantee at all; but the favourable opportunity being allowed to pass away, the necessity for railways in India becoming year after year a more deeply settled conviction, the guarantee became a *sine quâ non*. To the efforts of private individuals and the necessities of Lancashire are we entirely indebted for the introduction of railways in India, and certainly not either to the old East India Company or to the Board of Control. Indeed, Lord Lawrence, in the recent debate, admitted that India either would not have had railways at all, or at all events, not at so early a period, had it not been for the exertions of private individuals.

It is notorious, moreover, that the companies which undertook the construction of railways in India, have not unfrequently been harassed rather than assisted in the prosecution of the works, by the interference of governmental officers unacquainted with railway construction, and there would be something amusing in the tone of surprise affected by the Government of India at the excessive cost of railways in that country, if it were not painfully true that the cost of these works has been greatly augmented by the action of the government itself and its subordinate officers.

Yet in spite of all this no one will deny that the outlay has been productive of vast profit to the country, not only commercially but morally. To use the words of Lord Halifax (Sir Charles Wood) in the recent debate :—"Nothing has created a greater revolution in India than the construction of railways, which have done more to break down caste, and to diffuse European notions, and with them civilization throughout India, than anything else."

Shortly before leaving India, the late Viceroy (Lord Lawrence) took occasion, in an official resolution, to express "his satisfaction at the steady progress towards completion of the system of railways undertaken by the Scinde Company, and his appreciation of the labours of those by whom the construction of the Delhi line had been so far and so rapidly advanced." By a curious caprice of fate, as dispensed by an Indian Secre-

tary, the very company thus commended by the highest official authority, would appear to be the first whose interests are to be wantonly sacrificed as a reward for its past exertions.

In the recent report of Mr. Danvers it has been shown that the burden of the guarantee system upon the revenues of India is gradually recouping itself; and there is little doubt that in a few years it will certainly disappear on the existing authorised capital, as the commerce of the country becomes more and more developed, leaving the government free to act in reference to the future extension of the system, upon any principle which may be proved to be the most economical and efficient. From the statement of the Duke of Argyll on Friday last, his Grace appeared to consider himself justified in assuming that the most economical and most efficient mode of constructing future railways in India would be to carry out the work by the government, instead of through the agency of companies. The British public, unfortunately, are very imperfectly supplied with data in favour of this view of the case, and it would be in the highest degree desirable before a decision is arrived at upon a matter of such importance, that the House should be furnished with the cost of public works in India exclusively in the hands of government, the time occupied in their construction, and the detailed financial results. Similar details of public works in this country conducted by government, would, we fear, fail to support the correctness of the general proposition, that public works conducted by government are either more economically or more efficiently carried out, than by the agency of private enterprise, whilst, in reference to the construction of railways in India it is beyond dispute that the engineering staff of the different companies conducting operations in that country, have nothing to learn from military engineers, but on the contrary, constitute a body of teachers to the authorities who are empowered to interfere with and curtail their operations. We apprehend that in any event, the government will, from the very necessity of the case, be obliged to contract for the work; the existing staff of the private companies must become the servants of the government, and where the profit to the government—the "large margin" of which the Duke of Argyll spoke with so much unction, is to be found—we confess ourselves unable to realise even in imagination!

In another part of our paper of to-day will be found an exceedingly sensible and well-written letter on this subject, which is deserving of very serious consideration.

But the Duke of Argyll is fertile in assumptions. The *Times* of Wednesday has the following on the financial portion of the scheme :—

"It appears," says the City article, "from the financial speech of the Secretary of State for India that it is contemplated during the next ten or twenty years to construct 7,000 additional miles of railway in that country, being nearly double the amount thus far completed. Supposing the outlay to be at the same rate as hitherto, the cost will be £126,000,000, and even if, as seems to be hoped, a reduction of one-third can be achieved by the work being carried on by the Government, instead of through the agency of companies, the *minimum* required will still be £84,000,000. Taking fifteen years as the average of time over which the outlay is to be spread, it would thus be necessary to raise about either six or eight millions a year throughout the whole period. The Indian Government calculate that because they can now get money at 4 per cent. they may hope to effect the whole operation at that rate, and thus avoid the necessity of guaranteeing 5 per cent. to public companies. In the City of London, however, there will be little response to this sanguine anticipation. The sums raised during the past fifteen years under the 5 per cent. guarantee and the prospect of future profits have not been obtained without difficulty, and throughout the whole time complaints have been heard that the constant drain was injurious to the prosecution of enterprise both at home and in other countries of as much importance as India to our commerce. Hence it will be prudent to assume that an average of 5 per cent. will be the lowest that can be contrived. With regard to the expediency of the work being henceforth carried on directly by the government, instead of, as heretofore, by a double and constantly conflicting agency, there will probably be little difference of opinion."

The concluding paragraph of the foregoing extract is open to objection. For ourselves, we believe that it is not expedient, if it were within the capacity of the Indian Government, to construct the future railways of India; whilst at the same time we cannot bestow our unqualified approval on the double and frequently conflicting agency which has hitherto been in force. We, however, believe the guarantee system to be capable of some modification by which the evils of red tape might be greatly mitigated, and greater economy secured in the construction of the lines.

But the financial part of the question is, to our way of

thinking, secondary to the retrogade policy which seems to find favour with Indian statesmen, to whose generally enlarged views we have long been accustomed to bow with respectful attention.

We had fondly hoped that the encouragement of the principle of private enterprise in India, so highly prized by Lord Dalhousie, by Lord Canning, and by other distinguished Indian statesmen, and, which has borne such good fruits was too highly esteemed to be lightly set aside, and treated with indifference. Irrigation works and railway works are to be taken into the hands of the State. The government only the other day bought up a colliery company at the par price of its shares. Is it intended to buy up the tea plantations? The cinchona and the coffee? or to purchase the existing railway companies? We are surely going back to the policy of the old East India Company, and not acting in the light of 19th century policy! as Lord Dalhousie said:—"All the rest of the world are progressive, India alone stands still." Nay, not standing still. If the policy enunciated by the Duke of Argyll the other night is to be indeed acted upon, India is about to tread the path of retrogression.

The policy which we should advocate as best adapted to the advancement of India, and the development of her immense resources, is one which should invite and not discourage private enterprise to her coal fields and iron deposits, to the utilization of her numerous valuable vegetable productions to the purposes of manufacture, and to make the hand of government felt only for the preservation of peace and order, and the collection of revenue; together with those other duties of a good government as the equal administration of the law, freedom of religious opinion, the diffusion of education and the like. The rest should be left to private enterprise, unshackled and unencumbered with the interference of a too paternal government.

"RAILWAY TIMES." 31*st July*, 1869.

The remarks of the Duke of Argyll, as Secretary of State for India, are exciting general attention. In common with youthful statesmen generally, who have grown up to manhood, and to reputation, since the commencement of the existing system, his Grace is at a loss to comprehend how, in presence of the facts of the day, the Government could have been induced to enter upon its prevailing arrangements with the various Indian undertakings. His Grace's acquaintance with these affairs is of yesterday, and his ideas of government, naturally are for the future; it might not be unwise, however, not merely in his Grace, but in other statesmen or officials who are destined to rule the country under different circumstances than those in which their predecessors were placed, to instruct themselves in the exact condition of affairs when policies which they now disdain were entered upon, and when lack of knowledge, alike in respect to agencies and events, was considered reason sufficient for acting with caution on the one hand, and of entering upon alliances with practical men on the other.

There was, it may almost be asserted, no "finance" in India twenty-five years ago. That branch of political economy was as little understood in Leadenhall-street as in Calcutta—as little understood as the then surprising theory of railway communication over thousands of miles of uninhabited, certainly of uncivilised, territory. The East India Company—a trading corporation, but one quite as familiar with war and conquest, and their concomitant costs, as with commercial enterprise—positively declined to undertake the supervision of railways, either in construction or management; and hence the origin of the system that has hitherto worked so well for all parties, and which has not (we make the statement with all deference to his Grace of Argyll) resulted all in gain to the subscribers, and in loss to the Government, which, we may hint, is not the originator of the system, but simply the successor of the East India Company in the matter.

Twenty-five years ago the directors of the East India Company could not have raised a million in the market upon the announcement that they intended to expend the sum in railway construction under their own supervision. Even at this day, we question whether the India-office is capable, not of conducting the system of railway extension propounded by

his Grace (for in such capacity it is altogether deficient at present), but of discharging the minor duty of selecting new and proper officers to whom the task could be confided. These functionaries can alone be obtained from the host of officials educated under the present system, and without whose assistance, in some shape or other, Government supervision in India must entirely fail. It is not prudent to decry a system from among the officers of which the whole of the future Government executive must be selected.

It is a fallacy to suppose that the funds for construction of railways in India have been raised under a Government guarantee of five per cent.—a fallacy only surpassed by the supposition that, in consequence of the acknowledged usefulness of railways in India, apart from their revenue results, funds for future construction can be raised at four per cent. The original guarantees from Government in addition to an immediate five per cent., included half surplus profits after that rate had been obtained from earnings. This additional security, twenty-five years ago, had perhaps little influence upon the public mind, or at least upon its purely commercial element. A large proportion of the early subscribers to Indian undertakings were superannuated officers, civil, military, and others, practically acquainted with India. These persons were aware that railways, although urgently required in every political and social sense, could not pay interest on their cost of construction for many years; and a mere five per cent. upon Indian enterprise, being much less than what at the time could be safely and speedily secured at home, would not induce *them* to embark their Indian savings in Indian undertakings. It was at the suggestion of these invaluable coadjutors to political and social improvement in India that half surplus profits were embodied in the arrangement; and it was only these persons, and their immediate relatives, who at the first attached value to the consideration. These half surplus profits, however distant, were to Anglo-Indians, and to all whom they could influence, a clear and distinct addition of two-and-a-half per cent. per annum, to be derived by the next generation from the forethought and sagacity of their progenitors. It was by such a process that the Indian invalid, poorly pensioned, contemplated a reasonable and perhaps a respectable provision for his more immediate descendants. Let an attempt be made to raise money, to be expended in India on railway construction, at five per cent. (we decline to discuss the fallacy of four), without this addition of half

surplus profits, and two events will speedily disclose themselves. In the first place, the great source of subscriptions from individuals personally connected with India will be dried up; Indian officers, civil and military, will cease to embark in schemes in which their families are to have no prospective advantage, knowing as they do that India in the next century will only begin to realise the expectations entertained of it when British supremacy was first implanted on its soil. The second event which cannot fail to teach even the India Office will make its appearance in the vast differences in value which the public will assuredly attach to the old and new investments in Indian railway securities.

Take the case of the larger lines which are approaching completion, and whose half surplus profits are already, like coming events, casting their shadows before them. Will the general public be more or be less disposed to purchase the stock of these undertakings on account of there being no further issues—with their capital, in fact, closed?

It is not our purpose to pursue the financial part of the question to its legitimate conclusion. This result will arrive soon enough of itself. We revert therefore to the more practical branch of the subject.

Government is satisfied that there must, within a moderate period, be at least six thousand additional miles of railway constructed in India. It is assumed by the functionaries in the India Office—by the tyros who have been educated under a system which had to be constructed and arranged, and tenderly dealt with, while they were at school—that they are sufficiently competent to undertake duties from which their fathers shrunk, and that there need be no misgiving in respect to the management and its consequences which is to issue from their hands. We shall not, at this stage of the proceedings, attempt to controvert the conclusion. Although we have no faith in the practical result, we concede that as a matter of theory railways may *now* be constructed in India, under direct Government supervision, as economically as they have been by companies who had to struggle with difficulties they have overcome, and of the advantage of which, with all other experiences, the Government officials of the day obtain gratuitous possession.

In the first thousand miles which the necessities or peculiarities of India urgently require, the Indus Valley must occupy a prominent position. This line had been handed over to the Scinde company to survey, in consequence of the

chairman of that company having not merely originated the scheme, but proved and enforced its advantages and necessity to a demonstration which the India Office could not resist. The Scinde company has discharged its preliminary functions. It has made the survey, and drawn up the estimates, under the conviction that the line, when sanctioned, would be handed over to the company for construction. The new system is intended to be based on the assumption that construction can *now* be more cheaply carried on under Government supervision than by corporate control. We do not contradict the dogma; but, before placing the slightest reliance upon it, or on the results expected, we should prefer to be informed under what sub-agency Government intends to proceed. Are the Scinde functionaries to be drafted from that company, or is each undertaking in India to incur the liability of having its best men taken from it, so that the India Office may be able to show that Government supervision, by the aid of companies' officers, is better and more economical than corporate supervision which had, in the first instance, to educate its officers in the rudiments of their duty? We shall obtain an answer to this question, no doubt, when Indian budgets of the future come under the annual criticism of the House of Commons.

It matters little, at the present moment, what extent of mileage may be contemplated for construction in India during the next twenty years. Statists and sophists may descant on what India may become in fifty years after the introduction of railways into the empire. The question for to-day, and late enough it is, assumes the form of an enquiry—When is the Indus Valley, the surveys for which are complete, to be commenced? It is comparatively a minor question to the general public whether or not the Scinde company should be deprived of the concession it has been led to anticipate, and to which it is entitled, notwithstanding the new system to which the Secretary of State for India has given his adhesion. We are satisfied that the concession will not be withheld; we are persuaded that the company will construct the line in a better manner, and in a shorter space of time, than Government supervisors, in the freshness of their task, are likely to undertake. But it is of paramount importance that the Indus Valley should be commenced and finished without delay. We need not repeat, although we revert to, the admirable exposition recently furnished to the highest officials in the State by the Chairman of the Scinde, in respect to the urgency, utility, the social necessity, and the political advantage of an

early completion of this undertaking. It is sufficient to note the fact that every hour's procrastination in this great work involves a pecuniary loss to the shareholders in the Scinde, whose half surplus profits (notwithstanding the readiness with which they provided previous capital, and the exemplary energy which their executive has displayed in discharge of the trust confided to them) are placed beyond their reach until the missing link in the system they have had to supply is provided.

The vast conceptions of the India Office may charm the enthusiast; and the estimate which these officials form of their own capacity may be endorsed by an admiring host of applicants for office; but the new system, like the old, will speedily be broken up into detail. Each separate suggestion will require to be taken on its own merits; every obstacle demand its own means of removal; and there is too much reason to fear that years must pass away before any substantial progress is made, either in raising the money or in expending it, under the new order of affairs.

THE "OVERLAND MAIL," *August 6th*, 1869.

The agreement at which the Secretary of State for India and his Council arrived, that it was their duty, at least, to try the experiment of some less extravagant mode of raising and spending money in developing Indian railways, was reasonable enough. Backed as it was by the independent advice of Lord Lawrence and of the present Governor-General, it is not surprising that something more than the usual official alacrity was displayed, and an answer sent to India which we trust will not bear the result that proverbially clings to things done in haste. The reply that has been sent to India sets on foot an experiment with the object of economising, and the Government of India is now fully empowered to undertake the construction of railways, raising the money on their own credit, and expending it by their own officers. The Government—so believes the Duke of Argyll—can raise money better, and expend it better than the companies; why then, he inquires, should they not be their own contractors, employing their own labour.

There is something specious in what is said, but we must confess to finding too much of the bubble-company sentiment

about this extensive speculation of the India Office for us to place unbounded confidence in the undertaking. The object is most laudable, the energetie action quite exemplary, but we do not believe that simply because the Government undertakes the construction of the lines, and thus establishes single responsibility and single management, it must necessarily be contrary to the nature of things if there is not a considerable reduction in the cost of Indian railways. This is what the Duke of Argyll believes, but we venture to think that he may be wrong both in his estimate of the rate at which the Government can raise all the money requisite to carry out his complete railway scheme, and in the facilities for managing expenditure so as to ensure a saving. If we are disbelieving in the matter we are not to blame, for we can trace our prejudice to well taught lessons by the State; lessons that have been so successfully enforced, that the proposal will be incredulously set aside at once as undesirable by many, not on the merits of the particular case, but on general grounds.

The fact is, the establishing of railways by the State comes upon us like a counter-blast to recent disestablishing. It is not an idea confined to Indian railways; the appropriation of Irish railways by the Government is seriously entertained, and a popular statement of what might be enjoyed in the way of comfort and economy, both of time and money, if all our railways were in the hands of the State, proves in the most cheering way that it is only necessary for Government to buy up all the companies to produce a railway millennium. To complete the installation of the Government as traffic managers, we suppose omnibusses, cabs, and steamboats should be made over in addition. Of course there would be the entire saving of law expenses in trying to pass new railway bills. All the money that runs into the pockets of directors, solicitors, and head officials, would run instead, not into shareholders' but passengers' pockets, and with a perfectly harmonious working among all the lines, and a uniform charge of about fourpence for a first-class ticket for a journey of five miles, increasing to, say, five shillings for fifty miles, what pleasure would be experienced during the three hundred million journeys which, allowing for increase, would be about the number taken by railway passengers in Great Britain in a twelvemonth.

We must say the happy sketch Mr. Williams has drawn *is* what he calls it, "a popular statement," but he founds all his theories on the principle that the State does not want to make

any profit, and that there will be no shareholders crying out for dividends. Passing over the thought which crosses one's mind, that the present stockholders would have to become lenders to the Government, and, consequently, remain dividend receivers, and that even if trains can run without lawyers a good deal of direction and management will be essential anyhow, we notice the contrast between this scheme and that of the Duke of Argyll. The Duke seems to stipulate that the Government of India, if it takes responsibility at all, it is not to do so merely for the advantage of the country, but is to look for profit, so that at least there may be a margin to be applied to the reduction of capital invested.

It must not be overlooked that the case of Indian railways stands upon merits of its own which are altogether dissimilar to any other, and thus it is perhaps beside the mark to cite instances of the expensive working of State railways. The system is to be applied in India, if at all, to supplant a system of Governmentary responsibility that is inconsistent and in many ways unsatisfactory. Otherwise there is much to be brought together from Continental experience on the subject. In Prussia, where the railways are held, in some instances, as private enterprises, in others by public companies, and also to a large extent by the Government, it is, if we mistake not, demonstrated that in the matter of railways, as in so many other enterprises, it is found private management produces the greatest economy; companies come off with a medium position; and the State lines are the most expensively conducted.

THE "OVERLAND MAIL," *August 6th*, 1869.

Outside Parliament, India has been the subject of the week. The prominent consideration given to the various propositions before the country have been discussed, not only with freedom, but in a remarkably popular fashion, so that the general public has for once had a word to say on our Eastern empire. The principal topic has been the railway scheme, and the Parliamentary utterances, and two official documents to assist with details, have furnished excellent material for newspaper articles, and they in turn have produced an abundance of correspondence.

We have reprinted, as far as our space admits, with extra pages, the news of the week affecting India. One letter, which we reluctantly omit, urges a point or two with peculiar force. To compare the present likely cost of a railway per mile with that of the first experiments in railway making in India is treated as unfair, and it is urged that we must at least, in estimating the Government plan, "bid adieu to the forty-two millions of saving." As the *Daily News* remarks, it could scarcely be expected that the departure from a recognised English principle would meet with full concurrence in this country. Mr. Crawford's very modified protest against it unquestionably expresses a feeling which exists rather extensively in the City.

"MONEY MARKET REVIEW," *7th August*, 1869.

The time has not yet arrived for forming an accurate judgment of the new Indian railway policy, as enunciated by the Duke of Argyll. It certainly presents the appearance of some external advantages. It is cheaper, for example, to pay 4 than 5 per cent. for loans—that is, in the abstract; but times have been when the credit of individuals has been greater than that of States; and it is anything but certain that Government railway management, even in India, will be superior in economy to that by private companies. As to the belief that expenditure may be kept more under control when incurred by Government than when incurred by companies, it is sufficient to observe that experience by no means warrants such a supposition, and it may be as well to suspend judgment upon that point for the present. In the meanwhile, we must deal with matters as we find them; and we find that the policy is to be adopted of the Indian Government itself making the future lines of the country, but that certain extensions are to be excepted from the rule on grounds special to themselves. It is certainly only just and reasonable that such exceptions should be made; and there is one which should be especially admitted, not only from a sense of justice towards prior claims, if not rights, but in the general interest on the grounds of public convenience and indispensable combinations with existing lines. We refer to the Indus Valley Railway, which is to connect the lower portion of the Scinde Railway Company's

line at Kotree with the upper portion at Moultan—the "missing link," so called, because it is a necessary part of the Scinde Company's trunk line—designed to obviate the cost and delays of navigating the Indus between the two points.

To make this question popularly understood, it will be necessary to explain in a few words what the Scinde Railway Company's system is. It is, as a railway system, one of the most important in India. Uniting Delhi and Lahore with the sea at Kurrachee, it opens up to trade not only the whole of the Punjaub, but the countries to the west beyond the mountains; and it brings within its range the capitals of all the Presidencies. The traffic, already large, is so infinitely capable of development that it will, within the next generation, make Kurrachee to the Indian Peninsula what New Orleans is to the valley of the Mississippi; and through Kurrachee and the Scinde and Punjaub system our military power in India will be virtually doubled,. because we can transport troops and stores with unprecedented facility. But, as just said, there is a missing link in the system between Kotree and Moultan, which at present the railway company, who virtually hold a concession of the traffic on the entire route from Kurrachee to Delhi, supply by means of steamers, and supply well, all things considered. This missing link is on all sides circumscribed by the railway system of the company. It is met on the north and it is met on the south. Naturally, therefore, the concession for its construction should go to the company, to whose system the missing link undeniably belongs, because they can best adapt the works to the system already existing, and, when constructed, they can best work it in harmony and co-operation with the lines on each side, and so the internal and maritime trade be assured of the utmost accommodation. There has hitherto been the strongest reason to conclude that the concession would be given to the Scinde and Punjaub Company, especially as the company were prepared to méet the views of the Government in respect to superintendence and so on. But the new principle here stepped in; and the idea is now entertained by the Government of working this line for themselves. We have no hesitation in saying that the employment of any other agency than that of the company in this work will, under these circumstances, be injurious to the public, and we cannot believe that the decision is finally taken. A separate agency in the very centre of a combined and independent system could not fail to be inconvenient. If the Government contemplate a scheme for the irrigation of Scinde

in connection with the construction of the lower portion of the Indus Valley line, this may be a reason for deferring the concession of that lower portion; but as to the upper part, between Moultan and Roree, the concession ought to be granted at once, and the line made as speedily as possible. We say this because there are other grounds for maintaining that this missing link is, or ought to be, one of the exceptions to which the Duke of Argyll pointed the other day, and because it is in this respect peculiarly marked out, by the conditions we have just described, for exceptional treatment from the other eight or nine railway works which the Government appear to be contemplating. "I believe the time has now come," said the Duke—"except with regard to the small extensions of the existing lines which ought to be given to the existing companies —when the Government of India ought to take into its own hands the construction of new lines at its own costs." Now, the Indus Valley line is an extension, or, rather, it is a link in the Scinde and Punjaub lines, and, as such, it clearly comes within the rule laid down. Moreover, the whole course of the Government policy towards the company has run in the same current. It was always understood that the company were eventually to make the line in order to complete their system; that the only point regarding which any doubt existed was the precise time when the work should be authorised; and we observe that Mr. Danvers, in his report just issued, after speaking most favourably of the several sections of the system, refers to their amalgamation, adding, "Much advantage, both in the shape of economy and simplicity of management, will be obtained by this arrangement." That is, by the amalgamation. But the system never can be complete unless it includes the missing link; consequently the amalgamation, so advantageous in "economy and simplicity of management," will be but an imperfect arrangement after all unless the Government concede the point for which the company is contending. We should like to see some expression of public opinion upon this subject. To us the case appears to present no doubt at all. Exceptions to the new rule of Government have been admitted, and this is certainly one of them; and we hope that the efforts of the company will be rewarded by their being allowed to complete their own work.

THE "SATURDAY REVIEW," *August 7th*, 1869.

The chief point of present interest regarding India is the rate of progress and the mode of construction of future railways; and on this head we are glad to see that a very considerable change appears to have come over the minds of the India Office authorities between the date of the statement in the Lords and that of the statement in the Commons. Mr. Grant Duff seems to be quite alive to the rather obvious truth, that if unproductive or slowly productive works are to be pushed forward with boundless energy on borrowed capital, the rate at which the money can be borrowed will be something very different from the Duke of Argyll's four per cent., and that the Indian Treasury will be insolvent, in the sense in which States are insolvent which must go on borrowing to keep down the interest of their debt. Mr. Grant Duff laughed at the notion of spending ten millions of borrowed money every year to please the Cotton Supply Association. If the Government only mean to borrow as much as can be borrowed at a low rate, there is an end of all controversy, and we may be perfectly certain they will not go on too fast. They have got an enormous system of future railways sketched out on paper; but paper sketches ruin nobody, and their actual proposals for railway enterprise in the coming year are on the most modest scale. It was quite worth considering whether the railways of India should for the future be made by the Government or by Companies; but Mr. Crawford, who is eminently fit to enter on the subject, abandoned the question of the future, and only tried to defend the policy of the past. He wished to stand up for the Company of which he is the Chairman, and the Companies could not have been better represented, for, besides that he is an exceptionally good Chairman, the East Indian Railway is a perfect model of good management, and is well constructed, well worked, and well administered. As it is conceded that the Government is for the future to make railways, the only question is whether they shall buy up the railways of the existing Companies. We think this would be most undesirable. The existence of these Companies, managed from London by private persons, will tend to counteract some of the great drawbacks attending the direct construction and management of future railways in India. With some of the objections urged against this action of the Government we

cannot agree. Mr. Crawford says that the Government cannot purchase a large quantity of rails as cheaply as a Company can do, for the Government must buy by tender and this will raise the price. But in the first place, there is no necessity for the Government buying by tender, if it will but employ honest and capable officials; and we may rely on this being done, for of the India Office it may be confidently said that the whole atmosphere of the department is hostile to jobbery. And then, if Indian railways are to be constructed on the prudent and humble scale suggested by Mr. Grant Duff, the quantity of rails wanted for India in any one year will be but a drop in the ocean of the iron market. Russia, it must be remembered, is making thousands of miles of railway as fast as it can on the very principles which the Indian Government is but going to adopt. It is borrowing wildly at something between six and seven per cent., without troubling itself about how the interest is to be provided, and no doubt the consequence will be that Russia will in a few years have its power consolidated and its resources developed in an extraordinary degree. But a Government which makes up its mind that it will only borrow at four per cent. and so far as it clearly sees its way to providing the interest, will have a very tiny effect on a market perturbed and controlled by the vast operations of Russia, and of other countries that will imitate Russia if they can. Nor will there be any want of competent persons to construct the Government lines in India, or to lay them out, or to control and work them. There is only too abundant a supply of the kind of skilled labour which the Indian Government will need; and as men will always work for a Government at a less rate than they would demand from private persons or bodies, there is good reason to suppose that the Government can construct its railways henceforth more cheaply than if it were to entrust their construction to companies.

But there are drawbacks to the exclusive management and ownership of the Indian railways by the Government, against which the existence of the present great companies offers a salutary counterpoise. In the first place, the railways belonging to these companies offer a field, limited of course, but not wholly insignificant, to private unofficial Englishmen in India. The Indian Government hates European settlers, and does everything to discourage and worry them; and it does this for very good reasons, because the kind of audacious vagabonds who are most willing to present themselves as European

settlers are exactly the class of people to insult and oppress and illtreat the natives, and to stir up endless ill-feeling and thwart the benevolent and wise projects of the Government; and, moreover, the Government has no machinery for keeping English evil-doers in order, for they would be always appealing to Cæsar, and laying their griefs before the House of Commons. But still it seems a pity that there should be no outlet for private families in India except through official channels; and the Railway Companies supply one. The inevitable tendency of the Indian Government will be to collect all its railway staff that has to come from England by competition, and to admit in India those only who know how to gain the favour of minor officials. Competition is all very well in its way, but a rival system by its side has great advantages. An able engineer or traffic manager who has had experience, and wants Indian pay, has a chance of employment from one of the companies whose chairman or secretary can see him and attend him, or inquire about him. But he could do nothing at the India Office, where he would be told that when he was ten years younger he ought to have passed an examination. And, in the next place, these companies, with independent boards, and with officials residing in London, afford an excellent means of keeping up the knowledge of India as to what is going on in the railway world here. Mr. Crawford on Tuesday went into an instructive comparison of the working of his line with that of the North Western. It is a matter of personal satisfaction to a man of inquiring and organising mind to go into these comparisons, and a person in Mr. Crawford's position can make them with an ease and completeness which no Indian official could rival. There are also improvements yet to be made in the construction and working of railways which, it is reasonable to believe, will make a revolution in the ideas of men on the subject. Experiments are being made even now, with every appearance of success, which promise to show that railways can be constructed and worked at a cost which would have been impossible a little while ago. India will soon hear of such improvements through companies which have London engineers and directors, and which outsiders can approach; but a staff of purely Indian officials, recruited by lads fresh from an examination, would be sure to disregard and laugh at them as long as possible, simply because they have never had an opportunity of seeing them, and of knowing what is going on in England. The disadvantage which the Government