

MADRAS RAILWAY COMPANY.



RETURN to an Order of the Honourable The House of Commons,
dated 12 April 1853:—for,

COPIES "of the CORRESPONDENCE between the PROMOTERS of the
MADRAS RAILWAY COMPANY and the COURT of DIRECTORS of the
EAST INDIA COMPANY; and of the CORRESPONDENCE between the
BOARD of CONTROL and the COURT of DIRECTORS; and of any
OFFICIAL REPORTS with reference to the same Subject."

East India House,
19 May 1853.

JAMES C. MELVILL.

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(Mr. Bright.)



Ordered, by The House of Commons, to be Printed,
31 May 1853.

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COPIES of the CORRESPONDENCE between the PROMOTERS of the MADRAS RAILWAY COMPANY and the COURT of DIRECTORS of the EAST INDIA COMPANY; and of the CORRESPONDENCE between the BOARD of CONTROL and the COURT of DIRECTORS; and of any OFFICIAL REPORTS with reference to the same Subject.

PART I.

Part I.
Correspondence.

CORRESPONDENCE between the Court of Directors of the East India Company and the Promoters of the Madras Railway Company.

To the Secretary to the Honourable the Court of Directors of the East India Company.

2, Winchester Buildings, London,
7 May 1849.

Sir,

I HAD the honour of announcing to you on the 8th of July 1845, that a company had been formed in this country under the title of "The Madras Railway Company," the immediate object of which was to undertake, provided they should succeed in obtaining the sanction of the Honourable the Court of Directors of the East India Company, the construction of a railway from Madras to Wallajahnuggur and Arcot.

In a subsequent letter, under date the 23d May 1846, I took the liberty of intimating to you, for the information of the Honourable Court, that the organization of the company, as far as regarded the provisions of the English Legislature, were completed; and in the same letter I respectfully submitted for the consideration of the Honourable the Court of Directors, a copy of the report of proceedings of the first general meeting of the shareholders of the company, held on the 19th February 1

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will therefore, in concluding this letter, merely state, that the formation of the former company was hailed with the greatest satisfaction by the community at Madras, who lost no time in appointing a local committee for the purpose of co-operating with the directors in this country, from whom we received much valuable information, both statistical and general, entirely confirmatory of the opinions entertained by the promoters of the undertaking, that, whether in the facilities for the construction of the proposed railway, or in the inducements to it in a commercial point of view, no line could be selected throughout India which would more completely fulfil the object expressed in the Honourable Court's despatch to the Supreme Government of India of the 7th May 1845, viz., "to suggest some feasible line of moderate length as an experiment for railroad communication," than the line from Madras to Wallajahnuggur.

I have, &c.
(signed) *J. A. Arbuthnot:*

At a Meeting of the Promoters of the New Madras Railway Company, held at No. 2; Winchester Buildings, on Tuesday the 1st of May 1849,

Present:

John Alves Arbuthnot, Esq., in the Chair.

Sir John Campbell.	J. O. Walker, esq.
Hon. Captain Hotham.	Henry Maltby, esq.
J. Scott, esq.	— Bourne, esq.
John Sullivan, esq.	— Currie, esq.

It was Resolved,

1. THAT, considering the favourable modification recently made by the East India Company in the terms and conditions proposed for the introduction of railways into India, it is desirable that the Madras Railway Company be revived, with the view of securing to that Presidency a participation with the others in the advantages thus offered.
2. That the Company be accordingly forthwith recognised.
3. That in consideration of the expenditure incurred by the old company in collecting plans, surveys, sections, and other information, which will now, to some extent, be available for this company, it is fit that some preference should, on this account, be given to such of the old shareholders as shall now renew their interest in the undertaking.
4. That a communication be accordingly entered into through the chairman of the old company and of this meeting, with a view of obtaining the transfer of the records and interests of that company, and of arranging the terms on which its former shareholders shall be invited to join the new company.
5. That to enable the chairman to consult with such of his former colleagues as may be within reach, and obtain their concurrence, this meeting be adjourned till Monday next, the 7th instant.

At a Meeting of the following Gentlemen, convened by Mr. Arbuthnot, who were Directors of the late Madras Railway Company, held at No. 2, Winchester Buildings, 7th May 1849.

J. A. Arbuthnot, esq.	John Sullivan, esq.
Colonel Duncan Sim.	Major D. Montgomerie.

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taking. It will also be observed, that instead of addressing the Court themselves in a separate letter, as was at first proposed, the committee, on learning the step taken here, resolved to unite entirely with this Board, and to place in our hands the advocacy of their interests, as representing the people of Madras, with the authorities in this country.

Strengthened by this support, we take the liberty of expressing a hope that we may be favoured with a speedy and favourable decision on the application which formed the subject of our former letter before referred to.

I have, &c.
(signed) J. A. Arbuthnot.

Dear Sir,

Madras, 16 June 1849.

By desire of the railway committee appointed at a general meeting of the inhabitants of Madras on the 29th ultimo, I have the pleasure to hand you a copy of the proceedings of the public meeting in question, and also of those of the committee at their sittings of the 2d and 15th instant.

You will observe, that our public was induced to assemble in consequence of the modification of the terms agreed to be given to certain Indian railway companies by the Court of Directors of the East India Company, and that they unanimously resolved to take measures for getting a railway company established for Madras under similar favourable auspices. The intelligence of the revival by yourself and your colleagues of the old Madras and Wallajahnuggur Railway Company under a new form, has induced our committee to consider that they shall best follow out the views of the public meeting, by entering into prompt and cordial co-operation with your company.

The resolutions of committee will best acquaint you with the views entertained on this subject, and the proceedings already adopted.

I should explain to you, that in the survey undertaken of a line as far as Poonamallee (which must form a section of the main line), the object is to lay this down in a perfect manner, to estimate with elaborate care the expense of all work that falls to be executed entirely in this country, to determine the very best line that can so far be adopted, and thus not only to give you more exact views than perhaps you already possess of the actual cost of construction (so far as these particulars extend), as well as of the nature of this part of the country to be traversed, but also to pave the way for a more speedy commencement of the general work, when once the railway company shall have been finally and completely established.

The Madras committee are of opinion that it would be quite sufficient in the first instance to provide for the laying down of a single line of rails to Wallajah-nuggur.

They further think it eminently desirable in the interests of a company, that it should be sought to avail ourselves, in its requisite extent, of the services of professional engineers of the Madras service, because there are peculiarities of climate, and peculiarities of country, with which their local experience must render them the best fitted to grapple. They conceive also, that when the work of a railway comes fairly to be undertaken, it will be very necessary for a local Board to obtain the supervision of its details; for it is only when this is closely exercised, and by those interested in the work's success, that the interests of the general body concerned in the undertaking can be adequately cared for.

The committee expect that a considerable number of shares will be subscribed for in this Presidency, and they purpose sending you, from time to time, lists of such parties as may express their desire to take an interest in your proposed new company.

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3dly. That a letter be addressed to the Court of Directors, in conformity with the resolutions of the public meeting, soliciting the support of the Honourable Court, and dwelling upon the peculiar benefits to Madras of which a railway running to westward would be productive, the great natural advantages for construction offered in this line, and its value as a test of the remunerativeness of railways in favourable localities in India.

That it be represented further that it is deemed the interests of a company would be materially furthered by the local officers in India being allowed to give their temporary assistance to the undertaking, such being extended of course without involving any charge to the East India Company.

4thly. That, in communicating with the committee of the revived Madras and Wallajahnuggur Railway Company, they be informed that, in the opinion of this committee, a single line of rail should alone be constructed, in the first instance, leaving the formation of a double line to follow experience of the working of the railway, and sufficient land being taken up at once to admit of this extension.

Captain Collyer having volunteered his services to superintend a survey of a portion of the road--

5thly. That advantage be taken of Captain Collyer's obliging offer, and that funds be appropriated for completing the survey of about 15 miles of a line from Madras towards Wallajahnuggur.

6thly. That the following gentlemen be requested to join the committee:--
Major Smith, engineer, and T. Lushington, esq.

7thly. That the foregoing proceedings be published.

PROCEEDINGS of the Railway Committee at a Meeting held in the Polytechnic Rooms on 16 June 1849.

Present:

W. U. Arbuthnot, esq.
J. F. Thomas, esq.
G. Norton, esq.
Captain Hitchens.
T. Lushington, esq.

Captain Collyer.
Captain Bell.
Major Pears, C

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But no object of greater political importance to India can be found than the attraction of British capital to the construction of her railways; and the obvious course to attain it is, to bring out, by adequate encouragement, not such fragments of great lines as, from their inherent disadvantages, cannot be hoped to prove remunerative, but such a one as we have shown the Madras line to be. Although, in deference to the recommendation of Mr. Sims, we have taken 600,000 *l.* as the capital for its construction, the several estimates which have been made by other engineers of greater local experience, leave us no room to doubt that a capital of 400,000 *l.* would suffice for the completing of a single line, such as, in the first instance, we propose to lay down, with stations and rolling stock complete; and the estimates of traffic show very satisfactorily, that on this capital a remunerative dividend may safely be calculated on, after providing liberally for depreciation. The details of these calculations we are ready to lay before the Honourable Court, if required.

By guaranteeing the interest of five per cent. on the moderate capital required for this line, then, it is evident that the most important ends may be attained at no real pecuniary risk to the Government. We venture to assert most confidently, that no one who investigates the question can avoid the conclusion that the line, whatever more it may do, will at least pay five per cent. on its construction, and to do this, is to hold the guaranteeing party harmless, and at the same time to gain for it all the advantages, local and general, present and future, that we have pointed out, and that the formation of a real paying line in India must secure.

From the absence of all engineering difficulties, the Madras line may be completed and in operation in much shorter time than those of the other Presidencies, owing to the formidable obstacles in their way. Here we have no ghauts to tunnel and surmount; no great rivers with shifting beds to bridge; no extensive alluvial plains subject to inundation to traverse. If all this were familiarly known to the British public, as it is to us, we should have no occasion to come to the East India Company for any guarantee; but as this unfortunately is by no means the case, and the English capitalist, from want of local knowledge, is unable to discriminate sufficiently between one India line and another, it is not to be expected that he will subscribe to one which appears to be viewed with disfavour by the Government, and has been refused the guarantee accorded to others. It must be obvious to your Honourable Court, indeed, that after what has taken place, no capital can be raised in this country for making railways in India without the guarantee, until such time as the successful and remunerative working of one at least has demonstrated the substantive advantages of the investment. If the East India Company therefore desire to be relieved of the burden of future and heavier guarantees on this account, and to attract at the same time to Indian railways the capital by which alone they can be carried out to an adequate extent, they will no longer hesitate

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conditions as have been granted for the lines of Bengal and Bombay to their respective companies.

We trust we may be excused the liberty of soliciting as early a reply to this letter as may be convenient.

To J. C. Melvill, Esq.,
&c. &c. &c.

We have, &c.
(signed) *Duncan Sim.*
J. A. Arbuthnot.

Sir,

Great St. Helen's, 1 March 1852.

NOT having been favoured with a reply to the letter which we had the honour of addressing to you on the 29th October last on the subject of the Madras Railway, and having recently received from the committee at Madras an urgent appeal calling upon us to renew our efforts to obtain from the authorities in this country the same encouragement for the promotion of railways in that Presidency which has been accorded to Bengal and Bombay, we hope we shall be excused if we again solicit the favour of a reply to our above-mentioned letter.

We have, &c.
(signed) *Duncan Sim.*
J. A. Arbuthnot.

To James C. Melvill, Esq.
Secretary to the Hon. East India Company.

Gentlemen,

East India House, 25 May 1852.

THE Court of Directors of the East India Company having lately received from the Madras Government the information regarding a railway in that Presidency, referred to in my letter of the 7th September 1850, have had under their attentive consideration the application contained in your letter of the 29th October last, for the concession of the construction of that railway on the same terms and conditions as have been granted for the lines of Bengal and Bombay to their respective companies.

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Sir,

WE have the honour to acknowledge the receipt of your letter of the 7th instant, informing us that the Honourable the Court of Directors had been pleased to accede to our proposition of making the guarantee 4½ per cent., in place of four per cent. on the capital proposed to be raised for the construction of a railway from Madras.

We beg leave to state that we are now taking active measures for raising, through the instrumentality of a joint-stock company, the prescribed amount of capital, viz. 500,000 l., and that as soon as the requisite number of shares are subscribed for, we shall again have the honour of addressing you.

To J. C. Melvill, Esq.,
Secretary to the East India Company

London, 12 June 1852.

We are, &c.
(signed) *Duncan Sim,*
J. A. Arbuthnot.

Sir,

Madras Railway Company, 2, Moorgate-street,
London, 5 July 1852.

WITH reference to your letter of the 7th ultimo, I have the honour to acquaint you, for the information of the Honourable the Court of Directors, that the required capital of 500,000 l. for the construction of a railway at Madras has been subscribed.

I beg at the same time to state, that we are prepared to undertake the construction of the railway under the same conditions of supervision and control on the part of the East India Company and Local Government, as is exercised in the cases of the lines of Bengal and Bombay.

As time is of importance, instructions will be immediately given to our solicitors, Messrs. J. C. & H. Freshfield, to prepare, in communication with the solicitors of the Honourable Court, the required deeds which we are prepared to execute as soon as approved of by the Honourable Court.

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ment of British capital, skill, and enterprise to undertakings for the improvement of our empire in India, the system of contract is the more eligible, as being eminently conducive to that end. It appears, moreover, unadvisable to have recourse to a new experiment while the system now in operation seems to have been attended with success.

The Board also feel themselves bound to state that they entertain considerable doubts whether an equally effective control over the expenses of such works could be maintained in India, under general instructions from the Home Authorities, as that which is now exercised through the Railway Boards meeting in London, under the constant and immediate supervision of the Court.

It ought also to be observed, that the Madras Railway now projected would afford a very imperfect test of the cost of execution of other railways in India, inasmuch as it is one which offers very peculiar facilities of construction.

Entertaining these views of the subject, the Board, although reluctant to insist upon their opinions in opposition to those of the Court of Directors, feel it necessary to communicate their dissent from the conclusion expressed in the resolution of the Court transmitted with your letter, and they trust, that after this explanation of their views, the Court will proceed to adopt the proper measures for negotiating and contracting with a company, competent to the undertaking, for the construction of a railway at Madras, in the same manner as has been done with respect to the East Indian and the Great Indian Peninsula Railway Companies, now engaged in the construction of railways in Bengal and at Bombay.

J. C. Melvill, Esq.

I am, &c.
(signed) C. L. Cumming Bruce.

Sir,

East India House, 20 May 1852.

I HAVE laid before the Court of Directors of the East India Company your letter dated the 18th instant, expressing the views of the Board with reference to the means by which the proposed railway in the Madras Presidency should be constructed.

The Court desire me to express their regret that the Board do not concur with them in opinion as to the expediency of committing the execution of this work to the local Government; but while they continue to entertain the views upon the subject which were embodied in their resolution submitted with my letter of the 14th ultimo

Part III.
Annual Reports,
&c.

I.—IMPORTS BY LAND.

1. *Extent of Trade.*

	Rs.
1838-39 - - - - -	75,18,635
1839-40 - - - - -	85,50,598
1840-41 - - - - -	78,33,338
1841-42 - - - - -	94,26,686
1842-43 - - - - -	96,52,266
	4,25,81,523
Average - - - - -	Rs. 85,16,304

The average value it will be seen is Rs. 85,16,304. It may fairly be supposed that the actual value of the goods imported was considerably higher, and the amount has undoubtedly increased since the abolition of the transit duties.

2. *Principal Marts.*

4. During the years above noted, the entire import trade of Madras, with some few additions, was supplied by the following districts, in the proportions given in the annexed Statement.

DISTRICTS.	1838-39.	1839-40.	1840-41.	1841-42.	1842-43.
	Rs.	Rs.	Rs.	Rs.	Rs.
Masulipatam - - -	1,42,736	1,37,922	1,58,953	4,77,192	1,78,100
Guntoor - - - - -	2,20,				

Mysore	- 2,37,166
Nizam	- 1,30,181
North Arcot	- 3,14,622
South Arcot	- 1,33,386
Bellary	- 2,65,051
Tanjore	- 2,61,482

15,41,875

11. From the foregoing figures it will be observed, that the export trade by land is confined chiefly to the countries noted in the margin, value in 1836-37 aggregating to 15,41,875 rupees.

3. Nature of the Trade.

12. The articles forming the commerce with these countries are of a varied nature, such as drugs, metals, oils, oilman's stores, piece goods of British and country manufacture, both of cotton and silk; spices, timber, &c.

Those occupying the largest portion of the trade may be seen from the following Statement:

Y E A R S.				Piece Goods.	Liquors.	Cotton Twist.
				Rs.	Rs.	Rs.
1836-37	-	-	-	1,52,737	2,96,724	3,99,774
1840-41	-	-	-	2,73,506	1,32,262	1,03,779
1841-42	-	-	-	3,14,349	81,546	94,583</

Appendix (D.)

VALUE and ESTIMATED WEIGHT of IMPORTS into Madras, by Land, in the Year 1842-43, from the undermentioned Districts.

IMPORTS.	MYSORE.		BELLARY.		CUDDAPAH.	NORTHERN DIVISION OF ARCOT.	COIMBATORE.	SALEM.	TOTAL.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Chaya Root -										
Coosomba Powder -										
Bengal Gram -	136 1/2	9,056			220 1/2	5,082			372 1/2	8,341
Contooloo Dhall -	391 1/2	1,050			391 1/2	1,050			783	2,100
Grain of sorts -	183 1/2	390							402	874
Horse Gram -	4,358 1/2	7,875			4,892 1/2					

Appendix (E.)

VALUE and ESTIMATED WEIGHT of EXPORTS from Madras, by Land, into the undermentioned Districts, in the Year 1841-42.

EXPORTS.	MYSORE.		BELLARY.		CUDDAPAH.	NORTHERN DIVISION OF ARCOT.	COIMBATORE.	SALEM.	TOTAL.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Alum	Cwt.	Rs. a. p.	Cwt.	Rs. a. p.	Cwt.	Rs. a. p.	Cwt.	Rs. a. p.	Cwt.	Rs. a. p.
Benjamin	-	-	-	-	-	-	-	-	-	-
Books	-	900 -	-	-	-	-	-	-	-	-
Corks	-	2,177 -	-	3,350 -	-	-	-	-	-	-
Cotton Thread, Twist, &c.	-	677 -	-	420 -	-	-	-	-	-	-
Drugs : Camphor	-	4,840 -	-	13,680 -	-	-	-	-	-	-
" Musk	-	240 -	-	1,325 -						

