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MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.
 En-1877/5

G.O. <u>1790</u>	Press Mis.
<u>107-108</u>	
Dated <u>15-9-38</u>	

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
from 9th to 15th July 1859.*

No. 107. Read the following Proceedings of the Madras Government in the Financial (Railway) Department, dated 4th June 1859, No. 311.

Refers letter from the Government of India, with one therein
adverted to from the Consulting Engineer for Railways, on
the question of immediately putting tolls on the western } (Vide Financial Railway Proceedings from 1st
trunk road. to 10th June 1859, Nos. 10-11.)

No. 108. ORDER THEREON, 15th July 1859, No. 1720.

This order in the Financial Railway Department communicates a letter from the Government of India, with correspondence* which has been already before this Department, having reference to a proposal to levy a toll on the western trunk road. The suggestion was thrown out by the Consulting Engineer, and has now been taken up by the Government of India. The reason assigned for it by Captain Johnston was that Government ought not to go on maintaining at their own charge a road which directly competes with the railway; the Chief Engineer also (para. 8 of his letter dated 4th June 1859 No. 1259) expresses the opinion that there is no road in the country on which a toll might so properly be levied.

2. If tolls were to be adopted generally as a means of raising road repair funds, Government agree with Colonel Bell that there is no road on which, for the reasons stated by him, a toll would be so appropriate as on this; the annual maintenance of eighty-four miles to Vellore being 55,608 Rupees, besides the pay of the Overseers who are employed on it. But Government are of opinion, as they recently* declared, that it is unadvisable as a general rule to raise funds for the maintenance of roads by means of tolls, and they are unaware of any special circumstances to make this road an exception. As to imposing a toll for the express purpose of forcing the traffic to the railway, Government must record a decided opinion against the policy involved in such a proposal. A railway is first made at a very heavy expense; such high rates are then charged upon the goods traffic, that the great bulk of it continues to go by the ordinary road; and it is then proposed to levy a toll upon the road to force the goods on to the railway. The general objections to tolls are of the gravest kind; but there would be no excuse to impose one in this case; because if the rates on the railway are reduced, it will get all the traffic. To go on in this way, not reducing, but raising the expense of transit to the trade of the country, is to starve the finances and assuredly defeat the object of the Home Government and the public, who desire the development of the vast resources of India.

(Signed) J. D. BOURDILLON,
Secretary to Government.

* Communicated with order in the
Financial Railway Department 26th
January 1859, No. 49.

Vide Proceedings of Government 14th
July 1859, No. 1719.

* Order 1st June 1859, No. ¹³⁴⁴~~1341~~,
para. 6.

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PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from Captain H. YULE, Secretary to the Government of India ; to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, Public Works Department, dated 16th April 1859, No. 2424.

In reference to your letter, No. 50, dated 28th January last, from which it appears that the Governor in Council is at least doubtful of the power of the Local Government, to initiate any interference with the Railway Tariff, I am directed to send for submission to His Excellency in Council copy of a late letter* from the Right Honorable the Secretary of State to Bombay on a similar subject.

2. The Governor General in Council has no doubt as to the entirely erroneous nature of the interpretation which the Board of Directors of the Madras Railway have affixed to the late Court's instructions. But as His Excellency agrees with the Government of Madras that the present experimental rates should have a full year's trial, there is time to refer to Lord Stanley for precise and authoritative instructions, and such reference has accordingly been made in a Despatch of this date.

3. Mr. Acworth, it is observed, expresses the opinion that any immediate disturbance of the existing Tariff would create great dissatisfaction among the Shareholders. But it is a fact, which it is well to keep in view, that in the present state of things the Shareholders are really not interested in the question, nor have they any clear prospect of ever being interested in it. On the other hand the Government is doubly interested in it ; indirectly, in as much as a Railway to which country carts are preferred for the conveyance of three-fourths of the goods carried from end to end of the line is of little public benefit ; and directly, in as much as it loses, in the form of guaranteed interest, all the difference between the present profits and those which would be available under a better system of management.

4. With reference to the remarks made by Captain Johnstone in his letter of 17th December, No. 315 A, the Governor General in Council desires to press upon the consideration of the Government of Madras the question of immediately putting tolls upon the Western Trunk Road.

From the Right Honorable LORD STANLEY, Secretary of State for India ; to the Right Honorable the Governor in Council at Bombay, dated London, 31st December 1858, No. 20.

I transmit herewith, the copy of a correspondence that has passed with the Directors of the Great Indian Peninsula Railway Company, also the copy of a letter, (No. 123) from the Directors to the Committee at your Presidency regarding the orders which you issued in consequence of the observations upon the subject of fares, which were contained in the Court's Despatch of the 18th May last.

2. In directing the Railway Committee to assimilate as far as possible their rates to those of other Indian Railways, you appear to have misunderstood the Court's Observations on the subject. The Court do not appear to have instituted any comparison between the Rates and Fares of the two Railways, but only of the results, and the inference to be drawn therefrom is, that the East India Railway Company had succeeded in establishing a scale suited to the circumstances of the country traversed by their line, while the Great Indian Peninsula Railway Company had as yet failed in that object.

3. It appears always to have been the wish of the late Court to leave the settlement of such questions as Rates and Fares to the local Governments, in communication with the Railway Authorities. This seems to me to be a very proper principle, and I request that you will understand, that the suggestions contained in the letter of the Directors, was forwarded as entirely their own, and that the decision is left with your Government.

4. A reference is made by the Directors to Clause 8 of the contract, under which, (in the letter as it was proposed for adoption) they argued that the Government had no right to interfere with the Fares until the profits had arrived at 10 per cent. They were reminded however that as the measures, which had hitherto been taken in respect to Fares, had always been regard-

ed as experimental, their observations were not applicable to the present state of things, which must continue, in a great measure, until the undertaking is more advanced, and the Traffic more developed.

ORDER THEREON, 4th June 1859, No. 311,

Ordered that the foregoing letter and its enclosure be communicated to the Consulting Engineer for Railways, and that the question of immediately putting tolls on the Western Trunk Road, with Captain Johnston's letter, adverted to in the last para, be referred to the Public Works Department for consideration.

(True Extract.)

To the Consulting Engineer for Railways.
„ Public Works Department.

Chief Secretary.

Exd. A. P. W. Begbie.

Fort Saint George, Financial Railway Consultation, 1st Feby. 1859.

No. 1. From Captain C. C. JOHNSTON, Officiating Consulting Engineer for Railways; to W. H. BAYLEY, Esq., Acting Secretary to Government, Fort Saint George, dated 17th December 1858, No. 315 A.

SIR,

With reference to para : 7 of the Despatch from the Government of India, embodied in Extract Minutes of Consultation, No. 628, dated 19th November, I have the honor, in continuation of my letter, No. 247, dated 30th September, submitting an Analysis of the Traffic Operations on the Madras South West Railway for the first half of the current year, to forward more detailed information than that already given as to the amount of "Capital" Expenditure incurred to the end of that half year on the open portion of the line.

2. Statement No. 1 exhibits expenditure, the whole of which under the four heads of Construction, Superintendence, Workshops, (including Permanent Way Materials,) and Contingencies, is properly chargeable to the length of line open, 96 miles; but in considering the result of the Traffic operations it must be borne on mind, that of the 96 miles 81 only were open to Traffic from the 1st January to the 19th May.

3. Thus, taking the Passenger and Light Goods' Trains which ran during the whole period of 181 days, we should have 138 days over 81 miles, and 43 days over 96 miles, or 181 days over an average distance of a trifle more than 84½ miles.

4. Statement No. 2 exhibits the expenditure on the Terminal Station at Madras and Buildings for the Locomotive Department at Perambore, which must of course be divided over the whole length of the line, or 405 miles, the portion due to the 96 miles open being Rupees 1,96,469.

5. Statement No. 3 exhibits the quantity and value of the Rolling Stock made over to the Traffic Department. The division of this must be arbitrary. Mr. Bruce, the late Chief Engineer, considered that Rupees 7,000 a mile would suffice, whereas the late Agent was of opinion that it would be near Rupees 10,000, and it appears from the present amount of Stock it has been found necessary to work, that the latter even is unlikely to be sufficient, I have therefore assumed Rupees 15,000, as the mileage value of Stock required.

6. From these several Statements the following results are arrived at :

		Cost per mile.	
* Actual Expenditure to 30th June 1857, Rupees Estimated to do. 30th June 1858....	28,119 304 28,423	Construction.....	27,227
		Superintendence.....	3,677
		Workshops.....	*28,423
		Contingencies.....	627
		Madras Terminal Station and Locomotive Workshops at Perambore.	2,016
		Rolling Stock.....	15,000
		Total Rupees	77,000

7. It having been proposed by Government to charge to "Capital" the Maintenance of Way and Works for the second year from the opening of the line, the expenditure on that account, viz. Rupees 98,070-13-3, has been included in the cost of construction.

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8. The Revenue Account for the half year in question, deducting the above sum, will stand thus:

Total Expenditure.....	Rs. 1,85,778- 6- 8
Deduct Maintenance of Way, Rs. 96,812- 1- 2	
Deduct Expenses incurred in England on account of do.....	1,258-12- 1
	98,070-12- 3
	87,707- 9- 5

<i>Receipts.</i>	
Passengers.....	Rs. 1,20,837- 9- 4
Goods.....	75,516- 4-10
	1,96,353-14- 2
Total Profits Rupees	1,08,676- 4- 9,

cr per mile (dividing by 81½) Rupees 1,286. 1- 9, being 3 3 per cent per Annum on the Capital Expenditure†.

9. From actual returns of Imports and Exports, obtained by Colonel Pears in the year 1851, from the Collector of Madras, the Principal Commissary of Ordnance and the Commissary General, the Traffic on the Western Road between Wallajanugger and Madras, was found to be

Value, Rupees		Tons
58,05,653	Land Custom House Imports	20,284
6,52,582	do. do. Exports	931
	Salt..... do.	12,100
	Military Stores..... do.	135
	Commissariat do. Imports	43
	do. do. Exports	313
	Total	31,136.

10. The Collector of Madras in furnishing the returns above given for the year 1842-43 observed: "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."

11. Again, from Returns received from Captain Best, when Superintendent of Roads, Colonel Pears was satisfied, after a careful examination of them, that 300 loaded Bandies might be taken as the average daily Traffic (in 1851) over every mile of the Road between Wallajanugger and Madras, which would give an annual amount of $300 \times 365 = 109,500$ or about 54,000 Tons, being an excess of 19,864 Tons over that obtained from the Collector's Official Returns up to 1842-43, and from the returns of Salt and Government Stores of later years. The annual amount of Traffic, however, on which Colonel Pears subsequently based the calculations given in his report* to Government, was taken at 50,000 Tons, equivalent to 13,61,111 Maunds.

12. From the Railway Revenue Returns which have been laid before Government, it will be seen that the Goods carried from the 1st June to 31st December 1857, amounted to 5,38,499 maunds, and from 1st January to 30th June 1858, to 4,29,412, giving a total, for the year, of 9,67,911, or 3,93,200 less than the estimated amount of Traffic passing over the Western Road, between Wallajanugger and Madras, in the year 1851.

13. Notwithstanding the amount of Traffic by the Railway, the returns received from the Central Office of Public Works show, that the average daily number of loaded Carts passing over every mile of the Western Road, between Vellore and Madras, amounted in the first half of the year 1857-58 to 600, and in the second half to 730, the former being double, and the latter nearly 2½ times the number given in the year 1851.

14. If therefore these returns are to be relied on, the present Traffic on the Road between Vellore and Madras would be 665, or deducting ¼th for Carts not fully loaded, say 500×333

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=182,500, or about 90,000 Tons, being an increase of 40,000 Tons, in the last 7 years, in addition to the 35,500 Tons carried by Rail.

15. As affecting the prospects of the Railway, it is most important that the correctness of these returns should be put to the test, by having the Traffic for a time registered by European or other responsible Agents, for if it can be shown beyond a doubt that such a heavy Traffic does exist, it may be the means of inducing the Railway Authorities to modify their Traffic, and by reducing their charges,* to attract, as I have no doubt would be the case with proper management, the bulk of the Goods to the Rail.

*Instead of 4 Classes at 8, 10, 15 & 21 pie, to have 3 Classes at 8, 11, & 14 pie per Ton per mile. The highest charge being 17 per cent cheaper than that by Road.

16. The charge for a Bandy, a pair of Bullocks, and a Driver, from Wallajanugger to Madras, 68 miles, is given in Colonel Pears' Report as Rupees 4, the load being ½ a Ton, and the return charge as Rupees 2-12-0. Thus, taking the case of a Merchant wishing to send a ton of Goods from Wallajanugger to Madras, and to receive back a Ton of Salt by the return Carts, the charge for two Carts would be Rupees 13-8-0.

17. By Rail with the present Tariff, supposing the Goods sent to Madras, to be charged the 2nd Class rate, or 10 pie per ton per mile, the charge from Arcot, 65 miles, would be Rupees 3- 6-2
and for the return load of Salt, 1st Class, or 8 pie per ton..... " 2-11-4
Cart hire from Wallajanugger to Arcot Station, 3½ miles, at 1 Anna }
per Cart per mile..... } " 0- 7-0
do. from Salt Cotlaurs to Madras Station, 2 miles..... " 0- 4-0

Rupees 6-12-6.

To this adding 10 per Cent for Agency and sundry expenses, which might not be required were the Goods sent direct by Road, the total cost by Rail would be Rupees 7-7-4, and the saving to the Merchant Rupees 6-0-8, a sufficient inducement to him, it might be supposed, even leaving the time of delivering out of the question, to give up the old mode of transport, but that it has not been so to the Merchants generally, from some cause or other, we have practical proof in the heavy Traffic still frequenting the Western road.

18. Had the charge for a ton of Goods been 8 pie per mile each way, instead of 10 pie one way and 8 pie the other, the saving by Rail would have been Rupees 6-12-7, for 50 per Cent on the cost of transit by road, but even with the present charges I cannot but feel convinced that the fact of the Merchants still sending their Goods by road, is mainly to be attributed to sufficient care not having been taken to keep them fully informed, by advertizing or other means, of the advantages of the Railway.

19. In regard to the Passenger Traffic it appears, from the Public Works Department Returns before noticed for the year 1857-58, that the average number of Native foot Passengers registered at the 13th, 40th, 50th, and 81th miles from Madras, amounted in the first half year to 608, and in the second to 755, or to an average for the year of 681.

20. Assuming that of this number 300 would travel by Rail, if the rates were sufficiently low to induce them to do so, and that they would all travel 3rd Class, we should have in the year 109,500 additional Passengers.

21. The actual number of 3rd Class Passengers who travelled by Rail during the year 1857-58, amounted in the first half to 90,000, and in the second half to 109,341, or together to 199,341. Looking then to the number who travelled on the Trunk Road during the same period, and to others who might have travelled on the old Pioneer road and other intermediate roads between villages, along the line, of the numbers of whom I have no means of ascertaining, I do not think it would be too much to anticipate that with a reduced 3rd Class fare, say 3 pie at first, instead of 2, as recommended by Colonel Pears, the number of 3rd Class Passengers now travelling by Rail would be doubled in the course of a very short time.

22. If then, as I have before observed, the Returns received from the Public Works Department are to be relied on, there is at present such a Traffic, both in Goods and Passengers,

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between Vellore and Madras by road, as to warrant the conviction that with proper management, the Railway ought to be made a profitable undertaking.

23. The mileage cost* of construction of the Railway up to the 30th June 1858 has been shown to be Rupees 77,000, but when the line is completed in all respects, the cost I have no hesitation in saying will not be less, and there is no reason to suppose it will be more, in round numbers, than Rupees 80,000 per mile. Taking this then as the actual cost, I will proceed to consider what the condition of the Traffic must be to yield such a return as will, after paying all expenses on account of working and maintenance, be sufficient to cover the State Guarantee, or 5 per Cent.

24. Taking the results of the half year ending 30th June 1858, we have

20 Miles Train.
Average Gross Weight, exclusive of Engine and Tender..... 1,627.12 Maunds.

Receipts	Rupees 77,093
Working Expenses.....	32,891
Maintenance of Way.....	31,631
	<u>64,522</u>

Profit 12,571.

15 Miles Train.
Average Gross Weight exclusive of Engine and Tender..... 4,108.35 Maunds.

Receipts.....	Rupees 1,19,291
Working Expenses.....	51,724
Maintenance of Way.....	66,410

1,21,164
Loss 1,873
12,571

Deduct on account of payments made in England. 10,698
93

Profit Rs. 10,605.

The results of the 2 Trains being that on the cost of Construction :

The Receipts are per Cent.....	Rupees 5.81
The working Expenses.....	2.59
and the Maintenance of Way.....	2.9
	<u>5.49</u>

leaving a per Centage of Profit of 0.32
* On Rupees 80,000, only, or omitting the Maintenance, of Rupees 3.22*

† In this amount is included Rs. 21,412 for the carriage of some 6,000 tons of Railway Materials. Had the same been carried by road it would have cost 50 per Cent more.

Considering the N. W. Railway and Bangalore branch, large quantities of materials will have to be carried for some years yet, and on that account the saving effected in the past half year may fairly be continued as an item to be credited to the Revenue Receipts.

As per Revenue Return.....	Rupees 1,96,384†
Add for 3rd Class Passengers	49,336
Do. for Goods.....	1,49,189

Total Rupees 3,95,209,
or per Centage on Construction Rupees 11.6.

25. With double the number of 3rd Class Passengers carried at 3 pie per mile instead of 4, and three times the amount of Goods (i. e. 65,400 tons instead of 21,800,) the additional 43,600 to be drawn from the road carried at the same rates as during the past year, the Receipts would be:

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26. It will be seen by the Analysis that in the 3rd Class Carriages, calculated to carry 60 Passengers, the average load was under 28, and that in the Goods' Waggons calculated to carry from 163 to 191 Maunds, the average load was 83 Maunds, so that with double the Passengers' loads and three times the Goods' loads, it may fairly be supposed that one-third the number again of 3rd Class Carriages, and one-half the number again of Goods' Waggons actually in use, will be sufficient to accommodate the Traffic.

27. With these additional Vehicles and loads, the average gross weights of the 20 and 15 mile Trains respectively, will be increased from 1,627.12 and 4,108.35 Maunds, to 2,291.876 and 7,659.30, and the items in the working expenses which will be affected, are

"Locomotive Department"

Wages of Laborers, Cleaners, &c.

Coke and Coal.

Oil, Tallow, Waste, &c.

"Repairs of Carriages and Wagons."

Wages and Materials.

"Traffic Department."

Wages of Porters, Greasemen, &c.

Cost of Tallow, Grease, and Waste.

Sundry Charges.

On account of these items the additional expenses may be estimated at Rupees 24,000 in the year, which will increase the Working Expenses to Rupees 1,99,416, or per mile to 2,360, being nearly 3 per Cent per Annum on the cost of construction.

28. The expenditure on Maintenance of Way has been so high that, including repairs to Rolling Stock, it is not, I think, likely to increase much, if at all, but I will assume it at 3½ per Cent.

29. With these conditions the result of the two Trains would be :

	Rupees
Per Centage of Receipts	11.6
Do. of Working Expenses.....	3.0
Do. of Maintenance of Way and Works.....	3.5

6.5

Per Centage of Profit on Construction 5.1

30. Considering, independent of its beneficial effects on the country, the immediate interest Government have at stake in the success of the Railway, it becomes a question whether it is good policy to continue spending a large sum of money annually in keeping up the condition of the Western Trunk road, or of that portion of it at least between Madras and Vellore without demanding a return for it in the shape of a toll.

31. There is no doubt that at present this road successfully competes with the Railway, and there appears to be as little doubt that with the present traffic it will continue to do so to a certain, though insignificant extent, as will be seen by the following scale of charges calculated as before for a Ton of Goods carried each way between Madras and Wallajanugger.

By Rail 1st Class per ton	6-11-5,—50 per Cent cheaper than Cart hire.
Do. 2nd	Do. 8-3-3,—39
Do. 3rd	Do. 13-0-5, Same as Cart nearly.
Do. 4th	Do. 18-10-1,—33 per Cent dearer than Cart hire.

32. From this it is evident that if the Merchants were alive to their own interests they would send the whole of their 1st and 2nd Class Goods by Rail, and their 3rd Class also if they valued time. The loss of the 4th Class Goods, in which the traffic is very trifling, would affect but little the success of the Railway, but a reduction in the 3rd Class rates is certainly advisable.

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33. The all important question however, to be determined, with reference to the open portion of the line of Railway, is that of the actual amount of Traffic now frequenting the western road, and the points at which I would recommend the Returns should be registered, are the 39th, 58th, 68th, and 82nd Miles from Madras.

34. The only additions to the present Form of Statement prepared in the P. W. Department that appear to be essential are, that the Traffic going East and West should be shown separately, and that at the foot of the Statement should be given approximately the gross weight of Merchandise conveyed.

35. No report* has been received of the Working of the Bullock Establishment for the collection and delivery of Goods, the entertainment of which was authorized in Extract Minutes of Consultation, No. 239, dated 11th May 1858. Probably Mr. Fletcher as yet has either not organized a sufficiently extensive Establishment, or that having organized it, he requires further experience in its working to enable him to arrive at any conclusive opinion, as to the success, or otherwise, of his experiment.

36. It is very desirable for the satisfaction of all parties that Mr. Fletcher's present arrangements for working the Railway, approved by the Authorities at Home, should be fairly tried, and until he has had sufficient time to satisfy himself of the results, which, I conclude, will be the case shortly, I have no doubt Government would deprecate any interference with them.

37. Having obtained from the Agent the Revenue Return for the quarter ending 30th September last, I take the opportunity, with reference to para: 9 of Extract Minutes of Consultation, No. 628, dated 19th November 1858, of submitting with this letter a Statement exhibiting the results of the Traffic Operations during that period under the new, as compared with the results of the four previous half years under the original tariff.

38. From the expenditure for the last two half years and for the last quarter, the cost of Maintenance of Way not brought to account in the Revenue Returns for the two first half years has been omitted, otherwise a fair comparison could not be made of the actual receipts and working expenses during the several periods.

39. Having now shown from Returns received from the Agent what the actual condition of the Traffic on the Railway has been to the 30th September last, and also what its condition must be (and what there is reason to hope it may be eventually, provided, as before observed, the Returns received from the Public Works Department are correct) to make the undertaking a profitable one, the subject appears to call for no further remarks at present.

40. Mr. Acworth has, I am aware, given the question of the present Tariff his careful consideration, and should Government see no objection, I would request permission to furnish him with a copy of this letter.

P. S. Since concluding this report I have received a letter* from the Agent and Manager, and as bearing on the same subject I have the honor to submit it for the information of Government, together with my reply.

No. 814, dated 7th December 1858.

The only passage in the Agent's letter calling for special notice is the one referring to the Bullock Establishment, and from what that Gentleman states, it will be seen that from want of roads from Goriattum, which the Traffic Manager considers should be the central point of his operations, nothing has hitherto been done beyond taking over on the 1st July last from the Engineer Department, their Bullock Establishment for the conveyance of Materials, and engaging, in the month of September last, with a Contractor for the carriage of Goods between Wallajanugger and the Arcot Station, and Vellore and the Vellore Station.

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From N. B. ACWORTH, Esq., Agent and Manager; to Captain C. C. JOHNSTON, Officiating Consulting Engineer for Railways, dated 7th December 1858, No. 814.

SIR,

1. I have the honor to acknowledge the receipt of your letter, No. 818 of the 23rd Ultimo, informing me that the Government of India have lately addressed this Government on the subject of the Traffic of the Madras Railway, and calling my special attention to the importance of the question raised in the communication which affects not only the Government guarantee, but the whole usefulness of the Madras Railway to the Country; and further stating the views of the Supreme Government on the subject.

2. In reply I beg to assure you, that no person can feel more strongly than myself that the Returns from the working of the Madras Railway have not been equal to what might reasonably have been expected, or more anxious that such means should be adopted as may lead to a more favorable result.

3. I conclude, however, from your letter, that the data upon which the Supreme Government have founded their views on this subject, are derived from Returns made only up to the end of June last. But these returns are, as you are aware, the result of a Tariff, which has never had the approbation of the Railway Authorities, either as regards the rates charged or the principles upon which the classification of Goods was framed, and after much discussion, both here and in England, a new Tariff and new classification of Goods were adopted with the sanction of the Honorable the Court of Directors.

4. This Tariff came into operation only on the 1st of July last, and even if the circumstances had been ordinarily favorable for testing its suitableness, I do not think that sufficient time has been allowed for the purpose. Besides, although since the 19th of May last, the Line has been open as far as Goriattum, yet from the want of Roads leading to that place, scarcely any Traffic has resulted from the opening, and practically therefore the Line has been open only to Vellore.

5. The failure of increase in the Returns of the Madras Railway for the Carriage of Goods within the last 18 months, may also in part be attributable to the necessity the Government have been under of impressing Bullocks and Bandies for their service, so that the owners have been deterred from approaching the Stations of the Railway.

6. It is also to be noted, that this Railway runs several miles from the principal Towns through which the produce of the Country is brought, and that the Traffic Manager therefore advocated the necessity of his having a Bullock and Bandy Establishment, in order to receive from the Depôt, and to deliver to the Consignees at one through Rate the Goods to be transported. The requisite sanction for this Establishment, which also became the subject of reference to the Home Authorities, was not granted until the 11th May 1858.

7. It would appear from the report which he has made to me on this subject, that he has considered that Goriattum should be the Central point of operations of this kind. The want of roads, however, from Goriattum has hitherto prevented him from doing more towards organising this Establishment than taking over on the 1st July last, from the Engineering Department, their Bullock Establishment for the conveyance of Materials, and, in the month of September last, engaging with a Contractor to haul Goods between Wallajapett and the Arcot Station; and Vellore and the Vellore Station.

8. I mention these circumstances because they indicate that the want of progress in the Returns of the Madras Railway is not due, solely, at all events, to the nature of the Tariff. Indeed, as regards the Raw Produce of the Country (much the largest source of profit in respect of the conveyance of Goods) I believe I am correct in saying that the Railway carries it at a much lower rate than it can be carried by the Carts of the Country. But the point to which I am anxious to draw special attention is, the inexpediency of now discussing the Tariff at present in force, seeing that it has been brought into use only since the 1st July last, and that it is impossible that its soundness or otherwise can have been adequately tested during the short time that has since elapsed, and under the circumstances to which I have referred.

Fort Saint George, Financial Railway Consultation, 1st Feby. 1859.

9. I ought not in fact to conceal the assurance which I feel that both the Board and the Shareholders rely upon its being submitted to a sufficiently long experiment to admit of proof from experience of its soundness or otherwise, and that great dissatisfaction would result from its being previously disturbed.

10. With reference to that part of your letter in which (para: 5) after referring to the decision of the late Honorable Court that the present Tariff recommended by Mr. Fletcher (the Traffic Manager) should be adopted experimentally, you state that they at the same time recorded their opinion that such questions should for the future be settled in this Country and not be made the matter of reference to England. I beg to inform you that I called the attention of the Board to this part of the Court's Despatch, and that in their letter, dated the 20th August, they wrote to me in reply as follows:

"With regard to the passage in the Honorable Court's Despatch on the subject of the Tariff, to which you have drawn the Board's attention, you will perceive that it is only upon any alterations that may be proposed upon this matter (by the Company's Agent of course) that it is hoped the Madras Government will take upon themselves to decide without reference to this Country. If the Tariff now experimentally introduced should fail, the question of the change to be made in it would necessarily be matter for the Board's consideration in communication with the Home Authorities."

11. This letter, as you are aware, has not only received the sanction of the Court of Directors, but may be taken, I believe, to express their views at the time. I am therefore the more anxious that the existing Tariff should be fully tried, and that if it be altered, it shall only be after the Home Authorities have had before them such results of its working for a sufficiently lengthened period, as shall induce their concurrence in the alteration.

From Captain C. C. JOHNSTON, Officiating Consulting Engineer for Railways: to N. B. ACWORTH, Esq., Agent and Manager of the Madras Railway Company, dated 9th December 1858, No. 862.

SIR,

In para: 10 of your letter, No. 814 of the 7th Instant, you quote a passage from one dated 20th August last, from the Board of Railway Directors, on the question of whether any alterations that may be proposed in the present Tariff should be settled in this country, or made the matter of reference to England.

2. The letter to which you refer, however, has not been communicated to this Office, and consequently when addressing you on the 23rd Ultimo, I had the honor to observe that I was not aware of its existence.

3. In your Board's letter which you state has "received the sanction of the Court of Directors," it is expressly declared that the Madras Government are to take upon themselves to decide, without reference to England, such alterations only in the present Tariff as may be proposed by the Company's Agent.

4. Had I been aware that the Court of Directors had arrived at this decision, subsequent to the date of their Despatch noticed in para: 5 of my letter of the 23rd Ultimo, I should as a matter of course have applied for the further orders of this Government before addressing you on the subject of the Despatch lately received from the Government of India.

5. Your letter under reply will be laid before Government with a report, I have already written on the past working, and future prospects of the South West Railway, and as the submission of my report is only delayed from want of information* as to the amount of expenditure on the open portion of the line incurred in the Workshops to the 30th June last, I shall hope to be favored with that information at your earliest possible convenience.

FINANCIAL RAILWAY DEPARTMENT.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from Captain H. YULE, Secretary to the Government of India; to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, Public Works Department, dated 16th April 1859, No. 2424.

In reference to your letter, No. 50, dated 28th January last, from which it appears that the Governor in Council is at least doubtful of the power of the Local Government, to initiate any interference with the Railway Tariff, I am directed to send for submission to His Excellency in Council copy of a late letter* from the Right Honorable the Secretary of State to Bombay on a similar subject.

2. The Governor General in Council has no doubt as to the entirely erroneous nature of the interpretation which the Board of Directors of the Madras Railway have affixed to the late Court's instructions. But as His Excellency agrees with the Government of Madras that the present experimental rates should have a full year's trial, there is time to refer to Lord Stanley for precise and authoritative instructions, and such reference has accordingly been made in a Despatch of this date.

3. Mr. Acworth, it is observed, expresses the opinion that any immediate disturbance of the existing Tariff would create great dissatisfaction among the Shareholders. But it is a fact, which it is well to keep in view, that in the present state of things the Shareholders are really not interested in the question, nor have they any clear prospect of ever being interested in it. On the other hand the Government is doubly interested in it; indirectly, in as much as a Railway to which country carts are preferred for the conveyance of three-fourths of the goods carried from end to end of the line is of little public benefit; and directly, in as much as it loses, in the form of guaranteed interest, all the difference between the present profits and those which would be available under a better system of management.

4. With reference to the remarks made by Captain Johnstone in his letter of 17th December, No. 315 A, the Governor General in Council desires to press upon the consideration of the Government of Madras the question of immediately putting tolls upon the Western Trunk Road.

From the Right Honorable LORD STANLEY, Secretary of State for India; to the Right Honorable the Governor in Council at Bombay, dated London, 31st December 1858, No. 20.

I transmit herewith, the copy of a correspondence that has passed with the Directors of the Great Indian Peninsula Railway Company, also the copy of a letter, (No. 123) from the Directors to the Committee at your Presidency regarding the orders which you issued in consequence of the observations upon the subject of fares, which were contained in the Court's Despatch of the 18th May last.

2. In directing the Railway Committee to assimilate as far as possible their rates to those of other Indian Railways, you appear to have misunderstood the Court's Observations on the subject. The Court do not appear to have instituted any comparison between the Rates and Fares of the two Railways, but only of the results, and the inference to be drawn therefrom is, that the East India Railway Company had succeeded in establishing a scale suited to the circumstances of the country traversed by their line, while the Great Indian Peninsula Railway Company had as yet failed in that object.

3. It appears always to have been the wish of the late Court to leave the settlement of such questions as Rates and Fares to the local Governments, in communication with the Railway Authorities. This seems to me to be a very proper principle, and I request that you will understand, that the suggestions contained in the letter of the Directors, was forwarded as entirely their own, and that the decision is left with your Government.

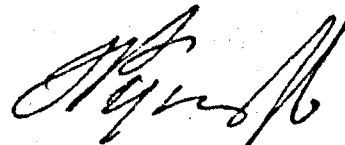
4. A reference is made by the Directors to Clause 8 of the contract, under which, (in the letter as it was proposed for adoption) they argued that the Government had no right to interfere with the Fares until the profits had arrived at 10 per cent. They were reminded however that as the measures, which had hitherto been taken in respect to Fares, had always been regard-

ed as experimental, their observations were not applicable to the present state of things, which must continue, in a great measure, until the undertaking is more advanced, and the Traffic more developed.

ORDER THEREON, 4th June 1859, No. 311,

Ordered that the foregoing letter and its enclosure be communicated to the Consulting Engineer for Railways, and that the question of immediately putting tolls on the Western Trunk Road, with Captain Johnston's letter, adverted to in the last para, be referred to the Public Works Department for consideration.

(True Extract.)



Chief Secretary.

To the Consulting Engineer for Railways.
„ Public Works Department. *Supd*

Exd. A. P. W. Begbie.

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1720.

Proceedings of the Madras Government
Under date the 13th July 1859

Heads the following
Proceedings of the Madras
Government in the Financial
Railway Department.

Refers letter from the Government of India, with views therein adopted to form the Consulting Engineer for railways, on the question of immediately putting tolls on the best horse drawn roads.

(Peregrines, June 59. N. 311)

This order in the
Financial Railway Dept.
communicates a letter from
the Government of India,
with correspondence which
has been already before
this Department, having
reference to a proposal
to levy a toll on the western
Trunk road. The sug-
gestion was thrown out
by

x
Communicated with order in
the Irish Railway Dept.
26th January 1859 M. G.

Still Case: 10/17/94
23 Nov/38 - 628
11 May - 82-333

Ms. A. 9. 2. 1. 1510

Proceedings of the
Warfare Court in the
Commercial District
September 1864

Plated 427 }
Dec. 26 92 } Luns/59

Ms A.9.2.1 v.20 = 15th Oct 1837.
 Regarding the Committee
 show that the London Bill
 will be question of immediate
 -ly putting forth in the
 House of Lords & Road.

49
228 Avenue Bldg

21/10/41

2

by the Consulting Engineer,
and has now been taken
up by the Government of
India. The reasons as-
signed for it by Capt. W.
Johnston ^{was} that Govt.
ought not to go on main-
taining at their own
charge a road which
directly competes with
the railway, the Chief
Engineer also (para 8 of his
letter) expresses the opi-
nion that there is no
road in the country on
which a toll might be
properly levied.

2 If tolls were to be
adopted generally as a
means of raising road
repair funds, Government
agree with Colonel Bell
that there is no road
on which, for the reasons
stated

x Order 1st June/59 ^{1344.} ~~N. 3045~~
para 6.

stated by him a toll would
be so appropriate as on
this, the annual main-
tenance of eighty four
miles to Vellore being 5,600
Rupees, besides the pay
of the overseers who are
employed on it. But Go-
vernment are of opinion,
as they recently declared
their opinion, that it
is inadvisable as a
general rule to raise
funds for the main-
tenance of roads by
means of tolls, and
they are unaware of
any special circum-
stances to make this
road an exception-
as to imposing a toll
for the express purpose
of forcing the traffic to
the railway, Government
must

must record a decided
opinion against the
policy involved in
such a proposal. A
railway is first made
at a very heavy expense,
such high rates are
then charged upon the
goods traffic, that the
great bulk of it con-
tinues to go by the
ordinary road, and it
is then proposed to lay
a toll upon the road
to force the goods on
to the railway. The
general objections to
tolls are of the gravest
kind, but there is
would be no excuse
to impose such a
case, because if the
rates on the railway
are reduced, it will

get

21X
get all the traffic. To
go on in this way, not
reducing, but raising
the expenses of transit
to the trade of the
country, is to starve the
finances and assuredly
defeat the object of
the Home Government
and the public, who
desire the development
of the ~~want resources~~
of India.

J.A.

6/10/10 The Financial Railway Dep^t Ciff^r 16
10-11-10 Chief Engineer.

minutes

22 June 1874/57 A.D. 4
23 June 1878 625
11 1/2 May 1878 32-33
13 June 1878

Public Works Office
Pro: of Jan 1878 July

22/1/72.

To: of the Ordnance Office
22/1/78 July 1878

From: Mr. Chief Engineer
26 August 1878 to: 7.2.80
Circ: 22.10.1878
No 46-93

Having information
the proposed to be built
on the West end of the
road.

List