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MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No. 3037 Press —Mis.—

358

Dated 18 12 1862

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PUBLIC WORKS DEPARTMENT.
Public.
FORT SAINT GEORGE,
18th December 1862.

No. 3,037.

From

COLONEL W. I. BIRDWOOD, R. E.,
Secretary to the Government of Fort Saint George, P. W. D.,

To

The Secretary to the Government of India.

SIR,

1. Adverting to the wish expressed in your letter dated 28th* June 1862, No. 2,453, paragraph 2, that proposals for the construction of Light Railways should be referred for the approval of the Government of India before adoption, I am directed by the Governor in Council to submit the accompanying correspondence relative to a proposition made by Messrs. J. Samuel and G. B. Bruce of London, for laying down and working, without hindrance to the ordinary traffic, ten miles of Street Railway on the American model, to be worked by horses or bullocks on such roads as the Madras Government might select.

* Page 49 of printed paper on "Light Railways."

Proceedings, 30th October 1861, No. 741.
Do. 31st December " Nos. 566,567.
Do. 19th March 1862, " 311 to 313.
Do. 28th July " " 576 to 578.
Do. 18th October " " 453,454.
Do. 18th December " " 3,036.

2. You will observe from the letter† addressed to Messrs. Samuel and Bruce, that the Madras Government had accorded their general approval of the proposals submitted, subject to their final acceptance by Her Majesty's Secretary of State for India. Sir Charles Wood, in signifying‡ his approval of the object in view, has left to this Government all such arrangements as may be necessary for carrying out the scheme, and has declared his readiness to sanction any agreement which may be made with Messrs. Samuel and Bruce on the basis of the conditions set forth in Proceedings dated 19th March 1862, No. 486.

† Dated 19th March 1862, No. 487.

‡ 31st May 1862, No. 16.

3. Messrs. Samuel and Bruce have accordingly forwarded§ Draft of an Agreement which having been referred|| to the Government Solicitor, has been returned¶ with certain amendments to meet the requirements of the case; but before taking any further action in the matter, the Governor in Council has deemed it proper to submit the proposal to the Government of India for approval.

§ 18th June 1862.

|| 28th October 1862, No. 2,574.

¶ 14th November 1862, No. 496.

4. The terms to which the Government have signified their assent, differ essentially in two points from those given at pages 27 to 41 of the printed paper on Light Railways; but a reference to dates will show that those terms were acceded to before the Madras Government were put in possession of the views of the Government of India on the subject. Messrs. Samuel and Bruce stipulate being allowed the exclusive privilege of the undertaking, no concessions for similar lines in the City of Madras and its suburbs being made to any others without being first offered to them. The Government of India in their letter dated 26th September 1862, No. 3,762 are adverse to any guarantee being given against competing lines, as it is likely to hamper the local Government in the event of more favorable terms being offered by others at any future time. The Governor in Council does not, however, anticipate such a difficulty, and he considers that the conditions offered and accepted are as favorable as they can possibly be, viewing on the one hand the indemnification against losses of all kinds which the Agreement secures to the State, and the readiness of the Concessionaires to undertake the work without any pecuniary subvention; and on the other hand the necessity of affording every encouragement to induce capitalists to embark on such undertakings, the successful prosecution of which is acknowledged to constitute an important step in the development of the resources of the country.

5. The second point of difference between the conditions approved of by the Government of India for adoption and those proposed to be entered into with Messrs. Samuel and Bruce has already been alluded to in the foregoing remarks. It is that while the Government of India have accorded* sanction to the disbursement to the Company of a sum equal to the import duty that shall have been paid on the quantity of permanent way material actually used, and the grant† of a direct pecuniary aid annually to the extent of Rupees 125 per mile of Railway open for traffic until the returns amount to five per cent. on the capital invested, no aid whatever is asked for by Messrs. Samuel and Bruce, who stipulate to construct and maintain the Railways at their own expense to the satisfaction of Government, and to restore all roads interfered with, and to execute such repairs as may be requisite by reason of the working of the Railways.

* Clause 27.

† Clause 28.

6. According to Clause 38‡ of the conditions approved by the Government of India, the Company are required to furnish a deposit equivalent to ten per cent. on the estimated amount of their outlay, to be repaid by Government by the time the line is duly opened for traffic. The object of this seems to be to provide funds for expenses contingent on taking up land for the Company. Three miles of road-way over which the rails are to be put down, and which have been fixed upon, being already made, no expense of the kind anticipated will be entailed; but as the remaining seven miles of road have not been determined as yet, and as that question must be considered hereafter, I am directed to request that you will inform the Government whether the deposit will be necessary.

‡ Page 34 of printed paper on "Light Railways."

7. The Secretary of State considers it desirable that Government should reserve to itself some control over the rates to be charged for the conveyance of passengers and goods on the projected Street Railway. The Government are of opinion that such control could best be exercised by the Company being required to submit to them a statement of fares for approval.

8. In conclusion I am desired to request that the Government of India will be pleased to state what further stipulations Messrs. Samuel and Bruce should be required to consent to before their proposal can be finally agreed upon.

I have the honor to be,
Sir,
Your most obedient servant,
(Signed.) W. I. BIRDWOOD, Colonel, R. E.,
Secretary to Government.

Exd. S. T. Augustin.

Disp 19 Dec 62

No 3037.

To
The Secretary to the
Govt of India

Sir,

Adverting to the matter referred in your letter of 25th June 62, No 2165, para 2, that any proposals for the Construction of Light Railways should be referred for the sanction of the Govt of India before adoption, I am directed by the Governor in Council to submit the accompanying Correspondence relative to a proposal made by Messrs Jr Samuel & G. H. Bruce of London for laying down & working, without subsidiance to the ordinary traffic, 10 miles of Street Railway on the American model, to be worked by horses or mules on such roads as the Madras Government might select.

You will observe from the letter addressed by the undersigned to Messrs Samuel

† Page 49 of printed paper on Light Railways.

Rec. 30 Oct 62 - 744-767
" 31 Dec " - 311 to 313
" 19 March 63 - 576 to 578
" 28 July " - 463-464
" 28 Oct " - 3036.

dg 19 March 63 - 487

& Bruce, that the Madras Govt had accorded their general approval of the proposals submitted, subject to their final acceptance by H.M. Secretary of State for India. Sir Charles Wood, in signifying his approval of the Object in view, has left to the Govt all such arrangements as may be necessary for carrying out the scheme, & has declared his readiness to sanction any Agreement which may be made with Messrs Rammell & Bruce on the basis of the Conditions set forth in Pro: of 19th March 62, No 186.

Messrs Rammell & Bruce have accordingly forwarded Draft of an Agreement which having been referred to the Govt Solicitor, has been returned with certain amendments so much the Requirements of the Case; both before taking any further action in the matter, the Govt in Council has deemed it proper to submit the proposals to the Govt of India for approval.

The terms to which the

31 May 62 - 15

18 June 62

28 Oct 62 - 2674

11 Nov 62 - 196

Govt have signified their assent, differ essentially in two points from those given at pages 641 & 27 of the Printed Paper on Light Railways; but as reference to dates will shew that those terms were acceded to before the Madras Govt were put in possession of the views of the Govt of India on the subject. Messrs Rammell & Bruce ship and take having allowed the exclusive privilege of the undertaking, no concessions for similar lines in the City of Madras & its suburbs being made to any others without their first offered to them. The Govt of India in their letter of 26th Sept 62, No 3762, are adverse to any guarantee being given against competing lines, as it is likely to hamper the local Govt in the event of more favorable terms being offered by others at any future time. The Governor in Council does not, however, anticipate such difficulty, & he considers that the Conditions offered and accepted are as favora-

as they can profitably be,
viewing on the one hand
the indemnification against
hopes of all kinds which the
Agreement secures to the
State, & the readiness of the
Concessionaires to undertake
the work without any pecu-
niary subvention; and on
the other hand the necessity
of affording every encourage-
ment to induce Capitalists
to embark on such un-
dertakings, the successful
prosecution of which is acknow-
ledged to Constitute an
important object in the
development of the resources
of the Country.

The second point
of difference between the
Conditions approved of by
the Govt of India for
adoption & those proposed
to be entered into with
Messrs Jammal & Brace
has already been alluded
to in the foregoing Remarks.
It is that while the Govt
of India have accorded
sanction to the disbursements
to the Company of a
sum equal to the unpaid

Clause 27

Clause 28

Page 34 of printed papers on
Eastern Railways

duty that shall have been
paid on the quantity of
permanent way material ac-
tually used, and the grant
of a direct pecuniary aid
annually to the extent of
Rs 125 ℔ mile of Railway
open for traffic until the
returns amount to 5 ℔ on
the Capital invested, no
aid whatever is asked for
by Messrs Jammal & Brace,
who stipulate to Construct &
maintain the Railway & other works
to the satisfaction of Govt,
and to restore all roads in-
terfered with, & to execute
such repairs as may be requisite
by reason of the working
of the Railways.

According to Clause
35 of the Conditions approved
by the Govt of India, the
Company are required to fur-
nish a deposit equivalent
to 10 ℔ on the estimated
amount of their ~~Contract~~ outlay,
to be repaid by Govt
the line is duly opened for
traffic. The object of this clause
is to provide funds for
expenses contingent on taking
up land for the Company.
Three Miles of Roadway
over which the Rails

should have been fixed upon,
are to be put down, being already
made, no expense of the Kendt
and Dieppakal will be entailed
but as the remaining 7 miles
of Road have not been determined
upon as yet, and as that
question must be considered
hereafter, I am directed to
request that you will inform
the Govt whether the deposit will
be necessary.

The Secretary of
State considers it desirable that
Govt should reserve to itself
some Control over the rates to
be charged for the Conveyance
of passengers & goods on the
proposed Block Railway. The
Govt are of opinion that ~~the~~
such Control could best
be exercised by the Company
being required to submit
to them a Statement of
fares for approval.

In conclusion I
am desired to request that
the Govt of India will be
pleased to state whether further
explanations Messrs Cannel
Monroe should be required
to consent before their proposal
can be finally agreed
upon.—

Chepauk
18th Dec 62

Copying a Letter to England
D/15. April No 11 of 1864.

P.W. 1862 Depart.
Proc. of Govt for Decr

P. 3037.

To the Secretary to the Govt
of India.
Dy 18th Decr 62

Forwarding to the Govt of India Correspondence relating to a proposition made by Messrs Samuel and G.B. Bruce of London for laying down ten Miles of Street Railway on the American Model.

No. 358.