

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 2691	Press
562-563	Mis.
Dated 24-8-	1866.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
24th August 1866.*

No. 562. Read the following Endorsement of the Acting Consulting Engineer for Railways, dated Madras, 21st August 1866, No. 353 :—

Read the following letter from the Agent Great Southern of India Railway, to the Consulting Engineer for Railways, dated Negapatam, 16th August 1866, No. 2,114.

1. In deference to the observations of Government, communicated in your letter No. 204, of the 10th instant, no alteration for the present shall be made in the scale of third class passenger fares now in force on the Great Southern of India Railway. You are aware that the action I have taken in this matter is the result of specific instructions received from my Directors, and you are also aware that a copy of the correspondence hereon, which has passed between us, has been forwarded to their Secretary.

2. I regret that any thing I have written should have led Government to think that I deny the accuracy of the traffic returns, as I never intended my words to convey such a meaning. My object was to show that the increase of fare from 3 to 4 Pies per mile had not resulted in a permanent falling off in the number of passengers. The Government Order, No. 2,229, said, "The falling off in the number of passengers when the third class fare was raised in September 1862 from 3 to 4 Pies per mile clearly indicates, in the opinion of Government, that with the latter rate the maximum cost at which the great bulk of the population could afford to travel has been passed."

3. I must explain that the third class fare was not increased in September 1862, the increase referred to was made on 2nd March 1863. It has been fully admitted that an increase of fare must at first result in a decreased number of passengers, but this falling off is soon overcome. The year 1864 was an exceptional one, and the causes other than that of an increased fare, which tended to a smaller number of travellers passing over the line, have been represented in my letter No. 1,881.

4. The quarter ending June is the only one with which we can compare the result of the two last years' working with its predecessors.

	Third class passengers.
In the 3 Pies period, quarter ending June 1862	
we conveyed	88,709
Quarter ending June 1865, 4 Pies	102,483
Do. June 1866, 4 Pies	108,497

Last month's accounts are not yet quite made up, but so far as I can at present see, the number of third class passengers thus compare :—

July 1862	21,669, 3 Pies period.
" 1863	25,369, 4 " do.
" 1864	22,849, " do.
" 1865	28,850, " do.
" 1866	31,068, " do.

4. With these figures before them, I would respectfully ask Government to re-consider the opinion they have formed against the 4 Pies fare, and in doing so I would also call attention to Colonel Anderson's remark that he "would not advocate any reduction in the third class fare" as "the returns from third class passengers are highly remunerative."

5. I shall feel obliged by your laying this explanation before Government.

1. Submitted to Government with reference to Order dated the 9th instant, No. 2,508.

2. Mr. Betts states, in paragraph 1, that he has acted on the "specific instructions received from his Directors," but he entirely loses sight of the Order of Govern-

ment dated the 11th December 1865, No. 3,749, wherein he was distinctly informed that Government would be prepared to sanction, experimentally, the reduction of the second class passenger fare from 8 to 6 Pies per mile; whereas the proposition of the Directors is to suppress one class of passenger traffic, and to raise the fare of the lowest, or present third class, from 4 to 5 Pies.

3. A copy of the letter from the Directors to the Agent, containing the instructions to which he has referred, was not, as is usual with letters sent out from England upon matters connected with the affairs of the Railways, forwarded to this Office by the Government, and this leads to the inference that the original letter could not have been laid before the Secretary of State for India.

4. Mr. Betts is correct in stating that the third class fare was not increased until March 1863. This is shown both in the table embodied in paragraph 2 of my letter dated the 9th ultimo, No. 291, and in the Statement forwarded with it.

5. The exceptional causes to which allusion is made in paragraph 3, with respect to the year 1864, are stated in paragraph 4 of the Agent's letter, printed in the Proceedings of Government, dated the 11th December 1865, No. 3,749.

6. For the purposes of comparing the returns of traffic, it is advisable to take periods of not less than six months, as all exceptional traffic due to special occasions, such as holidays or festivals is then more fairly distributed, than in quarterly periods, or in any particular month of successive years. The annexed statement shows the number of third class passengers and the receipts derived from them, on the Madras and Great Southern of India Railways, from the 1st January 1862 to 31st December 1865. Upon the Great Southern of India Railway the number of passengers fell off as soon as the fare was increased in March 1863, from 3 to 4 Pies, until the year 1865. The increase in the number during the half-years ending 31st December 1865, as compared with the number in the half-year ending 31st December 1862, when the fare was only 3 Pies, was 54 and 4.1 per cent. respectively; while upon the Madras Railway the third class passenger traffic has steadily increased in 1863 and 1864, and in the two half-years of 1865, 1862 were 14.6 and 20.0 per cent. respectively.

7. The Statement annexed shows the numbers of passengers who travelled at cheap fares, separately, as their inclusion in the general traffic of the Railway would tend to vitiate the comparison. The cheap tickets on the Great Southern of India Railway were issued at 1.2, 1.6, and 2.2 Pies, per passenger, per mile, and on the Madras Railway at 2 Pies per passenger, per mile.

8. With regard to the concluding paragraph of Mr. Betts' letter, and to the opinion of Colonel Anderson there alluded to, I think it right to mention, for the information of Government, that at a weekly meeting held upon the 14th instant, the subject of the third class fare upon the Madras Railway was discussed at length by the chief Officers of the Company, and that it was the general opinion, supported by carefully prepared returns, that a recurrence to the rate of 2 Pies per mile would not only secure a large increase to the passenger traffic, but would add materially to the net profits of the Railway.

(Signed) J. H. M. SHAW STEWART, Major, R. E.,
Acting Consig. Engr. for Railways.

Comparative Statement of the Third Class Passenger Traffic on the Madras and Great Southern of India Railways from the 1st January 1862 to the 31st December 1865.

Half year ending	GREAT SOUTHERN OF INDIA RAILWAY.					MADRAS RAILWAY SOUTH WEST LINE.				
	No. of 3rd Class Passengers.	Receipts.	Fare.	No. of 3rd Class re-turn Passengers.	Receipts.	No. of 3rd Class Passengers.	Fare.	No. of 3rd Class re-turn Passengers.	Receipts.	R.s.
30th June 1862	1,46,577	61,501	3			5,29,849	Rs. 2,60,972	17,932	Rs. 8,514	* From 1st January to 11th May 1862, 2 Pies.
31st Dec. "	1,59,582	73,019	3			5,52,814	3,18,071	8,875	6,908	From 12th May to 30th June 1862, 3 Pies.
30th June 1863	1,57,690	78,129	2 months 3 4			5,14,880	3,49,538	18,889	10,780	
31st Dec. "	1,51,192	82,502	4			5,17,148	3,80,737	11,182	8,322	
30th June 1864	1,47,641	76,502	4			5,46,950	3,94,131	20,154	11,101	
31st Dec. "	1,46,280	78,111	4			5,75,014	4,57,373	16,664	8,912	
30th June 1865	1,60,446	84,696	4	28,616	5,007	6,47,598	4,94,935	26,707	17,910	
31st Dec. "	1,66,461	85,376	4	32,202	15,136	6,91,020	5,34,325	12,170	9,509	

(Signed) J. H. M. SHAW STEWART, Major R. E.,
Acting Consulting Engineer for Railways.

MADRAS,
21st August 1866.

*Proceedings of the Madras Government, Public Works Department,
24th August 1866.*

No. 563. ORDER THEREON, 24th August 1866, No. 2,691.

RAILWAY, No. 52.

A copy of the foregoing papers will be forwarded to the Right Honorable the Secretary of State for India in continuation of Despatch No. 41, dated the 22nd August 1866.
(True Extract.)

Colonel, R. E.,
Secretary to Government.

To the Consulting Engineer for Railways.

Ed. S. T. Augustin.

No. 2114

GREAT SOUTHERN OF INDIA RAILWAY

AGENT'S OFFICE,

NEGAPATAM,

16th August 1866

From

THE AGENT

Great Southern of India Railway,

To

The Consulting Engineer for Railways
Madras.

SIR,

In deference to the observations of
Government communicated in your letter of
20th of the inst., no alteration for the
present shall be made in the scale of third
class passenger fares now in force on the Great
Southern of India Railway. You are aware
that the action I have taken in this matter
is the result of specific instructions received
from my Directors, and you are also aware
that a copy of the correspondence herein which
has passed between us, has been forwarded
to their Secretary.

2. I regret that any thing I have
written should have led Government to think
that I deny the accuracy of the Traffic Returns,
as I never intended my words to convey such
a meaning. My object was to show that the
increase of fare from 3 to 4 piers per mile had
not resulted in a permanent falling off in
the

the number of passengers. The Government
 again in 1829 said the falling off in the
 number of passengers when the third class
 fare was raised in September 1862 from 3 to 4
 pice per mile clearly indicates in the opinion
 of Government that with the latter rate the
 "maximum cost at which the great bulk of
 the population could afford to travel has been
 passed."

3. I must explain that the 3^d class fare
 was not increased in September 1862. The increase
 referred to was made in 2^d March 1862. It has
 been fully admitted that an increase of fare
 must at first result in a decreased number of
 passengers, but this falling off is soon overcome.
 The year 1864 was an exceptional one, and the
 causes other than that of an increased fare
 which tended to a smaller number of travellers
 passing over the line have been represented
 in my letter of 1881.

4. The quarter ending June is the only
 one with which we can compare the result
 of the two last years working with the
 predecessors.

		3 ^d class passengers.
In the three first periods		
Quarter ending June '62		
are considered	88,709	
Quarter ending June '65	102,483	
Quarter ending June '66	108,497	

Last month's accounts are not yet quite
 made

made up, but so far as I can at present see,
 the number of 3^d class passengers thus compare.

July 1862	21,669	3 first period	✓
" 1863	25,369	4 " "	
" 1864	22,849	" "	
" 1865	28,850	" "	
" 1866	31,068	" "	

With these figures before them, I would
 respectfully ask Government to reconsider the
 opinion they have formed against the 4 pice
 fare, and in doing so I would also call attention
 to Colonel Anderson's remark that he "would
 not advocate any reduction in the 3^d class
 fare" as "the returns from 3^d class passengers
 are highly remunerative."

I shall feel obliged by your laying
 this explanation before Government.

I have the honour to be,
 Sir,
 Your most Obedient Servant,
 William L. Beth.
 Agent

N^o 353.

Submitted to Government with reference
to Order dated the 9th instant, N^o 2508.

2 W. Betts states, in paragraph 1, that
he has acted on the "Specific instructions received from his
Directors," but he entirely loses sight of the Order of
Government dated the 11th December 1865, N^o 3729, where
- in he was distinctly informed that Government would
be prepared to sanction, experimentally, the reduction of
the second class passenger fare from 8 to 6 piers per mile;
whereas the proposition of the Directors is to suppress
one class of passenger traffic, and to raise the fare of the
lowest, or present third class, from 4 to 5 piers -

3 A copy of the letter from the Directors
to the Agent, containing the instructions to which he
has referred, was not, as is usual with letters sent out
from England upon matters connected with the affairs
of the Railways, forwarded to this Office by the G.
-overnment, and this leads to the inference that the
original letter could not have been laid before the
Secretary

See Despatch. Printed
at Page 148 of Part I of
the Compendium N^o 10
dated 15 March /66.

Secretary of State for India -

4 Mr. Betts is correct in stating that the third class fare was not increased until March 1863. This is shown both in the table, embodied in paragraph 2 of my letter dated the 9th ultimo, N^o 291, and in the Statement forwarded with it.

5 The exceptional causes to which allusion is made in paragraph 3, with respect to the year 1864, are stated in paragraph 24 of the Agent's letter, printed in the Proceedings of Government dated the 11th December 1865, N^o 3749. N^o 1881.

6 For the purposes of comparing the returns of traffic, it is advisable to take periods of not less than six months, as all exceptional traffic due to special occasions, such as holidays or festivals is then more fairly distributed, than in Quarterly periods, or in any particular month of successive years.

The annexed Statement shows the number of third class passengers and the receipts derived from them, on the Madras and Great Southern of India Railways, from the 1st January 1862 to 31st December 1865. Upon the Great Southern of India Railway the number of passengers fell off as

7 as soon as the fare was increased in March 1863, from 3 to 4 pies, until the year 1865. The increase in the number during the halfyears ending 30 June and 31 December 1865, as compared with the number in the halfyear ending 31st December 1862, when the fare was only 13 pies, was 54 and 41 per cent, respectively; while upon the Madras Railway the third class Passenger traffic has steadily increased in 1863 and 1864, and in the two halfyears of 1865, the percentages of increase, as compared with the halfyear ending 31st December 1862, were 146 and 206 per cent, respectively.

7 The Statement annexed shows the numbers of passengers, who travelled at cheap fares, separately, as their inclusion in the General traffic of the Railway would tend to vitiate the comparison. The cheap tickets on the Great Southern of India Railway were issued at 1.2, 1.6 and 2.2 pies, per passenger, per mile, and on the Madras Railway at 2 1/4 pies per passenger, per mile.

8 With regard to the concluding paragraph of Mr. Betts' letter, and to the opinion of Colonel Anderson

Order G.O. 11 December
1865 N^o 3749 -

Anderson there alluded to, I think it right to men-
tion, for the information of Government, that at a
weekly meeting held upon the 12th instant, the subject of
the third class fare upon the Madras Railway was
discussed at length by the Chief Officers of the Company,
and that it was the general opinion, supported by
carefully prepared returns, that a recurrence to the
rate of 2 pice per mile would not only secure a
large increase to the passenger traffic, but would
add materially to the net profits of the Railway.

Madras 7

21 August
1863

Wm. Stewart Playfair R.E.
Acting Consulting Engineer for Railways

To

The Secretary to Government
D. P. W.
Fort Saint George

Pro. of Aug 1866 N 1820186

P W D Dept
1866.

RAILWAY DEPARTMENT.

From

The Consgr. Engineer for Railways,

To

The Secretary to Government,
P. W. Dept.

Dated 28th } August 1866.
Received 23rd

No. 353.

Enclosures, No. 2

Observations on a
letter from the Agent &
Traffic Manager of the G.
& S. Ry, N^o 2114 of 16th
Instant, submitting an
Explanation regarding the
reduction of fares on the
G. & S. Ry.

A 2691-24 Aug 1866

A 562

Public Works Department.

2691

90

PROCEEDINGS of the MADRAS GOVERNMENT
Under date the 24th Aug 1866
Read the following

(Here enter No. dated)

A copy of the fore-
going papers will be forward-
ed to the Right Honorable
the Secretary of State for
India in continuation of
Despatch N^o 41 dated the
22nd August 1866.

To
The Consulting Engineer
for Railways.

W M

W M

P. W. 1867. Department.
of Post for August
No. 2691

PROCEEDINGS OF GOVERNMENT *of India*

Dated *21st August 1867*

Part 25/4

*Letter submitted
by the Consulting Engineer
on the subject of Fares
(3rd Class) on the Great
Southern of India Rail-
way, forwarded to the
Home Government.*

A 552. 50