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(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public works. DEPARTMENT.

G.O. No. 2245	Press
613-614.	Mis.
Dated 25-7-	1857.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
25th July 1867.*

No. 613. Read the following Proceedings of the Government of India, in the Public Works Department, (Railway,) dated Simla, 22nd June, 1867, No. 520 R:—

Pecuniary benefit to the State from the Mail Service.

Read again—

Public Works Dept. Nos. 184—8 R, to Local Governments, dated 25th February 1867.

Read—

From Government of Bengal, No. 544 G, dated 19th March 1867, and enclosure.

To „ „ „ 294 R, „ 1st April 1867.

From „ of North-Western Provinces, No. 97 R, dated 23rd March 1867, and enclosure.

From Government of Bombay, No. 747, dated 12th April 1867, and enclosure.

From „ of Madras, „ 1,280, „ 30th „ „

From „ of Punjab, „ 76—64, „ 14th May „

OBSERVATIONS.—It has already been pointed out to the Bengal Government that, in its reply, a mistake had been made in supposing the Director General of Post Offices, in his enunciation of the principle on which he would assess the benefit accruing to the State, had only allowed for the actual expenses to the Railway Companies of performing the Service. The same mistake has been made by both the Madras and Bombay Governments.

2. What the Director General really did in the Memorandum which was circulated was, to state the principle on which he would assess the value of the service rendered, and then, in illustration thereof, to draw up an estimate from a suppositious average unit of cost for all Indian lines.

This unit, and the results derived from the employment of it, were of course liable to correction, but there seems little reason to question the propriety of the principle enunciated.

3. The Bengal Government would allow for the service rendered at ordinary passenger and parcel rates, omitting to consider the abatement in charges which is always usual in dealing with regular customers, though it was remarked in Public Works Department letter No. 552 R of 6th July 1865, circulated to all Governments, that due allowance should be made for this.

4. The Bombay Government seems to arrive at a result a trifle below that which the Director General's method of calculation would produce, the value set down for the supply of a carriage to the Post Office being, if the calculations furnished in the Consulting Engineer's Memorandum are rightly understood, rather less than twice the actual computed cost to the Company of running the vehicle, while the Director General of Post Offices would allow exactly double.

5. The Madras Government allows the ordinary rates charged to chance customers with an abatement of about one-fifth, and considers that, for the accommodation afforded on each line in that Presidency, annas 4 per mile would be a fair valuation.

6. The North-Western Provinces Government accepts the Director General's principle.

7. The Punjab, like the Bengal Government, seems to allow no abatement for the regularity of the custom afforded.

8. The principle of the Director General's method is simply this:—he would find from the total expenses of passenger trains and total mileage of vehicles during each half-year, the average cost of running each vehicle over one mile, and then give the Railway Company credit for double the amount thus arrived at for each entire carriage supplied, and ratably for each portion of carriage supplied.

9. The question must be considered to be more or less a speculative one. It is what it may be supposed would be the bargain a Railway Company would be willing to enter into with the State for performing this service were it bound by no contract in the matter, or, as expressed in the Act in force in England, what would be the amount of reasonable remuneration to a Railway Company.

10. Some index to the abatement in the ordinary charges which might be looked for, may be found in the Special Passenger Rates of the East Indian Railway for reserved accommodation. These allow 1st and 2nd class passengers engaging a whole compartment of a carriage for a distance of 300 miles, to travel at half fares. This arrangement involves practically an abatement in excess of half the fares for the compartment so reserved for the distance mentioned, as the carriage would certainly have to travel a considerable additional distance with a less load, or possibly with none, the additional distance on the particular line mentioned being possibly 300 miles, therefore this bargain really implies readiness to run a vehicle for an assured return of considerably less than one-half the full possible receipts. The abatement, therefore, approved by the Madras Government, of one-fifth of the possible receipts, is clearly by no means sufficient; indeed, were reserved accommodation afforded on the Madras Railway on terms similarly calculated to those of the East Indian Railway, the charge to the public for the accommodation afforded to the Post Office would be only anna 1-10 per mile, instead of the annas 4 recommended.

11. If these rates for reserved accommodation had been settled for all the Railways, and had been applied to the entire journeys from end to end, the correct principle for calculating the benefit in question would appear to be to take as the basis the actual accommodation set aside for the mails and servants, and to calculate what the charge for such accommodation would be to the general public, not, however, at the mileage rate per number of passengers the carriage and portions of the carriage would hold, but had the reserved rate for a carriage or compartment of a carriage of the class used, taking into consideration on the one hand, the average distance a reserved carriage would travel *empty*, and on the other, the ordinary traffic which such reserved accommodation would, under any circumstances, displace.

12. The case of mails carried as parcels presents some difficulty. When carried, however, in the brake van without displacing other freight, any payment made would be all clear profit, and a reasonable remuneration might certainly be rated at very low amount, and even if the consequence be to displace parcels and luggage, it may be safely assumed, probably, that the distances over which the articles so displaced would have travelled, would not have averaged more than a fraction of the distance the mail parcels are carried, so that, under any circum-

stances, it may, perhaps, be considered sufficient to apply one-fourth of the ordinary parcel charges to the case of mails carried in this way.

13. The conclusion the Governor General in Council comes to is, that it cannot be far wrong to assume, with the Director General of Post Offices, as the reasonable remuneration it is desired to find, an amount equal to double the actual cost incurred by the Railway Company, and that, at present, there is no better method of arriving at a result.

As to the actual rates to be arrived at by this principle of assessment, they will of course differ on the different lines.

On the East Indian line, the average expense at present for each passenger vehicle per mile may, it is believed, be taken at the outside at about $2\frac{1}{4}$ annas, and the valuation of the service to the State in running a sorting carriage would, therefore, be $4\frac{1}{2}$ annas per mile. This supposes the carriage provided and kept in repair by the Company; if this be not the case, half an anna should be deducted.

14. The full possible receipts from a 2nd class carriage on the same line are 270 pies, or annas $22\frac{1}{2}$ per mile; the amount, $4\frac{1}{2}$ annas, arrived at would, therefore, be just one-fifth of the possible receipts. This very nearly corresponds with the Director General's valuation, for the amount used in his calculation, one anna, was for the use of one-fourth of a carriage, as his letter distinctly stated.

15. With regard to the total assessment of the pecuniary benefits to the State, as set forth in the statement in Public Works Department Circular No. 12 R of 1866, which called forth the Director General's reference, which it thus appears were over-rated, amended returns should now be prepared under the orders of the Local Governments concerned, based on the principles now laid down.

ORDER.—Ordered that a copy of the foregoing observations, and of the papers now read, be communicated to the Governments noted in the margin, for further consideration and report.

Madras.	N. W. Provinces.
Bombay.	Punjab.
Bengal.	

Ordered also, that a copy be forwarded to the Home Department for communication to the Director General of Post Offices.

(Signed) W. McCLEERY, C. E., *Offg. Asstt. Secy.,
For Secy. to the Govt. of India.*

No. 614. ORDER THEREON, 25th July 1867, No. 2,245.

RAILWAY, No. 48.

Referred, for report, to the Consulting Engineer for Railways, with reference to his letter dated the 30th March

last, No. 103, and to the Order of Government dated 21st idem, No. 880.

(True Extract.)

(Signed) J. H. M. SHAW STEWART, Major, R. E.,
Under Secretary to Government.

To the Consulting Engineer for Railways.

Exd. S. T. Augustin.

Enclosure to Railway No. 520—25 R of 1867.

No. 544 G, dated 19th March, 1867.

*From—CAPTAIN F. S. TAYLOR, R. E., Joint Secy. to Govt. of Bengal, in the P. W. Dept.,
Railway Branch,*

To—Secretary to Government of India, P. W. Dept.

In reply to your letter No. 186 R of 25th February 1867, on the subject of the pecuniary benefit to the State from the performance of its Mail-service by rail, I am instructed to forward a Note by the Consulting Engineer, dated the 18th instant.

2. The Lieutenant Governor thinks it very necessary that a strict account of all work performed by the Railway Companies for the Post Office should be kept; and agrees with the Consulting Engineer that the cost of the service at ordinary Railway rates represents the direct pecuniary benefit to the State, instead of the working expenses only as urged by the Director General.

3. Should the Government of India concur in these views, the statements of pecuniary benefit to be submitted by the Consulting Engineer will be prepared on the same principle as heretofore; but arrangements will be made with the Railway Companies for obtaining greater accuracy.

Dated 18th March, 1867.

Note by CAPTAIN F. S. TAYLOR, R. E., Consulting Engineer to Government of Bengal, Railway Dept., on the subject of the pecuniary benefit to the State from the Mail-service by Rail.

Circular letter No. 186 R of 25th February 1867, from the Government of India, in the Public Works Department, with its enclosures, calling for an expression of opinion on the proper method of calculating the pecuniary benefit to the State from the free Mail-service by rail, is herewith submitted to the Lieutenant Governor for orders.

2. The objections of Mr. H. B. Riddell, Director General of the Post Office, to the publication of an incorrect and worthless estimate of the indirect benefit to the State are obviously well founded, but the object sought (which is unquestionably a legitimate one) is, I submit, to ascertain the direct pecuniary benefit derived from the free Mail-service, or, in other words, what the cost of the service would be at ordinary Railway rates.

3. Singularly enough the Director General entertains the idea that a uniform figure at per mail train mile, based on the cost of working, would, for all Railways alike, represent the benefit to the State, notwithstanding that on the East Indian Railway, for instance, between Howrah and Delhi, special sorting carriages are run with the through trains at a very considerable expense, by displacing paying traffic, while on the Eastern Bengal and Calcutta and South-Eastern Railways, as also on the East Indian Railway, the local mails, which are insignificant in bulk, are carried in the break-van, and the Post Office servants travel in the passenger carriages with free passes; and after demanding a uniform principle, based on the actual working expense only of the Railway, he states, without however giving his reason, that he sees no use in consulting the Railway Companies on the matter.

4. All things considered, the only principle on which the cost can, I submit, be fairly arrived at is to calculate, on an approximation of the actual accommodation, the value of the service at the Railway Company's parcel and passenger rates, and this is precisely the basis of the estimates hitherto submitted through this Office.

5. It may, I think, be worth while, in the interests of good and economical management, to accumulate in the Railway Offices more accurate data concerning the mails carried, and free passes issued by ordinary trains on all the three Railways in Bengal, and a fixed figure at per mail train mile (calculated on the average earnings of a passenger carriage) should be determined on for the sorting or special carriage rate; and I recommend that the Railway Companies be addressed accordingly.

6. The data thus furnished to this Office for calculating the pecuniary benefit to the State may be subjected to the scrutiny of the Director General; but the Consulting Engineer is, I submit, the only Officer who can authoritatively declare the result, and his figures ought to be accepted by the Government of India as final.

7. It will be as well to record here, with reference to the extra postal train service, for which, under the Contract, the Railway Companies are to charge cost price only; that, in calculating the direct pecuniary benefit to the State, the rate per train mile must be calculated on the average earnings of the equivalent number of passenger carriages, or, in round numbers, at about double the actual payment to the Railway Companies.

(2)

No. 294 R, dated 1st April, 1867.

From—COLONEL C. H. DICKENS, R. A., Secy. to Govt. of India, P. W. Dept.,
To—Joint Secretary to Government of Bengal, in the P. W. Dept., Railway Branch.

I am directed to acknowledge the receipt of your letter No. 514 G of the 19th March 1867, forwarding, with an expression of the views of the Lieutenant Governor, copy of a Note by the Consulting Engineer to the Government of Bengal, on the method to be adopted in calculating the pecuniary benefit to the State from the performance of its Mail-service by rail. Further orders will not be issued on the case until the replies of other Local Governments are received; but, in the meanwhile, I am directed to point out that the Government of Bengal appears to have misapprehended Mr. Riddell's meaning with reference to the amount of charge to working expenses, but in the 5th para. of his Note, dated 16th July 1866, which formed one of the enclosures of this Office No. 186 R, dated 25th February 1867, Mr. Riddell doubled what he supposed to be the actual cost to the Railway Company, arriving thus at what in his view is a fair approximation to the charges which would accrue to the Railway Company if the Post Office were treated on the same footing as the public.

No. 97 R, dated 23rd March, 1867.

From—LIEUT.-COL. C. J. HODGSON, R. E., Offg. Secy. to Govt. of N. W. P., in the P. W. Dept.,

To—Secretary to Government of India, P. W. Dept.

With advertence to your letter No. 187 R, dated 25th ultimo, forwarding, for an expression of opinion thereon, papers having reference to the method to be adopted in calculating the pecuniary benefit to the State from the performance of its Mail-service by rail, I am directed to forward copy of a Note by the Officiating Secretary, in this Department, and to state that His Honour the Lieutenant Governor fully concurs in the view therein expressed.

Note by LIEUT.-COL. C. J. HODGSON, R. E., Offg. Secy. to Govt. of N. W. P., in the P. W. Dept.

The assessments of the Railway Companies' Officers are clearly excessive. The ordinary fares are calculated to give fair profit upon the average extent to which the whole amount of carriage provided is availed of by the public, and do not generally apply when a fixed extent of accommodation is hired for a lengthened term; it is also certain that the mails do not displace passengers to the extent of the carriage room taken credit for: not having to carry the full load, that, if they were entering into a bargain with the Government for the carriage of the mails, they would be most glad to secure this unvarying traffic on terms much cheaper than those supplies of ice for customers at very low charges.

As the Director General says the Eastern Bengal Railway Agent's assessment is most nearly fair under the circumstance of the particular case, but for the reasons above given, the more properly apply.

For the case when a fixed amount of carriage room is afforded, the Director General's bursaments, a Railway Company is considered to be doing very good business. And this is what the Director General allows. I cannot think of any more satisfactory way of assessing the debt of the Government for the service performed.

No. 747, dated 12th April, 1867.

From—COLONEL M. K. KENNEDY, R. E., Secy to Govt. of Bombay, in the P. W. Dept., Railway Branch,

To—Secretary to Government of India, P. W. Dept.

I am directed by His Excellency the Governor in Council to acknowledge the receipt of your letter No. 183, dated 25th January last, requesting the opinion of this Government, on the pecuniary benefit to the State from the performance of its Mail-service by rail.

(3)

2. In reply, I am desired to forward the enclosed copy of a Report on the subject by the Consulting Engineer for Railways to this Government, No. 789, dated 14th March last, called for by this Government on the receipt of your letter under acknowledgment.

No. 789, dated 14th March, 1867.

Report by CAPTAIN H. F. HANCOCK, R. E., for Consulting Engineer for Railways, Bombay.

The undersigned has the honour to state that the calculation shown by Mr. Riddell for the Bombay lines is not quite correct. Since the rains of last year, the Bombay Post Office have had the use of half a carriage instead of a quarter carriage, and mails are carried by the morning train to Poona as well as by the night mail train.

2. As to the propriety of the calculation, the undersigned entertains considerable doubt. The amount shown may be taken to represent the cost of carrying the mails to the Railway Company, but it does not represent what the cost to Government would be if they had not provided the Mail Clause in the contract. Estimating this as for a constant customer, the value is shown in the half-yearly revenue returns, and is about double the amount calculated as proposed by the Director General of Post Offices.

3. The amended calculation is given below:—

	Miles.
Bombay to Budneira	411
Budneira to (Koutah) Phoolgaum	41
	452
Add extra mileage for Thul Ghât	20 Ghât reckoned at treble mileage.
	472
	34
Bhosawul to Boorhanpoor	282
Bombay to Sholapoor	34 Mail train night.
Add extra mileage for Bhore Ghât	316
	119
Bombay to Poona	34
Add for Bhore Ghât	153 Day train carrying mails.

Total mileage $472 + 34 + 316 + 153 = 975$ miles.

Mileage rate per passenger vehicle, 3 annas.

For half vehicle the rate will be 3 annas, both ways included—

$975 + 3 + 365 = \text{Rs. } 66,726$ per annum,

while Mr. Riddell estimates Rs. 34,310, and the cost per annum, as constant customer, is Rs. 1,32,594 deduced from first-half year of 1866.

For the Bombay, Baroda, and Central India Railway line the calculation will be—

Passenger vehicle rate $2\frac{1}{4}$ annas per mile—
 $306 + 2\frac{1}{4} + 365 = \text{Rs. } 15,706$ per annum,

while the constant customer rate deduced as for the Great Indian Peninsula Railway would be Rs. 46,154.

For the Sindh Railway—

The calculation cannot be given without reference to Kurrachee, but the rate will be high, as the trains run are about six carriages, and the mileage rate per train will be divided over a small number of vehicles.

The reference has been made, and the result will be reported when received.

(4)

No. 1230, dated 30th April, 1867.

From—COLONEL C. A. ORR, R. E., Secy. to Govt. of Madras, in the P. W. Dept.,
Railway Branch,

To—Secretary to Government of India, P. W. Dept.

I am directed to acknowledge the receipt of your letter, dated the 25th February 1867, No. 184 R, requesting an expression of the opinion of this Government, on the feasibility of the method of calculation adopted by the Director General of Post Offices in India, in estimating the pecuniary benefit to the State from the free carriage by rail of mails and Post Office servants.

2. In reply, I am directed to call the attention of the Government of India to some remarks made by the Consulting Engineer for Railways in this Presidency, a copy of which is enclosed, and to intimate the general concurrence of this Government therein. As shown by Lieutenant-Colonel Anderson, the mode of calculation adopted by the Director General seems to be incorrect, and under the supposition that the return of pecuniary benefit is intended to show what would have been paid for the carriage of the mails and Post Office servants if charged at the same rates as those for private individuals, the Governor in Council is of opinion that 4 annas or 6 pence a mile would be a fair rate to allow for both the Madras and the Great Southern Railways.

No. 103, dated 30th March, 1867.

From—Consulting Engineer for Railways, Madras,

To—Secretary to Government of Madras, in the P. W. Dept., Railway Branch.

Referring to G. O. No. 880, dated 21st March 1867, calling for any observations I may wish to offer on the method adopted by the Director General of the Post Office in calculating the pecuniary benefit to the State from the free carriage by rail of Mails and Post Office servants, I have the honour to state that, in my opinion, the Director General has proceeded on an entirely incorrect principle, in assuming that the proportional cost of the mileage of the vehicle, or part of the vehicle appropriated for the mails, represents the amount gained by the State in having the mails carried free.

2. The principle for calculating the benefit in question, which was laid down by the G. O. No. 424, dated 25th July 1865. Secretary to the Government of India, in his letter dated 6th July 1865, is, I believe, the correct one. It is there observed, that "special accommodation is set aside for the mails and servants." It matters, therefore, nothing what the weight of the one, or the number and distance travelled by the other are. The actual accommodation set aside (the half of a second class carriage, or what ever it may be, without reference to the contents would, under similar arrangements, be) charged to the general public, and on this basis the cost of the service performed by the Post Office should be calculated.

3. The above instructions were followed in preparing the periodical returns of the savings effected by Government by the use of the Railways in this Presidency.

4. On the Madras Railway the mails were assumed to occupy, on the average, five-sixteenths of a second class carriage, the charge for which to the public would be 5 annas 2 pies per mile, the whole carriage being capable of holding 40 passengers, and the rate per mile being 5 pies.

5. The Agent and Manager did not consider himself justified in quoting a lower rate than 4 annas per mile, even for the Post Office; and this rate was accordingly adopted in the returns submitted for the half-year ending 30th June 1865, and for subsequent returns, although the second class passenger fares, since 1st November 1865, have been 6 and 7 pies by day and night trains respectively. The rate appeared to me to be a fair one in the first instance, and there is the stronger reason for pronouncing it to be moderate, now that the rates for the public have been raised.

6. On the Great Southern of India Railway a compartment of a second class carriage, computed to carry 12 passengers, is used for the accommodation of the Mails and Post Office servants. The second class passenger rate during the years 1865-66 was 8 pies per mile; and in the returns of the benefits accruing to Government from the free carriage of the mails, a rate of 6 annas 3-8 pies per mile was quoted. It is certainly very high, considering the unimportant nature of the mails conveyed, and it ought to be considerably reduced in future returns, as the rates to the public were lowered from the 1st instant from 8 pies to 5 pies per mile. The mails on the Great Southern of India are carried twice a day each way, between Trichinopoly and Negapatam.

7. On the whole I consider that 4 annas or 6 pence per mile would be a fair rate to allow for both the Madras and Great Southern Railways.

(5)

No. 76, dated 14th May, 1867.

From—LIEUT.-COL. H. DRUMMOND, R. E., Under Secy. to Govt. of Punjab, in the
P. W. Dept., Railway Branch,

To—Secretary to Government of India, P. W. Dept.

With reference to your Office Memorandum No. 188 R, dated 11th ultimo, inviting attention to Public Works Department No. 183 R of the 25th February last, I am directed to reply that the Consulting Engineer to this Government is of opinion that, when special accommodation is provided for the carriage of mails and Post Office servants, one-fourth of the total possible earnings of a 2nd class carriage, calculated to contain 30 passengers, may be taken as a fair approximation to the pecuniary benefit to the State, or say, of eight 2nd class passengers at 9 pies per mile = 6 annas per mile.

2. It seems to the Consulting Engineer that no one can believe that, under the above circumstances of special accommodation being provided, any Railway Company in India would agree to carry mails at rates varying from $\frac{1}{4}$ to 1 anna per mile, and without taking this into consideration, the gain to the State from not having to make a special bargain, as one of the public, with a Railway Company, can hardly be justly arrived at. The cost of transporting an empty carriage, or one filled with passengers, is almost identical. The former is dead loss to the Company, the latter yields the maximum of profit. But in the former case the Company has the option of cutting off the empty carriage, in the conveyance of the mails the Company has no such option—whether the mail van contains only one Post Office servant and two or three maunds weight of mail bags, or whether it contains 8 or 10 Post Office servants, and 8 or 10 maunds weight of mail bags, it must be transported to its destination. Some allowance should be made for this. And, moreover, it should also be considered that, if the Company had not to put on a mail van, it might put on an additional passenger carriage.

3. When no special accommodation is provided, the Consulting Engineer thinks that the pecuniary benefit to the State should be reckoned by the weight of the mail bags calculated at parcel rates when conveyed in passenger trains, and at special rates when conveyed in goods trains.

recd 26/7/67

No. 520 R.
GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
RAILWAY.

SIMLA, JUNE 22, 1867.

Pecuniary benefit to the State from the Mail Service.

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*To The Secretary to the Government of Madras
Public Works Department (Railway)*

Recd 26/7/67

(2)

4. The Bombay Government seems to arrive at a result a trifle below that which the Director General's method of calculation would produce, the value set down for the supply of a carriage to the Post Office being, if the calculations furnished in the Consulting Engineer's Memorandum are rightly understood, rather less than twice the actual computed cost to the Company of running the vehicle, while the Director General of Post Offices would allow exactly double.

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10. Some index to the abatement in the ordinary charges which might be looked for, may be found in the Special Passenger Rates of the East Indian Railway for reserved accommodation. These allow 1st and 2nd class passengers engaging a whole compartment of a carriage for a distance of 300 miles, to travel at half fares. This arrangement involves practically an abatement in excess of half the fares for the compartment so reserved for the distance mentioned, as the carriage would certainly have to travel a considerable additional distance with a less load, or possibly with none, the additional distance on the particular line mentioned being possibly 300 miles, therefore this bargain really implies readiness to run a vehicle for an assured return of considerably less than one-half the full possible receipts. The abatement, therefore, approved by the Madras Government, of one-fifth of the possible receipts, is clearly by no means sufficient; indeed, were reserved accommodation afforded on the Madras Railway on terms similarly calculated to those of the East Indian Railway, the charge to

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the public for the accommodation afforded to the Post Office would be only anna 1-10 per mile, instead of the annas 4 recommended.

11. If these rates for reserved accommodation had been settled for all the Railways, and had been applied to the entire journeys from end to end, the correct principle for calculating the benefit in question would appear to be to take as the basis the actual accommodation set aside for the mails and servants, and to calculate what the charge for such accommodation would be to the general public, not, however, at the mileage rate per number of passengers the carriage and portions of the carriage would hold, but at the reserved rate for a carriage or compartment of a carriage of the class used, taking into consideration on the one hand, the average distance a reserved carriage would travel empty, and on the other, the ordinary traffic which such reserved accommodation would, under any circumstances, displace.

12. The case of mails carried as parcels presents some difficulty. When carried, however, in the brake van without displacing other freight, any payment made would be all clear profit, and a reasonable remuneration might certainly be rated at a very low amount, and even if the consequence be to displace parcels and luggage, it may be, safely assumed, probably, that the distances over which the articles so displaced would have travelled, would not have averaged more than a fraction of the distance the mail parcels are carried, so that, under any circumstances, it may, perhaps, be considered sufficient to apply one-fourth of the ordinary parcel charges to the case of mails carried in this way.

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As to the actual rates to be arrived at by this principle of assessment, they will of course differ on the different lines.

On the East Indian line, the average expense at present for each passenger vehicle per mile may, it is believed, be taken at the outside at about $2\frac{1}{2}$ annas, and the valuation of the service to the State in running a sorting carriage would, therefore, be $4\frac{1}{2}$ annas per mile. This supposes the carriage provided and kept in repair by the Company; if this be not the case, half an anna should be deducted.

14. The full possible receipts from a 2nd class carriage on the same line are 270 pies, or annas $22\frac{1}{2}$ per mile; the amount, $4\frac{1}{2}$ annas, arrived at would, therefore, be just one-fifth of the possible receipts. This very nearly corresponds with the Director General's valuation, for

the amount used in his calculation, one anna, was for the use of one-fourth of a carriage, as his letter distinctly stated.

15. With regard to the total assessment of the pecuniary benefits to the State, as set forth in the statement in Public Works Department Circular No. 12 R of 1866, which called forth the Director General's reference, which it thus appears were over-rated, amended returns should now be prepared under the orders of the Local Governments concerned, based on the principles now laid down.

ORDER.—Ordered, that a copy of the foregoing observations, and of the papers now read, be communicated to the Governments noted in the margin, for further consideration and report.

Madras.
Bombay.
Bengal.

N. W. Provinces.
Punjab.

Ordered also, that a copy be forwarded to the Home Department for communication to the Director General of Post Offices.

William McGarry C. E., Offg. Asstt. Secy.,
for Secy. to the Govt. of India.

Public Works Department
No. 2245

Proceedings of the Madras Government
Under date the 25th July 1867
Read the following

From The Govt. of India
P.W. Dept. Railway. (H.E. No. 520 P. of 22 June/67)

Referred for report:
to the Consulting
Engineer for Railways
with reference to his
letter dated the 20th
March last, W.P. 103;
and to the order of
Govt. dated 21st Decr.
W.P. 880. —

M.

[Faint, illegible handwritten text]

To The Comr. for
for Railways. *[illegible]*

Sept 26/77

80 a/c 1/67 1299-1250
21 March - 586
- 184 25 July 1865 22
- 121
- 100 1/67 1167 33-34

[Faint handwritten notes]

GOVERNMENT OF INDIA
PUBLIC WORKS DEPARTMENT.
RAILWAY.

To
The Secy. Govt.
1860.

No. 520 R.

Dated SIMLA, June 22, 1867.

Received 16 July 1867.

[Handwritten signature]

Recurring benefit to the State from the Mail
Service.

2163

c. 194 July 1867 A. 2245

c. 194 2245. 25th July 1867

Pub: Works 1867 Depart^{ts}

Pro: of Govt. for July

Sp. 2245

Pro: of the Madras Govt.
Sp 25th July 1867

Communicating to the
Consulting Engineer the Pro: of
the Govt. of India requesting
further reports on the method of
calculation adopted by the
Director General of the Post
Office in India, relative to
the pecuniary benefit to the
State from the performance
of its Mail Service by the
Railway Companies.

614
Pub. Works 1867 Department
Pro of Gov' for July

N^o 9245

Pro. of the Madras Govt

D^y 25 July/67.

Communicating to the
Engineer the Pro. of the Government
of India requesting further reports
on the method of calculation
adopted by the Director Genl of the
Post Office in India relative to the
pecuniary benefit to the state
from the performance of its
mail service by the Railway
Companies