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MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No. 3719	Press Mis.
597-98	
Dated 27. 11	1868.

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Public Works Department,
27th November 1863.*

No. 597. Read the following Proceedings of the Government of India in the Public Works Department, (Railway), dated Simla, 30th September 1863, No. 1,138 R:—

Pecuniary benefit to the State under the Mail Clause of the Contracts with the Guaranteed Railway Companies.

Read again—

Public Works Department, Nos. 370—7 R, dated 19th May 1865.

From Director General of Post Offices, No. 680, „ 22nd June „

Public Works Department, Nos. 552—60 R, „ 6th July „

Circular No. 12 R, „ 5th „ 1866.

Despatch to Secretary of State, No. 59 R, of 5th July 1866.

From Home Department, No. 5,978, of 31st October 1866, and enclosure.

To „ „ „ 1,177 R, dated 28th December 1866.

From „ „ „ 939, „ 29th January 1867.

Public Works Department, Nos. 184—9 R, dated 25th February 1867.

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

To „ „ „ 294 R, of 1st April 1867.

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

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

„ „ „ of Madras, „ 1,280, of 30th „

Punjab, Nos. 76—64, dated 14th May 1867.

Public Works Department Resolution Nos. 520—5 R, dated 22nd June 1867.

Read also—

From the Secretary to the Government of the North-Western Provinces, in the Public Works Department, to the Secretary to the Government of India, Public Works Department, dated 10th August 1867, No. 44 R—C.

1. I am directed to acknowledge the receipt of Public Works Department Resolution No. 523 R, dated the 22nd June last, on the subject of the method to be adopted in calculating the pecuniary benefit to the State from the performance of its mail service by rail.

2. In reply, I am to observe that the fairest mode, so far as the through trains from Howrah to Delhi and Delhi to Howrah are concerned, appears to the Lieutenant Governor to be that indicated in paragraph 10 of the above Resolution. The Director General's rule to take the working expenses per train mile, and double the amount to obtain the postal charge per train mile, is obviously arbitrary, and founded simply on an assumed rate being fair to the Company.

3. But if the rule now adopted by the Company itself in making abatement for carriages or compartments engaged for prescribed distances (300 miles in the case of the East Indian Railway Company) be taken as the basis of calculation, a result would be arrived at, the fairness of which would not, His Honor considers, be in any way open to question.

4. If the Post Office Sorting Carriage were taken off, it might be replaced by a 1st or 2nd class carriage. But even now the one or two 1st class carriages attached to a train seldom or never travel full: an extra 1st class carriage may therefore be rejected from the calculation, and it may be assumed that the sorting carriage would be replaced (utmost) by a 2nd class carriage.

5. The Railway Company would permit such a carriage, or one compartment of it, to be hired at half rates for any distance not less than 300 miles. But for the reason given in paragraph 10 of the Resolution under acknowledgment, a further allowance should be made, and were a bargain with the Company in question, such an allowance would undoubtedly be conceded for engaging a carriage up and down the whole way for every day in the year. What this allowance would be, must, I am to remark, under present circumstances, remain purely a matter of speculation, but it is considered that the rate of $\frac{2}{3}$ ths of the full hire would be one that the Company at least would not cavil at; and in the absence of more accurate data, His Honor is inclined to allow $\frac{2}{3}$ ths of the full hire of a 2nd class carriage for each run of 1,017 miles.

6. In making the calculations noted in the above paragraph, it has been assumed that a sorting carriage is of the same size as a 2nd class carriage, but if it be only equal to two compartments, then $\frac{1}{3}$ ths of the full hire would be the correct rate.

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From the Secretary to the Government of Hongkong to the Public Works Department, Railway Branch, to the Secretary to the Government of India, Public Works Department dated 22nd August 1867, No. 1239.

With reference to your No. 321 of date 22nd June last, in connection with the further consideration and report of the Commission of the Government of India regarding the proposed building the State for the performance of its mail service, I am directed by His Excellency the Governor in Council to forward to you of the enclosed the Report, No. 2727, dated 14th instant, and accompanying notes, and to state that the Government of India generally in Council be left to decide.

R. ...

The undersigned has the honor to acknowledge the receipt of the above-mentioned letter of the 14th inst. and in reply to inform you that the same has been forwarded to the proper authorities for their consideration.

The railway must have the honor to submit its income prepared on the principle laid down by the Government of India.

He begs, however, to observe, that while the principle of calculating the benefit to the State as to a constant customer is undeniably correct, as to the manner in which the calculation is carried out, a customer is only concerned with the charges made by the Railway Company, but has nothing whatever to do with what he calls the fixed charges to run their vehicles. For insurance the charges are now estimated, and I would estimate them on the same basis as working expenses, while for a real constant customer they should be charged on the same basis as the charges for the first class.

The Chairman.

The calculations formerly submitted by this Office were estimated as under.

An annual 2nd class ticket is awarded at one-fourth of the charge for an ordinary return ticket which is usually fare and half fare. Two 2nd class fare in 1915 was 8 pica.

Annual ticket 16 pica

and the rate per mile is 16 pica

or 16 cents 16 pica

thus 16 pica

and the rate per mile in one direction only would be 2 pias per seat per mile. For half a carriage
 or 16 seats, the charge would therefore be 32 pias per mile; or the calculation may be taken
 thus:—
 A constant customer occupying half a carriage (2nd class) for a return-journey, would be
 charged 8 seats at fare, and a half or 12 pias as above. This would give 96 pias per mile for the
 double-journey, and 48 pias per mile in one direction only.
 The two methods give different results, but it is submitted that whichever method
 he prefers, but it is submitted that whichever method
 be made on the principle of the former, and the rate per mile in one direction only

The two methods give different results, and the Director General may adopt whichever method he prefers, but it is submitted that, whether either of the above be adopted, or whether the calculation be made on an assumed constant customer rate for all Indian Railways, this is the correct principle, and that the cost to the Railway Company cannot be taken as the basis of the calculation with any propriety.

Since the commencement of 1896, the rate to a constant customer would be 13½ pices per mile, instead of 12, as the 2nd class rate is now 9 pices.

Statement showing indirect pecuniary benefit to the State during the year 1861, arising under certain Clauses of the Guaranteed Railway Contracts, prepared in accordance with Government of India's Resolution No. 521 B of 1867.

Indirect pecuniary benefit to the State during the year 1864, arising from certain clauses of the Guaranteed Railway Contracts, prepared in accordance with Government of India's Resolution No. 521 B of 1867.				
Railway.	CONSTANCES OF		Total.	Remarks.
	Troops and Stores at special rates.	Mails, &c., free.		
Great Indian Peninsula Railway	Rs.	Rs.	Ls.	Expenditure per passenger vehicle, per mile, 2 Annas, one-fourth of the carriage occupied.
Bombay, Baroda, and Central India Railway.	89,554	37,014	1,26,568	
Sindh Railway and Indus Flotilla.	5,183	12,544	17,727	Expenditure per passenger vehicle, per mile, 3½ Annas, one-fourth of the carriage occupied.
Total	49,173	1,428	50,601	Mails calculated at one-fourth parcel charges.
	1,43,910	50,986	1,94,896	

(Signed) J. H. WHITE, Captain, R. E.
Deputy Consulting Engineer for Railways.

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Statement showing indirect pecuniary benefit to the State during the year 1865, arising under certain Clauses of the Guaranteed Railway Contracts, prepared in accordance with Government of India's Resolution No. 521 R of 1867.

Railway.	CONVEYANCE OF		Total.	Remarks.
	Troops and Stores at special rates.	Mails, &c., free.		
	RS.	RS.	RS.	
Great Indian Peninsula Railway	92,540	96,596	1,89,136	Average expenditure per passenger vehicle per mile, 2-77 Annas, half the carriage occupied. Average expenditure per passenger vehicle, per mile, 3-5 Annas, one-fourth of the carriage occupied. Mails calculated at one-fourth parcel rates.
Bombay, Baroda, and Central India Railway	18,654	60,244	78,898	
Sindh Railway and Indus Flotilla ...	1,18,449	2,467	1,20,916	
Total ...	2,29,643	1,59,307	3,88,950	

(Signed) J. H. WHITE, Captain, R. E.,
Deputy Consulting Engineer for Railways.

Statement showing indirect pecuniary benefit to the State during the year 1866, arising under certain Clauses of the Guaranteed Railway Contracts, prepared in accordance with Government of India's Resolution No. 521 R of 1867.

Railway.	CONVEYANCE OF		Total.	Remarks.
	Troops and Stores at special rates.	Mails, &c., free.		
	RS.	RS.	RS.	
Great Indian Peninsula Railway	1,03,759	1,48,747	2,52,506	Expenditure per passenger vehicle, per mile, 3½ Annas, half a second class carriage occupied.
Bombay, Baroda, and Central India Railway	33,374	39,249	72,623	Expenditure per passenger vehicle, per mile, 2-94 Annas, one-fourth of a second class carriage occupied.
Sindh Railway and Indus Flotilla	87,205	2,368	89,573	Mails calculated at one-fourth parcel rates.
Total...	2,24,338	1,90,364	4,14,702	

(Signed) J. H. WHITE, Captain, R. E.,
Deputy Consulting Engineer for Railways.

From the Secretary to the Government of Madras, in the Public Works Department, Railway Branch,
to the Secretary to the Government of India, Public Works Department, dated 30th
August 1867, No. 2,649.

August 1867, No. 2,649.
I am directed by the Right Honorable the Governor in Council to acknowledge the receipt of the Circular from the Government of India, No. 520 R, dated the 22nd of June last, calling for

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further consideration and report as to the correct mode of calculating the pecuniary benefit derived by the State from the free carriage by rail of mails and Post Office servants.

2. In reply, I am desired to submit, for the consideration of the Government of India, the enclosed observations upon the subject by the Consulting Engineer for Railways in this Presidency; and, in intimating the general concurrence of this Government in the opinions expressed by Colonel Anderson, I am to state that, in their judgment, all calculations of the pecuniary benefit to the State from the performance of its mail service by rail must be incorrect, so long as they fail to take into consideration the actual cost which was incurred in the carriage of the mails by road, before the introduction of Railways. By having the mails carried by rail free, the Postal Department clearly benefits to the extent of the expense which was formerly necessary, and from which they are now saved.

3. And I am to add, that although in truth this may be all the direct pecuniary benefit which the State derives under certain classes of the Contracts with the Guaranteed Railway Companies, yet the general benefit is unquestionably much greater, inasmuch as the mails are now conveyed more frequently, more expeditiously, and more safely.

From the Agent and Manager of the Madras Railway Company, to the Consulting Engineer for Railways, Madras, dated 17th August 1867, No. 273.

1. As arranged at the Select Committee yesterday, I have the honor to enclose a copy of the Traffic Manager's observations on Order of Government, No. 2,245, dated the 25th July 1867, with regard to the pecuniary benefit to the State from the mail service.

2. It appears to me that the way to arrive at the pecuniary benefit which the State derives from the carriage of mails by Railway, is to compare the present cost with that which was incurred prior to the introduction of Railways, for instance, what did it cost to carry a single mail daily between Bangalore and Triplicane, prior to the opening of the Bangalore Branch?

3. I am told, and I believe from a reliable source, that the loading of the mail-carts alone, over this 84 miles cost the State Rs. 2,800 per month, or Rs. 33,600 per annum. Now it must be borne in mind the mails are carried by four trains, two in each direction daily, free of cost.

4. A reference to my letter of the 4th August 1865, No. 563, in reply to your communication of the 29th July, No. 513, will satisfy you, I think, that the charge of 4 annas per mile, quoted by me, was calculated on the basis suggested by the Director General of the Post Office, and as this rate of 4 annas agrees so closely with that now shown by the Traffic Manager, I do not deem it necessary to enlarge on the subject.

From the Traffic Manager, Madras Railway Company, to the Agent and Manager of the Madras Railway Company, dated 16th August 1867, No. 221.

1. With reference to Order of Government, No. 2,245, of the 25th July, I beg to inform you that "the actual cost" of running any particular description of vehicle on this line cannot be ascertained, and as "the average cost of running each vehicle over one mile" would fall very far short of the cost of running a vehicle over many sections of the line in consequence of the variable gradients, it would be manifestly unfair to the Madras Railway to adopt this mode of calculation in assessing "the valuation of the service to the State in running a sorting carriage."

2. The rate recommended by the Madras Railway, will not be found very much in excess of the charge for "reserved accommodation," which, in paragraph 10 of the observations of the Government of India, is considered as "some index to the statement in the ordinary charges which might be looked for."

3. The reserved charge for a second class carriage is the sum of one-half the fares for a whole carriage, equivalent to annas three and a half per mile for a 1st class vehicle, as compared with the rate of four annas per mile proposed by the Madras Railway Company; and considering the peculiar and exceptional circumstances of our line, this mode of calculation will perhaps be found the best for a solution.

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Memorandum by Lieutenant-Colonel J. C. ANDERSON, R. E., Consulting Engineer for Railways, Madras, dated 8th August 1867, No. 224.

1. Submitted for the information of Government, with reference to G. O., No. 2,245, dated 25th July 1867.

2. The average expenditure on each passenger vehicle per mile would appear, by the Traffic Analysis for the half-year ending 31st December 1866, to be very nearly one-and-a-half annas per mile. Under the view now expressed by the Government of India, an allowance of double this rate would represent a fair scale of remuneration to the Railway Company, supposing a vehicle to be permanently taken up for postal purposes, and to be paid for. And on the Madras Railway, where a compartment equal to $\frac{1}{2}$ ths of a carriage is appropriated for the Post Office, the proper charge would be the same proportion of three annas, or very nearly one anna per mile, instead of four annas, as computed in the first instance by the Agent and Manager, Madras Railway, and approved by the Consulting Engineer and the Government.

3. I would beg respectfully to state that I still consider the above calculation to be conducted on an erroneous principle, and that the instructions first issued by the Government of India, in their Secretary's letter dated 6th July 1865 (G. O., No. 424, dated 25th July 1865), to the effect that the cost of the service performed for the Post Office should be calculated on the basis of the accommodation set aside for it, and of the charge which would be made to the general public, indicate the proper procedure to be adopted.

4. In the first place, I do not think it right that the Postmaster General should put himself, as it were, in the place of the Railway Company, and should decide on the value of the service rendered the Post Office by the carriage of the mails, when he must be interested in making the benefit obtained by his department as low as possible. On the contrary, I consider that the Postmaster General should rather regard himself as the Manager of a private undertaking, and that he should fairly calculate what terms he could have made with the Railway Company, had he been obliged to pay for the carriage of the mails.

5. If Government had been in this position, I am very certain that the Railway Company would have ascertained, as the basis of the terms on which they should carry the mails, what charges were being incurred for their conveyance by the ordinary roads, and would have demanded as high a rate as, in their opinion, would have just been sufficient to make it profitable for the Postal Department to give up the carriage of the mails by road. It is on this principle that various kinds of traffic are attracted to the Railway. In some cases a very small margin of profit will be left to the Railway Company, in others they will derive a very handsome profit, as for example in the carriage of cotton from the Cuddapah District.

6. I apprehend also that the conveyance of Her Majesty's mails to and from India by the Peninsular and Oriental Company's steamers, has to be paid for in a much higher proportion than double the actual cost of conveyance of the fractional part of the freight which they constitute.

7. In short, if the Railway Company had been able to make their own terms with the Postal Department, instead of having to carry the mails free, I am confident that they would have demanded such terms as would have yielded them a higher rate of profit than any other description of traffic whatever that is carried on the line.

8. If the principle, that double the cost of haulage of vehicles is a sufficient remuneration to the Railway Company, be a correct one, with regard to the Post Office, it would be equally correct as the basis of a calculation of the benefit rendered to Government, in the Military Department, if troops were also carried free of charge. But the conveyance of a Regiment, even on the favorable terms secured by the contract, is in reality a very profitable species of traffic. Ten carriages are set apart in an ordinary train for 440 men, and 44 men at three pies per mile yield 11 annas per mile, which is more by about one-fourth than the average number of ordinary third class passengers in each vehicle. Again, the Railway Company offered, as a concession to Native troops, to carry their relatives and other followers, whose fare had to be paid by the Sepoys themselves, at the

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It is reported that no party less than sufficient to fill the carriage would yield eight annas four pies per mile, which is the rate proposed by the Postmaster General. The rate proposed by the Government of India, in paragraph 1 of the Order of the Government of India, is four annas on the East Indian Railway, a rate of four annas on the Madras line is much too low. The rate proposed by the Government of India, in paragraph 1 of the Order of the Government of India, is four annas on the East Indian Railway, a rate of four annas on the Madras line is much too low. The rate proposed by the Government of India, in paragraph 1 of the Order of the Government of India, is four annas on the East Indian Railway, a rate of four annas on the Madras line is much too low.

The Secretary to the Government of the Punjab, in the Public Works Department, has been directed to the Government of India, Public Works Department, a Return showing the cost of the carriage of its mails free on the Punjab Railway, from the commencement to the 31st December 1867.

PUNJAB RAILWAY.

Line	Weight of Mails carried free in Post Office Vans	Value of Mails carried free in Post Office Vans	Cost at 4½ Annas per mile	Remarks
Amritsar Line	1,024 12 12	23,424	6,388	The mails have always been carried in a Post Office Van, and not in Guard's Break-van.
Do	1,235 2 15	23,360	6,570	
Do	1,425 30 15	23,360	6,570	
Mooltan Line	453 12 15	104,632	29,484	
Do (21st April to 31st December)	618 0 04	151,840	42,705	
Do	...	...	91,917	
Grand Total	...	...	...	

TRAFFIC MANAGER'S OFFICE,
Lahore.
2nd October 1867.

(Signed) T. M. KEENE,
Traffic Manager, Punjab Railway.
(Signed) H. DRUMMOND, Lieut.-Col., R. E.,
Consig. Engr. to the Govt. of Punjab, P. W. Dept.,
Railway Branch.

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From Lieutenant W. A. J. WALLACE, R. E., for Officiating Joint-Secretary to the Government of Bengal, in the Public Works Department, Railway Branch, to the Secretary to the Government of India, Public Works Department, dated 23rd March 1868, No. 457 G.

1. In reply to your No. 522—I, inviting attention to Public Works Department Resolution No. 522 R of 22nd June 1867, and requesting that the report called for therein on the mode of calculating the pecuniary benefit to the State from the mail service, may be submitted, I am directed to state, with regard to the stress laid by the Government of India in the Public Works Department, No. 552 R, of 6th July 1865, on the regularity of custom from the mail service, that the Railway Company consider that it would not pay them to make any greater reduction than the ordinary reserved accommodation rates even for regular customers. A reserved third class carriage can be hired for ten fares or 120 pies, or ten annas per mile, the full possible receipts being 15 annas per mile. I am also to state that the Orders of the Government of India have been carried out in calculating the benefit derived by the State from this service for the Revenue Review as regards the charge of four and a half annas a mile for a special carriage on the East Indian Railway. Similarly, on the Eastern Bengal Railway, where two-fifths of a carriage are reserved in the mail trains, and one-fifth in the mixed through trains, the value of the service is taken as two-fifths and one-fifth of four and a half annas per mile respectively. There are no means of ascertaining the weight of mails carried as parcels in the break-van, because they are not weighed by the Railway Company.

2. The Lieutenant Governor is of opinion, that the rate of four and a half annas does not represent the full benefit to the State from the free mail service, because it is not considered probable that the Railway Company, if bound by no contract, would carry the mails at this rate. As stated above, the lowest charge for a reserved carriage is ten annas per mile, but even assuming that a reduction of twenty-five per cent. on this rate would be willingly given by the Railway Company, this would give seven and a half annas a mile as the minimum cost of an entire carriage.

3. The East Indian Railway Company have adapted a certain number of vehicles specially for Post Office purposes, and therefore these are useless for any other description of traffic. The annual charge represented by four and a half annas a vehicle per mile amounts to (there being two trains each way daily) Rs. 4,23,400. His Honor concludes the Government is quite on the safe side in calculating the benefit to the State on the scale proposed, and, further, would recommend that a comparison of the old cost of conveyance of mails by road between Calcutta and Delhi should be made with this result, bearing in mind that the mails are now carried twice instead of once a day as formerly.

OBSERVATIONS.—In May 1865 the Government of India issued orders to all Local Governments for the preparation of Statements showing the amount of benefit to the State under the Mail Clause of the Contracts with the Guaranteed Railway Companies.

2. In compliance with these orders, Returns for the year 1864 were submitted by the several Governments charged with the control of Railways, and in July 1866, a general Statement, compiled from those Returns, was circulated. It was not thought "necessary to criticise the different methods followed by the several Companies in estimating the value of the service performed," but the figures were "accepted as submitted, as conveying a sufficiently near idea of the pecuniary benefit derived by the State."

3. The Director General of Post Offices, however, demurred to the methods of calculation employed, and represented that the estimate should be based on the average cost of running vehicles on the several lines. This view was circulated with the object of eliciting opinions as to the applicability of the principle advocated. The replies received were reviewed in this Department in a Resolution dated 22nd June 1867, and again circulated for further consideration and report.

The replies are to the following effect—

4. The Government of the North-Western Provinces considers that the fairest mode, so far as a through service is concerned, is that indicated in paragraph 10 of the Resolution of 22nd June 1867, viz., that some index to the abatement to be looked for may be found in the special passenger rates for reserved accommodation. The Lieutenant Governor thinks, that a rate of double the working expenses would be arbitrary, and founded simply on an assumed rate being fair to the Company, and expresses the opinion that two-fifths of the full hire of a second class carriage would be a fair estimate where a whole carriage is used, and proportionally for any fraction.

5. The Government of Bombay is of opinion that, while the principle of calculating the benefit to the State as to a constant customer is correct, the manner in which the calculation is proposed to be carried out is objectionable, as the public have no concern with the carrying expenses.

6. The Government of Madras thinks that all calculations of the pecuniary benefit to the State from the Mail Service must be incorrect, so long as they fail to take into consideration the actual cost incurred in the carriage of the Mails by road.

7. The proposal to allow double the cost of running vehicles is considered erroneous in principle, and it is added that the instructions originally issued in Public Works Department Nos. 552-60 R, dated 6th July 1865, viz., that the value of the service should be computed on the basis of the accommodation set aside for it, and of the charge that would be made to the general public, indicate the proper procedure to be followed.

8. The Punjab Government expresses no opinion, but furnishes Returns prepared, not only on the principles advocated, but on the data made use of in the Resolution of this Department of the 22nd June 1867. The rates, if they may be observed, can scarcely be uniform throughout India, as this would imply.

9. The Government of Bengal also gives no opinion on the subject, but states that the Railway Companies consider that it would not pay them to make any greater reduction for the steady custom of the Post Office, than the ordinary reserved accommodation rates.

10. The replies show that there is much misconception as to the object of the Government of India. What is desired is an estimate of the advantage gained by Government, by reason of the guarantee, that is, the difference in cost to Government by the Mail Service being performed by guaranteed, instead of by unguaranteed Railway Companies.

The advantage gained by the introduction of Railways over the old system of Road transit is a separate matter, and should not be imported into the consideration of this question; although doubtless it may be argued that one of the advantages gained by the guarantee, is the introduction of Railways, which otherwise might not yet have been secured.

11. The first step towards the required estimate, is to ascertain the actual facts of the accommodation afforded, or of the weight (approximately) carried, and the distances; from these may be computed the charges which would be made by unguaranteed Railways for the service; bearing in mind that, even without the

guarantee, at least the same powers would have been reserved by the State, in the interests of the public, as on English lines on which the Postmaster General is only liable for remunerating *reasonably* the Railway Companies for the transport of his Mails.

12. The services to be considered are of three descriptions—

1.—Mails in charge of Railway Companies without Post Office guards.

2.—Mails in charge of Post Office guards on Post Office responsibility.

3.—Compartments, or one or more carriages occupied solely by Post Office servants and Mails.

Adopting the principles of dealing only with charges and not with working expenses, that the Post Office should be regarded as the most favored of regular customers, the service being not only constant and regular, but involving no empty running as in the case of ordinary reserved accommodation; that in the case of Post Office servants with Mails, the basis of the charge on their account should be the cost of a periodical ticket of the longest term issued; and that, in case 2, there should be no objection to the Post Office guard taking up and depositing Mails at intermediate Stations, the Railway Companies should be asked to state what would be their charges for a similar service to the ordinary public, under each of the three heads, the rates under heading 3 being given for second class accommodation.

13. If the Companies should object that they have not the means of estimating the weight of Mails, it may be left to them to compound per bag of uniform weight in calculating the rate, or, in other words, to give the charge per bag of assumed average weight, apart from the charge for the Post Office servants accompanying the Mails.

14. And, in order to obtain the needful information in cases in which a Railway Company may object to concede the principles laid down, it may be pointed out that the issue in no way affects the Railway Companies, the information being merely required by the Government for statistical purposes, but that it is open to an Agent to record his dissent to the principles on which the calculation is based, while favoring the Government with the details wanted.

15. As respects the first head, it may be further remarked that, supposing that the parcels rate would be taken as the basis of the charge, it should (on Railways on which the rate includes the cost of collection and delivery) be subject to reduction in consideration of the Mail parcels being collected and distributed entirely by the Post Office, in addition to the reduction that a common carrier would obtain at the hands of a Railway Company for regular custom, and as the rate for parcels decreases generally with the distance, the through rate, rather than the total of the intermediate rates, on the average weight carried through, would seem, under the peculiar circumstances of such a service, to be the fair rate to take as a basis.

16. As respects the second and third heads, the bags would be charged at the rate of passengers' luggage, at least all in excess of any free allowance, but the rate for such extra weight should be reduced in the same ratio as the carriage accommodation that may be taken, whether it may be a reserved carriage or compartment, or simply a single periodical ticket.

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17. It will be remembered that special arrangements have been ordered respecting sorting carriages, *i. e.*, Travelling Post Offices.

The State is to pay a rent for such special vehicles which are to be supplied, fitted, and kept in repair by the Companies, and is also to pay for their haulage. The difference between the rate furnished under heading 3 for a whole carriage, and the amount to be paid under the special arrangements, will be the saving to the State in virtue of the guarantee.

18. Arrangements should be made to ensure the requisite facts as to this service (such as accommodation, distance, &c.,) being continuously recorded from the 1st of January next, and the Government of India will look for returns showing the results during the first-half of 1869, shortly after its expiration, and thereafter in ordinary course.

ORDER.—Ordered, that a copy of these Observations, and of the papers now read for the first time, be communicated to the Local Governments and Administration noted in the margin, for information and guidance.

Madras.
Bombay.
Bengal.
Punjab.
Chief Commissioner, Oudh.

Also to the Financial Department for information and communication to the Director General of Post Offices, and to the Government of the North-Western Provinces for information.

(Signed) J. W. ALEXANDER, C. E., *Offg. Asst. Secy.,
for Secy. to the Govt. of India.*

No. 598. ORDER THEREON, 27th November 1868, No. 3,719.

RAILWAY, No. 38.

Communicated to the Consulting Engineer for Railways, who will be guided by the principles explained by

the Government of India in paragraphs 10 to 17 in the preparation of the returns, called for in paragraph 18, of the pecuniary benefit derived by the State under the Mail clause of the contracts with guaranteed Railway Companies.

(True Extract.)

Colonel, R. E.,
Secretary to Government.

To the Consulting Engineer for Railways.

Exd. S. T. Augustin.

*Public Works Department
No 3719/19
Proceedings of the Madras Government
Under date the 27th Nov 68
Read the following*

From the Govt of India / H.E. No. 1138 R. dated 30th Sept/68

*Communicated to the
Consulting Engineer for Rail.
ways, who will be guided
by the principles explained
by the Govt of India in
paras 10 to 17 in the prepa-
ration of the returns called
for in Para 18, of the
pecuniary benefit derived
by the State under the
Mail clause of the Con-
tracts with guaranteed
Railway Companies.*

*To the Consy Engr for
Railways / Sept 29/68*

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6/11/89

Govt. of 1868 Madras

PUBLIC WORKS.

To
The Consulting Eng^r & J^r
Railways

Dated th...

Recd.

Encl.

G. O., 27th Nov 1868, No. 3719

Nos. 597-598

Mails & Postal Services to Railways
Circular from the Govt.
of India relative to the
pecuniary benefit to the State
under the Mail clause of
contracts with the Guaranteed
Railway Companies, and
with instructions to the
Consulting Eng^r.