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MADRAS RECORD OFFICE.

Government of Madras.

Public Works **DEPARTMENT.**

G.O. No. 3025 Press / Mis.
442-444

Dated 19- 12. 1872.

Not to be folded or roughly handled

No. 442. Read the following despatch from the Right Honourable the Secretary of State for India, (Railway,) to His Excellency the Right Honourable the Governor in Council, Fort St. George, dated India Office, London, 12th November 1872, No. 3 :—

HEREWITH are transmitted, for your Excellency's information, copies of a despatch* and enclosures which I have this day addressed to the Government of India relative to the amalgamation of the Great Southern of India and the Carnatic Railway Companies.

No. 142.

No. 443. Despatch from the Right Honourable the Secretary of State for India, (Railway,) to His Excellency the Right Honourable the Governor-General of India in Council, dated India Office, London, 12th November 1872, No. 142.

1. In continuation of my Despatch of the 22nd February 1872, No. 26, and with reference to that from your Government of the 5th July last, No. 117, I have to inform you that the shareholders of the Madras Railway Company have definitively declined to entertain the proposal for their amalgamation with the Great Southern of India and Carnatic Companies.

2. A copy of the correspondence* with the two last-named Companies, in regard to their amalgamation, subsequent to the date of that forwarded with my Despatch of 22nd February, is now forwarded for your information. This correspondence will acquaint you with the terms on which, subject to the confirmation of the shareholders, the amalgamation has been arranged.

* Letter to the Companies, dated 13th September 1872.
Terms referred to therein.
Minutes of a Meeting of the two Boards, dated 6th August 1872.
Letter from Carnatic Board, dated 2nd October 1872.
Letter from Great Southern of India Board, dated 22nd October 1872.

From HERMAN MERIVALE, Esq., to H. W. NOTMAN, Esq., and M. R. SCOTT, Esq., dated India Office, London, 13th September 1872, No. 1.

THE Secretary of State for India has had under consideration in Council the terms of the proposed amalgamation of the Great Southern of India and the Carnatic Railway Companies which he learns, from the Government Director, have been accepted generally by the Directors of the two Companies, and I am instructed to signify to you the readiness of His Grace to agree to the same.

Anticipating the ready consent of the shareholders to the arrangement, I am now directed to acquaint you that the Solicitor to this Office will receive instructions to prepare the draft of a contract embodying those terms, and such minor conditions as may be found necessary to carry out the amalgamation, so that the arrangement shall be complete and consistent in all particulars. A copy of this draft will be submitted for the Board's consideration as soon as it is prepared.

The bill that will be requisite to obtain Parliamentary sanction to the arrangement will also be prepared, and Her Majesty's Government will be ready to afford every facility for passing the same at an early period during the next session. This document will likewise be submitted for the consideration of the Directors.

The only condition amongst those approved, as the Duke of Argyll is informed by Mr. Danvers, at a meeting of the two Boards, which has been in any way modified, is that relating to the rate

of exchange. The Board will observe, from a copy of the conditions sent herewith, that it is proposed to apply the rate of 1*s.* 11*d.* retrospectively as well as prospectively ; this, after consideration, being, in the opinion of His Grace, the readiest and the most convenient mode of adjusting the claims of the Secretary of State for the loss by exchange sustained by the Government of India in the past transactions with the Great Southern of India Railway Company.

ENCLOSURE IN No. 1.

Terms of Amalgamation between the Great Southern and the Carnatic Railway Companies.

1. *Shareholders and Stock.*—That the stock and shares of the two Companies be combined into one account at par, shareholders receiving an amount of stock in the united undertaking equivalent to their holdings in the separate concerns, the holders of 4¾ Great Southern of India Stock being allowed to convert into 5 per cent. Stock at the price of 95.

2. That the term of the lease of the United Company be that adopted in the contract with the Carnatic Company, namely, 999 years, and that the first date at which Government shall be at liberty to take over the railway be March 1890, that the second be March 1905, and that Government shall then have power to take over the railway at the expiration of every succeeding ten years.

3. That in any case in which the Government may have to pay for the railway on coming into possession of it, the Government shall have the option, instead of paying the capital in a gross sum, to transfer to the Company such an amount of 5 per cent. Government of India Stock, redeemable at par at the option of the Government, as shall, taking such stock at par, amount to the sum which the Government would have had to pay if the payment were made in cash, the same being calculated as specified in Clause 22nd of the Carnatic Contract.

4. That the rate of exchange be fixed at 1*s.* 11*d.* the rupee, and be applied both retrospectively and prospectively to all transactions between the Companies and the Government.

5. *Directors.*—That the Directors of the two Companies be the first Directors of the United Company, receiving the same salary or salaries they now receive, but that the number of Directors be reduced to five, as vacancies by death or resignation occur.

6. *Office Establishment.*—That an Office Establishment be formed out of the two Establishments now existing, on such scale as the United Board, with the concurrence of the Secretary of State, may consider requisite, the members of the present Establishment whose services may be dispensed with being compensated in a fair and liberal spirit by the grant of such gratuities as may be considered suitable in each individual case. The Consulting Engineers to act jointly for the United Company during construction.

7. *The Indian Establishment* to be fixed in like manner, after the views of the local Government and the Companies' Agents have been ascertained.

(Initialled) J. D.
(,,) J. C.
August 6th, 1872. (,,) R. M. S.

No. 2.

Minutes of Proceedings of a Meeting of the Directors of the Great Southern of India and Carnatic Railway Companies, held at 62, Moorgate Street, on Tuesday, 6th August 1872, with reference to the proposed amalgamation of the two Companies.

PRESENT.

Carnatic Railway Company, Limited.

Sir R. M. Stephenson, Chairman, in the Chair.
George Norton, Esq., Deputy Chairman.
General Sir James Alexander, K.C.B.
Henry Broket, Esq.
General Green.
Henry Kimber, Esq.

Proceedings of the Madras Government, Public Works Department,
19th December 1872.

3

Great Southern of India Railway Company.

John Chapman, Esq., Chairman.
George Norton, Esq.
Captain Johnston.
T. B. Roupell, Esq.
Henry Notman, Esq., Secretary.
Juland Danvers, Esq., Government Director.

The proposed terms of amalgamation submitted by the Government Director were discussed and amended, when it was unanimously resolved—

"That the heads of a suggested amalgamation of the Great Southern of India Railway Company and the Carnatic Railway Company, Limited, now read and discussed, be approved, not as a contract, but as the outline of what each Board will be prepared to place before their shareholders for approval, subject to approval of the draft definitive contract, with details, when prepared, and to ratification by the shareholders."

No. 3.

From M. R. SCOTT, Esq, Secretary, to the Under Secretary of State for India, dated 62, Moorgate Street, London, E. C., 2nd October 1872, No. 67/72.

I HAVE the honour, by the desire of the Board of Directors of the Carnatic Railway Company, Limited, to acknowledge your letter of 13th September 1872, with its enclosure, relating to the contemplated amalgamation of the Carnatic and Great Southern of India Railway Companies, and to state that, so soon as the draft of the Contract, and that of the Bill to obtain Parliamentary sanction required by the arrangement, as named in your letter are placed in their hands, they shall receive their careful attention.

No. 4.

From H. W. NOTMAN, Esq., Secretary, to the Under Secretary of State for India, dated 2, Leadenhall Street, London, E. C., 22nd October 1872, No. 549.

I HAVE the honour to inform you that the terms of the proposed amalgamation of this Company and the Carnatic Railway Company, as contained in your letter of 13th September, have this day been agreed to by the Board.

2. Preparatory to considering the drafts of the contract and bill, which have not yet been received, it is proposed that a meeting of the Directors of the two Companies should be held on an early day, for the purpose of discussing the scale of office establishment which, under the altered circumstances, will, in their opinion, be requisite, and, should it be found desirable to dispense with the services of any of the members of the present establishments, the Directors will consider each individual case, and submit for the approval of the Secretary of State for India their views as to what compensation as, under the circumstances, may be considered fair and liberal, should be awarded.

No. 444. ORDER THEREON, 19th December 1872, No. 3,025.

RAILWAY, No. 69.

COMMUNICATED to the Consulting Engineer for Railways.

(True Extract.)

Colonel, R.E.,
Secretary to Government.

To the Consulting Engineer for Railways.
,, Examiner of Railway Accounts.

Exd. S. T. Austin.

Govt. of {1872} Madras.

PUBLIC WORKS.

To

THE CONSULTING ENGINEER

FOR RAILWAYS.

&c., &c., &c.

Dated December 19th.

Recd. *Encl.*

G. O., 19th December 1872, No. 3,02[illegible]

DECEMBER.

Nos. 442-444

Amalgamation of the Great Southern of India and the Carnatic Railway Companies.—Despatch from the Secretary of State forwarding copies of correspondence on the subject, communicated to the Consulting Engineer.

Railway
No. 3.

5

India Office
London 12th November 1872.

+ No 1142.

My Lord,

Herewith are transmitted for your Excellency's information Copies of a despatch and Enclosures which I have this day addressed to the Government of India, relative to the amalgamation of the Great Southern of India and the Carnatic Railway Companies.

I have the honor to be.
My Lord.
Your Lordship's most obedient
humble Servant.

His Excellency,
The Right Honorable
The Governor in Council
Fort St. George.

No. 13.

Railway
13th Nov. 1872.

The Secretary to the Govt. of India

No. 3.

Dated 12th Novr. 1872
Received 18th Novr. 1872

Bombay.

Forwarding copies of letters and papers to the Government of India relative to the amalgamation of the Great Southern of India and the Carnatic Railway Companies.

Wm. Ogilvy
Actg. Secy.

No. 3025

Communicated to the Consulting Engineer for Railways

C.S.

Genl.

12 To the Consulting Engr. for Railways
Examiner

Dispe 21/12/72

P. D. Rec'd 3.

Govt. of {1872} Madras.

PUBLIC WORKS.

To The Commutting Engr for Railways

Dated

Recd. Encl. 1

G. O 19th Dec. No 3025.

Nos. 442 & 444

Amalgamation of Pud & Sd Land Mahratta Railway Companies. Despatch from the Secy of State forwarding copies of correspondence on the subject, and the Govt Reply.