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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No.	1530	Press
B.P. No.		Mis. —
132-133		
Dated	10-6-	1873.

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Public Works Department,
10th June 1873.*

No. 122. Read the following letter from Colonel H. DRUMMOND, R. E., Officiating Deputy Secretary to the Government of India, Public Works Department, (Railway,) to Colonel G. W. WALKER, R. E., Secretary to Government, Public Works Department, (Railway,) dated Fort William, 9th April 1873, No. 521 S. R. :—

In continuation of Public Works Department No. 1,742 S. R. of 12th December 1872, I am directed to forward, for the information of the Government of Madras, a copy of the report of the Committee appointed by the Government of Bombay to investigate the estimated returns of the projected railway from Karwar to Gudduck, together with copy of letter from the Government of Bombay, No. 179 of 5th February 1873, and the Resolution of that Government, No. 161 of the 3rd idem.

From Colonel M. K. KENNEDY, R. E., Secretary to the Government of Bombay, to the Secretary to the Government of India, dated Bombay Castle, 5th February 1873, No. 179.

With reference to correspondence marginally noted, I am directed to submit the report of the Committee convened in accordance with the instructions of the Government of India to consider and report upon the subject of Railway communication in the Southern Mahratta country, and especially on the scheme for a railway to connect the

Bombay Government, No	906, dated	9th August 1873.
Government of India, "	1,062 S. R., dated	8th August 1872.
Do., "	1,378-S. R., "	24th Sept. "
Do., "	1,411 S. R., "	3rd October "
Do., "	1,461 S. R., "	9th "
Do., "	02 S. R., "	11th Nov. "
Do., "	A. S. R., "	27th August "
Government of Madras, to Government of India, No. 2,458, dated	18th	October 1873.

cotton districts with the port of Karwar. I am also directed to submit a copy of the Resolution passed with reference to this report by the Bombay Government, and to offer the following remarks.

2. The Committee have gone very carefully into the items of Mr. Shaw's estimate for the construction of the railway, and have added above 35 per cent., made up partly of increases in quantities and rates of work, and partly of items omitted, such as preliminary expenses and survey (3 lakhs), landing wharf and siding for railway materials (1 lakh), and interest on capital during construction (9 lakhs). The Committee have also suggested the addition of 2½ lakhs to the total thus obtained for improvements to the port of Karwar, the total expenditure required being, according to their estimate, about 112½ lakhs.

3. In my letter No. 1,426, dated 21st November 1871, placing the Karwar Railway Project before the Government of India, certain deficiencies in Mr. Shaw's original estimate were pointed out, and 10 lakhs were put down for improvements to the port of Karwar, the total expenditure required being given as about 100 lakhs or a million sterling. This did not include interest on capital during construction, which it has not hitherto been usual to include in estimates submitted to the Government of India, so that the Committee's estimate for the entire scheme exceeds the estimate of this Government submitted in 1871 by 3½ per cent. only—the increase in the price of iron, which has meanwhile gone up considerably, nearly accounting for the difference. I am directed to call attention to these figures, as it has been made a charge in some quarters against this Government that they misled the Government of India into expressing approval of the project by a fallacious estimate of probable outlay involved.

4. In the same letter calculations were made of the probable revenue, based on returns submitted with Colonel Trevor's report No. 2,781 A, dated 29th September 1869, but the returns thence deduced were expressly stated, paragraph 7, to be a *maximum* estimate. The calculations of the Committee, on the other hand, have been most cautiously and carefully framed, and may fairly be regarded as a *minimum*. They represent that which according to the Committee's view may be safely reckoned on; and the mode in which the Committee have arrived at their conclusions is so clearly detailed that it would be only repetition to state their arguments.

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10th June 1873.*

5. It is true that both as regards capital expenditure and revenue many unexpected circumstances may arise to disturb calculations, but as far as it is possible to foresee in such a case as this, it may be assumed that the railway will not cost more than the Committee think it will, and that it will earn the revenue they calculate upon. There is a difference of opinion in the Committee as to the percentage which the working expenses are likely to bear to the receipts. The arguments employed on both sides are given at pages 6 and 7 of the report, and cannot be more concisely stated; but I am to point out that one argument of considerable weight in support of the lower estimate of working expenses was not alluded to by Colonel Hancock or the majority who concurred in his views, namely, the saving likely to result from the adoption of the metre gauge with stock expressly designed to give a minimum proportion of dead to paying load. The calculations before the Committee (with the exception of Mr. Forde's) were drawn from experience gained on lines on the broad gauge on which the rolling stock gives results which are admitted on all sides to be unsatisfactory in this respect; one of the most important questions at the present time being how to improve the designs so as to overcome this defect. With lighter stock and a low rate of speed, wear and tear and cost of maintenance will also be less, and this has not been taken into account in the calculation.

6. This Government, I am to state, concur in the Committee's view that no extensive works need be undertaken in the Karwar harbour at present. With the minor improvements recommended by the Committee, it will probably be quite equal to what will be required of it for some years after the railway is made.

7. The general advantages which the Committee allude to as likely to attend the construction of this line are those which would attend any improved system of communication in a rich country imperfectly provided with such communication, and include both Military and Political considerations; and it is not necessary to refer at length to what the Committee in their 72nd paragraph term "indirect" advantages (though these might properly be included under the "direct" advantages), which would, however, weigh greatly to turn the scale in favor of the scheme even if in other respects the case were a doubtful one; but I am to state that, in the opinion of this Government, the considerations advanced in your letter No. 1,062 of the 3rd August last, more especially in the 6th paragraph have very great force. It cannot but be for the interests of the country generally to open up another efficient port on the coast of Western India, now so destitute of harbour accommodation in easy communication with the interior; and it is clear, as the Government of India observe, that when all the projected branches and feeders of the Great Indian Peninsula Railway are at work, the system of communication wholly dependent on that line will be very large, while its efficiency depends upon the successful and uninterrupted working of the ghaut incline, which must always regulate and limit the amount of traffic that can be dealt with.

8. After again considering the question in all its bearings, this Government, as stated in their Resolution, desire to support most strongly the construction of the line from Karwar to Bellary with a branch to Bunkapur as recommended by the Committee. Extending the line to Bellary will meet the objections urged against the Karwar Railway on the ground of the uncertainty of communication by that route during the monsoon, will to a certain extent satisfy all parties concerned in the trade of the Southern Mahratta country, and will ensure a regular traffic to the line throughout the year.

9. As intimately bearing on the question of the construction of this line, I am directed to submit an offer made by Messrs. Nicol and Co. of Bombay to undertake the line from Karwar to Gudduck with the aid of certain capitalists in the manner described in their letters, dated 21st September and 16th October 1872, and 18th January 1873, which sufficiently explain the nature of their scheme.

10. Messrs. Nicol and Co. have since informed this Government that the matter as now put involves only a question of principle, and that if the principle be accepted, the details can be modified to suit the views of Government; and further, that they would be prepared to agree to the same amount of control and supervision as regards construction and working as is exercised

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10th June 1873.*

by Government in the case of the guaranteed lines, and to the general terms of the contract with the Guaranteed Railway Companies as far as applicable.

11. It appears to this Government that there would be many advantages in accepting Messrs. Nicol and Company's proposals (provided they will undertake the whole line to Bellary) instead of Government themselves constructing the railway as a State line. Applying the minimum calculation of net earnings given by the minority of the Committee, namely, 3.63 per cent. on a capital of 110 lakhs, it would be about a hundred years before the guarantee fund of 10 lakhs to be deposited under Messrs. Nicol and Company's scheme would be exhausted by withdrawals to make up the nominal rate of 4 per cent. Thus Government would be practically secured against loss on account of interest in consideration of foregoing the prospect of direct benefit in surplus revenue; but the chief advantage would be that should the scheme be successful in this instance and profitable to the promoters, it will be followed by numerous similar applications, and thus the object may be attained which Government have hitherto endeavoured unsuccessfully to gain, of gradually inducing Native capitalists to invest in railway enterprise in India. Should the Government of India be disposed to think favourably of the plan, Messrs. Nicol and Company might be desired to submit the details alluded to in their first letter, and a draft agreement might be drawn up for approval.

Proceedings of the Government of Bombay, dated Bombay Castle, 3rd February 1873, No. 161.

Letter from the Karwar Railway Committee, dated 11th January 1873, appointed under Government Resolution No. 947, dated 21st August 1872.

Submits their report on the projected Karwar to Gadak Railway, and extensions and alternative lines, with maps, evidence, estimates, and returns.

RESOLUTION.—The report of the Committee should be forwarded to the Government of India, with an expression of the opinion of this Government that the Committee have conducted the inquiry with great care, and have submitted the conclusions at which they have arrived in a very clear and satisfactory form.

2. The result of their further inquiry is to disprove the vehement assertions made some time since to the prejudice of the Karwar Railway scheme, and to establish that this railway may be made with every prospect of its yielding a direct return sufficient to make good the interest on the money required for its construction, and with a certainty that it will prove highly advantageous as a means of developing the southern districts of the Presidency.

3. His Excellency in Council now feels in a position to recommend in the strongest manner the construction of the line from Karwar to Bellary, with a branch to Bunkapur, and to express the hope that the Government of India will feel warranted in advising the Secretary of State to accord early sanction to the commencement of the work.

4. The survey party under Mr. Shaw has been reduced under recent orders, but he should now, after providing for the completion of the surveys, plans, and estimates for the extensions to Bellary and Sholapur which are now in hand, employ the remainder of the survey staff in effecting the improvements indicated in the Committee's report as likely to result from further examination of portions of the ghaut line.

5. The thanks of Government should be given to the Committee for the pains bestowed on the inquiry, and for the comprehensive and satisfactory report submitted.

6. Government also desire to record their appreciation of the services of Mr. Shaw, and the Engineers and Surveyors under him who have so far carried out the surveys of this difficult railway in a manner highly creditable to them.

(Signed) M. K. KENNEDY, Colonel, R.E.,

Secretary to Government.

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10th June 1873.

No. 133.

ORDER THEREON, 10th June 1873, No. 1,530.

RAILWAY, No. 19.

COMMUNICATED to the Consulting
Engineer for Railways and the Chair-
man of the Chamber of Commerce in

continuation of G. O. No. 2,457 of 18th October 1872.

(True Extract.)

Colonel, R.E.,

Secretary to Government.

50
No. 193 of 1873.
Railway Department.

To
The Secretary to the Govt.
of Fort Saint George
P. W. Department (Railway)
Madras.

Sir,
I am directed to
forward for the information of
His Excellency in Council copy
of the Report of the Committee
on the Karnar Railway Scheme
and of Resolution of the Bombay
Government No. 161 of 3rd instant.

Bombay Castle
7th February 1873

I have the honor to be
Sir
Your most obedt. servt.

Witness my hand & the seal of the
Secretary to Government

Works 1873 Department

-88-951.

no

The Secretary to the
Government of Bombay

General

to b 7th } February 1873
received 12th }

-88-193

enclosure 2.

Forwarding
copy of the Report of
Committee on
Harbour Rail-
way Scheme, and
the Resolution
the Bombay
Government.

Back to original
No 1530 of 10th

Q N-1530 of 73.

Letter from the Secretary to
the Government of Bombay
dated 7th February 1873 No 193.

Circulated
with Reports for
perusal.

ML

ML

I would ask
for any opinion
taken on the relative
advantages of
Compta - as the
sea terminated.
Log

There seems
to be any more
papers
concerning
the advantages
but I have
not seen them
I have left the
report. ML

No 7 Jan 17/3 No 14 Feb

Pub. Works 1873 Report
No 2483

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
RAILWAY.

To
THE SECY. TO THE GOVT. OF MADRAS,
IN THE P. W. DEPT, RY. BRANCH.

No. 521 S—R.
Dated April 9, 1873.
Received - 21st

CS

In continuation of No. 1742 S—R, dated
12th December 1872, forwards for informa-
tion, a copy of the Report of the Committee
appointed by the Government of Bombay
to investigate the estimated returns of the
projected railway from Karwar to Gud-
duck, together with a copy of a letter from
that Government and of its Resolution.

P. W. D. Press—9.4.73—16.

With an order

No. 2483.

Govt. of Madras
PUBLIC WORKS.

To The Consulting Engineer
for Railways

Date

Recd.

Encl. 3

G. O. 10th June 1873, No. 1530.

No. 1324/33

Railway from Karwar to
Gudduck. Letter from
the Govt of India forwarding
a copy of report of the com-
mittee appointed by the
Govt of Bombay to investigate
the estimated returns of the
projected railway from
Karwar to Gudduck to-
gether with orders in the
subject, Comd to the Engg.

W. H. C. Engineer
Chairman of the Committee
No 2483 of 18th Dec 72.
Commenced to the end for Railways and
Chairman of the Committee
No 1530
No 132.33