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MADRAS RECORD OFFICE

Government of Madras

DEPARTMENT

G.O. No.	918-19	Press
B.P. No.		Mis.
H. P. B.		
Dated	2-7	18 43.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
3rd July 1873.*

No. 49. Read the following letter from Lieutenant-Colonel J. H. M. SHAW-STEWART, R.E., Consulting Engineer for Railways, to Colonel G. W. WALKER, R.E., Secretary to Government, Public Works Department, dated Madras, 5th June 1873, No. 313 :—

I HAVE the honour to submit, for the consideration of His Excellency the Governor in Council, the accompanying letter from the Agent of the Great Southern of India Railway Company, enclosing correspondence which has passed between him and his Board of Directors upon the subject of the rate to be charged for the conveyance of material on construction account.

2. Previous correspondence on this subject is embodied in the following Proceedings of Government :—

18th Dec.	1871,	No. 3,191.
22nd April	1872,	„ 1,034.
14th May	„	„ 1,273.
28th June	„	„ 1,575.
21st Aug.	„	„ 1,990.
18th Oct.	„	„ 2,450.
21st Nov.	„	„ 2,736.
27th	„	„ 2,786.
10th Jan.	1873	„ 78.

3. It will be seen that the Board of Directors object to the exclusion, from the rate sanctioned by the Government of India, of the cost of all fixed establishments; and they beg that the subject may be re-considered, and a rate of 5 pies per ton mile sanctioned, instead of the 4 pies rate now in force.

4. The subject has already been thoroughly discussed from every point of view. A reference to the papers printed with the Proceedings of Government, under date the 28th June 1872, No. 1,575, will show that, excluding the cost of fixed establishments, the expense of hauling a ton of materials one mile on the Great Southern of India Railway is 2.835 pies. This includes an allowance of 5 per cent. for contingencies, the actual cost being 2.70 pies. The rate of 4 pies per ton mile sanctioned by the Government of India is, in my opinion, amply sufficient to cover every item of expense which can fall on the Company in the carriage of their construction material, and to leave a not inconsiderable profit. In the case of the Madras Railway, where the actual cost of hauling a ton of material comes to 3.10 pies, the 4 pies rate sanctioned by Government has been accepted by the Directors.

From W. S. BETTS, Esq., Agent of the Great Southern of India Railway, to Lieutenant-Colonel J. H. M. SHAW-STEWART, R.E., Consulting Engineer for Railways, dated Negapatam, 29th May 1873, No. 5,048.

I BEG to submit, for the consideration of Government, the attached copy of correspondence with my Board of Directors, regarding the rate to be charged for the conveyance of railway material.

2. The Directors are desirous that this rate should be fixed at 5 pies per ton per mile, which rate was approved by the Government of Madras in their Order No 1,034 of the 22nd April 1872. The Government of India subsequently suggested the exclusion, from the cost of working, of the cost of all fixed establishments, but I have shown in the accompanying paper that the present mode of charging the Revenue Account with the cost of Agency, etc., must influence the cost at which

*Proceedings of the Madras Government, Public Works Department,
3rd July 1873.*

material is conveyed. To represent the cost of Agency a fixed per-centage upon the Revenue cash expenditure is carried to the debit of the Revenue Account. Permanent-way material has to be worked up in train loads, the cost of working these extra trains increases the Revenue cash expenditure, and upon that increased expenditure the fixed per-centage for Agency is charged.

Extract of letter from the Secretary, to the Agent, dated London, 25th April 1873, No. 84.

Rate for conveyance of Company's own material for construction purposes.

In my letter No. 81, 8th March, you were informed that the Secretary of State had been addressed by the Board on the subject. A reply has now been received.

The Board, it is observed, are under a misapprehension in regarding this as one of the cases reserved for the Secretary of State's decision by his Circular of the 30th October 1869, it being really "doubtful or disputed items" in Revenue Accounts alone which were so reserved. The Secretary of State has besides no means of judging whether the particular rate is most in accordance with the principle agreed upon, viz., that it shall be sufficient to cover the cost of conveyance with a small margin for contingencies, but leaving no profit. A preferable course, it is suggested, would be for the Board, if still dissatisfied with the orders of Government, to convey their views to you in order that the same may be laid before Government.

Acting upon this suggestion, I am now instructed to state that the opinion of the Directors on this question is unchanged from that expressed in their letter to you, No. 69, of 11th October 1872, as they still consider that the cost of fixed establishments required to work the traffic should not be excluded from view in the calculation of the cost of carriage. On this ground they consider the data upon which the 1 pies rate has been arrived at imperfect, and they desire that you will again bring their views to the knowledge of the Government, with a request that the subject may be re-considered, and a rate of 5 pies sanctioned, that being, in their opinion, the minimum which will satisfy the requirement that the rate shall be such as, while leaving no profit, will cover the cost of conveyance with a small margin for contingencies. The Board are fully aware that, under present circumstances, if the rate fixed should prove inadequate the loss would not fall upon the Company, but would in effect be borne by the Government, but they have considered the question from the point of view of principle and not from that which would be to the immediate interests of the Company.

29th May 1873.

(Signed) W. S. BETTS,
Agent, G. S. I. Railway Company.

GREAT SOUTHERN OF INDIA RAILWAY.

RATE FOR RAILWAY MATERIAL.

Extract of a letter from the Agent, to the Secretary in London, dated Negapatam, 13th February 1873, No. 314.

THE Government of India in letter No. 1,876 A. R., of 12th December last, (copy sent with my No. 312,) intimate that no higher rate than 4 pies per ton per mile will be passed for the conveyance of railway material.

I consider it would be desirable for the Directors to communicate with the Secretary of State on this subject at once, rather than that they should wait until, under the audit rules, it would be necessary for them to make their statement.

Paragraph 41 of the Rules for the Government Audit of Railway Accounts provides that, in the event of the Government of India objecting to entries in the railway books, the particulars of the expenditure objected to (which in the meantime has to be transferred to the heading of "Items disallowed by Government") will be reported to the Secretary of State in view to his deciding the question at issue.

For ready reference I have enclosed a memorandum of the correspondence which has passed on this subject.

*Proceedings of the Madras Government, Public Works Department,
3rd July 1873.*

The Government of India considers that "all fixed establishments should apparently be excluded from the calculation as having no real bearing on the outlay due to the transport of these stores." I understand this to mean that whether or no we convey railway material over the line opened for public traffic, the debit to the Revenue Account for fixed establishments will not be affected; in other words that no increased debit to Revenue on account of superintendence will result from the running of extra trains for the conveyance of railway material.

This is an error. The running of extra trains necessitates the employment of additional servants, and an increased consumption of stores. Upon this extra expenditure we have to debit the Revenue Account with 13 per cent. to represent the cost of superintendence. If the extra trains were not run, additional expenditure would not be incurred, and no 13 per cent. superintendence would be charged. Here is a *direct* charge to Revenue caused entirely by the running of extra material trains. I have before reported that all the permanent-way material must be worked up in extra trains, and the wagons used for its conveyance have to be worked back empty. So far from the Company's construction materials being despatched whenever convenient to the Traffic Department (see paragraph 4 of G. R. 672) it should be known that the permanent-way material must be worked up with great despatch and in certain fixed quantities, otherwise increased expenditure would be caused to the Company in the plate-laying department. At the present time I am receiving, almost daily, letters from the Nizam's State Railway people, urging the necessity of material being delivered to them daily in complete quantities for forming half a mile.

In addition to excluding the cost of superintendence, as suggested by the Government of India, the Consulting Engineer has excluded expenditure under eight other headings, but I am unable to say for what reason. The cost of lighting, for instance, is more needed for material than for other trains, as the former are started as a rule before sun rise, and come in late in the evening. Again, why should the cost of clothing of extra guards required for working these trains—and the value of daily reports, abstracts, invoices, etc., etc. (Printing and stationery)—be excluded.

I consider that a fair way of arriving at the cost of working material in special or extra trains would be to take the actual expenditure per train mile upon the Revenue Account during the half-year within which material is worked, and multiply it by the number of train miles run solely on account of the material trains, debiting the result to the construction account as representing the cost of conveyance.

When recently sanctioning the 10 pies per ton rate for the conveyance of material from Negapatam to Waddy Junction, the Government of India remarked that such high rate was not to be considered as a precedent for the conveyance of material in the event of any State lines being hereafter constructed in the provinces under the Government of Madras.

Our contract provides that the Company must "convey on the said railway all general stores belonging to the East India Company * * * at the lowest rate for the time being chargeable for the carriage of such * goods."

If a reduced rate be fixed for the conveyance of railway material will not the Company be legally liable for the application of that rate to the conveyance of permanent-way material intended for the State Lines? The remark regarding the rate fixed for the material transferred to the Nizam's State Railway would seem to point to the possibility of the Company being called upon to convey other State material at a much lower rate.

MEMORANDUM.

THE Secretary of State for India rules that the rates to be charged by Guaranteed Railway Companies for the conveyance of their own

Secretary of State to Government of India, No. 67 A. R.,
August 30th, 1871.

material for construction purposes shall be so fixed as to cover the cost of conveyance with a

small margin for contingencies, but leaving no profit.

Consulting Engineer for Railways, Madras Government, requests Agent, Great Southern of India Railway Company, to report the rates which will be introduced on that line, and the data on which such rate is fixed.

No. 239, December 21st, 1871.

*Proceedings of the Madras Government, Public Works Department,
3rd July 1873.*

Agent, Great Southern of India Railway Company, suggests following rates :—

No. 4,316, December 26th, 1871.

For special material train service 27½ annas
per mile run ;

Small consignments conveyed by ordinary trains... 9½ pies per ton per mile.
The rates being thus arrived at—

Actual cost of working during the half-year ending 30th June 1871	Per train mile.
26. 13 annas.	
Add for contingencies... ..	1. 37 „
	<hr/> 27. 50

Actual cost of carrying a ton of goods during half-year ending 30th June 1870 as per Consulting Engineer's Statistics ...	Per mile.
9 pies.	
Add for contingencies	½
	<hr/> 9½

Consulting Engineer reports to Madras Government taking as basis of calculation the cost of

Madras Government Order, No. 1,934, April 22nd, 1872. hauling an average goods vehicle and load as exhibited in the traffic analysis prepared for the Government of India, and assuming that the average load of all material wagons will be three-quarters of the full load, he obtains as the cost per ton per mile of hauling a truck load of railway material 5 pies. Government of Madras sanction, subject to confirmation of Government of India, this rate as well as a charge of 27½ annas per mile run for special material trains when not less than 66 tons are carried, said rates to come into operation from 1st January 1872.

Government of India takes exception to these rates, and states the expenditure on all fixed establishments should be excluded from the analysis. Believes that 4 pies per ton per mile will more nearly represent the actual cost.

Consulting Engineer to Government of Madras submits a revised calculation, in which is omitted the cost of superintendence in all departments, and also the following expenditure :—

- Repairs of Stations and Buildings.
- Plantations and loss on Stores.
- Repairs and renewals of coaching vehicles.
- Fuel and lighting of Stations.
- Clothing of Guards and Porters.
- Printing, Stationery, etc.
- Expenses at Joint Station.
- General charges.

and recommends that a rate of 4 pies per ton per mile be adopted from the 1st July 1872. Which rate is sanctioned by Government of Madras.

Agent objects to rate of 4 pies and contends that the omission of cost of fixed establishments required to work the traffic must result in loss to Revenue Account. Points out inaccuracies in Consulting Engineer's figures of empty vehicle mileage.

Government of Madras No. 2,450, October 18th, 1872.

Government adhere to the 4 pies rate, but agree that it be subject to a minimum charge of 6 tons per truck.

The Board consider that in calculating the rate to be charged the cost of fixed establishments should be included, and that they are not prepared therefore to acquiesce in result arrived at.

Great Southern Board, to Agent, No. 69, October 11th, 1872.

Agent to Consulting Engineer, No. 4,736, Nov. 4th, 1872.

Communicates above decision for the information of Government of Madras.

*Proceedings of the Madras Government, Public Works Department,
3rd July 1873.*

Recording sanction of Government of India to minimum charge of 6 tons per truck when material is conveyed in special vehicles, and separately from ordinary traffic.

Government of Madras, No. 2,736, November 21st, 1872.
Recording Government of India's reply (No. 1,876 G. R., of 12th December 1872), to Board's letter No. 69 above referred to, intimating that no higher rate than 4 pies per ton mile will be passed.
Government of Madras, No. 78, January 10th, 1873.

Extract of letter from the Secretary, to the Agent, dated London, 28th March 1873, No. 81.

RATE for conveyance of Company's own material for construction purposes.
A letter upon this subject has been addressed to the Secretary of State requesting that a rate of 5 pies per ton per mile may be allowed in lieu of that of 4 pies now sanctioned.
The Directors, it is observed, desire that it should be clearly understood that the rate to be fixed for the purpose in question is not to form a precedent for the charge at which the Company may, under the terms of the contract, be called upon to convey general stores belonging to the Government.

No. 50.

ORDER THEREON, 3rd July 1873, No. 1,718.

RAILWAY, No. 4.

His Excellency the Governor in Council observes that the question of the cost of carriage of construction materials has been discussed at great length, and that the rate of 4 pies per ton mile which has been fixed for the Great Southern of India Railway has been calculated with care and sanctioned after attentive consideration. Under these circumstances, and being of opinion that the prescribed rate meets the conditions laid down by the Home Government, viz., that it shall be so fixed as to cover the cost of conveyance with a small margin for contingencies, but leaving no profit, His Excellency in Council is not prepared to recommend the enhanced rate proposed by the Directors of the Company. With these remarks the papers will be forwarded to the Government of India.

(True Extract.)

(Signed) G. W. WALKER, Colonel, R.E.,
Secretary to Government.

No. 51.

(DOCKET No. 1,719, dated 3rd July 1873.)

Copy of the above forwarded to the Government of India, with reference to the correspondence ending with letter No. 1,876 G. R., dated 12th December 1872.
(True Extract.)

Colonel, R.E.,
Secretary to Government.

Exd. S. T. Austin.

Spare copies.

Railway Department.

CONSULTING ENGINEER'S OFFICE.

No. 313.

From

LIEUT.-COLONEL J. H. M. SHAW STEWART, R.E.,

Consulting Engineer for Railways,

To

COLONEL G. W. WALKER, R.E.,

Secretary to Government,

Public Works Department,

Fort Saint George.

SIR,

I have the honour to submit, for the consideration of His Excellency the Governor in Council, the accompanying letter from the Agent of the Great Southern of India Railway Company, enclosing correspondence which has passed between him and his Board of Directors upon the subject of the rate to be charged for the conveyance of material on construction account.

2

Previous correspondence

on

on this subject is embodied in the following proceedings of Government:-

18 December—1871—No. 3191

22 April—1872—No. 1034

14 May—1872—No. 1273

28 June—1872—No. 1575

21 August—1872—No. 1990

18 October—1872—No. 2450

21 November—1872—No. 2736

27 November—1872—No. 2786

10 January—1873—No. 78

3. It will be seen that the Board of Directors object to the exclusion, from the rate sanctioned by the Government of India, of the cost of all fixed establishments; and they beg that the subject may be reconsidered, and a rate of five pice per ton mile sanctioned, instead of the four pice rate now in force.

4. The subject has already been thoroughly discussed from every point of view. As reference to the papers printed with the proceedings of Government under date the 28 June 1872, No 1575 will show that excluding the cost of fixed establishments, the expense of hauling a ton of materials one mile on the Great Southern of India Railway is 2.835 pice. This includes an allowance of 5 per cent for contingencies: the actual cost being 2.70 pice. The rate of four pice per ton mile sanctioned by the Government of India is, in any opinion, amply sufficient to cover every item of expense which can fall on the Company in the carriage of their construction material, and to leave a not inconsiderable profit. In the case of the Madras Railway, where the actual cost of

of

of hauling a ton of material comes to 3.10 pice, the four pice rate sanctioned by Government has been accepted by the Directors.

I have the honour to be Sir

Your most obedient servant
 Madras 5 June 1873
 Sd/ B. S. P. S.
 Consulting Engineer for Railways

Recd. 17/18-1714-3. 1873

Regarding the rate to be charged for the conveyance of materials and construction's account

Letter No. 313
 Dated 5 June 1873
 To The Secretary to Government, P. W. Department, Fort Saint George

From The Consulting Engineer for Railways
 No. 5018
 Dated 29 May 1873

Great Southern of India Railway.
 AGENT'S OFFICE,
 NEGAPATAM, 29th May 1873

From THE AGENT,
 Great Southern of India Railway,
 To The Consulting Engineer for Railways Madras
 SIR,

I beg to submit, for the consideration of Government, the attached copy of correspondence with my Board of Directors, regarding the rate to be charged for the conveyance of railway material. The Directors are desirous that this rate should be fixed at 8 pice per ton per mile, which rate was approved by the Government of Madras in their order No 1034 of the 22 April 1872. The Government of India subsequently suggested the exclusion, from the cost of working of the cost of all fixed establishments, but I have shown in the accompanying paper that the present mode of charging the Revenue account with the cost of Agency & must influence the cost at which material is conveyed. To represent the cost of Agency

1873
 No. 5018
 Dated 29 May 1873

a fixed percentage upon the Revenue Cash
expenditure, is carried to the Credit of the
Revenue Account. Permanent way Materials
has to be worked up in train loads. The
cost of working these extra trains increases
the Revenue Cash expenditure; and upon
that increased expenditure the fixed per
centage for Agency is charged.

I have the honor to be

Sir

Yours most obedient servant

W. A. D. S.

Despatch No. 1614 dated 17/3

Oct 17/18-1719-3-18/19

GREAT SOUTHERN OF INDIA RAILWAY.

RATE FOR RAILWAY MATERIAL.

*Extract of a letter from the Agent to the Secretary in London dated
Negapatnam 13th February 1873 No. 314.*

The Government of India in letter 1876 A. R. of 12th December last (copy sent with my No. 312.) intimate that no higher rate than 4 pies per ton per mile will be passed for the conveyance of railway material.

I consider it would be desirable for the Directors to communicate with the Secretary of State on this subject at once, rather than that they should wait until under the audit rules, it would be necessary for them to make their statement.

Paragraph 41 of the Rules for the Government Audit of Railway accounts provides that in the event of the Government of India objecting to entries in the railway books, the particulars of the expenditure objected to (which in the meantime has to be transferred to the heading of "Items disallowed by Government") will be reported to the Secretary of State in view to his deciding the question at issue.

For ready reference I have enclosed a memorandum of the correspondence which has passed on this subject.

The Government of India considers that "all fixed establishments should apparently be excluded from the calculation as having no real bearing on the out lay "due to the transport of these stores". I understand this to mean that whether or no we convey railway material over the line opened for public traffic, the debit to the Revenue Account for fixed establishments will not be affected—in other words that no increased debit to Revenue on account of superintendence will result from the running of extra trains for the conveyance of railway material.

This is an error. The running of extra trains necessitates the employment of additional servants, and an increased consumption of stores. Upon this extra expenditure we have to debit the Revenue account with 13 per cent to represent the cost of Superintendence. If the extra trains were not run, additional expenditure would not be incurred, and no thirteen per cent superintendence would be charged. Here is a direct charge to Revenue caused entirely by the running of extra material trains. I have before reported that all the permanent way material must be worked up in extra trains, and the waggons used for its conveyance have to be worked back empty. So far from the Company's construction materials being despatched whenever convenient to the Traffic Department (see para 1 of G. R. 672) I should be known that the permanent way material must be worked up with great despatch and in certain fixed quantities, otherwise increased expenditure would be caused to the Company in the plate-laying department. At the present time I am receiving, almost daily, letters from the Nizam's State Railway people, arguing the necessity of material being delivered to them daily in complete quantities for forming half a mile.

In addition to excluding the cost of Superintendence, as suggested by the Government of India, the Consulting Engineer has excluded expenditure under eight other headings, but I am unable to say for what reason. The cost of lighting, for instance, is more needed for material than for other trains as the former are started as a rule before sun-rise, and come in late in the evening. Again why should the cost of clothing of extra guards required for working these trains—and the value of daily reports, abstracts, invoices &c. &c. (Printing and stationery) be excluded

GREAT SOUTHERN OF INDIA RAILWAY.
AGENTS OFFICE.
NEGAPATNAM.

No.

From

THE AGENT.

(Great Southern of India Railway)

Handwritten notes and signatures:
To the Agent to the Secretary in London
13th Feb 1873
P. 314/173.
Regarding note
in Railway books.
The Agent to the Secretary in London
13th Feb 1873
P. 314/173.
Regarding note
in Railway books.
The Agent to the Secretary in London
13th Feb 1873
P. 314/173.
Regarding note
in Railway books.

Extract of letter from the Secretary to the Agent dated London 25th April

1873 No. 24

Rate for conveyance of Company's own Material for construction purposes.

In reply to No. 21, Mr. [Name] is informed that the Secretary of State had been asked by the Board on this subject. A reply has now been received.

The Board is to be understood as having a misapprehension in regarding this as one of the cases in which the Secretary of State's decision by his Circular of the 26th October 1872 is to be applied to "undisputed items" in revenue accounts also with reference to the Secretary of State has held no means of judgment whether this particular rate is in accordance with the principle agreed upon, viz. that it shall be sufficient to cover the cost of conveyance with a small margin for contingencies, and making no profit. A preferable course, it is suggested, would be for the Board to call disallowed with the orders of Government to convey their views to you in order that the same may be laid before Government.

Acting upon this suggestion, I am now intended to state that the opinion of the Directors on this question is unchanged from that expressed in their letter to you No. 69 of 11th October 1872, as they still consider that the cost of fixed Establishments required to work the Traffic should not be excluded from view in the calculation of the cost of carriage. On this ground they consider the data upon which the 4 pie rate has been arrived at imperfect and they desire that you will again bring their views to the knowledge of the Government with a request that the subject may be re-considered and a rate of 5 pie sanctioned, that being in their opinion the minimum which will satisfy the requirement that the rate shall be such as, while leaving no profit, will cover the cost of conveyance with a small margin for contingencies. The Board are fully aware that under present circumstances, if the rate fixed should prove inadequate the loss would not fall upon the Company, but would in effect be borne by the Government, but they have considered the question from the point of view of principle and not from that which would be to the immediate interests of the Company.

Wm. [Name]
Agent for the [Name]

I consider that a fair way of arriving at the cost of working material in special or extra trains, would be to take the actual expenditure per train mile upon the Revenue Account during the halfyear within which material is worked, and multiply it by the number of train miles run solely on account of the material trains debiting the result to the construction account as representing the cost of conveyance.

When recently sanctioning the 10 pies per ton rate for the conveyance of material from Negapatam to Waddy Junction, the Government of India remarked that such high rate was not to be considered as a precedent for the conveyance of material in the event of any State lines being hereafter constructed in the provinces under the Government of Madras.

Our contract provides that the Company must "convey on the said Railway all general stores belonging to the East India Company * * * * at the lowest rate for the time being chargeable for the carriage of such * goods".

If a reduced rate be fixed for the conveyance of Railway material will not the Company be legally liable for the application of that rate to the conveyance of permanent way material intended for the State Lines? The remark regarding the rate fixed for the material transferred to the Nizam's State Railway would seem to point to the possibility of the Company being called upon to convey other State Material at a much lower rate.

MEMORANDUM

The Secretary of State for India rules that the rates to be charged by Guaranteed Railway Companies for the conveyance of their own Material for construction purposes shall be so fixed as to cover the cost of conveyance with a small margin for contingencies, but leaving no profit.

Secretary of State to Government of India No. 67
A. R. Augt. 30th 71.
Consulting Engineer for Railways, Madras Government requests Agent G. S. I. R. Company to report the rates which will be introduced on that line, and the data on which such rate is fixed.

Agent G. S. I. Railway Company suggests following rates. For special material train service 27½ annas per mile run;
No. 4316 December 26th 71

Small consignments conveyed by ordinary trains.	9½ pies per ton per mile.
The rates being thus arrived at.—	
Actual cost of working during the halfyear ending 30th June 1871.	26. 13 annas
Add for contingencies.	1. 37 "
	<u>27. 50</u>

Actual cost of carrying a ton of goods during half year ending 30th June 1870 as per Consulting Engineer's Statistics	9 pies
Add for contingencies.	½
	<u>9½</u>

Consulting Engineer reports to Madras Government taking as basis of calculation the cost of hauling an average goods vehicle and load as exhibited in the Traffic analysis prepared for the Government of India, and assuming that the average load of all material waggons will be three quarters of the full load, he obtains as the cost per ton per mile of hauling a truck load of railway material 5 pies. Government of Madras sanctions, subject to confirmation of Government of India, this rate as well as a charge of 27½ annas per mile run for special material trains when not less than 66 tons are carried—said rates to come into operation from 1st January 1872.

Government of India takes exception to these rates, and states the expenditure on all fixed establishments should be excluded from the analysis. Believes that 4 pies per ton per mile will more nearly represent the actual cost.

Consulting Engineer to Government of Madras submits a revised calculation, in which is omitted the cost of superintendence in all Departments, and also the following expenditure

Repairs of Stations and Buildings
Plantations and loss on Stores
Repairs and renewals of coaching vehicles
Fuel and Lighting of Stations
Clothing of guards and porters
Printing Stationery &c.
Expenses at Joint Station
General charges

and recommends that a rate of 4 pies per ton per mile be adopted from the 1st July 1872. Which rate is sanctioned by Government of Madras.

Agent objects to rate of 4 pies and contends that the omission of cost of fixed establishments required to work the traffic must result in loss to Revenue Account. Points out inaccuracies in Consulting Engineer's figures of empty vehicle mileage.

Government adhere to the 4 pies rate but agree that it be subject to a minimum charge of 6 tons per truck.

The Board consider that in calculating the rate to be charged the cost of fixed establishments should be included and that they are not prepared therefore to acquiesce in result arrived at.

Communicates above decision for the information of Government of Madras.

Agent to Cons. Engineer
No. 1786 Novr. 14th 72.

Recording sanction of Government of India to minimum charge of 6 tons per truck when Material is conveyed in special vehicles, and separately from ordinary traffic.

Recording Government of India's reply (No. 1876 G. R. of 12th Decr. 1872.) to the P. P. No. 69 above referred to, intimating that no higher rate than 4 pies per ton Mile will be passed.

Extract of letter from the Secretary to the Agent dated London 28th March 1873 No. 81

Rate for conveyance of Company's own Material for construction purposes.

A letter upon this subject has been addressed to the Secretary of State requesting that a rate of 5 pies per ton per mile may be allowed in lieu of that of 4 pies now sanctioned.

The Directors, it is observed, desire that it should be clearly understood that the rate to be fixed for the purpose in question is not to form a precedent for the charge at which the Company may, under the terms of the contract be called upon to convey general stores belonging to the Government.

P. W. D.

17/6

Proceedings of the Madras Government,

Under date the

1873.

Read the following:—

From The Consulting Engineer }
for Railways. } A.E. No. 313 of 5th June 1873

His Excellency
the Governor in Council
desires that the question
of the cost of Carriage
of Construction materials
has been discussed
at great length, and
that the rate of 4 pices
per ton mile which
has been fixed for the
Government.

Great Southern of India
Railway has been cal-
-culated with care and
-sanctioned after atten-
-tive consideration. Under
these circumstances and
being of opinion that
the prescribed rates meet
the conditions laid
down by the Home
Government, viz. that
it shall be so fixed as
to cover the cost of convey-
-ance with a small
margin for contingen-
-cies, but leaving no
profit, His Excellency
in Council is not pre-
-pared to recommend
the enhanced rate proposed
by

Wm. Langford
for Railways.
D. 11/1/73

by the Directors of the
Company. With these
remarks the papers
will be forwarded
to the Government
of India.

L.C. No 2/1719

Copy of the above
forwarded to the Govern-
-ment of India with
reference to the corre-
-spondence ending with
letter No 1876 G. P.
dated 12th December 1872.

Langford

D. 11/1/73

Cb 3291

The Secretary to the Govt
of India

5th July 1918-1919

49-51157

Materials. Papering over
on correspondence on
the question of the cost
of carriage of construction
materials on the G. S.
Rly.

Forward of copy of
correspondence on the
question of the cost of
carriage of construction
materials on the G. S.
Rly.

Not to be folded or roughly handled