

(1) Number of pages \_\_\_\_\_

(2) Date of repair \_\_\_\_\_

(3) Initials of the Referencer \_\_\_\_\_

# MADRAS RECORD OFFICE

## Government of Madras

*Public Works*

DEPARTMENT

|          |        |       |
|----------|--------|-------|
| G.O. No. | 1843   | Press |
| B.P. No. |        | Mis.  |
| 330-331  |        |       |
| Dated    | 18. 7. | 1873. |

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,  
18th July 1873.*

No. 330. 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 the Government of Madras, Public Works Department, (Railway,) dated Simla, 18th June 1873, No. 950 G. R. :—

I AM directed to forward, for information, copy of a communication from the Military Department, and of an enclosed memorandum by the Officiating Accountant General in that department, on the subject of the rates to be charged for the transport of Government stores by rail.

2. Under the terms of the Railway Contracts the Government can claim for the transport of its stores the lowest rate charged for such stores, and can therefore claim any reduced rate which is allowed to another customer.

3. Public Works Department Resolution, No. 2,322-32 R., of 14th November 1871, calling on all departments to use the Railway in preference to other modes of transit, although apparently cheaper, shows to what extent Government is resolved to give to Railways all legitimate support, and warrants a demand to be treated at least as well as their most favoured customers.

4. The matter should, with the approval of the Government of Madras, be discussed with the Agencies, with a view of ascertaining what concessions they are prepared to allow in the carriage of Government stores, and of making such arrangements as may conduce to the convenience both of the Railway traffic and of the Government Departments concerned.

Office Memorandum from the Secretary to the Government of India, Military Department, (Transport—Railway,) to the Secretary to the Government of India, Public Works Department, dated 10th April 1873, No. 694.

With reference to the memorandum from the Public Works Department, No. 339 G. R., dated the 1st March 1873, the undersigned is directed to forward, for early consideration in that department, the annexed copy of a

\* No. 10, dated 2nd April 1873.

memorandum\* from the Officiating Accountant

General, Military Department, relative to the rates to be charged for Government stores carried by Railway, and to observe that Mr. Haliburton's views are generally concurred in by Government in the Military Department.

Memorandum by A. HALIBURTON, Esq., Officiating Accountant General, Military Department, Account Branch, dated 2nd April 1873, No. 10.

The original enclosure of Military Department's docket "Transport," "Railway," No. 1,226, of the 20th February last, is herewith returned.

2. While we agree to pay Railways for the carriage of Government stores the same price as is paid by the public, it matters little whether we hit off an average rate or pay the various existing rates. The financial result is the same, and it is a mere question of convenience of account. The Controller, who is the best judge of this, is in favour of taking the rates as they exist.

3. In paragraph 3 of the Officiating Deputy Secretary, Public Works Department's No. 242 G. R., of 14th February last, it is stated: "The Government has no claim to lower rates for the carriage of stores than those charged to the public." This is really the point for decision, and I do not think it has been shown that Government has not the same right here which it has in this respect at Home. It is true it has not an absolute right, or rather it has not the power to enforce the right, to say to Railways that its stores and its troops shall be carried at rates lower

*Proceedings of the Madras Government, Public Works Department,  
18th July 1873.*

than those charged to the public for passenger and goods traffic, but if it can show good cause for such exceptional rates, it undoubtedly should exact them.

4. This right was clearly recognized in England in 1843-44, when the Act regulating the rates paid by Government at Home was passed. The rates then fixed for goods and troops were about two-thirds of those paid by the public. The principle on which the rate was fixed was not referred to in the Act, but it has very recently been discussed. It happened that the Act of 1843-44 did not provide for any alteration in the rates payable by Government concurrently with any charge which might occur in the rates charged to the public. These rates underwent a very great decrease, and as the Government rates remained as fixed by the Act, it came to pass that instead of paying only two-thirds of the rates paid by the public, Government paid rather higher rates than the public.

5. This question came up before a Joint Committee of both Houses last Session, and it fell to me to represent the views of the Secretary of State for War on this question. The ground I took then, and which was adopted by the Committee in its Report, is equally valid here. We claimed the right on the well-known commercial custom under which those dealing on a large or wholesale scale are accorded terms which could not advantageously be conceded to individuals bringing only a small and fluctuating custom.

6. This principle is, in fact, already recognized here; our troops are carried at rates lower than those charged to the public for passenger traffic, and the same principle should apply to the carriage of Government stores.

7. The fact of Government having to pay part of the interest on certain Railway stock should not affect this question. If that interest has to be paid, it is better to pay directly as interest than indirectly to contribute it by an extravagant outlay on traffic. The day will probably come when the Railways will pay their own way; and then it would be too late to reduce rates which Government for its own purposes had for years recognized as legitimate. What the rate should be I am not prepared to say. This should, I conceive, form the subject of inquiry by the proper Government authorities, in communication with the Railway officials, when it shall have been decided whether the principle which is recognized as sound at Home shall be made applicable to India.

No. 331.

ORDER THEREON, 18th July 1873, No. 1,843.

RAILWAY, No. 38.

COMMUNICATED to the Consulting Engineer who will take an early opportunity of discussing the subject brought forward in these papers with the Agents of the Railway Companies, and report the result for the information of the Government of India.

(True Extract.)

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

To the Consulting Engineer for Railways.

Exd. S. T. Austin.  
Spare Copies.

*Military Department, Account Branch,  
Dated 2<sup>d</sup> April 1873.*

*No. 10.*

*Memorandum.*

*The original enclosure of Military Department "Transport & Railway" No. 1226 of the 21<sup>st</sup> February last, is herewith returned.*

*2 While we agree to pay Railways for the carriage of Government stores the same price as is paid by the public, it matters little whether we hit off an average rate or pay the various existing rates. The financial result is the same and it is a mere question of convenience of account. The Controller, who is the best judge of this, is in favour of taking the rates as they exist.*

*3 In para 3 of the officiating Deputy Secretary Public Works Department's No. 242 of 11<sup>th</sup> February last, it is stated "The Government has no claim to lower rates for the carriage of stores than those charged to the public." This is really the point for decision, and I do not think it has been shown that Government has*

has not the same right here which it has in this respect at Home. It is true it has not an absolute right, or rather it has not the power to enforce the right, to say to Railways that its stores and its troops shall be carried at rates lower than those charged to the public for passenger and goods traffic, but if it could show good cause for such exceptional rates, it undoubtedly should exact them.

This right was clearly recognized in England in 1843, when the Act regulating the rates paid by Government at Home was passed. The rates then fixed for goods and troops were about  $\frac{2}{3}$  of those paid by the public. The principle on which the rate was fixed was not referred to in the act, but it has very recently been discussed. It happened that the act of 1843 did not provide for any alteration in the rates payable by Government concurrently with any charge which might occur in the rates charged to the public. These rates underwent a very great decrease and as the Government rates remained as fixed by the act, it came to pass that instead of paying only  $\frac{2}{3}$  of the

of the rates paid by the public, Government paid rather higher rates than the public.

5. This question came up before a Joint Committee of both Houses last session, and it fell to me to represent the views of the Secretary of State for war on this question. The ground I took then, and which was adopted by the Committee in its report, is equally valid here. We claimed the right on the well known commercial custom under which those dealing on a large or wholesale scale are accorded terms, which could not advantageously be conceded to individuals bringing in by small and fluctuating custom.

6. This principle is in fact already recognized here, our troops are carried at rates lower than those charged to the public for passenger traffic, and the same principle should apply to the carriage of Government stores.

7. The fact of Government having to pay part of the interest on certain railway stock should not affect this question. If that interest has to be paid, it is better

to pay directly as interest than indirectly to contribute it by an extravagant outlay on traffic. The day will probably come when the Railways will pay their own way; and then it would be too late to reduce rates which Government have been pursuing had for years recognized as legitimate. What the rate should be I am not prepared to say. This should become the subject of enquiry by the proper Government authorities in communication with the Railway officials when it shall have been decided whether the principle which is recognized as sound at home shall be made applicable to India.

(Signed) Arthur Hamilton,  
Off. Secy. to the Government.

Am

S.M. 3779/73-

No 694 dated the 16<sup>th</sup> April 1873.

From.  
Transport  
Railway. The Secretary to the Government of India,  
Military Department.

To  
The Secretary to the Government of India,  
Public Works Department.

Office Memorandum.

With reference to the Memorandum from the Public Works Department No. 339 of A. dated the 1<sup>st</sup> March 1873, the undersigned is directed to forward for early consideration in that Department, the annexed copy of a Memorandum from the officiating Accountant General, Military Department, relative to the rates to be charged for Government stores carried by railway, and to observe that Mr. Hamilton's views are generally concurred in by Government in the Military Department.

All communications  
should be addressed to  
a Secretary.

No. 950 L. 21.  
GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

*Railway.*

The Secretary to the Government of Madras,  
Public Works Department Madras,  
Sund 13 June 1871.

Sept 25/5-

I am directed to forward for in-  
formation copy of a communication from  
the Public Works Department of the  
Memorandum by the Chief Engineer, Madras  
General in that Department on the subject  
of the rates to be charged for the transport of  
Government stores by rail.

Under the terms of the Indian  
Contracts the Government can claim for  
the transport of its stores the lowest rate charge  
for such stores and can therefore claim  
any reduced rate which is allowed to another  
customer.

Public Works Department Madras  
No. 2322/32 of 11th November 1871 calling on

14.18/11/1734  
330



E. W. 1843 Report

No 3749.

From

The Govt of India.

dated 10<sup>th</sup> Decr } 1843.  
Recd 3<sup>rd</sup> July }

Env. 2. No 480 p. 11.

Forwarding  
for discussion  
correspondence  
relative to the  
rates to be charged  
for the transport  
of Government  
stores by rail.

Wete order.

Communicated to the Consulting Engineer 10th

will take an early opportunity of discussing the subject  
brought forward in these papers with the agents of  
the Railway Companies, and report the result for the infor-  
mation of the Government of India.

W. W.

To the Comdr in Chief

His Highness the Duke of Devonshire

82330.34

Recd 10th July 1843

Up 3779  
Govt. of 1873 Madras.

PUBLIC WORKS.

The Consulting Engineer  
for Railways

Part 1 Part 2

18 July 1842

No. 331/331

Stores. Letter from the  
Port of India Company  
Correspondence  
relative to the rates to  
be charged for the  
transport of goods  
Stores by rail, and  
the charges with instructions