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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No.	853-54 (24)	Press
B.P. No.		Misr
Dated	31-3-	1870

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
31st March 1875*

No 654. 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, 16th March 1875, No. 151:—

With reference to the Order of Government, dated 15th February 1875, No. 434, I have the honor to enclose copy of proposed "Memorandum of Agreement" for the acquisition of the South Indian Railway Telegraph lines by the State, together with a note on the same by Major Mallock, the officer deputed by the Government of India to arrange with the Agent the terms of transfer.

2 It will be observed that as regards the sums to be paid for the existing lines and the rental to be charged to the Company for the use of two wires for Railway purposes, the Agent and Major Mallock are agreed, and these terms have also been confirmed on behalf of the Government of India by the Director-General of Telegraphs.

3 Mr. Betts, however, does not assent to Section III. of the proposed Agreement, which treats of the rules to be observed in the interchange of traffic. The Government of India are desirous that the State Railway Rules should be adopted in their entirety. These rules will be made applicable to the new lines on the extensions, and it is considered inconvenient to have separate rules on the same Railway.

4 The Government are aware that State Railway Telegraph Rule 9 has formed the subject of discussion with both the Madras and South Indian Railway authorities, vide Proceedings of Government 2nd February 1875, No. 274. marginally noted, and the question of the acceptance of some of its provisions is still under reference to the Government of India. I understand, however, that Mr. Betts waives all objections except that to clause (i.), regarding the share to be allowed to a Railway telegraph for messages which are transferred to or received from the Government system. Colonel Robinson is now on his way to England, and will endeavour to settle this matter directly with the Board.

5 In the meantime, however, it does not appear that any arrangements have been made for the construction of the permanent line on the Southern Extension, as directed in paragraph 1 of the letter from the Government of India, embodied in the Proceedings of Government under reply. The Government are aware from my letter, dated 6th inst., No. 114, that it is proposed to run passenger trains over a portion of the extension during next month, and to open up to Madras on the 1st July, and I need hardly state that the erection of a more reliable line of telegraph than that at present existing has now become an absolute necessity. The Government of India would appear to have authorized the work being proceeded with forthwith, and looking to the great inconvenience and danger which might arise from further delay, I beg to suggest that the immediate construction of the line from Trichinopoly to Tuticorin and Tinjelly be urged by telegraph.

Proceedings of the Madras Government, Public Works Department.
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MEMORANDUM on the proposed Agreement for a Joint Telegraph Line on the South Railway

I.—VIEWS OF THE S I R BOARD

In the S I R. London Board letter, No 3 of the 7th August 1874, the Directors of the Agent to negotiate an agreement with the Government Telegraph Department, and desire the following points to be attended to:—

(1.) *Purchase of the existing Line.*

To be based on the principle that the actual cost is to be repaid to the Company

(2.) *Rental of Telegraph Wires by the Company.*

- (a) To include a fair rate of interest on capital and an allowance for depreciation
- (b) To be based on the actual cost to Government without profit.
- (c) Not to exceed the rate at which the Company has been able to maintain its own line
- (d) Telegraph Department to accept all risks from storms, &c.

(3.) *Interchange of Telegraph Traffic.*

- (a) Provision should be made for interchange of traffic between the Company and the Government
- (b) The Company to have as full and free use of the wires rented to them, as now have of their existing line
- (c) The Signalling Staff to be exclusively the servants of, and controlled by the Company.

In addition to the instructions given to the Agent in this letter he received a private note from the Board to the effect:—

"That he was to take care that the Company were left in a no worse, and, if possible, better position than heretofore"

II.—VIEWS OF THE GOVERNMENT OF INDIA.

In letter No. 53 T, of 25th January last, the Government of India ordered:—

- (a.) That arrangements should be made for the erection of lines on the new extensions
- (b) That the rent should be calculated either on 5 per cent. on capital plus actual maintenance; or else on a fixed sum to include capital and maintenance.
- (c) The State Railway Rules should be made applicable to the new lines, for a license similar to that granted to the S I R. Railway will be issued.
- (d) The existing lines to be purchased on the basis of the Outh and Rohilkhand I and the State Railway Rules to be adopted, if possible, in its entirety.

III.—TERMS OF AGREEMENT.

The Agent of S. I. R. and Major Mallock having met and agreed that

- (a) A fixed rent the terms of which were known beforehand would be infinitely preferable under any consideration, to a variable sum, which might cause correspondence every time bills were sent in.
- (b) It was desirable that there should be some sort of limit over the whole system
- (c) The Company should be placed in no worse position than heretofore.

IV.—PURCHASE OF THE EXISTING LINE.

The existing line of Telegraphs on the Company's Works at the following prices:

1. Negapatam to Trichinopoly (Post and list wire, instruments, &c.)	Rs. 10,721 12 9
2. Do. do. (Post and list wire, &c.)	Rs. 11,571 5 11
3. Do. do. (Post and list wire, &c.)	Rs. 37,317 11 0
4. Trichinopoly to Erode (Post and list wire, &c.)	Rs. 18,229 15 1
5. Do. do. (Post and list wire, &c.)	Rs. 4,129 0 0
6. Arcotum to Conjevaram (Post and list wire, &c.)	Rs. 1,211 12 9
Total	Rs. 83,779 15 1

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But the 2nd, 3rd, and 4th items alone can be proved by the Company's Books, and it is impossible to trace what the first and last consist of

The Agent therefore proposes that the Capital cost of the line from Negapatam to Trichinopoly and Erode should be taken as standing at Rupees 500 per mile, say Rupees 1,04,160,* and that the original cost of the line from Arcotum to Conjevaram should be estimated by the Chief Engineer and Major Mallock. This latter line, which is 18½ miles long and has 22 posts a mile, has therefore been estimated to have cost as follows:—

3½ tons of No. 8 B. W. C. wire at £22 a ton	Rs. 715
Freight from England and landing charges on do.	65
Carriage of 4 tons of wire insulators, &c., from Madras to Arcotum.	11
412 insulators and brackets complete	412
412 teak saplings delivered on the spot at Rs. 4 each	1,648
Labor for erection at 5 Rs. a mile.	300
Distribution at 7 " "	
Contingencies at 1 " "	
Total	3,151

NOTE.—The wire is on the books of the late Carnatic Company at 150 Rupees per ton, and the insulators and brackets at 18 Annas, but as these are known to have been estimated rates and are apparently too low, the highest rates they are likely to have cost are entered. The posts are now worth nothing, and ought to be replaced as such.

In order to take the most liberal view of the capital cost, Major Mallock also agrees to pay the cost of the temporary lines which have been erected for engineering purposes, of which the bamboos, casuarina saplings and the labor expended on them are worth absolutely nothing, and which might most fairly have been debited to the capital cost of the permanent way.

V.—RENTAL OF WIRES TO THE COMPANY.

It must first be considered what their present line costs the Company. The Agent states that, as the line is maintained by the Permanent Way Establishment, it has cost nothing for labor and about 1 Rupee a mile a year for petty expenditure

Major Mallock believes that, as the telegraph maintenance bears such a small proportion to the permanent-way maintenance, it cannot have been fully debited; moreover, he knows that 5 Rs. a mile were spent one year in tarring the posts, and this alone being done once in five years is 1 Rupee a mile a year. However, leaving this matter out of the question for the sake of giving in to the Company as much as possible, we come to interest on capital and a charge for renewals or depreciation.

It is assumed that a very fair life for a wooden post line is 25 years, viz., 25 years for seasoned teak posts, more for wire, and less for insulators

Two and a half per cent per annum on capital cost funded annually at 5 per cent. becomes 100 in 22½ years. Therefore taking only 2½ per cent. for depreciation we get 5 per cent. interest on capital + 2½ per cent depreciation = 7½ per cent, which on Rupees 500 is Rupees 40 6½. But as the new extensions are further from Negapatam than the original line, and the stores have to be carried further for them at an extra cost of about 50 Rupees per mile of line, we must assume that they would cost the Company at the very least 610 Rupees a mile, on which 7½ per cent. would come to 442 Rupees, plus expenditure on interruptions, &c.

The Agent however offers 40 Rupees a mile for 2 wires (or 20 Rupees for the 1st, and 17 Rupees for the 2nd and any subsequent wire) plus free passes for men and materials on maintenance account.

The very cheapest rate at which the Telegraph Department will be able to erect an iron post line of 3 wires will be Rupees 1,000 per mile exclusive of establishment charges.

* On digging up a number of posts, it appears that of those that have been down from 15 to 18 years, 10 per cent. have decayed completely below ground, and 10 per cent. more are damaged.

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The average cost of maintenance of a line, including all expenses, repairs of posts, wires and insulators, accidents, restoration of any way in the character of damage, &c. to Rupees 10.5 per mile of wire per annum in the Indian Government Telegraph Department, but we may deduct 3.5 from the average on account of the free pass, and also on a count of the stores having to be sent over no into the hands of the Railway.

The C. I. P. R. contract for maintenance of a line is Rupees 11.5 per mile of wire per annum exclusive of stores and free passes.

The Western Union of America pays 8 dollars (say 16 Rupees) per mile of wire.

Anyhow

5 per cent on 1,000 is	50
Maintenance of 3 wires (at least)	21
Total	71

Therefore the Railway share, or two-thirds of the share, should be Rupees 47.3. The matter however being referred to the Director-General of the Telegraphs, to take care and approve of Major Mallock's views on the subject, and that he is to be a trustee of the Railway which does not earn its guaranteed interest, the maintenance is practically paid for by Government either out of one fund or another, and therefore it will be the duty of the Government to be on the same footing as a State Railway and therefore accept State Railway Rules, of which more further on.

In comparing them, terms with the State's conditions, and Section I. we find that the road agreed to

- Is less than a fair rate for interest and depreciation of working lines.
- Will it mainly give Government no profit (except the value of the road) the cost of its double system paid for out of one fund, and having Government the cost of its Coast Lines (Telegraphs).
- Does not exceed the Company's present expenditure, although they say that costs are rising.
- The Telegraph Department at present all makes a profit.

VI.—Interference of the State in the Affairs of the Company.

The Agent having seen copies of the regulations given to the British, Punjab, and Delhi Companies, and is having been pointed out to him that there is a thing whatever in the State

Interference with the Company's affairs, which the Government cannot allow. He is to be a trustee of the Railway which does not earn its guaranteed interest, the maintenance is practically paid for by Government either out of one fund or another, and therefore it will be the duty of the Government to be on the same footing as a State Railway and therefore accept State Railway Rules, of which more further on.

And that, if required by the State, the Company shall be bound to supply the same at a price to be fixed by the Government. The Company shall be bound to supply the same at a price to be fixed by the Government. The Company shall be bound to supply the same at a price to be fixed by the Government.

Proceedings of the Madras Government, Public Works Department,
31st March 1875.

(c) That sooner than take the State Railway Rules, he would prefer to have no license at all.

On the other hand Major Mallock states —

- That where the Board stipulate for as full and free a use of their wires as they have now, they mean for their own purposes.
- That then line is most certainly not worth what it was when new — That the sum spent on the temporary line for engineering purposes is worth absolutely nothing, and that the depreciation of the one and money spent on the other amounts to Rupees 58,500, of which the interest is Rupees 2,925.
- That the Government have already decided that he is to take the State Railway Rules for the new lines, and the Board have told him to make provision for interchange of Telegraph Traffic, which interchange with separate rules on the same line of Railway would be most troublesome.

Finally, the Director-General of Telegraphs having accepted an unremunerative rent on the consideration that all the rent is paid by the State, demands in return State Railway Rules in their entirety.

Major Mallock is of opinion that he has met the demands of the Board in every possible way and can give in no further.

The Agent refuses to accept Clause 9.

Here the matter rests.

Meanwhile, although the Government Line runs close to the Railway from Madras to Tindivanam and Cuddalore to Sheally, and could either be easily transferred to the Railway, or an extra wire now run up on the Government Posts for engineering purposes, and the line moved afterwards, the very anomaly which it is most desired to avoid (viz., the erection of 2 parallel telegraph lines both practically paid for by Government) is now in the act of being reintroduced by the erection of a separate line of posts for the Railway from Madras to Tindivanam; that is, over the very section where they are not wanted.

This line is now going on at the rate of half mile a day, and the sooner it is stopped the better.

(Signed) J. H. MALLOCK,
Director of Construction,
Govt. Telegraph Department.

Madras,
12th March 1875.

P. S.—A draft agreement is annexed.

This has been prepared on the basis of the B. D. C. I. draft agreement, with alterations in Sections I. and II. made to suit the wishes of the Agent, S. L. R., and the proposals to which he agrees.

To Section III. he, as above stated, does not agree.

MEMORANDUM OF AGREEMENT Between the Secretary of State for India in Council and the South Indian Railway Company.

MEMORANDUM OF AGREEMENT made this day of 1875, between the Secretary of State for India in Council on the one part and the South Indian Railway Company on the other part.

PREAMBLE.

In this agreement "Government" means the Government of India; "Telegraph Department" means the Telegraph Department of the Government of India; "Railway Department" means the Government Department which controls the Railway; "Company" means the South Indian Railway Company; "Line" means all Posts, Wires, Insulators and other component parts of a Telegraph Line outside the walls of Signal Office or Railway Stations, but does not include any instruments, office fittings, or other appurtenances in the Company's Telegraph Office or

*Proceedings of the Madras Government, Public Works Department,
31st March 1875.*

belonging thereto; "Office" means any building, or room, or any portion thereof devoted to the use of the Electric Telegraph.

Whereas the general objects of this agreement are—

1 The acquisition by the said Secretary of State on behalf and for the use of the Telegraph Department of the Government of India of the Telegraph lines at present the property of the Company, under Clause XXX of the Company's Deed of Contract with Government.

2 The subsequent rental by the Company from the Telegraph Department of Telegraph wires for its own purposes.

3 The Interchange of Telegraphic Traffic

Now these presents witness that for the consideration hereinafter mentioned, it is mutually agreed as follows—

SECTION I.

As to the Purchase of the Company's Existing Telegraph Lines.

1 The said Secretary of State, on behalf of the Telegraph Department, hereby agrees to purchase, and shall purchase of the Company the whole of its existing line of Telegraph, and the Secretary of State shall pay for it the following sums, viz:—For the line between Negapattinam and Erode the sum of Rupees (91,080) ninety-four thousand and eighty; for the line between Arcotum and Conjevoram the sum of Rupees (3,151) three thousand one hundred and fifty one; and for the lines between Madras and Rindivanam, and Trichinopoly and Tuticorin, the amounts which may have actually been spent upon them, as certified to by the Railway Department.

2 The said Secretary of State shall also purchase of the Company all "Line" stores in store in India (or at the present time invoiced and on board ship between England and India) at their original cost when landed. Such stores are however to be surveyed by an official of the Telegraph Department, and only those which are serviceable will be taken over by the Secretary of State for the Telegraph Department.

3 The purchase-money and several sums to be paid by the said Secretary of State shall be paid within six calendar months after the date on which the line may have been made over to the Telegraph Department.

SECTION II.

As to the Rental of Telegraph Wires by the Company from the Telegraph Department.

1 The said Secretary of State will supply to the Company, for their exclusive use, as many of the wires erected along the Railway as the Railway Department may certify to be necessary for the proper working of the Railway; and the Company shall pay to the Secretary of State a fair rent for such wires to be fixed from time to time by the Government in communication with the Company.

2. Up to and inclusive of the 31st day of December A. D. 1880 the rent to be paid by the Company shall be at the following rates, viz:—

For the first wire, twenty Rupees; 23 twenty three per Statute mile and Rupees (17) seventeen for the second and any subsequent wire.

3. Such rent shall be calculated half-yearly for the periods ending on the 30th June and 31st December, and be due on those dates.

4. The above rates are to include interest on Capital, Depreciation of Stock, Repairs and Maintenance; and the Telegraph Department are to be free from Sickness, Floods or other contingencies.

5. In the event of any serious damage occurring to the line from Sickness, Floods or other such causes, and of the Telegraph Department being unable to restore communication on the wires, the Company shall be allowed to make any temporary arrangements necessary to restore such communication at the expense of the Telegraph Department.

*Proceedings of the Madras Government, Public Works Department,
31st March 1875.*

6 The above rates of rent, to be paid by the Company, are not to include any technical supervision of offices, supply, regulation, or repair of instruments, or supply of any materials for office use.

7 The rent of each wire now to be transferred is to commence from the date on which it may be made over to the Telegraph Department and the rent of each wire to be erected in future is to commence from the date on which communication may open on it between any two Railway Stations or Offices worked by the Company.

8. The Signalling staff of the Company will be wholly and exclusively controlled and paid by the Company.

9. The said Secretary of State will pay at Tariff rates all fares and freight charges incurred by it, for the conveyance of establishment and stores for construction of new lines.

10. The Company will supply the Telegraph Department with an appropriate free pass for the officer in charge and for the workmen employed on the maintenance of the Joint Lines, and will also carry free of charge all stores required for the maintenance of the said Lines.

11. The said Secretary of State undertakes to station a native Lineman at each engine Station of the Company. The Company shall provide reasonable accommodation for such Linemen to live on its premises, and shall afford them all reasonable facilities for constantly inspecting the line. The Company shall also afford the Telegraph Department reasonable accommodation for petty stores and tools for the use of these Linemen.

12. The Telegraph Department shall be permitted to keep the wires clear of all trees, branches of trees, and any other vegetation likely to interfere with the proper insulation of the line.

13 The Telegraph Department shall be permitted to inspect or test any of the Company's office connecting wires whenever a doubt may arise as to whether a fault may exist on a connecting wire outside or inside such office. Whenever such fault or faults may be found a report is to be made to the Traffic Manager. The Company shall also give the said Secretary of State and the Telegraph Department every facility for testing the line wires rented by the Company whenever necessary.

14. Should the Company so desire, the technical management of the Railway offices, the regulation of the instruments and their repair, will be undertaken by the Telegraph Department on payment by the Company of an annual sum which may be either the actual cost, or a lump sum in the way of contract, as may be mutually agreed upon between the said Secretary of State or the Telegraph Department and the Company.

SECTION III.

As to the Interchange of Telegraphic Traffic.

The Company agrees to accept a license similar to that granted by His Excellency the Governor-General in Council under the provisions of Act No. VIII. of 1860 to the Scinde, Punjab, and Delhi Railway Company on the seventh day of January 1875.

This Memorandum of agreement is provisionally accepted by the undersigned, on behalf of the Secretary of State for India in Council and the South Indian Railway Company, respectively, subject however to the sanction of the Secretary of State for India, and to the approval of the Board of Directors of the South Indian Railway Company.

Madras,

1875.

Director of Construction.

Government Telegraph Department.

Agent South Indian Railway.

*Proceedings of the Madras Government, Public Works Department,
31st March 1875.*

No. 655.

ORDER THEREON, 31st March 1875, No. 853.

RAILWAY, No. 73.

Ordered that these papers be forwarded to the Government of India, who will be requested by telegraph to issue immediate instructions for the erection of the permanent telegraph line on the Southern Extension of the South Indian Railway.

(Here enter No. & date, dated 31st March 1875.)

(True Extract.)

Colonel, R.E.,

Secretary to Government.

PUBLIC WORKS DEPARTMENT.
FORT ST. GEORGE, 31st March 1875

No 656.

No. 854.

FROM

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

Secretary to the Government of Madras,

Public Works Department,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,

Public Works Department.

RAILWAY, No. 71.

SIR,—With reference to your docket No. 54 T, dated 25th January 1875, forwarding copy of a letter addressed to

the Director General of Telegraphs in India on the subject of the construction of the telegraph lines for the new extensions of the South Indian Railway, and the transfer to the Government of India of the already constructed telegraph lines of that Company, I am now directed to submit the accompanying papers embodying the arrangements which have been agreed to by Major Mallock, the officer deputed on behalf of Government, and the Agent of the Company

2. It will be observed that Mr. Betts does not accept all the provisions of Section III. of the draft Agreement which deals with the interchange of telegraph traffic, he being dissatisfied with the proportion of receipts to be credited to the Railway under Clause (2) of Section 9 of the Rules for working the telegraph lines of State Railways. This subject may however be finally settled by the Secretary of State and the Board of Directors in England.

3. I am to invite the attention of the Government of India to the circumstance that although positive orders were given to the Director-General of Telegraphs in January* last for the immediate erection of the new lines on the extensions of

* Paragraph 1 of letter accompanying docket, No 54 T., dated 25th January 1875 the South Indian Railway, the work has not yet been commenced, and to express a hope that such instructions will be issued to the Government Telegraph Department as will ensure the early commencement and vigorous prosecution of a work, the urgency and importance of which has been so strongly pressed on the attention of the Government of India.

I have the honor to be,

Sir,

Your most obedient servant,

(Signed) G. W. WALKER, Colonel, R.E.,

Secretary to Government.

Exd. S T Austin.

Spare Copies

Memorandum of Agreement

BETWEEN

THE SECRETARY OF STATE FOR INDIA IN COUNCIL

AND

THE SOUTH INDIAN RAILWAY COMPANY.

Lawrence Asylum Press, Madras—1875

MEMORANDUM OF AGREEMENT,

MADE THIS

DAY OF

187

BETWEEN

The Secretary of State for India in Council on the one part

AND

The South Indian Railway Company on the other part

Preamble.

In this agreement, "Government" means the Government of India—"Telegraph Department" means the Telegraph Department of the Government of India—"Railway Department" means the Government Department which controls the Railway—"Company" means the South Indian Railway Company—"Line" means all Posts, Wires, Insulators and other component parts of a Telegraph Line outside the walls of Signal Offices or Railway Stations, but does not include any Instruments, office fittings, or other appurtenances in the Company's Telegraph Offices or belonging thereto—"Office" means any building, or room, or any portion thereof devoted to the use of the Electric Telegraph

Whereas the general objects of this agreement are,

1 The acquisition by the said Secretary of State on behalf and for the use of the Telegraph Department of the Government of India of the Telegraph lines at present the property of the Company, under Clause XXX, of the Company's Deed of Contract with Government

2 The subsequent rental by the Company from the Telegraph Department of Telegraph wires for its own purposes

3 The Interchange of Telegraphic Traffic

Now these presents witness that it is mutually agreed as follows

Section I.

As to the Purchase of the Company's Existing Telegraph Line

1 The said Secretary of State, on behalf of the Telegraph Department, hereby agrees to purchase, and shall purchase of the Company the whole of its existing line of Telegraph, and the Secretary of State shall pay at the following sums, viz—For the line between Negapatam and Lanco the sum of Rupees (94,080) ninety four thousand and eighty - for the line between Arcotum and Corjeveran the sum of Rupees (3,151,) three thousand one hundred and fifty one, and for the lines between Madras and Tindivanam, and Tuticopoly and Tuticoma, the amounts which may have actually been spent upon them, as certified to by the Railway Department

2 The said Secretary of State shall also purchase of the Company all "Land" stores in store in India, (or at the present time invoiced and on board ship between England and India,) at their original cost when landed. Such stores are however to be surveyed by an official of the Telegraph Department and only those which are serviceable will be taken over by the Secretary of State for the Telegraph Department

3 The purchase money and several sums to be paid by the said Secretary of State shall be paid within six calendar months after the date on which the line may have been made over to the Telegraph Department

Section II.

As to the Rental of Telegraph Wires by the Company from the Telegraph Department.

1 The said Secretary of State will supply to the Company, for their exclusive use, as many of the wires erected along the Railway as the Railway Department may certify to be necessary for the proper working of the Railway and the Company shall pay to the Secretary of State a fair rent for such wires to be fixed from time to time by the Government in communication with the Company

2 Up to and inclusive of the 31st day of December A. D. 1880 the rent to be paid by the Company shall be at the following rates, viz—
For the first wire erected Rupees (23) Twenty-three per Statute mile and Rupees (17) Seventeen for the second and any subsequent wire

3 Such rent shall be calculated half-yearly for the periods ending on the 30th June and 31st December, and be due on those dates

4 The above rates are to include Interest on capital, Deterioration of Stock, Repairs and Maintenance, and the Telegraph Department accepts all risks from Cyclones, Floods and other natural causes

5 In the event of any serious damage occurring to the line from Storms, Floods or other such cause, and of the Telegraph Department being unable to restore communication on the wires rented to the Company within a reasonable period, the Company shall be allowed to make any temporary arrangement necessary to restore such communication at the expense of the Telegraph Department

6 The above rates of rent, to be paid by the Company, are not to include any technical supervision of offices, supply, regulation, or repair of Instruments, or supply of any materials for office use

7 The rent of each wire now to be transferred is to commence from the date on which it may be made over to the Telegraph Department and the rent of each wire to be erected in future, is to commence from the date on which communication may open on it between any two Railway Stations or Offices worked by the Company

8 The Signalling staff of the Company will be wholly and exclusively controlled and paid by the Company

9 The said Secretary of State will pay at Tariff rates all fares and freight charges, incurred by it, for the conveyance of establishment and stores for construction of new lines

10 The Company will supply the Telegraph Department with an appropriate free pass for the officer in charge and for the workmen employed on the maintenance of the Joint Lines and will also carry free of charge all stores required for the maintenance of the said Lines

11 The said Secretary of State undertakes to station a native Lineman at each engine Station of the Company. The Company shall provide reasonable accommodation for such Linemen to live on its premises, and shall afford them all reasonable facilities for constantly inspecting the line. The Company shall also afford the Telegraph Department reasonable accommodation for petty stores and tools for the use of these Linemen.

12 The Telegraph Department shall be permitted to keep the wires clear of all trees, branches of trees, and any other vegetation likely to interfere with the proper insulation of the line

13 The Telegraph Department shall be permitted to inspect or test any of the Company's office connecting wires whenever a doubt may arise as to whether a fault may exist on a connecting wire outside of its own office. Whenever such fault or faults may be found a report is to be made to the Traffic Manager. The Company shall also give the said Secretary of State and the Telegraph Department every facility for testing the lines wires owned by the Company whenever necessary.

14 Should the Company so desire, the technical maintenance of the Indian offices, the regulation of the instruments and the repair work shall be undertaken by the Telegraph Department on payment by the Company of an agreed sum which may be either the actual cost, or a lump sum in the way of contract, mutually agreed upon between the said Secretary of State and the Telegraph Department and the Company.

Section III.

As to the Interchange of Telegraphic Traffic.

The Company agrees to accept a license similar to that granted by His Excellency the Governor-General in Council under the provisions of Act No. VIII of 1860 to the Scinde, Punjab and Delhi Railway Company on the seventh day of January 1875.

This Memorandum of agreement is provisionally accepted by the undersigned, on behalf of the Secretary of State for India in Council and the South Indian Railway Company respectively, subject however, to the sanction of the Secretary of State for India, and to the approval of the Board of Directors of the South Indian Railway Company.

Madras,

1875

Director of Construction,
Government Telegraph Department

Agent, South Indian Railway

3

III - Basis of Agreement

The Agent of S I R and Major Mallock having met agreed that

(a) A fixed rent the terms of which were known beforehand would be infinitely preferable, under any consideration, to a variable sum, which might cause correspondence every time the bills were sent in.

(b) It was desirable that there should be one set of Rules over the whole system.

(c) The Company should be placed in no worse position than heretofore.

IV - Purchase of the Existing Line

The existing lines of Telegraph stand on the Company's Books at the following prices —

		RS	A	P
1	Negapatam to Trichinopoly, { Posts and 1st Wire, Instruments, fittings, Office Stores, &c &c, }	56,721	12	9
2	Do do 2nd Wire only - - - - -	11,879	5	11
3	Trichinopoly to Erode, Posts & 1st Wire - - - - -	37,917	11	5
4	Do do 2nd Wire only - - - - -	10,208	15	1
5	Arconum to Conjeeveram, { Complete - - - - - }	6,000	0	0
Total Rs.		1,22,727	13	2

But the 2nd, 3rd and 4th items alone can be proved by the Company's Books, and it is impossible to trace what the first and last consist of.

The Agent therefore proposes that the capital cost of the Line from Negapatam to Trichinopoly and Erode should be taken as standing at Rs. 560 per mile, say Rs. 1,01,160, and that the original cost of the Line from Arconum to Conjeeveram should be estimated by the Chief Engineer and Major Mallock.

*This should apparently
(100 x 560) Rupees 94,080
Section I.1. of the
Joint Agreement.
M.*

This latter Line which is 18½ miles long and has 22 posts a mile, has therefore been estimated to have cost as follows —

3½ tons of No 8 B W C Wire at £22 a ton	77
Freight from England and landing charges on do	60
Carriage of 4 tons of wire Insulators, &c, from Madras to Arconum	11
412 Insulators and Brackets complete	412
412 Teak Saplings delivered on the spot at Rs 1 each	412
Labor for erection at 5 Rs. a mile,	
Distribution at	7
Contingencies at	4
	16 × 875 = 14,000
Total	Rs 3151

Note — The wire is on the Books of the Lita Carnatic Company at 100 Rs per ton, and the Insulators and Brackets at 15 Annas, but as these are known to have been estimated rates and are apparently too low, the highest rates they are likely to have cost are entered. The posts are now worth nothing and ought to be replaced at once.

In order to take the most liberal view of the capital cost, Major Mallock also agrees to pay the cost of the temporary lines which have been erected for engineering purposes, of which the Bamboos, Cassia Saplings and the labor expended on them are worth absolutely nothing, and which might most fairly have been debited to the capital cost of the Permanent Way.

V—Rental of Wires to the Company

It must first be considered what their present line costs the Company.

The Agent states that as the line is maintained by the Permanent Way Establishment, it has cost nothing for labor and about 1 Rupee a mile a year for petty expenditure.

Major Mallock believes that as the Telegraph maintenance bears such a small proportion to the Permanent Way maintenance, it cannot have been fully debited—moreover he knows that 5 Rs. a mile were spent one year in tarring the posts, and this alone being done once in 5 years is 1 Rupee a mile a year. However leaving this matter out of the question for the sake of giving in to the Company as much as possible we come to interest on capital and a charge for renewals or depreciation.

It is assumed that a very fair life for a wooden post line is 25 years, viz, 25 years for seasoned teak posts, more for wire and less for Insulators.

2½ per cent per annum on capital cost funded annually at 5 per cent becomes 100 in 22½ years. Therefore taking only 2½ per cent for depreciation we get 5 per cent interest on capital + 2½ per cent depreciation = 7½ per cent, which on Rs. 560 is Rs. 40.6. But as the new extensions are further from Negapatam than the original line and the stores have to be carried further for them at an extra cost of about 50 Rs per mile of line, we must assume that they would cost the Company at the very least 610 Rs a mile, on which 7½ per cent would come to 44.2 Rs plus expenditure on Interruptions, &c.

The Agent however offers 40 Rs a mile for 2 wires (or 23 Rs for the 1st, and 17 Rs for the 2nd and any subsequent wire) plus free passes for men and materials on maintenance account.

The very cheapest rate at which the Telegraph Department will be able to erect an Iron Post Line of 3 wires will be Rs. 1,000 per mile exclusive of Establishment charges.

The average cost of maintenance of a line, inclusive of Establishment—Renewals of Posts, Wires and Insulators—Accidents—Restoration of Temporary Breaks—Clearance of foliage, &c, is Rs. 10.5 per mile of wire per annum in the Indian Government Telegraph Department, but we may deduct 3.5 from the average, on account of the free passes and also on account of the stores having to be sent over no intermediate Railway system.

The G. I. P. R. contract for maintenance is at present Rs. 11.5 per mile of wire per annum exclusive of stores and free passes.

* On going up a number of posts, it appears that of those that have been down from 15 to 18 years, 10 per cent have decayed completely below ground and 10 per cent more are damaged.

The Western Union of America rate is 8 Dollar
(say 18 Rs) per mile of wire

Anyhow	18
5 per cent on 1,000 is	5
Maintenance of 3 wires (at least)	21
	Rs 71

Therefore the Railway share of $\frac{2}{3}$ of the above
should be Rs 47 3

The matter however being referred to the Director
General of Telegraphs, he sanctions and approves of
Major Mallock's views on the subject, viz, that in
the case of a Guaranteed Railway which does not earn
its guaranteed interest, the maintenance is practi-
cally paid for by Government either out of our fund
or another, and therefore he will accept the Agent's
offer, but that the Company being thus treated on
the footing of a Government undertaking, must be
on the same footing as a State Railway and there-
fore accept State Railway Rules—of which more fur-
ther on

In comparing these terms with the Board's de-
mands, vide Sec I, we find that the rent agreed to

(a) Is less than a fair rate for interest and
depreciation of existing lines

(b) Will certainly give Government no pro-
fit (except by abolishing the sub-
sidy of a double system paid for
out of one purse and saving Govern-
ment the cost of its Coast Lines
to Ceylon)

(c) Does not exceed the Company's present
expenditure although they say that
costs them nothing—for less than
nothing is included in the 40 Rs

(d) The Telegraph Department accepts all
risks from storms

VI Interchange of Traffic

1. The Chairman's explanation
given to the State Railway and Delta Company and
Major Mallock pointed out to him that there is
nothing whatever in the State Railway Rules which
the Government cannot claim, under either Act VIII
of 1880 or the Company's old or new Contracts with
Government, vide extracts as per margin) he states

that he does not object to the rules generally, pro-
vided he receives assurances similar to those given
to the S. I. P. Railway, but he positively refuses to
accept the proportions laid down in Rule IX. He
states that

(a) It does not give him as free a use of his
Telegraph as he has now

(b) That his present share of messages trans-
ferred to and from between Govern-
ment and the Company amounts to
2,000 Rs a year in excess of what
he would receive under Rule IX, and
that to give up that amount is prac-
tically equivalent to his paying 3 Rs
extra rent per mile

(c) That so much than take the State Railway
Rules, he would prefer to have no
license at all.

On the other hand Major Mallock states

(a) That where the Board stipulate for as
full and free a use of their wires as
they have now, they mean for their
own purposes.

(b) That their line is most certainly not
worth what it was when new—

That the sum spent on the temporary
line for Engineering purposes is
worth absolutely nothing, and that
the depreciation of the ore and

And the Railway shall be required by the Government to take
in Council and at its discretion to make all such alterations
as may be necessary for the purpose of the Telegraphs, and
shall be bound to execute the same at its own expense, and the
cost of the same shall be a charge on the Railway, and the
Government shall be entitled to take possession of the same
at any time, and to use the same for its own purposes, and
to make all such alterations as may be necessary for the
purpose of the Telegraphs, and shall be bound to execute
the same at its own expense, and the cost of the same shall
be a charge on the Railway, and the Government shall be
entitled to take possession of the same at any time, and to
use the same for its own purposes, and to make all such
alterations as may be necessary for the purpose of the
Telegraphs, and shall be bound to execute the same at its
own expense, and the cost of the same shall be a charge
on the Railway, and the Government shall be entitled to
take possession of the same at any time, and to use the
same for its own purposes, and to make all such altera-
tions as may be necessary for the purpose of the Telegraphs.

Extract from the State Railway Rules, 1880

And the Railway shall be required by the Government to take
in Council and at its discretion to make all such alterations
as may be necessary for the purpose of the Telegraphs, and
shall be bound to execute the same at its own expense, and the
cost of the same shall be a charge on the Railway, and the
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to make all such alterations as may be necessary for the
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Telegraphs, and shall be bound to execute the same at its
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on the Railway, and the Government shall be entitled to
take possession of the same at any time, and to use the
same for its own purposes, and to make all such altera-
tions as may be necessary for the purpose of the Telegraphs.

money spent on the other amounts to Rs 58,500, of which the interest is Rs 2,925

- (c) That the Government have already decided that he is to take the State Railway Rules for the new lines, and the Board have told him to make provision for interchange of Telegraph Traffic, which interchange with separate rules on the same line of Railway would be most troublesome

Finally the Director-General of Telegraphs having accepted an unremunerative rent on the consideration that all the rent is paid by the State, demands in return State Railway Rules in their entirety

Major Mallock is of opinion that he has met the demands of the Board in every possible way and can give in no further

The Agent refuses to accept Clause 9

Here the matter rests

Meanwhile although the Government Line runs close to the Railway from Madras to Tindevanum and Cuddalore to Sheally, and could either be easily transferred to the Railway, or an extra wire now run up on the Government Posts for Engineering purposes, and the line moved afterwards, the very anomaly which it is most desired to avoid (viz., the erection of 2 parallel Telegraph Lines both practically paid for by Government) is now in the act of being reintroduced by the erection of a separate line of Posts for the Railway from Madras to Tindevanum, that is, over the very section where they are not wanted.

3.3
The line is not going on at the rate of 1 mile a day and the sooner it is stopped the better

Madras
12th March 1875

Major Mallock
Director of Construction
Govt. Telegraph Department

P.S.—A draft agreement is annexed —
This has been prepared on the basis of the BCCI draft agreement, with alterations in Sections I and II made to suit the wishes of the Agent S. I. R., and the proposals to which he agrees.
To Section III he, as above stated, does not agree.

Printed and Published by the Government of India

Railway Department

CONSULTING ENGINEER'S OFFICE

No. 154

JOHN CHAPMAN M. SHAW STEWART, RE,
Consulting Engineer for Railways,

OSCAR G. W. WALKER, RE,
Secretary to Government,
Public Works Department,
Port of Saint George.

With reference to the Order of Government dated 15th February 1875, No. 424, I have the honor to enclose copy of proposed Memorandum of Agreement for the acquisition of the South Indian Railway Telegraph lines by the State, together with a note on the same by Major Calliope, the Officer deputed by the Government of India to arrange with the Agent the terms of transfer.

2. It will be observed that as regards the sums to be paid for the existing lines and the rental

Handwritten signature

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Handwritten text

Mr 1786/75

G.O. No. 5547312-75

rental to be charged to the company for the use of two wires for railway purposes, the Agent and Major Mallock are agreed, and these terms have also been confirmed on behalf of the Government of India by the Director-General of Telegraphs.

3. Mr. Petts however, does not assent to Section III of the proposed agreement, which treats of the rules to be observed in the interchange of traffic. The Government of India are desirous that the State Railway rules should be adopted in their entirety. These rules will be made applicable to the new lines on the extensions, and it is considered inconvenient to have separate rules on the same Railway.

4. The Government are aware that State Railway Telegraph Rule 9 has formed the subject of discussion with

2nd February
1901.

with both the Madras and South Indian Railway Authorities - vide Proceedings of Government marginally noted - and the question of the acceptance of some of its provisions is still under reference to the Government of India. Mr. Petts however, states that Mr. Petts waives all objections except that to be allowed to a Railway Telegraph for messages which are transmitted to or received from the Government system. Colonel Robinson is now on his way to England and will endeavour to settle this matter directly with the Board.

5. On the meantime however it does not appear that any arrangements have been made for the construction of the permanent line

line on the Southern Extension,
as directed in paragraph 1 of
the letter from the Government of
India embodied in the Proce-
-dings of Government under reply.
The Government are aware from my
letter dated 16th instant ~~1875~~
that it is proposed to run
passenger trains over a portion
of the Extension during next
month, and to open up to Madras
on the 1st July, and I need hardly
state that the erection of a more
reliable line of telegraph than
that at present existing has
now become an absolute ne-
-cessity. The Government of India
would appear to have authorized
the work being proceeded with
forthwith, and looking to the
great inconvenience and danger

which

which might arise from further
delay; I beg to suggest that the
immediate construction of the line
from Trichinopoly to Tuticorin
and Tinnevely be urged by tele-
graph.

I have the honor to be

Sir

Your most obedient servant

W. S. S. S.

W. S. S. S.

Madras
5th March
1875

Cons. Engineer for Railways

W. M. 1875

Public Works Department

PROCEEDINGS of the MADRAS GOVERNMENT.

Under date the

Read the following —

*From the Chief Engineer
for Railways* } *N. S. No. 151, dt 16th March 1875*

Ordered that three
papers be forwarded to the
Government of India, who
will be requested by telegraph
to send immediate instruc-
tions for the erection of the
permanent telegraph line
on the Southern Extension
of the South Indian Railway

N. S. No. 154

The Secretary to the
Government of India
Sir,
With reference to your

*12 Con. Eng. for Mys -
C. S. No. 1-4-75*

W. M. 1875
RAILWAY DEPARTMENT.
No. 1796

From
The Chief Engineer,
for Railways,

To
The Secretary to Government,
P. W. Department,
Fort St. George.

E. 2
No. 154.

Forwarded copy
of "Proposed Extension
of the Permanent"
for the
acquisition of the
South Indian Railway
with the line by the
plate together with
a note on the same
by Major W. M. 1875.

E. 2
No. 154.

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10-3-75
docket No 541 dated 28th
January 1875 forwarding copy
of a letter addressed to the
Director General of Telegraphs
in India on the subject of
the construction of the Tele-
graph lines for the new
Extensions of the North Indian
Railway, and the transfer
to the Government of India
of the already constructed
Telegraph lines of that
Company, I am now directed
to submit the accompanying
papers embodying the arrange-
ments which have been a-
greed to by Major Molloch,
the Officer deputed on be-
half of Government, and
the Agent of the Company.

67
It will be observed that
Mr. Belts does not accept
all the provisions of Section
III of the draft agreement
which deals with the inter-
change of Telegraph Traffic,
he being dissatisfied with
the proportion of receipts
to be credited to the Railway
under Clause (2) of Section 9
of the Rules for working
the Telegraph lines of State
Railways. This subject
may however be finally
settled by the Secretary
of State and the Board of
Directors in England.
I am to invite the atten-
tion of the Government of India
to the circumstance that
although positive orders
were

were given to the Director
General of Telegraphs in
January last for the im-
mediate erection of the new
lines on the between of the
South Indian Railway, the
work has not yet been com-
menced. And to express a
hope that such instructions
will be issued to the Govt.
Telegraph Department as
will insure the early com-
mencement and vigorous
prosecution of a work, the
urgency and importance of
which has been so strongly
and persistently pressed on
the attention of the Govt.
of India.

654/56 C.M.V.

* para 1 of letter accompanying
docket No 543 dated 25 Jan'y/75

Despd - 1st 4 - 75
with 30 copies 80
No 553 - of 1875