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MADRAS RECORD OFFICE

Government of Madras

Public Works

DEPARTMENT

G.O. No.	2436	Press	<i>Original</i>
B.P. No.		Mis,	
Dated	13 . 9	195	
		1876	

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
13th September 1876. No. 2,436.*

No. 181. Read the following letter from Major-General M. K. KENNEDY, R.E., Secretary to the Government of Bombay, Public Works Department, (Railway,) to Major-General G. W. WALKER, R.E., Secretary to the Government of Madras, Public Works Department, dated Bombay Castle, 23th August 1876, No. 1,055 :—

With reference to your No. 677—268 of 10th March 1875, on the subject of affording facilities to the through traffic between the Madras and Great Indian Peninsula Railways, I am directed to submit papers, as per margin, for the information of the Government of Madras, from which it will be seen what steps this Government are taking in the matter.

Minutes of Meeting, No. 20, dated 27th April 1876.
Government Resolution, No. 755, dated 21st June 1876.
Letter from the Bombay Chamber of Commerce, No. 151, dated 10th August 1876.
Government Resolution, No. 1,053, dated 28th August 1876.

Minutes of Meeting, dated 27th April 1876, No. 20.

Through Traffic in Piece Goods between Madras and Bombay.—THE question of through traffic in piece goods between Madras and Bombay, referred to in Minute No. 11 of the 5th April, was discussed again. It appeared, from the statement of the traffic in piece goods carried between the two places, that the quantity carried was, in 1873 about 171 tons, in 1874, 445 tons, and in 1875, 531 tons; and the Agent stated that he did not consider it expedient to make any alteration in this Company's rate for piece goods with a view to the possible attraction of this small quantity at the risk of disturbing the present intermediate rates, which appear to give general satisfaction, and to be of such a character as to encourage a steady increase of business.

And, as regards the through rates generally, upon which the Madras Government have asked that some fixed principle should be adopted, it was pointed out that the principle is laid down in the agreement for interchange of traffic between the two Companies, which states that the through rates are to be composed of the sum of the local rates of each Company. This is the same principle as is adopted in the agreement which the Great Indian Peninsula Railway Company have with the East Indian and other Railways that have through booking arrangements with them.

Proceedings of the Bombay Government in the Public Works Department, dated Bombay Castle, 21st June 1876, No. 755.

Read again Proceedings of the Bombay Government, Nos. 322 and 644, dated the 20th March and 9th June 1876, and the papers connected therewith.

Report from the Consulting Engineer for Railways, dated 14th June 1876, No. 2,159.

AFTER a year's delay, the Agent, Great Indian Peninsula Railway Company, has replied to the references made in Government Resolution, No. 322 of 20th March, and No. 644 of 9th June 1875, on the subject of a through rate for piece goods between Bombay and Madras, as per Minute No. 20 of Meeting on 27th April last.

2. The traffic in question appears to consist of piece goods imported into Bombay which, not finding a ready sale here, are re-exported to Madras by steamer. It does not appear that there is any regular trade in piece goods between England and Madras via Bombay, nor is it probable that the combined freight and railway charge by that route will ever be reduced below the freight charge from England to Madras by sea. The quantity of piece goods sent from Bombay to Madras by steamer was, in 1873 about 171 tons, in 1874, 445 tons, and in 1875, 531 tons, and the Great Indian Peninsula Railway Company do not care to compete with the steamers for a traffic so small and uncertain.

3. The Madras Railway Company, however, proposed a through rate which was a good deal less than the sum of existing local rates for piece goods, with a view to attract this traffic; and they proposed that the through rate should be divided between the two Companies in proportion to mileage; on this plan the reduction in rate over the Great Indian Peninsula would have been larger in proportion to the existing rate than over the Madras Railway, and the Great Indian Peninsula Railway Company objected to giving up what they considered was more than their fair share.

4. Though the Great Indian Peninsula Railway Company appear to be theoretically right according to the agreement between the two Companies referred to in the Minute, their policy would be very questionable were any large amount of traffic involved. I should certainly protest against their throwing away a chance of profitably increasing revenue, for any petty question as to the proportion in which the through rate should be divided between the two Companies, but if I understand the matter aright, the interests actually involved are trivial.

5. I think, however, it would be advisable to refer to the Chamber of Commerce to ascertain whether there would be any likelihood of a remunerative through traffic in piece goods or other article of trade springing up between Madras and Bombay were the through rates reduced, or whether in other words the railways could compete successfully with the sea route for through traffic.

6. Replies should now be sent to the Government of India and Madras.

RESOLUTION.—Extract from this report and from the Minutes of Meeting on the subject of the suggested through rate, should be forwarded to the Chamber of Commerce, who should be requested to favor Government with an expression of their views upon the subject; on the receipt of the Chamber's reply, the Government of India should be addressed.

(Signed) H. F. HANCOCK, Lt.-Col., R.E.,
Under Secretary to Government.

Proceedings of the Bombay Government in the Public Works Department, dated Bombay Castle, 28th August 1876, No. 1,053.

Read again letter No. 677—268, dated 10th March 1875, from the Government of Madras and enclosure, and Government Resolution, No. 322 of 1875, thereon.

Read again letter No. 1,364-R, dated 31st May 1875, from the Government of India, and Government Resolution thereon, No. 644 of 1875.

Read again Government Resolution No. 755, dated 21st June 1876.

From the Secretary to the Bombay Chamber of Commerce, dated 10th August 1876, No. 151.

"I AM directed to acknowledge the receipt of your letter, No. 755, of the 21st ultimo, requesting the favor of an expression of the views of the Chamber on the question referred to in paragraph 5 of the report of the Consulting Engineer for Railways, No. 2,159, dated 14th idem, viz., whether there would be any likelihood of a remunerative through traffic in piece goods or other articles of trade springing up between Madras and Bombay were the through rates reduced, or whether in other words the railways could compete successfully with the sea route for through traffic.

"The question has arisen out of a proposal made by the Madras Railway Company that, with a view to secure the traffic of piece goods, the larger portion of which is now carried by sea between Madras and Bombay, a uniform through rate of 11 Pies per ton per mile, to be divided between the two Railway Companies in proportion to their respective mileages, should be adopted.

"The Madras Railway Company doubtless intended that the traffic of 'piece goods' which they wished to attract from the sea route, should include that of twist or yarn as well as cloth; and in this view of the case, there is a considerable discrepancy between the quantities stated by the Great Indian Peninsula Railway Company in these papers, as having been carried between the two places by sea, in the years 1873, 1874 and 1875, and the quantities manifested at the Bombay Custom-house for export in those years from Bombay to Madras alone.

"The quantities so manifested were as follow:—

Cleared in—					
1873...	4,484	Packages	Twist at lbs. 300 each...	600	
"...	727		Piece goods at lbs. 300 each...	98	
		5,211	Packages.		Tons... 698
1874...	4,944		Twist at lbs. 300 each...	662	
"...	800		Piece goods at lbs. 300 each...	107	
		5,744	Packages.		Tons... 769
1875...	6,106		Twist at lbs. 300 each...	817	
"...	1,303		Piece goods at lbs. 300 each...	175	
		7,409	Packages.		Tons... 992

"The number of packages of twist and piece goods, thus shown to have been exported to Madras in the years 1873, 1874 and 1875, was supplied by the Chamber to the Great Indian Peninsula Railway Company on the 10th April last, and indicate a total of 698 tons in 1873, 769 tons in 1874, and 992 tons in 1875; and not 171 tons, 445 tons, and 531 tons, respectively, as stated by the Great Indian Peninsula Railway Company.

"The Consulting Engineer for Railways remarks that this traffic appears to consist of piece goods imported into Bombay, which, not finding a ready sale here, are re-exported to Madras by steamer. But he omits all reference to local manufactures, of which this traffic is partly composed, and which will doubtless be exported hereafter in largely increasing quantities.

"There is probably no other Railway Company in the world which would have rejected the opportunity of acquiring an important traffic such as this; but the Chamber is not surprised that the Great Indian Peninsula Railway Company did not consider it expedient to make any alteration in their rates with a view to the possible attraction of it, at the risk of disturbing the present intermediate rates, for the policy of that Company has always been to resist to the utmost all proposals for lowering rates, and apparently without reference to the results aimed at. They are constantly opposing reductions on the ground that the bulk of their 'down' goods trains consists of empty wagons; yet when a proposal is made, as in this case, which aims at attracting 'down' traffic to their line, they are disinclined to entertain it. The Chamber considers that a considerable trade, particularly in cotton manufactures, is likely to develop itself between Bombay and Madras, if every reasonable encouragement is given by the Railway Companies.

"From the extract, however, of the letter of the Government of India, No. 1,364, the Great Indian Peninsula Railway Company appear subsequently to have offered to reduce their own rate to 12-44 Pies, if the rate on the Madras Railway were reduced to 9 Pies per ton per mile. This offer seems to have been based on the idea that because the mileage from Bombay to Raichore is greater by 91 miles than from Raichore to Madras, the Madras Railway would, with a uniform through rate, have a proportionate advantage. It appears to the Chamber that the Madras Railway Company's proposal was reasonable, and should receive the support of Government; while the Great Indian Peninsula Railway Company would have the advantage of carrying the goods, which the reduced rates would attract, over a longer distance in wagons, which would otherwise run empty, a greater number of important markets on its line would be reached, or new markets created, and an increased business thereby induced.

Proceedings of the Madras Government, Public Works Department,
13th September 1876. No. 2,436.

"In paragraph 3 of their letter, No. 677, of the 10th March last, the Madras Government requested that the subject should be laid before His Excellency the Governor in Council with a view to the adoption of some fixed principle 'in cases of this description,' a reasonable suggestion which the Great Indian Peninsula Railway Company evaded by a reference to the agreement between the two Companies for 'through rates generally.' Special arrangements of the kind proposed by the Madras Railway Company are constantly being made at home, as for instance, in the combination of the North British, North Eastern, and Great Northern Railway Companies, to attract by low rates the traffic which found its way to the line of steamers plying between Leith and London, and the Chamber which has no reason to doubt that the system, which has been so successful in England, could be introduced into India with similar good results beneficial alike to the Railway Company and to the public.

"In conclusion, I am directed to express the hope of the Chamber that the proposal of the Madras Railway Company will receive the support of His Excellency the Governor in Council."

RESOLUTION.—A copy of the Chamber's report should be sent to the Agent, Great Indian Peninsula Railway Company, who should be told that without endorsing all the opinions expressed by the Chamber of Commerce and especially the remarks respecting the alleged general policy of the Railway Company, Government are yet of opinion that it is very advisable to encourage and, as far as possible, develop the through traffic in piece goods and yarns between Bombay and Madras by rail.

2. Government agree with the Chamber that this traffic is likely to increase as markets are opened, both for European and Bombay local manufactures, and as a uniform through rate of 11 Pies would give the Railway Company a profit, while it would tend to encourage the traffic, Government do not think any nice difference as to its apportionment between the two Railway Companies ought to be allowed to interfere with its introduction, and they would be glad to see it adopted. The Consulting Engineer should, therefore, urge the measure on the Agent.

3. As regards the general principle, Government are of opinion that through traffic may properly be arranged on a uniform mileage rate to be determined with the mutual consent of the Companies, and divided between them in proportion to the respective mileages run.

(Signed) M. K. KENNEDY, Major-Gen., R.E.,
Secretary to Government, P.W.D.

No. 182.

ORDER THEREON, 13th September 1876, No. 2,436.

RAILWAY, No. 18.

RECORDED, and communicated to the
Consulting Engineer for Railways, with
reference to G.O., No. 676, dated 10th
March 1875.

(True Extract.)

Colonel,

Offg. Under Secy. to Govt., P.W.D.

To the Consulting Engineer for Railways.
Exd. E. C. Shunker.
Spare Copies

Minutes of Meeting 20th & 27th April 1876

20th April 1876. The question of through traffic in piece goods between Madras and Bombay was discussed again. It appeared from the statement of the traffic in piece goods carried between the two places, that the quantity carried was in 1873 about 171 tons, in 1874 440 tons, and in 1875 331 tons. The Agent stated that he did not consider it expedient to make any alteration in the Company's rate for piece goods with a view to the possible attraction of this small quantity at the risk of

of ~~the~~ ^{the} ~~present~~ ^{present} ~~intermediate~~ ^{intermediate} rates, which appear to give general satisfaction, and to be of such a character as to ~~imply~~ ^{imply} a steady increase of business. And, as regards the through rates generally, upon which the Madras Government have asked that some fixed principle should be adopted, it was pointed out that the principle is laid down in the agreement for interchange of traffic between the two Companies which states that the through rates are to be composed of the sum of the local rates of each Company. This is the same principle as is adopted in the agreement which the P.O. Ry. have with the East Indian & other Railways that have

through

through booking arrangements with them. —

P.W.D.

50EP76

No. 1055

No. 1055 of 1876.

P.W. DEPARTMENT.

RAILWAY.

Bombay Castle, 28th August 1876.

FROM

THE SECRETARY TO THE GOVERNMENT OF BOMBAY.

To

THE SECRETARY TO THE GOVERNMENT OF MADRAS.

SIR,

With reference to your No. 677—268, of 10th March 1875, on the subject of affording facilities to the through traffic between the Madras and Great

Minutes of meeting, No. 20, dated 27th April 1876.
Government Resolution No. 755, dated 21st June 1876.
Letter from the Bombay Chamber of Commerce, No. 151,
dated 10th August 1876.
Government Resolution No. 1053, dated 28th August
1876.

Indian Peninsula Railways, I
am directed to submit papers
as per margin, for the informa-

tion of the Government of Madras, from which it will be seen what steps this
Government are taking in the matter.

I have the honor to be,

Sir,

Your most obedient Servant,

Major-General, R.E.,
Secretary to Government.

GP 16-1-75 No 135
- 10-3-75 " 676 & 677

P.W.D.

50EP76

No. 6458

GOVERNMENT OF BOMBAY.

[P. W. DEPARTMENT.

RAILWAY.

To

THE SECRETARY TO THE GOVERNMENT OF MADRAS

IN THE P. W. DEPT., RAILWAY.

No. 1055.

Dated 28th August 1876.

Received

Submits papers on the subject of affording facilities to the through traffic between the Madras and Great Indian Peninsula Railways.

With Order

No 2436 d/13th Sept/76
Recorded and communicated to the Consulting Engineer for Railways with reference to G.O. No 676 dated 10th March 1875.

No 181/2

C.O. for Rep.

Depd. 30/9/76

Depd. 9-9-76. With 13-9-76

6430
Govt. of 1876 Madras.
PUBLIC WORKS.

To

the Commr Engg for W.

14/11

Dated

Issued

Recd.

Encl.

G. O., 13/1/76, No.

2436

Nos. 181/2

But in Reg
2-10-76

Through traffic between
the Madras and Great
Indian Peninsular Rail
ways. Letter from the
Govt. of Bombay submitting
papers on the subject of
affording facilities to the
— Comd to the for Govt
for Pp.

With Orders

Depd to 9-9-76. V. M. 1071
6-3-76