R.O. 10
10,000—24-10-12.

MADRAS RECO
Block No

Paper taken out of the Records from the charge of the ..ferencer,

Dept. Press / Mis. / Rout. No 1289 dated 28-8-90 191 Rank No. Range,

Date taken out.	For what purpose.			Initials of Referencer.	Date returned.	Initials o attender.
	Department.	C. No.	Year.			
21-4-13	Rev	188	13		24-4-13	

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GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following paper:—

From the Consulting Engineer for Railways, dated Madras, 22nd August 1890, No. 571 C.

From the Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 20th August 1890, No. 6630A/890.

[Your No. 492, dated 6th June 1890.]

I have now the honor to submit, for the information of Government, a letter from the Board of Directors giving the terms on which the Company would be prepared to undertake the construction of the line from Nellore to Bezváda.

Enclosure.

From the Secretary, Madras Railway Company, to the Agent and Manager, Madras Railway, dated 61, New Broad Street, London, 21st July 1890, No. 838.

Terms for constructing Railway, Nellore to Bezváda.

I duly submitted to the Board your letter No. 1937, in para. 7 of which you state that the Consulting Engineer, in forwarding to you copy of G.O., No. 685 R., dated 19th May 1890, requested you to let him know, for the information of Government, the terms on which the Directors are prepared to undertake the construction of the line of Railway from Nellore to Bezváda.

2. The issue of fresh share capital by the Madras Railway Company, either with or without a guarantee, is out of the question. Two modes seem to be open—either this Company might construct the line with money raised by its own debentures issued to the public, or the Governn ent might provide the money with which to make the line.

3. The simplest and most economical plan would probably be for the Government to advance the necessary funds in India and in this country for expenditure in these countries, respectively, the line being constructed and worked by the Madras Railway Company as part of their system under the present management, the interest on the money advanced by Government forming a first charge on the net receipts, and any surplus being divided between the Government and the Company, in the proportion of one-fourth to the Company and three-fourths to the Government, as in the case of the Southern Mahratta Railway.

4. This arrangement to be subject to revision at the end of ten years.

5. The Board are unable to suggest other terms than the above more likely to serve the mutual interests of the Government and of the Company. The State provides the necessary capital in the most economical form, and the Company undertake the construction and working of the line without direct return and with small additional expense for superintendence and management.

6. At the same time it may be represented that the Board would be prepared to raise the whole or part of the money by debentures, should that mode be considered more convenient by the Government.

7. The large cost usually attending the formation of a separate Company and the raising of subscribed capital are entirely saved, while the prospect of earning a small share of surplus profits provides a motive to the Company for economy and good management.

8. The Board think that this extension of their system will certainly benefit the Madras Railway, and be of great value to the Government; and it would probably be advantageous to both parties if arrangements could be made for working the East Coast line, when completed, on terms similar to those proposed above.

Submitted to Government.

2. The Agent and Manager forwards a letter from the Board in which they say that they are willing to construct and work the portion of the East Coast Railway between Nellore and Bezváda on the following terms :—

(1) The Government to provide the necessary funds for constructing the Railway.

(2) The Company to work the Railway as part of their undertaking; the interest of the money advanced by Government being a first charge in the net receipts, and any balance over being divided between the Government and the Company in the proportion of three-fourths to Government and one-fourth to the Company.

3. The terms proposed by the Company appear to me reasonable, omitting the one-fourth surplus profits which they ask for. The Company should look for their advantage in the extra traffic which the construction of a Railway in connection with them is bound to bring in and to the cost of their supervising establishment being spread over a larger undertaking.

ORDER—dated 28th August 1890, No. 1289 R., Public Works.

Ordered to be forwarded for the orders of the Government of India with reference to para. 2 of its letter No. 357 R.C., dated 25th April 1890.

2. This Government generally concurs in the views expressed in the Officiating Consulting Engineer's endorsement, but is of opinion that a tenth share in the surplus profits might be given to induce the Company to work the line economically.

3. It will be observed that the Madras Railway Company are prepared to undertake the working of the whole East Coast Railway on similar terms to those now proposed for the Nellore-Bezváda section.

(Here enter No. 1290 R., dated 28th August 1890.)

(True Extract.)

(Signed) T. GRACEY, Lieut.-Colonel, R.E.,
Offg. Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways.
" Examiner, Guaranteed Railway Accounts.
" Examiner, Public Works Accounts.
" Financial Department.

ENDORSEMENT—dated 28th August 1890, No. 1290 R., Public Works.

Forwarded.

(By Order.)

Lieut.-Colonel, R.E..
Offg. Joint Secy. to Govt., P.W.D.,
Railway Branch.

Exd. T. K. Narayana Aiyangar.
Spare Copies

RAILWAY.

Govt. of {1890} Madras.

PUBLIC WORKS.

Dated August, 28th.

Read. *Encl.*

G.O., 28th Aug. 1890, Nos. 1289, 1290 R.

AUGUST.

Railway from Nellore to Bezvada

Forwarding copy of Proceedings on correspondence regarding the terms on which the Madras Railway Company would be prepared to undertake the construction of the line of —.

No. 838.

MADRAS RAILWAY COMPANY,
61, NEW BROAD STREET,
LONDON, 21*st July*, 1890.

Terms for constructing Railway, Nellore to Bezwada.

SIR,

I duly submitted to the Board your letter No. 1,937, in para. 7 of which you state that the Consulting Engineer, in forwarding to you copy of G. O. No. 685 R, dated 19th May 1890, requested you to let him know for the information of Government, the terms on which the Directors are prepared to undertake the construction of the line of Railway from Nellore to Bezwada.

2. The issue of fresh Share Capital by the Madras Railway Company, either with or without a guarantee, is out of the question. Two modes seem to be open. Either this Company might construct the line with money raised by its own debentures issued to the public, or the Government might provide the money with which to make the line.

3. The simplest and most economical plan would probably be for the Government to advance the necessary funds in India and in this country for expenditure in these countries respectively, the line being constructed and worked by the Madras Railway Company as part of their system under the present management, the interest on the money advanced by Government forming a first charge on the net receipts, and any surplus being divided between the Government and the Company, in the proportion of one-fourth to the Company and three-fourths to the Government, as in the case of the Southern Mahratta Railway.

4. This arrangement to be subject to revision at the end of [illegible] years.

5. The Board are unable to suggest other terms than [illegible] ve more likely to serve the mutual interests of the Government and of th[illegible]ompany. The State provides the necessary Capital in the most economical form, and the Company undertake the construction and working of the line without direct return and with small additional expense for superintendence and management.

6. At the same time it may be represented that the Board would be prepared to raise the whole or part of the money by Debentures, should that mode be considered more convenient by the Government.

7. The large cost usually attending the formation of a separate Company and the raising of subscribed Capital are entirely saved, while the prospect of earning a small share of surplus profits provides a motive to the Company for economy and good management.

8. The Board think that this extension of their system will certainly benefit the Madras Railway, and be of great value to the Government ; and it would probably be advantageous to both parties if arrangements could be made for working the East Coast Line, when completed, on terms similar to those proposed above.

I am, Sir,
Your obedient Servant,
(Sd) Julian Pigrue
Secretary.

To the Acting Agent and Manager,
Madras Railway,
Madras.

Actg. Agent & Sl

(No. 11.) 5,000—14-11-85.

No. 6630a / 890

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

MADRAS, 20th August 1890

From

Agent and Manager.

To

Consulting Engineer for Railways.

SIR,

Your No. 492 dated 6th June 1890.

I have now the honour to submit for the information of Government a letter from the Board of Directors giving the terms on which the Company would be prepared to undertake the construction of the line from Nellore to Bezwada.

I have the honour to be
Sir
Your most obedient Servt

Agent & Manager.

undertaking; the interest of the money advanced by Government being a first charge in the net receipts and any balance over being divided between the Government and the Company in the proportion of 3/4 to Government and 1/4 to the Company.

The terms proposed by Company appear to me reasonable omitting the 1/4 surplus profits which they ask for. The Company should look for their advantage in the extra traffic which the construction of a railway in connection with them is bound to bring in and to the cost of their Supervising establishment being spread over a larger undertaking.

I have the honour to be
Sir
Your most obedient humble Servant
H. L. Holcroft Lt Colonel RE
Offg: Consulting Engineer for Railways

Form No. 3.

PWC № 8245

From

THE CONSULTING ENGINEER
FOR RAILWAYS,
Madras

No. 571 C

Dated 22nd
Received 24-8-90 } August 1890.

No. of Enclosures. 2

Subject.

Forwarding an application from the Agent and Manager Madras Railway to construct and work the portion of the East Coast Ry. between Nellore and Bezwada on certain terms.

Nos. 23/0 R 27/8

He
R

Accepts on the 10th Sept 1890 SS 1/9

As per endorsement No: 1290 R is herewith sent for the signature of R and return to India Office inform Govt. date of despatch of the signed copy to that office Chief Engineer's copies sent to Simla

9/9/90

1/9/5

-do- Ext Gr. Rlwys
-do- P.W. Accts:
-do- Financial Deptt.

Yd 9/9

JC B/9

Yd
Offg: R

No 1289 R.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

OF THE MADRAS GOVERNMENT.

UNDER date the 28th August 1890.

READ the following

Con. } H.E. No: 571 C dated 22nd August 1890
Gov.

Ordered to be forwarded for the orders of the Govt: of India with reference to para 2 of its letter No: 357 R. C., dated 25th April 1890.

2. His Government generally concurs in the views expressed in the Offg: Consulting Engineer's endorsement but is of opinion that a tenth share in the surplus profits might be given to induce the Company to work the line economically.-

3. It will be observed that the Madras Railway Company are prepared to undertake the working of the whole East Coast Railway on similar terms to those now proposed for the Nellore Bezwada section.-

H.E. No 1290 R 28th August 1890

Forwarded

Yd
Offg: R

Form No. 3.

A

issue

No 1289 R.

PUBLIC WORKS DEPARTMENT,

RAILWAY BRANCH.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

UNDER date the 28th August 1890.

READ the following

Endorsement from the Consulting Engineer for Railways } No: 571 C dated 22nd August 1890

Ordered to be forwarded for the orders of the Govt: of India with reference to para 2 of its letter no: 357 R. C., dated 25th April 1890.

2. His Government generally concurs in the views expressed in the offg: Consulting Engineer's endorsement but is of opinion that a tenth share in the surplus profits might be given to induce the Company to work the line economically.-

3. It will be observed that the Madras Railway Company are prepared to undertake the working of the whole East Coast Railway on similar terms to those now proposed for the Nellore Bezwada section.-

No. 1290 R, 28th August 1890

Forwarded.

To
The Consg: Engr for Rys
-do- Ext Gr: Rly Accts:
-do- P.W. Accts:
-do- Financial Deptt:

5-P

JCP 8/9

Offg: R

Nos. 23/C R 27/C

Govt. of {18 } Madras.

PUBLIC WORKS.

Dated

Rect. from 2/10/90

Recd. Encl.

G.O., 28 Aug. 1890, No. 1289/1290 R

Railway from Nellore to Bezwada

Endt: from the Consg. Engr: for Rys: forwarding, with remarks, a letter from the Board of Directors giving the terms on which the Madras Ry: Co. would be prepared to undertake the construction of the line of ordered to be forwarded for the orders of the Govt. of India.

Railway from Nellore to Bezwada

90/11/12/7 Forwarding copy of Proc: on correspondence reg: the terms on which the Madras Ry. Co. would be prepared to undertake the construction of the line of —.

E.J.C.C. 2/9/90

28TH AUGUST 1890, No. 1287 R., PUBLIC WORKS.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read again the following paper:—

G.O., dated 11th August 1890, No. 1164 R., Public Works.

Read the following papers:—

From the Consulting Engineer for Railways, dated Madras, 28th July 1890, No. 520.

From the Secretary, Nílgiri Railway Company (Limited), to the Consulting Engineer for Railways, dated Coonoor, 9th January 1890.

By a resolution of the Directors of this company, I am instructed to inform you that they will esteem it a great favor if the Government would kindly lend to the company the services of Mr. W. G. Gilchrist as Executive Engineer of the Nílgiri Railway during its construction, which, it is believed, will occupy about two years.

From the Joint Secretary to Government, Public Works Department, Railway Branch, to the Secretary, Nílgiri Railway Company, dated Madras, 15th January 1890, No. 245 C.

With reference to your letter, dated 9th January 1890, to the Consulting Engineer for Railways, I am directed to inform you that the Government considers that it would be premature to apply to the Government of India for the services of an Engineer for the construction of the Nílgiri Railway.

From W. G. GILCHRIST, Esq., Executive Engineer, to the Consulting Engineer for Railways (through the Chief Engineer, South Indian Railway), dated Trichinopoly, 17th January 1890.

I have the honor to request the favor of your forwarding this, my application, to the Government of India to lend my services to the Nílgiri Railway Company for a period of two years.

2. I have seen Mr. Woolley, the concessionaire, and have arranged, in the event of Government sanctioning the loan of my services, that I am to draw a salary of Rs. 1,100 per mensem and the customary pension contribution.

3. I further request that, in the event of Government sanctioning my request, that they will guarantee me *pari passu* promotion and that, should the company fail or stop from any cause whatever, I may be allowed to return to the department as if I were returning from furlough.

From the Secretary, Nílgiri Railway Company (Limited), to the Officiating Consulting Engineer for Railways, dated Woodcote, Coonoor, 24th July 1890.

On 9th January last I was instructed to inform and did inform your predecessor that this company would esteem it a great favor if the Government would kindly lend to the company the services of Mr. W. G. Gilchrist, M.I.C.E., as Executive Engineer of the Nílgiri Railway during its construction.