[Poll.]

CONCERNS BOTH BRITISH INDIA
AND INDIAN STATES.

Political (1899) Department.

ORDINARY MS.

G.O., No. 28

DATED 7-1-99

20 [illegible]

7/1/99

7/1/99

92 leaves

INDEXED.

[Despatch Abstract.]

Coming to the Resident in T & C a copy of letter No 1566 Ry of 21-12-98 addressed to the Govt soliciting its sanction for ~~[illegible]~~ starting at once the work of construction on the northern 30 miles of the proposed line of railway between Shoranore & Ernakul

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9-1-99

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

~~G.O. Cu.O~~	No.	Department.	Date.	G.O.	No.	Department.	Date.
D032/99							
446/99							

Government {1899} of Madras.

POLITICAL.

MISCELLANEOUS.

Recd. } 1899. Enclosures

Regd. Spare copies

G.O., No. 28, 7th January 1899.

JANUARY.

Shoranur-Cochin Railway.

Communicating to the Resident in Travancore and Cochin a copy of letter No. 1566 Ry., dated 21st December 1898, addressed to the Government of India soliciting its sanction for starting at once the work of construction on the northern thirty miles of the proposed line of railway between Shoranur and Ernakulam.

GOVERNMENT OF MADRAS.

POLITICAL DEPARTMENT.

Read—again the following paper :—

G.O., No. 411, Political, dated 20th June 1898.

Abstract.—Communicating to the Public Works Department (Railway Branch) letter from the Resident in Travancore and Cochin submitting the revised proposals of the Cochin Darbar regarding the construction of the Shoranur-Cochin Railway, and intimating the Government of India of those proposals.

Read—also the following papers :—

Telegram from the Chief Secretary to Government, to the Resident in Travancore and Cochin, dated 11th August 1898, No. 457.

In what securities are Cochin balance invested? Give amount and rate interest. Wire reply.

Telegram from the Resident in Travancore and Cochin, to the Chief Secretary to Government, dated Ernakulam, 17th August 1898.

Your telegram 457. Investment Cochin balance is as follows:—Government securities, three and half per cent. 36,62,100, three per cent. 1,00,000; fixed deposits, Madras Bank, four per cent. 2,50,000, three and half per cent. 2,50,000; total balance 42,62,100.

From J. D. REES, Esq., c.i.e., Resident in Cochin, to the Chief Secretary to Government, dated Cochin, 17th August 1898, Ref. on Camp No. 37.

With reference to your telegram of the 11th instant, No. 457, I have the honour to forward, herewith, a statement received from the Diwan of Cochin, which contains the details of the securities in which the State balance is invested. I have to-day telegraphed as follows.

Enclosure.

Statement showing details of the securities in which the State balance is invested.

—	Date of each bond.	Number.	Amount of each bond.			Rate of interest.	Remarks.
			RS.	A.	P.		
1. Government Promissory Notes.	1865	33	17,18,600	0	0	3½%	
	1854–55 ..	7	5,66,000	0	0	,,	
	1842–43 ..	5	7,40,000	0	0	,,	
	1879	11	6,37,500	0	0	,,	
	1896–97 ..	40	1,00,000	0	0	3%	
Total ..	....	96	37,62,100	0	0	..	
2. Fixed Deposits in the Madras Bank.	March 1898 ..	..	50,000	0	0	4%	For six months.
	December 1897.	..	1,00,000	0	0	,,	Renewed for one year on 20th June 1898.
	February 1898.	..	1,00,000	0	0	,,	Renewed for one year on 1st August 1898.
	May 1897	..	2,50,000	0	0	3½%	For two years.
Total ..	....	4	5,00,000	0	0	..	
Grand Total in (1) and (2)	....	..	42,62,100	0	0	..	

From F. A. NICHOLSON, Esq., I.C.S., Acting Resident in Travancore and Cochin, to the Chief Secretary to Government, dated Trivandrum, 26th December 1898, Ref on C. No. 4154.

I have the honour to forward, herewith, copy of a letter, dated 19th instant, from the Diwan of Cochin soliciting early official orders upon the scheme for constructing a line of railway between Shoranur and Ernakulam and enquiring, at the instance of His Highness the Raja, if the necessary arrangements cannot be made for starting the work at once on the first 30 miles of the section, so that full use may be made of the present working season. I believe that arrangements are probable for early commencement of the work.

Enclosure.

From P. RAJAGOPALACHARI, Esq., Diwan of Cochin, to the Acting Resident in Travancore and Cochin, dated Ernakulam, 19th December 1898.

In continuation of my letter to you, dated 5th June 1898, submitting a scheme for constructing a line of railway between Shoranur and Ernakulam at the expense of the Cochin State, I am directed by His Highness the Raja to remind you that no official orders upon the scheme have been till now communicated to the Darbar. As already stated by me in paragraph 15 of my letter, His Highness considered the scheme proposed to be feasible, to involve very little risk, and even that little risk to be worth incurring in view to the importance of the end to be achieved.

2. As the working season has commenced, His Highness is anxious that it should not be lost if it can be helped, and I am, therefore, directed to enquire if the necessary arrangements cannot, be made for starting the work, at any rate on the first section of 30 miles.

3. You are, of course, aware that, in view to the construction of the line on the metre gauge, the line has been realigned in detail, and the estimate for the first 30 miles as realigned is ready. A few days ago, I met the officer in charge of the realignment at Ernakulam ; he told me that the realignment of the second 34 miles has been also completed and that the detailed estimate for the same is expected to be made ready very soon.

4. His Highness wants me to enquire if there can be any objection to begin work at once on the first 30 miles, because it would be a great advantage to make full use of the present working season, and have the rails well advanced from Shoranur as that is expected to conduce to economy in the construction of the southern part of the line.

5. In conclusion, His Highness has directed me to beg of you to treat this reference as urgent, and to communicate the early orders of the Madras Government on the same, so that the necessary provision may be made in the revised estimate of 1074 and the budget estimate of 1075, the preparation of which will have to be taken in hand by me very soon.

Political Department.

NOTES CONNECTED WITH G.O., No. 28, POLITICAL, DATED 7th JANUARY 1899.

For the C.S.—

The proposals of the Cochin Darbar in regard to the Cochin-Shoranur line are that the entire line should be owned by Cochin, and that the cost (50 lakhs) should be met, half from the accumulated balances of that State and half by a loan. The Travancore Darbar has agreed to accept a nominal annual payment of Rs. 100 from the Cochin Darbar, as an acknowledgment of the sovereignty (*sic*) of Travancore over the land in that State required for the construction of the line.

2. The financial aspect of the question has been examined in the accompanying note (pages) in the Financial Department. The scheme propounded by the Diwan of Cochin is financially sound and errs, if any thing, on the side of caution. The necessity for borrowing so much as 25 lakhs is not quite apparent, and it would appear to be quite possible for the Darbar to arrange with a loan of even 20 lakhs. The raising of the loan by the Darbar will require India's sanction, but this question, as pointed out in paragraph 7 of the letter from the Diwan of Cochin, dated 5th June 1898, is for settlement hereafter.

3. The questions for Political are whether the scheme generally is one which should be supported and whether the proposed arrangement as regards the Travancore land is unobjectionable.

4. The general principles governing the execution of railway projects in Native States are set out at length in paragraphs 168—175 of Tupper, Volume I, and the summary of those in paragraph 176 is reproduced below for facility of reference :—

Pages 183—191.

(1) Native States must report their railway projects for the information of the Government of India.

(2) Native States are expected to co-operate with the Paramount Power in the execution of railway schemes, by providing free of charge in their respective territories all land needed for the construction and working of the lines . . . .

(3) This rule applies to all schemes approved by the Imperial Government, whether undertaken by them or by a private company.

(4) Compensation can be granted to a Darbar only in cases in which the free grant of land required would impose an undue burden on the State. The compensation would then be assessed on the actual loss, nothing being allowed on the ground that the expropriation is compulsory.

(5) The sum assessed should not be intimated to the State concerned until approved by the Government of India.

(6) The obligation to provide land free of cost does not extend to the product of quarries . . . .

(7) So long as a railway is an isolated local line in the territory of one Native State and forms no part of a line of communication passing through other territory, it is not ordinarily necessary that the jurisdiction over the line should be ceded to the British Government.

(8) But when a railway in a Native State is part of a continuous line of communication between the Native State and other territory, the State or States concerned must cede full jurisdiction.

(9) Even when a Native State retains the management and jurisdiction, their is a certain supervision which the Paramount Power exercises over any railway in a Native State.

(10) *E.G.*—

(i) The opening of the railway is subject to its being passed by a competent officer.

(ii) The Indian Railway Act and the rules and general system in force in British railways must be followed.

(iii) Proper police arrangements must be made.

(iv) The Imperial Post must be allowed the use of the line on the terms in force on State railways in British India.

(v) The Imperial Telegraph department supplies the telegraph line on terms fixed by the British authorities.

5. The first ruling is now being complied with by the Darbar which has submitted its scheme to this Government which will in due course forward it to the Government of India.

6. Rulings (2) to (6) relate to the obligation of a State to supply free of charge in its territory all land needed for the construction and working of a railway line. In the present case Travancore requires a nominal compensation from the Cochin Darbar for the land required in the Travancore State. The Resident refers to this point in paragraph 7 of his letter on page 8 of G.O., No. 411, Political, dated 11th June 1898. He says, "now, although the Government of India expects Native States to give land gratuitously for the construction of lines which it approves, it appeared to me that if the Cochin State made this line without the help of the Government of India, Travancore might fairly be expected to be paid for its land just as the Cochin State expected to be paid when the construction of its line by a company was under contemplation. It is obvious that Travancore could not be urged to give land gratuitously to Cochin, unless it was of its own accord disposed to make such a proposal." Further on (paragraph 10) the Resident points out that it is not a question of money, but of Travancore retaining its Sovereignty over the lands, subject of course to the British civil and criminal jurisdiction exercised over all railway lines.

If it did it was in a fool's paradise.

(Intld.) G.S.
11-8-98.

It must give it to the railway under India's rules.

(Intld.) G.S.
11-8-98.

The Resident does not seem to me to have a correct idea of India's requirements in this matter.

(Intld.) G.S.
11-8-98.

7. Attention is solicited in this connection to paragraph 169 (pages 184 and 185) of Tupper, Volume I, which deal with this question. The ruling appears from that paragraph to be intended to cover railway lines projected by the Paramount Power or carried out at its instigation. The Shoranur-Cochin line, as now projected, will be a line of railway belonging to a Native State and, as remarked by Mr. Rees, there appears to be no reason why Travancore should give its lands free of cost. If, however, Cochin is to own the line it would, it is thought be better for that Darbar to pay the Travancore State the value of the lands required. This arrangement of a nominal annual rent to emphasise the "Sovereignty" of Travancore over the lands in question is not altogether desirable from a political point of view.

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Companies' lines are not so projected or carried out.

8. Rulings (8) and (9) in paragraph 4 *supra* relate to the question of *jurisdiction*. In view of the facts that the line will pass through Travancore and will link the Cochin State with the railway system of Southern India, the Darbars must, it is thought, cede civil and criminal jurisdiction. This the Travancore Darbar is willing to do as regards the portion of the line in its territory (*vide* paragraph 8 of the Resident's letter on page 9 of G.O., No. 411, Political, dated 20th June 1898). The letter from the Diwan of Cochin is confined to the financial aspect of the case, but apparently he contemplates a like cession in the case of the Cochin portion of the line. The case of the Mysore State Railway, dealt with in paragraph 174 (page 189) of Tupper, Volume I, is not quite in point. It seems to have been quoted as a case in which special treatment was accorded, not to form a precedent. It will be much simpler to insist on entire British jurisdiction over the whole Shoranur-Cochin line.

(Intld.) G.S.
11-8-99.

9. The remaining provisions contained under (9) in paragraph 4 *supra* will follow on the opening of the line as a matter of course.

10. The only other point in connection with this matter regarding which Political need concern itself at present is the proposed arrangement between the Travancore and Cochin Darbars as regards the land required for the line in Travancore territory. This has been referred to above, but attention is solicited in this connection to chapter II of Tupper, Volume I (pages 19—44), which deals with the political isolation of Native States. The general principles there laid down are (i) that direct political intercourse between Native States is prohibited; (ii) that Native States may not enter into conventions or engagements with one another except with the consent and through the medium of the British Government; (iii) that Political officers should not enter into treaties or engagements with Native States, either on behalf of the British Government or on behalf of another Native State, except with the previous sanction of Government; (iv) and generally that all agreements between Native States should be attained either by rules framed in the name of the British Government, to which the States may be invited to assent, or by separate engagements between each State and the British Government.

11. So far no agreement or arrangement has been made between the two States of Travancore and Cochin; they have merely intimated to the Resident how far they are prepared to go. It will be seen, however, from India's rulings that *direct* arrangements between two States is objectionable, and this point will have to be borne in mind. At the same time the proposed arrangement under which Cochin will pay Travancore a kind of "tribute" in recognition of "Sovereign rights" appears to be opposed to the general policy of India in these matters and it would seem that the more regular course would be for the Resident to negotiate for the lands for Cochin receiving from that Darbar the value of the lands taken up and paying the amount to the Travancore Darbar. There must be no direct dealings between the two States in this matter, and any arrangement which would perpetuate direct dealings, *e.g.*, the annual payment of the compensation, should, it is submitted, be discouraged. Travancore is unlikely to yield this point without some trouble, but that Darbar will apparently lose nothing more than it would were the line about to be carried through by the Paramount Power. It would lose the lands actually required for railway purposes (nothing more) and the civil and criminal jurisdiction over the railway line in its territory. On the other hand it would gain something (perhaps very small) in the advantage of having a railway through a small part even of its territory.

(Intld.) G.S.
11-8-99

It is not direct when the Resident does it for them.

(Intld.) A.T.A.

?

This is the reason why it has to give the land.

(Intld.) G.S.
11-8-98.
(Intld.) A.T.A.

(Intld.) C.M.S.
6-8-98.

FINANCES OF THE COCHIN State and the Finance of the Shoranur-Cochin Railway.

Malabar Year.	Opening balance.		Receipts.					Total receipts, columns 4—8.	Charges.				Total charges, columns 10—13.	Surplus difference between columns 9 and 14.	Closing balance.	
	Cash.	Securities.	Average excluding interest for five years.	Interest on securities.	Loans at 4 per cent.	Sale of securities at 3½ per cent.	Railway income.		Average (for five years).	Railway expenditure.	Discount on sale of securities and brokerage.	Interest and sinking fund at 3 per cent.			Cash.	Securities.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1074	4·62	42·62	18·28	1·20	..	17·00	..	36·48	18·50	17·00	0·85	..	36·35	+ ·13	4·75	25·62
1075	4·75	25·62	18·28	0·76	9·00	8·00	..	36·04	18·50	17·00	0·40	0·33	36·23	— ·19	4·56	17·62
1076	4·56	17·62	18·28	0·62	16·00	..	..	34·90	18·50	16·00	..	1·29	35·79	— ·89	3·67	17·62
1077	3·67	17·62	18·28	0·62	..	..	1·00	19·90	18·50	..	..	1·93	20·43	— ·53	3·14	17·62
1078	3·14	17·62	18·28	0·62	..	..	1·25	20·15	18·50	..	..	1·93	20·43	— ·28	2·86	17·62
1079	2·86	17·62	18·28	0·62	..	..	1·50	20·40	18·50	..	..	1·93	20·43	— ·03	2·83	17·62
1080	2·83	17·62	18·28	0·62	..	..	1·75	20·65	18·50	..	..	1·93	20·43	+ ·22	3·05	17·62
1081	3·05	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	3·52	17·62
1082	3·52	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	3·99	17·62
1083	3·99	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	4·46	17·62
1084	4·46	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	4·93	17·62
1085	4·93	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	5·40	17·62
1086	5·40	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	5·87	17·62
1087	5·87	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	6·34	17·62
1088	6·34	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	6·81	17·62
1089	6·81	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	7·28	17·62
1090	7·28	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	7·75	17·62
1091	7·75	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	8·22	17·62
1092	8·22	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	8·69	17·62
1093	8·69	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	9·16	17·62
1094	9·16	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·93	20·43	+ ·47	9·63	17·62
1095	9·63	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	1·60	20·10	+ ·80	10·43	17·62
1096	10·43	17·62	18·28	0·62	..	..	2·00	20·90	18·50	..	..	·64	19·14	+1·76	12·19	17·62
	..	..	420·44	14·98	25·00	25·00	37·50	522·92	425·50	50·00	1·25	38·60	515·35	7·57	..	..

EXPLANATORY NOTE.

COLUMN 1.

The statement shows the transactions of the State from M.E. 1074 to 1096 (inclusive), *i.e.*, for 23 years after the commencement of the railway or 20 years after the second instalment of the loan of 25 lakhs which it is proposed to borrow has been borrowed.

COLUMNS 2 AND 3.

From paragraph 4 of the Diwan's letter, dated 5th June 1898, it will be seen that the closing balance for the year M.E. 1073 (1897-98) is placed at 47·24, of which amount 42·62 is invested in Government securities. The balance 4·62 has accordingly been shown under cash.

COLUMN 4.

This figure has been arrived at by taking the average of the receipts for the past *five* years *exclusive of debt heads and interest on securities.* This comes to 18·08 and adding the 1 lakh under Customs (·20) for each year, 1·28 is obtained.

COLUMN 5.

It is found that the present balance in securities is as under :—

36·62 invested at	3½ per cent.	yielding	1·28	per annum.
1·00 „	„ 3 „	„	0·03	„
2·50 „	„ 4 „	„	0·10	„
2·50 „	„ 3½ „	„	0·09	„
42·62 in all		„	1·50	„

Of these investments it is advisable not to touch the lakh in 3 per cents. in view of the heavy discount that will have to be paid. (Please see the newspaper cutting which shows that they stood at 84/ to 85/ on the 16th instant). The two investments of 2·50 lakhs each constitute fixed deposits on bonds all recently executed or renewed; 2·5 lakhs yield 4 per cent. and these, it is submitted, need not be touched. The remaining 2·5 lakhs yield 3½ per cent. and constitute a single fixed deposit for two years; the bond expiring in May 1899. The bond in this case need not be renewed on expiry and this will yield 2·50 if converted but the amount is comparatively speaking so small, that it need not be considered in the calculation. There then remains the 36·62 in 3½ per cent. to be considered. Of this 25·00 will have to be converted. These securities stood at 94/12 to 95/8 on the 16th instant. They will probably fetch 95/ allowing for discount and brokerage charges. This is the figure adopted in column 12. As already shown the present receipts from interest on securities is 1·50 *per annum.* The conversion of 17·00 in the year 1074 will diminish the receipts for that year under this head by $\frac{17,00,000 \times 3\cdot5}{100 \times 2} = \cdot30$. The income under interest for the first year is therefore 1·50—0·30=1·20. It will be observed that as the securities will be sold in the middle of the year the loss of interest has been calculated at only 1·75 per cent. Proceeding in the same way we get $\frac{17,00,000 \times 3\cdot5}{100} + \frac{8,00,000 \times 3\cdot5}{100 \times 2} = \cdot74$ as the loss for the second year. The income is therefore 1·50—·74=0·76. The loss for the third and succeeding years will be $\frac{25,00,000 \times 3\cdot5}{100} = \cdot88$ and the income will therefore be ·62.

COLUMNS 6 AND 7

Call for no explanation.

COLUMN 8.

The Railway is calculated to pay 2 per cent. in the 4th year after its commencement, 2½ in the 5th, 3 in the 6th, 3½ in the 7th and the maximum rate of 4 per cent. in the 8th year.

COLUMN 10.

This figure was arrived at by taking the average expenditure for the past *five* years exclusive of debt heads adding the ·60 omitted under Religious in M.E. 1072.

COLUMN 12.

The sum of 0·85 is the discount on 17 lakhs of securities which are calculated to sell at 95/. This amount will cover the small brokerage charges which it may be necessary to pay. The sum of 0·40 is discount at the same rate on the 8 lakhs it is proposed to sell in the second year.

COLUMN 13.

The Sinking Fund and Interest.—The charge of 0·33 in 1075 represents the contribution to sinking fund on account of the loan of 9·00 and does not include any interest which only falls due in the next year. The charge of 1·29 in 1076 includes ·36 interest on 9·00 at 4 per cent. and ·93 sinking fund contribution for 25·00. The sum of 1·93 in 1077 and subsequent years includes interest and sinking fund contribution on 25·00. In 1096, however, the amount is only 1 60, as no sinking fund payment is required towards the loan of 9·00 which will be paid off in this year. In 1096 the loan of 16 lakhs will be paid off and only the interest on 16 lakhs will be required in that year.

COLUMN 15.

Contains the surpluses and deficits of the twenty-three years. These items have been added to, or subtracted from, the cash balance of each year and it will be observed that the closing cash balance of 1096 represents the opening cash balance of 1074 + the surplus.

(Intld.) R.N.T.
25-8-98.

(Intld.) C.M.S.
25-8-98.

FINANCIAL
POLITICAL DEPARTMENT.

Note by the Chief Secretary.

There are two aspects of this matter which must be considered in this department, viz. :—

(1) The Financial, and
(2) the Political.

As to financial, first, there seems to be no doubt that at the end of 1073 Cochin will have a cash balance of 47 lakhs roundly. The Diwan says: "It seems to His Highness that a State with a balance in hand of more than 47 lakhs of rupees and with a normal surplus of more than a lakh of rupees a year can safely undertake the construction of a railway which is expected to cost about Rs. 50,00,000." There can be no question as to the correctness of this conclusion.

2. There can also be no question I think that the Diwan is an excessively bad financier. He proposes, for example, to borrow Rs. 25,00,000 at 4 per cent., while he receives only 3½ per cent. on the Rs. 22,00,000 he locks up. He loses at least Rupees 11,000 per annum by this.

3. He proposes to borrow 9 lakhs in the second year and the remaining 16 lakhs in the third, and he calculates he can raise the money at 4* per cent. He can no doubt so raise it if he issues his loan to the market in the usual way, but if he does this he will have to raise 9 lakhs at one operation and 16 lakhs at the second; hence his interest and sinking fund will run in each case from the time he raises the

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* If he pledges his Government paper which he retains, he will probably get it cheaper, or if he pledges his customs receipts from the British Government, the result will be the same.

loan, *i.e*, in the case of the 9 lakhs from the middle of the year and in that of the 16 from the beginning of the next. The charge for interest is at 4 per cent., Rs. 4,000 per lakh, and for sinking fund for 20 years at 3 per cent., *i.e.*, at the Government paper rate, Rs. 3,721; hence the charge per lakh borrowed is Rs. 7,721. The annual charge for 25 lakhs is Rs. 1,93,025.

4. The Diwan hopes to be able to get the sinking fund to run from the fourth year. If he can finance this, so much the better, but I doubt whether if he tries this he won't lose by a heavier rate of interest being demanded. I have therefore calculated in the financial statement the sinking fund and interest in the usual way. The financial statement shows the annual transactions and the position of the State at the end of each year up to 20 years. How this statement has been calculated is shown in the note appended to it.

5. It will be seen from the statement how extremely strong the financial position is likely to be. In no year is the cash balance reduced to a deficit and there is always in addition Rs. 17·62 funded to fall back upon.

6. Since I drafted this note I have received a statement giving the estimate for 30 miles of the line. It will be seen that it works out with rolling-stock complete to Rs. 74,477 a mile or to about Rs. 47,29,300 for the 63½ miles of the whole undertaking. Rs. 50,00,000 may therefore safely be taken as the cost.

7. Turning now to the Political questions which arise in this matter; generally it may be said that there is no political objection to the making of this railway. It appears, however, that 15½ miles of it are in Travancore territory and there has been some negociation about the land required for it. Mr. Rees has brought about an agreement that Travancore is to give the land in consideration of an annual payment of Rs. 100 as an acknowledgment of the sovereignty of Travancore. It is pointed out in the note that this is objectionable, and I have, no doubt, it is. There are two things amongst others (*vide* Tupper, paragraphs 169 and 171), which all Native States must do in connection with railway schemes—

(1) They must provide the land free.
(2) They must cede jurisdiction.

I would point out that in regard to the first point (*vide* Tupper, paragraph 169 on top of page 185) "it is immaterial whether the line is to be made a State railway constructed by the Government of India or a State railway project undertaken by a private company or a purely company's line." Hence I think it is immaterial what agency makes the line and that Travancore must provide the land for this line free. It might, however, be well to refer the point for the orders of India. Cochin should also be given to understand that all the terms in paragraph 176, Tupper, will be enforced.

(Intld.) G.S.
25-8-98.

Travancore will, I think, not readily agree to this. But, correspondence has passed on this matter through the Public Works Department (Railway Branch). The papers should be sent to Mr. Spring for his observation.

(Intld.) A. E. H.
29-8-98.

I have little doubt that India will *require* them to do so.

(Intld.) H. W. B.
30-8-98.

(Intld.) A. T. A.
30-8-98.

For Chief Secretary.

Submitted that the file may now be transferred to Public Works Department (Railway) for futher consideration.

(Intld.) C.M.S.
31-8-98.

To Public Works Department, u.o.

(Intld.) G.S.
31-8-98.

Public Works Department (Railway).

His Excellency the Governor noted under date 29th August 1898 that "correspondence has passed on this matter through the Public Works Department (Railway Branch)" and directed that the papers should be sent to me for observation.

2. I put up the file containing the unofficial correspondence, notes, &c, which passed between Mr. Rees and me on the subject. Everything up to my note, dated 5th February 1898, was written on the supposition that the line would be on the standard gauge, and *must* therefore be financed by the Madras Railway Company. Then the proposal for the adoption of the metre gauge came to the front, and from that time forward it became evident that His Highness the Raja's desire to utilize the railway for the benefit of his state might best be accomplished by his becoming the actual owner of it instead of merely a debenture holder and a creditor of the Madras Railway Company.

3. So long as there was an idea of the Madras Railway Company making the line, with State guaranteed debentures, the land difficulty did not arise, because in Cochin and Travancore, as elsewhere throughout India, Government might call upon the Native State to provide the land free, as is done now in Mysore whenever the Madras Railway Company requires land in that state.

4. Never having previously come in contact with the political difficulty of one Native State desiring to run its railway through the territory of another, I was not aware, until corrected by the Hon'ble Mr. Arundel, the Chief Secretary, that there was such a difficulty. I thought that provided Travancore raised no objection, Cochin might buy land in the neighbouring state for a railway or for any other industrial enterprise, such as a cotton mill. But apparently this is not permissible for political reasons.

5. The matter was therefore left entirely to the Resident with whom (besides the Demi-official letters) I had several conversations on the subject. I do not think that Mr. Rees for a moment thought that there was a chance of Travancore voluntarily paying for the land. But he thought, as well as I can recollect and could understand, that the case of one Native State owning a railway in the territory of another is not on all fours with any of the cases referred to in Tupper, viz.—

(*a*) A State Railway constructed by the Government of India.
(*b*) A State Railway project undertaken by a private company.
(*c*) A purely company's line.

I have always understood that the Government of India's reasons for offering a free grant of land to Railway *Companies* has been that such an offer is looked upon in the money market as a very great bait indeed, far greater indeed than it would be if the comparatively small value of land in India, compared with the cost of the remaining items of construction were understood. Then I thought that inasmuch as they themselves saw fit to offer free land in British territory, they considered it expedient to compel Native States to do the same in the case of railways passing through them whether State or Companies' lines.

6. But no bait of free land is needed in the case of the Cochin line. Under Mr. Rees' arrangement the Cochin Raja agrees to pay compensation, *plus* 100 per annum in formal recognition of Travancore's sovereignty. (Indeed one rupee per annum would probably have been equally formally effective as 100).

I take it that if a London Railway Company with a well-informed Board of Directors were to come forward with an offer to raise the requisite capital, without guarantee, and sufficient to cover cost of land also, for the construction of an Indian railway, the Government of India would not force a free gift of land upon them, whether in British or Native territory.

7. I recollect in, I think, 1885, a Director of the Tankesur Railway Company expressing regret to me that they had even consented to take from Government the free gift of land, which imposed on them, he seemed to think, a greater degree of control in details than they cared to undergo.

8. For all I can tell, not being a political expert, there may be reasons of State, deeper and more far reaching than this "Bait" reason above referred to, why Government should insist on Native States giving land free not only to State lines and Companies' lines, but even to lines owned by neighbouring Native States. Should such be the case, well and good. Travancore must pay compensation for crops, houses, &c., from which people will be ejected and for all tenures down to the final tenure next to the state ownership.

9. But under Mr. Rees' arrangement, Cochin is willing and able to do all this, and Travancore agrees, and it seems to me to be a pity to insist on upsetting such an arrangement *unless*, as I say, there are deeper reasons of State than I know of, and more than appears on the face of it in Tupper, why such an arrangement should be considered impolitic.

10. I recollect making a suggestion one day to the Hon'ble Sir H. Bliss, and I think Mr. Arundel. I also made it to Mr. Rees. It was that if all negociations failed to induce the Travancore Darbar to consent to place the Cochin Darbar in use of the land, it might be arranged that Travancore should give its strip of land to the paramount power, the Government of India, who in turn might lease it to Cochin on any term considered suitable (including if necessary payment by Cochin of compensation to tenure holders and crop and house owners). I still think that, in the absence of any political difficulty, of which I have no cognizance, this would be a good arrangement.

11. It is quite possible that the Government of India, Foreign Department, may know of parallel cases. If I may advise in such a matter I would suggest that the case be laid clearly before the Government of India with a statement of the Travancore Darbar's unwillingness to contribute to the cost of the line, and of the Cochin Darbar's willingness to pay and that this Government should say that the proposed arrangement seems intrinsically unobjectionable, in the absence of deeper reasons of State for the Government of India, general rules on the subject of the provision of railway land by Native States, than appears on the face of them.

12. I would suggest that rather than that Travancore should be forced to pay for the land against his will, the arrangement proposed above paragraph 10 might be suggested to the Government of India or some modification of it, as being not unsuitable.

13. As this subject is one with which I am not by experience competent to deal, I offer my opinions with much diffidence.

(Intld.) F.J.E.S.
1-9-89.

Political Department.

Recirculated with reference to the note in the Railway Department below. Submitted that the land question may be referred (D.O.) to the Foreign Department.

(Intld.) G.S.
8-9-98.

Note by His Excellency the Governor.

Mr. Spring has stated the case clearly. I think India, Foreign Department, should be addressed (D.O.) as suggested by Mr. Spring in paragraphs 11 and 12 of his (Mr. Spring's) note.

(Intld.) A.E.H.
10-9-98.

(Intld.) H.W.B.
14-9-98.
(„) A.T.A.
14-9-98.

Demi-official from G. STOKES, Esq., Chief Secretary to the Government of Madras, to the Secretary to the Government of India, Foreign Department, dated 22nd September 1898.

The Shoranur-Cochin Railway line as now projected will, it is calculated, be about $63\frac{1}{2}$ miles in length and of this distance about half a mile will lie in British territory, about $15\frac{1}{2}$ miles in Travancore territory and the remainder in Cochin territory. His Highness the Raja of Cochin is anxious to own the entire line and has made proposals for financing the scheme which have been examined here and which appear to be quite sound. There is a difficulty, however, as regards the land in Travancore required for the line. The Government of India expects feudatory States to provide free of charge in their respective territories the lands necessary for the construction and working of *bonâ fide* railway projects, but it is doubtful whether an exception should not be made to this rule in the present case, where the Cochin Darbar proposes to *own* a line which passes through a portion of Travancore territory. The Travancore Darbar has been sounded by the Resident and though strongly objecting to grant the land free of charge at its own cost has expressed its willingness to make over the necessary land to the Cochin Darbar on the latter paying the usual compensation in addition to an annual nominal payment of Rs. 100 as an acknowledgment of the sovereignty (*sic*) of Travancore over the land acquired. The Cochin Darbar has agreed to this proposal. It seems politically objectionable that there should be any direct annual payment between the two Darbars in regard to the land, but I am to request advice in the matter as you probably have precedents to the point. Perhaps one way out of the difficulty would be for the Travancore Darbar to cede the necessary lands to the paramount power who in turn might hand them over to Cochin on suitable terms, including, if necessary, payment by the latter of compensation for crops and other matters. I am to add that the Governor in Council would, unless there are strong political reasons against such a course, prefer the arrangement to which the Darbars have assented, viz., that Travancore should permit Cochin to acquire the lands in payment of the usual compensation with, an addition, the aforesaid nominal annual payment of 100 rupees in formal recognition of Travancore's rights. In case this were approved, the annual and other payments could be made by the Cochin Darbar to the Resident and by him transferred to Travancore so as to avoid anything like direct negotiations between the two States.

ORDER—No. 28, Political, dated 7th January 1899.

Printed at page 3 of G.O., No. 335 Ry., dated 25th March 1899, recorded in G.O., No. 239, Political, dated 6th April 1899.

A copy of letter No. 1566 Ry., dated 21st December 1898, to the Government of India will be communicated to the Resident in Travancore and Cochin.

(True Extract.)

G. STOKES,
Chief Secretary.

To the Resident in Travancore and Cochin.

Exd. A. Rungasawmy Aiyangar.

1/

Copy of telegram No. 457 dated 11.8.99

to the Resident in Travancore & Cochin.

In what securities are Cochin balance invested? Give amount and rate interest. Wire reply.

Print

1

V.P.P.
R.D.
H.S.

1 P

34

Copy of Telegram No. 457 dated 11. 89

8

2

Political Dept.

Cochin-Shoranore Railway

Refce

(D) despd 11/8/98

Telegram

1

to the Resident in Travancore
+ Cochin.

No. 457 x ~~wire in~~ In what ~~funds~~ Securities are x Cochin balance ~~securities~~ invested ~~giving~~ give amount and rate interest x wire ~~of each investment~~. reply

R.N.J.
11/8/98

Cwd
11/8/98

11/8/98.

The Resident in
Travancore + Cochin.

D note address "Trichur"

Note: This information required for the Cochin Ry file is not available in the Admn: Report

Cwd

Note. Return to P after despt.

R.N.J.
11/8/98.

[Poll. / 7] 1,000—25-11-96.

3

Political (1898) Department.

CURRENT No. 1098

From

The Resident
in Travancore & Cochin

Order

No.

Dated 17 Augt 98

Received
} 17 " "
Registered

Enclosures –

Spare copies -

SUBJECT.

Giving particulars regarding the investment of the Cochin balance.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

4

P

2

CURRENT No. 1098

Code Class. 1 D S

INDIAN TELEGRAPHS

Monthly Number. 1062

To (Office) Ootacamund

From (Office) Ernacolum

Words. 48/35 Day. 17 Hour. 16 Minute. 50 Official Instructions. 1 Spl

To (Person) Madras 1 Ch S

From (Person) Resident

CHIEF SECRETARY*SY
17 AUG 1898
GOVERNMENT OF MADRAS

Your telegram 457 investment cochin balance is as follows government securities three and half per cent 3662100 three per cent 100000 fixed deposit madras bank four per cent 250000 three and half per cent 250000 total balance 4262100

Recd. from I.N. Sent to

Telegraph Master.

At Hrs Mts. m. At hrs. Mts. m.

OOTACAMUND 17-8-98.

G G P—No. 201 T 17 3 97..2000000

32 Word Form.

F C 12

35

36 62
1 00
2 50
2 50
42 62

2P

CURRENT No. 1104

5 Political Department

(1898)

From The Resident in Cochin

CHIEF SECRETA… GOVERNMENT OF …
19. AUG. 1898

Dated 17th. August 1898

Recd & Regd 19 do

Ref an Camp No. 37

Inclosure one

25/8/98.

Submitting a statement showing the details of the Cochin balance investments.

(3A) Enclosure 6

Statement showing details of the Securities in which the State balance is invested.

	Date of each bond	Number	Amount of each bond Rs	as	p	Rate of interest	Remarks.
1 Govt: Pro: Notes	1865	33	1,718,600	"	"	3½%	
	1854-55	7	5,66,000	"	"	Do.	
	1842-43	5	7,40,000	"	"	Do.	
	1879	11	6,37,500	"	"	Do.	
	1896-97.	40	1,00,000	"	"	3%	
Total		96	37,62,100	"	"		
2 Fixed Deposits in the Madras Bank	March '98		50,000	"	"	4%	For six months.
	December '97		1,00,000	"	"	Do.	Renewed for 1 year on 20-6-1898
	Feby. '98		1,00,000	"	"	Do.	—— Do. —— 1-8-'98
	May 97		2,50,000	"	"	3½%	For 2 years
Total		4	5,00,000	"	"		
Grand Total in (1) and (2)			42,62,100	"	"		

16/8/98

16/8/98

36

4 93

Enclo. No 1
Gbbt. C No 1104

7 2P

CURRENT No. 1104

Ref: on Camp No. 37

(3)

Resident's Office on Circuit
Cochin, 17th August 1888

From
J. D. Rees Esqr. C. I. E.
Resident in Cochin

To
The Chief Secretary to Government
Ootacamund

Sir,

With reference to your telegram of the 11th instant No. 457, I have the honor to forward herewith a Statement received from the Dewan of Cochin which contains the details of the Securities in which the State balance is invested. I have today telegraphed as follows:

I have the honour to be
Sir
Your most obedt. Servt.
J D Rees
Resident

1/37

3 P

Ref: [illegible] No. [illegible]

Resident's Office in Cochin
Cochin, 17th August 1898

From
G. D. [illegible] Esq. C.S.I.
Resident in Cochin

To
The Chief Secretary to Government
Ootacamund

Sir,

With reference to your telegram of the 11th instant No. 157, I have the honour to forward herewith a statement received from the Dewan of Cochin which contains the details of the securities in which the State balance is invested [illegible]

I have the honour to be
Sir
Your most obedient Servant

Form No. 11.

8

[illegible] page 3 of P.W.D. G.O.
Comm^d with G.O. No. 239 Pol. of 6/4/[illegible]

No. 1566 Ry.

Government of Madras,

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

To

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

Madras, 21st December 1898.

Sir,

With reference to correspondence ending with your letter No. 1418 R.C., dated the 31st August 1897 (subsequent correspondence relates to survey estimates only). I am instructed to forward a copy of this Government's Political Department's Proceedings, No. 411, dated 20th June 1898 on the subject of the financing of the Shoranur-Cochin Railway.

2. From these Proceedings it will be seen that His Highness the Rajah of Cochin proposes to provide the Capital necessary for the construction of the Railway on the metre gauge. The cost of the whole line seems likely not to exceed about 50 lakhs, if constructed in a style suitable for the slow speeds with which its would-be-proprietor, His Highness the Rajah, expresses himself as content, and for the comparatively light traffic which the country served seems likely to afford.

3. A question which still remains unsettled is the most suitable terms for obtaining for Cochin the use of land for a

ledgth of about 16 miles in Travancore territory which it is inevitable that the railway must traverse if Cochin itself is to be reached. This question is at present under separate consideration.

4. Meanwhile the Madras Railway Company's survey party is still in the field, and a revised alignment suitable for a metre gauge line with 1 in 80 grades and reasonable curves has been secured throughout. There will doubtless in places be minor revisions of alignment, but these shall receive attention at the hands of this Government's Consulting Engineer.

5. On returning from the field for the monsoon recess the survey party prepared the accompanying plan, section and estimate of the northern 30 miles, of which they had then completed the survey. The plans, sections and estimates however of the remaining portion of the line cannot be ready for some little time. The latter is the part where the situation is somewhat complicated by the line having to traverse Travancore. No such complication however exists on the first 30 miles of which the plan and estimate are now enclosed.

6. His Highness the Rajah of Cochin has now expressed his anxiety that work should proceed at once on the northern 30 miles for which plans and sections are ready. The money is available, and no financial responsibility falls on the Government of India, so His Excellency the Governor in Council strongly supports His Highness the Rajah's request and directs me to urge that it is very desirable that the current working season should if possible be availed of to make a start.

7.

7. The Madras Railway Company made the earlier surveys on their own account, and have also made the recent metre gauge survey on account of His Highness the Rajah's project. They have also made the estimate now submitted and are prepared to carry on the construction simultaneously with that of the Cannanore line, and later on to work it as a feeder to their own system, under an agreement the details of which there will probably be no difficulty in settling satisfactorily.

8. There will be no more objection to the Madras Railway Company working the branch on the metre gauge, even if the adoption of this Government's conversion scheme should not ultimately be sanctioned, than in the working of say the Kaunia-Dharla Railway by the Eastern Bengal State Railway. The decision of His Highness the Rajah, therefore, to make his Railway on a different gauge from that of the Madras Railway need cause no embarrassment, especially as the chances are greatly in favour of its subsequent extension to meet the Travancore Railway on the same gauge at Quilon.

9. The estimate now submitted for the first 30 miles does not pretend to have been as thoroughly criticised as will, in due course, be the complete estimate of the entire line of which this forms only a part. It was really prepared with a view to forming a general opinion on the financial question of His Highness the Rajah's ability or otherwise to effect the object which he has in view. It is however quite a suffi-

11

-ciently good estimate to allow of work being started, and the complete metre gauge estimate for the whole line will be submitted as soon as practicable. The Consulting Engineer states, for example, that it is quite possible, without materially affecting the estimate, to get rid of the 10°, and perhaps also of the 7° and 8° curves. All these matters shall continue to engage the Consulting Engineer's attention. They need not, in this Government's opinion, delay the grant by the Government of India of sanction to the Madras Railway Company's starting work at the cost of His Highness the Rajah of Cochin, on the northern 30 miles.

I have the honour to be,

Sir,

Your Most Obedient Servant,

(Signed) Francis J. E. Spring,

Joint Secretary.

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12 ~~8~~

Political (1898) Department.

Endt

Transferred to the Public Works Department, Railway Branch.

Chief Secretary

CURRENT No. 1596

CHIEF SECRETARY
31 DEC 1898
GOVERNMENT OF MADRAS

From

The Resident in Travancore & Cochin

Order

Reference No. 4154

Dated 26th December 1898

Received 31

Registered 31 } 12 - 98

Enclosures one.

Spare copies

Endt trans to Ry dept [illegible] 31/12

SUBJECT.

Shoranore-Cochin Railway

Requisition ~~for~~ the early commencement of the ~~work~~ construction of the —

BACK PAPERS.

G.O.	No.	Department	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

13.4

Huzur Cutcherry
Ernakulam 15th December 1858

From
P. Rajagopalachari Esqr.
Dewan of Cochin

To
J. A. Nicholson Esqr.
Ag. Resident in Travancore & Cochin

Sir,

R In continuation of my letter to you dated 5th June 1858 submitting a Scheme for constructing a line of Railway between Shoranore and Ernakulam at the expense of the Cochin State, I am directed by His Highness the Rajah to remind you that no official orders upon the Scheme have been till now communicated to the Durbar. As already stated by me in para 15 of my letter, His Highness considered the scheme proposed to be feasible, to involve very little risk, and even that little risk to be worth incurring in view to the importance of the end to be achieved.

80 [illegible] 30-6-58 - Dewan [illegible] (Spare copy attached [illegible] 80)

2 As the working season has commenced, His Highness is anxious that it should not be lost if it can be helped, and I am therefore directed to enquire if the necessary arrangements cannot be made for starting the work, at any rate on the first section of 30 miles

28

6 S.p

3. You are of course aware that, in view to the construction of the line on the metre gauge, the line has been realigned in detail, and the estimate for the first 30 miles as re-aligned is ready. A few days ago, I met the officer in charge of the realignment at Ernakulam, he told me that the realignment of the 2" 34 miles has been also completed and that the detailed estimate for the same is expected to be made ready very soon.

4. His Highness wants me to enquire if there can be any objection to begin work at once on the first 30 miles, because it would be a great advantage to make full use of the present working season, and have the rails well advanced from Shoranur as that is expected to conduce to economy in the construction of the Southern part of the line.

5. In conclusion, His Highness has directed me to beg of you to treat this reference as urgent, and to communicate the early orders of the Madras Government on the same, so that the necessary provision may be made in the revised estimate of

of 1074 and the budget estimate of 1075, the preparation of which will have to be taken in hand by me very soon.

I have &c
(Sigd) P. Rajagopalachari
Dewan

(True Copy)

Ag Resident

CURRENT No. 1596 Pdy 16

Resident's Office

Ref: cur. No. 4154. (4) Trivandrum, 26th December 1898

From

G. A. Nicholson Esq.r I.C.S.

Ag. Resident in Travancore and Cochin

To

The Chief Secretary to Government

Fort Saint George

Sir,

I [With reference to Mr. Spring's D.O. of the 7th October last forwarded with your endorsement No. 2233 dated the 22nd idem] I have the honor to forward herewith copy of a letter dated 19th instant from the Dewan of Cochin soliciting early official orders upon the scheme for constructing a line of Railway between Shoranore and Ernakulam and enquiring at the instance of His Highness the Rajah, if the necessary arrangements can not be made for starting the work at once on the first 30 miles of the section so that full use may be made of the present working season. I believe that arrangements are probable for early commencement of the work.

N.B. D.O.s should not be referred to in official correspondence. Cur

4D

5 P.

I have the honor to be
Sir
Your most obedt. Servt.
G. A. Nicholson
Ag. Resident

eg

C-26-8-98
R 30-8-98 C 30-8-98

17

Financial Department.

Subject

Shoranur Cochin Railway.

NOTE

An abstract (Statement A) is appended showing the Diwan's programme in detail for the 20 years ending M. 1093.

Page 2.- Average surplus . The Diwan takes the surplus of the year 1072 at 1.95, adopting .03 as the revenue under Customs and .99 as the expenditure under Religious & Charitable. There seems to be some mistake in the figures, and at least 1.10 (say 1 lakh) should be added to the former and (50) .60 to the latter; this will raise the surplus of the year by ~~.60~~ 40 and the average surplus by ~~.12~~ .08 making it ~~1.84~~ 1.20. Considering therefore that the Diwan entirely ignores (paras 8,12 and 14) the increase of revenue due to the revision of survey and settlement, and the material development following the construction of the Railway, the estimated surplus of 1.25 per annum can be accepted as quite safe and accurate. The estimated loss in current revenue under Interest seems also to be correct as the average income of th~~es~~ 5 years is given in the statement on page 2 as 1.42 & the annual loss is taken at .88, leaving .54, which is 3¼ percent

Vide his letter d 5.6.98 flagged B

Rec. 20.65
Ch. 18.70
Surplus 1.95

The last Cochin Administration Report (received yesterday) shows that the fall under Customs in M.E. 1072 was due to the fact that the amount due from the British Govt under the Interportal Trade Convention was received in M.E. 1073 only. An increase of 1 lakh in the 5 years total is therefore safe. Under Religious & Charitable the low figure of 1072 was due to unadjusted expenditure. The B.E. for M.E. 1074 is 1'60

Cash

CWS
4/9/98

1.44
1.59
1.25
.80
2.02
5)7.10
1.42

percent on 16.62 lakhs.

Para 4. Cash balances - The balance of 47.24 at the end of M.E. 1073 would appear to be made up of Govt. securities 41.62 (including the 4 lakhs invested by the late Diwan) & cash 5.62. The programme allows for the retention of a cash balance of over 6 lakhs through out the 20 years. This would appear to be unnecessary in a State where the revenue and expenditure amount to no more than 20 lakhs. A balance of one or at the most 1½ lakhs should probably suffice; the excess could then be invested at 3% or utilised towards capital outlay in reduction of interest payable at 4%.

Vide Statement flagged

Para 59 on page 22 of G.O. 615 Pol. D. 17-3-97

Para 7. The amount ~~of~~ to be borrowed may then be limited to 20 lakhs, 5 lakhs being taken out of the cash balance of 6.57 in the year 1075, and 25 lakhs withdrawn from the investments in Govt. paper. This will ensure a saving of .20 by way of interest every year, or ~~4~~ 3.80 lakhs on the whole before the ~~cash~~ loan is liquidated. The Diwan does not allow for the discount payable on the sale of Govt. securities 17 lakhs in 1074 and 8 lakhs in 1075. Taking it a very cheap bargain (say 3½%) the loss will be not less ·90 lakh.

Para 11. The sinking fund is calculated ~~as follows in statement~~ on the assumption ~~assuming~~ that an aggregate payment of 18.75 lakhs will, with the interest accumulating thereon, extinguish a loan of 25 lakhs in 17 years. As a matter of fact, however another, 1.25 will have to be paid in at the begining of the 21st year as shown in statements B. C. Assuming that a ~~loan~~ loan of only 20 lakhs will be raised

4th year		.25
5th ,,		.50
6th ,,		.75
7th ,,		1.00
8th ,,		1.25
9th to 20th at 1.25		15.00
		18.75
21st year		1.25
		20.00

raised the amount of the sinking fund will be as shown in statement C.

Para 17. Allowing for these alterations in the Diwan's programme the position at the end of 20 years will be as follows : (vide details in statement~~s~~ D)

Saving in interest on 5 lakhs at 4% for 19 years.	3.80
Saving in investments of the sinking fund at .25 for last 14 years.	3.50
	7.30
Deduct discount payable	.90
Net improvement	6.40

It may be added that after the 20 years, there will be a leap in the revenue of about 5 lakhs while charges aggregating 2.67† lakhs will entirely cease.

Annual surplus	1.25
Railway income	2.00
Survey & Settlement improvement	1.50
	4.75

Loss of interest	.87
Interest on loan	.80
Sinking fund	1.00
	2.67 †

A.B.
11/7/98

A

Diwan's forecast.

	1073	1074	1075	1076	1077	1078	1079	1080	1081	next	21st year
	1897-98	1898-99	1899-1900	1900-1901	1901-2	1902-3	1903-4	1904-5	1905-6	12 Years	1917-18
	Lakh	Lakh	Lakh	Lakh	Lakh	Lakh	Lakh	Lakh	Lakh		
Opening Balance { Govt: Securities	.	41.62	24.62	16.62	16.62	16.62	16.62	16.62	16.62	16.62	16.62
Cash	.	5.62	6.57	6.72	6.10	6.23	6.35	6.48	6.60.	6.73	8.23
Total.	.	47.24	31.19	23.34	22.72	22.85	22.97	23.10	23.22	23.35	24.85
Receipts											
Sale proceeds of Govt. Securities	.	17.00	8.00	"	"	"	"	"	"	"	
Annual Normal Surplus	.	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	15.00	
Loan Obtained	.	"	9.00	16.00	"	"	"	"	"	"	
Income from Railway Traffic	.	"	"	"	1.00	1.25	1.50	1.75	2.00.	24.00	
Total.	.	18.25	18.25	17.25	2.25	2.50	2.75	3.00	3.25.	39.00.	
Expenditure											
Reduction in Interest	.	.30	.74	.87	.87	.88	.87	.88	.87	10.50	
Railway Construction	.	17.00	17.00	16.00	"	"	"	"	"	"	
Interest on Loan	.	"	.36	1.00	1.00	1.00	1.00	1.00	1.00	12.00	
Sinking fund	.	"	"	"	.25	.50	.75	1.00	1.25	15.00	
Total	.	17.30	18.10	17.87	2.12	2.38	2.62	2.88	3.12.	37.50	
Surplus		.95	.15	-.62	.13	.12	.13	.12	.13	1.50	
Closing Balance { Cash	5.62	6.57	6.72	6.10	6.23	6.35	6.48	6.60	6.73	8.23	
Govt: Securities	41.62	24.62	16.62	16.62	16.62	16.62	16.62	16.62	16.62	16.62	
Total	47.24	31.19	23.34	22.72	22.85	22.97	23.10	23.22	23.35	24.85	
Value of Railway	"	"	"	"	"	"	"	"	"	"	50.00
Total assets	47.24	31.19	23.34	22.72	22.85	22.97	23.10	23.22	23.35	24.85	74.85

Para 14 of Diwan's letter —

A 147

21

B

Sinking Fund as apparently calculated by the Diwan —

Year	Annual Instalment of Sinking fund	Accumulated amount at the beginning of the year	Interest thereon at 3 P.C.
	Lakhs	Lakhs	Lakhs.
4"	·25	·25	·01
5"	·50	·76	·02
6"	·75	1·53	·04
7"	1·00	2·57	·08
8"	1·25	3·90	·12
9"	1·25	5·27	·16
10"	1·25	6·68	·20
11"	1·25	8·13	·24
12"	1·25	9·62	·29
13"	1·25	11·16	·33
14"	1·25	12·74	·38
15"	1·25	14·37	·43
16"	1·25	16·05	·48
17"	1·25	17·78	·53
18"	1·25	19·56	·58
19"	1·25	21·39	·64
20"	1·25	23·28	·70
21"	1·25	25·23	

C

22 Sinking fund calculations -

Loan of 25 lakhs | Loan of 20 lakhs

Year of working from 1074	Annual Instalment of Sinking Fund	Period bearing interest	Value of Rx at 3. P.C. for 1.00	Proportion to be taken	actual Amount	Similar instalment for a loan of 20 lakhs	
						Instalment	Rx with interest
	Lakh	years	Lakh		Lakh	Lakh	Lakh.
4"	.25	17	1.65	1/4	.41	.25	.41
5"	.50	16	1.60	1/2	.80	.50	.80
6"	.75	15	1.56	3/4	1.17	.75	1.17
7"	1.00	14	1.51	1	1.51	1.00	1.51
8"	1.25	13	1.47	1¼	1.84	1.00	1.47
9"	1.25	12	1.43	1¼	1.79	1.00	1.43
10"	1.25	11	1.38	1¼	1.73	1.00	1.38
11"	1.25	10	1.34	1¼	1.68	1.00	1.34
12"	1.25	9	1.30	1¼	1.62	1.00	1.30
13"	1.25	8	1.27	1¼	1.59	1.00	1.27
14"	1.25	7	1.23	1¼	1.54	1.00	1.23
15"	1.25	6	1.19	1¼	1.48	1.00	1.19
16"	1.25	5	1.16	1¼	1.45	1.00	1.16
17"	1.25	4	1.13	1¼	1.41	1.00	1.13
18"	1.25	3	1.09	1¼	1.36	1.00	1.09
19"	1.25	2	1.06	1¼	1.32	1.00	1.06
20"	1.25	1	1.03	1¼	1.29	1.00	1.03
					23.98 ✓		19.97
21"	1.25				1.25	1.00.	1.00
					25.23 ✓		20.97

23 ~~16~~

D

	1074	1075	1076	1077	1078	1079	1080	081	next	21' Year
	1898-9	1899-1900	1900-1	1901-2	1902-3	1903-4	1904-5	1905-6	12 years	1917-18
	Lakh	Lakh	Lakh	Lakh	Lakh	Lakh	Lakh	Lakh	Lakh	Lakh
Opening Balance { Govt: Securities	41.62	24.62	16.62	16.62	16.62	16.62	16.62	16.62	16.62	16.62
Cash	5.62	5.97	1.02	.60	.93	1.25	1.58	1.90	2.48	9.38
Total	47.24	30.59	17.64	17.22	17.55	17.87	18.20	18.52	19.10	26.00
Receipts.										
Sale proceeds of Govt: Securities	17.00	8.00	"	"	"	"	"	"	"	1."
Annual normal Surplus	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	15.00	1.25
Loan obtained	"	4.00	16.00	"	"	"	"	"	"	"
Income from Railway Traffic	"	"	"	1.00.	1.25	1.50	1.75	2.00.	24.00	2.00
Total	18.25	13.25	17.25	2.25	2.50	2.75	3.00	3.25	39.00	3.25
Expenditure										
Discount on sale of Govt: Securities	.60	.30	"	"	"	"	"	"	"	
Reduction in Interest	.30	.74	.87	.87	.88	.87	.88	.87	10.50	"
Railway Construction	17.00	17.00	16.00	"	"	"	"	"	"	"
Interest on loan	"	.16	.80	.80	.80	.80	.80	.80	9.60	"
Sinking fund	"	"	"	.25	.50	.75	1.00	1.00	12.00	1.00
Total	17.90	18.20	17.67	1.92	2.18	2.42	2.68	2.67	32.10	1.00
Surplus	.35	-4.95	-.42	.33	.32	.33	.32	.58	6.90	2.25
Closing balance { Cash	5.97	1.02	.60	.93	1.25	1.58	1.90	2.48	9.38	11.63
Govt. Securities	24.62	16.62	16.62	16.62	16.62	16.62	16.62	16.62	16.62	16.62
Total	30.59	17.64	17.22	17.55	17.87	18.20	18.52	19.10	26.00	28.25
Value of Railway	"									50.00
∴ Total Assets.	30.59	17.64	17.22	17.55	17.87	18.20	18.52	19.10	26.00	78.25

Note   Political Dept.

The proposals of the Cochin Darbar in regard to the Cochin-Shoranur line are that the entire line should be owned by Cochin, & that the cost (50 lakhs) should be met half from the accumulated balances of that State and half by a loan. The Travancore Darbar has agreed to accept a nominal annual payment of Rs 100 from the Cochin Darbar, as an acknowledgment of the sovereignty (sic) of Travancore over the land ~~required for the~~ in that State required for the construction of the line.

2. The financial aspect of the question has been examined in the accompanying note (flagged Q) in the Financial Dept. The scheme propounded by the Dewan of Cochin is financially sound and errs, if anything, on the side of caution. The necessity for borrowing so much as 25 lakhs is not quite apparent and it ~~is~~ would appear to be quite possible for the Darbar to arrange with a

loan of even 20 lakhs. The raising of the loan by the Darbar will require India's sanction, but this question, as pointed out in para 7 of the letter ~~of~~ from the Diwan of Cochin d/ 6th June 1858, is for settlement hereafter." R

3. The questions for Political are whether the scheme generally is one which should be supported and whether the proposed arrangement as regards the Travancore land is unobjectionable.

4. The general principles governing the execution of railway projects in Native States are set out at length in paras 168-175 of Tupper Vol. I. Pages 183 - 191. and the summary of these in para 176 is reproduced below for facility of reference:-

(1) Native States must report their railway projects for the information of the Govt. of India.

(2) Native States are expected to cooperate with the Paramount Power in the execution of railway schemes, by providing free of charge in their respective territories all land needed for the construction and working of the lines..........

(3) This rule applies to all ~~schemes~~ schemes approved by the Imperial Govt, whether undertaken by them or by a private company.

(4) Compensation can be granted to a Darbar only in cases in which it the free grant of land required would impose an undue burden on the State. The compensation would then be assessed on the actual loss, nothing being allowed on the ground that the expropriation is compulsory.

(5) The sum assessed should not be ~~[illegible]~~ intimated to the State concerned until approved by the Government of India.

(6) The obligation to provide land free of cost does not extend to the product of quarries.....

(7) So long as ~~the~~ a railway is an isolated ~~line~~ local line in the territory of one Native State and forms no part of a line of communication passing through other territory, it is not ordinarily necessary that the jurisdiction over the line should be ceded to the British Government.

(8) But when a railway in a

Native State is part of a continuous line of communication between the Native State and other territory, the State or States concerned must cede full jurisdiction

(c) Even when a native State retains the management and jurisdiction, there is a certain supervision which the Paramount Power exercises over any railway in a Native State –

(d)
e.g.

(i) The opening of the railway is subject to its being passed by a competent officer

(ii) The Indian Railway Act & the rules and general system in force in British Railways must be followed.

(iii) Proper Police arrangements must be made.

(iv) The Imperial Post must be allowed the use of the line on the terms in force on State railways in British India

(v) The Imperial Telegraph Dept. supplies the Telegraph line on terms fixed by the British authorities

5. The first ruling is now being complied with by the Darbar, which has submitted its scheme to this Govt which will in due course forward it to the Government of India.

6. Rulings (2) to (6) relate to the obligation of a State to supply free of charge in its territory all land needed for the construction and working of a railway line. In the present case Travancore requires a nominal compensation from the Cochin Darbar for the land required in the Travancore State. The Resdt. refers to this point in para 7 of his letter on page 8 of G.O. No. 411 Pol. of 11 June 1898. He says "Now, although the Govt. of India expects Native States to give land gratuitously for the construction of lines which it approves, it appeared to me that if the Cochin State made this line without the help of the Government of India, Travancore might fairly be expected to be paid for its land, just as the Cochin State expected to be paid when the

Before R¹

If it did it was in a faulty procedure. H 11/8/98.

"the construction of its line by a "company was under contemplation." "It is obvious that Travancore could "not be urged to give land gratuitously "to Cochin, unless it was of its own "accord disposed to make such a proposal". Further on (para 10) the Resdt. points out that it ~~[illegible]~~ is not a question of money, but of Travancore retaining its sovereignity over the lands, subject of course to the British civil and criminal jurisdiction exercised over all railway lines.

7. Attention is solicited in this connection to para 169 (pages 184 and 185) of Tupper Vol. I, which deal with this question. The ~~[illegible]~~ ruling appears from that para to be intended to cover railway lines projected by the Paramount Power ~~and~~ or carried out at its instigation. The ~~[illegible]~~ Shoranur-Cochin line as now projected will be a ~~[illegible]~~ line of railway belonging to a Native State and as remarked by Mr. Rees there appears to be no reason why Travancore should

It must give it to the Railway under India's rules.

H 11/8/98.

The Resident does not seem to me to have a correct idea of India's requirements in this matter.

H 11/8/98.

?

"Compan~~[illegible]~~ies' lines are ~~[illegible]~~ not to be projected or carried out?

?

Junrd. H 11/8/98

give its lands free of cost. If, however, Cochin is to own the line it would, it is thought be better for that Darbar to pay the Travancore State the value of the lands required. This arrangement of a nominal annual rent to emphasize the "sovereignity" of Travancore over the lands in question is not altogether desirable from a political point of view.

8. ~~Item~~ Rulings (8) and (9) in para 4 supra relate to the question of *jurisdiction*. In view of the facts that the line will pass through Travancore & will link the Cochin State with the railway system of Southern India the Darbars must, it is thought, cede civil and criminal jurisdiction. This the Travancore Darbar is willing to do as regards the portion of the line in its territory (*vide* para 8 of the Resident's letter on page 9 of G.O. No. 411 Political of 20. June 1898). The letter from the Dewan of Cochin is confined to the financial aspect of the case but apparently he

R'

contemplates a like cession in the case of the Cochin portion of the line. The case of the Mysore State Ry dealt with in para 174 (page 189) of Tupper Vol I is not quite in point. It seems to have been quoted as a case in which special treatment was accorded, not to form a precedent. It will be much simpler to insist on entire British jurisdiction over the whole Shoranore-Cochin line.

9. The remaining provisions contained under (9) in para 4 supra. will follow on the opening of the line as a matter of course.

10. The only other point in connection with this matter re-garding which Political need concern itself at present is the proposed arrangement between the Travancore and Cochin Darbars as regards the land required for the line in Travancore territory. This has been referred to above, but attention is solicited in this connection to Chapter II of Tupper Vol I (pages 19. 44) which deals with the Political isolation of Native States. The general principles there laid down are (i) that direct political inter-course ~~with~~ between Native States is prohibited; (ii) that Native States may not enter into conventions or

engagements with one another except with the consent and through the medium of the British Government; (iii) that Political officers should not enter into treaties or engagements with Native States, either on behalf of the British Government or on behalf of another Native State, except with the previous sanction of Government; (iv) and generally that all agreements between Native States should be attained either by rules framed in the name of the British Government, to which the States may be invited to assent, or by separate engage-ments between each State and the British Government.

~~Since writing has been~~

11. So far no agreement or arrangement has been made between the two States of Travancore and Cochin; they have merely intimated to the Resdt how far they are prepared to go. It will be seen, however, from India's writings that direct

arrangements between two States is objectionable and this point will have to be borne in mind. At the same time the proposed arrangement under which Cochin will pay Travancore a kind of "tribute" in recognition of "sovereign rights" appears to be opposed to the general policy of India in these matters and it would seem that the more regular course would be for the Resid.t to ~~acquire~~ negotiate for the land for Cochin ~~making~~ receiving from that Darbar the value of the lands taken up and paying the amount to the Travancore Darbar. There must be no direct dealings between the two States in this matter and any arrangement which would perpetuate direct dealings - e.g. the annual payment of the compensation - should, it is sub:mitted be discouraged. Travancore is unlikely to yield this point without some trouble, but that Darbar will apparently lose nothing more than it would ~~were~~ the line about to

It is not direct when the Resd.t does it for them.

AA.

?

be carried through by the Paramount power. It would lose the lands actually required for railway purposes (nothing more) and the civil and criminal jurisdiction over the railway line in its territory. On the other hand it ~~will~~ would gain something (perhaps very small) in the advantage of having a railway through a small part even of its territory

CWB
6/8/98

This is the reason why it has to give the land.

11/8/98

AA

Please see note annexed.

11/8/98

Malabar Year.	Opening balance.		Receipts.					Total Receipts Cols: 4-8.	Charges.				Total Charges Cols: 10-13.	Surplus difference between columns 9 & 14	Closing Balance.		Remarks.
	Cash	Securities.	Average excluding interest for 5 years.	Interest on Securities	Loans @ 4%	Sale of Securities 3½ %	Railway Income.		Average (for 5 years)	Railway Expenditure.	Discount on sale of securities & brokerage	Interest and Sinking fund @ 3%			Cash	Securities.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18.
1074	4.62	42.62	18.28	1.20	"	17.00	"	36.48	18.50	17.00	0.85	"	36.35	+ .13	4.75	25.62	
1075	4.75	25.62	18.28	0.76	9.00	8.00	"	36.04	18.50	17.00	0.40	0.33	36.23	− .19	4.56	17.62	
1076	4.56	17.62	18.28	0.62	16.00	"	"	34.90	18.50	16.00	"	1.29	35.79	− .89	3.67	17.62	
1077	3.67	17.62	18.28	0.62	"	"	1.00	19.90	18.50	"	"	1.93	20.43	− .53	3.14	17.62	
1078	3.14	17.62	18.28	0.62	"	"	1.25	20.15	18.50	"	"	1.93	20.43	− .28	2.86	17.62	
1079	2.86	17.62	18.28	0.62	"	"	1.50	20.40	18.50	"	"	1.93	20.43	− .03	2.83	17.62	
1080	2.83	17.62	18.28	0.62	"	"	1.75	20.65	18.50	"	"	1.93	20.43	+ .22	3.05	17.62	
1081	3.05	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	3.52	17.62	
1082	3.52	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	3.99	17.62	
1083	3.99	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	4.46	17.62	
1084	4.46	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	4.93	17.62	
1085	4.93	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	5.40	17.62	
1086	5.40	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	5.87	17.62	
1087	5.87	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	6.34	17.62	
1088	6.34	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	6.81	17.62	
1089	6.81	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	7.28	17.62	
1090	7.28	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	7.75	17.62	
1091	7.75	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	8.22	17.62	
1092	8.22	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	8.69	17.62	
1093	8.69	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	9.16	17.62	
1094	9.16	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.93	20.43	+ .47	9.63	17.62	
1095	9.63	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	1.60	20.10	+ .80	10.43	17.62	
1096	10.43	17.62	18.28	0.62	"	"	2.00	20.90	18.50	"	"	.64	19.14	+1.76	12.19	17.62	
			420.44	14.98	25.00	25.00	37.50	522.92	425.50	50.00	1.25	38.60	515.35	7.57			

R.N.T
25/8/28

Checked as of 25/8/28

hat

cutting

ed

R.1.
2578/ C

lakh in 3 per cents in view of the heavy discount that will have to be paid. (Please see the newspaper cutting flagged

2

Excluding Interest

of Securities

This should be 33 = (9×37/27)

Sinking fund payment on 9 lakhs

Malabar Year	Opening Balance		RECEIPTS.					TOTAL ~~CHARGES~~ Receipts Cols. 4-8	CHARGES.				TOTAL CHARGES Cols. 10-13	Surplus. Diffce bet. cols 9 & 14	Closing Balance.		REMARKS
	Cash.	Securities.	Average (for 5 years)	Interest on Securities	Loans. @ ~~3~~%	Sale of Securities. 3½ Per cents.	Railway Income.		Average (for 5 years)	Railway Expend.	Discount on Sale & Brokge.	Interest & Sinking fund @ 3%			Cash	Securities.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1074	4.62	42.62*	18.28	X ~~1.12~~ 1.20	"	17.00	"	36.48	18.50	17.00	0.85	X "	36.35	+0.~~[illegible]~~ 13	~~4.67~~ 4.75	25.62	
1075	~~4.67~~ 4.75	25.62	18.28	~~0.68~~ 0.76	9.00	8.00	"	~~35.96~~ 36.04	18.50	17.00	0.40	0.~~25~~ 33	36.~~25~~ 23	−0.~~21~~ 19	~~4.38~~ .5[illegible]	17.62	
1076	4.~~38~~ 5[illegible]	17.62	18.28	~~0.54~~ 0.62	16.00	"	"	~~34.82~~ 34.90	18.50	16.00	"	~~1.93~~ 1.29	~~36.43~~ 35.79	~~−1.61~~ −0.89	~~2.77~~ 3.~~65~~ 67	17.62	
1077	~~2.77~~ 3.~~38~~ 67	17.62	18.28	~~0.54~~ 0.62		"	"	~~19.82~~ 19.90	18.50	"	"	1.93	20.43	−0.~~61~~ 53	~~2.16~~ 3.~~19~~ 14	17.62	
1078	~~2.16~~ 3.~~19~~ 14	17.62	18.28	~~0.54~~ 0.62	"	"	1.00	20.~~07~~ 15	18.50	"	"	1.93	20.43	−0.~~36~~ 28	~~1.80~~ 2.~~84~~ 86	17.62	
1079	~~1.80~~ 2.~~84~~ 86	17.62	18.28	~~0.54~~ 0.62	"	"	1.25	20.~~32~~ 40	18.[illegible]	"	"	1.93	20.43	−0.~~11~~ 03	~~1.69~~ 2.~~81~~ 83	17.62	
1080	~~1.69~~ 2.~~81~~ 83	17.62	18.28	~~0.54~~ 0.62	"	"	1.50	20.~~57~~ 65	18.50	"	"	1.93	20.43	+0.~~14~~ 22	~~1.83~~ 3.~~03~~ 05	17.62	
1081	~~1.83~~ 3.~~23~~ 05	17.62	18.28	~~0.54~~ 0.62	"	"	1.75	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~2.22~~ 3.~~50~~ 52	17.62	
1082	~~2.22~~ 3.~~50~~ 52	17.62	18.28	~~0.54~~ 0.62	"	"	2.00	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~2.61~~ 3.~~77~~ 99	17.62	
1083	~~2.61~~ 3.~~77~~ 99	17.62	18.28	~~0.54~~ 0.62	"	"	2.00	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~3.00~~ 4.~~44~~ 46	17.62	
1084	~~3.00~~ 4.~~44~~ 46	17.62	18.28	~~0.54~~ 0.62	"	"	2.00	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~3.39~~ 4.~~91~~ 93	17.62	
1085	~~3.39~~ 4.~~91~~ 93	17.62	18.28	~~0.54~~ 0.62	"	"	2.00	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~3.78~~ 5.~~38~~ 40	17.62	
1086	~~3.78~~ 5.~~38~~ 40	17.62	18.28	~~0.54~~ 0.62	"	"	2.00	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~4.17~~ 5.~~85~~ 87	17.62	
1087	~~4.17~~ 5.~~85~~ 87	17.62	18.28	~~0.54~~ 0.62	"	"	2.00	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~4.56~~ 6.~~32~~ 34	17.62	
1088	~~4.56~~ 6.~~32~~ 34	17.62	18.28	~~0.54~~ 0.62	"	"	2.00	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~4.95~~ 6.~~79~~ 81	17.62	
1089	~~4.95~~ 6.~~79~~ 81	17.62	18.28	~~0.54~~ 0.62	"	"	2.00	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~5.34~~ 7.~~26~~ 28	17.62	
1090	~~5.34~~ 7.~~26~~ 28	17.62	18.28	~~0.54~~ 0.62	"	"	2.00	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~5.73~~ 7.~~73~~ 75	17.62	
1091	~~5.73~~ 7.~~73~~ 75	17.62	18.28	~~0.54~~ 0.62	"	"	2.00	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~6.12~~ 8.~~20~~ 22	17.62	
1092	~~6.12~~ 8.~~20~~ 22	17.62	18.28	~~0.54~~ 0.62	"	"	2.00	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~6.51~~ 8.~~67~~ 69	17.62	
1093	~~6.51~~ 8.~~67~~ 69	17.62	18.28	~~0.54~~ 0.62	"	"	2.00	20.~~82~~ 90	18.50	"	"	1.93	20.43	+0.~~39~~ 47	~~6.90~~ 9.~~14~~ 16	17.62	
1094	9.~~14~~ 16	17.62	18.28	0.62	" ..	" ..	2.00 2.00	20.90	18.50	.	"	1.93	20.43	+0.47	9.~~61~~ 63	17.62	
1095	9.~~61~~ 63	17.62	18.28	0.62	"	"	2.00	20.90	18.50	.	"	1.~~22~~ 60 ×	~~19.42~~ 20.70	~~+1.18~~ × +.80	10.~~81~~ 43	17.62	
1096	10.~~81~~ 43	17.62	18.28	0.62	.	.	2.00	20.90	18.50	"	"	.64 ⊖	19.14	+1.76	~~11.57~~ 12.19	17.62	
			~~402.16~~ 420.44	~~14.36~~ 14.98	25.00	25.00	~~35.50~~ 37.50	~~502.02~~ 52[illegible]	407.00 425.50	50.00	1.25	~~37.60~~ 38.[illegible]62	~~495.86~~ 515.35	~~6.17~~ 7.57			

+ This should be Rs 1.60 on sinking fund on the 9 lakhs will be necessary

⊖. Int. on the 16 lakhs

lakh in 3 per cent. in

will have to be paid. (Please see the newspaper cutting

flagged

2

R.
2578

EXPLANATORY NOTE

COLUMN 1

The statement shows the transactions of the State from M.E.1074 to 1096 (inclusive), i.e. for 23 years after the commencement of the Railway or 20 years after the second instalment of the loan of 25 lakhs which it is proposed to borrow has been borrowed.

COLUMNS 2 & 3

after R

vide C.No. 1098

From para 4 of the Diwan's letter dated 5th June 1898, it will be seen that the closing balance for the year M.E. 1073 (1897-98) is placed at 47.24 of which amount 42.62 is invested in Govt. securities. The balance 4.62 has accordingly been shown under cash.

COLUMN 4

This figure has been arrived at by taking the average of the receipts for the past five years exclusive of debt heads and interest on securities.- This comes to 18.08 and adding the 1 lakh under Customs (.20) for each year, 1.28 is obtained.

Nil flagged

COLUMN 5

From C.No.1098 it is found that the present balance in securities is as under:--

36.62	invested	at	3½%	yielding	1.28	per	annum
1.00	"	"	3%	"	0.03	"	"
2.50	"	"	4%	"	0.10	"	"
2.50	"	"	3½%	"	0.09	"	"
42.62	in all			"	1.50	"	"

Of these investments it is advisable not to touch the lakh in 3 per cents in view of the heavy discount that will have to be paid. (Please see the newspaper cutting flagged

flagged F which shows that they stood at 84 to 85 on the 16th instant). The two investments of 2.50 lakhs each constitute fixed deposits on bonds all recently executed or renewed. 2.5 lakhs yield 4% and these it is submitted need not be touched. The remaining 2.5 lakhs yield 3½% and constitute a single fixed deposit for two years; the bond expiring in May 1899. The bond in this case need not be renewed on expiry and this will yield 2.50 if converted but the amount is comparatively speaking so small, that it need not be considered in the calculation. There then remains the 36.62 in 3½% to be considered. Of this 25.00 will have to be converted. These securities stood at 94/12 to 95/8 on the 16th instant. They will probably fetch 95/- allowing for discount and brokerage charges. This is the figure adopted in column 12. As already shown the present receipts from Interest on securities is 1.50 per annum. The conversion of 17.00 in the year 1074 will diminish the receipts for that year under this head by $\frac{17,00,000 \times 3.5}{100 \times 2}$ = .30 The income under Interest for the first year is therefore 1.50 - 0.30 = 1.20 It will be observed that as the securities will be sold in the middle of the year the loss of interest has been calculated at only 1.75 %. Proceeding in the same way we get $\frac{17,00,000 \times 3.5}{100} + \frac{8,00,000 \times 3.5}{100 \times 2} = .74$ as the loss for the second year. The income is therefore 1.50 - .74 = 0.76. The loss for the third and succeeding years will be $\frac{25,00,000 \times 3.5}{100}$ = .88 and the income will therefore be .62

vide C. No.1104

COLUMNS 6 & 7

call for no explanation.

COLUMN 8

The Railway is calculated to pay 2% in the 4th year after its commencement, 2½ in the 5th, 3 in the 6th, 3½ in the 7th and the maximum rate of 4 % in the 8th year.

COLUMN 10

This figure was arrived at by taking the average expenditure for the past five years exclusive of debt heads

adding

Note flagged Q

adding the .60 omitted under Religio~~n~~us in M.E.1072

COLUMN 12

The sum of 0.85 is the discount on 17.~~00~~ lakhs of securities which are calculated to sell at 95/-. This amount will cover the small brokerage charges which it may be necessary to pay. The sum of 0.40 is discount at the same rate on the 8.~~00~~ lakhs it is proposed to sell in the second year.

COLUMN 13

The Sinking Fund and Interest. The charge of 0.33 in 1075 represents the contribution to sinking fund on account of the loan of 9.00 and does not include any interest which only falls due in the next year. The charge of 1.29 in 1076 includes .36 interest on 9.00 at 4 % and .93 sinking fund contribution for 25.00 - The sum of 1.93 in 1077 and subsequent years includes Interest and sinking fund contribution on 25.00 . In 1095 however the amount is only 1.60, as no sinking fund payment is required towards the loan of 9.00 which will be paid off in this year. In 1096 the loan of 16 lakhs will be paid ~~up~~ off and only the interest on 16 lakhs will be required in ~~this~~ that year.

COLUMN 15

Contains the surpluses and deficits of the twenty-~~two~~ three years. These items have been added to, or subtracted from, the cash balance of each year and it will be observed that the closing cash balance of 1096 represents the opening cash balance of 1074 + the surplus

~~6.17 (col.15)~~
~~4.62 (col.2)~~
~~10.79 (col.16)~~

R.N.T.
25/8/98

Checked with [illegible] statement
25/8/98.

Cmd
25/8/98

25/8/98.

3

G.
74
?0-30-7-96

~~E~~42

Financing of Shoranur Cochin Railway

NOTE FOR THE CHIEF SECRETARY.

The statement flagged E and the accompanying note are submitted for approval. If C.S. approves of them, the statement will be recopied neatly corrected and checked again as to totals & the Explanatory note attached to it type-written. C.S's pencil note has not been type-written yet as perhaps C.S. may wish to alter it slightly

CWD
23.8.98

Resubmitted with C.S's note typed and statement recopied

CWD
24.8.98

Approved.

[illegible]/8/98.

Dmt care
cw

C. No. 1048: 1074 / Pol

43

10 P

Financial

Political Dept:

NOTE by the Chief Secy

There are two aspects of this matter which must be considered in this dept. viz.

(1) the Financial

and (2) the Political

As to Financial first; there seems to be no doubt that at the end of 1073 Cochin will have a cash balance of 47 lakhs roundly. The Diwan says "It seems to His Highness that a State with a balance in hand of more than 47 lakhs of rupees and with a normal surplus of more than 7 lakh of rupees a year can safely undertake the construction of a Railway which is expected to cost about Rs.50,00,000." There can be no question as to the correctness of this conclusion.

2. There can also be no question, I think that the Diwan is an excessively bad financier. He proposes for example to borrow Rs.25,00,000 at 4 per cent, ~~receives~~ while he receives only 3½ per cent on the Rs.22,00,000 he locks up. He loses at least Rs.11,000 per annum by this.

3. He proposes to borrow 9 lakhs in the second year and the remaining 16 lakhs in the third and he calculates he can raise the money at 4+ per cent. He can no doubt so raise it if he issues his loan to the market in the usual way

but

+ If he pledges his Govt. paper which he retains he will probably get it cheaper or if he pledges his Customs receipts from the British Govt. the result will be the same.

but if he does this he will have to raise 9 lakhs at one operation and 16 lakhs at the second. Hence his interest and sinking fund will run in each case from the time he raises the loan i.e. in the case of the 9 lakhs from the middle of the year and in that of the 16 from the beginning of the next. The charge for interest is at 4 per cent, Rs.4,000 per lakh and for sinking fund for 20 years at 3 per cent i.e. at the Govt. paper rate, Rs 3721. Hence the charge per lakh borrowed is Rs.7,721. The annual charge for 25 lakhs is Rs.1,93,025.

4. The Diwan hopes to be able to get the sinking fund to run from the 4th year. If he can finance this, so much the better, but I doubt whether if he tries this he won't lose by a heavier rate of interest being demanded. I have therefore calculated in the annexed statement the sinking fund and interest in the usual way. The following statement marked E shows the annual transactions and the position of the State at the end of each year up to 20 years. How this statement has been calculated is shown in the ~~annexed~~ note appended to it.

5. It will be seen from the statement how extremely strong the financial position is likely to be. In no year is the cash balance reduced to a deficit and there is always in addition Rs 17.62 funded to fall back upon.

Since I drafted this note I

I have little doubt that India will require them to do so.
[illegible]
30/8/98

Travancore will, I think, not readily agree to this. But correspondence has passed on this matter thro' the P.W.D (Railway branch). The papers should be sent to Mr. Spring, for his observations.
A.H. 29.8.98

[illegible]
30.8.98.

I have received a statement giving the estimate for 30 miles of the line. It will be seen that it works out with rolling stock complete to Rs.74,~~7[illegible]~~ 477 7 a mile or to about Rs.47,29,300 for the 63½ miles of the whole undertaking. Rs.50,00,000 may therefore safely be taken as the ~~outside~~ cost.

7. Turning now to the political questions which arise in this matter; generally it may be said that there is no political objection to the making of this Railway. It appears however that 15½ miles of it are in Travancore territory and there has been some negotiation about the land required for it. Mr. Rees has brought about an agreement that Travancore is to give the land in consideration of an annual payment of Rs.100 as an acknowledgment of the sovereignty of Travancore. It is pointed out in the note that this is objectionable and I have no doubt it is. There are two things amongst others (vide Tupper para 169 & 171) which all Native States ~~should~~ must do in connection with Railway schemes.

(1) They must provide the land free;

(2) They must cede jurisdiction; I would point out that in regard to the first point (vide Tupper para 169 -in top of page 185 in book-file) "it "is immaterial whether the line is to "be made a State Railway constructed by

"by the Govt. of India or a State Ry. "project undertaken by a private company or a purely company's line". Hence I think it is immaterial what agency makes the line and that Travancore must provide the land for this line free. It might however be well to refer the point for the orders of India. Cochin should also be given to understand that all the terms in para 176 Tupper will be enforced.

29/8/98.

Shoranur. Cochin Railway

C.S.

Submitted that the file may now be transferred to P.W.D. (Railway) for further consideration.

Cmb.
31.8.98

Yes.

31/8/98.

To.

P.W.D.
u.o

H.E. the Governor noted under date 29-8-98 that "correspondence has passed on this matter through the P.W.D. (Railway Branch)" and directed that the papers should be sent to me for observation.

x Flag W.

2.– I put up the file containing the unofficial^x "correspondence, notes, &c. which passed between Mr. Rees and me on the subject. Everything up to my Note* dated 5-2-98 was written on the supposition that the line would be on the standard gauge, and must therefore be financed by the Madras Ry. Co. Then the proposal for the adoption of the metre gauge came to the front, and from that time forward it became evident that H.H. the Rajah's desire to utilise the railway for the benefit of his State might best be

* Flag Z

accomplished by his becoming the actual owner of it instead of merely a debenture holder and a creditor of the Madras Ry. Co.

3.-- So long as there was an idea of the Madras Ry. Co. making the line, with State guaranteed debentures, the land difficulty did not arise, because in Cochin and Travancore, as elsewhere throughout India, Government might call upon the Native State to provide the land free, as is done now in Mysore whenever the Madras Ry. Co. requires land in that State.

4.-- Never having previously come in contact with the political difficulty of one Native State desiring to run its railway through the territory of another I was not aware, until corrected by the Hon. Mr. Arundel, then Chief Secretary, that there was such a difficulty. I thought that provided Travancore raised no objection Cochin might buy land in the neighbouring State for a railway or for any other industrial enterprise, such as a cotton mill. But apparently this is not permissible for political reasons.

5.-- The matter was therefore left entirely to the Resident with whom, (besides the D.O. letters) I had several conversations on the subject. I do not think that Mr. Rees for a moment thought that there was a chance of Travancore voluntarily paying for the land. But he thought, as well as I ~~think~~ can recollect and could understand, that the case of one Native State owning a Railway in

the territory of another is not on all fours with any of the cases referred to in Tupper, viz.

(a) A State Railway constructed by the Govt. of India.
(b) A State Ry. project undertaken by a private Company.
(c) A purely Company's line.

I have always understood that the Govt. of India's reasons for offering a free grant of land to Railway Companies has been that such an offer is looked upon in the money market as a very great bait indeed, far greater indeed than it would be if the comparatively small value of land in India, compared with the cost of the remaining items of construction, were understood. Then I thought that inasmuch as they themselves saw fit to offer free land in British territory they ~~thought~~ considered it expedient to compel Native States to do the same in the case of railways passing through them whether State or Companies' lines.

6.-- But no bait of free land is needed in the case of the Cochin line. Under Mr. Rees' arrangement the Cochin Rajah agrees to pay compensation, plus 100 per annum in formal recognition of Travancore's sovereignty. (Indeed one rupee per annum would probably have been equally formally effective as 100)

[3 I take it that if a London Railway Company with a well informed Board of Directors, come forward with an offer to raise the requisite capital, without guarantee, and sufficient to cover cost of land also, for the construction of an Indian railway, the Govt. of India would not force a free gift of land upon them, whether in British or Native territory.

7.- I recollect in, I think, 1885 a Director of the Tarkessur R. C. expressing regret to me that they had ever consented to take from Government the free gift of land, which imposed on them, he seemed to think, a greater degree of control in detail than they cared to undergo.

8.- For all I can tell, not being a Political expert, there may be reasons of State, deeper and more far reaching than the "Bait" reason above referred to, why Government should insist on Native States giving land free not only to State lines and Companies' lines, but even to lines owned by neighbouring Native States. Should such be the case, well and good, Travancore must pay compensation for crops, houses, &c. &c. from which people will be ejected, and for all tenures down to the final tenure next to the State ownership.

9.- But under Mr. Rees' arrangement, Cochin is willing and able to do all this, and

Travancore agrees, and it seems to me to be a pity to insist on upsetting such an arrangement unless, as I say, there are deeper reasons of State than I know of, and more than appears on the face of it in paper, why such an arrangement should be considered impolitic.

10.- I recollect making a suggestion one day to the Honble. Sir H. Bliss and I think Mr. Arundel, I also made it to Mr. Rees. It was that if all negociation failed to induce the Travancore Durbar to consent to place the Cochin Durbar in user of the land, it might be arranged that Travancore should give its strip of land to the Paramount Power, the Govt. of India, who in turn might lease it to Cochin on any terms considered suitable, (including, if necessary, payment by Cochin of compensation to tenure holders and crops and house owners). I still think that, in the absence of any political difficulty of which I have no cognizance, this would be a good arrangement.

11.- It is quite possible that the Govt. of India's ~~Polit~~ Foreign Dept may know of parallel cases. If I may advise in such a matter I would suggest that the case be laid clearly before the Govt. of India, with a statement of the Travancore Durbar's unwillingness to contribute to the cost of the line, and of the Cochin Durbar's willingness to pay. and that this Govt should say that the proposed arrangement seems intrinsically unobjectionable, in the absence of deeper reasons of State, for the Govt. of India's general rules on the subject of the provision of railway land ~~free~~ by Native States, thus appear on 7 the face of them.

12.– I would suggest that rather than that Travancore should be forced to pay for the land against his will, the arrangement proposed above. para 10, might be suggested to the Govt. of India, or some modification of it, 8 as being not unsuitable.

13. As this subject is one with which I am not by experience competent to deal I offer my opinion with much diffidence.

F.S.

1/9/89

To Chief Secretary
Pol. Dept.

[G.]

C 9-9-98 R 13-9-98
C 13-9-98 R 14-9-98

~~22~~ H.E. 1st Mr + cm

138

Shoranur. Cochin
Railway

Note by H.E. the Govr

Mr. Spring has stated the case clearly. I think India Foreign Dept. should be addressed (D.O.), as suggested by Mr. Spring in paras. 11, & 12 of Mr. Spring's note.

A.S.H.
10.9.98

H.D. (Ceo)
14/9/98

A.S.A. (Minute)
14.9.98

Political Dept

Recirculated with reference to the note in the Railway Dept. below. Submitted that the land question may be referred (D.O.) to the Foreign Dept.

Cmd
8/9/98

8/9/98.

Précis ~~51~~ 54

If this is a case of any other [illegible] [illegible] doing against

DS 7/10/98

16 P

Fc 124

CHIEF SECRETARIAT.
D. O.
No. 475
Dated, 22. 9. 1898.

Reply with this D.O. with S.

put up in C.f.d Cover sheet

Political Dept:

D. O.

22 · 9 · 98 ·

My dear Sir William Cuningham,

The Shoranur-Cochin Ry: line as now projected will, it is calculated, be about 63½ miles in length and of this distance about half a mile will lie in British territory, about 15½ miles in Travancore territory and the remainder in Cochin territory. H.H. the Raja of Cochin is anxious to own the entire line and has made proposals for financing the scheme which have been examined here and which appear to be quite sound. There is a difficulty, however, as regards the land required for the line in Travancore. The Govt. of India expects feudatory States to provide free of charge in their respective territories the lands necessary for the construction and working of bona fide railway projects, but it is doubtful whether an exception should not be made to this rule in the present case, where the Cochin Darbar proposes to own a line which passes thro' a portion of Travancore territory. The Travancore Darbar has been sounded by the Resident and ~~[illegible]~~ though strongly objecting to grant the land free of charge at its own cost: has ~~[illegible]~~ expressed its willingness to ~~give~~ make over the necessary land to the Cochin Darbar on the latter paying the usual compensation in addition to an annual ~~sum~~ nominal payment of Rs.100 as an acknowledgment

though strongly objecting to grant the land free of charge at its own cost

nominal payment

16

acknowledgment of the sovereignty (sic) of Travancore over the land acquired. — The Cochin Darbar will have agreed to this proposal.

It seems politically objectionable that there should be any direct annual payment between the two Darbars in regard to the land ~~or~~ but I am to request advice in the matter as you probably have precedents to the point. Perhaps one way out of the difficulty would be for the Travancore Darbar to cede the necessary lands to the paramount power who in turn might ~~lease it~~ hand them over to Cochin on suitable terms, including if necessary payment by the latter of compensation for crops and other matters.

I am to add that the Governor in Council would, unless there ~~be~~ are strong political reasons against such a course, prefer the arrangement to which the Darbars ~~agreeable~~ have assented viz. that ~~of~~ Travancore ~~giving up the lands for a nominal annual payment by Cochin in addition to the usual compensation~~. — Sh^d permit Cochin to acquire the lands in payment of the usual compensation, with, in addition, the aforesaid nominal annual payment of 100 Rs in formal recognition of Travancore's ~~sovereign~~ rights. In case this were approved, the ~~necessary~~ annual & other payments could ~~otherwise~~ be made by the Cochin Darbar to the Resident and by him transferred to Travancore so as to avoid anything like direct negociations between the two states.

[illegible] concur

Circ
20.9.98.

20.9.98.

I think that the suggested alteration in detail are elucidatory
F.R.S.
21/9/98

Issue.
21.9.98.

Sir William J. Cunningham
K.C.S.I.
Secy to the Govt of I Foreign Dept

Desp^d
22/9/98

Reply Cir 1596/98

Press
Please print separately [illegible] present
J.S.
7/10

Office of the Consulting Engineer for Railways,
Ootacamund, the 7th October 1898.

Dear Mr. Nicholson,

The Madras Railway Company have sent in a complete estimate, of which I enclose a copy x, of the cost of constructing the first 30 miles of the Shoranur-Cochin Railway. These 30 miles have been realigned in detail, under my instructions, with the object of getting a sufficiently good metre gauge railway at a cost of about 50 lakhs for the whole length from Shoranur to Cochin. The estimate of the 30 miles comes to Rs. 22,34,390 and this includes Land Rs. 3,43,540.

x 5 spare copies by post separately.

The remaining 35 miles to Cochin have not yet been realigned in detail, because the monsoon intervened. Its realignment will be recommenced as soon as weather permits. Meanwhile the Madras Railway Company's Engineers have framed a metre gauge estimate on the old alignment, an alignment which can probably be improved on in the direction of economy; and I enclose herewith a ÷ copy of that estimate. It amounts to Rs. 27,65,622, including Land Rs. 4,04,129.

÷ 5 spare copies by post separately.

Thus the total estimate for a metre gauge line stands at present at Rs. 50 lakhs for the 65 miles. This, as I have explained, is liable to revision in regard to the southern 35 miles but the revision will I hope result in greater economy.

The question of the suitability of the arrangements made by Mr. Rees for the acquisition of the few miles of land in Travancore State has been referred to the Government of India's Foreign Department, and a reply will doubtless soon be received.

Meanwhile it is possible that His Highness the Rajah may wish to have work begun on the first 30 miles, because it would be a great advantage to take full use of the approaching working season, and having the rails well advanced from Shoranur would conduce to economy in the construction of the southern parts of the line.

Should

Should His Highness the Rajah wish to begin work on the northern end it might be as well if, through you, he should express a desire to that effect. I have little doubt but that such a proposal, which of course must go to the Government of India, will be supported by this Government.

Yours sincerely,
(Signed) Francis J.E.Spring.

To

The Honourable Mr.F.Nicholson, I.C.S.,
Ag.Resident in Travancore and Cochin,
"Thro' the Chief Secretary to Govt.Political Dept. } Desp'd with 2 encs.
22/10/98

No. 2233 d/ 22 · 10 · 98.

Forwarded.

(Signed) G.Stokes,
Chief Secretary.

G.S.
22/X/98.

[G./75]
1.000 31 7-97.

NOTE FOR THE CHIEF SECRETARY.

It is submitted that the D.O. to Mr. Nicholson may go on. The total estimate still stands at 50 lakhs and the first 30 miles, which have been realigned, are estimated to cost 22·34 lakhs. The statement at E shows that an expendr. of 17 lakhs in M. E. 1074 (1898. 99) & of a similar amount in M. E. 1075 is ~~[illegible]~~ practicable. The last para of the D.O. points out that India's sanction is required before any commencement is made with the Railway. Please see endt: at foot of the D.O. copy of which will be retained here

XX. Yes.
[illegible] 21/10/98

XIX

Clus
21.10.98

W.1
22.10.98
make copy of the D.O.

Office
× { Cd chi: eng. to the endt.
Keep copy of D.O.
× Despatch D.O.

Done
C.G.
22.10.98.

D. Ditto
D.

Attended to
P.R.
22/X/98

~~Keep the~~ Return P.W.D. ~~enclosure~~ 80's to that dept.
Ref. Keep remainder office intact

Clus
21.10.98

7/12/98.

~~3~~ 59

①

SECRETARIAT,
D. O.
No. 573
13·12·1898

Political Department
December '98

D.O. 4 13·12·98.

Dear Sir William Cuningham,

~~With reference~~ ~~to~~ my demi official letter of the 22nd September last re. the land in Travancore required ~~by H H the Raja of Cochin~~ for the Shoranur-Cochin Railway, Will you ~~kindly~~ please let me know when a reply the[illegible] may be expected. to

Yours sincerely
11/12/98.

Cuns
9.12

Sir W. J. Cunningham K.C.S.I.

Cpied xd } 13/12/98

Desp'd 13/12/98

Note This reminder is Submd. with refce to the remark of the C.A. in the Poll. arrears list. viz "may a reminder go?" (C.S has not said yes or no).

RC
7/12/98.

done RC 8/12/98

Put up with Arrear list when [illegible]

[G./75]
1000—11-8-98.

CHIEF SECRETARY
6 JAN 1899
GOVERNMENT OF MADRAS

61

NOTE FOR THE C.S.

It is submitted that the allusion to D.O. correspondence in para 3 of P.W.D. Letter No. 1566 Ry. d/. 21: December 1898 is contrary to the standing orders of the G. of I — please see G.O. No. 515.A. Pol: d/ 18. August 1891 & G.O. 821 Pub. d/ 23. Sept 1891 — P.W.D. might be advised to telegraph to India asking that the sentence "This question is at present under separate consideration" should be substituted for the last sentence of para 3 of the letter.

P.W.D. might also be asked to send P.L. a copy of its letter No. 1566 Ry. d/ 21.12.98 to complete our file, & to return at the same time the P.L. portion of this file

CWS.
1.99

No. 50, d/ 4-1-99.
E. to P.W. [illegible]

So suggested a telegram has been despatched.

A copy of letter No 1566 Ry is herewith sent.

The papers are returned
JK
5/1/99.

+ Return
Civil
6.1.99

Put in cover { X / XI

K

K

Shoranur Cochin Railway

Print

5

K

8 p.

Keep file intact

62

Political Dept

C. No. 1098: 1104 1596 of 1898

Order No 28 of 7-1 99
Mi

A copy of letter No. 1566 Ry to the Govt. of India of 21. 12. 98 will be ~~for~~ commd. to the Resdt. in Travancore & Cochin

CWS
6. 1 99

copied 7/1/99

Resdt. in T & C (1596 - 9 to).

with copy of letter

Despd 8-1-99

Ref

Keep file intact & note that original of D.O's to Foreign Dept. of 22. 9. 98 & 13. 12. 98 are in this f.o.

CWS

Noted
AS
10/1/99

(4)²

G.O. No 28 7-1-99

(4)

given for copying
copied
examined
signed

} 7/1 } 1899.

AGAIN G.O., No. , DATED
189 ,

NT No.

LOSURES TO C. No

ER OF GOVERNMENT .. .. .. A A A A A A A

TTER OF GOVERNMENT.

ATEMENT WITH DITTO.

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH IN ORIGINAL.

N.B.—
A = Copy in full.
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