GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers:—

From Major M. C. BRACKENBURY, R.E., Under-Secretary to the Government of India, Public Works Department (Railway Construction), to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, 25th September 1889, No. 930 R.C.

In continuation of the telegram marginally * noted, I am now directed to convey to you by letter the views held by the Government of India regarding the Survey for the East Coast Railway project.

2. First, as regards the cost of the survey, the Government of India is pleased to accept the offer of the Government of Madras to defray, from the accumulated balance of Provincial funds, the cost of the survey of that portion of the project which lies in the Madras Presidency, namely, from Bezváda to the Bengal frontier. The first of the four sections mentioned in para. 6 will fall mainly outside the Madras frontier, and its cost will be borne by Imperial Revenues.

3. In the event of a Company undertaking the construction of the line, the Government of India agrees to the proposed refund to the Government of Madras, of the amount expended on the survey from Provincial funds; on the condition that such refund is made during the currency of the present Provincial contract.

4. In the notification marginally † quoted, the Government of India has already placed the survey under the control of the Government of Madras and has appointed Mr. F. B. Walker, Superintending Engineer, to be Engineer-in-Chief of the project, which will be known as the "East Coast Railway" Survey.

5. It is observed from your letter No. 755 R., dated 6th July 1889, that it is proposed to divide the project into three sections, viz.:—

(1) from Bezváda to Cocanada, 124 miles, with a bridge over the Kistna;
(2) from Samalcotta to Vizianagrum, 197 miles, with a possible branch of 50 miles to Párvatipur; and
(3) from Vizianagrum to Cuttack, 258 miles, of which 188 miles are in the Madras Presidency.

6. The Government of India, however, considers that it would be more convenient to divide the project into four sections which stand thus in order of importance:

First—the section from Ganjam to Cuttack, 104 miles;

* Public Works Department No. 370 G., dated 14th September 1889.
"Your telegram 11th and letter No. 755 R., dated 6th July. East Coast Railway:—Your offer to pay for survey is accepted. Besides Engineer-in-Chief, Baxter has been ordered to Madras. Fifteen other Executives and Assistants will join between now and first week of December. Please arrange for the sixteenth man locally. Section from Cuttack to Ganjam to be pushed on with special activity. Letter follows."

† No. 273, dated 6th September 1889.

Second—the section from Bezváda to Cocanada, including a bridge, suitable both for the 5′ 6″ and the metre gauges, over the Kistna river near Bezváda, 124 miles;

Third—the section from Cocanada or Samalcotta to Vizianagrum, 127 miles; and

Lastly—the section from Vizianagrum to Ganjam, 154 miles: this is the least important of the four sections.

All these sections should be simultaneously surveyed if possible, but precedence should be given to the work in the order above named.

In other words, the Government of India attaches the greatest importance to the Ganjam-Cuttack section, and desires that it should be located at once and the plans and estimates for it completed as soon as possible. The Bezváda-Cocanada and Cocanada-Vizianagrum sections are the next in importance, while the Vizianagrum-Ganjam section is of the least value for protective and commercial purposes, and in the event of staff running short either for surveying or for estimating, any delay must fall on this section.

7. With regard to the question of gauge, the Government of India agrees in the conclusions arrived at by the Government of Madras that it would be advisable to construct the whole line from Bezváda to Cuttack on the 5′ 6″ gauge, the Kistna bridge being made suitable for both the 5′ 6″ and the metre gauge; and the Engineer-in-Chief should be instructed to frame his estimates accordingly.

8. As regards the accounts of this survey, I am to suggest that as the bulk of the expenditure will be Provincial, the accounts should be kept by the Examiner of Public Works Accounts, Madras, who will probably be able to do the little extra work connected with the survey without requiring any additions to his present establishment.

From Colonel C. J. SMITH, R.E., Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, to the Secretary to the Government of India, Public Works Department, dated Chepâk, 10th December 1889, No. 1375 R.

I am directed to acknowledge the receipt of your letter No. 930 R.C., dated 25th September 1889, in which you convey to this Government the views held by the Government of India regarding the survey for the East Coast Railway project.

2. With reference to para. 3, in which you state that "the Government of India agrees to the proposed refund to the Government of Madras, of the amount expended on the survey from Provincial funds; on the condition that such refund is made during the currency of the present Provincial contract," I am to observe that the contribution in question will be paid out of balances which are carried over, or at least have hitherto been carried over, at the termination of a contract and the adjustment of a new one, and there is no reason apparent, why, if the refund is to be made at all, it should not be quite independent of the conditions of any new contract.

His Excellency the Governor in Council therefore trusts that the condition imposed, viz., that the refund be made only during the currency of the present Provincial contract, will receive reconsideration.

3. With reference to para. 7, in which it is desired that precedence may be given to the Ganjam-Cuttack section in the event of staff running short either for surveying or for estimating, which precedence it is presumed that the Government of India would equally desire in the event of funds running short for construction, I am to offer the following observations.

4. The construction of the southern section or sections of the line appears to His Excellency the Governor in Council to be immeasurably more important than that of the Ganjam-Cuttack section. This will be of little use for the protection of the Ganjam district from famine unless it be connected with the Bengal-Nagpur line, and as to the probable date of the completion of this line the Governor in Council has no information. It would in fact only connect Ganjam with Orissa, a province usually

afflicted with scarcity simultaneously with Ganjam, being affected by similar seasonal influences.

5. It has been stated that owing to the preference of the people of Ganjam for northern rice and the usual condition of prices, a line from the north would be the most useful for the protection of that district, but this is not true of an isolated line connecting it with Orissa only, and, even if it were true, the superiority would not be sufficient to outweigh the arguments in favor of the southern sections which would themselves be of great value for the protection of Ganjam.

6. Grain rail-borne from the Godávari delta even no farther than Vizianagrum could be put down in a great part of the Ganjam district as cheaply as grain from Orissa rail-borne to Ganjam itself and in a season of scarcity the Godávari and Kistna deltas would be a much more certain source of supply than the delta of the Mahánadi. Even if Cuttack were connected with the Bengal-Nagpur line the route from the Central Provinces to Ganjam would be a round-about one, involving rail transport for a longer distance than from the Godávari delta to the southern frontier of the Ganjam district.

7. Considered therefore even from a famine protective point of view the southern sections of the proposed East Coast Railway, so long as the Bengal-Nagpur connection remains incomplete, present superior claims to early construction. Famines however in Ganjam are neither frequent nor severe, and the country is not exposed to danger in the same way as the Ceded Districts or the Deccan. The rainfall is more assured and the normal production of food better proportioned to the requirements, though the low rates of wages obtaining make the pressure of distress among certain classes sooner felt on the occurrence of scarcity. His Excellency the Governor in Council considers that the protection of Ganjam from famine is a consideration important no doubt but of only secondary importance in connection with the proposed railway.

8. The necessity for the construction of the southern sections rests on much stronger reasons, viz., the desirability of connecting the railways converging at Bezváda with the sea—the prevention of congestion of through traffic on the canals—the interests of the coal and salt traffics—and enabling the railways already existing to tap the deltas in an effective manner. If the preference for the northern section is based on the amount of funds which it is possible to provide within the next few years, the Governor in Council would submit that the Bezváda-Cocanada section is not likely to require more money than that from Cuttack to Ganjam, or the Bezváda-Vizianagrum section including the Kistna bridge more than the Panchpara-Ganjam portion with a bridge over the Mahánadi and a branch to Pooree; but on these points a definite conclusion cannot of course be arrived at until the surveys and estimates are completed. The greater facilities for the landing and transport of material for the southern sections are also not to be overlooked.

9. These considerations and the almost certain remunerativeness of the Bezváda-Vizianagrum section appear to His Excellency the Governor in Council to furnish conclusive reasons for making a beginning at the southern, rather than at the northern, end.

10. I am therefore to request that when the time comes for a decision as to the relative claims to prior construction of the several sections of the East Coast Railway, His Excellency's views as to the superior claim of the Bezváda-Vizianagrum section may receive full consideration.

From Major M. C. BRACKENBURY, R.E., Under-Secretary to the Government of India, Public Works Department (Railway Construction), to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Calcutta, 10th January 1890, No. 32 R.C.

I am directed to acknowledge the receipt of your letter No. 1375 R., dated 10th December 1889, asking that the condition, on which the Government of India agreed to a refund to the Local Government of the cost of the East Coast Railway Survey, may be reconsidered; and that the views of the Government of Madras as to the

superior claim of the Bezváda-Vizianagrum section to prior construction may receive full consideration.

2. In reply I am to say, that the Government of India has no objection to withdraw the condition imposed in para. 3 of Public Works Department No. 930 R.C., dated 25th September 1889, and to now consent unconditionally to the refund of the amount expended from Provincial funds on the survey in the event of a Company undertaking the construction of the line.

3. As regards the order of urgency of the different sections comprising the East Coast Railway project, I am to explain that the Government of India considered the survey of the Cuttack-Ganjam section the most urgent because, if distress had continued, it might have been necessary to start the earthwork on this section as a famine relief work; and for the further reason that the survey from Panchpara to Cuttack had been carried out and the survey of the Cuttack-Ganjam section would make the whole project complete in case it was decided to start the Panchpara-Cuttack line at once.

4. The Government of India is in accord with the views of the Government of Madras that unless the Panchpara-Cuttack line is constructed, the line from Cuttack to Ganjam would be in the air; and it was never in contemplation to start the construction of this isolated section first, except, as explained above, as a famine relief work.

5. The arguments that influenced the distribution of the staff for survey are apart from those that would influence the decision of the question as to which of the two schemes, that is the northern or the southern connection with Ganjam, should first be taken up.

As however sufficient staff has been provided for the survey of the whole line in one season, the question of the priority of any one section over another does not practically arise till the surveys have been completed.

ORDER—dated 3rd February 1890, No. 168 R., Public Works.

Communicated to the Consulting Engineer for Railways with reference to Proceedings, Nos. 754 R. and 1049 R., dated 6th July and 2nd October 1889.

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways.
" Engineer-in-Chief, East Coast Railway Survey.
" Examiner, Public Works Accounts.
" Financial Department.
" Revenue "
" Military "

Exd. J. Moses.
Spare Copies

RAILWAY.

Govt. of {1890} Madras.

PUBLIC WORKS.

Dated February, 3rd.

Recd. *Encl.*

G.O., 3rd Feb. 1890, No. 168 R.

FEBRUARY.

East Coast Railway Survey

Letter from the Government of India consenting unconditionally to the refund of the amount expended from Provincial funds on the — in the event of a Company undertaking the construction of the line, and stating that as provision has been made for the survey of the whole line in one season the question of the priority of any one section does not practically arise till the surveys have been completed, communicated to the Consulting Engineer for Railways.

No. 930 R. C.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY CONSTRUCTION.

To

THE JOINT SECRETARY TO THE GOVERNMENT OF MADRAS,
PUBLIC WORKS DEPARTMENT
(RAILWAY BRANCH).

Simla, the 25th September, 1889.

SIR,

In continuation of the telegram marginally* noted, I am now directed to convey to you by letter the views held by the Government of India regarding the Survey for the East Coast Railway project.

* Public Works Department No. 370 G., dated 14th September 1889. "Your telegram 11th and letter No. 755R., dated 6th July. East Coast Railway:—Your offer to pay for Survey is accepted. Besides Engineer-in-Chief, Baxter has been ordered to Madras. Fifteen other Executives and Assistants will join between now and first week of December. Please arrange for the sixteenth man locally. Section from Cuttack to Ganjam to be pushed on with special activity. Letter follows."

2. First, as regards the cost of the survey, the Government of India is pleased to accept the offer of the Government of Madras to defray, from the accumulated balance of Provincial Funds, the cost of the survey of that portion of the project which lies in the Madras Presidency, namely from Bezvada to the Bengal frontier. The first of the four sections mentioned in paragraph 6 will fall mainly outside the Madras frontier, and its cost will be borne by Imperial Revenues.

3. In the event of a Company undertaking the construction of the line, the Government of India agrees to the proposed refund to the Government of Madras, of the amount expended on the survey from Provincial funds; on the condition that such refund is made during the currency of the present Provincial Contract.

4. In the notification marginally† quoted, the Government of India has already placed the survey under the control of the Government of Madras and has appointed Mr. F. B. Walker, Superintending Engineer, to be Engineer-in-Chief of the project, which will be known as the "East Coast Railway" Survey.

† No. 273, dated 6th September 1889.

5. It is observed from your letter No. 755 R., dated 6th July 1889, that it is proposed to divide the project into three Sections, *viz.*:—

(1) from Bezvada to Coconada, 124 miles, with a bridge over the Kistna;

(2) from Samalcotta to Vizianagram, 197 miles, with a possible branch of 50 miles to Parvatipur; and

(3) from Vizianagram to Cuttack, 258 miles, of which 188 miles are in the Madras Presidency.

6. The Government of India, however, considers that it would be more convenient to divide the project into four sections which stand thus in order of importance:

First—the section from Ganjam to Cuttack, 104 miles;

P.W. Cue. 9286

Second—the Section from Bezvada to Coconada, including a bridge, suitable both for the 5′ 6″ and the metre gauges, over the Kistna River near Bezvada, 124 miles;

Third—the Section from Coconada or Samalcotta to Vizianagram, 127 miles; and

Lastly—the Section from Vizianagram to Ganjam, 154 miles: this is the least important of the four Sections.

All these Sections should be simultaneously surveyed if possible, but precedence should be given to the work in the order above named.

In other words, the Government of India attaches the greatest importance to the Ganjam-Cuttack Section, and desires that it should be located at once and the plans and estimates for it completed as soon as possible. The Bezvada-Coconada and Coconada-Vizianagram Sections are the next in importance, while the Vizianagram-Ganjam Section is of the least value for protective and commercial purposes, and the event of staff running short either for surveying or for estimating, any delay must fall on this Section.

7. With regard to the question of gauge, the Government of India agrees in the conclusions arrived at by the Government of Madras that it would be advisable to construct the whole line from Bezvada to Cuttack on the 5′ 6″ gauge, the Kistna bridge being made suitable for both the 5′ 6″ and the metre gauge; and the Engineer-in-Chief should be instructed to frame his estimates accordingly.

8. As regards the accounts of this Survey, I am to suggest that as the bulk of the Expenditure will be Provincial, the accounts should be kept by the Examiner of Public Works Accounts, Madras, who will probably be able to do the little extra work connected with the Survey without requiring any additions to his present Establishment.

I have the honour to be, Recd 4-10-89

SIR,

Your most obedient servant,

M. Brackenbury

Major, R.E.,

Under Secretary.

5 Rd 16.7.89

B
No. R
Oct/89.

C.A.S.
19.10.9

Communicated to the Engineer-Chief East Coast Railway Survey and to the Consulting Engineer for Railways for information and guidance in continuation of Proceedings No. 1049 R, dated 2nd October 1889.

Documents accompanying.
Nil.

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Letter f
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To The Engr.-in-chief E. C. Ry. Sy.
" Consltg Engr for Rys.
The Exr. P.W. Accts
" Finl. Departt
" Rev. Do
" Mily. Do

C.A.S.
17.10.9

2

B.

No. 1375 R Public Works Departt
Railway Branch.
Chepak 10th Decr/89.

To,

The Secretary to the Government of India, P.W.D.

Sir,

I am directed to acknowledge the receipt of your letter No. 930 R.C. dated 25th September 1889, in which you convey to this Government the views held by the Government of India regarding the survey for the East Coast Railway project.

H.S.
6/12/89

2. With reference to para 3, in which you state that "the Government of India

"agrees to the proposed refund
"to the Government of Madras,
"of the amount expended
"on the survey from Provincial
"funds; on the condition
"that such refund is made
"during the currency of the
"present Provincial contract."

I am to observe that the
contribution in question
will be paid out of balances
which are carried over, or
at least have hitherto
been carried over, at the
termination of a contract
and the adjustment of a
new one, and there is no reason
apparent, why, if the refund
is to be made at all, it
should not be quite
independent of the conditions

of any new contract.

His Excellency the Governor
in Council therefore trusts
that the condition imposed, viz,"
that the refund be made
only during the currency of the
present Provincial contract,
will receive reconsideration.

3. With reference to para 4,
in which it is desired that
precedence may be given
to the Ganjam - Cuttack
section in the event of
staff running short either
for surveying or for esti-
-mating, which precedence
it is presumed that the
Government of India would
equally desire in the event

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of funds running short for construction, I am to offer the following observations:-

4. The construction of the southern section or sections of the line appears to His Excellency the Governor in Council to be immeasurably more important than that of the Ganjam - Cuttack section. This will be of little use for the protection of the Ganjam District from famine unless it be connected with the Bengal - Nagpur line and as to the probable date of the completion of this line the Governor in Council has no information. It would in fact

fact only connect Ganjam with Orissa, a province usually afflicted with scarcity simultaneously with Ganjam, being affected by similar seasonal influences.

5. It has been stated that owing to the preference of the people of Ganjam for northern rice and the usual condition of prices, a line from the north would be the most useful for the protection of that District, but this is not true of an isolated line connecting it with Orissa only and, even if it were true, the superiority would

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not be sufficient to outweigh the arguments in favour of the southern sections which would themselves be of great value for the protection of Ganjam.

6. Grain rail-borne from the Godavari Delta even no further than Vizianagram could be put down in a great part of the Ganjam District as cheaply as grain from Orissa rail-borne to Ganjam itself and in a season of scarcity the Godavari and Kistna Deltas would be a much more certain source of supply than the delta of the Mahanadi.

5P

Even if Cuttack were connected with the Bengal Nagpur line the route from the Central Provinces to Ganjam would be a round-about one, involving rail transport for a longer distance than from the Godavari delta to the southern frontier of the Ganjam District.

7. Considered therefore even from a famine protective point of view the southern sections of the proposed East Coast Railway, so long as the Bengal-Nagpur connection remains incomplete, present superior claims

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Famines however in Ganjam
are neither frequent nor
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is not exposed to danger
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His Excellency the Governor
in Council considers that
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from famine is a consideration
important no doubt but
of only secondary importance
in connection with the
proposed railway.

8. The necessity for the
construction of the southern
sections rests on much
stronger reasons, viz. the
desirability of connecting
the Railways converging at
Bezwada with the sea -
the prevention of congestion
of through traffic on the
canals - the interests of the
coal and salt traffics - and
enabling the Railways already
existing to stop the deltas
in an effective manner.

If the preference for the northern section is based on the amount of funds which it is possible to provide within the next few years, the Governor in Council would submit that the Bezwada - Coconada section is not likely to require more money than that from Cuttack to Ganjam or the Bezwada Vizianagram section in - cluding the Kistna bridge more than the Panchpara Ganjam portion with a bridge over the Mahanadi and a branch to Poorce; but on these points a definite conclusion cannot

of

7P

of course be arrived at until the surveys and estimates are completed. The greater facilities for the landing and transport of material for the southern sections are also not to be overlooked.

9. These considerations and the almost certain remunerativeness of the Bezwada - Vizianagram section appear to His Excellency the Governor in Council to furnish conclusive reasons for making a beginning at the southern, rather than at the northern, end.

2

10. I am therefore to request that when the time comes for a decision as to the relative claims to prior construction of the several sections of the East Coast Railway, His Excellency's views as to the superior claim of the Bezvada Vizianagram section may receive full consideration.

C.L.S.
2. 12. 9

Issued
10/12/89

754-5R. 6-7-89
1049R. 7-10-89

3-XII-89
10-12-89

B.
No. 1375 R of 10th Decr/89.

No. 32 R. C.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY Construction.

All communications should be addressed to the Secretary.

8P

To

The Joint Secretary to the Government of Madras, (Railway Branch) Public Works Department.

Calcutta, the 10th January 1890

Sir,

I am directed to acknowledge the receipt of your letter No. 1375 R. dated 10th December 1889 asking that the condition, on which the Government of India agreed to a refund to the Local Government of the cost of the East Coast Railway Survey, may be reconsidered; and that the views of the Government of Madras as to the superior claim of the Bezvada-Vizianagram Section to prior construction may receive full consideration.

2. In reply I am to say, that the Government of India has no objection to withdraw the condition imposed in paragraph 3 of Public Works Department No. 930 R.C. dated 25th September 1889, and to now consent unconditionally to the refund of the amount expended from Provincial funds on the Survey in the event of a Company undertaking the construction of the Line.

As

3. As regards the order of urgency of the different Sections comprising the East Coast Railway project, I am to explain that the Government of India considered the Survey of the Cuttack - Ganjam Section the most urgent because, if the distress had continued, it might have been necessary to start the earthwork on this Section as a famine relief work; and for the further reason that the Survey from Pauchpara to Cuttack had been carried out and the survey of the Cuttack - Ganjam Section would make the whole project complete in case it was decided to start the Pauchpara Cuttack line at once.

4. The Government of India is in accord with the views of the Government of Madras that unless the Pauchpara - Cuttack line is constructed, the line from Cuttack to Ganjam would be in the air; and it was never in contemplation to start the construction of this isolated Section first except, as explained above, as a famine relief work.

5. The arguments that influenced the distribution of the Staff for Survey are apart from those that would influence the decision of the question as to which of the two schemes, that is the Northern or the Southern connection with Ganjam, should first be taken up.

As however sufficient staff has been provided for the Survey of the whole line in one season, the question of the priority of any one Section over another does not practically arise till the surveys have been completed.

I have the honour to be,
Sir,
Your most obedient Servant,

Major R.E.

Under - Secretary.

Documents accompanying
Nil

No. 1375R of 10-12-89
" 1049R " 2-10-89
" 754R " 6-7-89
" 755R " 6-7-89

P.W.C. No. 539

Recd. 18-1-90.

10/1/90

Ans. 20-1-90. R. 31-1-90.

5

Not to be Printed
See fair copy

See opposite para 8.
K.C.S.
9 Nov.

J.H.S.
15/11

Public Works Departt.
Railway Branch.

To

The Secretary to the Government
of India, P.W. Departt.

Sir,

I am directed to acknowledge your letter No. 930 R.C. dated 25th September 1889, in which you conveyed to this Government the views held by the Government of India regarding the survey for the East Coast Railway project.

2. With reference to para 3 in which you state that "the Government of India "agrees to the proposed refund "to the Government of Madras

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"of the amount expended on
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"funds; on the condition
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"during the currency of the
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and there is no reason
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be made at all it should not be
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conditions of any new contract.

3- His Excellency the Governor
trusts
in Council therefore considers
that
the condition imposed is
that such refund be made
only
during the currency of the
present Provincial Contract
quite unreasonable and
trusts that it will receive
reconsideration.

4. With reference to para
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Cuttack section in the event
of staff running short
either for surveying or for
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-dence it is presumed
that the Government of
India would equally desire
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construction I am to offer the following observations.

5. The construction of the southern section or sections of the line appears to His Excellency the Governor in Council to be immeasurably more important than that of the Ganjam-Cuttack section. This will be of little use for the protection of the Ganjam district from famine unless it be connected with the Bengal Nagpore line and as to the probable date ~~for~~ of the completion of this ~~this~~ line the G in C ~~-pleting which this Govern-~~ -ment has no information.

prices?

Para. 8.

Considered therefore from a famine protective point of view the Southernmost section of the proposed E. C. Ry., so long as the Bengal Nagpore connection remains incomplete, presents far superior claims to early construction. ~~Moreover~~ Famines however in Ganjam are neither frequent nor severe, nor is the country exposed to danger in the same way as the Ceded Districts & the Deccan. The rainfall is more assured and the normal production of food better proportioned to the requirements, though the low rates of wages obtaining make the pressure of distress among certain classes sooner felt on the occurrence of scarcity.

It would in fact only con-
-nect Ganjam with Orissa,
a province usually afflicted
with scarcity simultaneously
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?- sections --

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7- ~~Rice~~ Grain rail-borne from the Godavari delta even no farther than Vizianagram could be put down in a great part of the Ganjam district as cheaply as rice from Orissa rail borne to Ganjam itself and in a season of scarcity the Godavari and Kistna deltas would be a much more certain source of supply. than that

? Northerly - ~~[illegible]~~

Dt. Say "even" JHS

I think this para goes too far and it ignores my argument that a protective line is not required in Ganjam at all & at least that it is a mistake to deal with the East Coast railway as if this was its end & aim, and to rest the case [?] on such considerations. The papers should be circulated & if my views are accepted by my colleagues they should point the draft.

HLS
9 Nov.

C

Dt. Here add a sentence beginning "Moreover, famines in Ganjam are neither frequent nor severe," & continue in the words of the passage in the ? ~~the section~~. Hon. W Stokes' note which I have marked with blue pencil.

JHS
15/11/84

8- Considered therefore (solely) from a famine protective point of view the southern most section of the proposed East Coast Railway, so long as the Bengal Nagpore connection remains incomplete, presents far superior claims to early construction.

9. The necessity however for the construction of these southern sections rests on much ~~or~~ stronger reasons viz the connection of the Railways converging at Bezwada with the sea – the prevention of congestion of through traffic on the

Canals - the interests of the coal & bulk traffics - and the enabling the railways already existing to tap the deltas in an effective manner.

These considerations and the almost certain remunerativeness of the Bezwada - Vizianagram sections? appear to His Excellency the Governor in Council to furnish conclusive reasons for making a beginning at the southern rather than at the northern end.

10. I am therefore to request that when the time comes

To
The Chief Secretary
for favor of countersigning initials

for a decision as to the relative claims to prior construction of the several sections of the East Coast Railway, His Excellency's views as to the superior claim of the Bezwada Vizianagram section may receive full consideration

W.S.
2.11.9

57 W.

P. W. Departt.

Railway Branch.

Note.

The position assigned to the southern section of the East Coast Railway Survey appears to call for further consideration.

2. Presumably the security against famine claimed for the section from Ganjam to Cuttack is mainly dependent on the completion of the connection between it and the Bengal Nagpore line involving the construction of the bridge over the

I agree in the views here expressed & think that India should be addressed. The construction of the southern section or sections of the line seems to me immeasurably more important than that of the Ganjam Cuttack section which the Govt. of India prefer. As pointed out in the note the northern section will be of little use for the protection of Ganjam unless it is connected with the Nagpur Bengal line, a matter on which nothing is said. ~~[illegible]~~ The northern section by itself would have little effect in regard to the supply of grain from the Central Provinces to Ganjam, and it would serve only for Orissa; which is usually afflicted with scarcity simultaneously with Ganjam, being affected by similar seasonal influences. We have said that owing to the preference of the people of Ganjam for northern rice a line from the north would be the most useful for protection of that district, but

UNDER SECRETARY
3 NOV 89
PUBLIC & TR DEPT

Circ: 8.XI.89 C.S. 2/11. M. 14/

Mw. 2. 12. XI. 89 M. 16/

Mahanady, as to the arrange-
-ments for the early com-
-pletion of which we have
no information.

3. On the other hand
Railway connection between
Bezwada and the right
bank of the Godavari,
the least expensive
portion of the whole
line, would afford
immediate relief to the
canals and provide unbroken
standard gauge communi-
-cation via the Hyderabad
-Deccan line between the
deltas of the Godavari and
Kistna and the Madras
Railway

line connecting North Orissa
only. Even if it were, the surprising
would not be sufficient to outweigh
the arguments for the southern section
which would themselves be of
great value for the protection of
Ganjam. Rice rail borne from
the Godavery delta to Vizianagram
could be put down in a great part
of the Ganjam district as cheaply
as rice from Orissa, rail borne to Ganjam itself, and in a
season of scarcity, the Godavery &
Kistna deltas would be a much
more certain base of supply. I
have always contended against
the view that the E. C. R. was
principally of value as a line
for the protection of Ganjam. This
seems to me to be quite a secondary
interest. Famines in Ganjam
are not frequent or severe, nor
is the country exposed to danger
in the same way as the Ceded
districts or the Deccan. The rainfall
is much more assured, & the normal
production of food better propor-
tioned to the requirements, though
the low rates of wages for obtaining
under the pressure of distress among
certain classes sooner felt on the
occurrence of scarcity. I don't think
the [illegible] necessity [illegible]

to protect Ganjam from famine.
The necessity for the southern sec-
tion rests on much stronger
reasons, viz. the connection of
the railways converging at
Bezwada with the sea, the
prevention of congestion of through traffic on the
canals, and the enabling
the railways already existing
to tap the deltas in an effective
manner. These considerations
& the almost certain remunera-
tiveness of the Bezwada Vizia-
nagaram section furnish con-
clusive reasons for ~~necessity~~ making a
beginning at the southern rather
than at the northern end. The
question is not of much impor-
tance as regards the survey, because
the staff detailed will I hope finish
the whole in the year, but we should
press it as regards the construction.
As regards the condition which
India proposes to attach to the refund
of the provincial contribution for
the survey viz. that refund shall
be made if it falls within the
current contract, I would point
out that it is quite unreasonable.
The contribution is paid out of
balances which are [illegible] over

Railway north-west line,
and so with a large
portion of the famine
zone.

4. The early construction
of the Kistna Bridge
will in like manner
at once obviate the
obstruction to trade
and to famine relief
operations now presented
by the Kistna River.

5. With the staff already
detailed for the survey the
question of precedence in
respect of the preparation
of estimates for the two
sections named

(1) the Ganjam section,

(2) the Bezwada-Cocanada section, is probably one of minor importance but if the allotment of funds is to follow the principle advocated for the survey, it seems to be a matter for grave consideration whether precedence should not be given at least to so much of the second section as lies between Bezwada and the right bank of the Godavari - if not to the whole Bezvada-Cocanada section.

6. The admitted certainty that

or have at least hitherto been carried over at the termination of a contract & the adjustment of a new one; & the balances should be recouped quite independent of the conditions of any new contract.

31 Oct

I concur - but I think it shd. also be pointed out that it will be very inconvenient to begin a railway at Ganjam which has no ports & wd. have to depend on Gopalpore, 15 miles away, where all the stores wd. be landed with difficulty & then needs to be transported by cart at great expense to Ganjam - unless the line was begun at the Cuttack end. If we are to depend on getting the refund of our Prov. advances for survey expenses on the chance of getting it before the current Prov. Contract ends we shall probably never get it at all - The proposal is most unreasonable. H.H.G. 15/11

I would fight for Bezwada Vizianagaram. Certainly for Bezwada Cocanada, & say nothing about stopping at the right bank of the Godavery.

Yes H.H.G.

that this extension line will prove remunerative is an additional argument for devoting so much of the Capital as may be immediately available to its construction instead of to that of the non paying portion of the line. 10

As before stated we have no information as to the prospects of early construction for the Bengal-Nagpore connection and the construction of the Ganjam-Cuttack section

with

in no railway connection
with it from the north
or from the south would
result in locking up
unremunerative capital
with no present advantage
whatever.

C. L. Smith Coll & Dy

Joint Secy: to Govt. P.W.D.
Ry: Branch.

A

No. 3 Rly/90-

... ay Branch.

To,

The Secretary to the Government

of India, P. W. D.

Sir,

I am directed to acknowledge the receipt of your letter No. 930 R.C. dated 25th September 1889, in which you conveyed to this Government the views held by the Government of India regarding the survey for the East Coast Railway project.

2. With reference to para 3, in which you state that "the Government of India agrees to the proposed refund to the Government of Madras of the amount expended

Recd: 22.X.89
R 23.X.89
Agni 30.X.89

C.S. 2/11

The construc[tion of the]
southern section o[f ...]
of the line appears to His
Excellency the Governor in
Council to be immeasu-
-bly more important
than that of the Ganjam
Cuttack section. This
will be of little use for the
protection of the Ganjam
District from famine
unless it be connected
with the Bengal-Nagpur
line and as to the probable
date of the completion of
this line the Governor
in Council has no in-
information. It would
in fact only connect Ganjam
[w]ith Orissa, a province

A

No. 1 105 – 3rd Feby/90 – 1

PUBLIC WORKS DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

READ the following

Letter from the Govt: of India P.W.D. } H.E. No: 930 R.C., of 25th Septr. 89

Letter to — do — " — . 1375 R of 10th Decr 89

Letter from — do — " — 32 R.C. of 10th Jany 90

Communicated to the Consulting Engineer for Railways with reference to Progs. No: 754 R and 1049 R dated 6th July and 2nd Octr: 1889.–

satisfactory.

C 10 P

Lis 22 Jan

3.2.90

D 17. 15/27 | 1/90

To
The Consg Engr for Rys
– " – Engr. in Chief East Coast Ry Sy
– " – Examiner P.W. Accounts
– " – Financial Depts
" – Rev: Depts
– " – Military Depts

20.1.90

R

A

Nº 168 R de 3 de Feby 1809.

539.

Govt. of 1890 Madras.

PUBLIC WORKS.

Dated

Read. Encl.

G.O. 3 Feby 90 No. 168R.

East Coast Railway.

Letter from the Govt
Concerning incurring
the expenditure of the
amount expended from
Provincial funds on the
— in the event of a
Company undertaking
the Construction of the line
& stating that a provision
has been made for the
Survey of the whole line
in due season on the princi-
& the priority of any

No. of G. O.	For what purpose.	When taken.	Name of the party by whom taken.

No. of G. O.	For what purpose.	When taken.	Name of the party by whom taken.

No. of G. O.	For what purpose.	When taken.	Name of the party by whom taken.

Originals for

P. W. D.

February/90 –

MEMORANDUM of Papers removed from the Records of the Madras Government for reference.

~~168 R & files for E. C. 1061~~ / 16-10-9

usually afflicted with scarcity simultaneously with Ganjam, being affected by similar seasonal influences.

5. It has been stated that owing to the preference of the people of Ganjam for northern rice and the usual condition of prices a line from the north would be the most use-ful for the protection of that District, but this is not true of an isolated line connecting it with Orissa only and, even if it were altogether true, the

sufficient to outweigh
the arguments in favor
of the southern sections
which would themselves
be of great value for the
protection of Ganjam.

6.- Grain rail-borne
from the Godavari Delta
even no further than
Vizianagram could be
put down in a great
part of the Ganjam
District as cheaply as
grain
~~be~~ from Orissa rail
borne to Ganjam itself
and in a season of
scarcity the Godavari
and Kistna Deltas
would be a much

Even if the Cuttack main connects
with the Bengal Nagpur line
the route from the Central provinces
to Ganjam would be a roundabout
one, involving rail transport
for a longer distance than from
the Godavary delta to the southern
portion of the Ganjam district.

more certain source of
the delta
supply than that of the
Mahanadi.

7. Considered therefore
even from a famine
protective point of view
the southern ~~sections~~ sections
of the proposed East Coast
Railway, as long as the
Bengal-Nagpur connec-
tion remains incomplete,
presents a superior
claim to early construc-
tion
however
famine ~~is~~ in Ganjam
are neither frequent as
and
severe, ~~as~~ as the country
is not
exposed to danger in the
same way as the Ceded
Districts or the Deckan.
The rain fall

M.R.O. 1—77,606—8-8-37.

secured and the normal
productions of food better
proportioned to the require-
ments, though the low
rates of wages obtaining
make the pressure of
distress among certain
classes soonest fell on
the occurrence of scarcity.

8.- The necessity ~~Government~~
for the construction of
the ~~the~~ southern sections
rests on much stronger
grounds, viz/ the con-
necting of the Railways
converging at Bezwada
with the sea - the preven-
tion of congestion of
through traffic on the
canals - the interests

H.E. the G. in C. considers that
the necessity of protecting Cuttack
from famine is a consideration
important no doubt but of only
secondary importance in connection with the proposed
railway.

of the coal and salt
traffics - and the eval
the Railways alrea
existing to tap the
Deltas in an effectiv
manner.

^ If the northern section ~~be~~ is based
~~suspended~~ on the amount
of funds which it is possible
to provide within the next few
years, the G. in C. would submit
that the Bezwada Cocanada
section is not likely to require
urgency
than that from Cuttack to Ganjam,
or the Bezwada Vizianagaram
including the Kuluru bridge, more
section than the Ganjam portion with a bridge
over the Mahanadi and a
branch to Poorie; but on these
points ~~figures~~ a definite
conclusion cannot be arrived
at until the ~~figures~~ of cargo
completed. The ~~estimates~~ are
both landing & transport of
material for the Southern section
are also not to be overlooked.

Q. These considerations
and the almost certain
remunerativeness of the
Bezwada - Vizianagram
section appear to His
Excellency the Governor
in Council to furnish
conclusive reasons
for making a beginning
at the southern, rather
than at the northern
end.

...est that when the
...ase comes for a decision
...as to the relative claims
...of prior construction
...of the several sections
...of the East Coast Railway,
His Excellency's views
as to the superior claims
of the Belgrade - Vizia
& nagram section may
receive full consideration

C.J.S.
29.11.9

R.

M.R.O. 1—77,506—2-5-37.

(1) Number of pages 118

(2) Date of repair 22.9.43

(3) Initials of the Referencer

CONCERNS BOTH BRITISH INDIA AND INDIAN STATES.

MADRAS RECORD OFFICE.

Government of Madras.

PUBLIC WORKS **DEPARTMENT.**

Railways.

G.O. No. 186 & 187 Press / Mis.

Dated 6-2- 18 90.

Not to be folded or roughly handled

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers :—

From Major M. C. BRACKENBURY, R.E., Under-Secretary to the Government of India, Public Works Department (Railway Construction), to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, the 30th August 1889, No. 837 R.C.

I am directed to transmit to you copies of correspondence connected with a proposal which has been submitted to the Government of India for the construction by a private company, called the Mysore Gold Fields Railway Company, Limited, of a loop line of railway on the 5′ 6″ gauge, from a point on the Madras Railway about 4 miles south of the Kámasamudram station, through the several gold mines in the Kolar district, to the Kolar Road station, a distance of about 15 to 20 miles.

2. The Syndicate of the Mysore Gold Fields Railway Company appear to have been in communication with the Directors of the Madras Railway Company regarding the working of the proposed railway, and it would seem that the Madras Railway Company is prepared to work the proposed loop for 50 per cent. of the gross receipts, if the Kolar Gold Mining Companies will guarantee a minimum of traffic.

3. I am directed to request that the Government of India may be favored with the views of the Government of Madras on the project generally, and also as to the minimum traffic which should be guaranteed to the Madras Railway by the Kolar Gold Mining Companies.

Enclosures.

From Colonel Sir OLIVER ST. JOHN, K.C.S.I., Resident in Mysore, to the Secretary to the Government of India, Foreign Department, dated Mysore, 11th July 1889, No. 2291—289.

I have the honor to forward, for submission to the Government of India, a copy of printed papers relating to projects for the construction of a railway through the Kolar gold fields. The correspondence extends over more than two years, and is reviewed in a note which is also enclosed.

2. The consideration of these projects has been delayed, partly because the proposals, from time to time made to the Mysore Darbar by English capitalists or speculators, were extremely vague, and partly by the necessity for coming to a clear understanding with the Dewan as to dealings between the Mysore State and the English money market. The latter point has now been settled in accordance with the wishes of the Government of India; and I have recently received proposals which appear to be sufficiently definite to be examined in some detail.

3. A company styled "The Mysore Gold Fields Railway Company, Limited," was registered in London on the 9th December 1887 by seven subscribers, whose names are given in the margin.* The Chairman is Sir Robert Dalyell, lately of the Civil Service, who was for a short time Chief Commissioner of Mysore. In a letter † to me of the 1st February last he explained that he and his colleagues were disposed to favor "a loop line of single railway, on the same gauge as the Madras Railway, from a point on the Madras Railway about four miles south of Kámasamudram station, through the several gold properties, to the Kolar Road station." Sir R. Dalyell also expressed the opinion that, if a concession were granted to his company for the construction of such a line, the necessary capital could be raised without a Government guarantee of interest; and that satisfactory arrangements might be made, with the Madras Railway Company on the one hand

* Serial No. XVIII in the enclosed printed correspondence.
Sir R. Dalyell, K.C.I.E., C.S.I.
Hon'ble J. S. A. Hanbury Tracy, M.P.
Lieut.-Genl. Sir Andrew Clarke, G.C.M.G., C.B., C.S.I.
Right Hon'ble Lord Ribblesdale, Chairman of the Gold Fields of Mysore Company.
Capt. W. B. McTaggart, Vice-Chairman of the Mysore Gold Mining Company, Limited, and Chairman of the Nundydroog Gold Mining Company, Limited.
Capt. F. W. Lowther, R.N.
Major-General Beresford.

† Serial No. XX.

stipulations the Darbar would wish to attach to the concession. The Dewan replied to Sir Charles Lawson on the 12th April 1888 that the Darbar could give him no definite answer, pending the receipt of orders from the Government of India, and on the same day (before the Resident's letter * of the 10th April had reached him) he forwarded † Sir Charles Lawson's proposal to the Resident. The Dewan at the same time informed the Resident that the Darbar was prepared to grant to the "Mysore Gold Fields Railway Company" a concession for constructing and working a railway in Mysore territories to be called the "Mysore Gold Fields Railway." The Dewan enumerated eleven conditions, which he believed the company would accept; and he urged that, subject to them or to such modifications as the Government of India might desire, "it was highly desirable" to grant the concession at an early date. The conditions contemplated a railway about 68 miles in length, running by an approved route from Kámasamudram on the Madras Railway, to Kolar, Srinivasapur, and on to the Cuddapah border at or near Royalpad. It was stipulated that the company should be bound to complete the whole of such a line within three years, and that the Mysore State should give no guarantee of interest, but should provide only waste or unoccupied land free of cost.

* Serial No. X.
† Serial No. XI.

4. Sir H. Prendergast, while acknowledging the Darbar's "courtesy" in keeping the Resident informed of railway projects, ordered the following reply ‡ to be sent to the Dewan on the 28th June 1888, with reference to this more developed scheme of the Mysore Gold Fields Railway Company:—

‡ Serial No. XIII.

"I am to inform you that the Government of India has lately been approached by the representatives of companies who wish to construct railways in Mysore; on this ground and also on the general ground that it is not the policy of the Government of India to permit direct dealings between Native States and the English money-market, I am to recommend that the Agents of the Mysore Gold Fields Railway Company be advised to address the Resident with a view to their projects being submitted for the consideration of the Government of India."

5. A few weeks later Sir H. Prendergast had occasion to communicate to the Darbar information received § from the Government of India on the subject of railway projects affecting Mysore and Coorg. In doing this the following observations ¶ were made with reference to the Gold Fields Railway scheme:—

§ Foreign office, to Resident, No. 3321 I., dated the 17th August 1888.
¶ Serial No. XIV.

"In his letter of the 7th April 1888, Sir Charles Lawson, when writing to you on the subject of the Mysore Gold Fields Railway, observes, 'I am led to believe that the proposed railway would not infringe any right covenanted to the Southern Mahratta Railway Company, and that the Government of India reserves to itself the power to sanction or disallow all railway projects throughout British and Native India.' The Resident has no doubt that Sir Charles Lawson is right, and he would observe that the Government of India clearly lays great stress on the financial basis of a proposed line having been thoroughly settled by the Governor-General in Council before a project is undertaken.

"If the promoters of the Mysore Gold Fields Railway Company accept the conditions that the Mysore Government would impose, and will communicate with the Resident, he will be very happy to submit their project for the consideration of the Government of India, as he is convinced that such a line would vastly benefit the mining industry, the inhabitants of the gold fields, and the eastern portion of the Kolar district."

These remarks gave rise to a misapprehension as to the procedure to be followed by the Darbar. The Dewan understood ‖ that they left the Darbar "free to propose their conditions to the promoters of the said company and ascertain their acceptance of the same." "It would be more satisfactory, however, to the Darbar," he added, "if, instead of the Agent being asked to communicate with the Residency direct, his communication be in the first instance received by the Darbar, and then forwarded on to you with their observations." To this procedure Sir H. Prendergast was unable to agree; and on the 8th October 1888 the Assistant Resident wrote ** to the Dewan:—"The instructions of the Government of India leave no option to the Resident but to request that the project of the Southern Mahratta (*s.o.*—Mysore Gold Fields?) Railway Company may be submitted direct to me by the Agent. Sir Harry Prendergast will, however, have much pleasure in forwarding the project after consulting the wishes of the Darbar regarding it, for the consideration of the Governor-General in Council." Accordingly the Darbar on the 11th October 1888 informed †† Sir Charles Lawson, Mr. Lavelle and Sir R. Lethbridge that communications should be addressed to the Resident.

‖ Serial No. XV.
** Serial No. XVI.
†† Serial No. XVII and enclosures.

6. On the 16th November 1888 the Secretary of the Mysore Gold Fields Railway Company addressed * the Resident direct "on the matter of the proposed railway through the Kolar gold fields." He gave the names (already mentioned) of the subscribers to the company, and pressed for an early reply. "In the event of the Mysore Government," he wrote, "being willing to grant the usual concession and supply the land for the construction of the line, the company will at once be prepared to enter into negotiations with them as to details, and will have the country surveyed, in view to deciding the best route for the line." The Resident replied † on the 29th December 1888 that projects for such a line as the company proposed were under consideration, and would be dealt with as soon as possible. In acknowledging this answer Sir Robert Dalyell, the Chairman of the company, wrote ‡ as follows:—

* Serial No. XVIII.
† Serial No. XIX.
‡ Serial No. XX.

"In that letter it is stated that the projects for a line of railway through the Mysore gold fields are under consideration. But, so far as this company is concerned, their project can hardly be said to be in such a matured condition as to justify its being taken into consideration in competition with others which may be much more complete.

"I think it well therefore to set out, very roughly, for your information, what the ideas of myself and my colleagues are in the matter. As at present advised, we think that a loop line of single railway, on the same gauge as the Madras line, from a point on the Madras Railway about four miles south of Kámasamudram station, through the several gold properties, to the Kolar Road station, would probably be most suitable for the purpose in view.

"As stated in the letter dated 7th April 1888, addressed to the Dewan of Mysore by Sir Charles Lawson at the instance of Lord Ribblesdale, one of our Board, who had had a conversation with the Dewan on the subject, we think that if a concession be granted to our company for the construction of such a line, the necessary capital could be raised without a Government guarantee of interest. We believe that the Mysore Government might arrange with the Madras Railway Company to work the line for half the receipts on the plan recently adopted in the case of the Delhi-Umballa and Kalka Railway, and we are of opinion that such an agreement might be made thoroughly satisfactory both to the Madras Railway Company and the subscribers of the capital, by the joint guarantee of the different Mining Companies for a minimum amount of traffic. From what we hear of the great anxiety in all parts of the gold fields for the construction of the line, we have no doubt that the several Mining Boards would readily meet our views in the matter, and we already have representatives from the most important of them in this company.

"In the event, then, of the Government of Mysore expressing its willingness to grant to this company an ordinary concession for the construction of the line, without any guarantee of interest, we shall be prepared to have the country surveyed, and to discuss all the details of the concession on the spot."

7. The Resident (Sir O. St. John) inquired § on the 7th March 1889 whether the Darbar was prepared to grant the concession requested by Sir R. Dalyell on behalf of his company. The Dewan replied ¶ on the 14th March that the Darbar was anxious to get, not merely the small loop line indicated by Sir R. Dalyell of 15 or 20 miles through the gold fields, but also an extension of 50 or 60 miles north-eastwards to the Cuddapah border on conditions which had already been described. "The concession for a loop line through the gold fields," he observed, "is no doubt a thing of some value, and the offer of it may perhaps be sufficient inducement to a company to undertake the larger line without a guarantee of interest." The Darbar did not wish, however, to delay the construction of the loop line, which alone was thought "beneficial;" and if the company would not take up the larger line without a guarantee of interest, the Darbar would grant it a concession for Sir R. Dalyell's loop line on terms similar to those previously described for the larger project.

§ Serial No. XXI.
¶ Serial No. XXIII.

8. Sir Robert Dalyell was addressed ‖ by the Resident in this sense on the 30th March last, except that mention was not made of the Darbar's eagerness to give the concession for the loop line only. Sir R. Dallyell replied ** on the 8th May that the company's offer to accept the concession without guarantee of interest had been limited to the loop line only, and had been subject to the condition †† that the Darbar "could arrange with the Madras Railway Company to undertake the working of the line for half the receipts, thus leaving the other half to go towards the payment of interest on the capital subscribed." This offer, Sir R. Dalyell held, would not be suitable for

‖ Serial No. XXIV.
** Serial No. XXV.
†† NOTE.—No such *condition* was in fact specified in Sir R. Dalyell's letter of the 1st February 1889. (Serial No. XX.)

the extended line, and the lowest terms likely to answer for the latter would, he thought, be a permanent guarantee of 4 per cent. interest with one-fourth of net profits. The Dewan's opinion * on these terms is that the Darbar is "not in a position to accede to any proposal for the proposed railway which may be based upon a guarantee of interest," but will "gladly grant," on the conditions already specified, the concession asked for the loop line, if it meets with the approval of the Government of India. Here the correspondence on the subject ends, and no reply has been sent to Sir R. Dalyell.

* Serial No. XXVIII.

(Intld.) J.A.C.

Correspondence relating to the Mysore Gold Fields Railway.

I.

From K. SHESHADRI IYER, Esq., C.S.I., Dewan of Mysore, to J. B. LYALL, Esq., British Resident in Mysore, dated Camp Mysore, 3rd March 1887, No. 46.

I have the honor to forward herewith copies of the marginally-noted letters † from Mr. M. F. Lavelle, together with a map of the proposed railway from near Kámasamudram station on the Madras Railway to the Cuddapah frontier near Royalpad, through the Kolar Gold Fields, Bowringpet, Kolar and Srinivaspur. There can be no doubt that the proposed line will be highly beneficial to the province, and the offer now made seems to be deserving of some consideration, as apparently it involves the Mysore Government in no guarantee for interest or other obligations. But I recognize the fact that before the Mysore Government is called upon to bind itself in any way, Mr. Lavelle must produce some proof of the genuineness of the offer now made, and the firm of Messrs. Punchard, McTaggart, Lowther and Company must give some guarantee for the required capital and for the proper and prompt construction of the proposed line.

† From Mr. Lavelle, to the Dewan, dated 6th November 1886.
From Secretary, Department of Public Works, to Mr. Lavelle, dated 18th February 1887.
From Mr. Lavelle, to Secretary, Department of Public Works, dated 21st February 1887.

3. Before entering into any discussion upon these points, I think it necessary to ascertain whether the Government of India desires to reserve the question for its own consideration, either with reference to the position of the Southern Mahratta Railway Company in regard to Mysore Railways, or upon general grounds. I am also not aware whether the Madras Railway Company have any prior title to the construction and management of minor branches to their main line, and it would perhaps be desirable to ascertain the views of the Madras Government upon this point.

I*a*.

From Mr. M. F. LAVELLE, to K. SHESHADRI IYER, Esq., Dewan of Mysore, dated Bangalore, 6th November 1886.

I have the honor to enclose tracing of a proposed line from near Kámasamudram station, through the Kolar Gold Fields to Kolar Road station, thence to Kolar town, Srinivaspur and Royalpad on the Cuddapah frontier.

The line from Kolar Road station to Royalpad will be laid as nearly parallel to the public road as possible.

Having already made a geological examination up to the Cuddapah frontier and come to the conclusion (*vide* report) that this portion of the country is a true gold field, the proposed line will be of service in more than one direction should gold mining in Mysore be carried on to the extent that indications warrant. The feasibility of this proposal is of course dependent on the claim that the Southern Mahratta Railway Company has on railway construction in this province.

I*b*.

From the Secretary to the Government of Mysore, Public Works Department, to Mr. M. F. LAVELLE, Bangalore, dated Bangalore, 18th February 1887, No. 523—69.

Your letter dated 6th November 1886, to the address of the Dewan of Mysore, submitting a tracing of a proposed line of railway from near Kámasamudram Railway station through the Kolar gold fields to Kolar Road station, &c., having been transferred to me for consideration and disposal, I have the honor to request that you will be good enough to arrange, at your convenience, for seeing me on the subject, and placing your proposals before me in definite shape with plans, so that I may be able to form an opinion on the scheme.

I*c*.

From Mr. M. F. LAVELLE, to Lieutenant-Colonel C. BOWEN, R.E., Secretary to the Government of Mysore, Public Works Department, dated Bangalore, 21st February 1887.

I have the honor to acknowledge receipt of your letter No. 523—69, dated 18th February 1887, with reference to a proposal made by me to the Dewan of Mysore for constructing a line of railway through the Kolar gold fields to Kolar Road station, thence to Kolar town, and on to the frontier of Mysore.

I am prepared to submit plans, &c., of the proposed line, if the Government of Mysore will guarantee to Messrs. Punchard, McTaggart, Lowther and Company of 151, Cannon Street, London, E.C., through me, the construction and working of the line.

This work would be put in hand almost immediately after the receipt of the promise from Government. This line will no doubt prove a great boon, as at present the Kolar Road station is crowded to excess with machinery and plant owing to the want of draft to carry it to the mines, where the greatest inconvenience is experienced through the delay in carriage.

Further draft is not likely to come in, as the country is almost denuded of fodder which is now only to be had from below the ghâts.

The existing high rates for cartage may tempt the villagers away from the plough to such an extent as to diminish the revenues of Government from kandayam, and also to diminish the supply of food-stuffs to the ryots.

No doubt the good road recently constructed through the mines facilitates the carriage of material to the several companies' properties, but the want of the necessary draft is a problem which can only be solved by the construction of a railway. I beg, therefore, that you will endeavour to get me the necessary promise from Government as soon as possible, when I shall make all haste to meet your wishes with reference to plans, &c.

II.

From the Resident in Mysore, to the Secretary to the Government of India, Foreign Department, dated 15th March 1887, No. 837—1637.

I have the honor to forward, for the orders of the Government of India, a copy of letter No. 46, dated 3rd March 1887, from the Mysore Darbar, and of its enclosures, regarding a proposal made by Mr. M. F. Lavelle for the construction of a railway line from near Kámasamudram station on the Madras Railway to the Cuddapah frontier near Royalpad through the Kolar gold fields, Bowringpet, Kolar and Srinivasapur.

2. The proposed line will, in the opinion of the Darbar, be highly beneficial to the State, but before entering into any discussion with Mr. Lavelle upon the details, they desire me to refer the proposal to the Government of India, and to inquire whether, with reference to their obligations towards either the Southern Mahratta Railway Company or the Madras Railway Company, or on general grounds, there appear to be any objection to the Darbar coming to some arrangements with Mr. Lavelle for the construction of the line referred to, supposing that he is able to satisfy them that he and the firm for whom he is said to be acting are able and willing to carry the project through to completion.

III.

From the Secretary to the Government of India, Foreign Department, to the Resident in Mysore, dated Simla, the 8th June 1887, No. 2531 I.

I am directed to reply to Mr. Lyall's letter No. 837—1637, of the 15th March last, regarding a proposal which has been made by Mr. M. F. Lavelle to the Mysore Darbar for the construction of a railway line in the Mysore State.

2. I am to observe that the terms of the proposal are so vague that the Government of India can form no opinion as to its merits. The general policy of the Government, however, is decidedly opposed to direct negotiations between Native States and European firms or speculators; and it would certainly not be to the advantage of the Mysore Darbar to deal with any individual concessionnaire. I am accordingly to request you to keep yourself well informed of all that passes between the Darbar and Mr. Lavelle. The Dewan acted quite rightly in referring this proposal to you, and it is very necessary that he should consult you freely in all such matters.

3. I am to add that, until the contract with the Southern Mahratta Railway Company is received, the Government of India will not be able to explain the Company's position in respect of railway projects in Mysore territory.

IV.

From Major D. ROBERTSON, Assistant to the Resident in Mysore, to the Dewan of Mysore, dated 22nd June 1887, No. 1935—1637.

I am directed to acknowledge the receipt of your letter No. 46, dated 3rd March 1887, communicating certain proposals made by Mr. M. F. Lavelle for the construction of a line of railway from a point near the Kámasamudram Station on the Madras Railway to the Cuddapah frontier.

2. The question involved being one of special importance, Mr. Lyall considered it necessary to refer to the Government of India before replying to your letter.

3. It is obvious that the terms of Mr. Lavelle's proposals are too vague to justify the expression of any opinion as to the merits of his scheme; but, apart from this, it would not appear to be to the advantage of the Mysore Darbar to deal direct in the manner indicated with any individual concessionnaire.

4. Mr. Fitzpatrick desires me to acknowledge the promptitude with which Mr. Lavelle's proposals were communicated to the Residency, and to express a hope that should they or other similar scheme be revived or proposed to the Darbar at any time, by individuals, firms or companies, you will afford him early and full information of their nature and details. The Government of India have, he feels sure, no desire to curtail or hamper private enterprise, but, with the extensive knowledge of the conditions essential to successful negotiations which is at their disposal, it is very desirable, in the interests alike of the Darbar and the public, that they should have the earliest possible opportunity afforded to them of advising, in all cases when schemes of importance to the country at large are proposed by individuals acting either singly or on behalf of companies.

5. I am to add that until the contract with the Southern Mahratta Railway is received from England the Government of India will be unable to explain the Company's position in respect of railway projects in Mysore territory.

V.

From the Chief Secretary to the Dewan of Mysore, to the Assistant to the Resident in Mysore, dated Camp Mysore, 7th January 1888, No. 2234.

Adverting to your letter No. 1935, dated 22nd June last, I am directed to forward, for the consideration of the Resident, the enclosed memorandum and articles of * association of a company, called the Mysore Gold Fields Railway Company, Limited, which has been formed in England, with Sir Robert Dalyell as Chairman, and Sir Andrew Clarke and other influential gentlemen, as members of the Board. The names of the Directors given in the prospectus afford some guarantee that the proposed company mean business and are likely, if permitted, to carry out the objects which are set forth in para. 3 of the articles of association.

* Received from Mr. Lavelle.

Sir Roper Lethbridge, who is the second applicant, in his letter dated London the 9th December 1887, says that, he is anxious to secure a concession to construct a loop line to traverse Kolar Gold Fields by such a route as may be agreed upon between the Government and the concessionnaries, say from Kámasamudram to the Fields, and thence to Kolar-Road or otherwise. He adds that some financial friends have agreed to support him to undertake with him to bring the business to a successful issue, but gives no further particulars.

Before taking any further action on these proposals, the Darbar would feel obliged by their being favored with the views of the Resident in this matter.

VI.

From Major D. ROBERTSON, Assistant to the Resident in Mysore, to the Dewan of Mysore, dated the 23rd January 1888, No. 253—268.

I am directed to acknowledge the receipt of your office letter No. 2234, dated 7th instant, enclosing for the Resident's consideration a memorandum and articles of association of a company called the Mysore Gold Fields Railway Company, Limited, and to say that the Officiating Resident will be obliged if you will favor him with copies of the letters from Mr. Lavelle and Sir Roper Lethbridge referred to in the letter cited above.

VII.

From the Chief Secretary to the Dewan of Mysore, to the Assistant to the Resident in Mysore, dated Mysore, 26th January 1888, Camp No. 2410, enclosure 1.

With reference to your letter No. 253—268, dated 23rd instant, I am directed to forward herewith, for the information of the Officiating Resident, copies of letters noted in the margin, from Mr. Lavelle and Sir Roper Lethbridge referred to in this office letter, Camp No. 2234, dated 7th idem.

1. Letter dated 9th ultimo from Sir Roper Lethbridge.
2. ,, ,, 4th instant from Mr. Lavelle.
3. ,, ,, 5th ,, ,,

VII*a*.

From Sir ROPER LETHBRIDGE, to His Excellency the Dewan of Mysore, dated Carlton Club, Pall Mall S. W., 9th December 1887.

Some financial friends have agreed to support me, and to undertake with me to bring the business to a successful issue, if your Excellency, on behalf of His Highness' Government, will be pleased to grant me the concession for a loop line, to traverse the Kolar Gold Fields, by such a route as may be agreed upon between your Excellency and the concessionnaries, say from Kámasamudram to the Fields, and then to Kolar-Road, or otherwise. I should feel much obliged if your Excellency would order a telegram to be sent to Lethbridge, London, accepting this offer.

VII*b*.

From Mr. DAVID J. LAVELLE, Attorney of Mr. M. F. LAVELLE, to the Acting Dewan of Mysore, dated Bangalore, 5th January 1888.

Before departing on tour with His Highness the Maharaja, the Dewan informed me that he would instruct you to telegraph to him at Calcutta, with reference to a proposal from a London Syndicate, to construct a railway through the Kolar Gold Fields; also some business in connection with this business.

The papers will probably come out from England this week, and I shall at once forward them to you for disposal.

VII*c*.

From Mr. DAVID LAVELLE, Attorney of Mr. M. F. Lavelle, to the Acting Dewan of Mysore, dated Bangalore, 5th January 1888.

I have the honor to forward you, by this day's post, a copy of the memorandum and articles of association of the Mysore Gold Fields Railway Company, Limited, of which I made mention in my letter of yesterday's date. Will you kindly inform him of the same.

I have just now telegraphed to him the names of the Directors.

P.S.—Please take care of this as it is the only copy at present sent out.

VIII.

From the Resident in Mysore, to the Secretary to the Government of India, Foreign Department, dated 13th February 1888, No. 535—268. Enclosures 4.

I have the honor to forward, for the information and orders of the Government of India, copies of papers received from the Mysore Darbar relating to—

(*a*) An application received from Sir Roper Lethbridge, M.P., for a concession to construct a loop line from the Madras Railway through the Gold Fields of Kolar terminating at the stations of Kolar Road and Kámasamudram, and

(*b*) The proposal to start a Company, designated the "Mysore Gold Fields Railway Company, Limited."

2. It will be within the recollection of the Government of India that in March 1887, Mr. Lyall reported a scheme, similar to that now put forward by Sir Roper Lethbridge, started by Lavelle who has for many years been connected with speculative projects in Mysore, and now figures as the local agent for the Mysore Gold Fields Railway Company. Your office letter No. 2537, dated 8th June 1887, communicated the orders of the Government of India on that proposal and I enclose copy of Mr. Fitzpatrick's letter repeating those instructions to the Dewan.

3. The two schemes above alluded to do not in their present shape appear to require serious criticism. Sir Roper Lethbridge's application is not one which any prudent Government could favorably entertain, seeing that it avoids mention of details, and is silent on many essential particulars which would naturally arise for consideration, and regarding which the Government of India would require full information before allowing the negotiations to proceed. I may mention however that the result of a recent visit to the Gold Fields induces me to doubt whether the line suggested would give any adequate return on its capital expenditure in addition to meeting the obligatory working charges.

4. As regards the "Mysore Gold Fields Railway Company" I fail to see that the Darbar has as yet any interest in the undertaking. The very comprehensive range of operations provided by article III of the memorandum of association does not require the company to confine its operations to India, much less to Mysore, and there is in the papers before me nothing to show why the name implying connection with Mysore has been selected. From the names of some of the promoters, who are already connected with gold mines in this State, it is possible that there may be some intention of operating in Mysore, but there is nothing to indicate this at present.

5. I propose, if the Government of India approve, to advise the Darbar, in acknowledging Sir Roper Lethbridge's communication, to inform him that they are not prepared at present to enter upon any negotiations for the grant of a concession such as he seeks to acquire. A reply expressed in similar terms might be sent to Mr. Lavelle in connection with the Mysore Gold Fields Railway Scheme. As soon as the Dewan returns from his tour with the Maharaja I will take an early opportunity of again impressing upon him the necessity of keeping the Resident promptly informed of all proposals of a like nature, and of discouraging the advances of European speculators or capitalists in connection with railway schemes and concessions, until the Government of India have been afforded ample opportunity for examining any projects which may be advanced.

6. I would ask that the printed enclosures be returned when no longer required.

IX.

From the Junior Under Secretary to the Government of India, Foreign Department, to the Resident in Mysore, dated Fort William, 22nd March 1888, No. 1159 I.

I am directed to reply to your letter No. 535—268, dated the 13th February 1888, regarding applications from Sir Roper Lethbridge, M. P., and Mr. Lavelle for railway concessions in the Mysore State.

2. I am to inform you that the Government of India entirely approves of the advice you propose to give to the Darbar on this subject. The schemes in question are too vague to be seriously considered; and the general policy of the Government of India in such matters has been explained to the Dewan.

3. The printed enclosures of your letter are herewith returned.

X.

From Major D. ROBERTSON, Assistant to the Resident in Mysore, to the Dewan of Mysore, dated Bangalore, 10th April 1888, No. 1243—268.

With reference to correspondence ending with your office letter, Camp No. 2410, dated 26th January 1888, regarding an application from Sir Roper Lethbridge for a railway concession in Mysore, I am directed to state that the proposal having been referred for their information and orders, the Government of India are of opinion that the scheme in question is in its present shape too vague to be seriously considered, I am to suggest, therefore, that Sir Roper Lethbridge may be informed that the Darbar are not at present prepared to enter upon any negotiations for the grant of a concession such as he seeks to acquire.

2. While acknowledging the promptness with which the above scheme was submitted for the Resident's consideration, I am to express Sir Harry Prendergast's hope that the Darbar will continue to bear in mind the necessity for keeping the Resident informed of all proposals of a like nature and of discouraging the advances of European speculators or capitalists in connection with railway schemes and concessions, until the Government of India have been afforded ample opportunity for examining any projects that may be advanced.

3. It is not clear that the Mysore Darbar are in any way interested in the proceedings of the Mysore Gold Fields Railway Company, but the foregoing remarks apply to all schemes

promoted by English capitalists or financial agents which the Mysore Government may be asked either to join or assist.

4. The printed enclosures to your letter are returned.

XI.

From K. SHESHADRI IYER Esq., C.S.I., Dewan of Mysore, to SIR HARRY PRENDERGAST, K.C.B., V.C., Officiating Resident in Mysore, dated Mysore, 12th April 1888, No. 1.

Adverting to the concluding paragraph of your office letter No. 1935-1637, dated 22nd June 1887, I have the honor to state that the contract with the Southern Mahratta Company, recently received, contains no provision in regard to the "Mysore Gold Fields Railway" referred to in correspondence ending with this office letter No. 2410, dated 26th January 1888.

2. The memorandum and articles of association of the Mysore Gold Fields Railway Company, Limited, were forwarded to you with this office letter No. 2234, dated 7th January 1888, and as that company are anxious for a definite reply from the Darbar, I beg that I may be favored at an early date with the orders of the Government of India on the subject.

3. I beg to enclose for your information copy of a letter, dated 7th April 1888, from Sir Charles Lawson on the same subject, and of the reply sent to that gentleman.

4. The Mysore Government, as at present advised, are prepared to grant the company above named a concession for constructing and working a railway in Mysore territories, to be called the "Mysore Gold Fields Railway," subject to the following conditions:—

1*st*.—That the railway shall commence at Kámasamudram on the Madras Railway, and after touching the towns of Kolar and Srinivaspur, be carried to the frontier of the province at Royalpad or some other point to be fixed with reference to the lie of the auriferous lands of the Kolar District and to the railway system of the adjoining districts of British India. The estimated length of the railway is about 68 miles.

2*ndly*.—That the exact route of the railway be previously approved by the Government.

3*rdly*.—That the concession to be regarded as granted for the whole of the line from Kámasamudram to Royalpad or other point on the Mysore frontier to be fixed as provided in para. 1 above, that is to say, the company shall not be at liberty to construct only a portion of it and to leave the remainder undone. [The object is to get an important railway for the Kolar District, taking advantage of the fact that many persons will readily come forward to do it owing to the demand for railway communication through the *present* gold fields.]

4*thly*.—That the Government grant free of cost all waste and unoccupied land required for the railway and also agree to acquire and grant any occupied land required upon payment for the same by the company. (The occupied land required for the railway would be very little.)

5*thly*.—That the railway to be constructed shall be of the metre or other approved gauge and at a standard not lower than that adapted in British India for State Railways, and that it be worked and maintained at the same or higher standard, as regards permanent-way, equipment, &c.

6*thly*.—That the traffic on the Railway be regulated by the Government under rules similar to those in force in British India for the time being, and that the rights and liabilities of the Company as public carriers be regulated by the * law for the time being in force in British India.

* Such law will from time to time be introduced into Mysore.

7*thly*.—That the telegraph lines required for working the railway be obtained from the British Government.

8*thly*.—That the concession be on the express condition that, within 4 months from the date of its grant, the company start the necessary surveys, that within 6 months of the said date, the required capital of not less than say 50 lacs be raised by the company, that within 12 months of the said date plans and estimates for the entire line be submitted for the approval of Government, and that within three years after the approval of the same by the Government, the railway be completed and opened for traffic.

9*thly*.—That upon breach of any one of the above conditions, the concession shall be liable to be withdrawn, without any compensation to the company for work done, and upon such withdrawal—the lands, if any have been granted, shall vest in the Government.

10*thly*.—That the concession shall not be transferable without the previous consent of Government; and

11*thly*.—No interest on capital will be guaranteed by the Government, and the company will be entitled to no compensation for any loss arising from measures of legislation adopted by the Government with the sanction of the British Government.

5. It is believed that the company will accept a concession to the above effect, and it appears to the Darbar highly desirable to grant it at an early date. If the Government of India are of opinion that the conditions above set forth should be modified in any particular, or that other conditions should be added, the Darbar will gladly give effect to such suggestions.

6. I beg that the orders of Government may be obtained at an early date as may be convenient.

XI *a*.

From Sir CHARLES LAWSON, Esq., Madras, to M. R. Ry. K. SHESHADRI IYER, C.S.I., &c., Dewan of Mysore, dated Madras, 7th April 1888.

I have the honor by desire of the promoters to bring to your notice that a company, called the "Mysore Gold Fields Railway Company, Limited," has been formed, and registered in London by Sir Robert Dalyell, K.C.I.E., former Acting Chief Commissioner of Mysore; General Sir Andrew Clarke, G.C.M.G., former Public Works member of India, Lord Ribblesdale, Chairman of the Gold Fields of Mysore Company, Major-General Beresford, Chairman of the South Eastern Mysore Gold Mining Company, Captain W. P. McTaggart, Chairman, Nandidrug Gold Mining Company, the Honorable F. S. A. Hanbury Tracy, M.P., and Captain P. W. Lowther, R. N., primarily for the purpose of improving the means of communication to and through the gold Field of Kolar, and that I have been desired to communicate with you on the subject.

You will, doubtless, remember that when, on the 27th February Lord Ribblesdale and I had the honor of making personal enquiries of you with regard to the project of a loop line from the Kámasamudram Station of the Madras Railway, through the Gold Field to the Kolar Road Station, and asked whether the Sirkar would be disposed to favourably consider the scheme, and to grant the Company permission to carry it out in the event of the requisite capital being raised, you expressed your inability to give a definite answer, as you apprehended that the arrangements which had been entered into by the Government of India with the Southern Mahratta Railway Company, virtually reserved for that Company the right to construct all railways that may hereafter be proposed for the State. You also intimated a desire to know the wishes of the Madras Railway Company on the subject.

I beg now to inform you that, on the 2nd instant, Lord Ribblesdale telegraphed to London to enquire if the Southern Mahratta Railway Company had a prior right to construct the proposed line, and that, on the 3rd idem, or just before his embarkation from Bombay for Europe, he was authoritatively informed in reply, that its contract with the Secretary of State concedes to the Southern Mahratta Company no such right.

I had previously made enquiries in other quarters on the subject, and I am led to believe both that the proposed railway would not infringe any right covenanted to the Southern Mahratta Railway Company, and that the Government of India reserves to itself the power to sanction or disallow all railway projects throughout British and Native India.

As to the attitude of the Madras Railway Company, I beg to say that during my recent visit to England I was informed, in reply to an enquiry which I made on the subject, that the Company would not only offer no opposition to the construction, by a company formed for the purpose, of a loop line from Kámasamudram to Kolar Road Station, but would be glad to afford such company all reasonable assistance by permitting the use of platforms, sidings, vehicles, &c., &c. At the last half-yearly meeting, on the 13th December last, of the Company, Mr. G. N. Taylor, M. C. S., retired, the chairman, alluded to the traffic of the gold fields, and proceeded to say:—

"In reference to this region we have been asked by Sir Charles Lawson, and by a private "firm, whether, in the event of a plan being carried out for the formation of a tramway from "those stations to pass through the Kolar Gold Fields, the Board would be disposed to entertain "a proposal to allow the Company the use of their trucks laden with goods for the gold fields. "We have replied that should the necessary funds be raised and the company formed, we should "be prepared to render any assistance in our power."

Under these circumstances I have now the honor to ask you to be so good as to inform me whether, in the event of the proposed line being approved by the Government of India, the Government of Mysore will be prepared to grant the requisite concession for its construction, it being understood that no guarantee of interest on capital will be required of the Government.

At the same time I beg that you will acquaint me, for the guidance of the promoters of the company, with the stipulations that the Government of Mysore wish to attach to the concession.

Under another cover, I have forwarded, for your information, a copy of the memorandum and articles of association of the "Mysore Gold Fields Railway Company, Limited."

XI*b*.

From R. VIJAYENDRA ROW, Esq., Chief Secretary to the Dewan of Mysore, to Sir CHARLES LAWSON, Madras, dated Mysore, 12th April 1888, No. 164.

I am directed to acknowledge the receipt of your letter dated 7th April 1888, to the address of the Dewan, asking for some information regarding a concession desired by the Mysore Gold Fields Railway Company, Limited.

2. In reply, I am to state that the local agent of the promoters of the Company applied for the concession on 6th November 1886, and the question was at once referred to the Government of India. But no definite information was then furnished regarding the status of the proposed Company, and the Government were therefore unable to form any opinion upon the merits of the proposal.

3. Since then the Company has been formed, and on 5th January last the Agent submitted a copy of the memorandum and articles of association, and the same was at once submitted to the Resident for the orders of the Government of India. Under such circumstances, the Darbar are unable to give the Company any definite reply until receipt of the orders of Government of India.

The Resident has been requested to-day to obtain such orders as early as possible.

XII.

From K. SESHADRI IYER, Esq., C.S.I., Dewan of Mysore, to Sir HARRY PRENDERGAST K.C.B., V.C., Officiating Resident in Mysore, dated Mysore, 14th April 1888, No. 2.

I have the honor to acknowledge the receipt of your office letter No. 1243—268, dated 10th April 1888, regarding the Mysore Gold Fields Railway, and to inform you that my letter to you on the same subject, No. 1, dated 12th April 1888, was written and despatched before the receipt of the first mentioned communication.

2. I beg to state, for the information of the Government of India, that the only action taken by the Darbar with reference to Sir Roper Lethbridge's application was to inform you of its receipt. They did not even give an opinion in its favor. Sir Roper Lethbridge has hitherto received from the Darbar no communication of any kind regarding his application, but a reply will now be sent to him in the terms suggested in your letter under acknowledgment.

3. With reference to para 2 of your letter, I need only assure you that any applications made to the Darbar regarding railway schemes have invariably been promptly submitted to your office, and where a written or even verbal reply was given to the applicants, it has invariably been to the effect that the Darbar could not tell them any thing definite until the views and intentions of the Government of India had been ascertained.

4. Adverting to the observations made in para. 3 of your letter under reply, I beg to say that, if the proceedings of the Mysore Gold Fields Railway Company are calculated to produce any practical result, the Darbar expect therefrom certain important advantages to accrue to the State; for—

1*st*.—a railway through the gold fields of Kolar will be of immense help to the mining industry now being established on a firm basis in the Kolar District;

2*ndly*.—the immediate wants of the present mines will be served by a loop line, about 20 miles, passing through the gold field, and joining the Madras Railway at Bowringpet and Kámasamudram stations;

3*rdly*.—the Mysore Government is not asked to give any guarantee or to undertake any liabilities, but is merely asked to give permission to build and work such a line within Mysore territories;

4*thly*.—the Mysore Government consider the offer in every way advantageous to the State, but they desire to secure, if possible, still greater advantages to the State, by requiring that the loop line be undertaken *not as a separate project* but as part of a larger project which would provide a railway of about 68 miles, highly useful for the general prosperity of the Kolar District, but involving no liability of any kind to the State.

5. Such an arrangement is one of obvious advantage to the State, but whether it will be practically carried out can only be decided by actual negotiation. Under such circumstances, my letter to you No. 1, dated 12th April 1888, was written, and to the condition therein specified, we may perhaps add a condition providing a reasonable period for the company's ownership of the railway and for its eventual reversion to the State. Under such circumstances, I hope you will agree with me in thinking that some necessity exists for giving the Mysore Gold Fields Railway Company some idea regarding the wishes and intentions of the Government, so as, if possible, to lead to some practical action in the near future.

6. When the agent of the promoters of the company submitted the proposal for such a railway on 6th November 1886, it was investigated in the Mysore Public Works Department, and I forwarded to your predecessor the whole of the correspondence with the remark that "before the Mysore Govern-"ment is called upon to bind itself in any way, Mr. Lavelle must produce some proof of "the genuineness of the offer now made, and the firm of Messrs. Punchard, McTaggart, "Lowther and Co., must give some guarantee for the required capital, and for the proper "and prompt construction of the proposed line." I also added that "before entering into any discussion upon these points," I considered it "necessary to ascertain whether the Government of India desires to reserve the question for its own consideration, either with reference to the position of the Southern Mahratta Railway Company in regard to Mysore Railways or upon general grounds." In reply to this reference, I received from your office letter No. 1935—1637, dated 22nd June 1887, and an extract of paras. 1, 2, 3 and 5 of this letter was, on 11th July 1887, sent to Mr. Lavelle in reply to his original application of 6th November 1886. On 5th January 1888, a copy of the memorandum and articles of association of the company was received in my office and it was at once forwarded to you.

With letter No. 46, dated 3rd March 1887.

7. It will thus be seen that the Darbar have, from time to time, furnished you with all such information as they themselves received.

XIII.

From the Assistant to the Resident in Mysore, to the Dewan of Mysore, dated 28th June 1888, No. 2171—268.

I am directed to acknowledge the receipt of your letter Nos. 1 and 2, dated 12th and 14th April 1888, respectively, forwarding a letter from Sir C. Lawson on the subject of the Mysore Gold Fields Railway Company and stating that the Mysore Government as at present advised are prepared to grant to the company above named a concession for constructing and working a railway in Mysore territories, to be called the "Mysore Gold Fields Railway," subject to the following conditions:—

1*st*.—That the railway shall commence at Kámasamudram on the Madras Railway and after touching the towns of Kolar and Srinivaspur, be carried to the frontier of the province at Royalpad, or some other point to be fixed with reference to the lie of the auriferous lands of the Kolar District and to the railway system of the adjoining Districts of British India. The estimated length of the railway is about 68 miles.

2*ndly*.—That the exact route of the railway be previously approved by the Government.

3*rdly*.—That the concession to be regarded as granted for the whole of the line from Kámasamudram to Royalpad or other point on the Mysore frontier to be fixed as provided in para. 1 above, that is to say, the company shall not be at liberty to construct only a portion of it and to leave the remainder undone.

[The object is to get an important railway for the Kolar district, taking advantage of the fact that may persons will readily come forward to do it, owing to the demand for railway communication through the present Gold fields.]

4*thly*—That the Government grant, free of cost, all waste and unoccupied land required for the railway and also agree to acquire and grant any occupied land required upon payment for the same by the company. The occupied land required for the railway would be very little.

5*thly*.—That the railway to be constructed shall be of the metre or other approved gauge and at a standard not lower than that adopted in British India for State Railways, and that it be worked and maintained at the same or higher standard as regards permanent-way, equipment, &c., &c.

6*thly*.—That the traffic on the railway be regulated by the Government under rules similar to those in force in British India for the time being, and that the rights and liabilities of the Company as public carriers be regulated by the law for the time being in force in British India.

7*thly*.—That the telegraph lines required for working the railway be obtained from the British Government.

8*thly*.—That the concession be on the express condition that within 4 months from the date of its grant the company start the necessary surveys, that within 6 months of the said date, the required capital of not less than—say 50 lakhs—be raised by the company, that within 12 months of the said date plans and estimates for the entire line be submitted for the approval of Government, and that within three years after the approval of the same by the Government, the railway be completed and opened for traffic.

9*thly*—That upon breach of any one of the above conditions the concession shall be liable to be withdrawn, without any compensation to the company for work done, and upon such withdrawals the lands, if any have been granted, shall vest in the Government.

10*thly*.—That the concession shall not be transferrable without the previous consent of Government; and

11*thly*.—No interest on capital will be guaranteed by the Government, and the company will be entitled to no compensation for any loss arising from measures of legislation adopted by the Government with the sanction of the British Government; and

Lastly perhaps a condition may be added providing a reasonable period for the company's ownership of the railway and for its eventual reversion to the State.

2. You mention that the Darbar have from time to time furnished the Resident with all such information as you received concerning the plans of railway projectors.

Your courtesy in this and every other respect, I am to say, is fully appreciated, and you add that, when first addressed on the subject of the Mysore Gold Fields Railway, you replied that, before entering into any discussion with the promoters, you considered it necessary to ascertain whether the Government of India desires to reserve the question for its own consideration either with reference to the position of the Southern Mahratta Railway Company in regard to Mysore railways, or upon general grounds.

3. I am to inform you that the Government of India has lately been approached by the representatives of companies who wish to construct railways in Mysore; on this ground and also on the general ground that it is not the policy of the Government of India to permit direct dealings between Native States and the English money market, I am to recommend that the agents of the Mysore Gold Fields Railway Company be advised to address the Resident with a view to their projects being submitted for the consideration of the Government of India.

XIV.

From the Assistant to the Resident in Mysore, to the Dewan of Mysore, dated 7th September 1888, No. 3042—268.

In continuation of my letter of the 28th June No. 2171—268, I am desired by the Resident to communicate the following information received from the Government of India on the subject of railway projects affecting Mysore and Coorg.

2. The Government of India observe that of the railways surveyed and projected in the neighbourhood of Mysore and Coorg, the Tirupati-Dharmavaram and Pákal-Villupuram projects have been sanctioned by Her Majesty's Secretary of State for India and their construction is now under consideration. It was at one time proposed to press for the construction on the metre gauge of the Guntakal-Hindupur project with which the above two lines will effect a junction at Dharmavaram, but the Secretary of State for India has decided that this line need not be taken up at once, and the matter has been dropped for the present. The Madras Railway Company, however, has recently proposed to prepare an estimate of the cost of this line on the broad gauge, with a prolongation from Hindupur to Bangalore.

The Madras Government consider that this railway in order to be effective for famine purposes should be on the metre gauge, and should connect with the Mysore line at Tumkur and not at Bangalore.

The Government of India has decided that no such extension either on the broad or the metre gauge should be seriously considered until the financial basis has been thoroughly settled on which any such project could be undertaken.

3. The Government of India desire before arriving at any decision in regard to this or any other project which either involves or is likely directly to involve any railway construction in Mysore that the Mysore Darbar should be consulted.

4. With reference to the proposed extension of the Mysore State Railway to the foot of the Nílgiris, the Government of India remark that the Mettupalaiyam-Coonoor Railway project has recently been advanced a step by allowing the company to raise capital in England.

The line which the Mysore Darbar advocate for the west coast of Malabar through the Wynaad to Mysore with an extension to the foot of the Nílgiris appears to be much the same project which was started some years ago for a railway from Calicut to Gúdalúr and possibly on to Mysore.

The Government of Madras, however, did not regard this scheme as very promising, and the Government of India are not in favor of passing it.

5. In his letter of the 7th April 1888, Sir Charles Lawson, when writing to you on the subject of the Mysore Gold Fields Railway, observes "I am led to believe that the proposed railway would not infringe any right covenanted to the Southern Mahratta Railway Company, and that the Government of India reserves to itself the power to sanction or disallow all railway

projects throughout British and Native India." The Resident has no doubt that Sir Charles Lawson is right, and he would observe that the Government of India clearly lays great stress on the financial basis of a proposed line having been thoroughly settled by the Governor-General in Council before a project is undertaken.

6. If the promoters of the Mysore Gold Fields Railway Company accept the conditions that the Mysore Government would impose, and will communicate with the Resident, he will be very happy to submit their project for the consideration of the Government of India, as he is convinced that such a line would vastly benefit the mining industry, the inhabitants of the gold fields, and the eastern portion of the Kolar District.

XV.

From K. SHESHADRI IYER, Esq., C.S.I., Dewan of Mysore, to General Sir H. N. D. PRENDERGAST, K.C.B. V.C., Officiating Resident in Mysore, dated Mysore, 15th September 1888, No. 13.

I have the honor to acknowledge the receipt of your office letters marked confidential, Nos. 2171—268 and 3042—268, dated 28th June and 7th September last. In the former of these letters, I am asked to advise the Agent of the Mysore Gold Fields Railway Company to address the Residency with a view to their projects being submitted for the consideration of the Government of India. In the latter letter, it is stated that if the said Company accept the conditions which the Mysore Government would impose and will communicate with the Residency, you would be happy to submit their project for the consideration of the Government of India.

2. The Darbar deferred taking any action upon the first of the letters above quoted, as they felt doubtful, whether the Government of India desired that the Darbar should decline to entertain any proposal made to them for railway construction and that they should refer the applicants to the Residency, or whether the intention of the Government of India was merely to require the Darbar not to make any promises to railway projectors without first obtaining the sanction of His Excellency the Viceroy. It was feared that a restriction of the former kind would deprive the Darbar of any opportunity for doing what little may be in their power towards encouraging railway construction in Mysore, and it was hoped that the Government of India did not mean that the Darbar should regard railway construction as a matter wholly beyond their jurisdiction, such as telegraphs for instance.

3. Under such circumstances the Government of His Highness the Maharaja are highly grateful to you for the modified procedure laid down in your office letter of the 7th instant, which, I believe, leaves the Darbar free to propose their conditions to the promoters of the said company and ascertain their acceptance of the same. It would however be more satisfactory to the Darbar if, instead of the Agent being asked to communicate with the Residency direct, his communication be, in the first instance, received by the Darbar and then forwarded on to you with their observations.

4. In the present case, however, it would perhaps save delay, if the Agent of the Company be asked to meet yourself and a representative of the Darbar at the Residency on some day convenient to you, and if this suggestion meets with your concurrence, I shall at once send to the Agent a copy of the conditions which the Darbar propose (as per para. 4 of my letter No. 1, dated 12th April 1888, and para. 1 of your letter No. 2171—268, dated 28th June 1888) and ask him to meet you and a representative of the Darbar on a specified day to discuss further details. I propose that Colonel Bowen, Public Works Department Secretary, Mysore Government, should represent the Darbar at the proposed meeting.

It only remains for me to add that since my letter to you, No. 2, dated 14th April 1888, no communications of any kind have taken place between the Company and the Darbar, except a letter dated 17th May 1888, from the Company's Secretary in London, copy of which is herewith forwarded for your information, and to which no reply has as yet been sent. This letter leads me to think that the Company will not readily undertake railway construction on any large scale, without a guarantee of interest, but the Darbar hold the opinion that the concession for a loop line through the gold fields is worth something to the company, and is regarded as a sufficient consideration for giving us a longer line *without a guarantee of interest*. This, therefore, is a point upon which the Darbar lays considerable stress.

XV*a*.

From T. H. EVANS, Esq., Secretary, Mysore Gold Fields Railway Company (Limited), to K. SHESHADRI IYER, Esq., C.S.I., Dewan to His Highness the Maharaja of Mysore, dated London, 17th May 1888.

I am desired by the Directors of the Mysore Gold Fields Railway Company (Limited), to address you with reference to a letter to you from Sir Charles Lawson, dated 7th April 1888, on behalf of the Company. I am to explain that this letter was written at the instance of

Lord Ribblesdale, one of the Directors of the Company who had received, just previous to embarking from Bombay, a telegram informing him that the contract between the Southern Mahratta Railway Company and the Secretary of State for India gave them no preferential rights in regard to a railway through the gold fields. Lord Ribblesdale did not write himself as he was just starting for England, and suggested that Sir Charles Lawson should address you, rather than Mr. Lavelle, the local agent of the promoters of the Company, because the question of these preferential rights had been raised in a conversation between yourself and his Lordship, at which Sir Charles Lawson had been present. In taking this course Lord Ribblesdale had no intention of setting aside the local agent of the promoters; moreover, he had been the guest of Mr. Lavelle, and was quite under the impression from several private and unofficial conversations with him that the project for the construction of a short loop line, connecting the gold fields with the Madras Railway, such as is referred to in Sir Charles Lawson's letter, had Mr. Lavelle's entire concurrence, under the existing circumstances of the fields.

Having entered into this explanation, I am now desired to offer you the Directors' best thanks for your letter to Sir Charles Lawson of the 12th April 1888. As you are doubtless aware a line of railway through the gold fields was originally projected by Mr. Lavelle. In his letter to your Secretary in the Public Works Department, dated 21st February 1887, he requested that the concession for the line might be granted through him, to Messrs. Punchard McTaggart and Co., the promoters of the present company, and it is believed that the Government of India expressed a desire that any concession of the kind should be granted to a responsible company, rather than to any private firm. Under these circumstances, the Mysore Gold Fields Company (Limited) was formed, and after due consideration of the present position of affairs on the gold fields, they are quite satisfied, that at any rate in the first instance, the line must be limited to a short loop line of the description indicated; for, it would be quite impossible to raise funds for a larger undertaking without a guarantee of interest. What the company desires then from the Government of Mysore is a concession for the construction of such line, on terms to be agreed upon, and the Directors trust that they may rely upon your kind assistance to obtain this for them.

A copy of this letter has been sent to Mr. Lavelle.

XVI.

From the Assistant to the Resident in Mysore, to the Dewan of Mysore, dated Bangalore, 8th October 1888, No. 3364—268.

With reference to your letter No. 13, dated 15th September 1888 and received on 25th September 1888, I am directed to express the Officiating Resident's regret that an expression used in para. 6 of my letter dated 7th September, No. 3042—268 should have led the Darbar to think that the Government of India had modified its views in regard to the procedure to be adopted with regard to the promoters of railway projects.

2. On the 28th June, you were asked to advise the Agent of the Mysore Gold Fields Railway Company to address the Residency on the subject of their projects.

3. In his letter on the subject of the Kolar Gold Mines, dated 14th September 1888, the Resident intimated that the Government of India would view with decided disapproval any attempt on the part of Native States to initiate negotiations with foreign capitalists otherwise than through the Residents, and quoted despatches from the Foreign Office regarding the question of direct dealings between the Darbar and English capitalists as follows:—

"Such dealings are against the policy of this office, and after the recent complications in Hyderabad, which are the direct consequence of a departure from that policy, we cannot be too careful.

"The necessity for preventing European capitalists from having direct negotiations with Native States has always, as a matter of principle, been the policy of the Foreign Office. We have occasionally strayed away from it for considerations of supposed expediency, but recent events in Hyderabad have sufficiently demonstrated its soundness, and I think we should not, except possibly under some very exceptional circumstances, allow any departure from it in future."

And he also pointed out that the Commissioners appointed to report on the Hyderabad Mining Company observed that "serious risks to the interests of Native States attend the direct access of London speculators to native ministers."

4. It appears from the letter of the Secretary of the Mysore Gold Fields Railway Company to your address, dated 17th May 1888, a copy of which was received from you on 25th September 1888, that the company is not prepared to accept the conditions which the Mysore Government would impose upon it, and the Officiating Resident has received special instructions from the Foreign Office to "explain that it is not the policy of the Government of India to permit direct dealings between Native States and the English money market, and that if the Government of His Highness wishes the proposals of the Mysore Gold Fields Railway Company to be considered, they should refer the Company's Agents to the Resident."

hardly be said to be in such a matured condition as to justify its being taken into consideration in competition with others which may be much more complete.

I think it well therefore to set out, very roughly, for your information, what the ideas of myself and my colleagues are in the matter. As at present advised, we think that a loop line of single railway, on the same guage as the Madras line, from a point on the Madras Railway about four miles south of Kámasamudrum station, through the several gold properties, to the Kolar Road station, would probably be most suitable for the purpose in view.

As stated in the letter dated 7th April 1888, addressed to the Dewan of Mysore by Sir Charles Lawson at the instance of Lord Ribblesdale, one of our Board, who had had a conversation with the Dewan on the subject, we think that if a concession be granted to our company for the construction of such a line, the necessary capital could be raised without a Government guarantee of interest. We believe that the Mysore Government might arrange with the Madras Railway Company to work the line for half the receipts on the plan recently adopted in the case of the Delhi-Umballa and Kalka Railway, and we are of opinion that such an agreement might be made thoroughly satisfactory both to the Madras Railway Company and subscribers of the capital, by the joint guarantee of the different Mining Companies for a minimum amount of traffic. From what we hear of the great anxiety in all parts of the gold fields for the construction of the line, we have no doubt that the several Mining Boards would readily meet our views in the matter, and we already have respresentatives from the most important of them in this company.

In the event then of the Government of Mysore expressing its willingness to grant to this company an ordinary concession for the construction of the line, without any guarantee of interest, we shall be prepared to have the country surveyed, and to discuss all the details of the concession on the spot.

In reply to para. 3 of the Assistant Resident's letter, I may mention that this company came into existence for the purpose of taking up a concession, which, it was understood, had been originally granted by the Mysore Government to Mr. Lavelle, the pioneer of the Mysore Gold Fields, but which the Government of India desired to see in the hands of a responsible company. Mr. Lavelle has accordingly all along acted as the local agent of the Company and has had frequent communications with the Dewan, but as the Dewan himself suggested direct communication with the Resident, I did not think it necessary to supply a letter of introduction to Mr. Lavelle.

XXI.

From the Assistant to the Resident in Mysore, to the Dewan of Mysore, dated 7th March 1889, No. 789—268.

I am directed by the Resident to forward for the information of the Darbar the accompanying extracts from a letter dated 1st February 1889, to his address from Sir Robert Dalyell, Charmain of the Company recently formed in London, calling itself the Mysore Gold Fields Railway Company.

I am to inquire whether the Darbar are prepared to grant the concession asked for.

XXII.

From the Assistant to the Resident in Mysore, to Sir ROBERT DALYELL, K.C.I.E., C.S.I., Chairman of the Gold Fields Railway Company, dated 7th March 1889, No. 790—268.

In reply to your letter to the address of the Resident in Mysore, I am desired by Sir Oliver St. John to say that he is consulting the Mysore Darbar on the subject of the concession asked for on behalf of the Mysore Gold Fields Railway Company, Limited.

XXIII.

From K. SHEHADRI IYER, Esq., C.S.I., Dewan of Mysore, to Colonel Sir. OLIVER St. JOHN, K.C.S.I., Resident in Mysore, dated Camp Mysore, 14th March 1889, No. 30.

I have the honor to acknowledge the receipt of your office letter No. 789—268, dated 7th March 1889, and in reply to observe that the loop line proposed in Sir Robert Dalyell's letter, from near Kámasamudrum station to the Kolar Road station, is only a part of the much larger railway, which, it was understood, the Mysore Gold Fields Railway Company were willing to construct. The loop line now proposed would perhaps be 15 miles long, and even if a long detour be taken, it cannot be more than 20 miles. On the other hand, the larger railway, which the company were believed to desire to construct, would be a total length of about 68 miles, including an extension of the loop line in a North-Eastern direction, viâ Kolar and Srinivasapur, to the frontier of the province at Royalpad.

2. The conditions on which the Darbar were prepared to grant a concession for this larger railway were fully set forth in para. 4 of my letter to your predecessor No. 1, dated 12th April 1888. The Mysore Government are still anxious that the larger line should be constructed on terms such as those above referred to, and they believe that, if advantage be taken of the competition that exists for giving us the loop line, there would be little difficulty in getting a company to take up the whole of the larger railway. The concession for a loop line through the gold fields is no doubt a thing of some value, and the offer of it may perhaps be sufficient inducement to a company to undertake the larger line without a guarantee of interest. Upon this as a basis, I was prepared to negotiate terms with the company, but the matter was taken out of my hands by your office letter No. 3364—268, dated 8th October 1888.

The Darbar, however, have no wish whatever to do anything calculated to postpone the construction of the loop line, which, even by itself, will be so beneficial to the Gold Mines of Kolar, and if the company will not take up the larger line without a guarantee of interest, then, in that case, the State will grant them a concession for the loop line proposed by Sir Robert Dalyell on terms similar to those stated in my letter No. 1 of 12th April 1888.

XXIV.

From the Resident in Mysore, to Sir ROBERT DALYELL, K.C.I.E., C.S.I., Chairman of the Mysore Gold Fields Railway Company (Limited), St. George House, Eastcheap, London, E.C., dated Bangalore, 30th March 1889, No. 1091—268.

I beg to acknowledge the receipt of your letter of the 1st February, stating the views of the Mysore Gold Fields Railway Company in regard to the construction of a line through the mining tracts in the Kolar district. In his letter of the 7th instant, my Assistant mentioned that I was consulting the Mysore Government on the subject, and I am now in a position to state their wishes. It appears that they were under the impression that the Gold Fields Railway Company desired to construct, besides the loop line through the several gold properties, a further extension in a North-Eastern direction, *viâ* Kolar and Srinivasapur to the frontier of the province at Royalpad. The two lines together would probably have a total length of about 68 miles. The Mysore Government attach importance to this line, and are anxious that both gold field loop line and northern extension should be included in the same concession. I shall be obliged therefore for an early expression of the views of the company on this point. If the company are inclined to construct the North-Eastern extension on the same terms which your letter offers, for the gold field loop line, the Darbar would be willing to grant the concession on some such terms as follows:—

1*st*.—That the railway shall commence at Kámasamudram, or a point in the Madras Railway in the neighbourhood of that place and shall be taken through the several gold properties to the Kolar Road Station, a length of some 15 or 20 miles, and shall be continued northwards to Royalpad or some point in the vicinity.

2*ndly*—That the exact route of the railway be previously approved by the Government.

3*rdly*—That the Government grant free of cost all waste and unoccupied land required for the railway, and also agree to acquire and grant any occupied land required, upon payment for the same by the Company. (The occupied land required for the railway would be very little.)

4*thly*—That the railway to be constructed shall be of the metre or other approved gauge and of a standard not lower than that adopted in British India for State Railways, and that it be worked and maintained at the same or higher standard, as regards permanent-way, equipment, &c.

5*thly*—That the traffic on the railway be regulated by the Government under rules similar to those in force in British India for the time being, and that the rights and liabilities of the Company as public carriers be regulated by the law * for the time being in force in British India.

* Such law will from time to time be introduced into Mysore.

6*thly*—That the telegraph lines required for working the railway be obtained from the British Government.

7*thly*—That the concession be on the express condition that, within four months from the date of its grant, the Company start the necessary surveys, that within six months of the said date, the required capital be raised by the Company, that within twelve months of the said date plans and estimates for the entire line be submitted for the approval of Government, and that within two years after the approval of the same by the Government, the railway be completed and opened for traffic.

8*thly*—That upon breach of any one of the above conditions, the concession shall be liable to be withdrawn, without any compensation to the Company for work done, and upon such withdrawal the lands, if any have been granted, shall return to Government.

9*thly*—That the concession shall not be transferable without the previous consent of Government.

10*thly*—No interest on capital will be guaranteed by the Government, and the Company will be entitled to no compensation for any loss arising from measures of legislation adopted by the Government with the sanction of the British Government.

The Darbar would also reserve to themselves the right, until the concession is actually given, of accepting an offer for their undertaking from any other source if it includes the larger scheme or is for any other reasons considered more advantageous.

XXV.

From Sir ROBERT A. DALYELL, K.C.I.E., C.S.I., Chairman of the Mysore Gold Fields Railway Company, to the Resident in Mysore, dated London, 8th May 1889.

I have to offer you the thanks of this Company for your letter of 30th March informing us that the Mysore Darbar would be willing to grant to us, on certain terms, a concession for the construction of a line of railway through the Kolar Gold Fields to the Kolar Road Station and thence to the north-eastern frontier of the province, if we are prepared to undertake the construction of the entire line (extending to about 68 miles) on the terms offered by us in my letter of the 1st February last in regard to the loop line through the gold fields.

In that letter this Company offered to accept a concession for the loop line only, without any guarantee of interest, if the Mysore Government could arrange with the Madras Railway Company to undertake the working of the line for half the receipts, thus leaving the other half to go towards the payment of interest on the capital subscribed. It was added that we believed that such a guarantee of minimum traffic might be obtained from the several mining companies at work on the field as would make this arrangement satisfactory both to the Madras Railway Company and to the subscribers of the capital.

Now it will no doubt be evident on reconsideration both to yourself and to the Mysore Darbar that these terms would not be suitable for the extended line now proposed in your letter under reply, for the mining companies could not be expected to give a guarantee of traffic which would be satisfactory, the Madras Railway Company would be hardly likely to undertake the working of the line for half the receipts, and the subscribers of the capital would certainly not be willing to accept the other half in payment of interest on the capital, where the line passes through a sparsely populated country as it does in this case.

At the same time, as the Government of Mysore attach much importance to the line, this Company would be very glad to undertake its construction if suitable terms could be arranged.

I think, however, that I may take it for granted that some guarantee of interest by the Mysore Government is essential in order to enable this Company to raise the necessary capital, in London, and a glance at the history of railway enterprise in India will, I feel sure, satisfy you that this is the case.

For many years a guarantee of 5 per cent. interest was given by the Indian Government on all capital raised for the construction of Indian railways, the first departure from this plan being in the case of the Southern Mahratta Railway, some years ago when a permanent guarantee of 3½ per cent. was granted with one-fourth of the net receipts.

A few years later a very strong effort was made to obtain capital for the construction of certain lines without any permanent guarantee of interest, and with the aid of Messrs. Baring Brothers and Company the capital for the Bengal Central and the Bengal and North-Western Railway was raised on a guarantee of interest during construction only.

It was believed at the time that these two lines offered the most favorable prospects for the introduction of unaided private enterprise, in the construction of Indian railways, but experience has proved that these anticipations were incorrect.

The Bengal Central Company have recently been obliged to obtain terms from the Government very similar to those in force in the case of the Southern Mahratta line, and though the Bengal and North-West Company is still carrying on, its shares are at a considerable discount in the market.

Since the construction of these two lines the Government of India have found it impossible to raise money in the London market for any new lines of railway without giving a permanent guarantee of interest in some shape or other.

The Indian Midland line has a permanent guarantee of 4 per cent. with one-fourth of the surplus profits, and the Nagpur-Bengal capital was raised on the same terms.

The most recent line, the Umballa-Kalka, has a guarantee of half the receipts for the payment of interest on capital, and judging by the receipts of adjoining lines and from an estimate of the probable traffic, it is calculated that this will amount to about 6 per cent.

The only line for which capital has been raised in London on the sole guarantee of an Indian Prince is the Nizam's State Railway, and the history of this line is therefore specially applicable to the present case. The capital was originally issued on a 5 per cent. guarantee for 20 years at £96 per cent., and steadily fell after issue to 85, since which time, however, it has risen to about 116. On a consideration of these figures and of the present position of the

Indian Government in regard to guaranteed interest, I think you will concur with me in believing that it would be quite impossible to raise money in London for the construction of the line proposed in your letter unless some guarantee of interest is conceded by the Mysore Darbar.

I would venture to suggest that the lowest terms likely to ensure success in obtaining the capital would be those granted by the Indian Government to the Southern Mahratta line, the permanent guarantee of interest, however, being raised in consideration of its being granted by an Indian Prince instead of by the Imperial Government to 4 per cent.

The concession would then include this permanent guarantee with one-fourth of the net receipts, and the enterprise might then prove attractive to investors.

XXVI.

From the Assistant to the Resident in Mysore, to the Dewan of Mysore, dated 11th June 1889, No. 1904—268.

I am directed to forward, for the consideration of the Darbar, a copy of the correspondence cited on the margin, regarding the construction of a line of railway through the Kolar Gold Fields to the Kolar Road Station, and thence to the north-eastern frontier of the Mysore State.

Letter No. 1091—268, dated the 30th March 1889, to the Chairman of the Mysore Gold Fields Railway Company. His reply, dated the 8th May 1889.

XXVII.

From the Assistant to the Resident in Mysore, to Sir ROBERT DALYELL, K.C.I.E., C.S.I., Chairman of the Mysore Gold Fields Railway Company, Limited, St. George's House, Eastcheap, London, dated 12th June 1889, No. 1932—268.

I am directed to acknowledge the receipt of your letter, dated the 8th May 1889, regarding the construction of a line of railway through the Kolar Gold Fields to the Kolar road Station and thence to the north-eastern frontier of the Mysore State. The Resident has forwarded your letter to the Mysore Darbar for consideration.

XXVIII.

From K. SHESHADRI IYER, Esq., C.S.I., Dewan of Mysore, to Colonel Sir OLIVER ST. JOHN, K.C.S.I., Resident in Mysore, dated Camp Mysore, 15th June 1889, No. 9.

In reply to your office letter No. 1904—268, dated 11th June 1889, I have the honor to state that the Darbar have given their best consideration to the terms suggested in Sir Robert Dalyell's letter of 8th May 1889, and that they are not in a position to accede to any proposal for the proposed railway, which may be based upon a guarantee of interest.

2. As regards the concession for the smaller loop line proposed originally by Sir Robert Dalyell, the Darbar are still of the opinion stated in para. 3 of my letter No. 30, dated 14th March 1889, and they will gladly grant the concession asked for if the same meets with the approbation of the British Government.

From the Consulting Engineer for Railways, dated Madras, 3rd December 1889, No. 487.

From the Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 27th November 1889, No. 5424/1315.

I have the honor to quote below, with reference to your letter No. 769 of 16th September 1889, an extract from a letter addressed to me by the Traffic Manager in relation to the proposed scheme for a loop line of railway through the Kolar Gold Fields:—

"Assuming that the Gold Fields Railway will be maintained by the owning Company, that no night trains will be required, that accommodation at the Madras Railway junctions will be provided at the expense of the new railway, and that the gradients of the proposed railway will not be steeper than 1 in 100, our ruling gradient over the Bangalore Branch between Kuppam and Bangalore, I think we may name Rs. 100 per diem as the minimum sum to be guaranteed to the Madras Railway for working traffic over the proposed branch railway.

"It is not stated in the papers forwarded to me, but I presume that in addition to the 50 per cent. of the gross receipts it is proposed to pay to us for working the railway we should be allowed the usual 5 per cent. extra for supplying stock.

"It has been represented to me that if a siding were constructed in a direct line from our 173M/9 mile to a point near the west Mysore camp we should be able to deliver traffic in the heart of the gold mines, and that if such a siding were laid the necessity for a loop railway would cease to exist. The distance between the 173M/9 mile and the spot I have named does not appear to be more than 3 or 4 miles."

2. At present I am not in a position to add anything to the views expressed by the Traffic Manager.

From the Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 11th December 1889, No. 5424/1376.

With reference to your letter No. 1023, of the 6th instant, calling for a statement showing the tonnage of goods inwards and outwards at Kámasamudram and Kolar Road stations during the last three years, I have the honor to enclose copy of a letter from the Company's Traffic Manager furnishing the required information.

ENCLOSURE.

From Traffic Manager, Madras Railway Company, to the Agent and Manager, Madras Railway Company, dated Madras, 9th December 1889, No. C 891/A & M 14165.

[Your No. 5424/9091 of the 7th instant.]

I insert below, for the information of the Consulting Engineer, the inwards and outwards tonnage at Kolar Road and Kámasamudram stations for 1886, 1887 and 1888.

2. The figures for this year, which are still larger than those for 1888, are not ready yet.

Years.	Kolar Road.			Kamasamudram.		
	Tonnage of goods.			Tonnage of goods.		
	Inwards.	Outwards.	Total.	Inwards.	Outwards.	Total.
	TONS.	TONS.	TONS.	TONS.	TONS.	TONS.
1886	14,073	9,194	23,267	1,875	412	2,287
1887	27,639	12,819	40,458	4,192	639	4,831
1888	35,722	12,044	47,766	6,149	464	6,613

Submitted for transmission to the Government of India, with reference to its No. 837 R.C., dated 30th August 1889, regarding the construction of a loop line from a point on the Madras Railway near Kámasamudram, through the several gold mines in the Kolar district, to the Kolar Road station.

From the Consulting Engineer for Railways, dated Madras, 27th January 1890, No. 63.

From the Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 24th January 1890, No. 5424/87.

[Your No. 1074, dated 19th December 1889.—Proposed railway to the Mysore Gold Fields.]

In the absence of any fixed data as to the length of the proposed line or the amount of traffic accommodation to be given, it is impossible to prepare even an approximate estimate; I have endeavoured, however, to put the extremely meagre information available in such a way as to admit of a rough opinion being formed as to the value of a railway in the proposed district.

2. The enclosed plan is correct as far as the Madras Railway is concerned, and the line shown in red represents what is believed to be approximately the only practicable route for the proposed line, whether considered as a branch or a loop. The loop would be about 20 miles long, and if a branch only were constructed, a length of about 12 miles from Kolar would be sufficient to nearly encircle the existing gold workings.

3. It will be seen that the line crosses two spurs, and over these no better gradient than about 1 in 65 can be got without very deep rock cuttings. The whole route is over very rough ground, such that a line through it if built substantially, like the Madras Railway main line, would cost something like Rs. 1,10,000 a mile.

4. An inspection of the ground from the railway has led to the conclusion that a branch from Kámasamudram is out of the question by reason of the very steep gradients which would have to be encountered; a junction at the spot suggested, viz., about 4 miles south of Kámasamudram, is also impracticable for the same reason, but near the village of Gudupally, 8 to 9 miles south of Kámasamudram, the ground seems practicable; moreover at this point there are several villages inhabited by employés of the mines and others, and the Traffic Manager has already applied for a trial station at this spot quite independently of the proposed new line.

5. A junction at Gudupally might be suitable for one end of a loop line, but for a branch, Kolar Road station would probably be a better starting point, partly because the branch itself might be a mile or two shorter from this point and partly because of the existing large station at Kolar road.

6. In reply to question 1 of your letter, as to the probable cost of working a branch from either Kámasamudram or Kolar road, a branch from Kámasamudram is impracticable. Assuming a branch from Kolar road 12 miles long with one station and ten off-sidings with signals and points, and the line to be worked with one engine making four double trips daily, the Traffic Manager estimates:—

	Per month. RS.
Traffic charges	603
Locomotive expenses would be	900
Maintenance of line at Rs. 85 per mile	1,020
Sundry expenses	227
Total ...	2,750

Question 2. "As to the expediency of opening a new station as proposed 4 miles south of the former station."—As already stated a junction station at this point is believed to be impracticable, but a more suitable point is available at Gudupally 8 to 9 miles south of Kámasamudram.

Question 3. "As to the comparative convenience to the Madras Railway of working a loop instead of a branch."—A loop would be in all respects more convenient to the Madras Railway provided it were constructed with no worse gradients than the existing line, that is, with nothing steeper than 1 in 100, and that it were built substantially enough to carry with safety the Madras Railway main line traffic. If these conditions were fulfilled, it might even suit the Madras Railway to take up the existing line between Gudupally and Kolar road and to include the new loop as part of the main line. No traffic comes to this piece of line from the west side of it. Kámasamudram has no other than the gold mine traffic, and the loop would be only 4 miles longer than the existing line between the proposed junctions. A loop could also be more economically worked because it would not require the maintenance of the separate locomotive and traffic staff and special train service necessary for a branch.

Question 4. "As to the financial prospects of such a branch taking into consideration the traffic of the last three years."—The Traffic Manager writes that the traffic has varied so during the last three years and has increased so rapidly each

half-year during this period that it was found necessary to base an estimate on the traffic lately dealt with and the results of the last six months have been taken. The Traffic Manager also suggests that in view of the great relief from the present high cartage rates which a railway would allow, the rates on the branch might well be higher than the regular long distance rates of the main line. With this view third-class passenger rates have been calculated at 2 pies a mile and the ordinary goods rates have been doubled.

7. On this basis, and assuming the average distance conveyed to be 10 miles for both passengers and goods, the figures would be—

	Per month.
	RS.
Goods receipts	3,533
Passenger receipts	2,308
Total ...	5,841
Expenses as per para. 6	2,750
Net receipts ...	3,091

8. These figures are believed to represent the best case that can be made in favor of the branch and to err more in that direction than against the project.

9. The assumed branch line 12 miles long would cost at Rs. 1,10,000 a mile Rs. 13,20,000 and the calculated net receipts at Rs. 3,081 per month equal to Rs. 37,032 per annum would yield 2·8 per cent. return upon the capital.

10. The inference to be drawn from these assumed conditions is that a first-class railway to the gold mines would not pay well at present as an independent speculation. In view, however, of the very great saving in freight it would allow to the mines, it may be that it would suit the various companies to subscribe for the railway and add their contributions to the capital accounts of the mines.

11. As an illustration of the possibility of this a comparison may be made between the present cartage rates of from Rs. 6 to Rs. 20 per ton from Kolar Road station to the mines with railway rates; considering as before suggested the ordinary goods rates of the railway to be doubled for the branch, As. 1-8 per ton per mile may be taken as an average rate for the class of goods, mainly coal, firewood and timber, likely to be conveyed. This rate at the average distance before assumed of 10 miles gives Rs. 1-0-4 per ton to compare with the present minimum of Rs. 6 per ton.

12. Assume that each of the 13 mining claims shown on the map takes an average of 1,500 tons of freight a year at the minimum present rate—

	RS.
1,500 tons at Rs. 6 equals	9,000
Railway rate 10 miles at an average rate of Rs. 1-0-8 per ton per mile for 1,500 tons	1,562
Difference = saving ...	7,438

The difference represents the annual saving in freight that each mine could enjoy by use of the railway, and if the 13 mining properties shown on the map contributed equally to the cost of the line, say Rs. 1,01,538 each, they would thus receive a return of 7·4 per cent. in saving of freight and 2·8 per cent. as dividend, or in round figures 10 per cent. on the cost of the railway. These figures do not pretend to be accurate and are merely suggested as an illustration.

13. The financial aspect of a loop would not be quite so favorable, but on the other hand a loop over which all the main line trains ran would give a much better service

of trains, especially for passengers, and the rates of freight over the loop would be the same as on the main line, that is half those calculated for the branch.

14. Assuming a loop 20 miles long to form part of the main line of the railway, and that the 16 miles of permanent-way on the existing line between the junctions were taken up and transferred to the new loop, the cost of construction would be—

	RS.
20 miles at 1,10,000 a mile	22,00,000
Less 16 miles permanent-way at 15,788	2,52,608
Total cost ...	19,47,392

15. Allowing the same amount of traffic as for the branch, viz., 1,500 tons a year for each of the 13 mines but conveyed in this case an average distance of 11 miles, at an average rate of As. 9-2 equal to half the rate per mile calculated for the branch—

	RS.
One year's freight by road as before 1,500 tons at Rs. 6 per ton ...	9,000
One year's freight by railway 1,500 tons at As. 9-2 per ton	860
Difference = saving ...	8,140

One-thirteenth the cost of the line, which would be each company's share as before, would amount to Rs. 1,49,800 and the saving in freight would represent about $5\frac{1}{2}$ per cent. on this outlay. In addition to this some return of interest might be payable from the 4 miles extra length of line over and above the existing length of Madras Railway which would be replaced by the loop.

16. A narrow-gauge railway could of course be laid down very much more cheaply, but it is questionable whether the first cost and operating charges for a supply of rolling stock and the delay and damage caused by transhipping everything at the junction would not more than counterbalance the saving in first cost of a narrow-gauge line.

17. Briefly recapitulated the conditions assumed would go to show—

I.—That neither a branch or a loop would be likely, with the amount of traffic at present available, to pay as an independent speculation.

II.—That taking into consideration the saving in freight that a railway would introduce as compared with the present cost of cartage, the prospect that it would pay the mining companies to construct a line at their joint expense is sufficient to warrant the preparation of a survey and estimate.

III.—That a branch might yield a better return of interest to the companies than a loop by reason of its smaller first cost, but that a loop would provide much greater facilities for the traffic. Any increase over the present traffic which might in the course of time accrue would tell in favor of the loop.

———

Submitted to Government in continuation of endorsement No. 487, dated 3rd December 1889.

2. In the absence of survey and levels, it is difficult to judge of the financial prospects of a loop or branch line such as that proposed.

3. The Agent's letter in my opinion affords grounds for encouraging the preparation of a working survey and estimate, the cost of which it would appear from the correspondence the Mysore Gold Fields Railway Company, Limited, would be willing to meet.

4. To be of any real service to the mines, the branch or loop should be on the same gauge as the parent line..

ORDER—dated 6th February 1890, No. 186 R., Public Works.

Ordered that the following letter be forwarded to the Government of India.

(Here enter No. 187 R., dated 6th February 1890.)

(True Extract.)

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

Exd. J. Moses.
Spare Copies

RAILWAY.

Govt. of {1890} Madras.

PUBLIC WORKS.

Dated February, 6th.

Recd. *Encl.*

G.O., 6th Feb. 1890, No. 186 R.

FEBRUARY.

Loop Line from Kamasamudram to the Kolar Road Station through the Gold Mines

The Government of India addressed in regard to the proposed construction of a —.

6TH FEBRUARY 1890, No. 187 R., PUBLIC WORKS.

PUBLIC WORKS DEPARTMENT.

Railway.

LETTER—from

COLONEL C. J. SMITH, R.E.,
Joint Secretary to the Government of Madras,
Public Works Department,
Railway Branch,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
PUBLIC WORKS DEPARTMENT.

SIR,

I am directed to acknowledge the receipt of your letter No. 837 R.C., dated 30th August 1889, in which you request that the Government of India may be favored with the views of this Government upon a proposal for the construction by a private company, called the Mysore Gold Fields Railway Company, Limited, of a loop line of railway on the 5′ 6″ gauge, from a point on the Madras Railway, about 4 miles south of the Kámasamudram station, through the several gold mines in the Kolar district to the Kolar Road station, a distance of about 15 to 20 miles, and also as to the minimum traffic which should be guaranteed to the Madras Railway by the Kolar Gold Mining Companies.

2. In reply, I am to forward the documents noted marginally, and am to state that His Excellency the Governor in Council concurs in the conclusions set forth in para. 17 of the letter from the Agent and Manager of the Madras Railway herewith forwarded. These conclusions are the result of as careful and full inquiry as could be made in the absence of any survey, and may, in His Excellency's opinion, be accepted as sound.

Endorsements from the Consulting Engineer for Railways, No. 487, dated 3rd December 1889, and No. 63, dated 27th January 1890, with enclosures embodied in Proceedings of Government No. 186 R., dated 6th February 1890.

3. It will be observed from the Agent's letter No. 5424/1315, dated 27th November 1889, that the Railway Company's officers consider that Rs. 100 per diem is the minimum sum that should on the assumptions stated be guaranteed to the Madras Railway for working traffic over the proposed line.

I have the honor to be,
Sir,
Your most obedient servant,

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

CHEPÂK,
6th February 1890.

Exd. J. Moses.
Spare Copies

RAILWAY.

Govt. of {1890} Madras.

PUBLIC WORKS.

Dated February, 6th.

Recd. *Encl.*

6th Feb. 1890, No. 187 R.

FEBRUARY.

Loop Line from Kamasamudram to the Kolar Road Station through the Gold Mines

Forwarding, with remarks, certain documents connected with the proposed construction of a —.

All communications should be addressed to the Secretary.

No. 837 R. C.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY *Construction.*

To

The Joint Secretary to the Government
of Madras, (Railway Branch,)
Public Works Department.

Simla, the 30th August 1889.

Sir,

I am directed to transmit to you copies of correspondence connected with a proposal which has been submitted to the Government of India for the construction by a private Company, called the Mysore Gold Fields Railway Company, Limited, of a loop line of railway on the 5'-6" gauge, from a point on the Madras Railway about 4 miles south of the Kámasamudram Station, through the several Gold Mines in the Kolar District, to the Kolar Road Station, a distance of about 15 to 20 miles.

2

2 The Syndicate of the Mysore Gold Fields Railway Company appear to have been in communication with the Directors of the Madras Railway Company regarding the working of the proposed railway, and it would seem that the Madras Railway Company is prepared to work the proposed loop for 50 per cent of the gross receipts, if the Kolar Gold mining Companies will guarantee a minimum of traffic.—

3 I am directed to request that the Government of India may be favoured with the views of the Government of Madras on the project generally and also as to the minimum traffic which should be guaranteed to the Madras Railway by the Kolar Gold Mining Companies.—

I have the honour to be,
Sir,
Your most obedient Servant

[signature]
Major R.E.

Under Secretary.

Documents to accompanying

From the Resident in Mysore No. 2291-289, dated 11th July 1889 and enclosures.—

2357

1522/89

R 12.9.89

Regd 3.12.89

P. W. Dept
Ootacamund 12th Sept 1889
No. 546 D

168

Referred to the Consulting Engineer for Railways for report.

[signature] Colle R.E.
Offg Secy. to Govt
P. W. D.
Railway Branch

The enclosures ought to be ... to the M.R. Co. or ... the Consg. Engr.

Enclosures 2 SB

39

No. 2291—289.

FROM

COLONEL SIR OLIVER ST. JOHN, K. C. S. I.
RESIDENT IN MYSORE.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FOREIGN DEPARTMENT.

Dated Mysore, the 11th July 1889.

SIR,

I have the honor to forward, for submission to the Government of India, a copy of printed papers relating to projects for the construction of a railway through the Kolar gold fields. The correspondence extends over more than two years, and is reviewed in a note which is also enclosed.

2. The consideration of these projects has been delayed, partly because the proposals, from time to time made to the Mysore Darbar by English capitalists or speculators, were extremely vague, and partly by the necessity for coming to a clear understanding with the Dewan as to dealings between the Mysore State and the English money market. The latter point has now been settled in accordance with the wishes of the Government of India; and I have recently received proposals which appear to be sufficiently definite to be examined in some detail.

3. A company styled "the Mysore Gold Fields Railway Company Limited" was registered in London on the 9th December 1887 by seven subscribers, whose names are given in the *margin. The Chairman is Sir Robert Dalyell, lately of the Civil Service, who was for a short time Chief Commissioner of Mysore. In a †letter to me of the 1st February last he explained that he and his colleagues were disposed to favour "a loop line of single railway, on the same gauge as the Madras Railway, from a point on the Madras railway about four miles south of Kamasamudrum station, through the several gold properties, to the Kolar Road station." Sir R. Dalyell also expressed the opinion that, if a concession were granted to his Company for the construction of such a line, the necessary capital could be raised without a Government guarantee of interest; and that satisfactory arrangements might be made, with the Madras Railway Company on the one hand and the Kolar Mining Companies on the other, for the working of the railway, the former taking half the receipts of the new line, and the latter guaranteeing a minimum traffic. "In the event then," Sir R. Dalyell continued, "of the Government of Mysore expressing its willingness to grant to this Company an ordinary concession for the construction of the line without any guarantee of interest, we shall be prepared to have the country surveyed and to discuss all the details of the concession on the spot." This is the proposal now for consideration; and the enclosed tracing will serve to illustrate it roughly.

*Serial No. XVIII in the enclosed printed correspondence.
Sir R. Dalyell, K. C. I. E., C. S. I.
Hon'ble J. S. A. Hanbury Tracy. M. P.
Lieut.-Genl. Sir Andrew Clarke, G. C. M. G., C. B., C. S. I.
Right Hon'ble Lord Ribblesdale, Chairman of the Gold Fields of Mysore Company.
Capt. W. B. McTaggart, Vice Chairman of the Mysore Gold Mining Company, Limited, and Chairman of the Nundydroog Gold Mining Company Limited.
Capt. F. W. Lowther R. N.
Major-General Beresford.
†Serial No. XX.

4. The Darbar was at once consulted on Sir R. Dalyell's letter, and in *reply the Dewan suggested that the concession of the loop line might be used as an inducement to a company to undertake without a guarantee of interest a larger line, about 68 miles in length, extending north-eastwards *via* Kolar and Srinivasapur to the border of the Cuddapah district near Royalpad. At the same time the Darbar expressed willingness to grant the Company a concession for the loop line only, if a guarantee of interest should be found indispensable for the larger scheme. In other respects there was no difference between the terms indicated by the Dewan for the larger and the smaller project.

*Serial No. XXIII.

5. I communicated the Dewan's reply, with a description of his terms, to Sir R. Dalyell in my †letter of the 30th March, to which I would invite a reference. As the Dewan wished the larger project to be pressed, I kept in reserve the Darbar's readiness to grant a concession for the loop line only.

†Serial No. XXIV.

6. It will be seen from Sir R. Dalyell's ‡letter of the 8th May that his Company will not undertake the larger project without a permanent guarantee of 4 per cent interest with one-fourth of net receipts. The Dewan for his part **declares that the Darbar is not in a position to accede to any proposal based upon a guarantee of interest. He again **expresses his readiness, however, to grant the concession asked by Sir R. Dalyell for the loop line only. The question therefore on which I have now to request orders is whether I may inform Sir R. Dalyell that the Darbar, while not disposed to give a guarantee of interest for the larger project, is willing to grant his Company a concession for the loop line only, subject to—(*a*) terms such as those already sketched, (*b*) satisfactory assurances regarding the financial position of the Company, and (*c*) preliminary discussion on the spot of details of the concession.

‡Serial No. XXV.

**Serial No. XXVIII.

7. The Dewan's terms, which are indicated in my ††letter of the 30th March, seem to be unobjectionable, at any rate for present purposes. They would reserve to the Darbar, and thus indirectly to the Government of India, control over the progress of the Company, and the execution of the project; while they provide that traffic shall be regulated by laws and rules similar to those applying to British Indian railways. The Darbar would only be bound to grant free of cost unoccupied or waste land.

††Serial No. XXIV.

8. I am not myself acquainted with the financial position of the Company. I forward for reference the copy of the Company's memorandum and articles of association which was sent with Sir H. Prendergast's ‡‡letter of the 13th February and returned with your letter of the 22nd March 1888. The list of subscribers contains some well known names; and any necessary enquiries could no doubt be made through the India Office. The loop line of 15 to 20 miles would probably not cost more than ten lakhs, and might be finished within six months of the estimates being approved.

‡‡Serial No. VIII.

9. Among the details to be settled locally would be the working arrangement with the Madras railway. If Sir R. Dalyell's Company, in which the Mysore gold mining interest is well represented, can obtain a guarantee of minimum traffic from the Mining Companies, so much the better.

10. Altogether the loop line appears to be a project which can impose no burden on Mysore, and will probably prove a valuable assistance to the gold mining industry of Kolar. I have lately discussed the matter with the Dewan, and he is anxious for the line to be undertaken without delay. I hope therefore that I may be favoured with early orders from the Government of India.

I have the honor to be,
Sir,
Your most obedient servant

OLIVER ST. JOHN, COLONEL,
Resident.

NOTE.

Kolar Gold Fields Railway.

A scheme for the construction of a railway through the Kolar gold fields seems to have been first brought forward early in the year 1887 by a Mr. Lavelle, acting on behalf of a London firm. He proposed to the Darbar to carry a broad gauge line from Kamasamudrum station on the Madras Railway through the Kolar gold fields to the border of the Cuddapah district near Royalpad. The Dewan thought such a line would be "highly beneficial," but, before entering into any discussion of details with Mr. Lavelle, he asked the Resident to ascertain whether the Southern Mahratta Company or the Madras Railway had any special rights with reference to subsidiary railway projects in Mysore, and generally what view was taken by the Government of India. The case was accordingly referred in Mr. Lyall's *letter of the 15th March 1887. In the Foreign †Secretary's reply of the 8th June 1887 it was observed that the terms of the proposal were so vague that the Governor General in Council could form no opinion as to its merits; that the contract with the Southern Mahratta Company had not been received; that the general policy of the Government was decidedly opposed to direct negotiations between Native States and European firms or speculators; and that it would certainly not be to the advantage of the Mysore Darbar to deal with any individual concessionnaire. Under Mr. Fitzpatrick's orders the Dewan was ‡addressed in this sense on the 22nd June 1887; and here the matter rested for some months.

*Serial No. II in the printed correspondence.

†Serial No. III.

‡Serial No. IV.

2. In January 1888 the Dewan §forwarded to Sir H. Prendergast two proposals for railway extension. One had come through Mr. Lavelle as the agent of a newly formed London company, styled "the Mysore Gold Fields Railway Company Limited," which, according to ¶Mr. Lavelle, intended "to construct a railway through the Kolar Gold Fields." The other proposal was contained in a short letter from Sir Roper ‖Lethbridge to the Dewan, and merely asked the Darbar for "the concession for a loop line to traverse the Kolar Gold Fields, by such route as may be agreed upon * * say from Kamasamudrum to the Fields and then to Kolar Road, or otherwise." These proposals were submitted to the Government of India with a **letter of the 13th February 1888 from Sir H. Prendergast. He was of opinion that the schemes did not require serious criticism, as the new Company's operations were not restricted to India, much less to Mysore, while Sir Roper Lethbridge was silent about many essential particulars. A recent visit to the gold fields had led Sir H. Prendergast to doubt whether "the line suggested" would give any adequate return on its capital expenditure in addition to meeting the obligatory working charges. Sir H. Prendergast was then inclined to advise the Dewan to inform both Mr. Lavelle and Sir R. Lethbridge that he was not prepared to enter upon the negotiations they had indicated, and also to impress upon the Darbar the necessity for keeping the Resident informed of such projects, and for discouraging advances made by European speculators or capitalists to the Darbar. The Government of India ††agreed that the two schemes were too vague to be seriously considered, and entirely ††approved of the advice suggested for the Darbar. These orders were communicated to the Darbar in a ‡‡letter of the 10th April 1888. The Dewan at once §§replied on the 14th April that he had already kept the Resident fully informed of all that had passed in respect of the projects under consideration. He also urged that the Mysore Gold Fields Railway Company, if it had any practical results, might prove very advantageous to the Mysore State, and that it was therefore advisable to give the Company "some idea regarding the wishes and intentions of the Government, so as, if possible, to lead to some practical action in the near future."

§Serial No. V.

¶Serial No. VII (b).

‖Serial No. VII (a).

**Serial No. VIII.

††Serial No. IX.

‡‡Serial No. X.

§§Serial No. XII.

3. Meanwhile the Darbar had been addressed by Sir Charles Lawson of Madras on behalf of the Mysore Gold Fields Railway Company. His *letter of the 7th April 1888 gave the names (as shown in the *margin) of the promoters of the Company, and specified that it had been formed "primarily for the purpose of improving the means of communication to and through the gold field of Kolar." He also stated that he had ascertained that the Southern Mahratta Railway Company had no prior right to construct the projected line, and that the Madras Railway would be glad to afford reasonable assistance to the scheme. Sir Charles Lawson therefore asked—(*a*) "whether, in the event of the proposed line being approved by the Government of India, the Government of Mysore will be prepared to grant the requisite concession for its construction, it being understood that no guarantee of interest on capital will be required of the Government;" and (*b*) what stipulations the Darbar would wish to attach to the concession. The Dewan replied to Sir Charles Lawson on the 12th April 1888 that the Darbar could give him no definite answer, pending the receipt of orders from the Government of India, and on the same day (before the Resident's †letter of the 10th April had reached him) he ‡forwarded Sir Charles Lawson's proposal to the Resident. The Dewan at the same time informed the Resident that the Darbar was prepared to grant to the "Mysore Gold Fields Railway Company" a concession for constructing and working a railway in Mysore territories to be called the "Mysore Gold Fields Railway." The Dewan enumerated eleven conditions, which he believed the Company would accept; and he urged that, subject to them or to such modifications as the Government of India might desire, "it was highly desirable" to grant the concession at an early date. The conditions contemplated a railway about 68 miles in length, running by an approved route from Kamasamudrum on the Madras Railway, to Kolar, Srinivaspur, and on to the Cuddapah border at or near Royalpad. It was stipulated that the Company should be bound to complete the whole of such a line within three years, and that the Mysore State should give no guarantee of interest, but should provide only waste or unoccupied land free of cost.

*Serial No. XI (*a*).

*Sir Robert Dalyell, K. C. I. E.
General Sir Andrew Clarke G. C. M. G.
Lord Ribblesdale, Chairman of the Gold Fields of Mysore Company.
Major-General Beresford, Chairman of the South Eastern Mysore Gold Mining Company.
Captain W. B. MacTaggart, Chairman of the Nundydroog Gold Mining Company.
The Honourable J. S. A. HanburyTracy, M. P.
Captain F. W. Lowther.

†Serial No. X.

‡Serial No. XI.

4. Sir H. Prendergast, while acknowledging the Darbar's "courtesy" in keeping the Resident informed of railway projects, ordered the following **reply to be sent to the Dewan on the 28th June 1888, with reference to this more developed scheme of the Mysore Gold Fields Railway Company:—

**Serial No. XIII.

"I am to inform you that the Government of India has lately been "approached by the representatives of companies who wish to construct railways in "Mysore; on this ground and also on the general ground that it is not the policy of "the Government of India to permit direct dealings between Native States and the "English money market, I am to recommend that the agents of the Mysore Gold "Fields Railway Company be advised to address the Resident with a view "to their projects being submitted for the consideration of the Government of India."

5. A few weeks later Sir H. Prendergast had occasion to communicate to the Darbar information ††received from the Government of India on the subject of railway projects affecting Mysore and Coorg. In doing this the following §observations were made with reference to the Gold Fields railway scheme:—

††Foreign Office to Resident No. 3321 I. dated the 17th August 1888.

§Serial No. XIV.

"In his letter of the 7th April 1888, Sir Charles Lawson, when writing to you on the "subject of the Mysore Gold Fields Railway, observes 'I am led to believe that the proposed rail-"way would not infringe any right covenanted to the Southern Mahratta Railway Company, and "that the Government of India reserves to itself the power to sanction or disallow all railway pro-"jects throughout British and Native India.' The Resident has no doubt that Sir Charles Lawson "is right, and he would observe that the Government of India clearly lays great stress on the "financial basis of a proposed line having been thoroughly settled by the Governor General in "Council before a project is undertaken.

"If the promoters of the Mysore Gold Fields Railway Company accept the conditions that "the Mysore Government would impose, and will communicate with the Resident, he will be very "happy to submit their project for the consideration of the Government of India, as he is convinced "that such a line would vastly benefit the mining industry, the inhabitants of the gold fields, and "the eastern portion of the Kolar district."

These remarks gave rise to a misapprehension as to the procedure to be followed by the Darbar. The Dewan ¶understood that they left the Darbar "free to propose their conditions to the promoters of the said company and ascertain their acceptance of the same." "It would be more satisfactory, however, to the Darbar," he added, "if, instead of the agent being asked to communicate with the Residency direct, his communication be in the first instance received by the Darbar, and then forwarded on to you with their observations." To this procedure Sir H. Prendergast was unable to agree; and on the 8th October 1888 the Assistant Resident *wrote to the Dewan:—"The instructions of the Government of India leave no option to the Resident but to request that the project of the Southern Mahratta (*s. o*—Mysore Gold Fields?) Railway Company may be submitted direct to me by the agent. Sir Harry Prendergast will, however, have much pleasure in forwarding the project after consulting the wishes of the Darbar regarding it, for the consideration of the Governor General in Council." Accordingly the Darbar on the 11th October 1888 †informed Sir Charles Lawson, Mr. Lavelle and Sir R. Lethbridge that communications should be addressed to the Resident.

¶Serial No. XV.

*Serial No. XVI.

†Serial No. XVII & enclosures.

6. On the 16th November 1888 the Secretary of the Mysore Gold Fields Railway Company ‡addressed the Resident direct "on the matter of the proposed railway through the Kolar Gold Fields." He gave the names (already mentioned) of the subscribers to the Company, and pressed for an early reply. "In the event of the Mysore Government," he wrote, "being willing to grant the usual concession and supply the land for the construction of the line, the Company will at once be prepared to enter into negotiations with them as to details, and will have the country surveyed, in view to deciding the best route for the line." The Resident §replied on the 29th December 1888 that projects for such a line as the Company proposed were under consideration, and would be dealt with as soon as possible. In acknowledging this answer Sir Robert Dalyell, the Chairman of the Company, **wrote as follows:—

‡Serial No. XVIII.

§Serial No. XIX.

**Serial No. XX.

"In that letter it is stated that the projects for a line of railway through the Mysore gold "fields are under consideration. But, so far as this company is concerned, their project can hardly "be said to be in such a matured condition as to justify its being taken into consideration in compe-"tition with others which may be much more complete."

"I think it well therefore to set out, very roughly, for your information, what the ideas "of myself and my colleagues are in the matter. As at present advised, we think that a loop line "of single railway, on the same gauge as the Madras line, from a point on the Madras Railway "about four miles south of Kamasamudrum Station, through the several gold properties, to the "Kolar Road Station, would probably be most suitable for the purpose in view."

"As stated in the letter dated 7th April 1888, addressed to the Dewan of Mysore by "Sir Charles Lawson at the instance of Lord Ribblesdale, one of our Board, who had had a con-"versation with the Dewan on the subject, we think that if a concession be granted to our company "for the construction of such a line, the necessary capital could be raised without a Government "guarantee of interest. We believe that the Mysore Government might arrange with the Madras "Railway Company to work the line for half the receipts on the plan recently adopted in the case of "the Delhi-Umballa and Kalka Railway, and we are of opinion that such an agreement might be "made thoroughly satisfactory both to the Madras Railway Company and the subscribers of the "capital, by the joint guarantee of the different Mining Companies for a minimum amount of "traffic. From what we hear of the great anxiety in all parts of the gold fields for the construc-"tion of the line, we have no doubt that the several Mining Boards would readily meet our views in "the matter, and we already have representatives from the most important of them in this "company."

"In the event then of the Government of Mysore expressing its willingness to grant to "this company an ordinary concession for the construction of the line, without any guarantee of "interest, we shall be prepared to have the country surveyed, and to discuss all the details of the "concession on the spot."

7. The Resident (Sir O. St. John) *enquired on the 7th March 1889 whether the Darbar was prepared to grant the concession requested by Sir R. Dalyell on behalf of his Company. The Dewan †replied on the 14th March that the Darbar was anxious to get, not merely the small loop line indicated by Sir R. Dalyell of 15 or 20 miles through the gold fields, but also an extension of 50 or 60 miles north-eastwards to the Cuddapah border on conditions which had already been described. "The concession for a loop line through the gold fields," he observed "is no doubt a thing of some value, and the offer of it may perhaps be sufficient inducement to a company to undertake the larger line without a guarantee of interest." The Darbar did not wish, however, to delay the construction of the loop line, which alone was thought "beneficial"; and if the Company would not take up the larger line without a guarantee of interest, the Darbar would grant it a concession for Sir R. Dalyell's loop line on terms similar to those previously described for the larger project.

*Serial No. XXI.
†Serial No. XXIII.

8. Sir Robert Dalyell was ‡addressed by the Resident in this sense on the 30th March last, except that mention was not made of the Darbar's eagerness to give the concession for the loop line only. Sir R. Dalyell **replied on the 8th May that the Company's offer to accept the concession without guarantee of interest had been limited to the loop line only, and had been subject to the ††condition that the Darbar "could arrange with the Madras Railway Company to undertake the working of the line for half the receipts, thus leaving the other half to go towards the payment of interest on the capital subscribed." This offer, Sir R. Dalyell held, would not be suitable for the extended line, and the lowest terms likely to answer for the latter would, he thought, be a permanent guarantee of 4 per cent interest with one-fourth of net profits. The Dewan's §opinion on these terms is that the Darbar is "not in a position to accede to any proposal for the proposed railway which may be based upon a guarantee of interest," but will "gladly grant," on the conditions already specified, the concession asked for the loop line, if it meets with the approval of the Government of India. Here the correspondence on the subject ends, and no reply has been sent to Sir R. Dalyell.

‡Serial No. XXIV.
**Serial No. XXV.

††NOTE.—No such *condition* was in fact specified in Sir R. Dalyell's letter of the 1st February 1889. (Serial No. XX.)

§Serial No. XXVIII.

J. A. C.

Correspondence relating to the Mysore Gold Fields Railway.

I.

No. 46, dated Camp Mysore, 3rd March 1887.

From—K. Sheshadri Iyer Esq. c. s. i. ,*Dewan of Mysore.

To—J. B. Lyall Esq. British Resident in Mysore.

I have the honor to forward herewith copies of the marginally noted *letters from Mr. M. F. Lavelle, together with a map of the proposed railway from near Kamasandra Station on the Madras Railway to the Cuddapah frontier near Royalpad, through the Kolar Gold fields, Bowringpet, Kolar and Srinivasapur. There can be no doubt that the proposed line will be highly beneficial to the province, and the offer now made seems to be deserving of some consideration, as apparently it involves the Mysore Government in no guarantee for interest or other obligations. But I recognize the fact that before the Mysore Government is called upon to bind itself in any way, Mr. Lavelle must produce some proof of the genuineness of the offer now made, and the firm of Messrs. Punchard, McTaggart, Lowther and Co., must give some guarantee for the required capital and for the proper and prompt construction of the proposed line.

*From Mr. Lavelle to the Dewan dated 6th November 1886.
From Secretary, Department of Public Works, to Mr. Lavelle, dated 18th February 1887.
From Mr. Lavelle to Secretary, Department of Public Works, dated 21st February 1887.

3. Before entering into any discussion upon these points, I think it necessary to ascertain whether the Government of India desires to reserve the question for its own consideration, either with reference to the position of the Southern Mahratta Railway Company in regard to Mysore Railways, or upon general grounds. I am also not aware whether the Madras Railway Company have any prior title to the construction and management of minor branches to their main line, and it would perhaps be desirable to ascertain the views of the Madras Government upon this point.

I*a*.

Dated Bangalore, 6th November 1886.

From—Mr. M. F. Lavelle.

To—K. Sheshadri Iyer Esq., Dewan of Mysore.

I have the honor to enclose tracing of a proposed line from near Kamasamudram Station, through the Kolar Gold Fields to Kolar Road Station, thence to Kolar town, Srinivaspur and Royalpadu on the Cuddapah frontier.

The line from Kolar Road Station to Royalpad will be laid as nearly parallel to the public road as possible.

Having already made a geological examination up to the Cuddapah frontier and come to the conclusion (vide report) that this portion of the country is a true gold field, the proposed line will be of service in more than one direction should gold mining in Mysore be carried on to the extent that indications warrant. The feasibility of this proposal is of course dependent on the claim that the Southern Mahratta Railway Company has on railway construction in this province.

I*b*.

No. 523—69, dated Bangalore 18th February 1887.

From—The Secretary to the Government of Mysore, Public Works Dept.

To—Mr. M. F. Lavelle, Bangalore,

Your letter dated 6th November 1886 to the address of the Dewan of Mysore, submitting a tracing of a proposed line of railway from near Kamasamudrum Railway Station through the Kolar Gold Fields to Kolar Road Station &c.,

having been transferred to me for consideration and disposal, I have the honor to request that you will be good enough to arrange, at your convenience, for seeing me on the subject, and placing your proposals before me in definite shape with plans, so that I may be able to form an opinion on the scheme.

Ic.

Dated Bangalore, 21st February 1887.

From—Mr. M. F. Lavelle.

To—Lieut. Colonel C. Bowen R. E., Secretary to the Government of Mysore, P. W. D.

I have the honor to acknowledge receipt of your letter No. 523—69, dated 18th February 1887, with reference to a proposal made by me to the Dewan of Mysore for constructing a line of railway through the Kolar Gold Fields to Kolar Road Station, thence to Kolar town, and on to the frontier of Mysore.

I am prepared to submit plans &c., of the proposed line, if the Government of Mysore will guarantee to Messrs. Punchard, McTaggart, Lowther and Co., of 151, Cannon Street, London, E. C., through me, the construction and working of the line.

This work would be put in hand almost immediately after the receipt of the promise from Government. This line will no doubt prove a great boon, as at present the Kolar Road Station is crowded to excess with machinery and plant owing to the want of draft to carry it to the mines, where the greatest inconvenience is experienced through the delay in carriage.

Further draft is not likely to come in, as the country is almost denuded of fodder which is now only to be had from below the Ghauts.

The existing high rates for cartage may tempt the villagers away from the plough to such an extent as to diminish the revenues of Government from kandayam, and also to diminish the supply of food stuffs to the ryots.

No doubt the good road recently constructed through the mines facilitates the carriage of material to the several companies' properties, but the want of the necessary draft is a problem which can only be solved by the construction of a railway. I beg therefore that you will endeavour to get me the necessary promise from Government as soon as possible, when I shall make all haste to meet your wishes with reference to plans &c.

II.

No. 837—1637, dated 15th March 1887.

From—The Resident in Mysore.

To—The Secretary to the Government of India, Foreign Department.

I have the honor to forward, for the orders of the Government of India a copy of letter No. 46 dated 3rd March 1887 from the Mysore Darbar and of its enclosures, regarding a proposal made by Mr. M. F. Lavelle for the construction of a railway line from near Kamasamudram Station on the Madras Railway to the Cuddapah frontier near Royalpad through the Kolar Gold Fields, Bowringpet, Kolar and Srinivaspur.

2. The proposed line will, in the opinion of the Darbar, be highly beneficial to the State, but before entering into any discussion with Mr. Lavelle upon the details, they desire me to refer the proposal to the Government of India, and to enquire whether, with reference to their obligations towards either the Southern Mahratta Railway Company or the Madras Railway Company, or on general grounds, there appear to be any objection to the Darbar coming to some arrangements with Mr. Lavelle for the construction of the line referred to, supposing that he is able to satisfy them that he and the firm for whom he is said to be acting are able and willing to carry the project through to completion.

III.

No. 2531 I, dated Simla, the 8th June 1887.

From—The Secretary to the Government of India, Foreign Department.

To—The Resident in Mysore.

I am directed to reply to Mr. Lyall's letter No. 837—1637, of the 15th March last, regarding a proposal which has been made by Mr. M. F. Lavelle to the Mysore Darbar for the construction of a railway line in the Mysore State.

2. I am to observe that the terms of the proposal are so vague that the Government of India can form no opinion as to its merits. The general policy of the Government, however, is decidedly opposed to direct negotiations between Native States and European firms or speculators; and it would certainly not be to the advantage of the Mysore Darbar to deal with any individual concessionnaire. I am accordingly to request you to keep yourself well informed of all that passes between the Darbar and Mr. Lavelle. The Dewan acted quite rightly in referring this proposal to you, and it is very necessary that he should consult you freely in all such matters.

3. I am to add that, until the contract with the Southern Mahratta Railway Company is received, the Government of India will not be able to explain the Company's position in respect of railway projects in Mysore territory.

IV.

No. 1935—1637, dated 22nd June 1887.

From—Major D. Robertson, Assistant to the Resident in Mysore.

To—The Dewan of Mysore.

I am directed to acknowledge the receipt of your letter No. 46, dated 3rd March 1887, communicating certain proposals made by Mr. M. F. Lavelle for the construction of a line of railway from a point near the Kamasamudrum Station on the Madras Railway to the Cuddapah frontier.

2. The question involved being one of special importance, Mr. Lyall considered it necessary to refer to the Government of India before replying to your letter.

3. It is obvious that the terms of Mr. Lavelle's proposals are too vague to justify the expression of any opinion as to the merits of his scheme; but, apart from this, it would not appear to be to the advantage of the Mysore Darbar to deal direct in the manner indicated with any individual concessionnaire.

4. Mr. Fitzpatrick desires me to acknowledge the promptitude with which Mr. Lavelle's proposals were communicated to the Residency, and to express a hope that should they or other similar scheme be revived or proposed to the Darbar at any time, by individuals, firms or companies, you will afford him early and full information of their nature and details. The Government of India have, he feels sure, no desire to curtail or hamper private enterprise, but, with the extensive knowledge of the conditions essential to successful negotiations which is at their disposal, it is very desirable, in the interests alike of the Darbar and the public, that they should have the earliest possible opportunity afforded to them of advising, in all cases when schemes of importance to the country at large are proposed by individuals acting either singly or on behalf of companies.

5. I am to add that until the contract with the Southern Mahratta Railway is received from England the Government of India will be unable to explain the Company's position in respect of railway projects in Mysore territory.

V.

No. 2234 dated Camp Mysore, 7th January 1888.

From—The Chief Secretary to the Dewan of Mysore.

To—The Assistant to the Resident in Mysore.

Adverting to your letter No. 1935 dated 22nd June last, I am directed to forward, for the consideration of the Resident, the enclosed memorandum and articles of *association of a company, called the Mysore Gold Fields Railway Company Limited, which has been

*Received from Mr. Lavelle.

formed in England, with Sir Robert Dalyell as chairman, and Sir Andrew Clarke and other influential gentlemen, as members of the Board. The names of the Directors given in the prospectus afford some guarantee that the proposed company mean business and are likely, if permitted, to carry out the objects which are set forth in paragraph 3 of the articles of association.

Sir Roper Lethbridge, who is the second applicant, in his letter dated London the 9th December 1887, says that, he is anxious to secure a concession to construct a loop line to traverse the Kolar Gold Fields by such a route as may be agreed upon between the Government and the concessionnaires say from Kamasamudrum to the fields, and thence to Kolar-Road or otherwise. He adds that some financial friends have agreed to support him to undertake with him to bring the business to a successful issue, but gives no further particulars.

Before taking any further action on these proposals, the Darbar would feel obliged by their being favoured with the views of the Resident in this matter.

VI.

No. 253—268 dated the 23rd January 1888.

From—Major D. Robertson, Assistant to the Resident in Mysore.
To—The Dewan of Mysore.

I am directed to acknowledge the receipt of your office letter No. 2234 dated 7th instant, enclosing for the Resident's consideration a memorandum and articles of association of a company called the Mysore Gold Fields Railway Company Limited, and to say that the Officiating Resident will be obliged if you will favour him with copies of the letters from Mr. Lavelle and Sir Roper Lethbridge referred to in the letter cited above.

VII.

Camp No. 2410, enclosure 1 dated Mysore, 26th January 1888.

From—The Chief Secretary to the Dewan of Mysore.
To—The Assistant to the Resident in Mysore.

With reference to your letter No. 253—268 dated 23rd instant, I am directed to forward herewith, for the information of the Officiating Resident, copies of letters noted in the margin, from Mr. Lavelle and Sir Roper Lethbridge referred to in this office letter, Camp No. 2234, dated 7th idem.

1. Letter dated 9th ultimo from Sir Roper Lethbridge.
2. Do dated 4th instant from Mr. Lavelle.
3. Do dated 5th instant from Mr. Lavelle.

VII*a*.

Dated, Carlton Club, Pall Mall S. W. December 9th 1887.

From—Sir Roper Lethbridge.
To—His Excellency the Dewan of Mysore.

Some financial friends have agreed to support me, and to undertake with me to bring the business to a successful issue, if your Excellency, on behalf of His Highness' Government, will be pleased to grant me the concession for a loop line, to traverse the Kolar Gold Fields, by such a route as may be agreed upon between your Excellency and the concessionnaires, say from Kamasamudrum to the Fields, and then to Kolar-Road, or otherwise. I should feel much obliged if your Excellency would order a telegram to be sent to Lethbridge, London, accepting this offer.

VII*b*.

Dated Bangalore 5th January 1888.

From—Mr. David J. Lavelle attorney of Mr. M. F. Lavelle.
To—The Acting Dewan of Mysore.

Before departing on tour with His Highness the Maharaja, the Dewan informed me that he would instruct you to telegraph to him at Calcutta, with reference

to a proposal from a London Syndicate, to construct a railway through the Kolar Gold Fields; also some business in connection with this business.

The papers will probably come out from England this week, and I shall at once forward them to you for disposal.

VII*c*.

Dated Bangalore 5th January 1888.

From—Mr. David Lavelle, attorney of Mr. M. F. Lavelle.
To—The acting Dewan of Mysore.

I have the honor to forward you, by this day's post, a copy of the memorandum and articles of association of the Mysore Gold Fields Railway Company Limited, of which I made mention in my letter of yesterday's date. Will you kindly inform him of the same.

I have just now telegraphed to him the names of the Directors.

P. S.—Please take care of this as it is the only copy at present sent out.

VIII.

No. 535—268 Enclosures 4 dated 13th February 1888.

From—The Resident in Mysore.
To—The Secretary to the Government of India, Foreign Department.

I have the honor to forward for the information and orders of the Government of India copies of papers received from the Mysore Darbar relating to—

(*a*) an application received from Sir Roper Lethbridge, M. P., for a concession to construct a loop line from the Madras Railway through the Gold Fields of Kolar, terminating at the stations of Kolar Road and Kamasamudrum, and

(*b*) The proposal to start a Company designated the "Mysore Gold Fields Railway Company[limited."

2. It will be within the recollection of the Government of India that in March 1887, Mr. ~~Fitzpatrick~~ reported a scheme, similar to that now put forward by Sir Roper Lethbridge, started by Lavelle who has for many years been connected with speculative projects in Mysore, and now figures as the local agent for the Mysore Gold Fields Railway Company. Your office letter No. 2537, dated 8th June 1887, communicated the orders of the Government of India on that proposal and I enclose copy of Mr. Fitzpatrick's letter repeating those instructions to the Dewan.

3. The two schemes above alluded to do not in their present shape appear to require serious criticism. Sir Roper Lethbridge's application is not one which any prudent government could favourably entertain, seeing that it avoids mention of details, and is silent on many essential particulars which would naturally arise for consideration, and regarding which the Government of India would require full information before allowing the negotiations to proceed. I may mention however that the result of a recent visit to the Gold Fields induces me to doubt whether the line suggested would give any adequate return on its capital expenditure in addition to meeting the obligatory working charges.

4. As regards the "Mysore Gold Fields Railway Company" I fail to see that the Darbar has as yet any interest in the undertaking. The very comprehensive range of operations provided by article III of the memorandum of association does not require the company to confine its operations to India, much less to Mysore, and there is in the papers before me nothing to show why the name implying connection with Mysore has been selected. From the names of some of the promoters, who are already connected with gold mines in this State, it is possible that there may be some intention of operating in Mysore, but there is nothing to indicate this at present.

5. I propose, if the Government of India approve, to advise the Darbar, in acknowledging Sir Roper Lethbridge's communication, to inform him that they are not prepared at present to enter upon any negotiations for the grant of a concession such as he seeks to acquire. A reply expressed in similar terms might be sent to Mr. Lavelle in connection with the Mysore Gold Fields railway scheme. As soon as the Dewan returns from his tour with the Maharaja I will take an early opportunity of again impressing upon him the necessity of keeping the Resident promptly informed of all proposals of a like nature, and of discouraging the advances of European speculators or capitalists in connection with railway schemes and concessions, until the Government of India have been afforded ample opportunity for examining any projects which may be advanced.

6. I would ask that the printed enclosures be returned when no longer required.

IX.

No. 1159 I. dated Fort William, the 22nd March 1888.

From—The Junior Under Secretary to the Government of India, Foreign Department.
To—The Resident in Mysore.

I am directed to reply to your letter No. 535—268, dated the 13th February 1888, regarding applications from Sir Roper Lethbridge, M. P., and Mr. Lavelle for railway concessions in the Mysore State.

2. I am to inform you that the Government of India entirely approves of the advice you propose to give to the Darbar on this subject. The schemes in question are too vague to be seriously considered; and the general policy of the Government of India in such matters has been explained to the Dewan.

3. The printed enclosures of your letter are herewith returned.

X.

No. 1243—268, dated Bangalore, 10th April 1888.

From—Major D. Robertson, Assistant to the Resident in Mysore.
To—The Dewan of Mysore.

With reference to correspondence ending with your office letter, Camp No. 2410, dated 26th January 1888, regarding an application from Sir Roper Lethbridge for a railway concession in Mysore, I am directed to state that the proposal having been referred for their information and orders, the Government of India are of opinion that the scheme in question is in its present shape too vague to be seriously considered, I am to suggest, therefore, that Sir Roper Lethbridge may be informed that the Darbar are not at present prepared to enter upon any negotiations for the grant of a concession such as he seeks to acquire.

2. While acknowledging the promptness with which the above scheme was submitted for the Resident's consideration, I am to express Sir Harry Prendergast's hope that the Darbar will continue to bear in mind the necessity for keeping the Resident informed of all proposals of a like nature and of discouraging the advances of European speculators or capitalists in connection with railway schemes and concessions, until the Government of India have been afforded ample opportunity for examining any projects that may be advanced.

3. It is not clear that the Mysore Darbar are in any way interested in the proceedings of the Mysore Gold Fields Railway Company, but the foregoing remarks apply to all schemes promoted by English capitalists or financial agents which the Mysore Government may be asked either to join or assist.

4. The printed enclosures to your letter are returned.

XI.

No. 1, dated Mysore, 12th April 1888.

From—K. Sheshadri Iyer Esq., C. S. I., Dewan of Mysore.
To—Sir Harry Prendergast, K. C. B., V. C., Offg. Resident in Mysore.

Adverting to the concluding paragraph of your office letter No. 1935-1637, dated 22nd June 1887, I have the honor to state that the contract with the Southern Mahratta Company, recently received, contains no provision in regard to the "Mysore Gold-fields Railway" referred to in correspondence ending with this office letter No. 2410, dated 26th January 1888.

2. The memorandum and articles of association of the Mysore Gold Fields Railway Company, limited, were forwarded to you with this office letter No. 2234, dated 7th January 1888, and as that company are anxious for a definite reply from the Darbar, I beg that I may be favored at an early date with the orders of the Government of India on the subject.

3. I beg to enclose for your information copy of a letter, dated 7th April 1888, from Sir Charles Lawson on the same subject, and of the reply sent to that gentleman.

4. The Mysore Government, as at present advised, are prepared to grant to the company above named a concession for constructing and working a railway in Mysore territories, to be called the "Mysore Gold fields Railway," subject to the following conditions:—

1*st*.—That the railway shall commence at Kamasamudram on the Madras Railway, and after touching the towns of Kolar and Srinivaspur, be carried to the frontier of the province at Royalpad or some other point to be fixed with reference to the lie of the auriferous lands of the Kolar District and to the railway system of the adjoining districts of British India. The estimated length of the railway is about 68 miles.

2*ndly*.—That the exact route of the railway be previously approved by the Government.

3*rdly*.—That the concession to be regarded as granted for the whole of the line from Kamasamudram to Royalpad or other point on the Mysore frontier to be fixed as provided in para 1 above, that is to say, the company shall not be at liberty to construct only a portion of it and to leave the remainder undone. [The object is to get an important railway for the Kolar District, taking advantage of the fact that many persons will readily come forward to do it owing to the demand for railway communication through the *present* gold fields.]

4*thly*.—That the Government grant free of cost all waste and unoccupied land required for the railway and also agree to acquire and grant any occupied land required, upon payment for the same by the company. (The occupied land required for the railway would be very little.)

5*thly*.—That the railway to be constructed shall be of the metre or other approved guage and at a standard not lower than that adopted in British India for State Railways, and that it be worked and maintained at the same or higher standard, as regards permanent way, equipment, &c.

6*thly*.—That the traffic on the railway be regulated by the Government under rules similar to those in force in British India for the time being, and that the rights and liabilities of the Company as public carriers be regulated by the *law for the time being in force in British India.

*Such law will from time to time be introduced into Mysore.

7*thly*.—That the telegraph lines required for working the railway be obtained from the British Government.

8*thly*.—That the concession be on the express condition that, within 4 months from the date of its grant, the company start the necessary surveys, that within 6 months of the said date, the required capital of not less than say 50 lacs be raised by the company, that within 12 months of the said date plans and estimates for the entire line be submitted for the approval of Government, and that within three years after the approval of the same by the Government, the railway be completed and opened for traffic

9*thly*.—That upon breach of any one of the above conditions, the concession shall be liable to be withdrawn, without any compensation to the company for work done, and upon such withdrawal the lands, if any have been granted, shall vest in the Government.

10*thly*.—That the concession shall not be transferable without the previous consent of Government; and

11*thly*.—No interest on capital will be guaranteed by the Government, and the company will be entitled to no compensation for any loss arising from measures of legislation adopted by the Government with the sanction of the British Government.

5. It is believed that the company will accept a concession to the above effect, and it appears to the Darbar highly desirable to grant it at an early date. If the Government of India are of opinion that the conditions above set forth should be modified in any particular, or that other conditions should be added, the Darbar will gladly give effect to such suggestions.

6. I beg that the orders of Government may be obtained at an early date as may be convenient.

XI*a*

Dated Madras 7th April 1888.

From—Sir Charles Lawson, Madras.

To—M. R Ry K. Sheshadri Iyer, C. S. I., &c., Dewan of Mysore.

I have the honor by desire of the promoters to bring to your notice that a company, called the "Mysore Gold Fields Railway Company, Limited, has been formed, and registered in London by Sir Robert Dalyell, K. C. I. E., former acting Chief Commissioner of Mysore; General Sir Andrew Clarke G. C. M. G., former Public Works member of India, Lord Ribblesdale, Chairman of the Gold Fields of Mysore Company, Major General Beresford, Chairman of the South Eastern Mysore Gold Mining Company, Captain W. P. McTaggart, Chairman, Nandidrug Gold Mining Company, the Hon'ble F. S. A. Hanbury Tracy, M. P., and Captain F. W. Lowther R. N., primarily for the purpose of improving the means of communication to and through the gold field of Kolar, and that I have been desired to communicate with you on the subject.

You will, doubtless, remember that when, on the 27th February, Lord Ribblesdale and I had the honor of making personal enquiries of you with regard to the project of a loop line from the Kamasamudram Station of the Madras Railway, through the Gold Field to the Kolar Road Station, and asked whether the Sirkar would be disposed to favorably consider the scheme, and to grant the Company permission to carry it out in the event of the requisite capital being raised, you expressed your inability to give a definite answer, as you apprehended that the arrangements which had been entered into by the Government of India with the Southern Mahratta Railway Company, virtually reserved for that Company the right to construct all railways that may hereafter be proposed for the State. You also intimated a desire to know the wishes of the Madras Railway Company on the subject.

I beg now to inform you that, on the 2nd instant, Lord Ribblesdale telegraphed to London to enquire if the Southern Mahratta Railway Company had a prior right to construct the proposed line, and that, on the 3rd idem, or just before his embarkation from Bombay for Europe, he was authoritatively

informed in reply, that its contract with the Secretary of State concedes to the Southern Mahratta Company no such right.

I had previously made enquiries in other quarters on the subject, and I am led to believe both that the proposed railway would not infringe any right covenanted to the Southern Mahratta Railway Company, and that the Government of India reserves to itself the power to sanction or disallow all railway projects throughout British and Native India.

As to the attitude of the Madras Railway Company, I beg to say that during my recent visit to England I was informed, in reply to an enquiry which I made on the subject, that the Company would not only offer no opposition to the construction, by a company formed for the purpose, of a loop line from Kamasamudram to Kolar Road Station, but would be glad to afford such company all reasonable assistance by permitting the use of platforms, sidings, vehicles &c. &c., At the last half-yearly meeting, on the 13th December last, of the Company, Mr. G. N. Taylor, M. C. S., retired, the chairman, alluded to the traffic of the gold fields, and proceeded to say:—

"In reference to this region we have been asked by Sir Charles Lawson, "and by a private firm, whether, in the event of a plan being carried out for the "formation of a tramway from those stations to pass through the Kolar Gold "Fields, the Board would be disposed to entertain a proposal to allow the Company "the use of their trucks laden with goods for the gold fields. We have replied "that should the necessary funds be raised and the company formed, we should "be prepared to render any assistance in our power."

Under these circumstances I have now the honor to ask you to be so good as to inform me whether, in the event of the proposed line being approved by the Government of India, the Government of Mysore will be prepared to grant the requisite concession for its construction, it being understood that no guarantee of interest on capital will be required of the Government.

At the same time I beg that you will acquaint me, for the guidance of the promoters of the company, with the stipulations that the Government of Mysore wish to attach to the concession.

Under another cover, I have forwarded for your information a copy of the memorandum and articles of association of the "Mysore Gold Fields Railway Company, Limited."

XI*b*.

No. 164, dated Mysore, 12th April 1888.

From—R. Vijayendra Row Esq., Chief Secretary to the Dewan of Mysore.

To—Sir Charles Lawson, Madras.

I am directed to acknowledge the receipt of your letter dated 7th April 1888, to the address of the Dewan, asking for some information regarding a concession desired by the Mysore Gold Fields Railway Company, Limited.

2. In reply, I am to state that the local agent of the promoters of the Company applied for the concession on 6th November 1886, and the question was at once referred to the Government of India. But no definite information was then furnished regarding the status of the proposed company, and the Government were therefore unable to form any opinion upon the merits of the proposal.

3. Since then the Company has been formed, and on 5th January last the agent submitted a copy of the memorandum and articles of association, and the same was at once submitted to the Resident for the orders of the Government of India. Under such circumstances, the Darbar are unable to give the Company any definite reply until receipt of the orders of Government of India.

The Resident has been requested to-day to obtain such orders as early as possible.

XII.

No. 2, Camp Mysore, dated 14th April 1888.

From—K. Sheshadri Iyer Esq., C. S. I., Dewan of Mysore.
To—Sir Harry Prendergast, K. C. B., V. C., Officiating Resident in Mysore.

I have the honor to acknowledge the receipt of your office letter No. 1243—268 dated 10th April 1888, regarding the Mysore Gold Fields railway, and to inform you that my letter to you on the same subject, No. 1 dated 12th April 1888, was written and despatched before the receipt of the first mentioned communication.

2. I beg to state, for the information of the Government of India, that the only action taken by the Darbar with reference to Sir Roper Lethbridge's application was to inform you of its receipt. They did not even give an opinion in its favor. Sir Roper Lethbridge has hitherto received from the Darbar no communication of any kind regarding his application, but a reply will now be sent to him in the terms suggested in your letter under acknowledgment.

3. With reference to para 2 of your letter, I need only assure you that any applications made to the Darbar regarding railway schemes have invariably been promptly submitted to your office, and where a written or even verbal reply was given to the applicants, it has invariably been to the effect that the Darbar could not tell them any thing definite until the views and intentions of the Government of India had been ascertained.

4. Adverting to the observations made in para 3 of your letter under reply, I beg to say that, if the proceedings of the Mysore Gold Fields Railway Company are calculated to produce any practical result, the Darbar expect therefrom certain important advantages to accrue to the State; for—

1st.—a railway through the gold fields of Kolar will be of immense help to the mining industry now being established on a firm basis in the Kolar District;

2ndly.—the immediate wants of the present mines will be served by a loop line, about 20 miles, passing through the gold field, and joining the Madras Railway at Bowringpet and Kamasamudrum Stations;

3rdly.—the Mysore Government is not asked to give any guarantee or to undertake any liabilities, but is merely asked to give permission to build and work such a line within Mysore territories;

4thly.—the Mysore Government consider the offer in every way advantageous to the State, but they desire to secure, if possible, still greater advantages to the State, by requiring that the loop line be undertaken *not as a separate project* but as part of a larger project which would provide a railway of about 68 miles, highly useful for the general prosperity of the Kolar District, but involving no liability of any kind to the State.

5. Such an arrangement is one of obvious advantage to the State, but whether it will be practically carried out can only be decided by actual negociation. Under such circumstances, my letter to you No. 1, dated 12th April 1888, was written, and to the conditions therein specified, we may perhaps add a condition providing a reasonable period for the company's ownership of the railway and for its eventual reversion to the State. Under such circumstances, I hope you will agree with me in thinking that some necessity exists for giving the Mysore Gold Fields Railway Company some idea regarding the wishes and intentions of the Government, so as, if possible, to lead to some practical action in the near future.

6. When the agent of the promoters of the company submitted the proposal for such a railway on 6th November 1886, it was investigated in the Mysore Public Works Department, and I forwarded to your predecessor the whole of the correspondence with the remark that "before the Mysore Government is called upon "to bind itself in any way, Mr. Lavelle must produce some proof of the genuineness "of the offer now made, and the firm of Messrs. Punchard, McTaggart, Lowther and "Co., must give some guarantee for the required capital, and for the proper and "prompt construction of the proposed line." I also added that "before entering

With letter No. 46, dated 3rd March 1887.

"into any discussion upon these points," I considered it "necessary to ascertain "whether the Government of India desires to reserve the question for its own con-"sideration, either with reference to the position of the Southern Mahratta Railway "Company in regard to Mysore Railways or upon general grounds." In reply to this reference, I received from your office letter No. 1935—1637, dated 22nd June 1887, and an extract of paras 1, 2, 3 and 5 of this letter was, on 11th July 1887, sent to Mr. Lavelle in reply to his original application of 6th November 1886. On 5th January 1888, a copy of the memorandum and articles of association of the company was received in my office and it was at once forwarded to you.

7. It will thus be seen that the Darbar have, from time to time, furnished you with all such information as they themselves received.

XIII.

No. 2171—268 dated 28th June 1888.

From—The Assistant to the Resident in Mysore.
To—The Dewan of Mysore.

I am directed to acknowledge the receipt of your letter Nos. 1 and 2 dated 12th and 14th April 1888 respectively, forwarding a letter from Sir C. Lawson on the subject of the Mysore Gold Fields Railway Company and stating that the Mysore Government as at present advised are prepared to grant to the company above named a concession for constructing and working a railway in Mysore territories, to be called the "Mysore Gold Fields Railway," subject to the following conditions:—

1st.—That the railway shall commence at Kamasamudrum on the Madras Railway and after touching the towns of Kolar and Srinivaspur, be carried to the frontier of the province at Royalpad, or some other point to be fixed with reference to the lie of the auriferous lands of the Kolar District and to the railway system of the adjoining Districts of British India. The estimated length of the railway is about 68 miles.

2ndly.—That the exact route of the railway be previously approved by the Government.

3rdly.—That the concession to be regarded as granted for the whole of the line from Kamasamudrum to Royalpad or other point on the Mysore frontier to be fixed as provided in para 1 above, that is to say the company shall not be at liberty to construct only a portion of it and to leave the remainder undone.

[The object is to get an important railway for the Kolar district, taking advantage of the fact that many persons will readily come forward to do it, owing to the demand for railway communication through the present Gold fields.]

4thly.—That the Government grant, free of cost, all waste and unoccupied land required for the railway and also agree to acquire and grant any occupied land required upon payment for the same by the company. (The occupied land required for the railway would be very little.

5thly.—That the railway to be constructed shall be of the metre or other approved guage and at a standard not lower than that adopted in British India for State Railways, and that it be worked and maintained at the same or higher standard as regards permanent way, equipment &c., &c.

6thly.—That the traffic on the railway be regulated by the Government under rules similar to those in force in British India for the time being, and that the rights and liabilities of the Company as public carriers be regulated by the law for the time being in force in British India.

7thly.—That the telegraph lines required for working the railway be obtained from the British Government

8thly.—That the concession be on the express condition that within 4 months from the date of its grant the company start the necessary surveys, that within 6 months of the said date, the required capital of not less than—say 50 lacs—be raised by the company, that within 12 months of the said date plans and estimates for the entire line be submitted for the approval of Government, and that within three years after the approval of the same by the Government, the railway be completed and opened for traffic.

9thly. That upon breach of any one of the above conditions the concession shall be liable to be withdrawn, without any compensation to the company for work done, and upon such withdrawals the lands, if any have been granted, shall vest in the Government.

10thly. That the concession shall not be transferrable without the previous consent of Government ; and

11thly.—No interest on capital will be guaranteed by the Government, and the company will be entitled to no compensation for any loss arising from measures of legislation adopted by the Government with the sanction of the British Government; and

Lastly perhaps a condition may be added providing a reasonable period for the company's ownership of the railway and for its eventual reversion to the State.

2. You mention that the Darbar have from time to time furnished the Resident with all such information as you received concerning the plans of railway projectors.

Your courtsey in this and every other respect, I am to say, is fully appreciated, and you add that, when first addressed on the subject of the Mysore Gold Fields railway, you replied that, before entering into any discussion with the promoters, you considered it necessary to ascertain whether the Government of India desires to reserve the question for its own consideration either with reference to the position of the Southern Mahratta Railway Company in regard to Mysore railways, or upon general grounds.

3. I am to inform you that the Government of India has lately been approached by the representatives of companies who wish to construct railways in Mysore ; on this ground and also on the general ground that it is not the policy of the Government of India to permit direct dealings between Native States and the English money market, I am to recommend that the agents of the Mysore Gold Fields Railway Company be advised to address the Resident with a view to their projects being submitted for the consideration of the Government of India.

XIV.

No. 3042—26-8, dated 7th September 1888.

From—The Assistant to the Resident in Mysore.

To—The Dewan of Mysore.

In continuation of my letter of the 28th June, No. 2171—268, I am desired by the Resident to communicate the following information received from the Government of India on the subject of railway projects affecting Mysore and Coorg.

2. The Government of India observe that of the railways surveyed and projected in the neighbourhood of Mysore and Coorg, the Tirupati-Dharmaveram and Pokal-Villupuram projects have been sanctioned by Her Majesty's Secretary of State for India, and their construction is now under consideration. It was at one time proposed to press for the construction on the metre guage of the Guntakal-Hindupur project with which the above two lines will effect a junction at Dharmaveram, but the Secretary of State for India has decided that this line need not be taken up at once, and the matter has been dropped for the present. The Madras Railway Company, however, has recently proposed to prepare an estimate of the cost of this line on the broad guage, with a prolongation from Hindupur to Bangalore.

The Madras Government consider that this railway in order to be effective for famine purposes should be on the metre guage, and should connect with the Mysore line at Tumkur and not at Bangalore.

The Government of India has decided that no such extension either on the broad or the metre guage should be seriously considered until the financial basis has been thoroughly settled on which any such project could be undertaken.

3. The Government of India desire before arriving at any decision in regard to this or any other project which either involves or is likely directly to involve any railway construction in Mysore that the Mysore Darbar should be consulted.

4. With reference to the proposed extension of the Mysore State Railway to the foot of the Nilgiris, the Government of India remark that the Mettapolliem

Coonoor railway project has recently been advanced a step by allowing the Company to raise capital in England.

The line which the Mysore Darbar advocate for the west coast of Malabar through the Wynaad to Mysore with an extension to the foot of the Nilgiris appears to be much the same project which was started some years ago for a railway from Calicut to Gudalur and possibly on to Mysore.

The Government of Madras, however, did not regard this scheme as very promising, and the Government of India are not in favour of passing it.

5. In his letter of the 7th April 1888, Sir Charles Lawson, when writing to you on the subject of the Mysore Gold Fields Railway, observes "I am led to believe that the proposed railway would not infringe any right covenanted to the Southern Mahratta Railway Company, and that the Government of India reserves to itself the power to sanction or disallow all railway projects throughout British and Native India." The Resident has no doubt that Sir Charles Lawson is right, and he would observe that the Government of India clearly lays great stress on the financial basis of a proposed line having been thoroughly settled by the Governor General in Council before a project is undertaken.

6. If the promoters of the Mysore Gold Fields Railway Company accept the conditions that the Mysore Government would impose, and will communicate with the Resident, he will be very happy to submit their project for the consideration of the Government of India, as he is convinced that such a line would vastly benefit the mining industry, the inhabitants of the gold fields, and the eastern portion of the Kolar District.

XV.

No. 13, dated Mysore, 15th September 1888.

From—K. Sheshadri Iyer Esq., C. S. I. Dewan of Mysore.

To—General Sir H. N. D. Prendergast, K. C. B., V.C., Offg. Resident in Mysore.

I have the honor to acknowledge the receipt of your office letters marked confidential, Nos. 2171—268 and 3042—268, dated 28th June and 7th September last. In the former of these letters, I am asked to advise the Agent of the Mysore Gold Fields Railway Company to address the Residency with a view to their projects being submitted for the consideration of the Government of India. In the latter letter, it is stated that if the said Company accept the conditions which the Mysore Government would impose and will communicate with the Residency, you would be happy to submit their project for the consideration of the Government of India.

2. The Darbar deferred taking any action upon the first of the letters above quoted, as they felt doubtful, whether the Government of India desired that the Durbar should decline to entertain any proposal made to them for railway construction and that they should refer the applicants to the Residency, or whether the intention of the Government of India was merely to require the Darbar not to make any promises to railway projectors without first obtaining the sanction of His Excellency the Viceroy. It was feared that a restriction of the former kind would deprive the Darbar of any opportunity for doing what little may be in their power towards encouraging railway construction in Mysore, and it was hoped that the Government of India did not mean that the Darbar should regard railway construction as a matter wholly beyond their jurisdiction, such as telegraphs for instance.

3. Under such circumstances the Government of His Highness the Maharaja are highly grateful to you for the modified procedure laid down in your office letter of the 7th instant, which, I believe, leaves the Darbar free to propose their conditions to the promoters of the said company and ascertain their acceptance of the same. It would however be more satisfactory to the Darbar if, instead of the agent being asked to communicate with the Residency direct, his communication be, in the first instance, received by the Darbar and then forwarded on to you with their observations.

4. In the present case however, it would perhaps save delay, if the Agent of the Company be asked to meet yourself and a representative of the Darbar at the

Residency on some day convenient to you, and if this suggestion meets with your concurrence, I shall at once send to the Agent a copy of the conditions which the Darbar propose (as per paragraph 4 of my letter No. 1 dated 12th April 1888, and paragraph 1 of your letter No. 2171—268, dated 28th June 1888) and ask him to meet you and a representative of the Darbar on a specified day to discuss further details. I propose that Colonel Bowen, Public Works Department Secretary, Mysore Government, should represent the Darbar at the proposed meeting.

It only remains for me to add that since my letter to you, No. 2, dated 14th April 1888, no communications of any kind have taken place between the Company and the Darbar, except a letter dated 17th May 1888, from the Company's Secretary in London, copy of which is herewith forwarded for your information, and to which no reply has as yet been sent. This letter leads me to think that the Company will not readily undertake railway construction on any large scale, without a guarantee of interest, but the Darbar hold the opinion that the concession for a loop line through the gold fields is worth something to the company, and is regarded as a sufficient consideration for giving us a longer line *without a guarantee of interest*. This, therefore, is a point upon which the Darbar lays considerable stress.

XV*a*.

Dated London, 17th May 1888.

From—T. H. Evans, Esq., Secretary, Mysore Gold Fields Railway Company Ld.
To—K. Sheshadri Iyer Esqr., c. s. i., Dewan to H. H. the Maharaja of Mysore.

I am desired by the Directors of the Mysore Gold Fields Railway Company Limited, to address you with reference to a letter to you from Sir Charles Lawson dated 7th April 1888, on behalf of the Company. I am to explain that this letter was written at the instance of Lord Ribblesdale, one of the Directors of the Company who had received, just previous to embarking from Bombay, a telegram informing him that the contract between the South Mahratta Railway Company and the Secretary of State for India gave them no preferential rights in regard to a railway through the gold fields. Lord Ribblesdale did not write himself, as he was just starting for England, and suggested that Sir Charles Lawson should address you, rather than Mr. Lavelle the local agent of the promoters of the Company, because the question of these preferential rights had been raised in a conversation between yourself and his Lordship, at which Sir Charles Lawson had been present. In taking this course Lord Ribblesdale had no intention of setting aside the local agent of the promoters; moreover, he had been the guest of Mr. Lavelle, and was quite under the impression from several private and unofficial conversations with him that the project for the construction of a short loop line, connecting the gold fields with the Madras Railway, such as is referred to in Sir Charles Lawson's letter, had Mr. Lavelle's entire concurrence, under the existing circumstances of the fields.

Having entered into this explanation, I am now desired to offer you the Directors' best thanks for your letter to Sir Charles Lawson of the 12th April 1888. As you are doubtless aware a line of railway through the gold fields was originally projected by Mr. Lavelle. In his letter to your Secretary in the Public Works Department, dated 21st February 1887, he requested that the concession for the line might be granted through him, to Messrs. Punchard Mc'Taggart and Co., the promoters of the present company, and it is believed that the Government of India expressed a desire that any concession of the kind should be granted to a responsible company, rather than to any private firm. Under these circumstances, the Mysore Gold Fields Company (Limited) was formed, and after due consideration of the present position of affairs on the gold fields, they are quite satisfied, that at any rate in the first instance, the line must be limited to a short loop line of the description indicated; for, it would be quite impossible to raise funds for a larger undertaking without a guarantee of interest. What the company desires then from the Government of Mysore is a concession for the construction of such line, on terms to be agreed upon, and the Directors trust that they may rely upon your kind assistance to obtain this for them.

A copy of this letter has been sent to Mr. Lavelle.

XVI.

No. 3364—268 dated, Bangalore, 8th October 1888.

From—The Assistant to the Resident in Mysore.
To—The Dewan of Mysore.

With reference to your letter No. 13 dated 15th September 1888 and received on 25th September 1888, I am directed to express the Officiating Resident's regret that an expression used in paragraph 6 of my letter dated 7th September, No. 3042—26—8 should have led the Darbar to think that the Government of India had modified its views in regard to the procedure to be adopted with regard to the promoters of railway projects.

2. On the 28th June, you were asked to advise the Agent of the Mysore Gold Fields Railway Company to address the Residency on the subject of their projects.

3. In his letter on the subject of the Kolar gold mines dated 14th September 1888, the Resident intimated that the Government of India would view with decided disapproval any attempt on the part of Native States to initiate negociations with foreign capitalists otherwise than through the Residents, and quoted despatches from the Foreign Office regarding the question of direct dealings between the Darbar and English capitalists as follows:—

"Such dealings are against the policy of this office, and after the recent "complications in Hyderabad, which are the direct consequence of a departure from "that policy, we cannot be too careful."

"The necessity for preventing European capitalists from having direct "negociations with Native States has always, as a matter of principle, been the policy "of the Foreign Office. We have occasionally strayed away from it for considerations "of supposed expediency, but recent events in Hyderabad have sufficiently demons-"trated its soundness, and I think we should not, except possibly under some very "exceptional circumstances, allow any departure from it in future."

And he also pointed out that the Commissioners appointed to report on the Hyderabad Mining Company observed that "serious risks to the interests of "Native States attend the direct access of London speculators to native ministers."

4. It appears from the letter of the Secretary of the Mysore Gold Fields Railway Company to your address, dated 17th May 1888, a copy of which was received from you on 25th September 1888, that the company is not prepared to accept the conditions which the Mysore Government would impose upon it, and the Officiating Resident has received special instructions from the Foreign Office to "explain that "it is not the policy of the Government of India to permit direct dealings between "Native States and the English money market, and that if the Government of His "Highness wishes the proposals of the Mysore Gold Fields Railway Company to be "considered, they should refer the Company's Agents to the Resident.

5. Under the circumstances Sir Harry Prendergast regrets that it is out of his power to accept the procedure suggested in paragraphs 3 and 4 of your letter. The instructions of the Government of India leave no option to the Resident, but to request that the project of Mysore Gold Fields Railway Company may be submitted direct to me by the Agent. Sir Harry Prendergast will however have much pleasure in forwarding the project, after consulting the wishes of the Darbar regarding it, for the consideration of the Governor General in Council.

6. The Government of His Highness the Maharaja will have observed in paragraph 3 of my letter of 7th September that "the Government of India desire before "arriving at any decision in regard to any project which either involves or is likely "directly to involve any railway construction in Mysore that the Mysore Darbar "shall be consulted," and it is hoped that the Darbar will be fully satisfied with an arrangement by which the Government of India relieve them of the anxiety and risk of dealings in the English money market.

XVII.

No. 16 dated Mysore, 11th October 1888.

From—K. Sheshadri Iyer Esq. C. S. I. Dewan of Mysore.
To—General Sir H. N. D. Prendergast K. C. B. V. C., Officiating Resident in Mysore.

In acknowledging the receipt of Assistant Resident's letter No. 3364—268 dated 8th October 1888, regarding railway construction in Mysore generally, and the Mysore Gold Fields Railway in particular, I have the honor to assure you that the Darbar never wished to have any direct dealings in the English money market. They have, since the rendition, taken a special interest in the matter of railway construction in Mysore, and they succeeded in constructing nearly one half of what is now known as the "Mysore State Railway" out of current revenue with the aid only of a small local loan of 20 lakhs, and they were therefore naturally anxious to have a voice in the discussion of such railway projects as the proposed gold fields railway, with the sole object of completing, as far as possible, the railway system of Mysore. With this brief expression of the sentiments of the Darbar, I beg now to forward herewith copies of replies I have caused to be sent to the gentlemen who have hitherto approached the Darbar in regard to the Mysore gold fields railway, and this will, I beg to be allowed to add, complete your information on the Darbar's action regarding this project from the beginning to the end.

XVII*a*.

Camp No. 1399 dated, Mysore, 11th October 1888.

From—R. Vijayendra Row. Esq., Chief Secretary to the Dewan of Mysore.
To—Sir Charles Lawson, Madras.

In continuation of my letter No. 164 dated 12th April 1888, I am desired to inform you that the question of constructing a railway through the gold fields of Mysore, with the aid of foreign capital, is reserved for the consideration and orders of the Government of India, and to suggest, therefore, direct communication on the subject with the British Residency in Mysore.

XVII*b*.

Camp No. 1400 dated Mysore, 11th October 1888.

From—R. Vijayendra Row. Esq., Chief Secretary to the Dewan of Mysore.
To—M. F. Lavelle Esq., Temple Stove, Bangalore.

In returning herewith the memorandum and articles of association of the Mysore Gold Fields Railway Company, received with your letter dated 5th January 1888, to the acting Dewan Mr. Thumboo Chettiar, I am desired to inform you that the question of constructing a railway through the gold fields of Mysore, with the aid of foreign capital, is reserved for the consideration and orders of the Government of India, and to suggest, therefore, direct communication on the subject with the British Residency in Mysore.

XVII*c*.

Camp No. 1401 dated Mysore, 11th October 1888.

From—R. Vijayendra Row, Esq., Chief Secretary to the Dewan of Mysore.
To—Sir Roper Lethbridge, M. P., Carlton Club, Pall Mall, S. W., London.

In continuation of my letter No. A dated 16th April 1888, I am desired to inform you that the question of constructing a railway through the gold fields of Mysore, with the aid of foreign capital, is reserved for the consideration and orders of the Government of India, and to suggest, therefore, direct communication on the subject with the British Residency in Mysore.

XVIII.

Dated, London 16th November 1888.

From—J. H. Evans Esq., Secretary, Mysore Gold Fields Railway Company, Limited.
To—The Resident in Mysore, Bangalore.

I am directed by the gentlemen who have registered this Company, whose names are annexed, to address you on the matter of the proposed railway, through the Mysore Gold Fields.

It is understood that the proposal was under the consideration of the Government of India some time back, when they expressed the opinion that the concession for the line should be granted to a responsible company, rather than to a private firm, and it was for this reason that the present company was registered.

Information has lately been sent home that the matter has again been reserved for the decision of the Government of India, and that the Dewan of Mysore has suggested that you should be addressed on the subject.

In the event of the Government of Mysore being willing to grant the usual concession, and supply the land for the construction of the line, the company will at once be prepared to enter into negociations with them as to details, and will have the country surveyed, in view to deciding the best route for the line.

As the different Gold Companies are most anxious that the line should be constructed at an early date, I am to express the hope that the project may receive your active support, and if not asking too much, that you will inform this company when a decision is likely to be arrived at.

Names, addresses and description of subscribers.

Sir Robert Anstruther Dalyell, K. C. I. E., C. S. I.	21 Onslow Gardens, London.
Honorable J. S. A. Hanbury Tracy. M. P.	116 Queen's Gate, S. W.
Lieutenant-General Sir Andrew Clarke, R. E., G. C. M. G., C. B., C. S. I.	52 Portland Place, W.
Right Honorable Lord Ribblesdale.	Chairman, Gold Fields of Mysore Company, 18 Manchester Square.
Capt. William Bell Mc'Taggart, late 14th Hussars.	Vice Chairman, Mysore Gold Mining Company, Ld. Chairman, Nundydroog Gold Mining Company, Ld.
Captain Francis William Lowther, Royal Navy.	73 Pont Street, W.
Major-Genenal George de la Poer Beresford.	Retired list, Madras Army, Eamont, Bay's Hill, Cheltenham.

XIX.

No. 4410—26-8, dated 29th December 1888.

From—The Assistant to the Resident in Mysore.
To—J. H. Evans Esq., Secretary, Mysore Gold Fields Railway Company, Limited.

I am desired by the Resident in Mysore to say that he received the duplicate of your letter of the 16th November on the 27th instant, but that the original has not yet reached him.

2. With regard to the proposed railway through the gold fields of Mysore, I am to say that projects for such a line are now under consideration, and that it is at present impossible to say which of these will eventually be adopted.

3. The Resident regrets that he is also unable to say how soon a decision on the subject will be arrived at, but I am to say that you may rest assured that you will be duly informed as soon as the matter is settled.

4. I am to add that Mr. Lavelle of Bangalore recently called on the Resident apparently in the interests of the Mysore Gold Fields Railway Company, but he was not furnished with any introduction from the Company's Chairman.

XX.

Dated London, 1st February 1889.

From—Sir Robert Dalyell K. C. I. E., C. S. I., Chairman of the Gold Fields Railway Company.
To—The Resident in Mysore.

I have to thank you for the letter to the Secretary of this Company from the Assistant Resident in Mysore, dated 29th December 1888.

In that letter it is stated that the projects for a line of railway through the Mysore gold fields are under consideration. But, so far as this company is concerned, their project can hardly be said to be in such a matured condition as to justify its being taken into consideration in competition with others which may be much more complete.

I think it well therefore to set out, very roughly, for your information, what the ideas of myself and my colleagues are in the matter. As at present advised, we think that a loop line of single railway, on the same guage as the Madras line, from a point on the Madras Railway about four miles south of Kamasamudrum Station, through the several gold properties, to the Kolar Road Station, would probably be most suitable for the purpose in view.

As stated in the letter dated 7th April 1888, addressed to the Dewan of Mysore, by Sir Charles Lawson at the instance of Lord Ribblesdale, one of our Board, who had had a conversation with the Dewan on the subject, we think that if a concession be granted to our company for the construction of such a line, the necessary capital could be raised without a Government guarantee of interest. We believe that the Mysore Government might arrange with the Madras Railway Company to work the line for half the receipts on the plan recently adopted in the case of the Delhi-Umballa and Kalka Railway, and we are of opinion that such an agreement might be made thoroughly satisfactory both to the Madras Railway Company and the subscribers of the capital, by the joint guarantee of the different Mining Companies for a minimum amount of traffic. From what we hear of the great anxiety in all parts of the gold fields for the construction of the line, we have no doubt that the several Mining Boards would readily meet our views in the matter, and we already have representatives from the most important of them in this company.

In the event then of the Government of Mysore expressing its willingness to grant to this company an ordinary concession for the construction of the line, without any guarantee of interest, we shall be prepared to have the country surveyed, and to discuss all the details of the concession on the spot.

In reply to paragraph 3 of the Assistant Resident's letter, I may mention that this company came into existence for the purpose of taking up a concession, which, it was understood, had been originally granted by the Mysore Government to Mr. Lavelle, the pioneer of the Mysore Gold Fields, but which the Government of India desired to see in the hands of a responsible company. Mr. Lavelle has accordingly all along acted as the local agent of the Company and has had frequent communications with the Dewan, but as the Dewan himself suggested direct communication with the Resident, I did not think it necessary to supply a letter of introduction to Mr. Lavelle.

XXI.

No. 789—268 dated the 7th March 1889.

From—The Assistant to the Resident in Mysore.
To—The Dewan of Mysore.

I am directed by the Resident to forward for the information of the Darbar the accompanying extracts from a letter dated 1st February 1889, to his address from Sir Robert Dalyell. Chairman of the Company recently formed in London, calling itself the Mysore Gold Fields Railway Company.

I am to enquire whether the Darbar are prepared to grant the concession asked for.

XXII.

No. 790—268, dated 7th March 1889.

From—The Assistant to the Resident in Mysore.
To—Sir Robert Dalyell, K. C. I. E., C. S. I., Chairman of the Gold Fields Railway Company.

In reply to your letter to the address of the Resident in Mysore, I am desired by Sir Oliver St. John to say that he is consulting the Mysore Darbar on the subject of the concession asked for on behalf of the Mysore Gold Fields Railway Company, Limited.

XXIII.

No. 30, dated Camp Mysore, 14th March 1889.

From—K. Sheshadri Iyer Esq. C. S. I., Dewan of Mysore.
To—Colonel Sir Oliver St. John, K. C. S. I., Resident in Mysore.

I have the honor to acknowledge the receipt of your office letter No. 789—268 dated 7th March 1889, and in reply to observe that the loop line proposed in Sir Robert Dalyell's letter, from near Kamasamudrum Station to the Kolar Road Station, is only a part of the much larger railway, which, it was understood, the Mysore Gold Fields Railway Company were willing to construct. The loop line now proposed would perhaps be 15 miles long, and even if a long detour be taken, it cannot be more than 20 miles. On the other hand, the larger railway, which the Company were believed to desire to construct, would be a total length of about 68 miles, including an extension of the loop line in a north-eastern direction, via Kolar and Srinivasapur, to the frontier of the province at Royalpad.

2. The conditions on which the Darbar were prepared to grant a concession for this larger railway were fully set forth in para 4 of my letter to your predecessor No. 1 dated 12th April 1888. The Mysore Government are still anxious that the larger line should be constructed on terms such as those above referred to, and they believe that, if advantage be taken of the competition that exists for giving us the loop line, there would be little difficulty in getting a company to take up the whole of the larger railway. The concession for a loop line through the gold fields is no doubt a thing of some value, and the offer of it may perhaps be sufficient inducement to a company to undertake the larger line without a guarantee of interest. Upon this as a basis, I was prepared to negotiate terms with the company, but the matter was taken out of my hands by your office letter No. 3364—268 dated 8th October 1888.

The Darbar, however, have no wish whatever to do anything calculated to postpone the construction of the loop line, which, even by itself, will be so beneficial to the Gold Mines of Kolar, and if the company will not take up the larger line without a guarantee of interest, then, in that case, the State will grant them a concession for the loop line proposed by Sir Robert Dalyell on terms similar to those stated in my letter No. 1 of 12th April 1888.

XXIV.

No. 1091—26-8, dated Bangalore, 30th March 1889.

From—The Resident in Mysore.
To—Sir Robert Dalyell, K. C. I. E., C. S. I., Chairman of the Mysore Gold Fields Railway Company, Limited, St. George House, Eastcheap, London, E. C.

I beg to acknowledge the receipt of your letter of the 1st February, stating the views of the Mysore Gold Fields Railway Company in regard to the construction of a line through the mining tracts in the Kolar District. In his letter of the 7th instant, my Assistant mentioned that I was consulting the Mysore Government on the subject, and I am now in a position to state their wishes. It appears that they were under the impression that the Gold Fields Railway Company desired to construct, besides the loop line through the several gold properties, a further extension in a north-eastern direction, via Kolar and

Srinivasapur to the frontier of the province at Royalpad. The two lines together would probably have a total length of about 68 miles. The Mysore Government attach importance to this line, and are anxious that both gold field loop line and northern extension should be included in the same concession. I shall be obliged therefore for an early expression of the views of the Company on this point. If the Company are inclined to construct the north-eastern extension on the same terms which your letter offers, for the gold field loop line, the Darbar would be willing to grant the concession on some such terms as follows:—

1*st*.—That the railway shall commence at Kamasamudram, or a point in the Madras Railway in the neighbourhood of that place and shall be taken through the several gold properties to the Kolar Road Station, a length of some 15 or 20 miles, and shall be continued northwards to Royalpad or some point in the vicinity.

2*ndly*.—That the exact route of the railway be previously approved by the Government.

3*rdly*.—That the Government grant free of cost all waste and unoccupied land required for the railway, and also agree to acquire and grant any occupied land required, upon payment for the same by the company. (The occupied land required for the railway would be very little.)

4*thly*.—That the railway to be constructed shall be of the metre or other approved guage and of a standard not lower than that adopted in British India for State Railways, and that it be worked and maintained at the same or higher standard, as regards permanent way, equipment, &c. &c.

5*thly*.—That the traffic on the railway be regulated by the Government under rules similar to those in force in British India for the time being, and that the rights and liabilities of the Company as public carriers be regulated by the *law for the time being in force in British India.

*Such law will from time to time be introduced into Mysore.

6*thly*.—That the telegraph lines required for working the railway be obtained from the British Government.

7*thly*.—That the concession be on the express condition that, within 4 months from the date of its grant, the company start the necessary surveys, that within 6 months of the said date, the required capital be raised by the company, that within 12 months of the said date plans and estimates for the entire line be submitted for the approval of Government, and that within two years after the approval of the same by the Government, the railway be completed and opened for traffic.

8*thly*.—That upon breach of any one of the above conditions, the concession shall be liable to be withdrawn, without any compensation to the Company for work done, and upon such withdrawal the lands, if any have been granted, shall return to Government.

9*thly*.—That the concession shall not be transferable without the previous consent of Government.

10*thly*.—No interest on capital will be guaranteed by the Government, and the Company will be entitled to no compensation for any loss arising from measures of legislation adopted by the Government with the sanction of the British Government.

The Darbar would also reserve to themselves the right, until the concession is actually given, of accepting an offer for their undertaking from any other source if it includes the larger scheme or is for any other reasons considered more advantageous.

XXV.

Dated London 8th May 1889.

From—Sir Robert A. Dalyell, K. C. I. E., C. S. I, Chairman of the Mysore Gold Fields Railway Co.

To—The Resident in Mysore.

I have to offer you the thanks of this Company for your letter of 30th March informing us that the Mysore Darbar would be willing to grant to us, on certain terms, a concession for the construction of a line of railway through the Kolar Gold Fields to the Kolar Road Station and thence to the north-eastern frontier of the province, if we are prepared to undertake the construction of the entire line (extending to about 68 miles) on the terms offered by us in my letter of the 1st February last in regard to the loop line through the gold fields.

In that letter this Company offered to accept a concession for the loop line only, without any guarantee of interest, if the Mysore Government could arrange with the Madras Railway Company to undertake the working of the line for half the receipts, thus leaving the other half to go towards the payment of interest on the capital subscribed. It was added that we believed that such a guarantee of minimum traffic might be obtained from the several mining companies at work on the field as would make this arrangement satisfactory both to the Madras Railway Company and to the subscribers of the capital.

Now it will no doubt be evident on re-consideration both to yourself and to the Mysore Darbar that these terms would not be suitable for the extended line now proposed in your letter under reply, for the mining companies could not be expected to give a guarantee of traffic which would be satisfactory, the Madras Railway Company would be hardly likely to undertake the working of the line for half the receipts, and the subscribers of the capital would certainly not be willing to accept the other half in payment of interest on the capital, where the line passes through a sparsely populated country as it does in this case.

At the same time, as the Government of Mysore attach much importance to the line, this Company would be very glad to undertake its construction if suitable terms could be arranged.

I think, however, that I may take it for granted that some guarantee of interest by the Mysore Government is essential in order to enable this Company to raise the necessary capital, in London, and a glance at the history of railway enterprise in India will, I feel sure, satisfy you that this is the case.

For many years a guarantee of 5 per cent interest was given by the Indian Government on all capital raised for the construction of Indian railways, the first departure from this plan being in the case of the Southern Mahratta Railway, some years ago when a permanent guarantee of $3\frac{1}{2}$ per cent was granted with one-fourth of the net receipts.

A few years later a very strong effort was made to obtain capital for the construction of certain lines without any permanent guarantee of interest, and with the aid of Messrs. Baring Brothers and Co., the capital for the Bengal Central and the Bengal and North-Western Railway was raised on a guarantee of interest during construction only.

It was believed at the time that these two lines offered the most favourable prospects for the introduction of unaided private enterprise, in the construction of Indian railways, but experience has proved that these anticipations were incorrect.

The Bengal Central Company have recently been obliged to obtain terms from the Government very similar to those in force in the case of the Southern Mahratta line, and though the Bengal and North-West Company is still carrying on, its shares are at a considerable discount in the market.

Since the construction of these two lines the Government of India have found it impossible to raise money in the London market for any new lines of railway without giving a permanent guarantee of interest in some shape or other.

The Indian Midland line has a permanent guarantee of 4 per cent with one-fourth of the surplus profits, and the Nagpur-Bengal capital was raised on the same terms.

The most recent line, the Umballa-Kalka, has a guarantee of half the receipts for the payment of interest on capital, and judging by the receipts of adjoining lines and from an estimate of the probable traffic, it is calculated that this will amount to about 6 per cent.

The only line for which capital has been raised in London on the sole guarantee of an Indian Prince is the Nizam's State Railway, and the history of this line is therefore specially applicable to the present case. The capital was originally issued on a 5 per cent guarantee for 20 years at £96 per cent, and steadily fell after issue to 85, since which time, however, it has risen to about 116. On a consideration of these figures and of the present position of the Indian Government in regard to guaranteed interest, I think you will concur with me in believing that it would be quite impossible ta raise money in London for the construction of the line proposed in your letter unless some guarantee of interest is conceded by the Mysore Darbar.

I would venture to suggest that the lowest terms likely to ensure success in obtaining the capital would be those granted by the Indian Government to the Southern Mahratta line, the permanent guarantee of interest, however, being raised in consideration of its being granted by an Indian Prince instead of by the Imperial Government to 4 per cent.

The concession would then include this permanent guarantee with one-fourth of the net receipts, and the enterprise might then prove attractive to investors.

XXVI.

No. 1904—268, dated 11th June 1889.

From—The Assistant to the Resident in Mysore.

To—The Dewan of Mysore.

Letter No. 1091—268, dated the 30th March 1889, to the Chairman of the Mysore Gold Fields Railway Company.
His reply dated the 8th May 1889.

I am directed to forward for the consideration of the Darbar a copy of the correspondence cited on the margin, regarding the construction of a line of railway through the Kolar Gold Fields to the Kolar Road Station, and thence to the north-eastern frontier of the Mysore State.

XXVII.

No. 1932—268, dated 12th June 1889.

From—The Assistant to the Resident in Mysore.

To—Sir Robert Dalyell, K. C. I. E., C. S. I., Chairman of the Mysore Gold Fields, Railway Company, Limited, St. George's House, Eastcheap, London.

I am directed to acknowledge the receipt of your letter, dated the 8th May 1889, regarding the construction of a line of railway through the Kolar Gold Fields to the Kolar Road Station and thence to the north-eastern frontier of the Mysore State. The Resident has forwarded your letter to the Mysore Darbar for consideration.

XXVIII.

No. 9, dated Camp Mysore, 15th June 1889.

From—K. Sheshadri Iyer Esq., C. S. I., Dewan of Mysore.

To—Colonel Sir Oliver St. John, K. C. S. I., Resident in Mysore.

In reply to your office letter No. 1904—268, dated 11th June 1889, I have the honor to state that the Darbar have given their best consideration to the terms suggested in Sir Robert Dalyell's letter of 8th May 1889, and that they are not in a position to accede to any proposal for the proposed railway, which may be based upon a guarantee of interest.

2. As regards the concession for the smaller loop line proposed originally by Sir Robert Dalyell, the Darbar are still of the opinion stated in para 3 of my letter No. 30, dated 14th March 1889, and they will gladly grant the concession asked for if the same meets with the approbation of the British Government.

Residency Press, Bangalore.—26-6-89.—30.

(No. I.) 5,000—14-11-85.

No. 5424
1315 MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

MADRAS, 27th November 1889

From

The Agent and Manager.
M.R.C.

To

The Consulting Engineer for Railways.

SIR,

I have the honor to quote below with reference to your letter No. 769 of 16th Sept. 1889, an extract from a letter addressed to me by the Traffic Manager, in relation to the proposed scheme for a loop line of railway through the Kolar Gold Fields.

"Assuming that the Gold Fields Railway
"will be maintained by the owning Company,
"that no night trains will be required, that
"accomodation at the Madras Railway
"Junctions will be provided at the expense
"of the new Railway, and that the gradients
"of the proposed Railway will not be steeper
"than 1 in 100, our ruling gradient over the
"Bangalore Branch, between Kuppam and

Bangalore

1870

67
69

"Bangalore, I think we may name Rs 100/- per
"diem as the minimum sum to be guaranteed
"to the Madras Railway for working traffic
"over the proposed Branch Railway.
"It is not stated in the papers forwarded to
"me but I presume that in addition to the
"50 per cent of the gross receipts it is proposed
"to pay to us for working the Railway we
"should be allowed the usual 5 per cent extra
"for supplying stock.
"It has been represented to me that if a
"Siding were constructed in a direct line
"from our $\frac{173^{m}}{9}$ mile to a point near the West
"Mysore Camp we should be able to deliver
"traffic in the heart of the Gold Mines, and
"that if such a siding were laid the necessity
"for a loop Railway would cease to exist.
"The distance between the $\frac{173^{m}}{9}$ mile and the
"spot I have named does not appear to be
"more than 3 or 4 miles."

At present, I am not in a position to add anything to the views expressed by the Traffic Manager.

J.

MADRAS RAILWAY.

From

The Agent and Manager.

To

The Consulting Engineer

for Railways.

Dated 188

Recd.

No.

3

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I have the honor to be,

Sir.

Your most Obedient Servant.

Francis K. Hamer

Agent & Manager.

REGISTER
No. 1207
FILE

(No. 12.) 3,000—1-1-78.

MADRAS RAILWAY.

From

The Agent and Manager

To

The Consulting Engineer
for Railways.

Dated 27th } Nov. 1889.
Recd. 28th }
do. No. 1315

Regarding the Scheme for a loop line of Railway through the Kolar Gold Fields.

E / C. 11522/89

Vide Ag. A.M. Letter No. 1023 d/ 6/12/89.

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1 Enclo.

(No. II.)

No. 5424 / 1376

20 P

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

Madras, 11th December 1889.

From

The Ag. *Agent and Manager,* M. R. Coy.

To

The *Consulting Engineer for Railways.*

SIR,

With reference to your letter No. 1023 of the 6th Instant, calling for a statement showing the tonnage of goods inwards and outwards at Kamasamudram and Kolar Road stations during the last three years. I have the honour to enclose copy of a letter from the Company's Traffic Manager furnishing the required information.

I have the honour to be,
Sir,
Your most Obedt. Servant,

[signature] Mead

for Ag. Agent & Manager.

REGISTER No 1263
FILE No

Sn. 1

MADRAS RAILWAY.

From The Agent and Manager.

To The Consulting Engineer for Railways.

Dated 11th Decr 1889.
Recd. 12th Decr.
No. 5424/1376

Forwarding copy of a letter from the Traffic Manager giving the tonnage of goods at Kolar Road and Kamasamudram stations.

Submits to Govt with A.T. 5424

C 891 et T.M. / 14165

Enclosure 2 / S.P.

13/75

Madras Railway Company
Traffic Manager's Office
Madras 9th Decr 1889.

To

The Agent and Manager
Royapuram.

Dear Sir.

Your No. 5424/909 of the 7th instant.

I insert below for the information of the Consulting Engineer the inwards and outwards tonnage at Kolar Road and Kamasamudram stations for 1886, 1887 and 1888.

The figures for this year which are still larger than those for 1888, are not ready yet.

Years	Kolar Road			Kamasamudram		
	Tonnage of Goods.			Tonnage of Goods		
	Inwards	Outwards	Total	Inwards	Outwards	Total
	Tons	Tons	Tons	Tons	Tons	Tons
1886	14,073	9194	23,267	1875	412	2287
1887	27,639	12,819	40,458	4192	639	4831
1888	35,722	12,044	47,766	6149	464	6613

Yours faithfully,
(Sd) Louis S. Moss,
Traffic Manager.

(True Copy)

[signature]
Secty. Agent & Manager.

Wile

Form No. 1.

PUBLIC WORKS DEPARTMENT.

OFFICE OF CONSULTING ENGINEER FOR RAILWAYS,

Madras, 3rd December 1889.

Letter from the Agent and Manager, Madras Railway, No. 5424/1315, dated 27th November 1889.

Do. - Do. - No. 5424/1376 dated 11th Dec. 1889 with enclosure.

No. 487

SUBMITTED for transmission to the Government of India, with reference to its No. 837 R.C., dated 30th August 1889, regarding the construction of a loop line from a point on the Madras Railway near Kamasamudrum, through the several gold mines in the Kolar district, to the Kolar road station.

Sidney Smith
Major R.E.
for Consg. Engr. for Rys.

Form No. 1.

From

THE CONSULTING ENGINEER

FOR RAILWAYS,

MADRAS,

No. 487

Dated 3rd December 1889.

Received

No. of Enclosures.

Subject.

Report from the Agent and Manager Madras Railway on the proposed Construction of a loop line from Kamasamudram to the Kolar Road station, through the gold mines

(No. 1)

5,000—14-11-85.

No. 5424

87

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

MADRAS, 24th January 1890

From

The Agent and Manager. A.R.C.

To

The Consulting Engineer for Railways.

SIR,

Your No 1074 dated 19th December 1889 Proposed Railway to the Mysore Gold Fields.

In the absence of any fixed data as to the length of the proposed line or the amount of traffic accommodation to be given, it is impossible to prepare even an approximate estimate; I have endeavoured however to put the extremely meagre information available, in such a way as to admit of a rough opinion being formed as to the value of a railway in the proposed district

2 The enclosed plan is correct as far as the Madras Railway is concerned and the line shewn in red represents what is believed to be approximately the only practicable route for the proposed line, whether considered as a branch or a loop. The loop would be about 70 miles long and if a branch only were constructed, a length of about 12 miles from Kolar would be sufficient to nearly encircle the existing gold workings.

3 It will be seen that the line crosses two spurs and over these no better gradient than about 1 in 65 can be got without very deep rock cuttings. The whole route is over very rough ground, such that a line through it if built substantially, like the Madras Railway main line, would cost

MADRAS RAILWAY.

From The Agent and Manager.

To The Consulting Engineer for Railways.

Dated 188

Recd.

No.

268

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something like Rs 1,10,000 a mile.

4 An inspection of the ground from the railway has led to the conclusion that a branch from Kamasamudrum is out of the question by reason of the very steep gradients which would have to be encountered: a junction at the spot suggested viz about 4 miles South of Kamasamudrum is also impracticable for the same reason but near the village of Sudapally 8 to 9 miles South of Kamasamudrum, the ground seems practicable. more-over at this point there are several villages inhabited by employés of the mines and others and the Traffic Manager has already applied for a trial station at this spot quite independently of the pro-posed new line.

MADRAS RAILWAY.

From The Agent and Manager.

To The Consulting Engineer for Railways.

Dated 188

Read.

No.

278 85 87

5 A junction at Gudupally might be suitable for one end of a loop line but for a branch, Kolar Road station would probably be a better starting point, partly because the branch itself might be a mile or two shorter from this point and partly because of the existing large station at Kolar Road.

6 In reply to question 2 of your letter as to the probable cost of working a branch from either Kamasamudrum or Kolar Road:— a branch from Kamasamudrum is impracticable. Assuming a branch from Kolar Road 12 miles long with one station and ten off sidings with signals and points, and the line to be worked with one engine making four double trips daily, the traffic

MADRAS RAILWAY.

From

The Agent and Manager.

To

The Consulting Engineer
for Railways.

Dated 188

Rcvd.

No.

288 87 89

Manager estimates.

	Pr month
Traffic charges	Rs. 603
Locl expenses would be	900
Maintenance of ✱ line at 85 per mile	1020
Sundry expenses	227
Total	2750

Question 2. "as to the expediency of "opening a new station as proposed "4 miles South of the former station." as already stated a junction station at this point is believed to be impracticable but a more suitable point is available at Gudupally 8 to 9 miles South of Ramasamudram.

Question 3. "as to the comparative "convenience to the Madras Railway "of working a loop instead of a "branch." A loop would be in all respects more convenient to the Madras Railway provided

MADRAS RAILWAY.

From

The Agent and Manager.

To

The Consulting Engineer
for Railways.

Dated 188

Rcvd.

No.

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89/91

it were constructed with no worse gradients than the existing line, that is with nothing steeper than 1 in 100, and that it were built substantially enough to carry with safety the Madras Railway main line traffic. If these conditions were fulfilled it might even suit the Madras Railway to take up the existing line between Sudlapally and Kolar Road and to include the new loop as part of the main line. No traffic comes to this piece of line from the west side of it. Kamasamudram has no other than the gold mine traffic and the loop would be only 4 miles longer than the existing line between the proposed junctions - a loop could also be more economically worked because it would not require the

MADRAS RAILWAY.

From

The Agent and Manager,

To

The Consulting Engineer
for Railways.

Dated 188

Read

No.

305 91 92

maintenance of the separate loco: and traffic staff and special train service necessary for a branch.

Question 4. As to the financial prospects of such a branch taking into consideration the traffic of the last three years. The Traffic Manager writes that the traffic has varied so during the last 3 years and has increased so rapidly each half year during this period that it was formed necessary to base an estimate on the traffic lately dealt with and the results of the last six months have been taken. The traffic Manager also suggests that in view of the great relief from the present high cartage rates which a railway would allow, the rates on the branch

MADRAS RAILWAY.

From

The Agent and Manager.

To

The Consulting Engineer.

for Railways.

Dated 188

Recd.

No.

might well be higher than the re-
-gular long distance rates of the
main line. With this view III class
passenger rates have been calcu-
lated at 2 pies a mile and the
ordinary goods rates have been
doubled.

7 On this basis and assuming
the average distance conveyed to be
10 miles for both passengers and
goods the figures would be:—

	Per month
Goods receipts	Rs 3533
Passenger do.	" 2308
	Total 5841
Expenses as per para 6	2750
	net receipts 3091

8 These figures are believed to repre-
-sent the best case that can be
made in favour of the branch
and to err more in that direction
than against the project.

MADRAS RAILWAY.

From The Agent and Manager.

To The Consulting Engineer for Railways.

Dated 188

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9 The assumed branch line 12 miles long would cost at Rs 1,00,000 a mile Rs 13,20,000 and the calculated net receipts at Rs 3081 per month equal to Rs 37032 per annum would yield 2·8% return upon the capital.

10 The inference to be drawn from these assumed conditions is that a first class railway to the gold mines would not pay well at present as an independent speculation. In view however of the very great saving in freight it would allow to the mines, it may be that it would suit the various companies to subscribe for the railway and add their contributions to the capital accounts of the mines.

11 As an illustration of the possibility of this, a comparison

MADRAS RAILWAY.

From

The Agent and Manager.

To

The Consulting Engineer

for Railways.

Dated 188

Rcd.

No.

that is half those calculated for the branch.

14 Assuming a loop 20 miles long to form part of the main line of the railway and that the 16 miles of permanent way on the existing line between the junctions were taken up and transferred to the new loop, the cost of construction would be 20 miles at 1,10,000 a mile ..... Rs 2,200,000

Less 16 miles permanent way at 15758 — 252,608

Total cost Rs 19,47,392

15 allowing the same amount of traffic as for the branch viz 1500 tons a year for each of the 13 miles but conveyed in this case an average distance of 11 miles, at an average rate of 9-$\frac{a}{2}$-$\frac{p}{2}$ equal to half the rate per mile calculated for the branch:

one years freight by road as before
1500 tons at Rs 6 per ton ..... Rs 9000

one years freight by railway
1500 tons at 9-$\frac{a}{2}$-$\frac{p}{2}$ per ton ..... Rs 860

Difference = saving Rs 8140

MADRAS RAILWAY.

From

To The Agent and Manager.

The Consulting Engineer
for Railways.

Dated 188

Recd.

No.

368

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$\frac{1}{13}$ the cost of the line, which would be each company's share as before, would amount to Rs 149,800 and the saving in freight would represent about 5½% on this outlay. In addition to this some return of interest might be payable from the 4 miles extra length of line over and above the existing length of Madras Railway which would be replaced by the loop.

16 A narrow gauge railway could of course be laid down very much more cheaply but it is questionable whether the first cost and operating charges for a supply of rolling stock and the delay and damage caused by transhipping everything at the junction would not more than counterbalance the saving in first cost of a narrow gauge line.

17 Briefly recapitulated the

conditions assumed would go to shew:-

I. That neither a branch or a loop would be likely with the amount of traffic at present available to pay as an independent speculation.

II. That taking into consideration the saving in freight that a railway would introduce as compared with the present cost of cartage, the prospect that it would pay the mining companies to construct a line at their joint expense is sufficient to warrant the preparation of a survey and estimate.

III. That a branch might yield a better return of interest to the companies than a loop by reason of its smaller first cost but that a loop would provide much greater facilities for the traffic. Any increase over the present traffic which might in the course of time accrue would tell in favour of the loop.

I have the honour to be
Sir
Your most obedient Servt

Ag Agent & Manager

MADRAS RAILWAY.
From The Agent and Manager.
To The Consulting Engineer for Railways.
No.
Dated 188
Recd.

MADRAS RAILWAY.

From
The Agent and Manager.

To
The Consulting Engineer for Railways.

Dated 24th January 1890.
Recd. 25th
No. 5424/87

Form No. 1.

Public Works Department.

Office of Consulting Engineer for Railways,
Madras, 27th January 1890.

107

Letter from the Agent and Manager, Madras Railway, No: 5424/87 dated 24th January 1890.

No. 63

Submitted to Government, in continuation of Endt. No. 487 dated 3rd Decr. 89.

38 P

2. In the absence of survey and levels it is difficult to judge the financial prospects of a loop or branch line such as that proposed.

3. The Agent's letter in my opinion affords grounds for encouraging the preparation of a working survey and estimate, the cost of which

It would appear from the correspondence that My sons Gold Fields Railway Company Limited would be willing to meet.

4. To be of any real service to the natives, the branch or loop should be on the same [illegible] as the present line.

Sidney Smith
Major
~~Col~~ RE

for Comy. Engr. for Rys

Form No. 3.

From

THE CONSULTING ENGINEER
FOR RAILWAYS,
MADRAS,

No. 63

Dated 27th January 1890.
Received

No. of Enclosures.

(4 plans)

Subject.

As to the proposed Railway to the Mysore Gold Fields.

Public Works Deptt:

Railway Branch

No. 186 R dy 6th Feby 1890.

Proceedings of the Madras Government.

Read the following:-

Endorsement from the Consg. Engr for Rys.. } Nil. No: 487 dy 3d Decr: 1889

Do — Do — 63 dy 27 Jany: 1890

Ordered that the following letter be forwarded to the Govt: of India.-

Nil. No 187 R dy 6th ~~Jany~~ Feby: 1890

C.L.S.
25.1.90

TR

A

No. 186-87 R dated 6th Feby/90.

A

Public Works Departt.
Railway Branch.

115
113

No. 187 R dated 6th February 1890.

410

To

The Secretary to the Govt.
of India, P. W. D.

Sir,

I am directed to acknowledge the receipt of your letter No. 837 R. C. dated 30th August 1889, in which you request that the Government of India may be favoured with the views of this Government upon a proposal for the construction by a private Co.,

N.S. 3.2.90 / Nes 3.2.90

called the Mysore Gold Fields Railway Company Limited, of a loop line of Railway on the 5'-6" gauge, from a point on the Madras Railway, about 4 miles south of the Kansasamudrum station, through the several gold mines in the Kolar District to the Kolar Road station, a distance of about 15 to 20 miles and also as to the minimum traffic which should be guaranteed to the Madras Railway by the Kolar Gold Mining Companies.

2. In reply, I am to forward the documents

Endorsements from the Consulting Railways, No 87, dated 5th De[cember] 1889 and 63 dated 27th January 1890 [with] enclosures embodied in Procs: of Govt. No. 186 R, dated 6th Feby 1890.

115 ~~117~~

42 P

115[2] ~~117~~

[no]ted marginally and am to [s]tate that His Excellency [th]e Governor in Council [co]ncurs in the conclusions [se]t forth in para 17 [of] the letter from the [A]gent and Manager [of] the Madras Railway [h]erewith forwarded.

[T]hese conclusions are the [re]sult of as careful and full enquiry as could be made in the absence of any survey, and ma[y] in His Excellency's opinion be accepted as sound.

3. It will be observed from the agent's letter No. $\frac{5424}{1815}$, dated 27th November 1889

that the Railway Compan[y]
officers consider that the
per diem is the minim[um]
sum that should the
assumptions stated be
guaranteed to the Madr[as]
Railway for working traffi[c]
over the proposed line

C.L.S.

[illegible]

Infs draft to India
with tracing 6/2/90.

A

No. 187 R dy 6th Feby/90

No 1864

Govt. of Madras

PUBLIC WORKS.

5007 / 10/11/90

No. 6 11. 1890 No. 186[illegible]

Loop line from Kamasamudram to the Kolar Road Station through Gold Mines.

The G. of India addressed in regard [to] the proposed constr[uction] of a ——

Forwarding with certain documents [re]lating to the proposed [construction] of a loop line from Kamasamudram to [illegible]