PUBLIC WORKS SECRETARIAT,

RAILWAY BRANCH.

Station Madras date 22nd January 1890.

~~OFFICE~~ NOTE.

I propose, if the Honorable Member sees no objection, to communicate G.O. No: 2R dated 2d January 1890 per East Coast Railway to the Press.

J. Smith Colonel R.E.

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

Hon. 22-1-90 & 24-1-90

I don't see any advantage in communicating any of the papers to the Press, and I think the publication of the correspondence on financial points with individuals would be decidedly objectionable & unfair.

Why do you desire the publicity?

HCS 23/Jan

I suggested publication in the hope that publicity might bring forward other offers and further the project generally. I think Admiralty cannot be followed in respect to Bengal harbour bill and the large undertakings. I leave to Govt to frame the limits and consider the suggestion somewhat & question then I made often & question it.

C.J.S. 24.1.90

C.J.S. 27/1.90 HCS 27/Jan

H.M. 24-1-90 & 27-1-90

RAILWAY.

Govt. of {1890} Madras.

PUBLIC WORKS.

Dated January, 2nd.

Recd. *Encl.*

G.O., 2nd Jan. 1890, No. 2 R.

JANUARY.

East Coast Railway

Letter from the Government of India communicating the approval of the Secretary of State for India for the survey of the — and stating that the question of gauge for this railway should not now be considered as definitely settled, communicated to the Engineer-in-Chief.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following paper:—

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, 6th December 1889, No. 1133 R.C.

In continuation of Public Works Department letter No. 930 R.C., dated 25th September 1889, I am directed to forward herewith, for information, a copy of a despatch * from Her Majesty's Secretary of State for India approving the survey of the East Coast Railway.

* No 125 R., dated 7th November 1889.

2. With reference to para. 5 of the despatch, I am to say, in supersession of the orders conveyed in para. 7 of the Government of India's letter above quoted, that the question of gauge for this railway should not now be considered as definitively settled, and that the Engineer-in-Chief should bear in mind the double contingency when laying out his curves and gradients; and that when the time arrives for drawing up the estimates, if this question is not decided by then, it may be necessary to prepare alternative estimates for either the 5′ 6″ or metre-gauge.

The Engineer in-Chief should, however, apply for instructions when that time comes.

ENCLOSURES.

From the Right Honorable Viscount CROSS, Her Majesty's Secretary of State for India, to His Excellency the Most Honorable the Governor-General of India in Council, dated India Office, London, 7th November 1889, No. 125 Railway.

Question of constructing an East Coast Railway from Bezvada to Cuttack.

* Telegram to Viceroy, 28th June 1889.
"Your Railway letter No. 62. I should be glad to know your views regarding East Coast line. When may they be expected?"

Your Excellency will have learnt by my telegram of the 28th June last, quoted in the margin,* that the question of the East Coast line from Bezváda to Cuttack has been receiving my attention. During the course of the present year I have been in communication with various parties in this country who have made proposals for its construction. I was glad, therefore, to receive your Excellency's letter No. 129 Railway, of the 16th September last, conveying the views of your Government on the subject.

2. Inquiries have led you to believe that the southern portion of such a line, extending from Bezváda to Cocanada, with a bridge over the Kistna river, is necessary, and that the further section from Cocanada to Vizianagrum may prove commercially productive; also that the section from Ganjam to Cuttack is of vital importance for protection against famine, but that the intermediate portion between Vizianagrum and Ganjam is unpromising as a productive work, and should be postponed until the present pressure on your financial resources is relieved. The cost of the whole line on the 5 feet 6 inches gauge is estimated at 482 lacs for the 509 miles.

3. You propose that present action should be confined to surveys, for which you have made arrangements during the ensuing season, parties being organized so as to begin work at both ends, and to be in a position to make their reports by September 1890.

4. I approve of the course which you have taken, and shall await with interest the results of the surveys.

5. With reference to the gauge to be adopted, it seems to me desirable that, before this point is finally settled, further information should be obtained as to the difference of cost

between a broad and narrow gauge line respectively, and also as to the amount and character of the traffic that may be expected. I request, therefore, that careful estimates may be made of the line both on a standard and metre gauge, and that I may receive the result of your further consideration of the subject. I observe that the Madras Government have recommended that the Kistna bridge should be adapted to the metre gauge.

6. As regards the agency by which the line should be undertaken, it will be convenient that this question also should be kept in reserve. The views of your Government on this point shall have my best consideration; but, as I have said, my communications with firms in this country may have encouraged the belief that I should not withhold my favorable consideration from any proposals by which capital could be raised on suitable terms. I forward herewith, for your information, copy of the correspondence * which has passed on the subject, and will again address you when the time has arrived for proceeding further in the matter.

* Letter from Sir John Fowler and Sir Bradford Leslie, dated 2nd May 1889.
Ditto to ditto, dated 11th July 1889.
Ditto from ditto, dated 17th July 1889.
Ditto to ditto, dated 16th August 1889.
Ditto from Southern Mahratta Railway Company, dated 28th March 1889.
Ditto to ditto, dated 6th April 1889.
Ditto from ditto, dated 8th July 1889.
Ditto to ditto, dated 25th July 1889.
Ditto from Messrs. Macfadyen & Co., dated 15th June 1888.
Ditto to ditto, dated 3rd July 1888.
Ditto from ditto, dated 28th February 1889.
Ditto to ditto, dated 20th March 1889.
Ditto from ditto, dated 25th June 1889.
Ditto to ditto, dated 10th July 1889.
Ditto from ditto, dated 25th July 1889.
Ditto from ditto, dated 31st July 1889.

From Sir J. FOWLER and Sir B. LESLIE, to the Under-Secretary of State for India, dated 2, Queen Square Place, Westminster, 2nd May 1889.

We have the honor to request that the following representations and proposals on the subject of railway extension in India may be submitted to the Secretary of State for India:—

1*st*.—The extraordinary increase of the foreign trade of India, which has taken place *pari passu* with the development of the railway system, is admitted to be mainly, if not entirely, due to the operation of the railways; but the mercantile community of India and the Indian Government have also given repeated proofs that they are in accord in the opinion that considerable further extension of the railway system in India is necessary for the development of the resources and the welfare of the country, and the only questions to determine are, firstly, what new railways are of primary importance, and secondly, how is the capital to be raised for their construction.

On the plan attached to this communication, we have marked in full red lines the new railways which, from the information we have received, may be considered of primary importance, viz.:—

1*st*.—The Western Bengal Railway from Hooghly *viâ* Cutwa, Ahmadpur, Byjnath, Gya, to a junction with the Oudh and Rohilkund Railway at Mogul Serai, near Benares, with branches to Bhagulpore and Bhugwangola. To give full public benefit to the working of this railway, the Oudh and Rohilkund must be worked in conjunction with it as one incorporated undertaking, for which we apprehend the Government of India have ample powers.

2*nd*.—A railway from Madras to Calcutta, either by a new line starting from Madras, or by a junction with the Madras Railway, and the conversion, if necessary, of any intervening railway from narrow to broad gauge.

3*rd*.—Other undertakings in which we are interested, and which are already before the Secretary of State, are the proposed Bengal-Assam Railway and the Dehra Dun Railway. We are also giving our attention to the proposed improved railway route between Kurrachee and the interior, and other projected lines of communication which have been brought to our notice, including the connection with Burmah.

On the completion of the surveys and investigations now in course of preparation under the direction of the Government of India for the proposed Western Bengal Railway, and the line from Madras to Calcutta, we ask to be afforded the opportunity of considering the same, and if they confirm our present conviction as to their feasibility and advantages, we shall be prepared to submit a definite proposal for the approval of the Secretary of State, with the conditions on which we are advised the capital may be raised through the agency of a Company formed for the purpose.

We would respectfully urge in the meantime that the Government of India should not decide upon any other proposal for giving the accommodation indicated on the accompanying plan, and especially in respect of any alternative connection between Calcutta and Mogul Serai (Benares).

With regard to the second question, or the mode of raising the capital required for the new railways, it is unnecessary to call attention to the indirect advantages of every railway in India for the administrative and executive work of Government, or the economy in the maintenance of law and order, the increase of land revenue, or of their value from the military and political point of view, or as an insurance against famine.

Such being the case, it is, we submit, not too much to expect that, although direct guarantees be given up (unless in very special cases), still some temporary pecuniary help from Government, by means of an advance of interest during construction, and for a limited time after completion (to be repaid out of surplus profits), may be given as the general basis of future financial arrangements between the Indian Government and Companies.

With carefully selected lines, such assistance would, it is confidently believed, impose no permanent burden on the finances of India, but would be, both directly and indirectly, a source of additional value and security.

Whatever may be the special character of the support and assistance vouchsafed by the Secretary of State in each particular case, it is most important that the most complete and reliable information as to cost of construction and probable traffic should be available, and this can only be given by the Government of India.

From J. E. GORST, Esq., Under-Secretary of State for India, to Sir J. FOWLER and Sir B. LESLIE, dated India Office, 11th July 1889, P. W. No. 843.

I am directed by the Secretary of State for India in Council to acknowledge your letter of the 2nd May, in which you bring before His Lordship certain proposals for the construction of railways in India.

In reply, I am to assure you that Viscount Cross is prepared to consider favorably any scheme for that purpose which may be submitted to him, provided that the intended lines are clearly required in the interests of the public, that they can be constructed without any undue expenditure or sacrifice of revenue on the part of the Government, and that the agency proposed is one which, under the circumstances, appears to him to be suitable for the undertaking in question.

While sympathising generally, therefore, with the views which you express as to the advantages of railway extension, to which he attaches the highest importance, Viscount Cross considers that this purpose will be best served by the submission of well defined proposals for the construction of individual railways or systems of railways, and he is not disposed to entertain, as a single scheme, a project which includes several distinct undertakings, differing widely from each other in the conditions under which they would be carried out, and in the nature and amount of the traffic which they might be expected to carry.

Taking your proposals, accordingly, in detail, I am directed to say, with regard to three of them, viz., the railway from Hooghly to Mogul Serai, the Dehra Dun line, and the Bengal-Assam railway, that proposals have already been made which, in His Lordship's opinion, must take priority of consideration before any new negotiations relating to them are undertaken.

I am, therefore, to suggest that you might, for the present, confine your attention to the development of the scheme which you submit for the construction of an East Coast Railway, connecting Calcutta with Madras. Any communication on this subject which you may think fit to lay before His Lordship will, no doubt, contain a full statement of the nature of the work which you would be prepared to undertake, the terms on which you would undertake it, and the financial support on which you would rely. He will be glad, in compliance with your request, to assist you by placing at your disposal any information bearing on this subject which exists in this office, or which can be obtained from India, and he will be prepared to give his best attention to any proposals which, after due consideration, you may be in a position to submit to him At the same time he wishes you to be informed that more than one application relative to the construction of railways along the East Coast has been submitted to the Secretary of State, and forwarded to the Government of India for their opinion.

From Sir J. FOWLER and Sir B. LESLIE, to the Under-Secretary of State for India, dated 2, Queen Square Place, 17th July 1889.

We have the honor to acknowledge the receipt of your letter of the 11th instant, from which we gather that proposals are not desired from us with reference to railways from Calcutta in a westerly direction, in consequence of proposals having already been made, and which, therefore, must take priority of consideration before any new proposals are entertained.

We think there must be some mistake regarding priority.

The line from Hooghly to Mogul Serai, designated in our letter of the 2nd May the "Western Bengal Railway," was originally submitted to the Secretary of State by the late

Oudh and Rohilkund Railway Company in 1888, but this proposal necessarily lapsed on the winding up of the Oudh and Rohilkund Railway Company.

Subsequently it was resubmitted to the Secretary of State by Messrs. Gladstone, Wyllie, and Company and Sir Bradford Leslie, but for reasons not necessary to state this application was withdrawn.

So far, therefore, as we are aware, there is no proposal with reference to the "Western Bengal Railway" before the Secretary of State, excepting that made by ourselves in our letter of the 2nd May.

We understand that, subsequently to the submission of the original project of the Western Bengal Railway in 1888, two other proposals for railways between Calcutta and Benares have been submitted to the Secretary of State, viz. :—

(*a*) The grand chord line of the East Indian Railway Company.
(*b*) A line from Mogul Serai *viâ* Palamou-Purulia to Howrah, by the Bengal and North-Western Railway.

There are thus three proposals before the Secretary of State for affording alternative routes between Calcutta and Benares, viz. :—

(*a*) The Western Bengal Railway.
(*b*) The grand chord line.
(*c*) The Palamou-Purulia line.

Assuming that the construction of one only of these lines will be authorized by the Secretary of State, we beg respectfully to submit that a careful inquiry into their comparative merits should be made, and evidence taken upon them, before a final decision is arrived at; this can only be done satisfactorily after the receipt of the surveys and reports from the Government of India.

In the second paragraph of your letter (P. W. 843) we are informed that Viscount Cross is prepared to consider favorably intended lines "which are clearly required in the interests of the public, which can be constructed without undue expenditure or sacrifice of revenue on the part of Government, if the agency proposed is one which appears to him suitable for the undertaking in question."

We respectfully submit that the proposed "Western Bengal Railway" complies with these conditions.

An additional route between Calcutta and Benares is admitted to be urgently needed, and a very special reason for the construction of such a line has been recently given by the "breach" of the main line of the East Indian Railway, in consequence of the failure of the "Jynthee" bridge.

This disaster shows the danger of trusting to a single line of communication in the heavily inundated districts above Lucki Serai.

That the Western Bengal line can be made "without undue expenditure" will, we believe, be shown by the survey when received, and which we confidently anticipate will prove that, with lighter works, it will have easier gradients than either of the other projected lines, or than the existing line of the East Indian Railway.

That the Western Bengal line can also be made "without sacrifice of revenue on the part of the Government" may, we think, be safely assumed, owing to the new traffic that will be obtained by the opening out of new districts, and if Government takes a share of the surplus profits a substantial increase of revenue may be reasonably expected, and we trust to be able to prove this to the satisfaction of the Secretary of State when the exact facts from the detailed surveys and estimates are in our possession.

The agency proposed for the construction and working of the Western Bengal Railway is a Joint Stock Company, incorporated under the Limited Liability Act.

With regard to the East Coast Railways, we note that we may send in proposals, although other applications have been received, but we are required to give a full statement of the nature of the work, which we respectfully submit is impossible, as we have not had the honor to receive the surveys and report which are essential for that purpose

When we receive these surveys, and can thus make reliable estimates of cost, we shall be in a position to submit definite proposals, and state the financial support on which we rely.

From J. E. GORST, Esq., Under-Secretary of State for India, to Sir J. FOWLER and Sir B. LESLIE, dated India Office, 16th August 1889, P. W. No. 1416.

I am directed by the Secretary of State for India to acknowledge the receipt of your letter of the 17th July 1889, regarding the proposals which you have made for railway extension in India.

In reply I am to explain, with regard to the Western Bengal project, that, as has already been mentioned in a former letter, Viscount Cross considers himself bound to give priority of consideration to other proposals. The reason is not so much because those proposals have been submitted earlier in order of time, but because it is desirable, in His Lordship's opinion, that

plans for extended railway communication in Western Bengal entertained by other existing agencies should be first considered, provided that the proposals tendered by them are suitable, and otherwise in accordance with the general public interest. It is upon this ground that His Lordship has formed the conclusion that he is not at present in a position to enter into any useful discussion of your proposals, so far as they relate to railways in Western Bengal.

With regard, however, to the project for an East Coast line, I am directed to forward herewith, for your information, copy of a report of a reconnaissance for the railway in question, which has been made under the orders of the Government of India, and to say that Viscount Cross will be glad to receive, at your early convenience, any proposals which you may have to make for the construction of this railway, in order that they may be fully considered with others which have been submitted for the same purpose.

From E. Z. THORNTON, Secretary, Southern Mahratta Railway Company, Limited, to the Under-Secretary of State for India, dated 44, Finsbury Circus, London, E.C., 28th March 1889, No. 32.

In the Indian "Pioneer" newspaper of the 27th February 1889, extracts are given from a report of Sir Guilford Molesworth and Colonel C. G. Smith, R.E., on a proposed line of railway from Bezváda (the eastern terminus of this Company's system) to Cuttack, a project that was brought before you in my letter, No. 9, dated 6th January 1888, and to which attention was also drawn in the Board's report for the half-year ending 31st December 1887 to their shareholders. In case the surveys that will probably be undertaken in consequence of this report lead the Secretary of State and the Government of India to the conclusion that the railway is one that ought to be undertaken in the interests of the country, I am instructed to ask, on behalf of this Board, that the construction of the line may, if to be built on the metre gauge, be offered to this Company in the event of Government being willing to assist in its construction, or, if Government deem the line to be of a character sufficiently promising for the investment of private capital without the aid of a guarantee, that the Directors of this Company should have the opportunity, if they desire to do so, of endeavouring to carry out the projected railway somewhat on the Delhi-Kalka Railway terms; this Company standing in the same position to the projected line as the East Indian Railway Company stands in reference to the Delhi-Kalka line.

From J. E. GORST, Esq., Under-Secretary of State for India, to the Secretary, Southern Mahratta Railway Company, dated India Office, 6th April 1889, P.W. No. 617.

I am directed to acknowledge receipt of your letter No. 32/89, dated the 28th March 1889, suggesting, in continuation of previous correspondence, the utilization of the agency of the Southern Mahratta Railway Company in connection with a possible line of railway between Bezváda and Cuttack.

In reply, I am desired to state that the Secretary of State for India in Council is not yet in possession of the views of the Government of India in respect to this suggested railway, and that on receipt of the necessary information from that Government His Lordship will again address you.

From E. Z. THORNTON, Esq., Secretary, Southern Mahratta Railway Company, Limited, to the Under-Secretary of State for India, dated 44, Finsbury Circus, London, E.C., 8th July 1889, No. 67.

It is observed in the "Times" of this day that a survey is going to be ordered on the east coast of Bengal, to be proceeded with at the end of the present monsoon, and the Board also note, in connection with the famine at Ganjam, that the earthworks for part of this line are now in progress.

My Board, so far back as 6th January 1888, brought the question of this railway to the notice of the Secretary of State, and they have since repeatedly expressed, both in their letters to their Agent and to the Secretary of State, their wish to carry out the railway as part of their undertaking. I am now desired again to state that the Board are ready to construct the railway as part of their system, or to carry it out as a separate Company, on terms to be settled hereafter.

If carried out by this Company, the basis should be that a separate account be kept of all the gross earnings of the East Coast Railway from Bezváda eastward, and that the working expenses of that railway and the Southern Mahratta Railway should be thrown into one account, being afterwards apportioned according to gross earnings between the two lines, the share of the net earnings appertaining to the East Coast Railway being handed over to Government without deduction of any description.

If, on the other hand, it should be deemed best that the East Coast Railway should be constructed by a separate Company, there will be considerable advantages, both for economical working and construction, if the new Company had the advantage of the experience already acquired by this Company, as well as the use of its workshops, and my Board would be prepared to accept any terms for its formation that would ensure the raising of the necessary capital.

From J. E. GORST, Esq., Under-Secretary of State for India, to the Secretary, Southern Mahratta Railway Company, dated India Office, 25th July 1889, P.W. No. 1368.

I am directed by the Secretary of State for India to acknowledge receipt of your letter No. 67, of the 8th July 1889, stating, with reference to previous correspondence, that the Directors of the Southern Mahratta Railway Company are ready to construct a railway from Bezváda to Cuttack as part of their system, or to carry it out as a separate Company on terms to be settled hereafter.

In reply, I am directed to say that the Secretary of State in Council would be glad to facilitate, under proper conditions, the construction of a line of railway in the direction indicated by you; but I am to add that His Lordship is already in communication with other parties on the subject, and that when the questions that arise in connection with it are ripe for decision, the proposals of the Southern Mahratta Railway Company will be considered with others.

From Messrs. P. MACFADYEN & Co., to Sir JULAND DANVERS, K.C.S.I., dated 144, Winchester House, Old Broad Street, London, E.C., 15th June 1888.

We have the honor to inform you that we have had put before us Mr. H. G. Turner's, the Collector of Vizagapatam, memorandum on a proposal for an East Coast of India Railway, and we have also learned that the Government of India have sanctioned a preliminary reconnaissance of the line between Ganjam and Cocanada. In the event of this reconnaissance showing that there are no insuperable engineering difficulties in the way of the proposed line, we venture to feel pretty confident that in due course sanction will be accorded for its construction as one of the necessary and natural additions to the growing great trunk system of India. We believe, too, that its prospects as a dividend paying railway are not exaggerated by Mr. Turner, and that, with a grant of the usual terms by the Secretary of State, there would be no difficulty in raising here the required capital. Our object in now addressing you is to express our hope that if this line is to be made, we may have the opportunity given to us to submit proposals for raising the necessary capital. Our Madras firm has large interests in all the districts proposed to be traversed by the East Coast Railway, and it would be a satisfaction to them and to us to be associated with an enterprise whose object is the opening up more effectually than is the case at present of the Presidency in which we have been so long established.

From J. E. GORST, Esq., Under-Secretary of State for India, to Messrs. P. MACFADYEN and Co., dated India Office, 3rd July 1888, P.W. No. 1280.

I am directed by the Secretary of State for India to acknowledge the receipt of your letter of the 15th ultimo, relative to the construction of a railway along the east coast of India.

In reply, I am to inform you that the Secretary of State will be prepared to receive any proposals from your firm for carrying out the line in question which do not involve the grant of a guarantee.

From Messrs. P. MACFADYEN & Co., to the Under-Secretary of State for India, dated 144, Winchester House, Old Broad Street, London, 28th February 1889.

We have the honor to refer you to your letter, P.W. 1280, of the 3rd July, and to inquire whether sufficeint progress has now been made with the survey of the proposed railway along the east coast of India to enable the Secretary of State to entertain proposals for the formation of a Company to undertake its construction.

We understand that it is out of the question to expect that the Secretary of State will give any guarantee of interest on the capital of such Company, but in other ways he will be willing to assist the undertaking on the ground that the line referred to will be an important and valuable addition to the main network of railways already existing in India. We are sanguine that the traffic prospects of the East Coast Railway are in themselves sufficiently encouraging to hold out a reasonable prospect of fair returns on the capital invested, and that therefore it will be possible to raise in London the money required for the construction and equipment of the line. We have now the honor to inquire (1) whether the Secretary of State will be prepared to give

free of cost all land necessary for the making of the line, and (2) whether, during construction, he would sanction the Company paying interest at the rate of 4 per cent out of its capital on the money subscribed for the undertaking. Besides these two points there is the question of the expenses connected with the formation of the Company, and the cost of getting its capital guaranteed before any prospectus is issued. It would be necessary for the Secretary of State to accord his sanction to all such charges being met out of the capital of the Company, and to this we believe there is no objection

Should the Secretary of State be in a position now to consider proposals on the lines we have indicated, we will set about getting the financial support necessary for the scheme at once. But should matters not yet be far enough advanced for action of this kind, we have the honor respectfully to request that, when the proper time comes, we may have the opportunity given us of attempting to float successfully the required Company. We may add that we consider the branch line from Raipore either from Vizagapatam or from Calingapatam should be included in the East Coast system, as this will be the shortest route to the sea for the great wheat crop of the Central Provinces.

From J. E. GORST, Esq., Under-Secretary of State for India, to Messrs. P. MACFADYEN & Co., dated India Office, 20th March 1889.

I am directed to acknowledge receipt of your letter, dated 28th February 1889, making certain inquiries and suggestions in respect to the proposed formation of a Company to construct and work a railway along the east coast of India.

In reply, I am desired to say that the Secretary of State for India in Council is not yet in possession from the Government of India of any surveys or report on this suggested line. In respect, however, to the specific inquiries made in your letter under reply, I am to state that, in the absence of the information just referred to, it would be premature to enter into negotiations in the matter.

If the Governments of India and Madras, however, should be favorable to the scheme, terms such as have usually been granted in like cases would no doubt be agreed to, and no objection would be raised by the Secretary of State for India in Council to the payment of interest out of capital during construction, or to any necessary and proper expenditure involved in the formation of a Company for the purpose in question.

I am to add that proposals with the same object have been made by the Southern Mahratta Railway Company, and that they have been forwarded to the Government of India.

From Messrs. P. MACFADYEN & Co., to the Under-Secretary of State for India, dated 144, Winchester House, Old Broad Street, London, E.C., 25th June 1889.

We have the honor to refer you to your letter, P.W. 387, of the 20th March last, in which you stated that it would be premature in the meantime to enter into negotiations for the construction of the proposed East Coast line of railway, whose ultimate object is to connect Madras with Calcutta. Under ordinary circumstances, we would have been content to wait till the expected reports from the Governments of India and Madras had reached the Secretary of State, but the news from the Ganjam district shows so conclusively the necessity for the railway, long ago recommended by the Famine Commission, that we venture to submit the time has now arrived for giving effect to that recommendation. We think the Government of India should be urged to begin and complete as soon as possible the survey of the East Coast line from Bezváda to Cuttack, and we may state that, subject to the terms we have to suggest being accepted by the Secretary of State, we, and those associated with us, are prepared to undertake the survey, should the Government of India find it impossible to detail the parties required for the purpose. The cost of the survey so undertaken would of course be a charge against the Company which would have the construction of the line.

We understand from your letter before us, and previous communications, that the land required for the line and its stations would, as usual, be given free of cost to the proposed Company, that during construction interest may be paid out of capital, and that necessary expenditure involved in the formation of a Company may also be treated as a charge to capital. We have been in communication with gentlemen already largely interested in Indian railways, and we have also made inquiries as to the minimum terms on which the required capital could be raised here. We are informed that the rate of interest during construction must not be less than 4 per cent., and that after the line is opened a guarantee by the Secretary of State is essential. As to the amount of this guarantee opinions differ, but the very lowest rate of interest at which there is the smallest hope of getting the capital subscribed is put by competent financial authorities at 3¼ per cent., and, in addition, the subscribers will stipulate for one quarter of the net earnings of the line. The Secretary of State will remember that much more onerous terms were granted to the Southern Mahratta Railway, and that in view of the probable traffic returns from the East Coast the guarantee now asked is one that involves a very small

amount of risk to the Government of India. Apart altogether from the pecuniary aspect of the scheme, there are other important considerations to be borne in mind Foremost among these will be the practical immunity from the dire effects of famine which the proposed line would secure to all the districts which it served. In Ganjam, on a small scale, is happening what occurred in Orissa many years ago, food grains are plentiful all round the famine district, but they cannot reach the people for want of proper land communications. Further, it is inevitable that, sooner or later (we hope sooner rather than later), the great trunk system of India must be completed by the connection of Madras with Calcutta. The East Coast line would start from Bezváda, which is already connected by rail with Madras; its other terminus would be Cuttack, and from there a choice of routes to get into Calcutta is available. In view of the facts that possibly a connection from Cuttack would use part of the Bengal-Nagpur Railway, and that at Bezváda the Hyderabad Railway comes in, it would probably be desirable, from a strategic point of view, that the East Coast Railway should be broad gauge. But this is a point open to discussion. Our present object is simply to inform the Secretary of State of the terms on which the proposed great Imperial work could be undertaken, and to express our sanguine hope that the very moderate guarantee asked will seem to him not an undue risk in connection with a scheme which promises so well financially, and which is an urgent necessity both on strategic and famine insurance grounds.

We trust that, with these definite proposals before him, the Secretary of State will see his way to grant us the concession for the making of the East Coast line on the terms indicated, and if he does so, we can assure him that the matter will be taken up and pushed to a satisfactory conclusion, with the least possible delay.

From J. E. GORST, Esq., Under-Secretary of State for India, to Messrs. P. MACFADYEN and Co., dated India Office, 10th July 1889, P.W. No. 1245.

I have received and laid before the Secretary of State for India in Council your letter of the 25th June 1889, submitting, with reference to my letter of the 20th March last, the terms on which your firm and those associated with you are prepared to take in hand a railway along the east coast of India between Madras and Calcutta.

These terms, so far as the raising of the capital is concerned, comprise an arrangement for paying interest at the rate of 4 per cent. out of capital during construction, and, when the line is open, a guarantee of interest by the Secretary of State upon the capital, the lowest rate of interest sufficient for the purpose being, in the opinion of financial authorities whom you have consulted, 3¼ per cent., to which is to be added a payment to the Company of a quarter of the net earnings of the line.

In reply, I am directed to inform you that the Secretary of State for India having considered these proposals in Council, is unable to depart from the intimation conveyed to you in my letter of the 3rd July 1888, that the grant of a guarantee cannot be conceded.

Lord Cross requests, therefore, that you will regard your present propositions as declined.

From Messrs. P. MACFADYEN & Co., to the Under-Secretary of State for India, dated 144, Winchester House, Old Broad Street, London, E.C., 25th July 1889.

We have the honor to acknowledge the receipt of your P.W. 1245, dated 10th instant, in which you inform us that the Secretary of State in Council will not entertain any proposals for the construction of the East Coast Railway which involve a guarantee on the total capital of the proposed Company. We have been again in consultation with the gentlemen who are associated with us in this matter, and we are now in a position to formulate an alternative scheme, which we think will enable us to meet Lord Cross's objection to giving a guarantee, and at the same time ensure the capital required being successfully raised here. We will assume that the line from Bezváda to Cuttack will cost three millions sterling, though the exact figure makes no difference in the principle of our proposal.

This is briefly:—

1. That a Company be formed with a capital of from one-fourth to one-third of the estimated cost of the line.
2. That the first charge on the net earnings of the line should be a cumulative annual interest of 4 per cent. on the said capital.
3. That the remaining three-fourths or two-thirds of the money required for construction and equipment should be lent to the Company by the Secretary of State.
4. That the second charge on the net earnings be a cumulative annual interest on the said loan at 3¼ per cent.
5. That, after these first and second charges have been met, the surplus net profits be divided between the Secretary of State and the Company in some fair and equitable manner, which can be discussed and decided hereafter.

We believe that a scheme on the above lines would meet with favor from the investing public, and as it is the first of the kind, and would solve for the future the question of direct guarantees, we venture to submit that the Secretary of State might well agree to its terms. Should, as we anticipate, our proposal lead to the capital required being raised without difficulty, Lord Cross, in future extensions of Indian railways, will probably be able to arrange for them on even better terms than we suggest. Our proposals constitute an entirely new departure, and we respectfully say that this being so, it is in the interest of India to grant such terms as will attract investors to put their money into a Company which must rely on its traffic alone for interest on its capital. We are convinced, and so are the other financial authorities whom we have consulted, that what we ask for is the very minimum which would at present bring about the desired result without a guarantee.

We are, however, bound to point out that, in our opinion, the Secretary of State will not make so good a bargain for himself and the Indian tax-payer if he agrees to the above scheme as if he were to give a direct guarantee of 3¼ per cent. (with some small share of the net earnings) on the one-fourth or one-third of the money required to make the line, and advance the rest at the same rate of interest. Taking the Company's capital at one million, the net earnings would require to be 1¼ per cent. on the cost of the line to pay the shareholders 4 per cent., while only a minute fraction over 1 per cent. would be wanted to secure the Secretary of State against loss if he guaranteed directly 3¼ per cent. Now as we have no doubt the line will earn considerably more than even 1¼ per cent., the Secretary of State places himself at the start at a disadvantage if the Company is to get 4 per cent. instead of 3¼ per cent. This disadvantage does not disappear but becomes a little more aggravated the greater the net earnings prove to be, and although we do not intend to burden this correspondence with the calculations which show this, we are prepared to submit them for your consideration if called upon to do so. The Secretary of State is, of course, aware that a direct guarantee opens a security in which trustees can invest, and thereby provides at once a large and free market. This being so, and the guarantee asked for being less onerous to the tax-payer than the alternative proposals submitted above, we would ask that the question be reconsidered. In any case, we have satisfied ourselves by careful inquiry that in only one of the two ways referred to in this letter can the money be obtained here, and we would beg the Secretary of State to take the whole matter into early consideration, and to favor us with his decision thereon. If further information is desired, we will be happy to furnish it, either in person or by letter, as you may wish.

From Messrs. P. MACFADYEN & Co., to the Under-Secretary of State for India, dated 144, Winchester House, Old Broad Street, London, E.C., 31st July 1889.

We have the honor to refer to previous correspondence on the subject of the proposed East Coast Railway of India. It will be within your recollection that the scheme submitted proposed to make a line from Bezváda to Cuttack. We now write to say that if the Secretary of State sees his way to grant us the terms formulated in our letter of the 25th instant, we and those associated with us would be prepared and would prefer to form a Company which would start from Madras, find its way to Cuttack with a branch to Pooree, and from the junction make a connection with the Bengal-Nagpur Railway at Panchpara. This scheme would give India another great trunk line system, which for strategic and famine purposes would prove invaluable, and which would open up tracts of country the traffic returns from which are almost certain to give a margin over the guarantee asked from the Secretary of State.

Commending this enlarged proposal to your favorable consideration.

ORDER—dated 2nd January 1890, No. 2 R., Public Works.

Communicated to the Engineer-in-Chief, East Coast Railway Survey, for consideration with reference to paragraph 2 of letter from the Government of India read above.

(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.

Exd. J. Moses.
Spare Copies

RAILWAY.

Govt. of {1890} Madras.

PUBLIC WORKS.

Dated January, 2*nd*.

Recd. *Encl.*

G.O., 2nd Jan. 1890, No. 2 R.

JANUARY.

East Coast Railway

Letter from the Government of India communicating the approval of the Secretary of State for India for the survey of the — and stating that the question of gauge for this railway should not now be considered as definitely settled, communicated to the Engineer-in-Chief.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following paper:—

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, 6th December 1889, No. 1133 R.C.

In continuation of Public Works Department letter No. 930 R.C., dated 25th September 1889, I am directed to forward herewith, for information, a copy of a despatch * from Her Majesty's Secretary of State for India approving the survey of the East Coast Railway.

* No 125 R., dated 7th November 1889.

2. With reference to para. 5 of the despatch, I am to say, in supersession of the orders conveyed in para. 7 of the Government of India's letter above quoted, that the question of gauge for this railway should not now be considered as definitively settled, and that the Engineer-in-Chief should bear in mind the double contingency when laying out his curves and gradients; and that when the time arrives for drawing up the estimates, if this question is not decided by then, it may be necessary to prepare alternative estimates for either the 5′ 6″ or metre-gauge.

The Engineer in-Chief should, however, apply for instructions when that time comes.

ENCLOSURES.

From the Right Honorable Viscount CROSS, Her Majesty's Secretary of State for India, to His Excellency the Most Honorable the Governor-General of India in Council, dated India Office, London, 7th November 1889, No. 125 Railway.

Your Excellency will have learnt by my telegram of the 28th June last, quoted in the margin,* that the question of the East Coast line from Bezváda to Cuttack has been receiving my attention. During the course of the present year I have been in communication with various parties in this country who have made proposals for its construction. I was glad, therefore, to receive your Excellency's letter No. 129 Railway, of the 16th September last, conveying the views of your Government on the subject.

Question of constructing an East Coast Railway from Bezvada to Cuttack.

* Telegram to Viceroy, 28th June 1889.
"Your Railway letter No. 62. I should be glad to know your views regarding East Coast line. When may they be expected?"

2. Inquiries have led you to believe that the southern portion of such a line, extending from Bezváda to Cocanada, with a bridge over the Kistna river, is necessary, and that the further section from Cocanada to Vizianagrum may prove commercially productive; also that the section from Ganjam to Cuttack is of vital importance for protection against famine, but that the intermediate portion between Vizianagrum and Ganjam is unpromising as a productive work, and should be postponed until the present pressure on your financial resources is relieved. The cost of the whole line on the 5 feet 6 inches gauge is estimated at 482 lacs for the 509 miles.

3. You propose that present action should be confined to surveys, for which you have made arrangements during the ensuing season, parties being organized so as to begin work at both ends, and to be in a position to make their reports by September 1890.

4. I approve of the course which you have taken, and shall await with interest the results of the surveys.

5. With reference to the gauge to be adopted, it seems to me desirable that, before this point is finally settled, further information should be obtained as to the difference of cost

between a broad and narrow gauge line respectively, and also as to the amount and character of the traffic that may be expected. I request, therefore, that careful estimates may be made of the line both on a standard and metre gauge, and that I may receive the result of your further consideration of the subject. I observe that the Madras Government have recommended that the Kistna bridge should be adapted to the metre gauge.

6. As regards the agency by which the line should be undertaken, it will be convenient that this question also should be kept in reserve. The views of your Government on this point shall have my best consideration; but, as I have said, my communications with firms in this country may have encouraged the belief that I should not withhold my favorable consideration from any proposals by which capital could be raised on suitable terms. I forward herewith, for your information, copy of the correspondence * which has passed on the subject, and will again address you when the time has arrived for proceeding further in the matter.

* Letter from Sir John Fowler and Sir Bradford Leslie, dated 2nd May 1889.
Ditto to ditto, dated 11th July 1889.
Ditto from ditto, dated 17th July 1889.
Ditto to ditto, dated 16th August 1889.
Ditto from Southern Mahratta Railway Company, dated 28th March 1889.
Ditto to ditto, dated 6th April 1889.
Ditto from ditto, dated 8th July 1889.
Ditto to ditto, dated 25th July 1889.
Ditto from Messrs. Macfadyen & Co., dated 15th June 1888.
Ditto to ditto, dated 3rd July 1888.
Ditto from ditto, dated 28th February 1889.
Ditto to ditto, dated 20th March 1889.
Ditto from ditto, dated 25th June 1889.
Ditto to ditto, dated 10th July 1889.
Ditto from ditto, dated 25th July 1889.
Ditto from ditto, dated 31st July 1889.

From Sir J. FOWLER and Sir B. LESLIE, to the Under-Secretary of State for India, dated 2, Queen Square Place, Westminster, 2nd May 1889.

We have the honor to request that the following representations and proposals on the subject of railway extension in India may be submitted to the Secretary of State for India:—

1*st*.—The extraordinary increase of the foreign trade of India, which has taken place *pari passu* with the development of the railway system, is admitted to be mainly, if not entirely, due to the operation of the railways; but the mercantile community of India and the Indian Government have also given repeated proofs that they are in accord in the opinion that considerable further extension of the railway system in India is necessary for the development of the resources and the welfare of the country, and the only questions to determine are, firstly, what new railways are of primary importance, and secondly, how is the capital to be raised for their construction.

On the plan attached to this communication, we have marked in full red lines the new railways which, from the information we have received, may be considered of primary importance, viz.:—

1*st*.—The Western Bengal Railway from Hooghly *viâ* Cutwa, Ahmadpur, Byjnath, Gya, to a junction with the Oudh and Rohilkund Railway at Mogul Serai, near Benares, with branches to Bhagulpore and Bhugwangola. To give full public benefit to the working of this railway, the Oudh and Rohilkund must be worked in conjunction with it as one incorporated undertaking, for which we apprehend the Government of India have ample powers.

2*nd*.—A railway from Madras to Calcutta, either by a new line starting from Madras, or by a junction with the Madras Railway, and the conversion, if necessary, of any intervening railway from narrow to broad gauge.

3*rd*.—Other undertakings in which we are interested, and which are already before the Secretary of State, are the proposed Bengal-Assam Railway and the Dehra Dun Railway. We are also giving our attention to the proposed improved railway route between Kurrachee and the interior, and other projected lines of communication which have been brought to our notice, including the connection with Burmah.

On the completion of the surveys and investigations now in course of preparation under the direction of the Government of India for the proposed Western Bengal Railway, and the line from Madras to Calcutta, we ask to be afforded the opportunity of considering the same, and if they confirm our present conviction as to their feasibility and advantages, we shall be prepared to submit a definite proposal for the approval of the Secretary of State, with the conditions on which we are advised the capital may be raised through the agency of a Company formed for the purpose.

We would respectfully urge in the meantime that the Government of India should not decide upon any other proposal for giving the accommodation indicated on the accompanying plan, and especially in respect of any alternative connection between Calcutta and Mogul Serai (Benares).

With regard to the second question, or the mode of raising the capital required for the new railways, it is unnecessary to call attention to the indirect advantages of every railway in India for the administrative and executive work of Government, or the economy in the maintenance of law and order, the increase of land revenue, or of their value from the military and political point of view, or as an insurance against famine.

Such being the case, it is, we submit, not too much to expect that, although direct guarantees be given up (unless in very special cases), still some temporary pecuniary help from Government, by means of an advance of interest during construction, and for a limited time after completion (to be repaid out of surplus profits), may be given as the general basis of future financial arrangements between the Indian Government and Companies.

With carefully selected lines, such assistance would, it is confidently believed, impose no permanent burden on the finances of India, but would be, both directly and indirectly, a source of additional value and security.

Whatever may be the special character of the support and assistance vouchsafed by the Secretary of State in each particular case, it is most important that the most complete and reliable information as to cost of construction and probable traffic should be available, and this can only be given by the Government of India.

From J. E. GORST, Esq., Under-Secretary of State for India, to Sir J. FOWLER and Sir B. LESLIE, dated India Office, 11th July 1889, P. W. No. 843.

I am directed by the Secretary of State for India in Council to acknowledge your letter of the 2nd May, in which you bring before His Lordship certain proposals for the construction of railways in India.

In reply, I am to assure you that Viscount Cross is prepared to consider favorably any scheme for that purpose which may be submitted to him, provided that the intended lines are clearly required in the interests of the public, that they can be constructed without any undue expenditure or sacrifice of revenue on the part of the Government, and that the agency proposed is one which, under the circumstances, appears to him to be suitable for the undertaking in question.

While sympathising generally, therefore, with the views which you express as to the advantages of railway extension, to which he attaches the highest importance, Viscount Cross considers that this purpose will be best served by the submission of well defined proposals for the construction of individual railways or systems of railways, and he is not disposed to entertain, as a single scheme, a project which includes several distinct undertakings, differing widely from each other in the conditions under which they would be carried out, and in the nature and amount of the traffic which they might be expected to carry.

Taking your proposals, accordingly, in detail, I am directed to say, with regard to three of them, viz., the railway from Hooghly to Mogul Serai, the Dehra Dun line, and the Bengal-Assam railway, that proposals have already been made which, in His Lordship's opinion, must take priority of consideration before any new negotiations relating to them are undertaken.

I am, therefore, to suggest that you might, for the present, confine your attention to the development of the scheme which you submit for the construction of an East Coast Railway, connecting Calcutta with Madras. Any communication on this subject which you may think fit to lay before His Lordship will, no doubt, contain a full statement of the nature of the work which you would be prepared to undertake, the terms on which you would undertake it, and the financial support on which you would rely. He will be glad, in compliance with your request, to assist you by placing at your disposal any information bearing on this subject which exists in this office, or which can be obtained from India, and he will be prepared to give his best attention to any proposals which, after due consideration, you may be in a position to submit to him At the same time he wishes you to be informed that more than one application relative to the construction of railways along the East Coast has been submitted to the Secretary of State, and forwarded to the Government of India for their opinion.

From Sir J. FOWLER and Sir B. LESLIE, to the Under-Secretary of State for India, dated 2, Queen Square Place, 17th July 1889.

We have the honor to acknowledge the receipt of your letter of the 11th instant, from which we gather that proposals are not desired from us with reference to railways from Calcutta in a westerly direction, in consequence of proposals having already been made, and which, therefore, must take priority of consideration before any new proposals are entertained.

We think there must be some mistake regarding priority.

The line from Hooghly to Mogul Serai, designated in our letter of the 2nd May the "Western Bengal Railway," was originally submitted to the Secretary of State by the late

Oudh and Rohilkund Railway Company in 1888, but this proposal necessarily lapsed on the winding up of the Oudh and Rohilkund Railway Company.

Subsequently it was resubmitted to the Secretary of State by Messrs. Gladstone, Wyllie, and Company and Sir Bradford Leslie, but for reasons not necessary to state this application was withdrawn.

So far, therefore, as we are aware, there is no proposal with reference to the "Western Bengal Railway" before the Secretary of State, excepting that made by ourselves in our letter of the 2nd May.

We understand that, subsequently to the submission of the original project of the Western Bengal Railway in 1888, two other proposals for railways between Calcutta and Benares have been submitted to the Secretary of State, viz.:—

(*a*) The grand chord line of the East Indian Railway Company.
(*b*) A line from Mogul Serai *viâ* Palamou-Purulia to Howrah, by the Bengal and North-Western Railway.

There are thus three proposals before the Secretary of State for affording alternative routes between Calcutta and Benares, viz.:—

(*a*) The Western Bengal Railway.
(*b*) The grand chord line.
(*c*) The Palamou-Purulia line.

Assuming that the construction of one only of these lines will be authorized by the Secretary of State, we beg respectfully to submit that a careful inquiry into their comparative merits should be made, and evidence taken upon them, before a final decision is arrived at; this can only be done satisfactorily after the receipt of the surveys and reports from the Government of India.

In the second paragraph of your letter (P. W. 843) we are informed that Viscount Cross is prepared to consider favorably intended lines "which are clearly required in the interests of the public, which can be constructed without undue expenditure or sacrifice of revenue on the part of Government, if the agency proposed is one which appears to him suitable for the undertaking in question."

We respectfully submit that the proposed "Western Bengal Railway" complies with these conditions.

An additional route between Calcutta and Benares is admitted to be urgently needed, and a very special reason for the construction of such a line has been recently given by the "breach" of the main line of the East Indian Railway, in consequence of the failure of the "Jynthee" bridge.

This disaster shows the danger of trusting to a single line of communication in the heavily inundated districts above Lucki Serai.

That the Western Bengal line can be made "without undue expenditure" will, we believe, be shown by the survey when received, and which we confidently anticipate will prove that, with lighter works, it will have easier gradients than either of the other projected lines, or than the existing line of the East Indian Railway.

That the Western Bengal line can also be made "without sacrifice of revenue on the part of the Government" may, we think, be safely assumed, owing to the new traffic that will be obtained by the opening out of new districts, and if Government takes a share of the surplus profits a substantial increase of revenue may be reasonably expected, and we trust to be able to prove this to the satisfaction of the Secretary of State when the exact facts from the detailed surveys and estimates are in our possession.

The agency proposed for the construction and working of the Western Bengal Railway is a Joint Stock Company, incorporated under the Limited Liability Act.

With regard to the East Coast Railways, we note that we may send in proposals, although other applications have been received, but we are required to give a full statement of the nature of the work, which we respectfully submit is impossible, as we have not had the honor to receive the surveys and report which are essential for that purpose

When we receive these surveys, and can thus make reliable estimates of cost, we shall be in a position to submit definite proposals, and state the financial support on which we rely.

From J. E. GORST, Esq., Under-Secretary of State for India, to Sir J. FOWLER and Sir B. LESLIE, dated India Office, 16th August 1889, P. W. No. 1416.

I am directed by the Secretary of State for India to acknowledge the receipt of your letter of the 17th July 1889, regarding the proposals which you have made for railway extension in India.

In reply I am to explain, with regard to the Western Bengal project, that, as has already been mentioned in a former letter, Viscount Cross considers himself bound to give priority of consideration to other proposals. The reason is not so much because those proposals have been submitted earlier in order of time, but because it is desirable, in His Lordship's opinion, that

plans for extended railway communication in Western Bengal entertained by other existing agencies, should be first considered, provided that the proposals tendered by them are suitable, and otherwise in accordance with the general public interest. It is upon this ground that His Lordship has formed the conclusion that he is not at present in a position to enter into any useful discussion of your proposals, so far as they relate to railways in Western Bengal.

With regard, however, to the project for an East Coast line, I am directed to forward herewith, for your information, copy of a report of a reconnaissance for the railway in question, which has been made under the orders of the Government of India, and to say that Viscount Cross will be glad to receive, at your early convenience, any proposals which you may have to make for the construction of this railway, in order that they may be fully considered with others which have been submitted for the same purpose.

From E. Z. THORNTON, Secretary, Southern Mahratta Railway Company, Limited, to the Under-Secretary of State for India, dated 44, Finsbury Circus, London, E.C., 28th March 1889, No. 32.

In the Indian "Pioneer" newspaper of the 27th February 1889, extracts are given from a report of Sir Guilford Molesworth and Colonel C. G. Smith, R.E., on a proposed line of railway from Bezváda (the eastern terminus of this Company's system) to Cuttack, a project that was brought before you in my letter, No. 9, dated 6th January 1888, and to which attention was also drawn in the Board's report for the half-year ending 31st December 1887 to their shareholders. In case the surveys that will probably be undertaken in consequence of this report lead the Secretary of State and the Government of India to the conclusion that the railway is one that ought to be undertaken in the interests of the country, I am instructed to ask, on behalf of this Board, that the construction of the line may, if to be built on the metre gauge, be offered to this Company in the event of Government being willing to assist in its construction, or, if Government deem the line to be of a character sufficiently promising for the investment of private capital without the aid of a guarantee, that the Directors of this Company should have the opportunity, if they desire to do so, of endeavouring to carry out the projected railway somewhat on the Delhi-Kalka Railway terms; this Company standing in the same position to the projected line as the East Indian Railway Company stands in reference to the Delhi-Kalka line.

From J. E. GORST, Esq., Under-Secretary of State for India, to the Secretary, Southern Mahratta Railway Company, dated India Office, 6th April 1889, P.W. No. 617.

I am directed to acknowledge receipt of your letter No. 32/89, dated the 28th March 1889, suggesting, in continuation of previous correspondence, the utilization of the agency of the Southern Mahratta Railway Company in connection with a possible line of railway between Bezváda and Cuttack.

In reply, I am desired to state that the Secretary of State for India in Council is not yet in possession of the views of the Government of India in respect to this suggested railway, and that on receipt of the necessary information from that Government His Lordship will again address you.

From E. Z. THORNTON, Esq., Secretary, Southern Mahratta Railway Company, Limited, to the Under-Secretary of State for India, dated 44, Finsbury Circus, London, E.C., 8th July 1889, No. 67.

It is observed in the "Times" of this day that a survey is going to be ordered on the east coast of Bengal, to be proceeded with at the end of the present monsoon, and the Board also note, in connection with the famine at Ganjam, that the earthworks for part of this line are now in progress.

My Board, so far back as 6th January 1888, brought the question of this railway to the notice of the Secretary of State, and they have since repeatedly expressed, both in their letters to their Agent and to the Secretary of State, their wish to carry out the railway as part of their undertaking. I am now desired again to state that the Board are ready to construct the railway as part of their system, or to carry it out as a separate Company, on terms to be settled hereafter.

If carried out by this Company, the basis should be that a separate account be kept of all the gross earnings of the East Coast Railway from Bezváda eastward, and that the working expenses of that railway and the Southern Mahratta Railway should be thrown into one account, being afterwards apportioned according to gross earnings between the two lines, the share of the net earnings appertaining to the East Coast Railway being handed over to Government without deduction of any description.

If, on the other hand, it should be deemed best that the East Coast Railway should be constructed by a separate Company, there will be considerable advantages, both for economical working and construction, if the new Company had the advantage of the experience already acquired by this Company, as well as the use of its workshops, and my Board would be prepared to accept any terms for its formation that would ensure the raising of the necessary capital.

From J. E. GORST, Esq., Under-Secretary of State for India, to the Secretary, Southern Mahratta Railway Company, dated India Office, 25th July 1889, P.W. No. 1368.

I am directed by the Secretary of State for India to acknowledge receipt of your letter No. 67, of the 8th July 1889, stating, with reference to previous correspondence, that the Directors of the Southern Mahratta Railway Company are ready to construct a railway from Bezváda to Cuttack as part of their system, or to carry it out as a separate Company on terms to be settled hereafter.

In reply, I am directed to say that the Secretary of State in Council would be glad to facilitate, under proper conditions, the construction of a line of railway in the direction indicated by you; but I am to add that His Lordship is already in communication with other parties on the subject, and that when the questions that arise in connection with it are ripe for decision, the proposals of the Southern Mahratta Railway Company will be considered with others.

From Messrs. P. MACFADYEN & Co., to Sir JULAND DANVERS, K.C.S.I., dated 144, Winchester House, Old Broad Street, London, E.C., 15th June 1888.

We have the honor to inform you that we have had put before us Mr. H. G. Turner's, the Collector of Vizagapatam, memorandum on a proposal for an East Coast of India Railway, and we have also learned that the Government of India have sanctioned a preliminary reconnaissance of the line between Ganjam and Cocanada. In the event of this reconnaissance showing that there are no insuperable engineering difficulties in the way of the proposed line, we venture to feel pretty confident that in due course sanction will be accorded for its construction as one of the necessary and natural additions to the growing great trunk system of India. We believe, too, that its prospects as a dividend paying railway are not exaggerated by Mr. Turner, and that, with a grant of the usual terms by the Secretary of State, there would be no difficulty in raising here the required capital. Our object in now addressing you is to express our hope that if this line is to be made, we may have the opportunity given to us to submit proposals for raising the necessary capital. Our Madras firm has large interests in all the districts proposed to be traversed by the East Coast Railway, and it would be a satisfaction to them and to us to be associated with an enterprise whose object is the opening up more effectually than is the case at present of the Presidency in which we have been so long established.

From J. E. GORST, Esq., Under-Secretary of State for India, to Messrs. P. MACFADYEN and Co., dated India Office, 3rd July 1888, P.W. No. 1280.

I am directed by the Secretary of State for India to acknowledge the receipt of your letter of the 15th ultimo, relative to the construction of a railway along the east coast of India.

In reply, I am to inform you that the Secretary of State will be prepared to receive any proposals from your firm for carrying out the line in question which do not involve the grant of a guarantee.

From Messrs. P. MACFADYEN & Co., to the Under-Secretary of State for India, dated 144, Winchester House, Old Broad Street, London, 28th February 1889.

We have the honor to refer you to your letter, P.W. 1280, of the 3rd July, and to inquire whether sufficeint progress has now been made with the survey of the proposed railway along the east coast of India to enable the Secretary of State to entertain proposals for the formation of a Company to undertake its construction.

We understand that it is out of the question to expect that the Secretary of State will give any guarantee of interest on the capital of such Company, but in other ways he will be willing to assist the undertaking on the ground that the line referred to will be an important and valuable addition to the main network of railways already existing in India. We are sanguine that the traffic prospects of the East Coast Railway are in themselves sufficiently encouraging to hold out a reasonable prospect of fair returns on the capital invested, and that therefore it will be possible to raise in London the money required for the construction and equipment of the line. We have now the honor to inquire (1) whether the Secretary of State will be prepared to give

free of cost all land necessary for the making of the line, and (2) whether, during construction, he would sanction the Company paying interest at the rate of 4 per cent out of its capital on the money subscribed for the undertaking. Besides these two points there is the question of the expenses connected with the formation of the Company, and the cost of getting its capital guaranteed before any prospectus is issued. It would be necessary for the Secretary of State to accord his sanction to all such charges being met out of the capital of the Company, and to this we believe there is no objection

Should the Secretary of State be in a position now to consider proposals on the lines we have indicated, we will set about getting the financial support necessary for the scheme at once. But should matters not yet be far enough advanced for action of this kind, we have the honor respectfully to request that, when the proper time comes, we may have the opportunity given us of attempting to float successfully the required Company. We may add that we consider the branch line from Raipore either from Vizagapatam or from Calingapatam should be included in the East Coast system, as this will be the shortest route to the sea for the great wheat crop of the Central Provinces.

From J. E. GORST, Esq., Under-Secretary of State for India, to Messrs. P. MACFADYEN & Co., dated India Office, 20th March 1889.

I am directed to acknowledge receipt of your letter, dated 28th February 1889, making certain inquiries and suggestions in respect to the proposed formation of a Company to construct and work a railway along the east coast of India.

In reply, I am desired to say that the Secretary of State for India in Council is not yet in possession from the Government of India of any surveys or report on this suggested line. In respect, however, to the specific inquiries made in your letter under reply, I am to state that, in the absence of the information just referred to, it would be premature to enter into negotiations in the matter.

If the Governments of India and Madras, however, should be favorable to the scheme, terms such as have usually been granted in like cases would no doubt be agreed to, and no objection would be raised by the Secretary of State for India in Council to the payment of interest out of capital during construction, or to any necessary and proper expenditure involved in the formation of a Company for the purpose in question.

I am to add that proposals with the same object have been made by the Southern Mahratta Railway Company, and that they have been forwarded to the Government of India.

From Messrs. P. MACFADYEN & Co., to the Under-Secretary of State for India, dated 144, Winchester House, Old Broad Street, London, E.C., 25th June 1889.

We have the honor to refer you to your letter, P.W. 387, of the 20th March last, in which you stated that it would be premature in the meantime to enter into negotiations for the construction of the proposed East Coast line of railway, whose ultimate object is to connect Madras with Calcutta. Under ordinary circumstances, we would have been content to wait till the expected reports from the Governments of India and Madras had reached the Secretary of State, but the news from the Ganjam district shows so conclusively the necessity for the railway, long ago recommended by the Famine Commission, that we venture to submit the time has now arrived for giving effect to that recommendation. We think the Government of India should be urged to begin and complete as soon as possible the survey of the East Coast line from Bezváda to Cuttack, and we may state that, subject to the terms we have to suggest being accepted by the Secretary of State, we, and those associated with us, are prepared to undertake the survey, should the Government of India find it impossible to detail the parties required for the purpose. The cost of the survey so undertaken would of course be a charge against the Company which would have the construction of the line.

We understand from your letter before us, and previous communications, that the land required for the line and its stations would, as usual, be given free of cost to the proposed Company, that during construction interest may be paid out of capital, and that necessary expenditure involved in the formation of a Company may also be treated as a charge to capital. We have been in communication with gentlemen already largely interested in Indian railways, and we have also made inquiries as to the minimum terms on which the required capital could be raised here. We are informed that the rate of interest during construction must not be less than 4 per cent., and that after the line is opened a guarantee by the Secretary of State is essential. As to the amount of this guarantee opinions differ, but the very lowest rate of interest at which there is the smallest hope of getting the capital subscribed is put by competent financial authorities at 3½ per cent., and, in addition, the subscribers will stipulate for one quarter of the net earnings of the line. The Secretary of State will remember that much more onerous terms were granted to the Southern Mahratta Railway, and that in view of the probable traffic returns from the East Coast the guarantee now asked is one that involves a very small

amount of risk to the Government of India. Apart altogether from the pecuniary aspect of the scheme, there are other important considerations to be borne in mind Foremost among these will be the practical immunity from the dire effects of famine which the proposed line would secure to all the districts which it served. In Ganjam, on a small scale, is happening what occurred in Orissa many years ago, food grains are plentiful all round the famine district, but they cannot reach the people for want of proper land communications. Further, it is inevitable that, sooner or later (we hope sooner rather than later), the great trunk system of India must be completed by the connection of Madras with Calcutta. The East Coast line would start from Bezváda, which is already connected by rail with Madras; its other terminus would be Cuttack, and from there a choice of routes to get into Calcutta is available. In view of the facts that possibly a connection from Cuttack would use part of the Bengal-Nagpur Railway, and that at Bezváda the Hyderabad Railway comes in, it would probably be desirable, from a strategic point of view, that the East Coast Railway should be broad gauge. But this is a point open to discussion. Our present object is simply to inform the Secretary of State of the terms on which the proposed great Imperial work could be undertaken, and to express our sanguine hope that the very moderate guarantee asked will seem to him not an undue risk in connection with a scheme which promises so well financially, and which is an urgent necessity both on strategic and famine insurance grounds.

We trust that, with these definite proposals before him, the Secretary of State will see his way to grant us the concession for the making of the East Coast line on the terms indicated, and if he does so, we can assure him that the matter will be taken up and pushed to a satisfactory conclusion, with the least possible delay.

From J. E. GORST, Esq., Under-Secretary of State for India, to Messrs. P. MACFADYEN and Co., dated India Office, 10th July 1889, P.W. No. 1245.

I have received and laid before the Secretary of State for India in Council your letter of the 25th June 1889, submitting, with reference to my letter of the 20th March last, the terms on which your firm and those associated with you are prepared to take in hand a railway along the east coast of India between Madras and Calcutta.

These terms, so far as the raising of the capital is concerned, comprise an arrangement for paying interest at the rate of 4 per cent. out of capital during construction, and, when the line is open, a guarantee of interest by the Secretary of State upon the capital, the lowest rate of interest sufficient for the purpose being, in the opinion of financial authorities whom you have consulted, 3¼ per cent., to which is to be added a payment to the Company of a quarter of the net earnings of the line.

In reply, I am directed to inform you that the Secretary of State for India having considered these proposals in Council, is unable to depart from the intimation conveyed to you in my letter of the 3rd July 1888, that the grant of a guarantee cannot be conceded.

Lord Cross requests, therefore, that you will regard your present propositions as declined.

From Messrs. P. MACFADYEN & Co., to the Under-Secretary of State for India, dated 144, Winchester House, Old Broad Street, London, E.C., 25th July 1889.

We have the honor to acknowledge the receipt of your P.W. 1245, dated 10th instant, in which you inform us that the Secretary of State in Council will not entertain any proposals for the construction of the East Coast Railway which involve a guarantee on the total capital of the proposed Company. We have been again in consultation with the gentlemen who are associated with us in this matter, and we are now in a position to formulate an alternative scheme, which we think will enable us to meet Lord Cross's objection to giving a guarantee, and at the same time ensure the capital required being successfully raised here. We will assume that the line from Bezváda to Cuttack will cost three millions sterling, though the exact figure makes no difference in the principle of our proposal.

This is briefly:—

1. That a Company be formed with a capital of from one-fourth to one-third of the estimated cost of the line.
2. That the first charge on the net earnings of the line should be a cumulative annual interest of 4 per cent. on the said capital.
3. That the remaining three-fourths or two-thirds of the money required for construction and equipment should be lent to the Company by the Secretary of State.
4. That the second charge on the net earnings be a cumulative annual interest on the said loan at 3¼ per cent.
5. That, after these first and second charges have been met, the surplus net profits be divided between the Secretary of State and the Company in some fair and equitable manner, which can be discussed and decided hereafter.

We believe that a scheme on the above lines would meet with favor from the investing public, and as it is the first of the kind, and would solve for the future the question of direct guarantees, we venture to submit that the Secretary of State might well agree to its terms. Should, as we anticipate, our proposal lead to the capital required being raised without difficulty, Lord Cross, in future extensions of Indian railways, will probably be able to arrange for them on even better terms than we suggest. Our proposals constitute an entirely new departure, and we respectfully say that this being so, it is in the interest of India to grant such terms as will attract investors to put their money into a Company which must rely on its traffic alone for interest on its capital. We are convinced, and so are the other financial authorities whom we have consulted, that what we ask for is the very minimum which would at present bring about the desired result without a guarantee.

We are, however, bound to point out that, in our opinion, the Secretary of State will not make so good a bargain for himself and the Indian tax-payer if he agrees to the above scheme as if he were to give a direct guarantee of 3¼ per cent. (with some small share of the net earnings) on the one-fourth or one-third of the money required to make the line, and advance the rest at the same rate of interest. Taking the Company's capital at one million, the net earnings would require to be 1⅓ per cent. on the cost of the line to pay the shareholders 4 per cent., while only a minute fraction over 1 per cent. would be wanted to secure the Secretary of State against loss if he guaranteed directly 3¼ per cent. Now as we have no doubt the line will earn considerably more than even 1⅓ per cent., the Secretary of State places himself at the start at a disadvantage if the Company is to get 4 per cent. instead of 3¼ per cent. This disadvantage does not disappear but becomes a little more aggravated the greater the net earnings prove to be, and although we do not intend to burden this correspondence with the calculations which show this, we are prepared to submit them for your consideration if called upon to do so. The Secretary of State is, of course, aware that a direct guarantee opens a security in which trustees can invest, and thereby provides at once a large and free market. This being so, and the guarantee asked for being less onerous to the tax-payer than the alternative proposals submitted above, we would ask that the question be reconsidered. In any case, we have satisfied ourselves by careful inquiry that in only one of the two ways referred to in this letter can the money be obtained here, and we would beg the Secretary of State to take the whole matter into early consideration, and to favor us with his decision thereon. If further information is desired, we will be happy to furnish it, either in person or by letter, as you may wish.

From Messrs. P. MACFADYEN & Co., to the Under-Secretary of State for India, dated 144, Winchester House, Old Broad Street, London, E.C., 31st July 1889.

We have the honor to refer to previous correspondence on the subject of the proposed East Coast Railway of India. It will be within your recollection that the scheme submitted proposed to make a line from Bezváda to Cuttack. We now write to say that if the Secretary of State sees his way to grant us the terms formulated in our letter of the 25th instant, we and those associated with us would be prepared and would prefer to form a Company which would start from Madras, find its way to Cuttack with a branch to Pooree, and from the junction make a connection with the Bengal-Nagpur Railway at Panchpara. This scheme would give India another great trunk line system, which for strategic and famine purposes would prove invaluable, and which would open up tracts of country the traffic returns from which are almost certain to give a margin over the guarantee asked from the Secretary of State.

Commending this enlarged proposal to your favorable consideration.

ORDER—dated 2nd January 1890, No. 2 R., Public Works.

Communicated to the Engineer-in-Chief, East Coast Railway Survey, for consideration with reference to paragraph 2 of letter from the Government of India read above.

(True Extract.)

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.

Exd. J. Moses.

Spare Copies

RAILWAY.

Govt. of {1890} Madras.

PUBLIC WORKS.

Dated January, 2nd.

Recd. *Encl.*

G.O., 2nd Jan. 1890, No. 2 R.

JANUARY.

East Coast Railway

Letter from the Government of India communicating the approval of the Secretary of State for India for the survey of the — and stating that the question of gauge for this railway should not now be considered as definitely settled, communicated to the Engineer-in-Chief.

PWC No 1195

that the question of gauge for this Railway should not now be considered as definitively settled, and that the Engineer-in-Chief should bear in mind the double contingency when laying out his curves and gradients; and that when the time arrives for drawing up the Estimates, if this question is not decided by then, it may be necessary to prepare alternative Estimates for either the 5'-6" or metre gauge.

The Engineer-in-Chief should, however, apply for instructions when that time comes.

I have the honour to be,

Sir,

Your most obedient Servant.

M. Mackenzie Major, R.E.

Under Secretary.

Document accompanying

Copy of Secretary of States' Despatch marginally noted.

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No. 1133 R. 6.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY Construction.

All communications should be addressed to the Secretary.

To

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

Calcutta, the 6th December 1889.

Sir,

In continuation of Public Works Department letter No. 930 R. 6. dated 25th September 1889, I am directed to forward herewith, for information, a copy of a } Despatch
No. 125 Railway dated 7th November 1889. } from Her Majesty's Secretary of State for India approving the survey of the East Coast Railway.

2. With reference to paragraph 5 of the Despatch, I am to say, in supersession of the orders conveyed in paragraph 7 of the Government of India's letter above quoted

9286-10-12-89
R office

2 Sc.

England

India Office,
London, 7th November 1889.

Railway,
No. 125.

To His Excellency the Most Honourable the Governor General of India in Council.

MY LORD MARQUIS,

Question of constructing an East Coast Railway from Bezwada to Cuttack.

* *Telegram to Viceroy, 28th June* 1889.

"Your Railway Letter No. 62. I should be glad to know your views regarding East Coast line. When may they be expected?"

Your Excellency will have learnt by my telegram of the 28th June last, quoted in the margin,* that the question of the East Coast line from Bezwada to Cuttack has been receiving my attention. During the course of the present year I have been in communication with various parties in this country who have made proposals for its construction. I was glad, therefore, to receive your Excellency's Letter No. 129, Railway, of the 16th September last, conveying the views of your Government on the subject.

2. Inquiries have led you to believe that the southern portion of such a line, extending from Bezwada to Coconada, with a bridge over the Kistna river, is necessary, and that the further section from Coconada to Vizianagram may prove commercially productive; also that the section from Ganjam to Cuttack is of vital importance for protection against famine, but that the intermediate portion between Vizianagram and Ganjam is unpromising as a productive work, and should be postponed until the present pressure on your financial resources is relieved. The cost of the whole line on the 5 ft. 6 ins. gauge is estimated at 482 lacs for the 509 miles.

3. You propose that present action should be confined to surveys, for which you have made arrangements during the ensuing season, parties being organized so as to begin work at both ends, and to be in a position to make their reports by September 1890.

4. I approve of the course which you have taken, and shall await with interest the results of the surveys.

5. With reference to the gauge to be adopted, it seems to me desirable that, before this point is

finally settled, further information should be obtained as to the difference of cost between a broad and narrow gauge line respectively, and also as to the amount and character of the traffic that may be expected. I request, therefore, that careful estimates may be made of the line both on a standard and metre gauge, and that I may receive the result of your further consideration of the subject. I observe that the Madras Government have recommended that the Kistna Bridge should be adapted to the metre gauge.

6. As regards the agency by which the line should be undertaken, it will be convenient that this question also should be kept in reserve. The views of your Government on this point shall have my best consideration; but, as I have said, my communications with firms in this country may have encouraged the belief that I should not withhold my favourable consideration from any proposals by which capital could be raised on suitable terms. I forward herewith, for your information, copy of the correspondence* which has passed on the subject, and will again address you when the time has arrived for proceeding further in the matter.

I have the honour to be,

My Lord Marquis,

Your Lordship's most obedient humble Servant,

(Signed) CROSS.

* Letter from Sir John Fowler and Sir Bradford Leslie, dated 2nd May 1889.
Ditto to ditto, dated 11th July 1889.
Ditto from ditto, dated 17th July 1889.
Ditto to ditto, dated 16th August 1889.
Ditto from Southern Mahratta Railway Company, dated 28th March 1889.
Ditto to ditto, dated 6th April 1889.
Ditto to ditto, dated 25th July 1889.
Ditto from Messrs. Macfadyen & Co., dated 15th June 1888.
Ditto to ditto, dated 3rd July 1888.
Ditto from ditto, dated 28th February 1889.
Ditto to ditto, dated 20th March 1889.
Ditto from ditto, dated 25th June 1889.
Ditto to ditto, dated 10th July 1889.
Ditto from ditto, dated 25th July 1889.
Ditto from ditto, dated 31st July 1889.

ENCLOSURES.

No. 1.

2, Queen Square Place, Westminster,
2nd May 1889.

Sir,

We have the honour to request that the following representations and proposals on the subject of railway extension in India may be submitted to the Secretary of State for India:—

1st. The extraordinary increase of the foreign trade of India, which has taken place *pari passu* with the development of the railway system, is admitted to be mainly, if not entirely, due to the operation of the railways; but the mercantile community of India and the Indian Government have also given repeated proofs that they are in accord in the opinion that considerable further extension of the railway system in India is necessary for the development of the resources and the welfare of the country, and the only questions to determine are, firstly, what new railways are of primary importance, and secondly, how is the capital to be raised for their construction.

On the plan attached to this communication, we have marked in full red lines the new railways which, from the information we have received, may be considered of primary importance, viz.:—

1st. The Western Bengal Railway from Hoogly *viâ* Cutwa, Ahmadpur, Byjnath, Gya, to a junction with the Oudh and Rohilkund Railway at Mogul Serai, near Benares, with branches to Bhagulpore and Bhugwangola. To give full public benefit to the working of this railway, the Oudh and Rohilkund must be worked in conjunction with it as one incorporated undertaking, for which we apprehend the Government of India have ample powers.

2nd. A railway from Madras to Calcutta, either by a new line starting from Madras, or by a junction with the Madras Railway, and the conversion, if necessary, of any intervening railway from narrow to broad gauge.

3rd. Other undertakings in which we are interested, and which are already before the Secretary of State, are the proposed Bengal-Assam Railway and the Dehra Dun Railway. We are also giving our attention to the proposed improved railway route between Kurrachee and the interior, and other projected lines of communication which have been brought to our notice, including the connection with Burmah.

On the completion of the surveys and investigations now in course of preparation under the direction of the Government of India for the proposed Western Bengal Railway, and the line from Madras to Calcutta, we ask to be afforded the opportunity of considering the same, and if they confirm our present conviction as to their feasibility and advantages, we shall be prepared to submit a definite proposal for the approval of the Secretary of State, with the conditions on which we are advised the capital may be raised through the agency of a Company formed for the purpose.

We would respectfully urge in the meantime that the Government of India should not decide upon any other proposal for giving the accommodation indicated on the accompanying plan, and especially in respect of any alternative connection between Calcutta and Mogul Serai (Benares).

With regard to the second question, or the mode of raising the capital required for the new railways, it is unnecessary to call attention to the indirect advantages of every railway in India for the administrative and executive work of Government, or the economy in the maintenance of law and order, the increase of land revenue, or of their value from the military and political point of view, or as an insurance against famine.

Such being the case, it is, we submit, not too much to expect that, although direct guarantees be given up (unless in very special cases), still some temporary pecuniary help from Government, by means of an advance of interest during construction, and for a limited time after completion (to be repaid out of surplus profits), may be given as the general basis of future financial arrangements between the Indian Government and Companies.

With carefully selected lines, such assistance would, it is confidently believed, impose no permanent burden on the finances of India, but would be, both directly and indirectly, a source of additional value and security.

Whatever may be the special character of the support and assistance vouchsafed by the Secretary of State in each particular case, it is most important that the most complete and reliable information as to cost of construction and probable traffic should be available, and this can only be given by the Government of India.

We have, &c.,
(Signed) JOHN FOWLER,
BRADFORD LESLIE.

The Under Secretary of State
for India.

No. 2.

P. W. 843.

India Office,
11th July 1889.

Gentlemen,

I am directed by the Secretary of State for India in Council to acknowledge your letter of the 2nd May, in which you bring before His Lordship certain proposals for the construction of railways in India.

In reply, I am to assure you that Viscount Cross is prepared to consider favourably any scheme for that purpose which may be submitted to him, provided that the intended lines are clearly required in the interests of the public, that they can be constructed without any undue expenditure or sacrifice of revenue on the part of the Government, and that the agency proposed is one which, under the circumstances, appears to him to be suitable for the undertaking in question.

While sympathising generally, therefore, with the views which you express as to the advantages of railway extension, to which he attaches the highest importance, Viscount Cross considers that this purpose will be best served by the submission of well defined proposals for the construction of individual railways or systems of railways, and he is not disposed to entertain, as a single scheme, a project which includes several distinct undertakings, differing widely from each other in the conditions under which they would be carried out, and in the nature and amount of the traffic which they might be expected to carry.

Taking your proposals, accordingly, in detail, I am directed to say, with regard to three of them, viz., the railway from Hooghly to Mogul Serai, the Dehra Dun line, and the Bengal-Assam railway, that proposals have already been made which, in His Lordship's opinion, must

take priority of consideration before any new negotiations relating to them are undertaken.

I am, therefore, to suggest that you might, for the present, confine your attention to the development of the scheme which you submit for the construction of an East Coast Railway, connecting Calcutta with Madras. Any communication on this subject which you may think fit to lay before His Lordship will, no doubt, contain a full statement of the nature of the work which you would be prepared to undertake, the terms on which you would undertake it, and the financial support on which you would rely. He will be glad, in compliance with your request, to assist you by placing at your disposal any information bearing on this subject which exists in this Office, or which can be obtained from India, and he will be prepared to give his best attention to any proposals which, after due consideration, you may be in a position to submit to him. At the same time he wishes you to be informed that more than one application relative to the construction of railways along the East Coast has been submitted to the Secretary of State, and forwarded to the Government of India for their opinion.

I am, &c.,
(Signed) JOHN E. GORST.

Sir J. Fowler and Sir B. Leslie.

No. 3.

2, Queen Square Place,
17th July 1889.

Sir,

We have the honour to acknowledge the receipt of your letter of the 11th instant, from which we gather that proposals are not desired from us with reference to railways from Calcutta in a westerly direction, in consequence of proposals having already been made, and which, therefore, must take priority of consideration before any new proposals are entertained.

We think there must be some mistake regarding priority.

The line from Hooghly to Mogul Serai, designated in our letter of the 2nd May the "Western Bengal Railway," was originally submitted to the Secretary of State by the late Oude and Rokilhund Railway Company in 1888, but this proposal necessarily lapsed on the winding up of the Oude and Rohilkund Railway Company.

Subsequently it was resubmitted to the Secretary of State by Messrs. Gladstone, Wyllie, & Co. and Sir Bradford Leslie, but for reasons not necessary to state this application was withdrawn.

So far, therefore, as we are aware, there is no proposal with reference to the "Western Bengal Railway" before the Secretary of State, excepting that made by ourselves in our letter of the 2nd May.

We understand that, subsequently to the submission of the original project of the Western Bengal Railway in 1888, two other proposals for railways between Calcutta and Benares have been submitted to the Secretary of State, viz.:—

(*a*) The grand chord line of the East Indian Railway Company.
(*b*) A line from Mogal Serai *viâ* Palamou, Purulia, to Howrah, by the Bengal and North-Western Railway.

There are thus three proposals before the Secretary of State for affording alternative routes between Calcutta and Benares, viz.:—

(*a*) The Western Bengal Railway.
(*b*) The grand chord line.
(*c*) The Palamou-Purulia line.

Assuming that the construction of one only of these lines will be authorized by the Secretary of State, we beg respectfully to submit that a careful inquiry into their comparative merits should be made, and evidence taken upon them, before a final decision is arrived at; this can only be done satisfactorily after the receipt of the surveys and reports from the Government of India.

In the second paragraph of your letter (P.W. 843) we are informed that Viscount Cross is prepared to consider favourably intended lines "which are clearly required in the interests of the public, which can be "constructed without undue expenditure or sacrifice of revenue on the "part of Government, if the agency proposed is one which appears to "him suitable for the undertaking in question."

We respectfully submit that the proposed "Western Bengal Railway" complies with these conditions.

An additional route between Calcutta and Benares is admitted to be urgently needed, and a very special reason for the construction of such a line has been recently given by the "breach" of the main line of the East Indian Railway, in consequence of the failure of the "Jynthee" bridge.

This disaster shows the danger of trusting to a single line of communication in the heavily inundated districts above Lucki Serai.

That the Western Bengal line can be made "without undue expenditure" will, we believe, be shown by the survey when received, and which we confidently anticipate will prove that, with lighter works, it will have easier gradients than either of the other projected lines, or than the existing line of the East Indian Railway.

That the Western Bengal line can also be made "without sacrifice "of revenue on the part of the Government" may, we think, be safely assumed, owing to the new traffic that will be obtained by the opening out of new districts, and if Government takes a share of the surplus profits a substantial increase of revenue may be reasonably expected, and we trust to be able to prove this to the satisfaction of the Secretary of State when the exact facts from the detailed surveys and estimates are in our possession.

The agency proposed for the construction and working of the Western Bengal Railway is a Joint Stock Company, incorporated under the Limited Liability Act.

With regard to the East Coast Railways, we note that we may send in proposals, although other applications have been received, but we are required to give a full statement of the nature of the work, which we respectfully submit is impossible, as we have not had the honour to receive the surveys and report which are essential for that purpose.

When we receive these surveys, and can thus make reliable estimates of cost, we shall be in a position to submit definite proposals, and state the financial support on which we rely.

We have, &c.,
(Signed) JOHN FOWLER.
BRADFORD LESLIE.

The Under Secretary of State
for India.

No. 4.

P.W. 1416.

India Office,
16th August 1889.

Gentlemen,

I am directed by the Secretary of State for India to acknowledge the receipt of your letter of the 17th July 1889, regarding the proposals which you have made for railway extension in India.

In reply I am to explain, with regard to the Western Bengal project, that, as has already been mentioned in a former letter, Viscount Cross

considers himself bound to give priority of consideration to other proposals. The reason is not so much because those proposals have been submitted earlier in order of time, but because it is desirable, in His Lordship's opinion, that plans for extended railway communication in Western Bengal entertained by other existing agencies should be first considered, provided that the proposals tendered by them are suitable, and otherwise in accordance with the general public interest. It is upon this ground that His Lordship has formed the conclusion that he is not at present in a position to enter into any useful discussion of your proposals, so far as they relate to railways in Western Bengal.

With regard, however, to the project for an East Coast line, I am directed to forward herewith, for your information, copy of a report of a reconnaissance for the railway in question, which has been made under the orders of the Government of India, and to say that Viscount Cross will be glad to receive, at your early convenience, any proposals which you may have to make for the construction of this railway, in order that they may be fully considered with others which have been submitted for the same purpose.

I am, &c.,
(Signed) JOHN E. GORST.

Sir J. Fowler.
Sir B. Leslie.

No. 5.

The Southern Mahratta Railway Company, Limited,
No. 32. 44, Finsbury Circus, London, E.C.,
28th March 1889.

Sir,

In the Indian "Pioneer" newspaper of the 27th February 1889, extracts are given from a report of Sir Guilford Molesworth and Colonel C. G. Smith, R.E., on a proposed line of railway from Bezwada (the eastern terminus of this Company's system) to Cuttack, a project that was brought before you in my letter No. 9, dated 6th January 1888, and to which attention was also drawn in the Board's Report for the half year ending 31st December 1887 to their shareholders. In case the surveys that will probably be undertaken in consequence of this Report lead the Secretary of State and the Government of India to the conclusion that the railway is one that ought to be undertaken in the interests of the country, I am instructed to ask, on behalf of this Board, that the construction of the line may, if to be built on the metre gauge, be offered to this Company in the event of Government being willing to assist in its construction, or, if Government deem the line to be of a character sufficiently promising for the investment of private capital without the aid of a guarantee, that the Directors of this Company should have the opportunity, if they desire to do so, of endeavouring to carry out the projected railway somewhat on the Delhi-Kalka Railway terms; this Company standing in the same position to the projected line as the East India Railway Company stands in reference to the Delhi-Kalka line.

I have, &c.,
(Signed) EDW. Z. THORNTON,
Secretary.

The Under Secretary of State
for India.

No. 6.

P.W. 617.

India Office,
6th April 1889.

Sir,

I am directed to acknowledge receipt of your letter No. 32/89, dated the 28th March 1889, suggesting, in continuation of previous correspondence, the utilization of the agency of the Southern Mahratta Railway Company in connection with a possible line of railway between Bezwada and Cuttack.

In reply, I am desired to state that the Secretary of State for India in Council is not yet in possession of the views of the Government of India in respect to this suggested railway, and that on receipt of the necessary information from that Government His Lordship will again address you.

I am, &c.,
(Signed) JOHN E. GORST.

The Secretary, Southern Mahratta
Railway Company.

No. 7.

The Southern Mahratta Railway Company, Limited,
No. 67. 44, Finsbury Circus, London, E.C.,
Sir, 8th July 1889.

It is observed in the "Times" of this day that a survey is going to be ordered on the east coast of Bengal, to be proceeded with at the end of the present monsoon, and the Board also note, in connection with the famine at Ganjam, that the earthworks for part of this line are now in progress.

My Board, so far back as 6th January 1888, brought the question of this railway to the notice of the Secretary of State, and they have since repeatedly expressed, both in their letters to their agent and to the Secretary of State, their wish to carry out the railway as part of their undertaking. I am now desired again to state that the Board are ready to construct the railway as part of their system, or to carry it out as a separate Company, on terms to be settled hereafter.

If carried out by this Company, the basis should be that a separate account be kept of all the gross earnings of the East Coast Railway from Bezwada eastward, and that the working expenses of that railway and the Southern Mahratta Railway should be thrown into one account, being afterwards apportioned according to gross earnings between the two lines, the share of the net earnings appertaining to the East Coast Railway being handed over to Government without deduction of any description.

If, on the other hand, it should be deemed best that the East Coast Railway should be constructed by a separate Company, there will be considerable advantages, both for economical working and construction, if the new Company had the advantage of the experience already acquired by this Company, as well as the use of its workshops, and my Board would be prepared to accept any terms for its formation that would ensure the raising of the necessary capital.

I have, &c.,
(Signed) EDW. Z. THORNTON,
Secretary.

The Under Secretary of State
for India.

No. 8.

P. W. 1368.

India Office,
25th July 1889.

Sir,

I am directed by the Secretary of State for India to acknowledge receipt of your letter No. 67, of the 8th July 1889, stating, with reference to previous correspondence, that the Directors of the Southern Mahratta Railway Company are ready to construct a railway from Bezwada to Cuttack as part of their system, or to carry it out as a separate Company on terms to be settled hereafter.

In reply, I am directed to say that the Secretary of State in Council would be glad to facilitate, under proper conditions, the construction of a line of railway in the direction indicated by you; but I am to add that His Lordship is already in communication with other parties on the subject, and that when the questions that arise in connection with it are ripe for decision the proposals of the Southern Mahratta Railway Company will be considered with others.

I am, &c.,
(Signed) JOHN E. GORST.

The Secretary, Southern Mahratta
Railway Company.

No. 9.

144, Winchester House, Old Broad Street,
Sir, London, E.C., 15th June 1888.

We have the honour to inform you that we have had put before us Mr. H. G. Turner's, the Collector of Vizagapatam, memorandum on a proposal for an East Coast of India Railway, and we have also learned that the Government of India have sanctioned a preliminary reconnaissance of the line between Ganjam and Coconada. In the event of this reconnaissance showing that there are no insuperable engineering difficulties in the way of the proposed line, we venture to feel pretty confident that in due course sanction will be accorded for its construction as one of the necessary and natural additions to the growing great trunk system of India. We believe, too, that its prospects as a dividend paying railway are not exaggerated by Mr. Turner, and that, with a grant of the usual terms by the Secretary of State, there would be no difficulty in raising here the required capital. Our object in now addressing you is to express our hope that if this line is to be made, we may have the opportunity given to us to submit proposals for raising the necessary capital. Our Madras firm has large interests in all the districts proposed to be traversed by the East Coast Railway, and it would be a satisfaction to them and to us to be associated with an enterprise whose object is the opening up more effectually than is the case at present of the Presidency in which we have been so long established.

We have, &c.,
(Signed) P. MACFADYEN & Co.

Sir Juland Danvers, K.C.S.I.

No. 10.

P. W. 1280.

India Office,
3rd July 1888.

Gentlemen,

I am directed by the Secretary of State for India to acknowledge the receipt of your letter of the 15th ultimo, relative to the contruction of a railway along the east coast of India.

In reply, I am to inform you that the Secretary of State will be prepared to receive any proposals from your firm for carrying out the line in question which do not involve the grant of a guarantee.

I am, &c.,
(Signed) JOHN E. GORST.

Messrs. P. Macfadyen & Co.

No. 11.

144, Winchester House, Old Broad Street,
London, 28th February 1889.

Sir,

We have the honour to refer you to your letter P.W. 1280, of the 3rd July, and to inquire whether sufficient progress has now been made with the survey of the proposed railway along the east coast of India to enable the Secretary of State to entertain proposals for the formation of a Company to undertake its construction.

We understand that it is out of the question to expect that the Secretary of State will give any guarantee of interest on the capital of such Company, but in other ways he will be willing to assist the undertaking on the ground that the line referred to will be an important and valuable addition to the main network of railways already existing in India. We are sanguine that the traffic prospects of the East Coast Railway are in themselves sufficiently encouraging to hold out a reasonable prospect of fair returns on the capital invested, and that therefore it will be possible to raise in London the money required for the construction and equipment of the line. We have now the honour to inquire (1) whether the Secretary of State will be prepared to give free of cost all land necessary for the making of the line, and (2) whether, during construction, he would sanction the Company paying interest at the rate of 4 per cent. out of its capital on the money subscribed for the undertaking. Besides these two points there is the question of the expenses connected with the formation of the Company, and the cost of getting its capital guaranteed before any prospectus is issued. It would be necessary for the Secretary of State to accord his sanction to all such charges being met out of the capital of the Company, and to this we believe there is no objection.

Should the Secretary of State be in a position now to consider proposals on the lines we have indicated, we will set about getting the financial support necessary for the scheme at once. But should matters not yet be far enough advanced for action of this kind, we have the honour respectfully to request that, when the proper time comes, we may have the opportunity given us of attempting to float successfully the required Company. We may add that we consider the branch line from Raipore either from Vizagapatam or from Calingapatam should be included in the East Coast system, as this will be the shortest route to the sea for the great wheat crop of the Central Provinces.

We have, &c.,
(Signed) P. MACFADYEN & Co.

The Under Secretary of State
for India.

No. 12.

India Office,
20th March 1889.

Gentlemen,

I am directed to acknowledge receipt of your letter dated 28th February 1889, making certain inquiries and suggestions in respect to the proposed formation of a Company to construct and work a railway along the east coast of India.

In reply, I am desired to say that the Secretary of State for India in Council is not yet in possession from the Government of India of any surveys or report on this suggested line. In respect, however, to the specific inquiries made in your letter under reply, I am to state that, in the absence of the information just referred to, it would be premature to enter into negotiations in the matter.

If the Governments of India and Madras, however, should be favourable to the scheme, terms such as have usually been granted in like cases would no doubt be agreed to, and no objection would be raised by the Secretary of State for India in Council to the payment of interest out of capital during construction, or to any necessary and proper expenditure involved in in the formation of a Company for the purpose in question.

I am to add that proposals with the same object have been made by the Southern Mahratta Railway Company, and that they have been forwarded to the Government of India.

I am, &c.,
(Signed) JOHN E. GORST.

Messrs. Macfadyen & Co.

No. 13.

144, Winchester House, Old Broad Street,
London, E.C., 25th June 1889.

Sir,

We have the honour to refer you to your letter P. W. 387, of the 20th March last, in which you stated that it would be premature in the meantime to enter into negotiations for the construction of the proposed East Coast line of railway, whose ultimate object is to connect Madras with Calcutta. Under ordinary circumstances, we would have been content to wait till the expected reports from the Governments of India and Madras had reached the Secretary of State, but the news from the Ganjam district shows so conclusively the necessity for the railway, long ago recommended by the Famine Commission, that we venture to submit the time has now arrived for giving effect to that recommendation. We think the Government of India should be urged to begin and complete as soon as possible the survey of the East Coast line from Bezwada to Cuttack, and we may state that, subject to the terms we have to suggest being accepted by the Secretary of State, we, and those associated with us, are prepared to undertake the survey, should the Government of India find it impossible to detail the parties required for the purpose. The cost of the survey so undertaken would of course be a charge against the Company which would have the construction of the line.

We understand from your letter before us, and previous communications, that the land required for the line and its stations would, as usual, be given free of cost to the proposed Company, that during construction interest may be paid out of capital, and that necessary expenditure involved in the formation of a Company may also be treated as a charge to capital. We have been in communication with gentlemen already largely interested in Indian railways, and we have

also made iuquiries as to the minimum terms on which the required capital could be raised here. We are informed that the rate of interest during construction must not be less than 4 per cent., and that after the line is opened a guarantee by the Secretary of State is essential. As to the amount of this guarantee opinions differ, but the very lowest rate of interest at which there is the smallest hope of getting the capital subscribed is put by competent financial authorities at $3\frac{1}{4}$ per cent., and, in addition, the subscribers will stipulate for one quarter of the net earnings of the line. The Secretary of State will remember that much more onerous terms were granted to the Southern Mahratta Railway, and that in view of the probable traffic returns from the East Coast the guarantee now asked is one that involves a very small amount of risk to the Government of India. Apart altogether from the pecuniary aspect of the scheme, there are other important considerations to be borne in mind. Foremost among these will be the practical immunity from the dire effects of famine which the proposed line would secure to all the districts which it served. In Ganjam, on a small scale, is happening what occurred in Orissa many years ago, food grains are plentiful all round the famine district, but they cannot reach the people for want of proper land communications. Further, it is inevitable that, sooner or later (we hope sooner rather than later), the great trunk system of India must be completed by the connection of Madras with Calcutta. The East Coast line would start from Bezwada, which is already connected by rail with Madras; its other terminus would be Cuttack, and from there a choice of routes to get into Calcutta is available. In view of the facts that possibly a connection from Cuttack would use part of the Bengal-Nagpur Railway, and that at Bezwada the Hyderabad Railway comes in, it would probably be desirable, from a strategic point of view, that the East Coast Railway should be broad gauge. But this is a point open to discussion. Our present object is simply to inform the Secretary of State of the terms on which the proposed great Imperial work could be undertaken, and to express our sanguine hope that the very moderate guarantee asked will seem to him not an undue risk in connection with a scheme which promises so well financially, and which is an urgent necessity both on strategic and famine insurance grounds.

We trust that, with these definite proposals before him, the Secretary of State will see his way to grant us the concession for the making of the East Coast line on the terms indicated, and if he does so, we can assure him that the matter will be taken up and pushed to a satisfactory conclusion, with the least possible delay.

We have, &c.,
(Signed) P. MACFADYEN & Co.

The Under Secretary of State
for India.

No. 14.

P.W. 1245. India Office,
10th July 1889.

Gentlemen,

I have received and laid before the Secretary of State for India in Council your letter of the 25th June 1889, submitting, with reference to my letter of the 20th March last, the terms on which your firm and those associated with you are prepared to take in hand a railway along the east coast of India between Madras and Calcutta.

These terms, so far as the raising of the capital is concerned, comprise an arrangement for paying interest at the rate of 4 per cent. out of capital during construction, and, when the line is open, a guarantee of interest by the Secretary of State upon the capital, the lowest rate

of interest sufficient for the purpose being, in the opinion of financial authorities whom you have consulted, $3\frac{1}{4}$ per cent., to which is to be added a payment to the Company of a quarter of the net earnings of the line.

In reply I am directed to inform you that the Secretary of State for India having considered these proposals in Council, is unable to depart from the intimation conveyed to you in my letter of the 3rd July 1888, that the grant of a guarantee cannot be conceded.

Lord Cross requests, therefore, that you will regard your present propositions as declined.

I am, &c.,
(Signed) JOHN E. GORST.

Messrs. P. Macfadyen & Co.

No. 15.

144, Winchester House, Old Broad Street,
Sir, London, E.C., 25th July 1889.

We have the honour to acknowledge the receipt of your P.W. 1245, dated 10th instant, in which you inform us that the Secretary of State in Council will not entertain any proposals for the construction of the East Coast Railway which involve a guarantee on the total capital of the proposed Company. We have been again in consultation with the gentlemen who are associated with us in this matter, and we are now in a position to formulate an alternative scheme, which we think will enable us to meet Lord Cross's objection to giving a guarantee, and at the same time ensure the capital required being successfully raised here. We will assume that the line from Bezwada to Cuttack will cost three millions sterling, though the exact figure makes no difference in the principle of our proposal.

This is briefly:—

1. That a Company be formed with a capital of from one fourth to one third of the estimated cost of the line.
2. That the first charge on the net earnings of the line should be a cumulative annual interest of 4 per cent. on the said capital.
3. That the remaining three fourths or two thirds of the money required for construction and equipment should be lent to the Company by the Secretary of State.
4. That the second charge on the net earnings be a cumulative annual interest on the said loan at $3\frac{1}{4}$ per cent.
5. That, after these first and second charges have been met, the surplus net profits be divided between the Secretary of State and the Company in some fair and equitable manner, which can be discussed and decided hereafter.

We believe that a scheme on the above lines would meet with favour from the investing public, and as it is the first of the kind, and would solve for the future the question of direct guarantees, we venture to submit that the Secretary of State might well agree to its terms. Should, as we anticipate, our proposal lead to the capital required being raised without difficulty, Lord Cross, in future extensions of Indian railways, will probably be able to arrange for them on even better terms than we suggest. Our proposals constitute an entirely new departure, and we respectfully say that this being so, it is in the interest of India to grant such terms as will attract investors to put their money into a Company which must rely on its traffic alone for interest on its capital. We are convinced, and so are the other financial authorities whom we have consulted, that what we ask for is the very

minimum which would at present bring about the desired result without a guarantee.

We are, however, bound to point out that, in our opinion, the Secretary of State will not make so good a bargain for himself and the Indian taxpayer if he agrees to the above scheme as if he were to give a direct guarantee of 3¼ per cent. (with some small share of the net earnings) on the one fourth or one third of the money required to make the line, and advance the rest at the same rate of interest. Taking the Company's capital at one million, the net earnings would require to be 1⅓ per cent. on the cost of the line to pay the shareholders 4 per cent., while only a minute fraction over 1 per cent. would be wanted to secure the Secretary of State against loss if he guaranteed directly 3¼ per cent. Now as we have no doubt the line will earn considerably more than even 1⅓ per cent., the Secretary of State places himself at the start at a disadvantage if the Company is to get 4 per cent. instead of 3¼ per cent. This disadvantage does not disappear but becomes a little more aggravated the greater the net earnings prove to be, and although we do not intend to burden this correspondence with the calculations which show this, we are prepared to submit them for your consideration if called upon to do so. The Secretary of State is, of course, aware that a direct guarantee opens a security in which trustees can invest, and thereby provides at once a large and free market. This being so, and the guarantee asked for being less onerous to the taxpayer than the alternative proposals submitted above, we would ask that the question be reconsidered. In any case, we have satisfied ourselves by careful inquiry that in only one of the two ways referred to in this letter can the money be obtained here, and we would beg the Secretary of State to take the whole matter into early consideration, and to favour us with his decision thereon. If further information is desired, we will be happy to furnish it, either in person or by letter, as you may wish.

We have, &c.,
(Signed) P. Macfadyen & Co.

The Under Secretary of State
for India.

No. 16.

144, Winchester House, Old Broad Street,
Sir, London, E.C., 31st July 1889.

We have the honour to refer to previous correspondence on the subject of the proposed East Coast Railway of India. It will be within your recollection that the scheme submitted proposed to make a line from Bezwada to Cuttack. We now write to say that if the Secretary of State sees his way to grant us the terms formulated in our letter of the 25th instant, we and those associated with us would be prepared and would prefer to form a Company which would start from Madras, find its way to Cuttack with a branch to Pooree, and from the junction make a connection with the Bengal-Nagpur Railway at Panchpara. This scheme would give India another great trunk line system, which for strategic and famine purposes would prove invaluable, and which would open up tracts of country the traffic returns from which are almost certain to give a margin over the guarantee asked from the Secretary of State.

Commending this enlarged proposal to your favourable consideration,

We have, &c.,
(Signed) P. Macfadyen & Co.

The Under Secretary of State
for India.

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No 11

Railway.
7th November 1889

Copy
Letter to the Govt of India
No 125 & Enclosures

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No 2 R.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

UNDER date the 2nd Jany 1890

READ the following

Letter from the Govt. of India P.W.D. } No. 1133 R.C., 6th Dec. 89

Communicated to the Engineer-in-Chief East Coast Railway Survey for consideration with reference to paragraph 2 of letter from the Government of India read above.

C.J.S. 21.12.9 / Secy to Govt

C.J.S.
19.12.9
R

2 Nil Corrg Insts for Regs.
Engr-in-Ch. East Coast Rly.

21/1/90

A

No. 2 R 7 2d Jany 1890.

H.m. 19-12-89 R. 21-12-89