

Public Works (1893) Department.

RAILWAY BRANCH.

G.O., No. 958 R

DATED 21st June

[Despatch Abstract.]

Sinemvelly Quilow Railway.

Copy of a despatch from the Secretary of State
forwarded by the Govt. of India regarding
the lapse of negotiations with the promoters
of the ——— communicated to the Consulting
Engineer for Railways and to the Political
Dept. for the information of the Transport
Director.

[illegible][illegible]

(2) A guarantee of interest for 15 years by the Travancore State of 4 per cent. on the agreed sum of 600,000*l.*, i.e., 24,000*l.* per annum.

(a) The said interest, viz., 24,000% sterling, to be paid half-yearly in gold in London to Messrs. Armstrong and Co., merchants and bankers, of 34, Old Broad Street, London, E.C., as agents for the Company, commencing from the date of the first payment of moneys into a bank when the first issue of capital is made in London.

(b) Any surplus profits made in the Travancore section of the line over and above the 4 per cent. guaranteed are to be divided in the proportion of three-fourths to the Travancore Government and one-fourth to the Railway Company.

(3) The Government of India are to have the option of purchasing the railway at the end of the first 15 years, or at the end of each succeeding 10 years thereafter, on payment of 25 times the average net earnings of the line during the previous five years.

(4) The concession is to lapse if the capital is not subscribed by the 1st April 1893.

(5) The South Indian Railway are to have the option of working the line upon terms to be mutually agreed, and failing an agreement, upon terms to be named by Her Majesty's Secretary of State for India.

(6) The line is to be constructed upon the metro gauge and in conformity with the Government standard.

(7) The concession is to be granted in our name.

(8) We are to be at liberty to issue the capital at such times and in such manner and amount as we may deem desirable from time to time.

In conclusion, we trust that as the time is so very short for forming a Company and raising the necessary capital that you will use the greatest expedition in getting the matter pressed forward and instruct the South Indian Railway Company to enter into negotiations with us for the working of the proposed railway.

It is needless to state that we would keep the Government carefully informed as to the position of affairs from time to time.

We have, &c.,
(Signed) ARMSTRONG AND CO.

The Under Secretary of State for India.

No. 2.

P.W. 125.

GENTLEMEN,

INDIA OFFICE,
8th February 1893.

I am directed by the Secretary of State for India to acknowledge the receipt of your letter of the 23rd January 1893 requesting, with reference to this office letter of the 12th idem, to be granted a definite concession for the formation of a Company for the construction of the Tinnevely-Quilon Railway upon the terms specified in your letter.

With respect to your clause 5, the Secretary of State prefers that the following words should be adopted:—

“The South Indian Railway Company are to have the option of working the line for the full term of the concession upon terms to be agreed upon between the Companies and approved by Her Majesty's Secretary of State for India.”

I am to draw your attention to paragraph 3 of the letter from the Government of Madras to Mr. W. Leslie, dated June 1891, a copy of which was communicated to the original promoters, Messrs. Skinner and Co., and apparently agreed to by them, in which it is stated that, with regard to the payment of the guaranteed interest in sterling, the Travancore Government would wish to fix a limit to the value of the rupee, below which, if exchange falls, payment will not be claimable at the rate of depreciation but only at the fixed point.

With regard to your clause 8 as to the issue of capital, the Secretary of State can only observe for the present that your arrangements in regard to the construction and working should be completed with all possible expedition in order that the necessary capital may be issued by the 1st April. The details of issue and the time from date of contract within which period the line will have to be opened can then be settled.

Upon receiving from you a letter agreeing to the foregoing conditions and to the amendments to the terms stated in your letter, the Directors of the South Indian Railway Company will be authorized to enter into negotiations with your firm for the construction, as well as for the working, of the proposed railway.

I am, &c.,
(Signed) HORACE WALPOLE.

Messrs. Armstrong and Co.

No. 3.

34, OLD BROAD STREET, LONDON, E.C.,
9th February 1893.

[Tinnevely and Quilon Railway.]

SIR,

We have the honour to acknowledge the receipt of your letter (P.W. 125), dated the 8th instant, in reply to our communication of the 23rd January, with reference to granting a definite concession for the construction of the Tinnevely and Quilon Railway.

We are quite willing that clause 5 of our letter of the 23rd ultimo should be altered in accordance with your views and agree that it shall read as follows:—

“The South Indian Railway Company are to have the option of working the line for the full term of the concession upon terms to be agreed upon between the Companies and approved by Her Majesty's Secretary of State for India.”

With reference to the payment of the guaranteed interest in sterling and arranging a fixed limit of exchange for the rupee, we understand that the terms which were accepted two years ago by the Government of Travancore were that the minimum rate of exchange should be fixed at 1s. 2d. the rupee. Should the rupee fall below this sum, the Travancore Government would not be called upon to pay the further depreciation.

We trust that the terms of this letter are satisfactory and that you will be pleased to grant us a definite concession at the earliest possible date, so that we may enter into negotiations with the South Indian Railway and enable us to take the necessary steps for providing the capital by the 1st of April.

We would respectfully request your urging the South Indian Railway to lose no time in their negotiations with us as to the working of the railway when completed.

We have, &c.,
(Signed) ARMSTRONG AND CO.

The Under Secretary of State for India.

No. 4.

34, OLD BROAD STREET, LONDON, E.C.,
22nd February 1893.

SIR,

[The Tinnevely and Quilon Railway.]

Referring to our conversation on the 16th instant and to our interview with the Board of the South Indian Railway Company on the 13th instant and in reply to your letter of the 17th instant with reference to the above, we have the honour to submit, for your consideration, our views with regard to the capital required for the construction of the above railway and the issue of the same.

According to the estimates made by the Government and other engineers, it will require about 600,000% to construct the line, but we consider that certain difficulties in the construction of the railway on the Travancore portion of the line might arise and the engineers' estimate prove to be insufficient, and we therefore propose to supply a sufficient amount of capital to ensure the success of the undertaking.

We propose that the Company should issue 922,000% of capital, consisting of 322,000% 3 per cent. debentures and 600,000% ordinary shares. The Company, as you are aware, will receive an annual subsidy of 24,000% for 15 years from the Travancore Government (being equivalent to 4 per cent. on 600,000%) which will amount in 15 years to 360,000%. This sum of 360,000% would be sufficient to pay interest at the rate of 3 per cent. for 13 years on an increased capital of 922,000%, and we therefore propose that the Company should issue capital guaranteed for 13 years at 3 per cent., so as to enable them to raise a sufficient amount to properly construct the 108 miles of railway and provide for all contingencies.

To further protect the shareholders' interests after the expiration of the Government guarantee and to provide for the interest being duly paid, we propose that the 35 per cent. of gross receipts which the Company will receive from the South Indian Railway Company be set aside annually until a sufficient fund has accumulated for the payment of five years' interest on all classes of capital issued, after which the ordinary shares will be entitled to an increased dividend up to 4 per cent., and, in the event of the Railway Company earning sufficient to pay the full dividend on its capital for three years in succession, the fund may be appropriated towards the reduction of the capital by redeeming debentures.

We consider the fair price at which to issue this stock to the public will be about 90 to 91. Our reasons for issuing the stock at a discount are—

Firstly, the principal is not guaranteed and the interest is only guaranteed for a short period, after which time the shareholders will only have to look to the earnings of the railway for their interest;

Secondly, India 3 per cent. stock, principal and interest guaranteed, is at present quoted on the stock exchange at only 99½ or with accrued interest deducted to 99½. South Indian Railway guaranteed 3½ per cent. stock is quoted at 101, or equivalent to a 3 per cent. stock at 86½ 1s. 10d., and Assam and Bengal Railway guaranteed 3½ per cent. 10½ shares are only quoted at par, or equivalent to a 3 per cent. share at 8½ 10s. 6d.; and Thirdly, the full 24,000% per annum will not be forthcoming from the Travancore Government if the sterling exchange of the rupee falls below 1s. 2d.

We would point out the very considerable benefit which the railway will confer upon the inhabitants residing in the 47½ miles of British Indian territory through which it passes and which will cost the tax-payers nothing owing to no subsidy having been granted by Her Majesty's Government.

As we have had our agent for some years in India negotiating with the Travancore Government for their guarantee of interest and as our engineers have been employed making estimates, &c., we have incurred a considerable amount of out-of-pocket expenses in connection with this matter, and we would require the sum of about 14,000% to 15,000% to recoup us, full details of which we should be pleased to give you.

Owing to the principal not being guaranteed and the interest being only guaranteed a short period and the fact that the Company are receiving no financial assistance from Her Majesty's Government, it will be absolutely necessary to form a Syndicate to take the stock before the same is issued to the public, and a sum of about 3 per cent. will be required for the expenses in connection therewith.

We would respectfully suggest that the above scheme may be submitted, at the earliest possible date, to the India Council for their approval so as to enable us to get the prospectus in print and make all necessary arrangements for the issue of the same before the 1st April.

We may mention, in conclusion, that, if this matter can be speedily settled, we could at the present moment get some of our friends to join us in taking up the whole capital of the Company.

We have, &c.,
(Signed) ARMSTRONG AND CO.

The Under Secretary of State for India.

No 5.

34, OLD BROAD STREET, LONDON, E.C.,
2nd March 1893.

DEAR SIR,

Referring to our conversation of yesterday, we beg to inform you, with regard to paragraph 1 on page 2 of our letter of the 22nd ultimo, that the 35 per cent. of gross receipts which the Company are to receive from the South Indian Railway Company only refers to the portion of railway in British Indian territory.

With regard to the 35 per cent. of gross receipts in the Travancore State, after paying the 4 per cent. to the Travancore Government, the company will receive one-fourth of the surplus earnings.

Yours faithfully,
(Signed) ARMSTRONG AND CO.

Clement Colvin, Esq.

P.W. 305.

No. 6.

INDIA OFFICE,
15th March 1893.

GENTLEMEN,

I am directed by the Secretary of State for India to acknowledge receipt of your letters of the 22nd ultimo and 2nd instant submitting proposals for the raising of the necessary capital for the construction of the Tinnevely-Quilon Railway.

In reply, I am to inform you that the Secretary of State for India in Council has given careful consideration to your financial proposals in this matter, but regrets that he is unable to accept them as a basis for negotiation.

Messrs. Armstrong and Co.

I am, &c.,
(Signed) G. W. E. RUSSELL.

No. 7.

34, OLD BROAD STREET, LONDON, E.C.,
16th March 1893.

SIR,

We have the honour to acknowledge the receipt of your letter of the 15th instant informing us that, after consideration of our financial proposals with regard to the above matter, you are unable to accept them as a basis for negotiations. We think, however, that taking into consideration the amount of time and money which we have spent in furthering the development of unguaranteed railway enterprise in India that it will be more satisfactory if you would kindly inform us what the points of our proposals are which you are unable to accept.

We have, &c.,
(Signed) ARMSTRONG AND CO.

The Under Secretary of State for India.

No. 8.

INDIA OFFICE,
28th March 1893.

P.W. 468.

GENTLEMEN,

I am directed to acknowledge the receipt of your letter of the 16th instant inquiring, with reference to Mr. Russell's letter of the 15th instant, what are the specific points in your proposals for the Tinnevely-Quilon Railway project which the Secretary of State for India in Council is unable to accept.

In reply, I am to inform that the chief points which influenced the Secretary of State in coming to his decision that your proposals could not be accepted as a basis for negotiation are—

- (1) The proposal that the guarantee offered by the Travancore State on capital for expenditure within its territory should be utilized for expenditure on the line in this British territory.
- (2) The payments proposed for the promoters in furtherance of the scheme.
- (3) The discount at which it was proposed to issue the capital.

I am, &c.,
(Signed) HORACE WALPOLE.

Messrs. Armstrong and Co.

ORDER—dated 21st June 1893, No. 958 R., Public Works.

Communicated to the Consulting Engineer for Railways and to the Political Department for the information of the Travancore Durbar in continuation of G.O., No. 718 R., dated 17th April 1893.

(True Extract.)

(Signed) F. R. UPCOTT,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways.
" Political Department.

Exd. C. A. Munisawmy.
Spare Copies

RAILWAY.

Govt. of {1893} Madras.
PUBLIC WORKS.

Dated June, 21st.

Recd.

Encl.

G.O., 21st June 1893, No. 958 R.

JUNE.

Tinnevelly-Quilon Railway

Copy of a despatch from the Secretary of State forwarded by the Government of India regarding the lapse of negotiations with the promoters of the —, communicated to the Consulting Engineer for Railways and to the Political Department for the information of the Travancore Durbar.

India Office,
London, 27th April 1893.

Railway,
No. 35.

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

MY LORD MARQUIS,

Tinnevelly-Quilon Railway. Lapse of concession.

* "Your Public Works telegram of 14th March, Tinnevelly-Quilon Railway. Negotiations with promoters lapsed on 1st instant owing to terms proposed by them proving unsuitable. Despatch follows."

† Letter from Messrs. Armstrong & Co., of 23rd January 1893.

Ditto to ditto, of 8th February 1893.
Ditto from ditto, of 9th February 1893.
Ditto from ditto, of 22nd February 1893.
Ditto from ditto, of 2nd March 1893.
Ditto to ditto, of 15th March 1893.
Ditto from ditto, of 16th March 1893.
Ditto to ditto, of 28th March 1893.

With reference to my telegram* of the 6th April 1893, quoted in the margin, and in continuation of my Railway Despatch, No. 7, of the 12th January last, I transmit herewith, for your Excellency's information, copy of further correspondence† which has taken place between this Office and Messrs. Armstrong & Co., in regard to the proposed Tinnevelly-Quilon Railway.

2. Your Excellency will perceive from this correspondence that I have been unable, mainly for the reasons stated in this Office letter of the 28th March 1893, to accept the proposals of the promoters for raising the necessary capital for the construction of the railway in question.

3. As the date fixed for the extension of the concession expired on the 1st April 1893, the negotiations have lapsed, of which fact your Excellency's Government will doubtless cause the Travancore Durbar to be informed.

I have the honour to be,

My Lord Marquis,

Your Lordship's most obedient humble Servant,

(Signed) **KIMBERLEY.**

ENCLOSURES.

No. 1.

34, Old Broad Street, London, E.C.,
23rd January 1889.

Sir,

Tinnevely and Quilon Railway.

We have the honour to acknowledge receipt of your letter, P.W. 2150, dated 12th instant, with reference to the above railway, and, in accordance with the terms thereof, we have the honour to request you to be pleased to grant us a definite concession for the construction of the said railway, upon the following terms and conditions:—

1. The free grant of land in British territory to the Railway Company, and the construction of the telegraph lines by the British Government on the usual terms.
2. A guarantee of interest for 15 years by the Travancore State of 1 per cent. on the agreed sum of 600,000*l.*, i.e., 24,000*l.* per annum.
 - A. The said interest, viz., 24,000*l.* sterling, to be paid half-yearly in gold in London to Messrs. Armstrong & Co., merchants and bankers, of 34, Old Broad Street, London, E.C., as agents for the Company, commencing from the date of the first payment of moneys into a bank when the first issue of capital is made in London.
 - B. Any surplus profits made in the Travancore section of the line, over and above the 1 per cent. guaranteed, are to be divided, in the proportion of three-fourths to the Travancore Government and one-fourth to the Railway Company.
3. The Government of India are to have the option of purchasing the railway at the end of the first 15 years, or at the end of each succeeding 10 years thereafter, on payment of 25 times the average net earnings of the line during the previous five years.
4. The concession is to lapse if the capital is not subscribed by the 1st April 1893.
5. The South Indian Railway are to have the option of working the line, upon terms to be mutually agreed, and failing an agreement, upon terms to be named by Her Majesty's Secretary of State for India.
6. The line is to be constructed upon the metre gauge, and in conformity with the Government standard.
7. The concession is to be granted in our name.
8. We are to be at liberty to issue the capital at such times and in such manner and amount as we may deem desirable from time to time.

In conclusion, we trust that, as the time is so very short for forming a Company and raising the necessary capital, that you will use the greatest expedition in getting the matter pressed forward, and instruct the South Indian Railway Company to enter into negotiations with us for the working of the proposed railway.

It is needless to state that we would keep the Government carefully informed as to the position of affairs from time to time.

We have, &c.,
ARMSTRONG & Co.

The Under Secretary of State
for India.

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No. 2.

P. W. 125.
Gentlemen,India Office,
8th February 1893.

I am directed by the Secretary of State for India to acknowledge the receipt of your letter of the 23rd January 1893, requesting, with reference to this Office letter of the 12th idem, to be granted a definite concession for the formation of a Company for the construction of the Tinnevely-Quilon Railway, upon the terms specified in your letter.

With respect to your Clause 5, the Secretary of State prefers that the following words should be adopted:—

"The South Indian Railway Company are to have the option of working the line for the full term of the concession, upon terms to be agreed upon between the Companies, and approved by Her Majesty's Secretary of State for India."

I am to draw your attention to paragraph 3 of the letter from the Government of Madras to Mr. W. Leslie, dated June 1891, a copy of which was communicated to the original promoters, Messrs. Skinner & Co., and apparently agreed to by them, in which it is stated that, with regard to the payment of the guaranteed interest in sterling, the Travancore Government would wish to fix a limit to the value of the rupee, below which, if exchange falls, payment will not be claimable at the rate of depreciation, but only at the fixed point.

With regard to your Clause 8, as to the issue of capital, the Secretary of State can only observe, for the present, that your arrangements in regard to the construction and working should be completed with all possible expedition, in order that the necessary capital may be issued by the 1st April. The details of issue and the time from date of contract within which period the line will have to be opened can then be settled.

Upon receiving from you a letter agreeing to the foregoing conditions, and to the amendments to the terms stated in your letter, the Directors of the South Indian Railway Company will be authorized to enter into negotiations with your firm for the construction, as well as for the working, of the proposed railway.

I am, &c.,
HORACE WALPOLE.

Messrs. Armstrong & Co.

No. 3.

34, Old Broad Street, London, E.C.,
9th February 1893.

Sir,

Tinnevely and Quilon Railway.

We have the honour to acknowledge the receipt of your letter (P.W. 125), dated the 8th instant, in reply to our communication of the 23rd January, with reference to granting a definite concession for the construction of the Tinnevely and Quilon Railway.

We are quite willing that Clause 5 of our letter of the 23rd ultimo should be altered in accordance with your views, and agree that it shall read as follows:—

"The South Indian Railway Company are to have the option of working the line for the full term of the concession, upon terms to be agreed upon between the Companies, and approved by Her Majesty's Secretary of State for India."

With reference to the payment of the guaranteed interest in sterling, and arranging a fixed limit of exchange for the rupee, we understand that the terms which were accepted two years ago by the Government of Travancore were that the minimum rate of exchange should be fixed at 1s. 2d. the rupee. Should the rupee fall below this sum, the Travancore Government would not be called upon to pay the further depreciation.

We trust that the terms of this letter are satisfactory, and that you will be pleased to grant us a definite concession at the earliest possible date, so that we may enter into negotiations with the South Indian Railway, and enable us to take the necessary steps for providing the capital by the 1st of April.

We would respectfully request your urging the South Indian Railway to lose no time in their negotiations with us as to the working of the railway when completed.

We have, &c.,
ARMSTRONG & Co.The Under Secretary of State
for India.

No. 4.

34, Old Broad Street, London, E.C.,
22nd February 1893.

Sir,

The Tinnevely and Quilon Railway.

Referring to our conversation on the 16th instant, and to our interview with the Board of the South Indian Railway Company on the 13th instant, and in reply to your letter of the 17th instant, with reference to the above, we have the honour to submit, for your consideration, our views with regard to the capital required for the construction of the above railway and the issue of the same.

According to the estimates made by the Government and other engineers, it will require about 600,000l. to construct the line, but we consider that certain difficulties in the construction of the railway on the Travancore portion of the line might arise, and the engineers' estimate prove to be insufficient, and we therefore propose to supply a sufficient amount of capital to ensure the success of the undertaking.

We propose that the Company should issue 922,000l. of capital, consisting of 322,000l. 3 per cent. debentures and 600,000l. ordinary shares. The Company, as you are aware, will receive an annual subsidy of 24,000l. for 15 years from the Travancore Government (being equivalent to 4 per cent. on 600,000l.) which will amount in 15 years to 360,000l. This sum of 360,000l. would be sufficient to pay interest at the rate of 3 per cent. for 13 years on an increased capital of 922,000l., and we therefore propose that the Company should issue capital guaranteed for 13 years at 3 per cent., so as to enable them to raise a sufficient amount to properly construct the 108 miles of railway, and provide for all contingencies.

To further protect the shareholders' interests after the expiration of the Government guarantee, and to provide for the interest being duly paid, we propose that the 35 per cent. of gross receipts which the Company will receive from the South Indian Railway Company be set aside annually until a sufficient fund has accumulated for the payment of five years' interest on all classes of capital issued, after which the ordinary shares will be entitled to an increased dividend up to 4 per cent.; and in the event of the Railway Company earning sufficient to pay the full dividend on its capital for three years in succession, the

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fund may be appropriated towards the reduction of the capital by redeeming debentures.

We consider the fair price at which to issue this stock to the public will be about 90 to 91. Our reasons for issuing the stock at a discount are:—

Firstly. The principal is not guaranteed, and the interest is only guaranteed for a short period, after which time the shareholders will only have to look to the earnings of the railway for their interest;

Secondly. India 3 per cent. stock, principal and interest guaranteed, is at present quoted on the Stock Exchange at only 99 $\frac{3}{4}$, or with accrued interest deducted to 99 $\frac{3}{8}$. South Indian Railway Guaranteed 3 $\frac{1}{2}$ per cent. Stock is quoted at 101, or equivalent to a 3 per cent. Stock at 86 $\frac{1}{2}$ 1s. 10d., and Assam and Bengal Railway Guaranteed 3 $\frac{1}{2}$ per cent. 10 $\frac{1}{2}$ shares are only quoted at par, or equivalent to a 3 per cent. share at 8 $\frac{1}{2}$ 10s. 6d.; and

Thirdly. The full 24,000 $\frac{1}{2}$ per annum will not be forthcoming from the Travancore Government if the sterling exchange of the rupee falls below 1s. 2d.

We would point out the very considerable benefit which the railway will confer upon the inhabitants residing in the 47 $\frac{1}{2}$ miles of British Indian territory through which it passes, and which will cost the taxpayers nothing, owing to no subsidy having been granted by Her Majesty's Government.

As we have had our agent for some years in India negotiating with the Travancore Government for their guarantee of interest, and as our engineers have been employed making estimates, &c., &c., we have incurred a considerable amount of out-of-pocket expenses in connection with this matter, and we would require the sum of about 14,000 $\frac{1}{2}$ to 15,000 $\frac{1}{2}$ to recoup us, full details of which we should be pleased to give you,

Owing to the principal not being guaranteed and the interest being only guaranteed a short period, and the fact that the Company are receiving no financial assistance from Her Majesty's Government, it will be absolutely necessary to form a Syndicate to take the stock before the same is issued to the public, and a sum of about 3 per cent. will be required for the expenses in connection therewith.

We would respectfully suggest that the above scheme may be submitted, at the earliest possible date, to the India Council for their approval, so as to enable us to get the prospectus in print, and make all necessary arrangements for the issue of the same before the 1st April.

We may mention in conclusion, that, if this matter can be speedily settled, we could at the present moment get some of our friends to join us in taking up the whole capital of the Company.

We have, &c.,
ARMSTRONG & Co.

The Under Secretary of State
for India.

No. 5.

34, Old Broad Street, London, E.C.,
2nd March 1893.

Dear sir,

Referring to our conversation of yesterday, we beg to inform you, with regard to paragraph 1, on page 2, of our letter of the 22nd ultimo, that the 35 per cent. of gross receipts which the Company are to receive from the South Indian Railway Company only refers to the portion of railway in British Indian territory.

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With regard to the 35 per cent. of gross receipts in the Travancore State, after paying the 4 per cent. to the Travancore Government, the Company will receive one-fourth of the surplus earnings.

Yours faithfully,
ARMSTRONG & Co.

Clement Colvin, Esq.

No. 6.

P.W. 305.
Gentlemen,

India Office,
15th March 1893.

I am directed by the Secretary of State for India to acknowledge receipt of your letters of the 22nd ultimo and 2nd instant, submitting proposals for the raising of the necessary capital for the construction of the Tinnevely-Quilon Railway.

In reply I am to inform you that the Secretary of State for India in Council has given careful consideration to your financial proposals in this matter, but regrets that he is unable to accept them as a basis for negotiation.

I am, &c.,
(Signed) GEORGE W. E. RUSSELL.

Messrs. Armstrong & Co.

No. 7.

34, Old Broad Street, London, E.C.,
16th March 1893.

Sir,

We have the honour to acknowledge the receipt of your letter of the 15th instant, informing us that, after consideration of our financial proposals with regard to the above matter, you are unable to accept them as a basis for negotiations. We think, however, that taking into consideration the amount of time and money which we have spent in furthering the development of unguaranteed railway enterprise in India, that it will be more satisfactory if you would kindly inform us what the points of our proposals are which you are unable to accept.

We have, &c.,
ARMSTRONG & Co.

The Under Secretary of State
for India.

No. 8.

P.W. 468.
Gentlemen,

India Office,
28th March 1893.

I am directed to acknowledge the receipt of your letter of the 16th instant, inquiring, with reference to Mr. Russell's letter of the 15th instant, what are the specific points in your proposals for the Tinnevely-Quilon Railway project which the Secretary of State for India in Council is unable to accept.

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In reply, I am to inform that the chief points which influenced the Secretary of State in coming to his decision that your proposals could not be accepted as a basis for negotiation, are—

- (1) The proposal that the guarantee offered by the Travancore State on capital for expenditure within its territory should be utilized for expenditure on the line in this British territory.
- (2) The payments proposed for the promoters in furtherance of the scheme.
- (3) The discount at which it was proposed to issue the capital.

Messrs. Armstrong & Co.

I am, &c.,
(Signed) HORACE WALPOLE.

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All communications
should be addressed
to the Secretary.

No 553 R. C.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY Construction.

9/11/1893

Special

Simla, the 2nd June 1893.

1/11/1893

The under-mentioned papers are forwarded to the
Joint Secretary to the Government of Madras Public Works De-
partment for information in continuation of Government of India
Telegram No 316 R. C. dated 7th April 1893.

By order,

J. D. Roberts

Under Secretary.

Documents referred to.

Copy of despatch from the Secretary of State No 35 Railway
dated 27th April 1893 and enclosures, regarding the lapse of the
negotiations with the promoters for the Construction of the Limerick
Quilon railway.

No 553/53



Encl 1

Recd: 12-6-93

No 958 R of 21 June 1893. A

19 June 1893 L.H. 17/6/93 No 958 R of 21 June 1893.

Communicated to the
Consulting Engineer for Railways
and to the Political Department
for information ^{of the Travancore District} in continuation
of L.O. No 718 R, dated 17 April
1893.

J.M.
16 R
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To
Mr. Comptroller for R.G. & P.
Political Dept
12/6
16/6 R 17-6.

0/14/6
22/6