

Public Works (1893) Department.

RAILWAY BRANCH.

G.O., No. 700-1 R

DATED 11th April

[Despatch Abstract.]

Katpadi Station

Ordered that the Govt of India be addressed on the subject of the annual rent to be charged on buildings demolished for the joint working of the — by the Madras + South Indian Railways.

Full copy of F.W.S. on the subject of the annual rent to be charged on buildings demolished for the joint working of the — by the Madras + S. I. Ry., + requesting a reconsideration of the general principle involved in its decision regarding the percentage to be charged on

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
	192-3	R	22-1-91				5

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
	894	R	18-5-13				

11TH APRIL 1893, No. 700 R., PUBLIC WORKS.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers:—

From the Agent, South Indian Railway, to the Consulting Engineer, for Railways, dated Trichinopoly, 25th February 1893, No. 262.

Clause 11 of the working agreement, dated 22nd March 1892, between the Madras Railway Company and the South Indian Railway Company for the working of the Kátpádi junction station is thus worded:—

“On the total amount expended from time to time from Madras Railway capital on premises, furniture and fittings used in common by both Railways an annual rent of $7\frac{1}{2}$ per cent. shall be charged to a joint station expenses account to cover interest and maintenance.”

In your No. 427 of the 23rd March 1891, you advised me the Government of India had ruled the cost of buildings removed for works or premises to be used jointly should be included in the total expenditure on which interest at $7\frac{1}{2}$ per cent. will be charged to the joint station account.

I have to inquire whether it has not been overlooked that the charge of $7\frac{1}{2}$ per cent. is to cover interest *and maintenance*. I submit that the maintenance charge of $2\frac{1}{2}$ per cent. should not be charged in perpetuity on the cost of buildings which do not exist and which therefore do not require any expenditure on account of maintenance. Should not the percentage to be charged to the joint station account on works which have been demolished be 5 per cent. only to cover interest?

From the Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 10th March 1893, No. 199.

Referring to your endorsement No. 178 of the 28th ultimo on copy of letter from the Agent, South Indian Railway, I have the honour to state that there are special circumstances connected with the Kátpádi station buildings which, in my opinion, render it necessary that, in order to fairly recompense this Company for its outlay, the $7\frac{1}{2}$ per cent. should be charged not only on the cost of all new buildings required for joint purposes but also on the value of the buildings which it was found expedient to demolish. In the joint station account we have to bear our proportion of the cost of the demolished and of the newly erected joint buildings, and we have further to bear the total cost of the reconstruction of buildings required for our own use. Among the latter is the local goods-shed, the old structure being one of those removed for the convenient working of the joint station. I do not consider that under the special nature of the case an interest charge of 5 per cent. on the cost of the buildings removed would adequately remunerate this Company.

2. These buildings I would remark were not removed for our own convenience but to allow the South Indian Railway to connect with us, and the result of this connection, as the South Indian Railway Agent is aware, is a grievous loss of revenue to the Madras Railway, inasmuch as traffic which formerly found its way *via* Arkónam now passes away from us at Kátpádi; the newly opened metre gauge line being in many instances the shorter route between the north and this Company's local stations situated west of Kátpádi.

3. So far as I can at present see, the opening of the junction station has done but little to recoup us for the loss of this traffic.

4. And I may take advantage of this opportunity to point out to Government how injuriously this Company is affected by the opening up of competing railways which cross our system.

5. When the Madras Railway was formed as one of the pioneer railways of India, it was only natural to suppose that as it had been put to enormous expense in introducing a railway into an entirely new country and under many disadvantages, it would, as a commercial undertaking, have been allowed to extend its influence within territory that it might fairly regard as its own, but experience has shown that rival companies are now allowed to enter into what, I cannot but think, should be regarded as territory reserved for branches of the Madras Railway and that these companies are allowed to cross our system and to run parallel with the Madras Railway to the disadvantage in my opinion of the State and the parent company.

6. My Directors are prepared to construct and to work any branch railways that the Government may desire to establish within reach of the Madras Railway system, and I think I may claim that, with regard to both economy and efficiency, this Company's present work will compare favorably with work undertaken by other railway companies in Southern India.

No. 160.

Endorsement by the Consulting Engineer for Railways, dated 21st March 1893.

Submitted to Government for the orders of the Government of India.

2. In its No. 184 R.C., dated 26th February 1891, embodied in G.O., No. 672 R., dated 16th March 1891, the Government of India decided that the cost of buildings removed for providing new buildings, works or premises to be used jointly should be included in the total expenditure referred to in clause 11 of the agreement between the South Indian Railway and Madras Railway Companies for the joint working of Kátpádi station and be subject to interest at the rate of $7\frac{1}{2}$ per cent.

3. The Agent, South Indian Railway, is of opinion that the charge of $7\frac{1}{2}$ per cent. is intended to cover both the interest on capital and maintenance. He considers that the maintenance charge of $2\frac{1}{2}$ per cent. cannot equitably be charged in perpetuity on the cost of buildings which no longer exist and which therefore require no expenditure on account of maintenance and that only 5 per cent. should be charged in such cases to cover interest.

4. The Agent and Manager, Madras Railway, does not concur in these views and considers that to fairly compensate his Company for its outlay, $7\frac{1}{2}$ per cent. should be charged not only on the cost of all new buildings but also on the value of demolished buildings. He argues that in the joint station accounts his Company has to bear its proportion of the cost of the newly erected joint buildings and has further to bear the cost of the reconstruction of buildings required for its own purpose. The remarks in paras. 4, 5, 6 of his are not relevant to the particular question now under consideration, as the consequences would be much the same if the Villupuram-Guntakal State Railway had not made connection at Kátpádi, but had built a separate station.

5. It is requested that the Government of India may be asked to reconsider the general principle involved in its decision regarding the percentage to be charged on demolished buildings. I agree with the Agent, South Indian Railway, in thinking that only 5 per cent. as interest should be charged on the cost of such buildings and would observe that as the Madras Railway Company has committed itself by a signed agreement to make the charge on works in joint use, which cannot possibly include works which do not exist, the ruling of the Government of India should not affect the question of Kátpádi junction and the Madras Railway must therefore, in my opinion, abide by the terms of its agreement.

ORDER—dated 11th April 1893, No. 700 R., Public Works.

Ordered that the Government of India be addressed.

[Here enter No. 701 R., Public Works, dated 11th April 1893.]

(True Extract.)

Major, R.E.,
Offg. Under-Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways.
„ Examiner, Guaranteed Railway Accounts.

Exd. S. J. Pereira.
Spare Copies

RAILWAY.

Govt. of {1893} Madras.
PUBLIC WORKS.

Dated April, 11th.

Recd.

Encl.

G.O., 11th April 1893, No. 700 R.

APRIL.

Katpadi Station

Ordered that the Government of India be addressed on the subject of the annual rent to be charged on buildings demolished for the joint working of the—by the Madras and South Indian Railways.

11TH APRIL 1893, No. 701 R., PUBLIC WORKS.

PUBLIC WORKS DEPARTMENT.

Railway.

LETTER—from

F. R. UPCOTT, Esq.,

Joint Secretary to the Government of Madras,

Public Works Department,

Railway Branch,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,

PUBLIC WORKS DEPARTMENT.

SIR,

With reference to your letter No. 184 R.C., dated 26th February 1891, I am directed to forward herewith copy of Proceedings of this Government, No. 700 R., dated 11th April 1893, in regard to the annual rent to be charged on buildings demolished for the joint working of the Kátpádi station by the Madras and South Indian Railways.

2. The Agent, South Indian Railway, is of opinion that the charge of $7\frac{1}{2}$ per cent. is intended to cover both interest on capital and maintenance and that the charge of $2\frac{1}{2}$ per cent. for maintenance cannot be levied in perpetuity on the cost of buildings which no longer exist and which require no expenditure on account of maintenance. He considers, therefore, that only 5 per cent. should be charged in such cases to cover interest.

3. The Agent and Manager, Madras Railway, does not agree to the above and considers, for reasons referred to in para. 4 of the Consulting Engineer's endorsement, that to fairly compensate his Company for its outlay on the joint arrangements $7\frac{1}{2}$ per cent. should be charged not only on the cost of all new buildings but also on the value of those demolished.

4. This Government shares in the views expressed by the Agent, South Indian Railway, which are concurred in by the Consulting Engineer for Railways, viz., that only 5 per cent. as interest should be charged on the cost of demolished buildings. I am, therefore, to request the favour of a reconsideration of the general principle involved in the decision given by the Government of India, in its letter referred to above.

I have the honour to be,
Sir,

Your most obedient servant,

Joint Secy. to Govt., P.W.D.,
Railway Branch.

FORT ST. GEORGE,
11th April 1893.

Exd. S. J. Pereira.
Spare Copies

RAILWAY.

Govt. of {1893} Madras.
PUBLIC WORKS.

Dated April, 11th

Recd.

Encl.

11th April 1893, No. 701 R.

APRIL.

Katpadi Station

Forwarding copy of Proceedings on the subject of the annual rent to be charged on buildings demolished for the joint working of the — by the Madras and South Indian Railways, and requesting a reconsideration of the general principle involved in its decision regarding the percentage to be charged on demolished buildings.

No.

262

South Indian Railway Co., Ltd.,

AGENT'S OFFICE,

TRICHINOPOLY, 25th February 1893

From

The Agent,

SOUTH INDIAN RAILWAY,

To

The CONSULTING ENGINEER FOR RAILWAYS,

MADRAS.

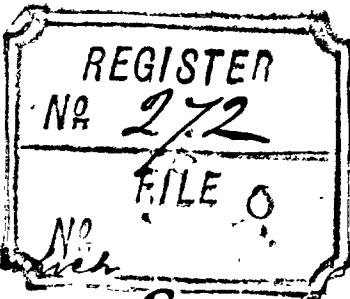
Sir,

Clause 11 of the Working Agreement dated 22nd March, 1892, between the Madras Railway Company, and the South Indian Railway Company, for the working of the Katpadi Junction Station, is thus worded:—

"On the total amount expended, from time to time, from Madras Railway Capital on premises, furniture, and fittings, used in common by both railways, an annual rent of 7½ per cent. shall be charged to a Joint Station expenses account to cover interest, and maintenance."

In your letter of the 23rd March, 1891, you advised me the Government of India had ruled the cost of buildings removed for works on premises to be used jointly should be included in the total expenditure on which interest at 7½ per cent will be charged to the Joint station account.

I have to inquire whether it has not been overlooked that the charge of 7½ per cent is to cover interest and maintenance. I submit that the maintenance charge of 2½ per cent should not be charged in perpetuity on the cost of buildings which do not exist, and which therefore do not require any expenditure on account of maintenance. Should not the percentage be



be charged to the joint station account on works which have been demolished, be 5 per cent only, to cover interest?

I have the honor to be
sir,
Your most obedient servant
William B. B. A.
Agent

W.B.A.

No 178
Copy to A + M for favor
of his views.
Madras.
28-2-93.

From
THE AGENT,
South Indian Railway,
Tiruchinopoly,
Madras.
To
THE CONSULTING ENGINEER FOR
RAILWAYS,
Madras.
Dated
Received
No. 262
25-2-1893
ENCLOSURE.

(No. 1.)

No. 079

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

MADRAS, 10th. March 1893.

From

Send to CR for remarks
I think we should accept the ruling
The Agent and Manager
Madras Railway Company,

To

The Consulting Engineer for Railways.

SIR,

Referring to your endorsement No. 178 of the 28th. ultimo on copy of letter from the Agent, South Indian Railway, I have the honor to state that there are special circumstances connected with the Katpadi station buildings which, in my opinion, render it necessary that in order to fairly recompense this Company for its outlay the $7\frac{1}{2}$ per cent should be charged not only on the cost of all new buildings required for joint purposes but also on the value of the buildings which it was found expedient to demolish. In the joint station account we have to bear our proportion of the cost of the demolished and of the newly erected joint buildings and we have further to bear the total cost of the reconstruction of buildings required for our own use. Among the latter is the local goods shed, the old structure being one of those removed for the convenient working of the joint station. I do not consider that under the special nature of the case an interest charge of 5 per cent on the cost of the buildings removed would adequately remunerate this Company.

These

2. These buildings I would remark were not removed for our own convenience but to allow the South Indian Railway to connect with us and the result of this connection as the South Indian Railway Agent is aware, is a grievous loss of revenue to the Madras Railway, inasmuch as traffic which formerly found its way via Arkonam now passes away from us at Katpadi, the newly opened metre gauge line being in many instances the shorter route between the North and this Company's local stations situated West of Katpadi.

3. So far as I can at present see, the opening of the junction station has done but little to recoup us for the loss of this traffic.

4. And I may take advantage of this opportunity to point out to Government how injuriously this Company is affected by the opening up of competing Railways which cross our system.

5. When the Madras Railway was formed as one of the Pioneer Railways of India it was only natural to suppose that as it had been put to enormous expense in introducing a Railway into an entirely new country and under many disadvantages, it would as a commercial undertaking have been allowed to extend its influence within territory that it might fairly regard as its own, but experience has shewn that rival Companies are now allowed to enter into what, I cannot but think, should be regarded as territory reserved for Branches of the Madras Railway and that these Companies are allowed to cross our system

and

I agree

W. H. A. M.

Line cannot be kept

the subject.

It does not

enter into

the case

Ad 3

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and to run parallel with the Madras Railway to the disadvantage in my opinion of the State and the parent Company.

6. My Directors are prepared to construct and to work any Branch Railways that the Government may desire to establish within reach of the Madras Railway system and I think I may claim that with regard to both economy and efficiency this Company's present work will compare favorably with work undertaken by other Railway Companies in Southern India.

I have the honor to be,

Sir,

Your most obedient Servant,

James S. Mills

Agent and Manager.

MADRAS RAILWAY.

From

The Agent and Manager,

M. R. Co.,

To

The Consulting Engineer

for Railways.

Dated

188

Recd.

No.

REGISTER
No. 209
FILE
No.

Form No. 2.

PUBLIC WORKS DEPARTMENT.

OFFICE OF CONSULTING ENGINEER FOR RAILWAYS,

Madras, 21st March 1893.

Print { Letter from the Agent South Indian Railway
 No. 262 of 25th February 1893.
 — do — from the Agent and Manager Madras Ry
 No. 199 of 10th March 1893

No. 160

Print Endorsed by the Govt. Supra (Madras Ry) No. 160

SUBMITTED

to Government

for the orders of the Government of India.

2 In its No. 184 R. G. dated 26th February 1891 embodied in —

G. O. No. 672 R. dated 16th March 1891

The Government of India decided that the cost of — buildings removed for providing new buildings, works or premises to be used jointly — should be included in the total — expenditure

From: **MADRAS RAILWAY**
 The Agent and Manager,
 M. R. Co.,
 To: **The Consulting Engineer**
 for Railways.
 Dated: 188
 Recd. No.

22/3/93

expenditure referred to in clause
" of the agreement between the
South Indian Railway and
Madras Railway Companies
for the joint working of
Katpadi Station and be
subject to interest at the
rate of $7\frac{1}{2}$ per cent.

3. The Agent South Indian
Railway is of opinion that
the charge of $7\frac{1}{2}$ per cent is
intended to cover both the
interest on capital and
maintenance. He considers
that the maintenance charge
of $2\frac{1}{2}$ per cent cannot equitably
be charged ^{on} ~~per~~ perpetuity on
the cost of buildings which
no longer exist and which
therefore requires no expenditure
on account of maintenance and

charged in such cases to
cover interest. *f. R.*
4. The Agent and Manager
Madras Railway does not
concur in these views and
considers that to fairly
compensate his company for
its outlay $7\frac{1}{2}$ per cent should
be charged not only on the
cost of all new buildings
but also on the value of
demolished buildings. He
argues that in the joint
Station accounts his company
has to bear its proportion
of the cost of the newly
erected joint buildings and
has further to bear the cost
of the reconstruction of
buildings required for its own
purpose. The remarks in para
4, 5, 6, of his are not relevant

under consideration as the consequences would be much the same if the Villupuram Guntakul State Railway had not made connection at Katpadi but had built a separate station.

5. It is requested that the Government of India may be asked to reconsider the general principle involved in its decision regarding the per centage to be charged on demolished buildings. I agree with the Agent South Indian Railway in thinking that only 5 per cent as interest should be charged on the cost of such buildings and would observe that as the Madras Railway Company has committed itself by a

signed agreement ^{7 Dec} to make the charge on works in joint use, which cannot possibly include works which do not exist, the ruling of the Government of India should not affect the question of Katpadi junction and the Madras Railway must therefore in my opinion abide by the terms of its agreement.

C. M. M. M.
For Hon'g: Engr: for Ry.
H. S.

From

THE CONSULTING ENGINEER

FOR RAILWAYS,

Madras,

No.

160

Dated

21st

March

1893.

Received

22nd

No. of ENCLOSURES.

Subject.

In regard to the annual
rent chargeable for the
joint working of Katpadi
Station, & cover interest
and maintenance

No. 192-3 R of 22-1-91

672 R - 16-3-91

Print of P.W.D.
A No. 700 R of 11th April 1893
I send that
the Govt. of India be
addressed.

JMU

24/3

R

*referred to the
Commissioner of
the Madras Rly.*

*By the Consulting Engineer
for the Madras Rly.*

A

No. 701 R

Government of Madras.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

To

THE SECY. TO THE GOVT. OF INDIA,

P. W. DEPARTMENT.

11th April.
March 1893.

SIR,

G.D.

With reference to

your letter No. 184 R.C. dated
26th February 1891, I am
directed to forward herewith
copy of Prop. of this Govt.
No. 700 R, dated 11th April
March 1893.

Also

3rd Mar in regard to the annual
rent to be charged on building
demolished for the joint working
of the Katpadi Station
by the Madras & S. I. Railway.
2. The Agent S. I. Railway
is of opinion that the
present is

intended to cover both interest on capital and maintenance, that the charge of $2\frac{1}{2}$ percent for maintenance cannot be levied in perpetuity on the cost of buildings which no longer exist and which require no expenditure on account of maintenance. He considers therefore that only 5 percent should be charged in such cases to cover interest.

3. The Agent & Manager of Indian Railway does not ~~consent~~ agree to the above & considers, for reasons referred to ~~in para 4~~ in para 4 of the Consulting Engineer's Endorsement, that to fairly compensate his Company for its outlay on the

joint arrangements $7\frac{1}{2}$ percent should be charged not only on the cost of all new buildings but also on the value of those demolished. - 10 P

4. This Government shares in the view expressed by the Agent P. I. Railway ^{which are} & con- curred in by the Consulting Engineer for Railways, viz, that only 5 percent as interest should be charged on the cost of demolished buildings. I am therefore to request the favor of a reconsideration of the general principle involved in its decision by given by the Govt. of India in its letter referred to above.

W R 13/4 24 R
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No. 700-1 R 7 11-4-43.

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Ham. 27/3 R 1/4