

Public Works (1895) Department.

G.O., No. 726 R

DATED 1st November

[Despatch Abstract.]

Act of Parliament - Letter to the Govt. of India re-
questing to be furnished with copy of the _____
passed to enable the East-Indian Ry to raise Capital
for construction of certain branch lines -

G.O.	No.	Department	Date

G.O.	No.	Department	Date

G.O.	No.	Department	Date	G.O.	No.	Department	Date
848	530	A.R.	3-12-95				
		with "H & H 2nd" Remarks thereon.					

No. 726. R

Government of Madras.

**PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.**

To

THE SECTY. TO THE GOVT. OF INDIA,

P. W. DEPARTMENT.

Calcutta

18th November 1895.

SIR,

I am directed to request the favor of this Government being furnished with a copy of the Act of Parliament passed for the purpose of enabling the East Indian Railway to raise capital for the construction of certain branchlines.

Documents accu?
bil

Fair deep in R. office on
1.11.95

7m 11 95

No. 530 A.R.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT.

RAILWAY.

To

The Joint Secretary to the Government of Madras,

Public Works Department.

Railway Branch.

Calcutta, the 3rd December 1895.,

Du/24/12

Sir,

In compliance with the request contained in your letter No. 726 R dated the 1st November 1895, I am directed to forward herewith a copy of the Act conferring further powers on the East Indian Railway Company to enter into contracts for the construction and working of extension or branch lines and for other purposes.

I have the honour to be,

Sir,

Your most obedient servant,

R. A. Burn

Offg: Under Secy to the Govt. of India.

SD
4/12/95

Documents accompanying:

Act referred to.

B/-
No 726 R dated 1.11.95

W/4 6/11

Encls/
Ours: 9.12.95



CHAPTER xx.

An Act to confer further powers on the East Indian Railway Company of entering into contracts for the construction and working of extension or branch lines and for other purposes. A.D. 1895.
[14th May 1895.]

WHEREAS by the East Indian Railway Company Purchase Act 1879 the undertaking of the East Indian Railway Company (in this Act called "the Company") was (save and except certain property and interests therein mentioned) transferred to and vested in the Secretary of State in Council of India (in this Act called "the Secretary of State") on the terms and conditions set out in the said Act:

And whereas by the said Act it was provided (section twenty-seven) that the Company might enter into contracts with the Secretary of State for certain purposes including the improvement and extension of the East Indian Railway or any part thereof and the construction of auxiliary railways and other works:

And whereas it is expedient that the Company should be further empowered with the sanction of the Secretary of State to enter into contracts with any person or persons for the improvement of the Company's undertaking by the construction of railways and works in extension of or in connexion with the undertaking or otherwise:

And whereas additional capital will be required for the above purposes and for the general purposes of the undertaking and it is expedient to make provisions as to the mode of raising such capital:

And whereas the objects of this Act cannot be attained without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted and be it enacted by the Queen's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and

[Price 3d.]

The undertaking.

(2) It enables the E.I.R.C. to enter into contracts with other companies for raising funds for carrying out branch lines & extensions (which may not be sanctioned as integral parts of the undertaking), and to guarantee the payment of interest on the capital raised by such

No 3980
11.12.95

C.R. for general - and interest

affirming the departure
in the course of the
parental - I thought
they were raised up of
the sense of business
profits providing for their
interest -

also shall I know all
that no one has been
given under the com-
tract while the D.P.
contents that it is

from 11/12/95

(P. 81)
57 1/2 / 55

E.R.

I think this quite clear up the position as regards
to the construction of extensions & branch lines in
connection with the Madras & S.P. Ry.

In the first place it must be noted that the E.R. Act
provides for two objects which are quite distinct.

- (1) It enables the E.R. Co. to raise additional capital
for the general purposes of the undertaking by the
issue of debentures under the guarantee of the S.
of S. The general purposes of the undertaking would
include any branches or extensions especially sanctioned
to be constructed or worked by the Co. itself as part of
the undertaking.
- (2) It enables the E.R. Co. to enter into contracts with
other companies for raising funds for carrying out
branch lines & extensions (which may not be sanctioned
as integral parts of the undertaking), and to guarantee
the payment of interest on the capital raised by such

Other Companies out of the surplus receipts of the parent line.

Now applying this to the case of the Madras & S. Y. Rgs we see that there would be no need for a special Act of Parliament for the first of the above objects. The Madras Ry Contract empowers the Co. to make a railway line or more railways in India, and to enter into contracts with Govt for working railways and working and leasing the same. There is also a balance of £2,519,210 of their available borrowing power, so that no special Act is required to enable the Co. to raise additional debentures with the sanction & under the guarantee of the S. Y. R. for the purpose of any branch a extension which might be sanctioned for construction as part of their undertaking. In the case of the S. Y. R. Co. also Clauses 9 and 12 of their Contract expressly provide for the construction of branch lines a extension as part of the undertaking and for raising the necessary capital for the purpose on terms to be approved by the S. Y. R. So here also no special Act of Parliament is required to enable the Co. to raise additional Capital under the S. Y. R. guarantee for any branch a extension which may be sanctioned as part of the undertaking.

It is however I think quite evident that the Govt of India do not at present intend that any branches should be sanctioned as parts of the original undertakings of these Companies, nor that funds should be raised for their construction by debentures guaranteed by the S. Y. R. on the usual resources. The intention evidently is, that the main line Companies should be required to assist in the formation of separate Companies for such branch lines as they may wish to be carried out, by coming forward if necessary to guarantee the payment of interest on the Capital issued by the branch line Companies out of the surplus receipts of the parent lines, and by entering into contracts with these Companies for the construction & working of the branches in the manner provided for in the second object of the EIR Act as given above. To enable the Madras and S. Y. R. Co. to

* H.S. that cannot go to the top.

backed but should not be done - The
policy, however, which has been adopted
of the Government of India in
relation to the M.R. & S. Y. R., is
simply - having my safeguard - and
must be protected against

20/12/95

20/12/95

22.5.96

It seems that as matters now stand the Madras & S. Y. Railways can raise money on debentures, without getting a special Act to do so - but they must get the previous sanction & guarantee of the S. of S. This I understand he will not give - so that in this direction nothing can be done.

But I think we should urge him & the Railway to go in for raising money on these terms. If at the same time, we should ask him, if he does not agree to this being done, to tell us what course should be followed - as the various extensions the surveys of which are now completed, should be rapidly pushed forward.

18 Dec 95

do this, which is an undertaking not provided for in their Contracts & Articles of Association & a special Act of Parliament would be necessary in each case.

If I have made my meaning clear the reason for the difference of opinion between the D. & R. and the Agents of the lines will at once be seen. Messrs. Dillingham, hoping that Govt will sanction the branches as parts of the undertakings of these respective Companies, say that no Act is necessary, and that funds for the purpose can be raised on the usual resources by debentures under the S. Y. R. guarantee. The D. & R. representing the present views & policy of the Govt of India say that no further Capital will be sanctioned for branch lines under the S. Y. R. guarantee that of the Companies and to see these branches carried out they must enter into arrangements with other Co. for raising the necessary funds or and that for this purpose a special Act will be required.

W. 11/12
C.O.

As this method of constructing branches a extension of existing lines is of much interest & so clearly suggested by Major Walter the Esquire of Government after I circulated the papers for the perusal of His Excellency the Governor in Council -

14/12/95

His Excellency the Governor
Hon. Mr. Blair
Hon. Mr. Peel

Michel Lorrain, a country
 gentleman, lives on the bank
 of the Rhine. He has a beautiful
 taste for the best of the French
 literature, and is a great reader.
 He has a library of French
 books, and a collection of
 MSS.

Will deal with this
case in connection
with reff from India
about murder of Col.
Lun. & Thos. Cochrane
By juries which are
in civil.

27
 12 45

Handwritten: Animalia - The above are all the types.

Returned before - there is
nothing where please look

8-10 500

Put these cards up with
masses of branches
April 6/96

circ. 16/12..

HE in Gov.

Hon. W. Blair

Hon. W. Rose

No action after 2 hrs 2m 4
taken to carry out the views
expressed by HE & Hon. Member
on this matter. It was evidently
intended to refer to the matter
~~by the following remarks.~~

~~The subject was following remarks~~
in replying to Gov. of India 1557 RC
of 13.12.95, the Chief Cabinet Commr
of Extension. But it appears to have been
overlooked that the Gov. No. 1457R of
21.2.96 was issued.

As we are now about to address
India again about the Chief Commr
line, a reference to the matter was
~~made~~ ^{has been} included in the draft
and the paper is submitted for
ready reference.

The Committee by HE & Hon. Member
have drawn to permit to a special
reference to the Secy of State and
further order on official business

C2m

7/5/96

I think a special representation
on this subject should be made, with
reference to our letter about the
Chief Commr line.
11/22.5.96

To Mr. F. the Governor

Note
This has been done to the Gov. of India
in paragraph 3 & 4 of draft A. about the
Chief Commr line. See also HE's
unmarked para 19. of my NOC of 9/5/96

Awail. G.R. return

7/7. 8/6

27/5/96

I don't think it will be going
useful to the Gov. of India at such a
subject. It will only refer to a despatch
to India - I don't want to discuss it
further. It has been written, I don't think
it is necessary to discuss it further.
The Gov. of India has been asked to
consider the matter.

11/5/96

21/5/96

Knible Mr Bliss C.E.

Knible Mr Lane C.E.

Railway Intensions &
Industrial Presidency