

Public Works (1896) Department.

RAILWAY BRANCH.

G.O., No. 202 R

DATED 5th March

[Despatch Abstract.]

Land. — Notification for the acquisition of—
required for the Bezurada. Madras Railway
in Bellare district, ordered to be published
in the Fort St George gazette.

Indexed.

BACK PAPERS.

[illegible]

FURTHER PAPERS.

G.O.	No.	Department.	Data.	G.O.	No.	Department.	Data.

Г.О. № 202-2453.96

Ref No. 180
Vol. P

Special Deputy Collector's Office,
Bezawada—Madras Railway,
Penuer Division,

dated 24th March 1896
Dy. Secy to Govt

From M. R. Dy.
K. Narsimha Rao Puntulu Garu
Special Deputy Collector,
Bezawada—Madras Railway,
Penuer Division.

To the Joint Secretary to Government,
P. W. D., Railway Branch,
Madras.

Sir,

I have the honor to submit under section 6 of Act I of 1834, for publication in the For:
Saint George Gazette, draft declaration and schedule for lands required for ~~the~~ a quarry
of the Bezawada-Madras State Railway.

and to request that the Special Deputy Collector, Penuer Division
may be authorized to take order for the acquisition of the land.

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

K. Narsimha Rao
Special Deputy Collector.

From the Spl. Dy. Collector,
Bezavada—Madras Railway,

Police Division.

Joint
To the Secretary to Govt.,

P. W. D., Railway Branch,

Madras.

Dated 2nd March 1896

Recd No. 136
Sd/-

Subject.

Draft declaration and schedule under Act I of
1894 for publication in the Fort Saint George Gazette.

Recd No. 3. 96

No 202 R dated 5.3.96

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following

Letter from the Collector }
of Perumal & Sons } H.E. No. 180/Spe P dated 3rd March 1896
submitting draft declaration for acquisition of land
required for a quarry in Pandhuv village of the
Nellore District.

The notification as amended by Govern-
ment is approved and will be published in the
Fort St. George Gazette.

To
The Engineer: Mr. Madan Mohan
Collector of Nellore
Notification to Presa.
Sd/- by Collector of Perumal & Sons

И. № 202. А. 15.3.96

29/3

10/3

27
Public Works (1896) Department.

CURRENT No. 11050.

Order

28/11/96
No 3919 of 8-12-96.

Copy forwarded to
the Agent S. I. Railway
with reference to his letter
No. 877 of 24 Sept 1896.

5/12

J. R.

8/12/96

The Honble Mr Bliss, C. I. E.
The Honble Mr Cross, C. I. E.

From
The Government of India
S. P. D.

No. 1802 R. C.

Dated 30th November 1896

Received 5. 12. 96

Enclosures

Spare copies

SUBJECT.

Tinnevely Quilon Railway

Replying to letter from
the Agent S. I. Ry. in regard
to the conditions for the
working of the proposed
— "as part of the
undertaking of the S. I. Ry."

5/12/96
9/12/96
14/12/96

BACK PAPERS.

[illegible]

FURTHER PAPERS.

[illegible]

*All communication
should be addressed
to the Secretary.*

No. 1802 R.C.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

Railway Construction.

To

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

Calcutta, the 30th November 1896.

Sir,

I am directed to acknowledge the receipt of your letter No.834 R., dated 1st October 1896 forwarding, for the orders of the Government of India, copy of letter from the Agent of the South Indian Railway Company in regard to the conditions for the working of the proposed Tinnevelly Quilon railway "as part of the undertaking of the South Indian railway".

2. In reply, I am to say that the terms proposed are as included under clause 10 of the contract dated 24th November 1890, between the Secretary of State for India and the South Indian Railway Company and are contained in Government of India Resolution No. 514 R.C., dated 17th April 1896 as referred to in Public Works Department letter No. 1304 R.C., dated 2nd September 1896, and that the reply of the Railway Company as regards the construc-

tion

construction and working of the Tinnevelly Quilon railway is awaited.

I have the honour to be,

Sir,

Your most obedient servant,

G. A. Anderson

Under Secretary.

Documents accompanying :-

Nil.

hew

S.C.B.

18.57
Extract from Agent S.R. letter to Board
No. 514 & 30.12.1896.

*See
R. Circular
the letter
of 12.12.1896
7/17 14/1/97*

SIR *HT*

Ch. W. H. H.
d. C. M. H.

TINNEVELLY-QUILON RAILWAY.

In continuation of my letter No. 502 dated 7th October, 1896, I have placed in the post packet a copy of letter No. 1802 R. C., dated 30th November, 1896, from the Government of India explaining the general terms on which it is desired that this Company should work the Tinnevelly-Quilon Railway. The Government of India's proposals, as I understand them, are that the Company should be called upon to construct, maintain, and work the feeder line on terms to be specially agreed upon with the Secretary of State and that the conditions of paras 3 (3) and 3 (5) of Government of India Circular No. 514 R. C., dated 17th April, 1896, should not be insisted upon. I have, in my letter to you No 497 dated 1st September, 1896, already recorded my opinion that we should only offer to work and maintain the Tinnevelly-Quilon Railway on the basis of actual cost. Under these circumstances our remuneration will be the receipts from the additional traffic created on the South Indian Railway by the branch line. This

traffic is not likely to be much with a feeder railway having so poor prospects, and the whose most remunerative portion is parallel to our main line and less than 40 miles distant. In determining the cost of working the branch I would suggest that where possible actual expenditure should be taken, and that in cases where this is not possible, the division of expenditure between the parent and feeder lines should be based on their respective train mileage per half-year.

I would point out that in the estimates for the Tinnevelly-Quilon Railway no provision has been made for rolling stock. If the South Indian Railway is to provide it, special provision should be made for the payment to this Company of fair interest charges on its capital value. On the South Indian Railway undertaking, about 6½ per cent on the half yearly gross earnings gives 5 per cent per annum on the capital invested in rolling stock, and therefore if payment is based on gross earnings, a less per centage than 6½ % should not be asked for from the branch line.

The contingency may arise of the Tinnevelly-Quilon Railway not paying its working expenses, and the Company should be protected against loss arising from this cause.

His Excellency the Governor
for perusal

1702
Award letter
to Mr. J. B. S. in
which there is
quoted 7/11/1897

I agree with Major Waller in all that he
says in the form marked with red ink,
and I think these considerations should
be passed on the report S. T. R. He
should be told that if his company
raises difficulties, he will
mean the end of blocking the undertaking.
And it should be pointed out that the
parent company in a case of this
kind gains by the additional traffic
over its own system; and that it is
therefore anxious to try and drive a
hard bargain as to the actual expense
of working the branch.

9.54
20.1.97

18/1/97
20.1.97

E.R. Tinnally, Quiln Kaiter 29-

These proposals for the working of the projected T. & B. are so far a mere recommendation from the Agent to the Board. They may not be approved by the Board & may be greatly modified before they are finally submitted to you, so that no action in regard to them is necessary. We have any detailed examination of the proposals seems required at this stage.

The Agents' recommendation is that the Branch line should be charged with its own actual working expenses in cases where there can be separately ascertained, and that where this is not possible, expenditure should be divided between the Main line & Branch in proportion to the train mileage of each.

The Chief objection to these proposals in my opinion is that where a Main line works a Branch at a rate of interest, and at the same time takes no share of the net earnings of the Branch, every simple motive for economical working of the Branch on the part of the Main line is taken away.

Where the Main line works a Branch at a percentage rate it is as much interested in keeping down the working expenses on the Branch as on the rest of its system, and since the Main line receives a percentage of the net earnings of a Branch it will endeavor to make that share as large as possible by the economical working of the Branch, but where actual expenses are charged and no share of net earnings taken, the Main line is absolutely unprotected by the amount of expenses charged to the Branches and has no interest in keeping them down to the lowest limits.

compatible with safe & efficient working, under
these circumstances, and as recent experience has shown
in other cases it will not be surprising if the working
expenses of the branch are found to mount up to the
extraordinary figures.

So strongly do I feel on this point that personally
I am of opinion that in cases like this I would generally
be found more profitable in the views of the branch
to voluntarily run the main line a small value say
10% of net profits rather than to make over the working
of the branch under circumstances which would deprive
the main line of all interest in its movement &
successful working.

W. Waller
22/1/97 Major. R.E.
Examiner of Railway Accounts,
Madras.

D.O. Govt. of Madras 30
P.W. Secretariat Railway Branch
Cotacaimund, the 22nd Jan'y 1897

My dear Sir,

H.R. the Governor

Draft D.O. to Supt.
S.R.R. for approval

Cred. P.D.P.
18/1/97

Cred. A.E.H.
20.1.97

With reference to your D.O. dated
January, 8th, which I took to Council on
Friday last, together with papers connected
with the Madura - Panbani case, His
Excellency the Governor desires me to say
that, as far as he is aware, the Govt. of India
has no objection to the formation by the
S.R.R. of subsidiary companies to work the
Madura - Panbani and other feeders, and
he is of opinion that there must have been
some misunderstanding between the Secretary
of State and your Board.

The position of affairs appears
to be that the Govt. of India object to the
formation of a single company formed
with the object of understanding several
extensions of the parent line. They desire
that each feeder line shall be financed
by a separate company, but there is no
reason to imagine that they take any exception
to the promotion of these several companies
through

through the medium of your Board.

His Excellency the Governor wishes me to impress upon you that it has been decided by the Govt. of India to sanction railway schemes only once a year and that a meeting for that purpose will take place at Simla in the summer. It is therefore of the utmost importance that all schemes which it is desired to push on should be in a such a state that the Govt. of India can come to a conclusion upon them when they hold their meeting.

His Excellency would be glad if you would impress this fact strongly on your Board, and urge them to take early action in the case of the Madurai-Pamban, the Tinnevely-Quilon and any others which you have in view. It may be useful for you to know that the Govt. of India are very far from adopting the views expressed in your letter to your Board as regards the Tinnevely-Quilon project. They consider that a generous policy with regard to such proposals is in the long run advantageous; and that, even if the feeder line itself is not immediately remunerative, the benefit to the parent line

line, from the additional traffic brought on to it by the branch will more than repay any small loss that may be incurred on the working of the branch itself.

This being so, it would seem to be good policy on the part of your Board not to attempt to drive a hard bargain over the Tinnevely-Quilon and thereby prejudice their chances of being allowed to promote other feeders such as the Madurai-Pamban.

Yours Sincerely,
(Signed) F. D. Fowler

H.S. the Governor

7 in sealed
envelopes
up.

Further action
needed at present.
S.H.
22.1.97

Tom
26/1/97 file
27/1/97
JHT 27.1.97
CMT 29/1

The action ordered in your
Excellency's note below has
already been taken in the
(re. H.M. Panton)
D.O. letter to the Agent S.I.R.
afforded of by your Excellency
on the same date. It is
presumed that no further
action is required, as the
Agent will doubtless furnish
his Board with a copy of
the D.O. letter, and the
matter could more conveniently
be taken up officially when
a reply is received from the
Board to the Agent's printed
letter below. The papers are
re-submitted lest your Excellency's
wishes on this point should
have been misunderstood

JHT
22/1/97

H.S.
22.1.97
R/22.1.97

32
Jan. 23rd 1897

Washington.

My dear Fowler,

Thanks for your l.o.
of Jan. 22nd which I propose to
send home unofficially so that
the Board may recognize the
consequences of following my
lead about the T. Q. R. I
quite agree in a general way
with the sentiments of the Govt.
of India, but few hard facts

decide. They know that I think the S. I. Ry surplus
profits will be reduced by working the T. & N. Ry at
anything under actual expenses, and with your O. O.
before them they will be aware that Justice will
punish them if they don't decide to accept the loss.
I am not quite sure whether it is not the
duty of the Company being that it gets at the
end on its capital to keep down its developing
rough bounding railway system, but shareholders are

not always noble enough to give up money for the
good of the State. Therefore you of working people know
is that the Company should always insist on a
clause in its agreement protecting it against loss; and
I don't think we will agree to our European people
being answered for its public good.

Sincerely Yours,

A. B. S. Channing

rules are universally suitable.
 Unless I am mistaken, even when
 the T. & C. has reached the zenith
 of its glory, it will have (with
 2½ lakhs gross earnings per half
 year) to produce traffic over the
 S. I. Ry. to the tune of 2 lakhs per
 half year. With this result to
 be anticipated in the long run, it
 does not seem likely that the
 additional traffic brought to the
 parent line will recoup loss in
 working the branch. However the
 matter is one for the Board to

See enclosed information
 P.W. 33
 157
 South Indian Railway Company, Limited,

55, GRACECHURCH STREET,

London, 22nd January, 1897.

No. 183.

SIR,

I beg to acknowledge the receipt of your letters Nos. 513 and
 514, dated respectively 23rd and 30th December, 1896, and of the
 accompanying documents.

TINNEVELLY-QUILON RAILWAY.

With your No. 514, dated 30th December, 1896, you forwarded
 copy of a letter No. 1,802 R.C., dated 30th November, 1896, from the
 Government of India explaining the general terms on which it is
 desired that the Company should work the Tinnevelly-Quilon Railway.

In your letter No. 497, 1st September, 1896, and again in your
 No. 514 referred to above, you offer the opinion that this Company
 might work and maintain the line in question on the basis of actual
 cost—control, supervision and other general charges being appor-
 tioned between the parent and branch lines on the basis of their
 respective train mileages per half-year.

In making this suggestion you probably had in your mind the
 Agreement entered into by the Bombay, Baroda and Central India
 Railway Company, 24th September, 1884, for working the Rajputana-
 Malwa Railway, which is on an actual cost basis, general charges
 being apportioned on gross earnings. If this surmise be correct, it
 is proper to remark that, in that case, the gauge of the worked line
 differs from that of the Working Company, and that the actual

Capt. A. D. G. SHELLEY, R.E.,

Agent,

South Indian Railway Company, Limited,

TRICHINOPOLY.

South Indian Railway
Board's letter No. 183 of 22.1.97
re Tinnevely - Quilon
Railway.

Circulated for in-
formation to

H.E. the Governor
Hon. Mr. H.W. Bliss C.S.
Hon. Mr. J. G. G. C.S.

24.2.97

25
2/3/97

2/3/97

I see that the story of what the
discussion about the construction and working
of the Tinnevely Quilon R. line was
is as follows. The Govt recommended to
the Board that it be worked upon the
basis of actual value ascertainable, and
justification of expense in proportion to their
value when actual was not a simple
ascertainable. The Board's reply, dated
11/1/97

expenditure incurred in working is, therefore, more readily and more
accurately ascertainable than in the case we have to deal with, in
which the gauge of the parent and branch lines is identical. It is
desirable to eliminate, as far as possible from any working arrange-
ment, all conditions which might be a source of disputes.

But, apart from the foregoing, the Directors do not think that such
a basis of working would assist any Company that may be formed for
carrying out the proposed railway in their arrangements for raising
the necessary capital, and as the Board are desirous of aiding the
scheme, so far as they can do so without risk to the interests of their
own shareholders, they desire that, while informing them in what
manner you contemplated ascertaining the actual cost of working
which you suggested, you will at the same time consider and report
whether—subject to a minimum charge—a percentage of the gross
earnings of the Tinnevely-Quilon line might not be quoted as a fair
basis on which this Company might consent to undertake to work it,
and what in your opinion that minimum charge per mile per week
and that percentage should be.

The Directors observe that you state that the contingency might
arise of the Tinnevely-Quilon Railway not paying its working
expense, and that this Company should be protected against loss arising
from this cause. This would appear to be a matter to be dealt with
when the terms of the working agreement are being considered in
detail, but the Board desire to hear from you more fully on this point.

RAISING OF 2ND CLASS FARE FROM 4 PIES TO
6 PIES PER MILE.

The report upon this subject, contained in your letter No. 509 of
25th November last, has been carefully considered, and the Board
have decided that the increase of fare might, with the sanction of

15.2.97
16.2.97
17.2.97
18.2.97
19.2.97

22nd Jan 97 was a note to light
to advise on the system for making the
bank at a good quantity of
lambs.

In Apr 96, Board of C. applied for
a license, on bank line, to
start a system of 3 per cent for light
single post.

In Dec. 95 the Govt. is making up
the project line has since that the
S.I.R. should get it.

In Apr 96 the Govt. S.I.R. advised
it being under of S.I. at which 8.
on for making. and the Board's reply is
to give making.

In Apr 96 Govt. is Ltr. N. 1304, N.C.
made very definite proposal for the formation of
a company - Board has then, with 37
The Govt. is the first point of the
proposal. The Board is not in a position to
make any decision on the bank line. It is the
Board's duty to consider the proposal and
to report to the Govt. on the 30th Nov. 96.

We are under the Govt. S.I.R. reply
to the Board's Ltr. N. 183, dated Jan 22nd 97.

7/11

2/2/97

SOUTH INDIAN RAILWAY COMPANY, LIMITED.

AGENT'S OFFICE,

No. 523.

Trichinopoly, 7th April, 1897.

Sir,

I have to acknowledge the receipt, on the 1st April, 1897, of your
letter No. 186 dated 12th March, 1897, together with the documents referred to
therein.

Your memorandum of papers sent by book post on the 18th March,
1897, has been received today, with the papers sent therewith.

NEW WORKS.

The sanction of Government has been accorded to the following works:—

(1). Providing outer Verandahs to six blocks of Staff quarters at Madura
station, Rs. 1,656, chargeable to Capital.

These additions are being made to add to the comfort of the occupants.

(2). Pitching the bank of the Devanadi River at Negapatam Wharf,
Rs. 213, chargeable to Revenue, New Minor Works.

This protection is necessary in consequence of the scour against the
river bank.

TINNEVELLY-QUILON RAILWAY.

With reference to the paragraph on this subject in your letter No. 183
dated 22nd January, 1897, I understand that the Board desire to be informed:—

- In what manner it was proposed to ascertain the cost of working
on the lines suggested in my letter No. 514 dated 30th December,
1896.
- Whether working expenses might not be based on a percentage of
gross earnings subject to a minimum charge per mile per week,
and what, in my opinion, the percentage and minimum weekly
charge per mile should be.
- Of fuller details respecting the contingency of the Tinnevelly-Quilon
Railway not paying its working expenses.

The first point is explained in letter No. A/1301 dated 6th April, 1897,
from the Chief Auditor, a copy of which is sent herewith, and as regards the
second I have to offer the following remarks. It is assumed that the Board
desire to frame an Agreement which will protect the Company against loss,
irrespective of the value of the extra traffic derived from the Feeder line, and I
have therefore omitted the consideration of such derived traffic, although it is a
factor which justifies liberality on the part of the Company. The Board's pro-
posal is designed to safe-guard the Undertaking against loss, except in the case
where the traffic is so large that the cost of working is more than the minimum
charge per mile per week, and so small that the amount received from gross
earnings on a percentage basis would not cover working expenses. In the case
of the Tinnevelly-Quilon Railway, however, the lowest charge per mile per week

which we could, with safety, accept until the weak points of the line are known and made secure, is so high that it will determine the working expenses, and the contingency of insufficient payment from gross earnings does not enter into practical consideration with customary percentage rates. In determining the minimum charge per mile per week at which we should offer to work the branch line, I propose to assume that the carrying capacity hauled per mile is half that of the Undertaking, and which amount, I do not think, could be reduced if the public is to be properly served. On this Railway the average cost of working per mile per week for the past four half-years was Rs. 83, made up as under:

	Rs.
Abstract A. Maintenance	19.62
" B. Locomotive Expenses	32.74
" C. Carriage and Wagon Expenses ...	10.27
" D. Traffic Expenses	13.51
" E. General Charges	11.40
" G. Miscellaneous Expenses	1.46
Total	89.00

I understand from the Chief Engineer that on the Tinnevely-Quilon Railway there are several extremely heavy banks and cuttings, which according to the estimate are insufficiently protected, but, even granting that these faults are remedied in construction, there can be no doubt that, with works of this magnitude, extensive failures must occur under the large rainfall on the west of India during the S. W. Monsoon. The uncertainty of the expenditure on Maintenance largely decided me in originally recommending the working of the line, so far as is possible, on the basis of actual expenditure. I do not think it will be safe to estimate the Maintenance Expenditure of the Tinnevely-Quilon Railway at less than Rs. 35 per mile per week. This provision would amount to Rs. 93,730 for the half-year on the whole line, and it might easily happen that this sum would be swallowed up in repairing one serious accident. As regards Locomotive Expenditure I estimate that the ghat section will cost as much per mile per week as on the Undertaking, and on other sections about half this sum, and therefore recommend the adoption of an average figure of Rs. 22. Carriage and Wagon Expenses, bearing in mind the ghat working, will probably be somewhat more expensive proportionally than on the Undertaking, and I suggest Rs. 6 per mile per week as a fair estimate. Traffic Expenses in consequence of the feverish nature of the hill sections must be high, as frequent transfers of staff, high salaries, and a large amount of sick leave are contingencies which must be allowed for. I estimate the cost at Rs. 10 per mile per week, being 50 per cent over the proportion of half our own expenditure. General Charges might fairly be taken at Rs. 6, and Miscellaneous Expenses at Rs. 1, per mile per week. On these figures the limiting cost per mile per week amounts to Rs. 80, as shewn below:—

	Rs.
Abstract A. Maintenance	35
" B. Locomotive Expenses	22
" C. Carriage and Wagon Expenses ...	6
" D. Traffic Expenses	10
" E. General Charges	6
" G. Miscellaneous Expenses	1
Total	80.

Points and Crossings Inspector F. Bird. I have placed in the packet a copy of a letter No. S. T. 441 of 30th March, 1897, from the Chief Engineer recommending that this Inspector's salary, which is at present fixed at Rs. 250, be increased to Rs. 350 per mensem by annual increments of Rs. 25 per mensem. I concur with the Chief Engineer, and shall be glad to receive the sanction of the Board to make the necessary application to Government.

CAPITAL AND REVENUE ACCOUNTS.

Referring to the concluding portion of the paragraph under this heading in my letter No. 525, I send in the packet my Report on the operations in India of the Company for the half-year ended 31st December, 1896, together with brief notes by the Heads of the Engineering, Locomotive, Traffic, and Medical Departments on the working of their respective charges during the half-year.

I also send six copies of the Analysis of Working of the South Indian, Mayavaram-Mutupet, and Pondicherry Railways for the second half-year of 1896.

TRICHINOPOLY-THONDI RAILWAY.

With my letter No. 510 dated 1st December, 1896, I forwarded two copies of an application to Government by the Administration of Pudukottai State for the construction of a line from Trichinopoly to Thondi. In connection with this railway, I now send copies of G. O. No. 113 R. dated 20th February, 1897, letter No. D/4883 dated 23rd March, 1897, from the Chief Engineer, and letter No. 96 G/4383A dated 5th April, 1897, from the Traffic Manager. The Chief Engineer and myself have traversed the proposed alignment from Trichinopoly to a distance of about 10 miles south of Pudukottai, but beyond this point there is no reliable information available. Between Trichinopoly and Pudukottai construction will be cheap, but the prospects of local traffic are not encouraging. Of course there will be a fair amount of traffic passing between the towns of Trichinopoly and Pudukottai, but not sufficient, in my opinion, to make this section of 31 miles sufficiently remunerative. After leaving Pudukottai the country becomes somewhat more difficult, but is decidedly richer, and judging by the view obtainable from Tirumium Hill the population increases decidedly towards the south. The Dewan of Pudukottai considers that the line can be made for Rs. 43,567 per mile, exclusive of rolling stock, but Mr. Spalding, who has framed a rough estimate of the project, adopts the much higher figure of Rs. 53,000 per mile. The information at my disposal at present is so scanty that I am unable to offer any reliable opinion as to the traffic prospects of the project as a whole, and I propose, as soon as can be managed, to depute a Traffic Officer to report on the line. Judging by the map a line from Trichinopoly to Thondi nearly bisects an area unserved by railways, and as it terminates at what, I understand, is a busy port for the Burma trade, should prove remunerative.

In respect to the enquiry of Government as to whether the Board approve of the proposal to meet the cost of the survey temporarily from Revenue, it is presumed that reference is only made to that portion of the line outside the State of Pudukottai, as, in paragraph 15 of the Political Agent's letter No. 310-O. dated 19th November, 1896, it is expressly stated that the Pudukottai Administration is ready to pay for so much of the survey as relates to the portion of the line within

E.R.

The Agents' recommendation in reply to the Board's enquiry is that the S. & Q. Co. should offer to work the branch at the same percentage of gross earnings as obtains on the Undertaking, subject to a minimum charge of Rs. 80 per mile per week for the first five years, a minimum of Rs. 70 per mile per week. Nothing is to be provided by the Board, a dividend at 5% on the Capital out of Stock required to be paid in hand.

I am afraid that your condition as to the minimum charge of Rs. 80 per mile per week must be considered to put an upward stop to the proposals for carrying out the branch. I do not think your line could be expected to earn more than Rs. 85 to Rs. 100 per mile per week, at all times for many years, and the Agents' Board would therefore mean that the Board, or almost the whole, of the gross earnings of the line would be absorbed in the charge for working expenses, leaving the shareholders to provide the interest on the Capital loaned. I do not suppose that the Government would be willing to guarantee interest on Capital with such a prospect before them, or that any Company would long forward to undertake the line under such conditions. Unless then the Board were willing to offer much more liberal terms than their report is disposed to recommend, there will be an end to the proposals for the branch.

In making the recommendation as to the minimum charge, which will absolutely protect the Co. from loss on working the branch, the Agent has absolutely omitted to take

The can do nothing more until a reply is received from the Agent for the Board. I have, then, officially, sent copy of Major Walker's Note to General Sir S. C. S. Walker K.C.B. at the Ind. Office. He will probably find it useful in talking things over with the General's Director at the next Board Meeting. I am, my friend, truly yours.

File

F.V.S.

11/5/77

11/5

11/5

The minimum charge of Rs. 80 per mile per week will exceed any percentage of gross earnings which we could reasonably propose until the traffic attains a value of Rs. 150 per mile per week, a contingency which, from our present knowledge of the prospects of the Tinnevely-Quilon Railway, appears extremely remote. With every desire to treat the branch line as liberally as possible I do not see how we could in justice to this Company reduce Maintenance Charges before the line has been opened for about five years. On expiry of this period when the work has become consolidated, and weak places located and strengthened, I think Maintenance might be lowered to say Rs. 20 per mile per week. By this time however traffic will have materially developed causing increased expenditure under Abstracts B., C. and D., so that it will not be possible to lower the total mileage charge to the full extent of the Maintenance reduction. I therefore think a figure of Rs. 70 per mile per week might be adopted as the minimum charge after the branch has been opened for five years. Even with this decreased amount, the mileage limit would govern working expenses until the traffic reached a value of about Rs. 130 per mile per week. From these considerations it is practically immaterial financially what percentage of gross earnings is quoted for working expenses. I would therefore suggest in response to the Board's references that we should offer to work the Tinnevely-Quilon Railway on the same percentage of gross earnings as obtains on this Undertaking, and its worked lines, subject to a minimum charge of Rs. 80 per mile per week for the first five years after the opening of the line for traffic, this minimum to be reduced to Rs. 70 per mile per week on expiry of the aforesaid five years: rolling stock either to be provided by the branch line, or a charge of 5 per cent on the Capital value of such stock as may be agreed upon as necessary for the working of the branch line to be paid by the Tinnevely-Quilon to the South Indian Railway.

My remarks regarding the necessity for protecting the Company against loss in the event of the Tinnevely-Quilon Railway failing to pay its working expenses were made with the object of drawing attention to a not improbable contingency, and to the consequent loss to this Company unless the deficiency in receipts was made good. The proposals of the Government of India in its Resolution No. 514 R. C., dated 17th April, 1896, provide for the re-coupment of working expenses by a recovery of 50 per cent from the gross earnings of the feeder railway, it being evidently considered that half the gross earnings plus the value of the traffic derived from the branch is ample remuneration to the parent line. No doubt in many cases this arrangement would be equitable, but in connection with the Tinnevely-Quilon Railway it would entail heavy loss on the working Company. The contingencies of a feeder line not paying expenses, and of the parent line asking for remuneration in excess of gross earnings, have not been considered in the above Resolution, and as consequently no provision is made for payments which cannot be met from earnings, it seems desirable for the Board to be reliably assured that such sums as may be due under the Working Agreement shall be duly paid.

STAFF.

Chief Engineer Mr. W. H. Spalding. I have granted this Officer privilege leave from the 20th April, to the 24th May, 1897. During Mr. Spalding's absence, Resident Engineer Mr. F. F. Smith will officiate as Chief Engineer.

into consideration any of the plans to the main line
being as yet brought to it by the branch. In this case
the present day change in working, enabled to take into
consideration the plan which would allow to the main
line an increase in capacity of the great general
& independent change in to the branch. The purpose was
unique to build to service of the S. & N. W. R. Co. and much
more than the State, which by working the branch alone
leaving the main & part to be derived entirely for the S.
It is not only necessary to be more precise in the
plans/insights to provide better with branch & independent
out of their surplus people, but if they are to be working
entirely in accordance the independent nature of each to present
people, then asked to encourage proposed extensions, which
may, & probably will, largely enhance their future years, then
is an end to all independent & to all scope of extension of the
line & by the opening of the independent extension. It is to be
hoped that after all the same trend may be met with
from to be more extensive, & as cautious about further
change of working, for then the report seems to be.
In regard to considerations on which the report has
found the maximum charge at 25 00 per mile per mile - the
estimate the charge at about half the average of the S. & N. W. R. Co.
I do not think any profit can be found with this estimate.
The values of their working show that some very unusual
conditions do not exist, the working expenses tend to vary
directly as the traffic. It might therefore reasonably
expect for the S. & N. W. R. Co. maximum charge of about half that
of the S. & N. W. R. Co. very close to 25 to 30, a mile a mile per
working expenses. The report on various considerations makes
this charge at 25 00, a condition of only 10 00 with a
maximum on the S. & N. W. R. Co.

During the month in which I am inclined to say
nothing to report the considerations which have been
the subject of the independent change at 25 00 against
the S. & N. W. R. Co. have depend on several important
features of the line of which I have nothing to report
which I have already indicated in a paper before me
just in working, but for a brief review I have on the
independent, but I believe of the S. & N. W. R. Co. understand
that the S. & N. W. R. Co. for a great part of its length through this
part of the line with great for working, the line would be
obtainable at extremely cheap rates. The expenses of the
just compared with the cost of the independent from which
such as is used over the S. & N. W. R. Co. might be taken as a fair set
off to the better cost of that working. In addition, the better
cost for the S. & N. W. R. Co. being new, would require little in the
way of repairs & materials for many years. Under which I
do not think there are any grounds for increasing expenses
in account of that working, since half the rate for the S. & N. W. R. Co.
rate, as in the case of other, the State for the S. & N. W. R. Co. being
new, would require little in the way of repairs & materials.
Under which I believe, the extra cost attributed to the
independent, financial value of the full better appears somewhat
neglected, & not principally when substantial permanent the
the line for the S. & N. W. R. Co. is often found
that districts have declared to be almost insupportable, and
which have not means for insupportable, & can be worked
without the necessity for providing special allowances for maintenance
the independent & independent section of the S. & N. W. R. Co. have special provisions
allowances used to a great extent to reduce the cost of running, but such
are subsequently found to be quite unnecessary, & the line is often
a permanent quarter built.

In the case of Atlanta E & W, considering what a large percentage of fixed & general charges there are under these Atlanta roads as shown above between, leaving no such road not to be included in the total, but of which the S.S. 2 there proper could be directly obtained by the three transferred to the T & W, there seems to be a tendency to show for increasing the daily S.S. 2 rate in the case of the branch.

In the case, allowing say 5% of gross earnings, when under Method A in consideration of the fact that I am inclined to believe that it would not be necessary to under write for the S.S. 2 to undertake the working of the T & W section at the maximum charge from below, I am considering the direct & indirect gains to the U. S. from extension of these systems. I think it would be running no more than a proper share of enterprise for them to agree to undertake the working at their own percentage.

A Maintenance	\$s 15 per mile per week
B Operating expenses	17
C Interest on loans	5
D Income tax	7
E General charges	5
F Miscellaneous expenses	75
G Value of Working Stock	4.00
Total	\$s 53.75

In conclusion I would like to draw attention to the far more liberal terms such a reorganization of these lines of system. The S.S. 2 - 2 per cent for the working of branches & extensions. This line with an average gross earnings of \$s 1.9 a mile a week works at the own percentage of working expenses. The following branches have average earnings as a given. In addition, the S.S. 2

makes no charge for time of working stock against 4 of the branches (the Virginia State Ry passed to own stock) and in no case does it charge for interest on the capital out of stock at stations which are usually used by daily & branches.

Virginia State Railway	\$s 16 a mile a week
Frontal Henderson Ry	\$s 71
Richmond Henderson Ry	\$s 72
Richmond State Railway	\$s 80
Longwood Extension Ry	\$s 40

If the same rule on the S.S. 2, as to the fact that a "Main Line Administration" must enter from working at its own percentage of expenses, a branch line with some two money receipts than to own, will work a sound, the working by the S.S. 2 of the branches & extensions on such terms would have passed almost common to the Main Line Co. In fact from this being the case, however, the S.S. 2 after years of almost stagnation took an immense bound forward in prosperity when it undertook the working of the branches.

W. Allen
C.R. 29/4/97

The latter portion of C.R.'s note is
I think the most convincing part of
an owner of fact being with a
journal of theory. We cannot nothing
to help matters on now a must
want boards up. Personally I
should be sorry if the line is
hung up a bit longer because
everyone who knows the country seems
agreed that the northern route is
the wrong one. If the Southern route
had been adopted the S.I.R. would
probably be willing to work it on their
own percentage but unfortunately
Brahmin influence in the Board
caused the Travancore State to select the
northern route in spite of the
recommendation of this Govt.
If the question lies over a year
or two the question of route might
be reopened again

1/11
3/5/17

By agreement the note.

7/11

3/7/17

2/11/17

41
Public Works (1897) Department.

CURRENT No. 5183

Order

From

The Govt of India
P. W. D.

Telegram No. 869 RE

Dated 25-5-97

Received 26-5-97

Enclosures

Spare copies

SUBJECT.

Tinnevely Quilon Ry.

Requesting to expedite
reply. to its no 1802 RE.
dt 30-11-96. re. the proposed
working of the ———
as part of the S. I. Ry.
undertaking.

136

BACK PAPERS.

FURTHER PAPERS.

DRAFT TELEGRAM URGENT
DEFERRED

FROM

To

F.R.
Work by
Asst. SecyWorks
Sims

No 42/-

Your 869 R.C. & Corres -
 fondness proceeding between
 Agent and Board about
 terms for working Timorally
 Indon. Board's reply soon
 due result will be com-
 municated.

(Initialed) F.J.E.S.

Desd
29/197

Cons. Engr's current let 2933

211P

No. 689

South Indian Railway Co., Ltd. 43

AGENT'S OFFICE,

Trichinopoly, 6th July 1897.

From

THE AGENT,
SOUTH INDIAN RAILWAY,

To

THE CONSULTING ENGINEER
FOR RAILWAYS,
MADRAS.

Sir,

With reference to the correspondence terminating with your endorsement No. 3717 dated 8th December 1896, I have the honor to inform you that the Board of Directors have instructed me to reply to the following effect. The Board are willing to consider favourably any terms of working the Chinnvelly-Tirunelveli Railway which may reasonably be calculated to secure the South Indian Railway Company from actual loss, and to give some chance of participating in profit when made. The Board think that the charge for maintenance should be its actual cost exclusive of any portion of the salary of the Chief Engineer and his office. All other items of expenditure including the use of rolling stock to be covered by a charge of 50 per cent of the Chinnvelly-Tirunelveli Railway reducible to 45 per cent if the Chinnvelly-Tirunelveli Railway supplies its own rolling stock. As an alternative suggestion the Board would favourably entertain the question of constructing the portion of the proposed line in British Territory as a part of the South Indian Undertaking.

I have the honor to be,

Sir,

Your most obedient Servant,

A. G. M. S.
Captain, R.E.
Agent.

M. S. D.

2933
7/7/97

1,010-5-3-00.
Form No. 20.

2570

TELEGRAM ^{URGENT} ~~DEFERRED~~

ENGINEER FOR RAILWAYS,

July 1897

FROM

E.R.

TO

works

6/24 x Ret Your 869 RE. reply from Agent just received states that Board will consider favourably any terms of working Timmely by, No. 689 Quiler which will secure Syria for loss & give some chance of profit. Board proposes to charge actual cost of main-
^{Expenditure including} ^{use of roller stage} ^{to be covered} ^{of charges of 50 per cent of} ^{Timmely Quiler from receipt was an} ^{alternation will construct British portion} ^{of line as part of Syria undertaking} ^{letter follows -}
 fairman exclusion of salary of Chief Engineer this Office all other items of
 J. H. S. 1/11/97

for E. R.

6/24/97

As
despatched a letter to Mr.
for favour of note

J. H. S. 1/11/97

per. which are

W. H. S. 1/11/97

TO

FROM

THE AGENT,

SOUTH INDIAN RAILWAY,

Trichinopoly.

THE CONSULTING ENGINEER FOR

RAILWAYS,

Madras.

Dated

Received

No.

189

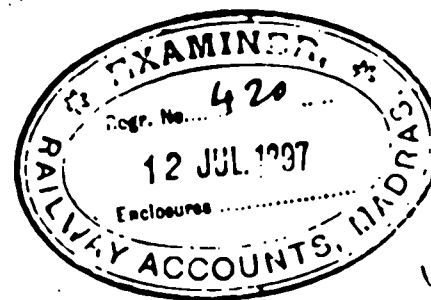
ENCLOSURE.

18.6.97

P.T.O.

2933
7/7/97

Form No. 21.
500-7-1-97.



OFFICE OF THE CONSULTING ENGINEER FOR RAILWAYS,
Madras, 12th July 1897.

No. 2287

OFFICE NOTE.

Copy of Letter from the Agent, South Indian Railway, No. 684
dated 6th July 1897, forwarded to the Examiner of Railway
Accounts. for favour of note.

[Signature]
for E. R.

EXAMINER'S REPLY.

E. R.

I would like to see the previous papers, which are
at hand before acting on this case.

[Signature]
C. R. 14/7/97

From
THE AGENT,
SOUTH INDIAN RAILWAY,
Trichinopoly.
To
THE CONSULTING ENGINEER FOR
RAILWAYS,
Madras.
Dated
Received
No.
189
ENCLOSURE.

68.6.7.7

P.T.O.

The main reason by the Board being:-

Maintenance to be allowed
 All other working expenses to be based by a charge of 45% of gross earnings
 The of Salaries to be charged for at 5% of gross earnings
 Although not so favorable to the "Branch Line Term" has been by the fact of
 India, yet these terms are a great advance on the former proposals under which a
 minimum charge of Rs 10 per mile per week was to be adopted, and I think that
 for the whole considering the special circumstances of the case they may be
 considered to be fair & reasonable.

Although there are certain objections which I have previously noted on, to
 main terms, charged by a "Main Line working a Branch, yet if we take
 over a permanent, it is I think, in a case of this kind where the working
 a first section is undertaken, the maintenance of such will probably be far
 more & more expensive than the average maintenance of the "Main Line, so that
 do not think any objection need be taken here to the proposal to charge for
 maintenance on the basis of actual cost.

The report the charge for all other working expenses at 45% of gross earnings, &
 and in the margin the actual & average percentage of other working expenses of
 Rs 5.2 for the last 3 years

It will be seen that the figures proposed by the Board is only .03 higher than
 the average of 3 years, or about 2% of gross earnings more than the figure of
 the last half year.

Considering the small difference, I think it not unlikely that the Co-
 would be willing, in lieu of the fixed 45%, to accept for all other working
 expenses (exclusive of maintenance) the same percentage as prevails on the 5.2
 figure. This would be an improvement, and would make the terms identical
 to those as those on which the "Main Line" was made the "Main Line", & I
 think I think, been adopted in this case also, that is, without any special
 reference to water, it would bring the terms into accord with those existing
 in inland steamships.

x 1st half of 1894	-	47.06	% of gross earnings
2nd do do		45.11	
1st do 1895		42.19	
2nd do do		44.92	
1st do 1896		42.71	
2nd do do		43.05	
Average of 3 years		44.17	

(W) Allen
 22/10/97