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 Bezwada-Madras Railway – in Nellore district, ordered to be published in the Fort St. George gazette.

Indexed.

[P. W. Ry.
1,000—11-8-98.]

G.O. No. 202 d/ 5.3.96

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

NOTIFICATION.

Under Section 6, Act ~~X of 1870~~, he land mentioned

, be the same a little more needed for a public

the is appointed to perform the functions

Lake Gar

this being a case of urgency, the ers to direct on of the .

lands are r

SCHEDULE.

District.	Taluk.	Village.	Description of land, Wet or Dry or Poramboke; Survey or Pamash Number	Name of Owner or Occupier.	Boundaries and required taken up.
Nellore	Gudur	Pandlur	Zamindary Dry	Rajah Venkatagiri	Boundaries on all s by the Pand

Madras.
5' March/96.

Joint Secretary, to Govt. P.W.D. Railway Br.

Special Dep Coll

Special Deputy Collector's Office,
Bezwada—Madras Railway,
Penner **Division,**
dated 2nd March **189**6
Dspd 3 — do

Ref **No.** 180 / Sl. P

From M. R. Ry K. Narsimha Rao Pantulu Garu
Special Deputy Collector,
Bezwada—Madras Railway,
Penner/~~*Nellore*~~ *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 1894, for publication in the *Fort Saint George Gazette*, draft declaration and schedule for lands required for ~~the~~ a quarry of the Bezwada Madras State Railway.

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

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

Narasimharao
Special Deputy Collector.

[Comp. ; 15-19-69.]

From the Spl. Dy. Collector,
Bezwada—Madras Railway,
Pennar *Division.*

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

Acc: 7. 3. 96

Dated 2nd March 1896
Ref *No.* 180/Spl. P

Subject.

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

No. 202 R dated 5. 3. 96

B/-

R. 17.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

READ the following

Letter from the Special Dy Collector of Pennar Dn B.M.Ry } H.E. Ref No. 180/Spl. P dated 3rd March 1896 submitting draft declaration for acquisition of land required for a quarry of the B. M. Ry, in Pandlur village of the Nellore District.

The notification as amended by Government is approved and will be published in the *Fort St. George Gazette.*

5/3

R.

To

The Engin. ch: Bez: Madras Ry
" Collector of Nellore
Notification to Press.
Spl. Dy Collector of Pennar Dn B.M.Ry
Dpd. 5/3.

Bf. No. 202.R dated 5.3.96

29/3 10/3

Public Works (189 /) Department.

CURRENT No. 11050

H.E. the Governor 28P

Order

A.S.H. 6.12.96 W.P. 10/12/96

No 3919 of 8-12-96.

Copy forwarded to the Agent S. I. Railway with reference to his letter No. 877 of 26 Septr 1896.

F.W.F. 5/12

for E R

on 8/12/96

The Hon'ble Mr Bliss, C.I.E.
The Hon'ble Mr Grose, C.I.E.

From The Government of India P. W. D.

No. 1802 R.C.

Dated 30th November 1896

Received 5. 12. 96

Enclosures

Spare copies

SUBJECT.

Tinnevelly 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.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Print

5/12

22 P

All communications 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". Flag M

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- Flag B Flag K Flag S

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.

S.C.B.

18.58

SERIAL No. 28

Extract from Agent SIR letter to Board No. 514 d/ 30. 12. 1896.

AR

AR should see this after CR. has noted it

FWT 14/1/97

SIR FWT

CR EW 11/1

d2 CM

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.

CR

1611

His Excellency the Governor
for perusal

HW 16/1/97

H.R.
await delivery
of draft R.B. in
which this is
embodied HW 21/1/97

I agree with Major Waller in all that he says in the para. marked with red ink, and I think these considerations shd be pressed on the Agent S.I.R. He should be told that if his Company raises difficulties, ~~he will~~ it will incur the risk 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 unwise to try and drive a hard bargain as to the actual expense of working the branch.

A.S.H.
20.1.97

HG 18/1/97
R/21.1.97

E.R. Tinnevelly Quilon Railway 29

These proposals for the working of the projected T.Q. Ry are as yet a mere recommendation from the Agent to his Board. They may not be approved by the Board & may be greatly modified before they are finally submitted to Govt, so that no action in regard to them is necessary nor does any detailed examination of the proposals seem required at this stage.

The Agents' recommendation is that the Branch Line should be charged with its own actual working expenses in cases where these can be separately ascertained, and that in cases 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 when a Main Line works a Branch at actual cost and at the same time takes no share of the net earnings of the Branch every single 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 where the Main Line receives a percentage of the net earnings of a Branch it will endeavour 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 unaffected by the amount of expenses charged to the Branch and has no interest in keeping these down to the lowest limits a proven

the

I am … cases like th… would generally

be found more profitable … the Branch

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… to make … the working

circumstances which would deprive

main line of all interest in its economical &

successful working.

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

D.O

Govt. of Madras
P. W. Secretariat Railway Branch
Ootacamund, the 22d Jany 1897

H.E. the Governor

Draft D.O. to Agent. S.I.R. for approval

(Intd) F.D.F. 18/1/97.

(Intd) A.E.H. 20.1.97

My dear Shelley,

With reference to your D.O. dated January, 8th, which I took to Council on Friday last, together with papers connected with the Madura-Pamban 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.I.R. of subsidiary companies to work the Madura-Pamban 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

[illegible] and

[illegible] Governor wishes

[illegible] India [illegible]

[illegible] meets only once a year and that meeting for the [illegible] 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 Madura-Pamban, the Tinnevelly-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 Tinnevelly-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, 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 Tinnevelly-Quilon and thereby prejudice their chances of being allowed to promote other feeders such as the Madura-Pamban.

Yours Sincerely,

(Signed) F. D. Fowler

Tinnevelly Quilon Rly

H.E. the Governor

The action ordered in your Excellency's note below has already been taken in the D.O.x letter to the Agent S.I.R. (re Madura-Pamban) approved 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

22/1/97

x in sealed cover put up.

No further action needed at present.

A.S.H.
23.1.97

26/1/97 File

27/1/97

25/1/97

29/1

22.1.97 R/25.1.97

SERIAL 32

Jan 23rd 1897

Trichinopoly.

My dear Fowler,

Thanks for your D.O of Jany 22nd which I propose to send home unofficially so that the Board may recognize the consequences of following my lead about the T.Q. Ry. I quite agree in a general way with the sentiments of the Govt of India, but few hard & fast decide. They know that I think the S.I. Ry surplus profits will be reduced by working the T.Q. Ry at anything under actual expenses, and with your D.O. before them they will be aware that India will punish them if they dont decide to accept the loss.

I am not quite sure whether it is not the duty of the Company seeing that it gets 4½ per cent on its Capital to help Govnt in developing neighbouring railway extension, but shareholders are not always noble enough to give up money for the good of the State. Kimber's view of working feeder lines is that the Company should always insist on a clause in the agreement protecting it against loss, and I dont think he will agree to our surplus profits being decreased for the public good.

Sincerely Yours

A. W. G. Shelley

rules are universally suitable. Unless I am mistaken even when the T.Q. 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

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[illegible] All
Circulate for information 79 S/o
JHA
16/2/97

P.W.
157
1897

SERIAL
No. 33

57

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.

Flag G

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.

Flag H

Flag P

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 apportioned between the parent and branch lines on the basis of their respective train mileages per half-year.

Flag G

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.

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minate, as far as possible from any working arrange-
which might be a source of disputes.

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a basis 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

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 minimum charge—a percentage of the gross earnings of the Tinnevelly-Quilon line might not be quoted as a fair

hich 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

Tinnevelly-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.

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

Circulated for information to
H.E. the Governor
Hon Mr H.W. Bliss C.S.I.
Hon: Mr J. Grose C.S.I.

S.S.H.
24.2.97.

2/3/97

I see that the stage at which the discussion about the construction and working of the Tinnevelly Quilon Ry has arrived is as follows. The Agent recommended to his Board that it be worked upon the basis of actuals where ascertainable, and a distribution of expenses in proportion to train mileage where actuals were not so easily ascertainable. The Board's reply, dated

H.S. 22.2.97 R. 25.2.97

[illegible] to Agent
system for working the
[illegible] agree [illegible]

In Sept 96, Best & Co. applied for a concession, on branch line terms, on a State guarantee of 3 per cent plus half the surplus profit.

In Dec. 95 this Govt., in sending up the project to India had advised that the S. I. R. should get it.

In Sept 96 the Agent S. I. R. advised its being worked by S. I. at actual cost on gross working, and his Board's reply to this is given overleaf.

In Sept 96 India, in letter No. 1304-R.C. made very definite proposals for the formation of a Company on Branch line terms, with a 3% guarantee. They directed that the first refusal of the construction and working of the branch should be offered to the South Indian Ry Company. As these proposals being submitted to Agent he made further enquiries through us from India, the reply being India's No. 1802-R.C. dated the 30th Nov. 96.

We now await the Agent's S. I. R. reply to his Board's letter No. 183. dated Jan 22d 97.

FHS
2/4/97

SOUTH INDIAN RAILWAY COMPANY, LIMITED.

AGENT'S OFFICE,

528.

Trichinopoly, 7th April, 1897.

will
C R please Note an Agent's advice to the Board. FHS
23/4/97

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:—

(*a*). 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.

(*b*). 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.

(*c*). 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/$\frac{6207}{761}$ 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 proposal 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. 89, 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 Tinnevelly-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 Tinnevelly-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./$\frac{2741}{723}$ 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/$\frac{6992}{665}$ dated 23rd March, 1897, from the Chief Engineer, and letter No 96 G/$\frac{13638}{B.295}$ 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

2188 c

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 Tinnevelly-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 Tinnevelly-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 Tinnevelly-Quilon to the South Indian Railway.

My remarks regarding the necessity for protecting the Company against loss in the event of the Tinnevelly-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 Tinnevelly-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.

R.

We can do nothing now until a reply is received by the Agent from his Board. I have, demi officially, sent a copy of Major Walker's Note to General Sir E C S Williams KCIE. at the India Office. He will probably find it useful in talking things over with the Company's Directors at the next Board Meeting. and it may influence their decision.

File

F. E. S.

11/5/97

11/5

Tinnevelly Quilon Railway

37

E. R.

The Agent's recommendation in reply to the Board's enquiry is that the S. I. R. Co. should offer to work the T. Q. Ry 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, & thereafter of Rs 70 per mile per week. Rolling Stock to be provided by the Branch Line, or interest at 5% on the Capital cost of Stock required to be paid in lieu.

I am afraid that this condition as to the minimum charge of Rs 80 per mile per week must be considered to put an effectual stop to the proposals for carrying out this Branch. I do not think this line could be expected to earn much more than Rs 85 to Rs 100 per mile per week, at all events for many years, and the Agent's terms would therefore mean that the whole, or almost the whole, of the gross earnings of the line would be absorbed in the charge for working expenses, leaving the guarantors to provide the interest on the Capital raised. I do not suppose Govt or the Travancore State would be willing to guarantee interest on Capital with such a prospect before them, or that any Company would come forward to undertake the line under such conditions. Unless then the Home Board are willing to offer much more liberal terms than their Agent is disposed to recommend, there will be an end to the proposals for this Branch.

In making his recommendations as to the minimum charge which will absolutely protect the Co. from loss in working the Branch, the Agent has admittedly omitted to take into consideration any of the gains to the Main Line from traffic brought to it by the Branch. He has also in forming his charge for working omitted to take into consideration the gain which would accrue to the Main Line in transferring a proportion of the fixed general & supervision charges on to the Branch. His proposals may therefore be said to ensure to the Co. the whole, if not much more than the whole, cost of working the Branch while leaving the gains a profit to be devoted intact for the Co.

We do not expect Railway Co. to come forward as pure philanthropists to provide India with Branch & Extension Lines out of their surplus profits, but if they are so inordinately cautious in avoiding the slightest shadow of risk to present profits, when asked to encourage projected extensions, which may, & probably will, largely enhance their future gains, there is an end to all enterprise ~~&~~ to all hope of extensions by the help & by the agency of the Companies themselves. It is to be hoped that after all the Home Board may in this matter prove to be more enterprising & less cautious about ~~suffering~~ chances of suffering loss than the Agent seems to be.

As regards the considerations on which the Agent has fixed his minimum charge at Rs 80 per mile per week — he estimates the traffic at about half the average of the S.I.R. & I do not think any fault can be found with this estimate. The statistics of this Railway show that where very abnormal conditions do not exist, the working expenses tend to vary almost directly as the traffic. We might therefore ordinarily expect for the T.Q. Ry a minimum charge of about half that of the S.I.R. or say about Rs 45 to Rs 50 a mile a week for working expenses. The Agent on various considerations however fixes this charge at Rs 80, or a "reduction" of only Rs 9 a mile on traffic on the S.I.R.

Taking the points in detail, I am unable to say anything as regards the considerations which have caused the Agent to fix Maintenance Charges at Rs 35 against Rs 19.6.2 on the S.I.R. as these depend on special engineering features of the line of which I know nothing. As regards Abstract B there would certainly be a greater expense in fuel in working traffic over a Ghat Section than over the comparatively level sections of the S.I.R. but I understand that the T.Q. Ry passes for a great part of its length through State forests from which wood fuel for working the line would be obtainable at abnormally cheap rates. The cheapness of this fuel compared with the cost of coal imported from Bengal such as is used over the S.I.R. might be taken as a fair set off to the extra cost of Ghat working. In addition, the extra Locos for the T.Q. Ry, being new, would require little in the way of repairs & renewals for many years. Under Abstract C I do not think there are any grounds for increasing expenses on account of Ghat working above half the rate for the S.I.Ry, while, as in the case of Locos, the stock for the T.Q.R. being new, would require little in the way of repairs & renewals. Under Traffic Expenses, the extra cost attributed to the alleged feverish nature of the hill section appears somewhat exaggerated if not fanciful. When substantial permanent qrs are built for the staff in such localities it is often found that districts before declared to be almost uninhabitable ~~found to~~ lose their evil name for unhealthiness & can be worked without the necessity for granting special allowances, for instance the Cumbum Nandyal section of the S.M.R. where special fever allowances used to be given to induce the staff to remain, but such were subsequently found to be quite unnecessary when the line was open & permanent quarters built.

[illegible] charges [illegible] are [illegible]

[illegible] expenses

[illegible] with the

[illegible] of the same required for [illegible] to be the working, rather than [illegible] the tolls.

In [illegible] working say 5 % of gross earnings want [illegible] maintenance of the Chief Section I [illegible] would not be running an undue risk for the S.I.R. to undertake the working of the [illegible] Section at the minimum charges given below; while considering the direct & indirect gains to the Co. from extensions of their system, I think it would be showing no more than a proper spirit of enterprise for them to agree to [illegible] the working at their own percentage

[illegible] Maintenance	Rs [illegible]5	per mile per week
b Locomotive Expenses	7	" "
c Carriage & Wagon do	5	
d Traffic Expenses	7	
e General Charges	5	"
f Miscellaneous Expenses	·75	
[illegible] Stock	4·00	
Total	Rs 53·75	

In conclusion [illegible] would like to draw attention to the [illegible] Terms which a neighbouring Native State Railway [illegible] the S.M.Ry [illegible] for the working [illegible] branches & Extensions. This line [illegible] average [illegible] works at its [illegible] Junctions, Branches

makes no charge for hire of Rolling Stock against 4 of the Branches (the Mysore State Ry providing its own Stock) and in no case does it charge for interest on the Capital cost of works at Stations which are jointly used by any of the Branches.

Mysore State Railway	Rs 102 a mile a week
Guntakal Hindupur Ry	Rs 71 " "
Yeshwantpur Hindupur Ry	Rs 72 " "
Kolhapur State Railway	Rs 80 " "
Nanjangud Extension Ry	Rs 49 " "

If the views held on the S.I. Ry as to the loss which a Main Line Administration must incur from working at its own percentage of expenses, a Branch Line which earns less average receipts than its own, were correct & sound, the working by the S.M.Ry of these Branches & Extensions on such terms would have proved almost ruinous to the Main Line Co. So far from this being the case however, the S.M.R. after years of almost stagnation took an immense bound forward in prosperity when it undertook the working of the Branches

EWaller
C R 29/4/97

EM

The latter portion of CR's note is I think the most convincing part of it, an ounce of fact being worth a pound of theory. We can do nothing to help matters on now & must wait Board's reply. Personally I shall not 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 Durbar 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

3/5/97

Typewrite the note.

FJS
3/5/97

SERIAL
No. 41

Public Works (1897) Department.

CURRENT No. 5183

[illegible]

Order

From
The Govt of India
P. W. D.

Telegram. *No.* 869 RC

Dated 25-5-97

Received 26-5-97

Enclosures

Spare copies

SUBJECT.

Tinnevelly Quilon Ry

Requesting to expedite reply. to its No. 1802 RC. d/ 30-11-96. re: the proposed working of the —— as part of the S. I. Ry. undertaking.

O.S. 136

APF

Department. Date.

G.O.

Form No. 27.

DRAFT TELEGRAM ~~Urgent~~ ~~Ordinary~~ Deferred

From
E. R.
Work Ry
Ootacamund

To
Works
Simla

No. 4A/-

Your 869 R. C x Correspondence proceeding between Agent and Board about terms for working Tinnevelly Quilon x Boards reply soon due result will be communicated.

(Initialled) F.J.E.S.

Despd
28/5/97

Cons: Engr's current No. 2933

24 P

SERIAL No. 43

No. 689 Print

South Indian Railway Co., Ld.
AGENT'S OFFICE,
Trichinopoly, 6th July 1897.

From
THE AGENT,
SOUTH INDIAN RAILWAY,

To
THE CONSULTING ENGINEER
FOR RAILWAYS,
MADRAS.

This can wait for
CRS reply FWT

Rly E

Sir,

With reference to the correspondence terminating with your endorsement No. 3919 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 Tinnevelly-Quilon 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 Tinnevelly-Quilon Railway reducible to 45 per cent if the Tinnevelly-Quilon 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.W.G. Shelley
Captain, R.E.
Agent

2933
7/7/97

From
The Agent,
South Indian Railway,
Trichinopoly.
To
The Consulting Engineer for
Railways,
Madras.
Dated 189
Received
No.
Enclosure.

SERIAL No. 46

1,000—5-3-96.
Form No. 20.

Print

25 P

TELEGRAM ~~Urgent~~ ~~Ordinary~~ Deferred

SERIAL No. 44

From E.R. To Works

6 feet × ~~Ref~~ Your 869 RL. reply from Agent just received states that Board will consider favourably any terms of working Timmery Quilon which will secure Sylvia from loss & give some chance of profit. Board proposes to charge actual cost of maintainance exclusive of salary of Chief Engineer & his office all other items of expenditure including use of rolling stock to be covered by charge of 50 per cent of Timmerly Quilon gross receipts or as an alternative will construct British portion of line as part of Sylvia undertaking. Letter follows.

SWF 8/7/97

Despd 9. 8/7/97

AN
despatch & send copy of letter to C.R.
for favour of note

gineer for Railways,
July 1897.

y, No. 689
Examiner of Railway

SWForster
for E. R.

pers, which are

EWallace
C R 14/7/97

14.7.97

AN
[illegible]
[illegible]

See note overleaf
HW 19/7/97

P.T.O.

2933
7/7/97

From
The Agent,
South Indian Railway,
Trichinopoly.
To
The Consulting Engineer for
Railways,
Madras.
Dated } 189
Received }
No.
Enclosure.

14.7.97

Form No. 21.
500—7-1-97.

SERIAL No. 46

EXAMINER,
Regr. No. 420
12 JUL. 1897
Enclosures
RAILWAY ACCOUNTS, MADRAS.

Office of the Consulting Engineer for Railways,
Madras, 12th July 1897.

No. 2287

OFFICE NOTE.

AW 12/7/97

Copy of Letter from the Agent, South Indian Railway, No. 689 dated 6th July 1897, forwarded to the Examiner of Railway Accounts. for favour of note.

Papers are at O.C.G.

for E. R.

EXAMINER'S REPLY.

E.R.

I would like to see the previous papers, which are at Ooty before noting on this case

E. Wallace
CR 14/7/97.

A.G.

Send them [illegible]

treat as urgent

[illegible]

See note overleaf
AW 17/7/97

P.T.O.

S.I.R.

The terms agreed by the Board briefly are:—

Maintenance to be actuals

All other working expenses to be covered by a charge of 45% of gross earnings

Use of Rolling Stock to be charged for at 5% of gross earnings

Although not so favourable as the "Branch Line Terms" laid down by the Govt. of India, yet these terms are a great advance on the Agents' proposals under which a minimum charge of Rs 80 per mile per week was to be adopted, and I think that on 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 such being charged by a Main Line working a Branch, yet if ever such course is permissible, it is I think, in a case of this kind where the working of a ghat section is undertaken, the maintenance of which will probably be far heavier & more expensive than the average maintenance of the Main Line, so that I do not think any objection need be taken here to the proposals to charge for maintenance on the basis of actual cost.

As regards the charge for all other working expenses at 45% of gross earnings, I give in the margin× the actuals & average percentages of other working expenses of the S.I.R. for the last 3 years

× 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

It will be seen that the figure proposed by the Board is only ·83 higher than the average of 3 years, or about 2% of gross earnings more than the figure of the last half year.

Considering this 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 S.I.R. system. This would be an improvement, and would make the terms identically the same as those on which the Madras Ry. now work the [illegible] Section, & which terms have, I think, been adopted in other cases also; that is, without any much difference in detail, it would bring the terms into accord with some existing [illegible] Agreements.

CWallace
C R 19/7/97

2

1896

Public Works (~~190~~) Department.