

# Public Works (1896) Department.

RAILWAY BRANCH.

G.O., No. 480 R

DATED 30<sup>th</sup> May 1896.

[Despatch Abstract.]

Calicut-Cannanore extension.—Letter to the Government of India enquiring how the matter of the project for the—Stands and requesting that its views on the whole subject may be communicated to this Government as early as possible.

[illegible]

| G.O. | No. | Department. | Date. | G.O. | No. | Department. | Date. |
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City of Los Angeles + T. C. C.  
 This Office  
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Government of Madras.

To

THE SECY. TO THE GOVT. OF INDIA,

P. W. DEPARTMENT.

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Dated 30<sup>th</sup> May 1896.

SIR,

With reference to the  
correspondence noted in the

Gontof Madras. No: 775 R of 18.11.95  
Gont of India. No: 1534 R of 13.12.95  
Gont of Madras. No: 145 R of 21.2.96.

margin,

I am directed

to enquire how the matter stands, i.e., whether the Govt of India approve of the project for the Calicut-Cannanore extension and has communicated its approval to the Secy. of State, and what are its views as to the methods to be adopted for raising funds for the same, and whether this Government can do anything to forward the matter?

2. I am desirous to say  
that

that the Governor in Council observed that the Board of the Madras Ry Co in its No. 7913 of 20 December 1895, to the Under Secretary of State (Copy attached to this Govt. No. 145 R of 21.2.96) suggested the raising of funds under its existing powers partly in India in Silver Debentures at say 4 percent, and the rest in England in Sterling Debentures at say  $2\frac{3}{4}$  per cent, and it added that if the Govt of India was disinclined to accept this arrangement, it "would be glad to consider any other method for raising the required Capital" or "to learn whether there were any other terms on which the Secy. of State would be prepared to sanction the immediate construction of that extension". So far as this Govt is aware, no other terms have been suggested.

3. This Govt. has already expressed (in the communications noted in the margin)

\* No. 4068 of 20.6.94.  
No. 366 R of 23.5.95  
No. 775 R of 18.11.95

its opinion that this particular extension is likely to be a profitable one, and that it would be more economical to the State, if it be constructed with Capital raised either by Govt, or by the Madras Ry Company, rather than by a third party. It is further of opinion that it would be desirable to accept the proposals already made by the Madras Ry, or if this is not approved by the Govt of India, it suggests that a definite proposal should be made to the Madras Ry based on the new Branch line term laid down in Govt of India Circular No. 514 R.C. of 17.4.96.

4. I am to observe that in the somewhat parallel case of the East Indian Ry extension power has been conferred (see act received under Govt of India No. 530 R of 3<sup>d</sup> December 1895) on that Company as follows:—

(a) to raise Capital or debentures guaranteed by the Secretary of State (for the general purpose of the undertaking or for extensions considered to be an integral part thereof)

(b)

(h) to enter into Contracts for the construction of branches not considered integral portions of the undertaking & to guarantee the cost out of the surplus profits of the undertaking;

In the case of the Madras Railway, however, power for (a) exists already under the existing acts; and the alternative (h) is not considered by H.E. in Council to be applicable to this particular case, as the extension to Cannanore should in his opinion be considered as an integral portion of the Madras Ry.

5. I am desired to add that H.E. in Council earnestly hopes that no efforts may be spared to expedite the construction of this project and he requests that the views of the Govt of India on the whole subject may be communicated to him as early as possible. It is highly desirable that the Madras Ry. Company should be in a position to begin work by September next, when the favourable season will have set in.

Gov. C. W. H.

30/5/96.

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No: 480 R of 30. May/96.

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