

Public Works (1897) Department.

RAILWAY BRANCH.

G.O., No. 531-32 R

DATED 5 August 1897

[Despatch Abstract.]

Trivellore Quilon Railway The Resident in Travancore informed that certain proposals for the construction and working of the ——— by the South Indian Railway have been forwarded to the Govt of India.

Letter to the Govt of India submitting certain proposals for the construction & working of the ——— of the South Indian Ry.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
	482	R. (B)	30-5-96				
	706	R	18-8-96				
	791	R.	17-9-96				
	834	R	1-10-96				
	954	R	10-11-96				

FURTHER PAPERS.

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

RAILWAY.

Government {1897} of Madras. PUBLIC WORKS.

Recd.

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1897.

Enclosures

Spare copies

G.O., No. 531 R., 5th August 1897

AUGUST.

Tinnevely-Quilon Railway

The Resident in Travancore informed that certain proposals for the construction and working of the — by the South Indian Railway have been forwarded to the Government of India.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

From—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—Ootacamund, 30th May 1896, No. 482 R.

In continuation of my No. 857 R. of 13th December 1895, I am directed to enquire how the case of the Tinnevelly-Quilon project now stands, and whether this Government can do anything to forward its early commencement.

2. I am to state that in February last the Dewan of Travancore asked "to be informed of the terms on which the Government has recommended the construction of the Railway by the South Indian Railway Company" but as yet, so far as this Government is aware, it has not been definitely offered to this Company.

3. I am to request therefore that the views of the Government of India on the subject may be communicated to this Government in due course, and to express a hope that this project, which has been under discussion for so many years, may now be undertaken at an early date.

From—The Resident in Travancore and Cochin.
To—The Consulting Engineer for Railways, Madras.
Dated—Trivandrum, 27th July 1896, Ref. on C. No. 2304.

Referring to your letter No. 708 of the 3rd March last, I have the honour to request at the instance of the Dewan of Travancore, that you will be so good as to let me know at what stage the negotiations connected with the proposed Tinnevelly-Quilon Railway now stand and whether there is any prospect of the matter coming to a satisfactory conclusion soon. The Dewan intimates that the Government of His Highness the Maharajah is anxious that the project should be taken in hand at as early a date as possible.

Extract from a letter from the Agent, South Indian Railway Co., to his Board of Directors, No. 497, dated 1st September 1896.

Tinnevelly-Quilon Railway.

I have placed in the post packet a letter dated 21st August 1896, from Messrs. Best & Co., stating that the firm have every reason to believe that, provided the co-operation of the South Indian Railway Company is secured, they will be able to float a Company and raise the necessary funds for the construction of the Tinnevelly-Quilon Railway. Messrs. Best & Co. also enquire:—

(1) Whether the South Indian Railway Company will consent to construct and work the proposed line in terms of Govt. of India Resolution, No. 514 R.C., dated 17th April 1896.

(2) If the terms of this Resolution are not acceptable *in toto*, will the Company be prepared to accept certain modifications to the same, and if so on what conditions will construction and working be undertaken.

Should the South Indian Railway Co. decide on acting in concert with Messrs. Best & Co. on terms mutually acceptable, they propose to form a Company which will receive an absolute guarantee of interest under paragraph 2 VI-A. of the Government of India Resolution previously referred to, a copy of which was sent to you with my letter No. 484 of 2nd June 1896.

Under clause 10 of the contract of 24th November 1890, between the Secretary of State and the South Indian Railway Company (Limited), the Company can be required to construct on behalf of any local authority any such metre gauge extension of the South Indian Railway as such authority may desire to have worked through the agency of the Company, upon terms to be specially agreed upon in each case between the Company and the said authority, with the sanction of the Secretary of State. The Company proposed to be formed by Messrs. Best & Co. can hardly be considered as falling within the meaning of the term "local authority," and it is therefore presumed that, before negotiations can be opened with Messrs. Best & Co., the Secretary of State's prior sanction will be required.

As the Board are aware the connection proposed between Tinnevelly and Quilon is that known as the northern route, an alignment which, though known to traverse difficult and poor country, has been accepted by the Government of India in deference to the wish of the Travancore Government. The line was surveyed by Mr. E. I. Shadbolt in 1895, who, in reporting on its traffic prospects, considered that the weekly mileage receipts would average Rs. 137, which figure he increased by comparison with the Podanur-Calicut section of the Madras Railway to Rs. 150. The first 45 miles from Tinnevelly to Shenkoda is stated to traverse a fertile and productive district about half of which lies in the valley of the Tambraparni, from which river it is irrigated. Mr. Shadbolt estimates the weekly mileage receipts from this section at Rs. 250, basing this conclusion on the receipts derived from that portion of the Erode Branch which traverses the Cauvery valley. I do not think this basis of comparison is justifiable, for the width of the fertile zone between Tinnevelly and Shenkoda is admittedly very narrow, probably not averaging more than three miles, while the Erode Branch, in addition to serving a far more extensive area, carries a large amount of through traffic. So far therefore from accepting Mr. Shadbolt's estimate I think Rs. 150 per mile per week would be the very outside limit at which the receipts of the Tinnevelly-Shenkoda section should be taken. The remaining 58 miles of the proposed line is admittedly as poor as it well can be, and Mr. Shadbolt's estimate of Rs. 50 per mile per week is not likely to be too low. I am therefore inclined to think that the following estimate of receipts would be very liberal:—

45 miles at Rs. 150 =	Rs. 6,750
58 „ „ „ 50 =	„ 2,900
Total 103 miles	Rs. 9,650 or an average of Rs. 94 per mile per week.

The working expenses of the Tinnevelly-Quilon Railway are certain to be heavy. About 43 miles out of the total length of 103 miles traverse the Travancore Hills, which are crossed by the Ariankavu pass at an elevation of 1,140 feet. This ghât section comprises several viaducts and five tunnels besides involving heavy work generally. The ruling gradient adopted is 1 in 80, and it is proposed to use a light 41½ lb. steel rail laid on jungle wood sleepers locally procured. Under these circumstances there can be no reasonable doubt that the line will be expensive both to maintain and work. The South Indian Railway, including the Mayavaram-Mutupet and Pondicherry Railways, has been worked during the past three half-years at an average cost of Rs. 89 per mile per week, and I do not think the working expenses on the Tinnevelly-Quilon Railway would be less. It is true that the parent line has a much heavier traffic than the branch line is likely to have, and also that wood fuel would probably be cheap on the latter, but against this has to be reckoned the heavy grades of the proposed line, the feverish country it traverses, and the liability of a mountain line to damage. The use of the light rail and jungle wood sleepers is certain to run up maintenance charges, and probably Government would insist on renewals with more durable permanent-way being undertaken at the cost of revenue. Taking the cost of working at Rs. 89, and the gross receipts at Rs. 94, per mile per week, the Tinnevelly-Quilon Railway could not be worked for less than 94½ per cent. of its gross earnings. In Government of India Resolution No. 514 R.C., dated 17th April 1896, clause 3 (5) it is laid down that working expenses including charges for the hire of rolling stock shall not exceed 50 per cent. of the gross revenue, a restriction which renders our working the proposed line on the terms of the Resolution quite impossible. I am not sure whether the Government of India would be disposed to modify the conditions of the Resolution, but I think it not improbable, considering the nature of the project. If the Board decide to submit proposals outside the limits of the Resolution, I would suggest that an offer be made to construct the line, provided that the Company be allowed to work it at actual cost, control and supervision charges, &c., being apportioned relatively to the expenditures of the parent and worked lines. I would also suggest that clause 3 (3) of the resolution be modified to permit of our own telegraph instruments being used. Under these terms the only remuneration we should receive for constructing and working the Tinnevelly-Quilon Railway would be the receipts derived from the interchanged traffic carried over the South Indian Railway. I shall be glad to receive the early instructions of the Board, and in the meantime I am informing Messrs. Best & Co. that I have referred their letter to the Board for instructions.

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Railway Branch.
Dated—Simla, 2nd September 1896, No. 1304 R.C.

I am directed to acknowledge the receipt of your letter No. 857 R., dated 13th December 1895, forwarding the survey report and estimates of the cost of the proposed Tinnevely-Quilon Railway, together with correspondence from the Travancore Durbar, and a recommendation by His Excellency the Governor in Council that the construction of this line be offered to the South Indian Railway Company, with such support as the Travancore Government may be prepared to give for the portion of the railway passing through that State.

2. I am also to acknowledge the receipt of your letter No. 482 R., dated 30th May 1896, enquiring how the case of this line stands, and stating that the Travancore Durbar have asked to be informed of the terms on which the Government of India have recommended its construction by the South Indian Railway Company.

3. In reply I am to inform you that the Government of India have had under consideration the several proposals that have been put forward from time to time for the construction of this railway by the agency of a Company under guarantee by the Travancore State and by the Government of India, as well as the suggestion of the Government of Madras that it should be constructed (from funds to be provided by the Government of India) as an integral part of the South Indian Railway undertaking.

4. The Government of India have come to the conclusion that the best and simplest plan to ensure the early construction of this railway upon suitable conditions, would be to permit a Company to provide the funds under the terms recently offered in paragraph 2, vi (a) of Public Works Department Resolution No. 514 R.C., dated 17th April 1896, for branch lines, the Government of India guaranteeing to the share-holders of the Branch Line Company the interest at 3 per cent. on the actual capital expenditure on the whole length of 103 miles, and the Travancore State underwriting that guarantee so far as it relates to the cost of the section of the railway in that State.

5. It is considered that, with the concurrence of the South Indian Railway administration, the Travancore Branch Railway should be constructed by, and worked as part of, the undertaking of the South Indian Railway to which it would act as a feeder. In the event of there being any surplus profits, in excess of the guaranteed 3 per cent. interest out of the net earnings, it is proposed that such share of the surplus profits as may be retained by the Government of India as guarantor, shall be divided between the Government of India and the Travancore State in proportion to the capital cost of the sections of the line in British territory and the Travancore State respectively.

6. With regard to terms for purchase I am to say that the Government of India propose to reserve to themselves the option of purchasing the entire branch at the end of 21 years and thereafter at intervals of 10 years on the terms mentioned in paragraph 4 of Government of India Resolution No. 514 R.C., dated 17th April 1896.

7. In the event of its being decided to exercise this right of purchase, the Government of India would be prepared to offer to the Travancore State the option of purchasing the section of the line within its territory, the Government of India and the Travancore State each bearing a share of the total purchase price (as determined under paragraph 4 of the Resolution) of the whole line proportionate to the capital cost of its own section.

Should the Durbar effect this purchase a choice between the following two courses would be given to it:—

(a) The Durbar may work its own portion as an independent line, or have it worked for it by the parent line, on the responsibility and at the risk of the Durbar.

(b) The two sections may be worked by the Government of India as a single line, the net earnings thereof being divided in equal shares, but the Government of India (the proprietor of the best paying section of the branch railway) guaranteeing to

the Durbar, out of the Government's share of the net earnings of the branch railway, such an amount as will make up the Durbar's share to 3 per cent. upon its outlay on the purchase of its section.

8. I am to request that with the permission of His Excellency the Governor you will be good enough to ascertain whether the terms proposed above are acceptable to the Travancore Durbar and to the South Indian Railway Company, and that the Government of India may be favoured with a very early reply.

Order—No. 791 R., dated 17th September 1896.

Forwarded to the Agent, South Indian Railway, and to the Political Department, for transmission to the Resident in Travancore, for favour of very early reply.

From—The Agent, South Indian Railway.
To—The Consulting Engineer for Railways, Madras.
Dated—Trichinopoly, 24th September 1896, No. 877.

With reference to G.O., No. 791 R., dated 17th September 1896, I have the honour to inform you that the proposals of the Government of India detailed in its letter No. 1304 R.C., dated 2nd September 1896, will, in so far as they affect this administration, require the decision of the Board of Directors. I will refer the matter home by the next mail, and in the meantime I beg to refer you to the paragraph relating to the Tinnevely-Quilon Railway in my letter No. 497, dated 1st September 1896, to the Managing Director.

2. I do not understand the expression "and worked as part of the undertaking of the South Indian Railway" in paragraph 5 of the Government of India letter under reference. If the Tinnevely-Quilon Railway is to form part of the undertaking of this administration the provisions of the contract would apply, conditions which, I think, are not intended by the Government of India, and would probably not be acceptable to my Board. I shall feel obliged if you will ascertain the intention of the Government of India as early as possible, as it will be necessary for the point to be cleared up before I address the Board of Directors.

From—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—1st October 1896, No. 834 R.

With reference to your letter No. 1304 R.C., dated 2nd September 1896, I am directed to forward copy of a letter from the Agent, South Indian Railway, No. 877, dated 24th September 1896.

2. It is observed that the first part of paragraph 5 of Government of India letter No. 1304 R.C. follows the wording of clause 9 of the contract between the Secretary of State and the South Indian Railway, but it would appear from the general tenor of the letter that an arrangement, such as that provided for in clause 10 of the contract, is contemplated.

3. I am to request that I may be informed what reply should be given to the Agent.

From—The Acting Resident in Travancore and Cochin.
To—The Chief Secretary to Government, Ootacamund.
Dated—Trivandrum, 26th September 1896, Ref. B. on C. No. 3005.

In accordance with the instructions conveyed in the papers recorded in G.O., No. 480, Political, dated 18th October 1890, I have the honour to forward herewith copy of a communication I have addressed to the Dewan of Travancore, with reference to G.O., R. No. 326, Political, dated 17th instant.

ENCLOSURE.

From—The Acting Resident, Travancore.
To—The Dewan of Travancore.
Dated—Trivandrum, 26th September 1896, Ref. A. on C. No. 3005.

With reference to your letter No. 2912/P.W. of the 22nd July last, I have the honour to inform you that the Government of India has had under consideration the several proposals that have been put forward from time to time for the construction of the Tinnevely-Quilon Railway, by the agency of a Company, under guarantee by the Travancore State and by the Government of India; as well as the suggestion of the Government of Madras that it should be constructed (from funds to be provided by the Government of India) as an integral part of the South Indian Railway undertaking; and has come to the conclusion that the best and simplest plan to ensure the early construction of this railway upon suitable conditions would be to permit a Company to provide the funds, under the terms recently offered in paragraph 2, VI (a) of the Resolution of the Government of India, Public Works Department, No. 514 R.C., dated 17th April 1896, for branch lines, that Government guaranteeing to the shareholders of the branch line Company the interest at 3 per cent. on the actual capital expenditure on the whole length of 103 miles, and the Travancore State underwriting that guarantee so far as it relates to the cost of the section of the railway in the State.

2. The Government of India considers that, with the concurrence of the South Indian Railway administration, the Travancore Branch Railway should be constructed by, and worked as part of, the undertaking of the South Indian Railway to which it would act as a feeder. In the event of there being any surplus profits, in excess of the guaranteed 3 per cent. interest, out of the net earnings, it is proposed that such share of the surplus profits as may be retained by the Government of India as guarantor shall be divided between the Government of India and the Travancore State in proportion to the capital cost of the sections of the line in British territory and the Travancore State, respectively.

3. As regards the terms of purchase, the Government of India proposes to reserve to itself the option of purchasing the entire branch at the end of 21 years, and thereafter at intervals of 10 years, on the terms mentioned in paragraph 4 of the Resolution of the Government of India quoted in paragraph 1 above. In the event of its being decided to exercise this right, however, the Government of India would offer to the State the option of purchasing the section of the line within its territory, that Government and the Travancore State each bearing a share of the total purchase price (as determined under paragraph 4 of the above Resolution) of the whole line, proportionate to the capital cost of its own section. Should the State effect this purchase, a choice between the following two courses would be given to it—

(a) It may work its own portion as an independent line, or have it worked for it by the parent line on its own responsibility and risk.

(b) The two sections may be worked by the Government of India as a single line, the net earnings thereof being divided in equal shares, but the Government of India (the proprietor of the best paying section of the branch railway) guaranteeing to the State out of that Government's share of the net earnings of the branch railway such an amount as will make up the Durbar's share to 3 per cent. upon its outlay on the purchase of its section.

4. I shall feel obliged if you will kindly let me know whether the above terms are acceptable to the Durbar. The favour of a very early reply is requested.

From—The Acting Resident in Travancore and Cochin.
To—The Chief Secretary to Government, Fort St. George.
Dated—Trivandrum, 12th October 1896, Ref. on C. No. 3105.

In continuation of my letter, Ref. B. on C. No. 3005, of the 26th ultimo, I have the honour to submit herewith letter No. 4104/P.W., of the 29th idem, from the Dewan of Travancore, stating that the Durbar fully accepts the terms offered by the Government of India for the construction of the proposed railway from Tinnevely to Quilon, and thanking His Excellency the Viceroy in Council and the Madras Government for the kindly interest taken by them in the furtherance of this important measure.

ENCLOSURE.

From—The Dewan of Travancore.
To—The British Resident in Travancore and Cochin.
Dated—Trivandrum, 29th September 1896, No. 4104. P.W.

I have the honour to acknowledge the receipt of your Ref. A. on C. No. 3005, dated 26th instant, communicating the final views of the Government of India on the question of the proposed railway from Tinnevely to Quilon, and inquiring whether the proposals therein contained are acceptable to this Government.

In reply, I beg to inform you that His Highness' Government consider the terms set forth in paragraphs 1, 2 and 3 of your letter quite satisfactory, and they fully accept the same. I note that, in the event of the Government of India deciding to exercise the right of purchasing the line under paragraph 4 of the resolution of the 17th April 1896 quoted in your letter, it would be open to His Highness' Government to purchase the section within this State and deal with it in the manner indicated either in clause (a) or clause (b) of paragraph 3 of your letter.

His Highness the Maharaja views with great pleasure the prospect of the early accomplishment of this long desired project which he feels would greatly promote the further development of his country and materially contribute to the increased prosperity and well-being of his people, and he is sincerely thankful to His Excellency the Viceroy and the Government of Madras for the kindly interest taken in the furtherance of this important measure.

Order—No. 377, Political, dated 24th October 1896.

Communicated to the Public Works Department.

From—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—Madras, 10th November 1896, No. 954 R.

With reference to the concluding paragraph of your letter No. 1304 R.C., dated 2nd September 1896, I am directed to forward copy of a letter No. 4104. P.W., dated 29th September 1896, from the Travancore Durbar, forwarded to this Government by the Resident in Travancore and Cochin, in which the proposals contained in your letter quoted above are accepted.

2. The views of the Agent, South Indian Railway, will be elicited on receipt of a reply to a letter from this Government, No. 834 R., dated 1st October 1896, in which further information is requested regarding the intention of paragraph 5 of Government of India letter No. 1304 R.C.

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
Dated—Calcutta, 30th November 1896, No. 1802 R.C.

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 Tinnevely-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 construction and working of the Tinnevely-Quilon Railway is awaited.

Endorsement from the Consulting Engineer for Railways, Madras,
dated 8th December 1896, No. 3919.

Copy forwarded to the Agent, South Indian Railway, with reference to his letter No. 877, dated 24th September 1896.

CORRESPONDENCE BETWEEN THE AGENT, SOUTH INDIAN RAILWAY, AND HIS BOARD OF DIRECTORS.

Extract from Agent's letter to his Board, dated 30th December 1896, No. 514.

Tinnevely-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 Tinnevely-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 paragraphs 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 Tinnevely-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 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 Tinnevely-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 percentage than 6½ per cent. should not be asked for from the branch line.

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

Extract from Board's letter to their Agent, dated 22nd January 1897, No. 183.

Tinnevely-Quilon Railway.

With your No. 514, dated 30th December 1896, you forwarded copy of a letter No. 1802 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 Tinnevely-Quilon Railway.

In your letter No. 497, dated 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.

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 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 arrangement, 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 expenses, 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.

Extract from Agent's letter to his Board, dated 7th April 1897, No. 528.

Tinnevely-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 Tinnevely-Quilon Railway not paying its working expenses.

The first point is explained in letter No. A. 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 safeguard the undertaking against loss, except in the case where the traffic is so large that the amount 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 Tinnevely-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 this 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:—

Abstract A. Maintenance	Rs. 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 south-west 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 ghât 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 ghât 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 below:—

Abstract A. Maintenance	Rs. 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

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 recoupment 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.

Extract from Board's letter to their Agent, South Indian Railway, dated 18th June 1897, No. 193.

Tinnevelly-Quilon Railway.

With reference to Government of India letter No. 1802 R.C., dated 30th November 1896, explaining the general terms on which it is desired that the South Indian Railway Company should work the proposed Tinnevelly-Quilon Railway, the Board, after full consideration of the subject, and of the views expressed in your letters No. 514 of 30th December 1896, and No. 528 of 7th April 1897, authorise you to reply to the above mentioned letter from the Government of India to the following effect.

The Board are willing to consider favourably any terms of working which may reasonably be calculated to secure the South Indian Company from actual loss on working, and to give some chance of participating in profit when made. They 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 gross receipts of the Tinnevelly-Quilon Railway, reducible to 45 per cent. if the Tinnevelly-Quilon Railway supply their 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.

From—The Agent, South Indian Railway.
To—The Consulting Engineer for Railways, Madras.
Dated—Trichinopoly, 6th July 1897, No. 689.

With reference to the correspondence terminating with your endorsement No. 3919, dated 8th December 1896, I have the honour 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.

Telegram from—The Secretary to the Govt. of India, Public Works Department.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
Dated—25th May 1897, No. 869 R.C.

Your letter numbered and dated as follows, 954 R., dated 10th November last, Tinnevelly-Quilon Railway. When may a reply be expected to my letter numbered and dated as follows, 1802 R.C., dated 30th November last. Please expedite.

Telegram from—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—8th July 1897, No. 6 A.

Your No. 869 R.C. Reply from Agent just received. States that Board will consider favourably any terms of working Tinnevelly-Quilon which will secure South Indian Railway from loss and give some chance of profit. Board proposes to charge actual cost of maintenance exclusive of salary of Chief Engineer and his office; all other items of expenditure including use of rolling stock to be covered by charge of 50 per cent. of Tinnevelly-Quilon gross receipts; or as an alternative will construct British portion of line as part of South Indian Railway undertaking. Letter follows.

From—The Acting Resident in Travancore and Cochin.
To—The Chief Secretary to the Government of Madras.
Dated—Camp, Cape Comorin, 5th July 1897, Ref. on C. No. 184 I.

Referring to G.O., R. No. 377, Political, dated the 24th October 1896, I have the honour to forward, herewith, copy of letter No. 2418 P.W., dated 28th ultimo, from the Dewan of Travancore requesting me to move Government in view to an early decision being arrived at regarding the Tinnevelly-Quilon Railway project. I may add that the Durbar is very disappointed that, after all conditions have been arranged and accepted, nothing has yet been settled by the South Indian Railway Company.

ENCLOSURE.

From—The Dewan of Travancore.
To—The British Resident in Travancore and Cochin.
Dated—Trivandrum, 28th June 1897, No. 2418 P.W.

I have the honour to remind you of my letter No. 4104, dated the 29th September 1896, regarding the Tinnevelly-Quilon Railway. I need hardly say that the project is one of deep interest to His Highness' Government and that they are anxious for its speedy accomplishment. I request, therefore, you will be good enough to move the British Government in view to an early settlement of the matter.

Order—R. No. 201, Political, dated 15th July 1897.

Communicated to the Public Works Department in continuation of G.O., R. No. 377, Political, dated 24th October 1896.

From—The Agent, South Indian Railway.
 To—The Consulting Engineer for Railways, Madras.
 Dated—22nd July 1897, No. 753.

In continuation of my letter, No. 745, dated 20th July 1897, I have the honour to inform you that I have received the following telegram from the Managing Director:—

“ Even assuming some delay in commencing work, Board are willing to undertake *en bloc* the three lines Madura-Pamban, Palghat-Dindigul, British portion Tinnevely-Quilon, as integral portions of South Indian; also construct Travancore portion at cost and work same at 50 per cent., provided first two years' maintenance charged to Capital. Communicate Government to ensure consideration Simla Conference in August.”

2. I presume this telegram is in reply to the message I wired at your request and of which I sent you a copy in my letter above quoted, although it does not deal specifically with the matter raised in Government of India letter, No. 837 R.C., dated 20th May 1897.

3. Will you kindly communicate the Board's telegram embodied in the first paragraph of this letter to the Government of India in time to admit of its consideration at the approaching Railway Conference.

Telegram from—The Secretary to the Government of India, Public Works Department.
 To—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
 Dated—14th July 1897, No. 1192 R.C.

Your letter numbered and dated as follows, 427 R., 1st instant. Please expedite reply to my letter numbered and dated as follows, 837 R.C., 20th May last, paragraph two Madura-Pamban.

Telegram from—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
 To—The Secretary to the Government of India, Public Works Department.
 Dated—Ootacamund, 23rd July 1897, No. 17 B.

Your wire No. 1192 R.C., fourteenth instant. Agent, South Indian, has received following wire from Board. Begins. Even assuming some delay in commencing work, Board are willing to undertake *en bloc* the three lines Madura-Pamban, Palghat-Dindigul, British portion Tinnevely-Quilon, as integral portions of South Indian; also construct Travancore portion at cost, and work same at 50 per cent., provided first two years' maintenance charged to Capital. Communicate Government to ensure consideration Simla Conference. Message ends. Views of this Government shall be communicated as early as possible.

ORDER—No. 531 R., dated 5th August 1897.

The Resident in Travancore and Cochin will be informed, in reply to his letter, C. No. 184 I., dated 5th July 1897, that the views of the Dewan of Travancore have been communicated to the Government of India with certain proposals for consideration at the coming Railway Conference to be held this month at Simla.

2. The Government of India will be addressed.

[Here enter No. 532 Ry., dated 5th August 1897.]

(True Extract.)

FRANCIS J. E. SPRING,
 Joint Secretary.

To the Agent, South Indian Railway.
 „ Political Department.

Exd. C. M. Thumbasawmy.

RAILWAY.

Government (1897) of Madras. PUBLIC WORKS.

Recd.

Regd.

1897.

Enclosures

Spare copies

Letter, No. 532 R., 5th August 1897.

AUGUST.

Tinnevely-Quilon Railway

Letter to the Government of India submitting certain proposals for the construction and working of the — by the South Indian Railway.

PUBLIC WORKS DEPARTMENT.

Railway.

LETTER—from

FRANCIS J. E. SPRING, ESQ., C.I.E.,

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

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,

PUBLIC WORKS DEPARTMENT.

SIR,

With reference to the correspondence on the subject of the Tinnevelly-Quilon Railway ending with your telegram No. 869 R.C., dated the 25th May 1897, and in confirmation of my telegram No. 6 A., dated the 8th July 1897, I am directed to forward a copy of a letter from the Agent, South Indian Railway Company, No. 689, dated the 6th July 1897, in which certain proposals for working the extension are made by his Board of Directors.

2. A later letter, however, has been received from the Agent, No. 753, dated the 22nd July 1897, of which the substance was communicated to you in my telegram No. 17 B., dated the 23rd July 1897. I am now desired to forward a copy of this letter, and, with reference thereto, to communicate the following remarks, as expressing the views of this Government.

3. As regards the Tinnevelly-Quilon Railway, the Company's offer is to construct the British portion, viz., the 45 miles from Tinnevelly to Shenakotta, as an integral portion of the South Indian Railway, presumably with State Guaranteed Debentures; and to construct the Travancore portion, 58½ miles, at cost price, and to work it at 50 per cent. with a special provision for the cost of maintenance for the first two years.

4. As regards the British portion, His Excellency the Governor in Council is of the opinion expressed in my Madura-Pamban letter No. 530 R. of this date, that unless the exigencies of the general railway programme for all India should make it impossible to allow the Company to raise State Guaranteed Debentures until after the expiry of, say, another two years, it will for all reasons be far preferable that this method of financing the extension should be adopted, in order that the section up to Shenakotta may form an integral part, for capital and working, of the South Indian Railway system. But should these exigencies cause the commencement of work on the extension to be considerably delayed, until the approaching completion of the programme foreshadowed in the Hon'ble Mr. Trevor's Memorandum of 26th March 1897 permits of work outside that programme being begun, this Government would beg that the South Indian Railway Company be given every encouragement to form a subsidiary Company, to be financially coupled with it through the rebate clauses of the Resolution No. 514 R.C. of the 17th April 1896. His Excellency in Council strongly deprecates the entrusting of the British section of the extension, which is for all intents and purposes a portion of the South Indian Railway Company's system, to an outside branch line Company not directly promoted by the parent Company.

5. As regards the Travancore portion of the extension, the Government of India are in possession of the Travancore Government's acceptance, communicated in my letter No. 954 R. of the 10th November 1896, of the terms proposed in your letter No. 1304 R.C., dated the 2nd September 1896, viz., that they should underwrite the proposed Government of India's guarantee in so far as it applies to the section lying within their State. There would presumably be no opposition on their part to a suggestion that they should similarly underwrite a corresponding British guarantee offered to a branch line Company owning the Shenakotta-Quilon Section only; and this course would be preferable to the offer to a Company of a direct Travancore Guarantee, which would probably have to be at the rate of 4 per cent. at the least. As the South Indian Railway Company now propose to work the Travancore Section at 50 per cent. of receipts, the guarantee would in all probability after the first two or three years be merely a nominal one.

6. I am desired to forward herewith a copy of a letter No. 184 I., dated the 5th July 1897, from the Acting Resident in Travancore and Cochin, giving cover to a letter from the Travancore Darbar, in which they strongly urge the importance of of this railway being soon taken in hand.

7. In conclusion, I am instructed to say that His Excellency the Governor of Madras in Council is very anxious to see this important extension brought to a practical issue. The comparatively low place allotted to the Tinnevelly-Quilon line in the programme of preference which accompanied my letter No. 332 R. of the 10th May 1897, must not, as indicated in paragraph 12 of that letter, be taken as a measure of the importance attached by this Government to its early completion; because the places allotted in that programme to the several projects were governed as often by consideration of expediency as of actual preference.

I have the honour to be,

Sir,

Your most obedient servant,

FRANCIS J. E. SPRING,
Joint Secretary.OOTACAMUND,
5th August 1897.

Exd. C. M. Thumbarawmy.

From—The Agent, South Indian Railway.
To—The Consulting Engineer for Railways, Madras.
Dated—Trichinopoly, 6th July 1897, No. 689.

With reference to the correspondence terminating with your endorsement No. 3919, dated 8th December 1896, I have the honour 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.

From—The Acting Resident in Travancore and Cochin.
To—The Chief Secretary to the Government of Madras.
Dated—Camp, Cape Comorin, 5th July 1897, Ref. on C. No. 184 I.

Referring to G.O., R. No. 377, Political, dated the 24th October 1896, I have the honour to forward, herewith, copy of letter No. 2418 P.W., dated 28th ultimo from the Dewan of Travancore requesting me to move Government in view to an early decision being arrived at regarding the Tinnevelly-Quilon Railway project. I may add that the Durbar is very disappointed that, after all conditions have been arranged and accepted, nothing has yet been settled by the South Indian Railway Company.

ENCLOSURE.

From—The Dewan of Travancore.
To—The British Resident in Travancore and Cochin.
Dated—Trivandrum, 28th June 1897, No. 2418 P.W.

I have the honour to remind you of my letter No. 4104, dated the 29th September 1896, regarding the Tinnevelly-Quilon Railway. I need hardly say that the project is one of deep interest to His Highness' Government and that they are anxious for its speedy accomplishment. I request, therefore, you will be good enough to move the British Government in view to an early settlement of the matter.

From—The Agent, South Indian Railway.
To—The Consulting Engineer for Railways, Madras.
Dated—22nd July 1897, No. 753.

In continuation of my letter, No. 745, dated 20th July 1897, I have the honour to inform you that I have received the following telegram from the Managing Director:—

“Even assuming some delay in commencing work, Board are willing to undertake *en bloc* the three lines Madura-Pamban, Palghat-Dindigul, British portion Tinnevelly-Quilon, as integral portions of South Indian; also construct Travancore portion at cost and work same at 50 per cent., provided first two years' maintenance charged to Capital. Communicate Government to ensure consideration Simla Conference in August.”

2. I presume this telegram is in reply to the message I wired at your request and of which I sent you a copy in my letter above quoted, although it does not deal specifically with the matter raised in Government of India letter, No. 837 R.C., dated 20th May 1897.

3. Will you kindly communicate the Board's telegram embodied in the first paragraph of this letter to the Government of India in time to admit of its consideration at the approaching Railway Conference.

Government of Madras.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

To

THE SECY. TO THE GOVT. OF INDIA,

P. W. DEPARTMENT.

Simla.

Copy the 30th May 1896.

SIR,

In cont of ~~the~~ the Govt.
CO N 857 R of 13.12.95, I ~~the~~
am directed
to enquire how the case of
the Tinnelly-Durbin Project
now stands, and whether this
Govt. can do anything to
forward its early completion.

(2) I am ~~if~~ ^{state} ~~the~~
to in feeling but the
Director of Tinnelly asked to
be informed of the terms on
which the Govt. has recommended
the construction of the Rly by
the S. I. Rly Co., but as yet,
so far as the Govt. is aware,
it has ^{not} been definitely offered
to this Company.

Ref on C No 2304 of '96

119

Resident's Office.

Trevandrum. 27th July 1896.

From,
The Resident in Travancore
and Cochin.

To,
The Consulting Engineer for Railways
Madras

Sir, Referring to your letter No 408 of the 3rd March last, I have the honor to request at the instance of the Dewan of Travancore, that you will be so good as to let me know at what stage the negotiations connected with the proposed Trinneelly Quilon Railway now stand and whether there is any prospect of the matter coming to a satisfactory conclusion soon. The Dewan intimates that the Government of His Highness the Maha Rajah is anxious that the project should be taken in hand at as early a date as possible.

I have the honor to be

Sir,

Your most obedient servant

P. J. Andrews Esq

Asst. Resident.

for Resident.

(3. I am to request that the views of the Govt of India on the subject may be communicated to the Govt in due course and to express a hope that the project (which has been under discussion for so many years) may now be undertaken at an early date.

Bf No 482. R. dated 30.5.96

C. 2/2

11/6

Documents accompanying:—

— Nil —

11/6 22/9/96

57
No. 706. aL 13

Government of Madras.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

To

THE Secy. to Govt. of India
and
Simla

Coty, the 18th August 1896.

SIR,

I am advised
by the 1st Indian Commission
to my M 482 R of 20.5.96
~~as per 1st~~
and to require that the
copy should be sent
to the M 1015 R of 16.7.96
my 2 papers

C Will 1/1

7/8

Documents accompanying:-
Nil

18.5.96

6512

South Indian Railway Company, Limited.

AGENT'S OFFICE,

No. 497.

Trichinopoly, 1st September, 1896.

SIR,

Since writing my last letter No. 496, I have not received any communication from you.

I have this day received your memorandum of documents sent by book post on the 14th August, 1896, together with the documents therein referred to.

NEW WORKS.

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

(1.) *Adding Outer verandahs to the Drivers' quarters at Egmore station, Rs. 1,230, chargeable to Capital.*

These permanent verandahs are being added in lieu of the unsightly temporary ones erected by the occupants, and will add much to the comfort of the quarters.

(2.) *Providing 79 additional Benches for the use of passengers in the 3rd class Waiting sheds, and on the platforms, at certain stations, Rs. 830, chargeable to Revenue, New Minor Works.*

These benches are much needed for the convenience of the travelling public.

(3.) *Additions to the Station Master's bungalow at Villupuram Junction station, Rs. 929, chargeable to Revenue, New Minor Works.*

These additions are necessary to adapt this bungalow (hitherto occupied by a Native Station Master) for the accommodation of the European Station Master, now posted to the station.

(4.) *Providing a Refreshment Room at Negapatam station, and equipping the same with furniture, &c., Rs. 1,234, chargeable to Capital.*

The want of a refreshment room at Negapatam has been seriously felt by the travelling public and as it is found impossible to release any of the station rooms for the purpose, it is necessary to erect a new building. The proposed room will, in the uncertainty which now exists regarding the station arrangements at Negapatam, be of a temporary character.

TINNEVELLY—QUILON RAILWAY.

X

I have placed in the post packet a letter dated August 21st, 1896, from Messrs. Best and Company stating that the firm have every reason to believe that, provided the co-operation of the South Indian Railway Company is secured, they will be able to float a Company and raise the necessary funds for the construction of the Tinnevelly-Quilon Railway. Messrs. Best and Company also enquire:—

1. Whether the South Indian Railway Company will consent to construct and work the proposed line in terms of Government of India Resolution No. 514 R. C. dated 17th April, 1896.

No 706. Dated 18.8.96

2. If the terms of this Resolution are not acceptable in toto, will the Company be prepared to accept certain modifications to the same, and if so on what conditions will construction and working be undertaken.

Should the South Indian Railway Company decide on acting in concert with Messrs. Best & Co. on terms mutually acceptable, they propose to form a Company which will receive an absolute guarantee of interest under para 2, VI. A. of the Government of India Resolution previously referred to, a copy of which was sent to you with my letter No. 484 of 2nd June, 1896.

Under clause 10 of the Contract of 24th November, 1890, between the Secretary of State and the South Indian Railway Company, Limited, the Company can be required to construct on behalf of any Local Authority any such metre gauge extension of the South Indian Railway as such Authority may desire, to have worked through the Agency of the Company, upon terms to be specially agreed upon in each case between the Company and the said Authority with the sanction of the Secretary of State. The Company proposed to be formed by Messrs. Best and Company can hardly be considered as falling within the meaning of the term "Local Authority," and it is therefore presumed that, before negotiations can be opened with Messrs. Best and Company, the Secretary of State's prior sanction will be required.

As the Board are aware the connection proposed between Tinnevely and Quilon is that known as the Northern route, an alignment which, though known to traverse difficult and poor country, has been accepted by the Government of India in deference to the wish of the Travancore Government. The line was surveyed by Mr. E. I. Shadbolt in 1895, who, in reporting on its traffic prospects, considered that the weekly mileage receipts would average Rs. 137, which figure he increased by comparison with the Podanur—Calicut section of the Madras Railway to Rs. 150. The first 45 miles from Tinnevely to Shenkoda is stated to traverse a fertile and productive district about half of which lies in the valley of the Tambraparni, from which river it is irrigated. Mr. Shadbolt estimates the weekly mileage receipts from this section at Rs. 250, basing this conclusion on the receipts derived from that portion of the Erode Branch which traverses the Cauvery Valley. I do not think this basis of comparison is justifiable for the width of the fertile zone between Tinnevely and Shenkoda is admittedly very narrow, probably not averaging more than three miles, while the Erode Branch, in addition to serving a far more extensive area, carries a large amount of through traffic—so far therefore from accepting Mr. Shadbolt's estimate, I think Rs. 150 per mile per week would be the very outside limits at which the receipts of the Tinnevely—Shenkoda section should be taken. The remaining 58 miles of the proposed line is admittedly as poor as it well can be, and Mr. Shadbolt's estimate of Rs. 50 per mile per week is not likely to be too low. I am therefore inclined to think that the following estimate of receipts would be very liberal:—

Miles.		Rs.		Rs.
45	@	150	=	6,750
58	@	50	=	2,900
Total	103			9,650

or an average of Rs. 94 per mile per week.

The working expenses of the Tinnevely-Quilon Railway are certain to be heavy. About 43 miles out of the total length of 103 miles traverse the Travancore Hills, which are crossed by the Ariankavu Pass at an elevation of 1,140 feet. This ghat section comprises several viaducts and five tunnels besides involving heavy work generally. The ruling gradient adopted is $\frac{1}{50}$, and it is proposed to use a light 41½ lbs steel rail laid on jungle wood sleepers locally procured. Under these circumstances there can be no reasonable doubt that the line will be expensive both to maintain and work. The South Indian Railway including the Mayayaram-Mutupet, and Pondicherry, Railways has been worked during the past three half-years at an average cost of Rs. 89 per mile per week, and I do not think the working expenses on the Tinnevely-Quilon Railway would be less. It is true that the parent line has a much heavier traffic than the branch line is likely to have, and also that wood-fuel would probably be cheap on the latter, but against this has to be reckoned the heavy grades of the proposed line, the feverish country it traverses, and the liability of a mountain line to damage. The use of the light rail and jungle wood sleepers are certain to run up maintenance charges, and probably Government would insist on renewals with more durable permanent-way being undertaken at the cost of Revenue. Taking the cost of working at Rs. 89, and the gross receipts at Rs. 94 per mile per week, the Tinnevely-Quilon Railway could not be worked for less than 94½ per cent of its gross earnings. In Government of India Resolution No. 514 R. C. dated 17th April, 1896, clause 3 (5) it is laid down that working expenses including charges for the hire of rolling stock shall not exceed 50% of the gross revenue, a restriction which renders our working the proposed line on the terms of the Resolution quite impossible. I am not sure whether the Government of India would be disposed to modify the conditions of the Resolution, but I think it not improbable considering the nature of the project. If the Board decide to submit proposals outside the limits of the Resolution, I would suggest that an offer be made to construct the line provided that the Company be allowed to work it at actual cost, control and supervision charges, &c., being apportioned relatively to the expenditures of the parent and worked lines. I would also suggest that clause 3 (3) of the Resolution be modified to permit of our own telegraph instruments being used. Under these terms the only remuneration we should receive for constructing and working the Tinnevely-Quilon Railway would be the receipts derived from the interchanged traffic carried over the South Indian Railway. I shall be glad to receive the early instructions of the Board, and in the meantime I am informing Messrs. Best and Company that I have referred their letter to the Board for instructions.

BROKEN JOURNAL AT TINDIVANAM ON 24TH JULY, 1896.

On arrival of No. 59 Goods train at Tindivanam station on the morning of 24th July, 1896, the journal of the right leading axle of wooden high sided truck No. C. 46 was found broken at the point shown on the ferrotype copy of a sketch of the axle, which I send in the packet.

The Acting Locomotive Superintendent attributes the breakage to wear and tear, and gives the following particulars:—

Dimension of axle - 3½ inches at the centre, and 4½ inches at the sides.

Do. of journal - 6½ inches × 2½ inches

Year of receipt ... 1874.

Do. of issue ... 1875.

Makers' name J. Armstrong & Co.

BLANK RETURN TICKETS.

As five hundred thousand blank return tickets (estimated to cost £ 24) will be required in connexion with the forthcoming Mahamagam Festival at Kumbakonam, I have applied for, and obtained, the sanction of Government to these being obtained prior to the submission of an Indent in due form for the same, and shall be glad if these tickets, a sample of which I sent by the mail of the 25th August, 1896, can be obtained and sent out as early as possible.

It is also very necessary that the ten million tickets indented for in Indent No. 37, vide Contract No. 426, be sent out as soon as possible, so that the printing of them can be put in hand.

CLAIMS ARBITRATION COMMITTEE OF SOUTHERN INDIA.

Referring to the paragraph under this heading in my letter No. 444 of the 27th of August, 1895, I send in the packet a copy of the Minutes of a Meeting held at Poona on the 30th of July, 1896.

COMMUNICATION IN TRAINS.

With reference to the paragraph on this subject in your letter No. 163 of the 17th of January, 1896, and in substitution of the Estimate sent with my letter No. 491, I forward in the packet an Estimate, amounting to Rs. 8,274, chargeable to Capital, for fitting Winter's System of Electric Inter-communication to 20 Locomotives and 137 Coaching vehicles, and shall be glad to receive the sanction of the Board of Directors to the proposed expenditure.

RENT AND MAINTENANCE OF TELEGRAPH WIRES.

I send in the packet a copy of Government of India Resolution No. 183. T., dated the 10th August, 1896, notifying that, with effect from the 1st of January, 1897, the charge to be levied by the Government Telegraph Department for the rent and maintenance of wires supplied shall be Rs. 2—3—0 per mile per mensem instead of Rs. 2—8—0 as at present.

STAFF.

First Assistant Traffic Manager Mr. H. Davies. Referring to the paragraph on this subject in my letter No. 492, I have to inform you that this officer sailed from Madras in the S. S. "Golconda" on the 29th of August, 1896, having availed himself, with effect from the 28th of August, 1896, of the three months' leave granted to him.

REVENUE ACCOUNTS.

In the packet I send the Revenue Accounts of the South Indian, and Mayavaram-Mutupet, Railways for the month of June, 1896.

Public Works (1896) Department.⁵

CURRENT No. 8088.

Order

From
The Govt. of India

No. 1304 Re.

Dated 2.9.96

Received 8.9.96

Enclosures

Spare copies

SUBJECT.

Tinnevely. G. S. R. Ry.

Offering certain terms for the construction of the — & inquiring whether the proposed terms are acceptable to the Travancore Darbar & to the S. I. Ry. Coy.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

[illegible]

No. 1304 R. C.

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
RAILWAY CONSTRUCTION.

To

THE JOINT SECRETARY TO THE GOVERNMENT OF
MADRAS, PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

Simla, the 2nd September 1896.

SIR,

I am directed to acknowledge the receipt of your letter No. 857 R., dated 13th December 1895, forwarding the survey report and estimates of the cost of the proposed Tinnevely-Quilon railway, together with correspondence from the Travancore Durbar, and a recommendation by His Excellency the Governor in Council, that the construction of this line be offered to the South Indian Railway Company with such support as the Travancore Government may be prepared to give for the portion of the railway passing through that State.

2. I am also to acknowledge the receipt of your letter No. 482 R., dated 30th May 1896, enquiring how the case of this line stands, and stating that the Travancore Durbar have asked to be informed of the terms on which the Government of India have recommended its construction by the South Indian Railway Company.

3. In reply I am to inform you that the Government of India have had under consideration the several proposals that have been put forward from time to time for the construction of this railway by the agency of a company under guarantee by the Travancore State and by the Government of India, as well as the suggestion of the Government of Madras that it should be constructed (from funds to be provided by the Government of India) as an integral part of the South Indian railway undertaking.

4. The Government of India have come to the conclusion that the best and simplest plan to ensure the early construction of this railway upon suitable conditions, would be to permit a company to provide the funds under the terms recently offered in paragraph 2, vi; (a) of Public Works Department Resolution No. 514-R. C., dated 17th April 1896 for branch lines, the Government of India guaranteeing to the share-holders of the Branch Line Company the interest at 3 per cent. on the actual capital expenditure on the whole length of 103 miles, and the Travancore State underwriting that guarantee so far as it relates to the cost of the section of the railway in that State.

5. It is considered that with the concurrence of the South Indian Railway Administration, the Travancore Branch Railway should be constructed by, and worked as part of, the undertaking of the South Indian railway to which it would act as a feeder. In the event of there being any surplus profits in excess of the guaranteed 3 per cent. interest out of the net earnings, it is proposed that such share of the surplus profits as may be retained by the Government of India as guarantor, shall be divided between the Government of India and the Travancore

State in proportion to the capital cost of the sections of the line in British territory and the Travancore State respectively.

6. With regard to terms for purchase I am to say that the Government of India propose to reserve to themselves the option of purchasing the entire branch at the end of 21 years and thereafter at intervals of 10 years on the terms mentioned in paragraph 4 of Government of India Resolution No. 514 R. C., dated 17th April 1896.

7. In the event of its being decided to exercise this right of purchase, the Government of India would be prepared to offer to the Travancore State the option of purchasing the section of the line within its territory, the Government of India and the Travancore State each bearing a share of the total purchase price (as determined under paragraph 4 of the Resolution) of the whole line proportionate to the capital cost of its own section.

Should the Durbar effect this purchase a choice between the following two courses would be given to it:—

(a) The Durbar may work its own portion as an independent line, or have it worked for it by the parent line, on the responsibility and at the risk of the Durbar.

(b) The two sections may be worked by the Government of India as a single line, the net earnings thereof being divided in equal shares, but the Government of India (the proprietor of the best paying section of the branch railway) guaranteeing to the Durbar out of the Government's share of the net earnings of the branch railway such an amount as will make up the Durbar's share to 3 per cent. upon its outlay on the purchase of its section.

8. I am to request that with the permission of His Excellency the Governor you will be good enough to ascertain whether the terms proposed above are acceptable to the Travancore Durbar, and to the South Indian Railway Company, and that the Government of India may be favoured with a very early reply.

I have the honour to be,

SIR,

Your most obedient Servant,

M. S. S. S.

Colonel, R.E.,

Secretary.

Documents accompanying.
Nil.

P. W. Ry. C. N. 8088.

400.791 R of 17.9.96

H. E. the Governor
Hon. Mr. Klein
Hon. Mr. Green

The proposal of the Govt. of India should, I think, be at once forwarded to the Travancore Durbar and to the Agent, S. I. R. with a request for a very early reply.

2.96 15.9.96

M. S. S. S.
16/9/96 *J. G.*
16/9/96

Trinimally - Quila R^r 16
Letter from Govt. of India
No. 1302 R. C. d. 2/9/96

This is in reply to Madras Govt. letter No. 857 R d. 13/1/95, in which it was advised that the construction of the line be given to the S. I. R., and to a later letter No. 482 R d. 30/5/96 asking that the views of Govt. of India might be communicated.

2. The Govt. of India recommend that "a company" (presumably the company alluded to by Mr. Hodson in his note of 14th Aug) be allowed to provide the capital under branch line terms i.e.

- (1) India is guaranteed 3% on the cap. expenditure + a share of surplus profits, the Travancore Durbar repaying to India a that portion of the guaranteed interest which is payable on the cap. expended on the Travancore portion of the line
- (2) the balance of surplus profits to be divided rateably between the Govt. of India and Travancore

* it is not specifically stated in Indian para 5 of the letter under this proposal that the ratio is 50%, but as para 4 provides that branch is to be constructed on branch line terms, it is presumed that the ratio is that specified in para 3(b) of the Indian letter.

*(3) The S. I. R. to construct & work the line at a fixed ratio of expenses to earnings not exceeding 50% inclusive of hire of Rolling Stock.

(4) The share of surplus profits meaning in (1) is left unsettled at present.

3. Messrs. Kist-Borst & Co. (presumably the "company" alluded to) have already been in correspondence with the Agent S.I.R. and have proposed (1) that the S.I.R. should work the line (1) on Branch line terms or (2) on their terms modified -

4. The Agent S.I.R. has advised his Board that the Branch line could well be worked under 94 1/2% of gross earnings and that therefore proposal (1) is impracticable, and that if ^{the Board} they are inclined to submit modified proposals, an offer might be made to work the line at actual cost + control and supervision charges.

5. Mr. Shadbolt estimated the traffic at 137 1/2 per mile per week which works out to 65% of gross earnings, but Capt. Shelly considers this is over sanguine an est. and reduces the traffic est. to 94 1/2 per mile per week, with the result not mentioned above: it either case the limiting ratio of 50% is exceeded so that the Agent's advice to his Board appears to be sound.

6. It is to be regretted that the line is ^{not} given to the S.I.R. to be constructed and worked as part of the Undertaking, or if it is given to a company it would seem fair that the railway applicants should have a prior claim - The main thing however is to

* laid down in para 2 III (c) of the S.I.R.

get the line made & the Govt of India letter may have been communicated to the Travancore Co. but not and the S.I.R.

J.H. 10/11

The following applications have been made for time to time.

- (1) Messrs. Armstrong & Co.
- (2) Mr. M. F. Lavelle
- (3) Mr. J. H. Gaister (late Hon. Member)
- (4) Messrs. Sanderson & Co.
- (5) Messrs. Morgan & Price.

2. Messrs. Armstrong & Co. (Slip A)

a concession was granted to this firm in 1871 and negotiations continued till 1873 when they finally broke down.

The main conditions were:

- (1) For British portion Co. to find the money without guarantee & secure the earnings
- (2) For Travancore portion: that Govt. to guarantee 4% on cap. expended in Travancore est. at £600,000 for a period of 15 years
- (3) Surplus profits on Travancore portion to be divided in proportion of 3/4 to the State & 1/4 to the Co.

The negotiation fell through owing to the Govt. not being able to accept the following stipulations of the promoters

(Slip B)

H.2. 2. 11.9.96/12/11/9

- (1) Guarantee offered by Travancore in its portion to be utilized on British portion
- (2) The payments proposed for promotion money
- (3) The discount at which was proposed to raise the loan.

3. Mr. Daville (of Bangalore) submitted proposals in Jan 1854. The main provisions were

- (1) The loan to be £650,000
- (2) Travancore to pay a subsidy of £15,000 for 15 years (= 2.3% on the loan)
- (3) Co. to pay Travancore half sub. plus profits above 3% for a term of 15 years
- (4) Exchange to be taken at 1.2
- (5) 4% on the loan to be paid to Travancore during construction

This was sent to Gov. India in Sept 1854, who asked for more information particularly as to Mr. Daville's financial position. India's letter was sent to Travancore in Dec 1854 for supply of information: they have not yet replied.

4. Mr. J. H. Garstin (Slit E)

Submitted a proposal in Sept 1854 to construct a branch line to Travancore

Slit D.

Since Dec 1854

This letter was forwarded to Madras Gov. & Travancore no action was taken. (Slit C.)

5. Messrs. Sanderson & Co.

Submitted an application in March 1854 through the Sec State. The main provisions were

- (1) Cash - £775,000
- (2) Travancore to guarantee 4% on the loan cost of the whole line for 25 years. Quilon guarantee to hold good for 25 years
- (3) Surplus profits above 4% to be equally divided between Travancore & Co.

This was sent to Madras Gov & India in July 1854 for information. India asked the Sec State to arrange with Messrs. Sanderson to bring back their application till the results of the survey were known. The letter was sent to Travancore in Aug 1854. (Slit F)

6. Messrs. Morgan & Price & Newburn

Representing Messrs. H. Bell
H. J. Turner L.C.S.
F. C. O'Callaghan
W. C. Morgan
addressed the Sec State in

Nov. 18/94 -

Its provision were

- (1) Cap. £ 650,000
- (2) Railway to be worked by S.I.R.
- (3) Co. to receive not less than 45% of gross earnings
- (4) 4% on capital issued to be paid during construction.
- (5) Allowance for production expenses to be agreed upon with the State.
- (6) Travancore Govt. to make good the deficiency should the surplus profits earnings not give 3 3/4% on the capital issued
- (7) Surplus profits - about 3 3/4% to be equally divided between the Co. and Travancore Govt.

The State informed Messrs. Messers that the Govt. of India was already negotiating with another firm.

The letter was sent to Travancore for information: no reply received.

YHS
14/9

(R.) Form No. 3.

Very urgent

Public Works Department,
RAILWAY BRANCH.

17

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following

Letter from the Govt. } No. 1304 R.C. of 2 Sept.
of India P.W. Dept. - }

Forwarded to the
Agent S. I. Railway
to the Political Dept.
for transmission to
the Resident in Travancore
for favour of early
reply.

YHS 15/9

R

To the Agent S. I. Railway
Political Dept.

17.9.96

21/9

No. 877

South Indian Railway Co., Ltd.

21

AGENT'S OFFICE.

TRICHINOPOLY, 24th September 1896.

From

THE AGENT,

SOUTH INDIAN RAILWAY,

To

THE CONSULTING ENGINEER

FOR RAILWAYS,

MADRAS.

Sir,

With reference to G. O. No. 791 D. dated 17th September 1896 I have the honor to inform you that the proposals of the Government of India detailed in its letter No. 1304 D.C. dated 2nd September 1896 will, in so far as they affect this administration, require the decision of the Board of Directors. I will refer the matter home by the next mail, and in the meantime I beg to refer you to the paragraph relating to the Tinnevely-Quilon Railway in my letter No. 497 dated 1st September 1896 to the Managing Director.

2. I do not understand the expression "and worked as part of the undertaking of the South Indian Railway" in para 5 of the Government of India letter under reference. If the Tinnevely-Quilon Railway is to form part of the undertaking of this Administration the provisions of the Contract would apply, conditions which, I think, are not intended by the Government of India, and would probably not be acceptable to my Board. I shall feel obliged if you will ascertain the intention of the Government of India as early as possible, as it will be necessary for the point to be cleared up before I address the Board of Directors.

I have the honor to be

Sir

Your most obedient servant

A. G. Miller

Agent

Bf. No. 791 D. dated 17.9.96

Handwritten notes and stamps at the bottom of the page, including "22/9" and "No. 877 of 24.9.96".

4153
25/11/96

N^o 834 R dated 1.10.96

To Works. Simla

Sir,

- with ref. to your letter N^o 1304 R. d. 2/9/96 I am directed to forward copy of a letter from the Agent S.I.R. N^o 877 of 24/9/96. The further of
- It is observed that para 5 of Govt. of India letter N^o 1304 R. follows the wording of clause 9 of the contract wherein the Secy State in the S.I.R. but it would appear from the General tenor of the letter that an arrangement such as that provided for in clause 10 of the contract is contemplated.
 - I am to report that the intention of the Govt. of India may be construed to this effect.

I may be informed what reply should be given to the agent.

Documents accompanying:-
Copy of letter from Govt. S.I.R. N^o 877 of 24.9.96

28/9

FROM
THE AGENT,
SOUTH INDIAN RAILWAY,
Trichinopoly.

TO
THE CONSULTING ENGINEER FOR
RAILWAYS,
Madras.

Dated
Received
No.
159
ENCLOSURE

25
Public Works (1896) Department.

CURRENT No. 9668

Order

From

The Political Department

R No. 377.

Dated 24 October 1896.

Received 27.10.96

Enclosures 4

Spare copies

SUBJECT.

Communicating letter ^{see} from the
Resident in Travancore and Cochin
accepting the terms offered by the
Govt of India for the construction
of the proposed Railway from
Trivunelly to Quilon.

Bf
No 834. Dated 1.10.96

BACK PAPERS.

G.O.	No.	Department.	Date.
S.O.	834R	P.W.	1-10-96

FURTHER PAPERS.

G.O.	No.	Department.	D.O.
------	-----	-------------	------

Ref Aon CN^o 3005 of '96

Resident's office.

Mysore. 26 September 1906.

To,

The Dewan of Travancore.

Sir, With reference to your letter N^o 2912 P.W. of the 22nd July last, I have the honor to inform you that the Government of India has had under consideration the several proposals that have been put forward from time to time for the construction of the Tinnevely Quilon Railway, by the agency of a Company under guarantee by the Travancore State and by the Govt of India, as well as the suggestion of the Government of Madras that it should be constructed (from funds to be provided by the Government of India) as an integral part of the South Indian Railway undertaking and has come to the conclusion that the best and simplest plan to ensure the early construction of this railway upon suitable conditions would be to permit a company to provide the funds under the terms recently offered in

in para 2, n(a) of the Resolution of the Government of India Public Works Department N^o 514 R.C. dated 17th April 1896 for Branch lines, that Government guaranteeing to the Shareholders of the Branch line Company

* Printed on pages 534-39 of Part I of the Fort St George Gazette of 28 April 1896.

the interest at 3 per Cent on the actual Capital Expenditure on the whole length of 103 miles and the Travancore State underwriting that Guarantee so far as it relates to the Cost of the Section of the railway in the State.

2. The Government of India considers that with the Concurrence of the South Indian Railway Administration, the Travancore Branch Railway should be Constructed by and worked as part of the undertaking of the South Indian Railway to which it would act as a feeder. In the event of there being any surplus profits in excess of the guaranteed 3 per Cent interest out of the net earnings, it is proposed that such share of the surplus profits as may be retained by the Government of India

as guarantor, shall be divided between the Government of India and the Travancore State in proportion to the Capital Cost of the Sections of the line in British territory and the Travancore State respectively.

3. As regards the terms of purchase the Government of India proposes to reserve to itself the option of purchasing the entire branch at the end of 21 years and thereafter at intervals of 10 years on the terms mentioned in para 4 of the Resolution of the Government of India quoted in para 1 above. In the event of its being decided to exercise this right however, the Government of India would offer to the State the option of purchasing the section of the line within its territory, that Government and the Travancore State each bearing a share of the total purchase price (as determined under para 4 of the above Resolution) of the whole line proportionate to the Capital Cost of its own section. Should the State effect this purchase a choice between the following two Courses would be given to it:-

(a) It may work its own portion as an independent

Travancore. 26th Sept. 1896.

From

The Hon'ble J. D. Rees C. I. &.

Ag. Resident in Travancore & Cochin

To

The Chief Secretary to Government

Oota Camund

Sir,

In accordance with the instructions conveyed in the papers recorded in G. O. No 480 Political dated 18th October 1896. I have the honor to forward herewith Copy of a Communication I have addressed to the Dewan of Travancore with reference to G. O. R No 326 Political dated 17th Instant.

I have the honor to be.

Sir.

Your most obed^t servant

J. D. Rees

Ag. Resident.

P. J.

independent line or have it worked for it by the parent line on its own responsibility and risk.

(b) The two sections may be worked by the Government of India as a single line, the net earnings thereof being divided in equal shares, but the Government of India (the proprietor of the best paying section of the Branch railway) guaranteeing to the State out of that Government's share of the net earnings of the Branch Railway such an amount as will make up the Durbar's share to 3 percent upon its outlay on the purchase of its section.

4. I shall feel obliged if you will kindly let me know whether the above terms are acceptable to the Durbar. The favour of a very early reply is requested.

I have &c
(Sd) J. D. Rees.
Ag. Resident.

(True Copy)

Political

J. D. Rees

Ag. Resident.

No 4104
P. W.

Kuzur Cutcherry
Trivandrum, 29th September 1896

From

The Dewan of Travancore

To

The British Resident
in Travancore and Cochin

Sir,

I have the honor to acknowledge the receipt of your Ref. No. 3005 dated 26th Instant communicating the final views of the Government of India on the question of the proposed Railway from Sinnerelly to Quilon and enquiring whether the proposals therein contained are acceptable to this Government.

In reply, I beg to inform you that His Highness' Government consider the terms set forth in paras 1, 2 and 3 of your letter quite satisfactory and they fully accept the same. I note that in the event of the Government of India deciding to exercise the right of purchasing the line under para 4 of the Resolution of the 17th April 1896 quoted in your letter, it would be open to His Highness' Government to purchase the section within this State and deal with it in the manner indicated either in Clause (a) or Cl. (b) of para 3 of your letter.

His Highness the Maha Rajah views with great pleasure the prospect of the early accomplishment of this long-desired project which he feels would greatly promote the further development of his country and materially contribute to the increased prosperity and well-being of his people and he is sincerely thankful to His Excellency the Viceroy and the Government of Madras for the kindly interest taken in the furtherance of this important measure.

I have the honor to be
(Signed) Shungrasobyer
Dewan

(True copy)

J. J. Andrews Esq
12/10
Asstt. Resident for
Ag. Resident

8/10

6
Political

13 90

Ref. ou C No. 3105

RESIDENT'S OFFICE,

Trivandrum, 12 October 1896.

From

The Hon'ble J. D. Rees C.I.E

Ag. Resident in Travancore and Cochin

To

The Chief Secretary to Government
Fort St. George

Sir,

In continuation of my letter Ref. Bou Cou. 3005 of the 26th ultimo, I have the honor to submit herewith the letter No. 4104 of the 29th idem from the Dewan of Travancore stating that the Durbar fully accepts the terms offered by the Government of India for the construction of the proposed railway from Sinnerelly to Seiden and thanking His Excellency the Viceroy in Council and the Madras Government for the kindly interest taken by them in the furtherance of this important measure.

I have the honor to be
Sir

Your most obedient servant

J. J. Andrews Esq
12/10
Asstt. Resident for
Ag. Resident

8/10

B.W.

Government of Madras.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

To

THE SECY. TO THE GOVT. OF INDIA,

P. W. DEPARTMENT.

Calcutta

H.E. the Governor in Council

Madras, the 10th Nov 1896.

SIR,

With ref. to the concluding
para of your letter No. 1304 R.
d. 2/9/96 I am directed
to forward copy of a letter
No. 4104 d. 28/9/96 from the
Travancore District, forwarded
to the Govt. of the Resident in
Travancore Cochin, in which
the proposals contained in your
letter quoted above are accepted.

2. The views of the Agent S.I.R.
will be elicited on receipt of
a reply to a letter from this
Govt. No. 834 R d. 1/10/96 in
which further information is
requested regarding the intention
of para 5 of Govt. of India letter
No. 1304 R.

J.H.
30/10A.S.H.
26/10/96Do
2/11/96

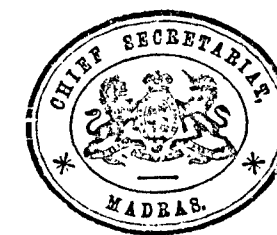
2/11/96

W.M.
Returned with thanks.A.S.H.
3. 11. 96

Documents accompanying
Copy of letter from the
Travancore District

2/11/96

4th part of 25th with return; 2. 1. 96



PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following papers:—

From the Resident in Travancore and Cochin, Nos.
5005 and 5105, dated 26th. September and 12th. October 1896, *respectively*

*****@*****

O R D E R, R.No. 577, dated 24th. October 1896.

Communicated to the Public Works Department.

(True extract)

A. L. Hanuman
for Chief Secretary. *28/10/96*

To the Public Works Department. (with C.Nos. 1380 & 1300 and
enclos: in original).

" " Resident in Travancore and Cochin.

13.7

Public Works (1897) Department.

CURRENT No. 7141

Over 100

From The Political Dept

Order

R No. 201

Dated 15-7-97

Received

Registered

Enclosures

Spare copies

To go on an envelope to put in
india. see draft. Returnable
receipt. I have drafted for H.S.'s
approval.

JM
23/7

Recd. Ltr No. 1843. dtd 5th July. from the G.

Minister of Commerce and Industries, giving account of
Ltr No. 2918. 28th June from the Secy of Commerce.
on the subject of the Timor Railway B.

Order. That the G. Minister approved the
view of the Secy of Commerce has been communicated
to the Govt. of India with certain suggestions for
consideration.

SUBJECT.

Correspondence to the P.W.D. letter
from the Resident in Ira-
van core & Cochin forwarding
copy of letter from the Sec-
y of Ira van core re the
Irvineville Anilon Railway
Project.

13/-
No 954. Dated 10.11.96

FURTHER PAPERS.

[illegible][illegible]
$$\chi^2 = \frac{2418}{D.W.}$$

Huzur Cutcherry
 Trivandram 28th June 1897.

From

The Dewan of Travancore

$$I_0$$

The British Resident
in Travancore Kochin.

Sir,

I have the honour to remind you of my letter N^o 4104 dated the 29th September 1896, regarding the Trinnevelly-Quilon Railway. I need hardly say that the Project is one of deep interest to His Highness' Government and that they are anxious for its speedy accomplishment. I request therefore you will be good enough to move the British Government in view to an early settlement of the matter.

I have to

Signed/ Shungraoobyer
Dewan

(True Copy)

Favicholson.

Ag Resident.

Ref on CM: 1849

Residents Office.

Camp Cape Comorin 5th July 1897.
Despd 7th

From

F. A. Nicholson Esquire
Ag Resident in Travancore & Cochin

To

The Chief Secretary to Government
Ootacamund.

Sir,

Referring to G. O. R N: 377 Political
dated the 24th October 1896, I have the honour
to forward herewith copy of letter N: 2418 ~
dated 28th ultimo, from the Dewan of Travancore
requesting me to move Government in ~
view to an early decision being arrived at
regarding the Trinnevelly-Quilon Railway ~
Project. I may add that the Durbar is very
disappointed that after all conditions ~
have been arranged and accepted, nothing
has yet been settled by the South Indian Railway
Company.

I have the honour to be,
Sir,
your most obdt servant,
F A Nicholson.

OWS.1
2141/97



PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following paper:—

From the Resident in Travancore and Cochin, C No. 1849,
dated 5th July 1897.

ORDER :- R No. 201, dated 15th July 1897.

Communicated to the Public Works Department in continua-
tion of G.O. R No. 377, Political, dated 24th October 1895.

Eng A

(True Extract)

C. M. M. M.
for Chief Secretary.

To

The Public Works Department (with C.No. 868 and enclosure in original)

2000-13-5-97

FROM

TO

R.

Works
Simla

17/11/88
N 17 B/- Your wire 1192 R.C.
fourteenth instant. Agent South
Indian has received following
wire from Board begins. Even
assuming some delay in com-
mencing work Board are
willing to undertake en bloc
the three lines Madurai-
Pambur, Palghat-Dindigul,
British portion Tinianelly.
Quilon as integral portions
of South Indian also construct
Travancor portion at cost
work, same at fifty per cent.
cent. provided first two years
maintenance charged to Capital
Communicate Government &
ensure consideration Simla
Conference message ends -

of this Government shall
be communicated as early as
possible

Telegram despatched 23.7.97

Urgent

Cons: Budget Current. Des. - 3183
Ministry of Finance R.

H. S. The Governor

The Hon. Sir H. Blair K.C.I.S.

" " Sir George C.I.S.

A very fine offer has come in
from the Agent S.I.B. for the
working of the Ministry of Finance R.

The Chairman of Government R. Account
has written on it. I have put up a

draft to the Govt. of India, for H.S.'s
and Hon. Members approval, which
expresses all that I have to say on the
subject.

It is suggested that the draft
should get to India before the Conference
etc. about the middle of August. I
have marked it urgent.

F.R.S.

23/7/97

But, since this above was written another
and very important offer has come from the S.I.B.
which will be found in the Madras Standard?
So I have rewritten my draft about the same
matter, and put it up for approval.

F.R.S.

23/7/97

23/7/97

Order

Extract from the Agent's letter to the Board, South
Indian Railway, No. 111, dated 20th July 1900.

Railway Extensions.

I have to acknowledge receipt, on 21st July, 1900, of
the following telegram from you, which I communicated to the
Government of Madras:-

"When assuming some delay in commencing work. Board are
willing to undertake on lines the above lines, Madras-Bamban.
Madrachat-Mindior. British portion Linnevelly-Orilon. as in-
several portions of South Indian. also construct. Bangalore
"portion at cost and work same at 50 per cent provided first.
"two years maintenance charged to Capital. Communicate Govern-
ment to ensure consideration. Simla Conference in August."

No. 531. R. 2 of 5/8/97

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Letter to the Govt. of India No. 482 R of 30 May 96
Telegram to the Govt. of India No. 13A of 8.7.96
Telegram from the Govt. of India No. 1055 R of 11.7.96
Letter to the Govt. of India No. 736 R of 18.8.96
Extract from S.D. Report to Board No. 497 of 1.9.96
Report of Madras Govt. P. W. Dept. No. 791 R of 17.9.96
Letter from Agent S. D. R. No. 872 R of 24.9.96
Letter to the Govt. of India No. 872 R of 1.10.96
Letter from the Govt. of India No. 377 of 24.10.96

Read again the following:-
Letter to India No. 954 R of 10.11.96
Extract from S.D. Report to Board No. 514 of 12.12.96
Extract from Board's Letter to Agent No. 183 of 22.12.96
Read the following
Extract from S.D. Report to Board No. 528 of 17.1.97

Letter from the Govt. of India P. W. Dept. } H. E. No. 1802 R.C. of 30 Novr: 1896
Endorsement from the Govt. of India } 3919 of 8 Decr 96
of Fort St. }
Telegram from - do - - - 869 R.C. of 25 May 1897
Telegram to - do - - - 4A of 28 do -

Letter from the Agent }
S. D. Railway - - - 609 of 6 July 1897

Telegram to the Govt. }
of India P. W. Dept. - - - 6A of 8 do -

Prop. of the Madras }
Govt. Political Dept. - - - R No 201 of 15 do -

Note by the Examiners }
Genl Ry. Accts - - - of 19 do -

Letter from the Agent }
S. D. Railway - - - 753 of 22 do -

Telegram to the Govt. of India }
S. D. Railway - - - 17B of 23 do -

Ordered that the Resident in Travancore and Cochin be informed, in reply to his letter C No. 184 I, dated 5th July 1897, that the views of the Dewan of Travancore have been communicated to the Govt. of India with certain proposals for consideration at the coming Railway Conference to be held ^{this} month at Simla.

2. Copies of the letters from the Agent S. I. Railway & of the Proceedings of Govt. Political Department read above will be forwarded to the Government of India with the following letter. - The Govt. of India will be addressed.

S.I. Letter No. 532 R 3 5th July 1897

The present Communication shows the ordinary form of a S.O. *RS*

Meridional form of this letter would be "The Govt. of India will be addressed." *RS*
30/7/97

To The Agent S. I. Railway
Political Dept

No. 532 R dated 5/8/97

SERIAL No.

From the off. Sec. P.W.D. *RS*
By: Secy.

The Secretary to the Govt. of India P.W.D.

With reference to the correspondence on the subject of the Trivelly - Quilon Railway ending with your telegram No. 869 B.C. dated the 25th Aug 97, and in confirmation of my telegram No. 6 A. dated the 8th July 97, I am directed to forward - copy of letter from the Agent S. I. B. G., No. 689, dated the 6th July 97, which contains proposals for working the extension on one side of the Board of Directors.

2. - A letter letter has been received from the Agent, No. 753, dated the 22nd July 97, of which the substance was communicated to you in my telegram No. 17 B dated the 23rd July 97. I am now directed to forward - copy of this letter, and with reference thereto to communicate the following remarks, in agreeing the views of this Government.

3. - In regard to the Trivelly - Quilon Rly. the language of the offer is to construct the British portion, viz the 4.5 miles from Trivelly to Shenakotta, as an integral portion of the S. I. B., presumably with State guaranteed debentures; and to ^{construct the} ~~construct the~~ Travancore portion, 5.8 1/2 miles, and work it at 50 per cent, with a special

4. - He regards the British portion, His Excellency the Governor in Council is of the opinion expressed in my Shadowy Preamble letter No. 530 R of this date, that unless the exigencies of the general Railway programme for all India should make it impossible ~~to~~ ^{to} ~~allow~~ ^{to} the Company to raise that guaranteed subscription ~~it~~ ^{until after the expiry of say another two years,} it will for all reasons be far preferable that this method of financing the extension should be adopted, in order that the section up to Shewmulla may form an integral part, for capital & working, of the S. I. R. system. But, should these exigencies cause the commencement of work on the extension to be ~~considerably delayed, until the~~ ^{considerably delayed, until the} ~~approaching completion of~~ ^{the} the programme ~~pre-announced in~~ ^{pre-announced in} the ~~General Government~~ ^{General Government} of 26th March 97 permits of work outside that programme being begun. ~~Nevertheless~~ ^{Nevertheless} the Government would say that the S. I. R. & Co. be given very encouragement to form a subsidiary company, to be financially coupled with it through the rebate clause of the Resolution No. 514 B.C. of the 17th April 98. His Excellency in Council strongly deprecates the extracting of the British section of the extension, which is for all intent & purpose a portion of the S. I. R. Co's system, to an outside Board and Company not directly promoted by the parent Company.

5.- As regards the Hawaiian portion of the extension, the Government of Hawaii are in possession of the Hawaiian Government's acceptance, communicated in my letter No. 954. R. of the 10th Nov. 96, of the terms proposed in your letter No. 1304. R.C. dated the 2^d Sept. 96. We think they should undertake the proposed Gov. of Hawaii's guarantee in so far as it ^{applies} ~~applies~~ to the section lying "within their State."

They should similarly underwrite a corresponding ~~guarantee~~ ^{guarantee} to a Bond line covering the Shenandoah section only, and this course would be preferable to the offer to a buying of a direct Transmontaine guarantee, which would ^{probably} ~~guarantee~~ have to be at the rate of 4 per cent at the least. As the S. I. R. Co. now propose to work the Transmontaine section at 50 per cent of receipts, the guarantee would be in all probability after the first two or three years. be merely a nominal one.

b. - I am desired to forward herewith a copy of letter No. 1843, dated the 5th July 97, from the Coy. Resident in Travancore and Cochin, giving account of a letter from the Travancore Durbar in which they strongly urge the importance of this railway being ^{soon} taken in hand.

7. - In conclusion, I am instructed to say that the Enabling the
Lawrence of Hudson in Council is very anxious to see this important
extension brought to a practical issue. The Government has placed matters
to the Privately-Administered line in the programme of preference which
accompanied my letter N. 332.R. of the 10th May 97. must not, as
indicated in para 12 of that letter, be taken as a measure of the
importance attached by this Government to its early completion; because
places allotted in that programme to the several projects were governed
often by considerations of expediency as of actual preference.

I have 2

7/ks

23/7/77

Documents accompanying:—

(1) ^{eng} Letter from A. N. 689 of 6/7/97
Re: id. in Tra. + Coolin

(21) — Dr - Resident in
to the Chief Secy No. 184 of 577497

With the Dew in the Cellar

Do Exhibit No 753 of 24/6/71

7/8/97

