

Public Works (1897) Department. ⁶⁵₆₆

G.O., No. 1031-32. R

DATED 25th Nov 1897

*When transmitted
in duplicate*

[Despatch Abstract.]

*Palghat (or Podanur) - Diindigul
Railway*

*Ordered that the Govt. of India be addressed
with regard to its decision in connection
with the construction of the —*

Govt. of India addressed

J.C. 8/12/97

9.12.97

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
	533	R	5-8-97				

FURTHER PAPERS.

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

No. 1746 R.C.

GOVERNMENT OF INDIA. PUBLIC WORKS DEPARTMENT. RAILWAY CONSTRUCTION.

To
THE JOINT SECRETARY TO THE GOVT. OF MADRAS,
P. W. D., RAILWAY BRANCH.

Simla, the 22nd October 1897.

SIR,

I am directed to acknowledge the receipt of your letters marginally quoted, on the subject of the proposals of the South Indian Railway Company, for the construction and working of the following proposed railways—

- (1) Madura-Paumban, 100 miles in length and estimated to cost Rs. 42 lakhs.
- (2) Tinnevely-Quilon :—
British section, 45 miles, Rs. 24 to 25 lakhs.
Travancore section, 58 miles, Rs. 76 lakhs.
- (3) Palghat-Dindigul, 115 miles in length and estimated to cost Rs. 85 lakhs.

2. The proposals of the Board of the South Indian Railway Company contemplate the undertaking *en bloc* of the three lines, Madura-Paumban, Palghat-Dindigul and the British portion of the Tinnevely-Quilon as integral parts of that Company's system. The Board are also willing to construct the Travancore section of the Tinnevely-Quilon Railway at actual cost and work it on behalf of the Travancore Durbar for 50 per cent. of the gross receipts, provided that the cost of maintenance for the first two years after opening is charged to capital.

3. In your letter No. 530 R., dated 5th August 1897, you say with regard to the Madura-Paumban line that His Excellency the Governor in Council does not lose sight of the disadvantages attaching to the proposal made by the South Indian Railway Company for financing this extension, *viz.*, that if it is to form an integral part of the South Indian Railway, it must wait for a place in the general programme for all India, but you urge that if it is possible to give it a very early place in that programme, it may be borne in mind that the Government of Madras would much prefer that it should be so constructed rather than be entrusted to a Branch Line Company.

4. As regards the British Section of the Tinnevely-Quilon Railway, the same preference is expressed in your letter No. 532 R., dated 5th August 1897; *viz.*, that, unless the exigencies of the general programme make it impossible to allow the South Indian Railway Company to construct it until after the expiry of say another two years, it will for all reasons be far preferable to adopt this method of financing the scheme, but that if the general exigencies should cause

considerable delay in the commencement of the work, the Government of Madras would then urge that the South Indian Railway Company be given every encouragement to form a Subsidiary Company for its construction and working under the rebate terms of Public Works Department Resolution No. 514 R. C., dated 17th April 1896.

As to the Travancore Section, you suggest that there would presumably be no opposition on the part of the Travancore Durbar, who had already accepted the proposal of the Government of India to underwrite the proposed guarantee by the Government of India in so far as it applies to the Native State Section, to similarly underwrite a corresponding British guarantee offered to a Branch Line Company owning the British Section of the Railway.

5. Lastly, as regards the Palghat-Dindigul Line, the Government of Madras recommend, for the reasons advanced in your letter No. 533 R., dated 5th August 1897, that the offer of the South Indian Railway Company in so far as it concerns this project should be refused for the present, but without prejudice to the reopening of the question of its construction hereafter.

6. I am now to inform you that these proposals of the South Indian Railway Company and the views of the Government of Madras thereon, have been carefully considered by the Government of India together with the recommendations of the Railway Conference which has just concluded its sittings at Simla under the Presidency of His Excellency the Viceroy.

7. I am to say that while the Government of India are fully aware of the advantages offered by the proposals of the South Indian Railway Company, which are supported by the Government of Madras, for constructing the Branch Lines connected with the South Indian Railway in British territory as integral parts of that Railway, His Excellency the Governor General in Council desires to again impress on the Government of Madras and upon the South Indian Railway Company that, having regard to the existing engagements of the Government of India which have received the approval of Her Majesty's Secretary of State, there is no prospect whatever of all the lines referred to in this correspondence being included in the ordinary programme of railway construction for the next two years.

8. It was after a full consideration of the proposals that had previously been made for the construction and working of the Tinnevely-Quilon Railway, which are virtually identical with those now put forward by the South Indian Railway Company, and of the limitations of the ordinary Railway programme, that the Government of India addressed the Government of Madras in their letter No. 1304 R. C., dated 2nd September 1896, on the subject of this railway, and explained the arrangements which appeared to His Excellency the Governor General in Council to be best calculated to secure the early construction of the line under conditions which would be most equitable to all the parties interested.

I am now to say that after further consideration of the present views of the Government of Madras, the Government of India adhere to the opinion already formed that the proposals made in their letter of the 2nd September 1896, No. 1304 R. C., although not offering any direct advantages in respect of the division of surplus profits, were not inequitable to the South Indian Railway Company, and were such as His Excellency the Governor General in Council had hoped that the Government of Madras would support in the reasonable interests of the Travancore Durbar, which interests would appear to have been overlooked in the proposals now made by the Board of the South Indian Railway Company and recommended by the Local Government.

9. As regards the Madura-Paumban Railway, with letter No. 1958 R. C., dated 22nd December 1896, the Government of Madras were furnished with a copy of a Despatch (No. 95 Ry., dated 15th October 1896) from the Secretary of State intimating that the provisional concession granted to Messrs. Wallace Brothers for the construction of this Railway had lapsed, and you were informed that the orders of the Secretary of State were not understood to restrict the undertaking of this line to the direct agency of the South Indian Railway Company

with funds to be supplied by the State. These funds the Government of Madras were reminded were limited and it was indicated that there was little chance of any being available for this railway until after 1899, but that it might be carried out at an earlier date upon branch line terms by a Company subsidiary to the South Indian Railway Company.

With a subsequent letter, No. 552 R. C., dated 5th April 1897, the Government of Madras were furnished, for favour of opinion, with an application from Messrs. Best & Co., Madras, for a concession for the construction of this line upon branch line terms. The Government of Madras replied in your letter No. 277 R., dated 22nd April 1897, that as there was no chance of funds being available before the end of 1898-99, nor of the South Indian Railway Company being authorised to issue State guaranteed debentures, they were strongly of opinion that the best course would be for the South Indian Railway Company to promote the formation of a subsidiary branch company for the construction and working of the Madura-Paumban Line on terms acceptable to both Companies and to Government, without the intervention of Messrs. Best & Co., or any particular firm of promoters.

You were informed in letter No. 837 R. C., dated 20th May 1897, that the Government of India had no objection to the Board of the South Indian Railway Company being invited to consider the above proposal of the Government of Madras, as alternative to Messrs. Best & Co.'s application, but you were at the same time reminded that if the proposed subsidiary company had any direct financial connection with the South Indian Railway Company, except through the rebate clause of the branch line terms, the scheme would have to wait for a place in the railway programme for all India.

Simultaneously with the receipt of your letter No. 530 R., dated 5th August 1897, conveying the offer of the Board of the South Indian Railway Company to undertake this and the other lines *en bloc* as integral parts of the South Indian Railway, intimation was received from Messrs. Best & Co. that they had been informed by the Board of the South Indian Railway Company of their willingness to join that firm in their scheme for the formation of an independent subsidiary company for the construction and working of the Madura-Paumban Railway on branch line terms, and that the Board had also communicated this information to the Secretary of State.

10. With the foregoing explanatory remarks, I am to communicate the decision of the Government of India upon the collective proposals submitted by the Board of the South Indian Railway Company in their telegram of July 1897 to their Agent (a copy of which was received with the latter's letter No. 753, dated 22nd July 1897), for dealing *en bloc* with the three lines—

Palghat-Dindigul.

Madura-Paumban.

Tinnevely-Quilon.

11. *Palghat-Dindigul.* The Government of India, while disposed to favour the construction of a metre gauge rather than a standard gauge railway through that district, are unable at present to pass any orders in regard to this scheme which requires careful consideration in many aspects and in the light of information not yet available.

12. *Madura-Paumban.* As already explained and reiterated in paragraph 9 above, unless the South Indian Railway Company definitely accept some such arrangement as that proposed by Messrs. Best & Co., the construction of this line in the immediate, or even near future, is entirely out of the question and it must therefore wait for a place in the general programme for all India, which so far as can be foreseen may not be found for many years to come, a result which the Government of India would view with much regret.

13. *Tinnevely-Quilon.* As also explained in the foregoing paragraph 8 the Government of India still prefer the arrangements previously proposed by them that the Tinnevely-Quilon Railway, should be constructed upon the Branch line terms. As, however, those arrangements do not appear

18/c

Sp 1031. R dated 25/11/97

Railway Branch

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following

Letter from the Govt. of India P. W. Dept. } H.E. No 1746 R.C. of 22 Oct 1897

The Government of India will be addressed with regard to the Palghat (or Podam) Liridigit Railway.

H.E. No 1032. R dated 25/11/97

No. 1032. R

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Government of Madras.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

To

THE SECY. TO THE GOVT. OF INDIA,

P. W. DEPARTMENT.

Calcutta

Madras, Dec 25th Nov 1897.

SIR,

I am directed to acknowledge the receipt of your letter No. 1746. R.C. dated the 22nd Oct. 97, and in reply to those parts of it which refer to the Palghat (or Podanur)-Dindigul line, to convey the acceptance of His Excellency the Governor of Madras in Council of the Govt. of India's decision to defer for the present the passing of orders in regard to this scheme.

2.- Meanwhile enquiries are in progress as to the views of the District interested, and when the proper time arrives for regarding the question of the construction of a railway, sufficient evidence will, it is hoped, be forthcoming to prevent a mistake being made.

I have & F.V.S. 17/11/97

Despatched on

25/11/97

Encl: Nil -