

Public Works (1898) Department.

RAILWAY BRANCH.

G.O., No. 1122 R₂.

DATED 7th September 1888.

Confidential

[Despatch Abstract.]

Construction of a siding to the Nanpada Salt
Factory. The Govt of India addressed
on the question of the ——— at the expense
of the East Coast Railway.
———

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

Recommending to the Government of India that the siding to the salt factory at Naupada should be constructed at the expense solely of the East Coast Railway itself.

CONFIDENTIAL.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—the following Proceedings of the Board of Revenue (Separate Revenue), No. 196, dated 6th July 1898:—

Read—the following letter from J. H. MERRIMAN, Esq., Deputy Commissioner of the Salt, Abkari and Customs Department, Northern Division, to the Secretary to the Commissioner of Salt, Abkari and Separate Revenue, dated Waltair, 23rd May 1898, No. 1701:—

In continuation of the correspondence ending with Board's Proceedings, Mis. No. 14, dated 5th January 1898, and Mis. No. 258, dated 18th January 1898, recording certain correspondence regarding the Parlákimedi Railway pending further report, I beg to state that I have at last received from Mr. Sandford the plan (A) of his proposed extension from the Naupada railway station to the salt factory which I enclose together with a copy of his report (B) which accompanied the same.

2. In order that the Board may be in possession of all that has taken place between Mr. Sandford and myself in this matter, I further beg to enclose a note (C) containing the correspondence, both official and demi-official, that has passed on the subject, from which the Board will be pleased to observe that the delay in this report does not lie at my door.

3. From the correspondence the Board will see that while Mr. Sandford has been preparing his scheme the East Coast Railway authorities have been elaborating a similar scheme for constructing a siding from the Naupada station to platform No. III to be paid for by the Oriental Salt Company, and I now understand that the plans for the same have been sent to Mr. MacNab in Ootacamund together with an agreement (copy enclosed D) for his acceptance and to be placed by him before Government if he agrees to their cost and terms. The Manager showed me his plans in the rough and no doubt they will eventually be sent to the Board for its opinion, so I will only say here that the line proposed by the East Coast Railway appeared to follow very closely that now sent in by Mr. Sandford, ending up as it does, at the enclosure belonging to the Oriental Salt Company which is marked "Site of Oriental Salt Company's factory" on Mr. Sandford's plan A. There are thus in the field two proposals for connecting platform No. III with the Naupada salt station, viz.—

I. By the Engineer-in-Chief of the Parlákimedi Light Railway.

II. By the Manager, East Coast Railway.

4. To turn first to Scheme No. I.—The original scheme as discussed with Mr. Sandford in November last on the spot was—

(1) To locate a salt depot (platform) to the north of the Parlákimedi road and a few hundred yards to the east of the East Coast Railway.

(2) To connect this depot with all the four existing platforms (hereafter to be used only as drying grounds) in the salt factory by light lines so that the salt could be railed into the depot where it would be stored and sold to the public and loaded direct on the wagons both of the East Coast Railway and the Parlákimedi Light Railway Companies.

(3) The lines to the several platforms to run for the most part on the factory roads.

(4) The whole of the work (except the construction of the depot) to be undertaken at the cost of the Parlákimedi Light Railway which would recoup itself by strictly reasonable charges sufficient to cover a moderate interest on capital cost, and for upkeep and haulage. Mr. Sandford and I agree that the best way of adjusting such charges would be for the railway to submit its bill yearly and for the amount to be collected in the shape of a cess on the salt railed over its lines.

5. Mr. Sandford's present plan only provides for a line to No. III platform and not to connect all the other three platforms as originally proposed and if this is adhered to the scheme must fall to the ground altogether, as to limit the line to platform III would be to render the scheme for the depot null and void. While I was drafting this report on the 18th instant however I had the opportunity of talking the matter over again with Mr. Sandford who has written me the enclosed note (E) on the relative value of his scheme as compared with that of the East Coast Railway—cum—Oriental Salt Company. In this note he states that he is sure there would be no difficulty in arranging for his line to be extended to the other three platforms provided that they are guaranteed the whole of the work of moving the salt from them up to the central depot and that such rates are paid to them as would allow a reasonable percentage on the outlay plus working expenses.

6. As originally arranged with Mr. Sandford the line should run up to the West of No. III platform or outside the factory, whereas his present plan takes it to the East or inside the factory with a view to suit the wishes of the Oriental Salt Company. I consider the line as originally arranged should be adhered to and Mr. Sandford now assures me there will be no trouble or extra expense involved in so doing.

7. The depot, if constructed, will be arranged so that both the broad and narrow gauge lines of the two railways shall run into it from the Naupada station. I have asked Mr. Sandford to return me the plan I drew for the same. The cost, which will not be excessive, would have to be borne by the licensees in the shape of cess. The factory Assistant would have to live at the depot, so quarters and out-houses would have to be erected for him. He would be provided with a trolley for going backwards and forwards from and to his work in the factory and no additional Assistant would be required.

8. The Board will observe that Mr. Sandford is prepared, if required, to convey broad gauge wagons (empty or full) to and from the existing platforms, depot and railway station so as to avoid break of bulk. As far as the depot is concerned nothing will be gained by adopting this system as the light line wagons will be the best medium for conveying salt from the platforms for storage at the depot. The system can however be worked so as to avoid break of bulk for coal and other goods from the station to the factory and of the Company's salt from the existing platform to the station if required. As regards the removal of salt after it has been once stored in the depot undoubtedly the most suitable course will be to connect the depot and station by both broad and narrow gauge lines so that the wagons of either can be loaded at the depot and thence trained right way to the sidings of their respective railways at the Naupada station.

9. To turn now to Scheme No. II.—This is a proposal now under submission to Government prepared by the Manager, East Coast Railway, at the instance of Mr. MacNab, the Managing Director in India of the Oriental Salt Company which has extended its operations to the Naupada factory and has induced the licensees of a large portion of the factory to hand over their salt to the Company for this year only at Rs. 14 per garce,—the avowed intention of the Company being to eventually obtain a complete hold over the whole of the licensees at this factory. The proposal is to run a broad gauge siding from the Naupada station to platform No. III along a line which closely follows that exhibited in Mr. Sandford's sketch (A) and which ends at the enclosure of the Oriental Salt Company on the east of platform No. III. This line, which is estimated to cost about Rs. 89,000, is to be paid for by the Oriental Salt Company and the proposed terms of its agreement with the Railway Company will be found in

the printed agreement D. This scheme embraces no central depot nor any extensions to the other three existing platforms.

10. I understand from Major Constable that it is not certain that Mr. MacNab will agree to all the terms of the proposed agreement nor whether he will be prepared to defray the cost of the line which has worked out to a considerably higher figure than that at first anticipated. It is therefore possible that the scheme may altogether fall through but for the sake of argument, I will assume that Mr. MacNab is prepared to carry it through, and will discuss briefly the relative merits of the two schemes.

(a) The broad gauge scheme has been prepared *solely* with a view to the requirements of the Oriental Salt Company and will, if carried out, no doubt form, as it is intended to form, a powerful lever in forcing recalcitrant licensees to hand themselves and their salt over to the Company in spite of the provisions in clause XIII of the proposed agreement (D) which the Railway Manager has inserted with a view to protecting outsiders as far as possible.

(b) The broad gauge scheme is far more costly than the other. As however the cost will fall on the Oriental Salt Company this aspect of the case need only be considered in case the agreement between the Railway and Oriental Salt Companies eventually determines under either clause XIV or XV in which event this expensive line will either have to be worked to the detriment of the consumer or will have to be removed to make way for the cheaper and more effective light line. I say *more effective* as the light line would be extended to all four platforms whereas the cost would make any such extension of the broad gauge line prohibitive and no central depot would therefore be feasible under the broad gauge system except at a prohibitive cost.

(c) Platforms I, II and IV will all be left out in the cold and it will probably pay better to cart their salt right away to the Naupada station rather than to cart it to No. III platform and to pay the trainage thence to the Naupada station.

11. To turn now to the advantages of the light line and central depôt scheme, they are—

- (i) *Cheapness.*
- (ii) *Concentration.*
- (iii) *Facilities for both Railways.*

To deal with these three main heads separately:—

(i) *Cheapness.*—(a) From Mr. Sandford's note (E) it appears that the broad gauge is from two to three times as costly to put down as his gauge. The interest to be charged will be in proportion.

(b) With the central depot the working expenses will be reduced to a minimum as all the transport from the existing platforms to the depot will be carried out during the storing season or in the space of, say, three months, thus giving *full work for a short period* to the engine, rolling-stock and establishment, whereas, without the depot, a broad gauge engine will have to be kept on *all the year round* to bring the salt as, and when, *sold* from platform No. III to the Naupada station, if indeed it is not found cheaper for salt from the other three platforms to avoid the line altogether and to be carted direct to the station.

(c) The working expenses on the broad, are in all respects greater than on the narrow, gauge.

(ii) *Concentration.*—The concentration of storage and sales at the depot would result in a saving of guard to Government, greater security and less trouble all round, besides being convenient to the trade.

(iii) *Facilities for both Railways.*—Under the broad gauge scheme the Parlákimedi Light Railway will be left entirely out in the cold which will be hard on a line which is, largely, being constructed to develop the salt trade and to benefit the consumer.

Under the depot scheme *both* Railways will have precisely similar facilities as the wagons of both their lines will run into the depot to receive and remove the salt as sold.

12. Put briefly the matter for decision appears to me to resolve itself into a question as to whether Government has sufficient faith in the Oriental Salt Company's chances of success to allow that Company to construct a very expensive line which would prove a white elephant in case of the Company's failure and which would probably have to be removed to make way for the cheaper and more effective Light Railway running into a central depot so constructed as to meet all the requirements of *both* Railways.

Resolution—No. 196, dated 6th July 1898.

The Deputy Commissioner's letter and its enclosures are submitted for the consideration and orders of Government. The Commissioner has had an opportunity of viewing the whole question at Naupada and has discussed it with the Manager of the East Coast Railway.

2. The desirability of connecting the factories of Naupada and Karasa with the East Coast Railway was set forth in Board's Proceedings, No. 209 (S.R.), dated 27th May 1896, and was apparently under consideration by the Railway authorities in 1897 but probably was not viewed by them with approval for reasons similar to those that were put forward in dealing with the like proposal for the Humma factory. But as the Oriental Salt Company has now mooted construction of the siding at Naupada at its expense the railway is naturally prepared to consider a question which will involve no loss to it and bring it and its customers into more direct relations.

3. The Parlákimedi Light Railway has always regarded the carriage of salt from this factory as a large part of its subsistence and the factory as its proper starting point on the East. The Salt Department viewed this with satisfaction, and when the Naupada station of the East Coast Railway was instituted (after the survey of the Light Railway had been made) the advisability of its forming the meeting place of the gauges was not unfavourably regarded by the Manager of the East Coast Railway. Consequent thereon the Salt Department took into its consideration the provision of a platform in the vicinity of the station to serve as the sole platform for the factory to which its produce should be railed from the drying grounds or present platforms by the Light Railway, and referred it to the Engineer. In doing so the Deputy Commissioner kept specially in view that accommodation would be required for manufacture by the Oriental Company's new methods; but, later, the Company apparently determined to obtain full control of the factory and intimated its desire that no concession should be made to tramways between the platforms and the station as itself had formed an intention to take action in this direction. It is understood now that matters have progressed as far as the production of a draft agreement between the Railway and the Company.

4. After considerable delay the Engineer of the Light Railway submitted his plan for connecting the station and the factory, with the new platform *en route*. The trace presents no difficulty from an engineering point of view, and—as is part of the Light Railway general scheme—purposes to make use of the Local Fund road the greater part of the distance.

5. The Board in the Land Revenue Department in Proceedings, Mis. No. 22 of 5th January 1898, submitted to Government the Collector's letter requesting Government sanction to the construction of the Light Railway from Naupada station on the East Coast Railway to Parlákimedi. The original papers have gone to Government and it is not clear why Naupada station was taken as the terminal point by the Collector; for the Engineer's report dated 18th April 1892 puts that at the Salt factory. And it is gathered from the papers now submitted that the East Coast Railway has no objection to the Light Railway running into the East Coast Naupada station or to arrangements for traffic crossing on the level.

6. Apparently it rests now with Government to choose between these rival schemes—if indeed the proposals of the Oriental Salt Company are made in earnest. There is no question of the willingness and desire of the Light Railway management to carry out its proposals; those of the Oriental Salt Company must be taken as founded solely on the desire to obtain full control of the factory for its own ends. Up to the present time it is believed to have some three-fourths of the licensees in its hands; it is endeavouring to secure the remainder; and, having regard to the position of the factory and the good quality of salt it produces, the Board is very far from desiring to see the Company given a monopoly of the production, and the power, uncontrolled, to fix its price to the consumer, or to be under necessity of recurring to the old scheme of a Government reserve factory to control prices. The Company is erecting its works at No. III platform and no doubt regards the idea of a station depot as antagonistic to its sole control.

7. The Deputy Commissioner has set forth in detail the relative advantages and disadvantages of both proposals and they distinctly total in favour of the Light Railway. Government, incurring no expense in respect of either and being under obligation to have regard chiefly to the consumers' interests, should have no difficulty in accepting the Board's conclusion that the broad gauge siding, while a heavy cost to the Company and therefore to be reimbursed by increased cost of its salt, can benefit only the Company by reducing its charges for putting salt on the East Coast Railway—the Company's objective in any case—and giving it supreme control of the factory, which Government is for every reason bound to avert; while the Light Railway, radiated through the factory, will concentrate the factory produce at a central point and materially reduce the cost of salt to the buyer by cheapening carriage, maintenance and protection.

8. It is understood from communication with the Manager, East Coast Railway, that Mr. Sandford's idea of working broad gauge wagons over the Light Railway line by means of cradles is not likely to succeed owing to the heavy loads the broad gauge wagons now carry.

9. If it is determined to grant the concession of a siding to the Salt Company it seems worth the consideration of Government whether that should not be laid with a third rail for the Light Railway's use and on such terms as to running powers as will admit of the Light Railway using the permanent way profitably.

(True Copy and Extract.)

(Signed) C. G. TODHUNTER,
Acting Secretary.

(True Copy.)

(Signed) R. M. THURLEY,
Ag. Asst. Secretary.

To the Secretary to Government, Revenue Department
(with five enclosures, in original, to be returned).

ORDER—No. 505, Revenue, dated 1st September 1898.

Separate Revenue, No. 50.

On consideration the Government regrets to be unable to approve the scheme proposed by the Board of Revenue for the formation of a new platform at the Naupada station on the East Coast Railway. In the first place there is no reason why Government should incur a large expenditure to facilitate the business of the excise licensees, assuming that the scheme will have that result. It is understood that the process of manufacture adopted by the Oriental Salt Company will require large quantities of concentrated brine, and the machinery must be established at the factory where it can be easily

obtained. Again, if transfer of any kind be interposed between the drying grounds and the storage platforms, complications of the accounts will inevitably result, as was observed in the Chingleput factories while the excise system was in force. Nor will the Board's proposal reduce the guarding in actual practice. The line guards required during the manufacturing season should not be formed wholly of temporary peons. The entertainment of a certain number of permanent men being therefore necessary, they may as well be employed in guarding the existing platforms during the off season as in doing nothing.

2. Before coming to any decision on the question whether the siding to the Salt factory should be constructed by the Parlakimedi Light Railway or the Oriental Salt Company, His Excellency the Governor in Council will strongly recommend to the Government of India that the siding be constructed at the expense solely of the East Coast Railway itself. The Government of India will be addressed accordingly.

(True Extract.)

Almaisonbaub
for Secretary to Government.

To the Board of Revenue, Separate Revenue.
Public Works Department, Railway Branch.

with draft letter to the Government of India. *W. H. H. H.*

(Signed) C. G. TODHUNTER,
Acting Secretary.

(Signed) R. M. THURLEY,
Ag. Asst. Secretary.

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Confidential

Draft Letter.

No. 1122 L

9

SERIAL
No. 23

To

Print

The Secretary to the Government of India,

Public Works Department.

Cotacmandu 7th September

Sir,

I am directed to address you regarding the construction of a siding from the Naupada station on the East Coast Railway to the Salt Factory of the same name.

The Naupada ^{Salt} Factory in the Ganjam District is one of the most important factories in the Northern Circars producing a salt which is of excellent quality and in popular favour. Unlike many of the other factories in that quarter, it is also capable of indefinite ^{extension} ~~expansion~~. In the past season the outturn was between six and seven lakhs of maunds and may be taken to average that quantity in a good season. With the opening of the East Coast Railway the demand for the salt manufactured there will not only be very greatly ~~enlarged~~ enlarged in the northern districts, but will certainly extend in Orissa and the adjoining districts of Bengal; and, when the Vizianagram-Raipur Railway is opened, also in the Central Provinces. At present about 600 acres only are under salt cultivation; but the Oriental Salt Company who are the excise holders of two-thirds of the whole factory, the other third being under independent licensees, have it in contemplation, as soon as terms have been settled with the Government, to bring a much larger area, ^{probably four or five times the existing area} under production. Moreover the nature of the Company's operations promises vastly to increase the sphere of the supply. The main aim of the Company is to displace Liverpool salt from the Calcutta market; and by a process, for the machinery for working which they

alone hold the patents, they appear to have successfully solved the problem of converting by mechanical and chemical treatment the ordinary salt of the country into a granular white salt which is indistinguishable from the Liverpool salt and for which they are already beginning to secure a sale. By the Company's process only one moiety of the salt treated is converted into this quality while the other moiety is turned out as a cheap salt suitable for the native population accustomed to monopoly salt. This salt being, however, of a superior quality should command a somewhat better price in the market than the Government standard salt. To get rid of their manufactured stock it is therefore essential that the Company should be able to secure a market for both the products of the process; and the larger the sale of the Liverpool quality in Calcutta the greater the necessity for cultivating the local market for the cheaper salt. All this stock, it is proposed, should be railed direct from the factory without break of bulk; the Liverpool salt to Orissa and Bengal and the other salt to depots up and down the line.

3. The Company has been in correspondence with the Manager of the East Coast Railway and has arranged, subject to the approval of Government, the terms of an agreement for constructing and working the siding. A copy of the draft agreement is enclosed for the information of the Government of India. Under the arrangement therein set out the Company is prepared to acquire the land and pay for the construction of the embankments, the East Coast Railway providing and laying the whole of the permanent way material, and also charging freight for the traffic actually conveyed for the Company over the siding at the tariff rates in force at the time, and receiving from the Company the difference, if any, between the sum thus realized and the interest on the Railway's share of the outlay calculated at 10 per cent. per annum. The cost of making the siding is estimated at Rs. 74,138, of which Rupees

29,168 would be borne by the Oriental Salt Company and Rs. 44,970 by the Railway.

4. In competition with this proposal, an offer has been made for the laying of a narrow gauge siding by the Parlakimedi Light Railway. The construction of this railway was approved, subject to certain conditions, by the Government of India in your letter No. 2 R.P., dated 14th March 1898. This railway will eventually, it is stated, be extended to Varanasi, Battili and the Vizagapatam district, forming a link between the Naupada Factory and the proposed Vizianagaram-Raipur Railway. Considering, however, the magnitude of the traffic which, as explained in para 2 above, the line will have to carry, it is clear to this Government that the narrow gauge light line will be inadequate for the service, and that the Salt Factory must be linked with the East Coast Railway by a broad gauge connection. If the Parlakimedi Light Railway is also to have facilities these might possibly be secured by laying a third rail or preferably by arranging by means of a dock to wheel the narrow gauge vehicles on to the floor of the broad gauge ones, and so carry them down to the salt platforms. In the view, however, which His Excellency the Governor in Council has been led to adopt, it is not desirable to entertain either the Company's proposal or the question of giving special facilities to the Parlakimedi line.

5. The manufacture of salt is the subject of Government monopoly and it is essential in the public interests that the Government should not lose its control over the manufacture when that has been entrusted to private licensees. Any arrangement which would place the licensees in the position of private monopolists either by destroying free competition or by disabling or embarrassing the Government in the exercise, should occasion arise, of an effective control over the price of the commodity, must be jealously and se-

securely guarded against. The draft agreement between the Oriental Salt Company and the East Coast Railway no doubt provides that the latter "may sanction the use of the siding for the traffic of persons other than the Company, on "payment to the Company by way of remuneration for such use, "of a special toll of three pies per maund in addition to "the railway rates &c."; but it is stipulated that the traffic of the Company shall have precedence over that of other persons. This provision coupled with the fact that under present arrangements the siding will be constructed only to the Oriental Salt Company's works and will not run to the other platforms in the factory, is calculated to force the salt licensees, who are yet independent, to make terms with the Company and so strengthen its position as a private monopolist. Naupada, moreover, is the most important factory on the northern coasts and, as already stated, is capable of indefinite extension; and at any time Government may deem it proper, as a measure of control, to bring some portion of the area under direct management. But this measure might be practically frustrated if the line is in private hands.

6. Having regard to this policy, His Excellency the Governor in Council is most strongly of opinion that the formation of the junction with Naupada should be undertaken at the expense solely of the East Coast Railway. It is apparently prepared to incur an expenditure of about Rs. 45,000 and the comparatively small additional cost of some Rs. 30,000 should not, in the opinion of His Excellency the Governor in Council, stand in the way. The money will be well spent and all complication will be avoided. This Government feels assured that the line will in a very short time earn a dividend at ordinary tariff rates of one-sixth of a pie per maund per mile. Until this is secured this Government considers that a special toll of two pies per maund may be unobjectionably levied on the

salt moved over the siding, the toll to be reduced as the ^{traffic} tariff expands.

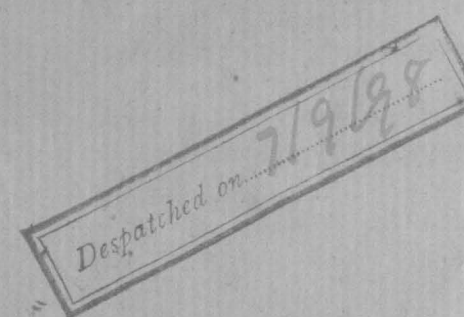
7. I am accordingly to request that the Government of India will be pleased to sanction the construction of the siding as a part of the East Coast Railway.

I have &c.

FWS

3/9/98

*T.P.K.
2.9.98.*



securely
Oriental Salt
provi

EAST COAST RAILWAY.

AGREEMENT.

An Agreement made the _____ day of _____ 189 , between the East Coast Railway (hereinafter called the Railway) of the one part and the Oriental Salt Company (hereinafter called the Company) of the other part. Whereas the Company have applied to the Railway to construct for them a siding as delineated on the plan hereto annexed which the Railway have agreed to do upon the Company entering into such agreement as is hereinafter contained.

Now it is hereby agreed as follows :—

I. The Railway shall, at the expense of the Company and at cost price to the Railway, including therein reasonable supervision charges, prepare the land, both inside and outside the railway boundary, for laying thereon the sleepers, rails, points and switches of the siding, including provision of ballast, the construction of embankments and such other works as may be deemed necessary by the Railway. The Company shall, if required by the Railway to do so, deposit with the Railway in advance, the estimated cost of all such works, including the cost of land outside the Railway boundaries and shall agree to pay on demand such excess cost, including supervision charges, as may actually be incurred in execution by the Railway on the Company's behalf of the said works.

II. The Railway shall at their own expense, provide and lay the whole of the permanent way material required for the siding and shall furnish to the Company an account of the cost of the same, such cost to include reasonable supervision charges. The permanent way shall include points, crossings, signals, buffer and scotch blocks and a weigh bridge if required.

III. The Railway shall at the expense of the Company maintain in good repair and working order, the works provided under clause I of this Agreement so far as the maintenance thereof is in the opinion of the Railway necessary for the safe and efficient working of the siding and the Company shall on demand pay to the Railway the cost of such maintenance.

IV. The Railway shall at its own expense maintain in good repair and working order the works provided under clause II of this agreement.

V. In the event of its being necessary, subsequent to the original construction of the siding, to make any alterations or additions thereto or to provide such items as fencing, signals or improved safety appliances or machinery of any kind, or to provide quarters for signallers or staff for the working of the siding, such additional works shall be provided and maintained, subject to the general conditions governing the original construction. No addition or alteration shall be made to the siding by the Company without the written sanction of the Railway administration; nor, without such sanction, shall any temporary or permanent structure be erected by the Company in such proximity to the siding as to affect in any way the working of trains over the siding. All sanctioned additions or alterations to the siding made by the Company and all sanctioned structures erected by the Company shall be made or erected in all respects in compliance with the regulations of the Railway administration on that behalf for the time being in force and shall be carried out by the Railway.

VI. The siding when and so long as it shall remain open for traffic shall be subject in all respects to the rules and regulations for the time being prescribed for sidings of the East Coast Railway.

VII. The Railway shall provide the necessary wagons and trucks and motive power required for the conveyance of the Company's traffic over and along the said siding and the

Company shall pay for the traffic actually conveyed for them over the siding according to the rules, conditions and rates chargeable for the time being under the East Coast Railway Tariff for the class of traffic conveyed, any fractional mileage of the siding being reckoned as an additional mile for charge. Any terminals chargeable to the public from time to time for salt will be leviable for traffic dealt with on the siding as if the latter were a station on the East Coast Railway. No charge will be made for the haulage of empty vehicles over the siding. Provided that if at the end of any half year ending the 30th June or 31st December, the whole sum received by the Railway from the Company during such half year for the conveyance of traffic over the siding shall be less than a sum calculated for the half year at a rate of 10 per cent per annum (commencing in the case of the first half year from the date of opening the siding for traffic) on the cost as furnished under Clause II of the providing and laying the permanent way material, etc., then the Company shall on demand make good to the Railway any such deficiency.

together with any cost that may be added under Clause I

of this Agreement

VIII. Twenty-four hours shall be allowed for the loading and unloading of wagons and trucks placed in the siding and any wagon or truck detained after that time shall be subject to the usual demurrage charges in force on the Railway for the time being.

IX. All wagons and trucks intended for the Company's use shall be placed by the Railway at a point on the siding to be determined by the Railway as convenient as possible to the Company's Works, such point to be determined by the Railway. Similarly all loaded or empty wagons and trucks intended for despatch from the siding shall be placed by the Company at the same point.

X. The Company shall be responsible for all damage occurring to all wagons and trucks while within the limits of the company's premises.

XI. All loaded wagons despatched to and from the siding shall be charged for on their full carrying capacity.

XII. The Railway shall allow a rebate of half a pie per maund on account of loading and unloading done by the Company in the case of all traffic which under the rules of the Railway for the time being force in has not to be loaded or unloaded by owner.

XIII. The Railway may at any time construct or permit the construction of any branch or extension of the siding and may work traffic over the siding to and from such branch or extension. The Railway may sanction the use of the siding for the traffic of persons other than the Company on payment to the Company of a remuneration for such use, the amount of such remuneration to be solely determined by the Railway. Such remuneration shall be on the basis that it shall impose on such users of the siding a fair proportionate incidence of the capital cost and guarantee undertaken by the Company, the Railway charging for its services in addition to the terminals mentioned in clause VII sufficient only to cover the actual cost of moving the traffic including wear and tear expenses to the Rolling Stock employed, these Railway charges to be determined by the Railway administration. The working of such branch or extension and the use of the siding by persons other than the Company will be so conducted as to interfere as little as possible with the free use of the siding by the Company whose traffic shall have precedence. The management of all traffic whether of the Company or otherwise shall be under the full and exclusive control of the Railway.

Substantive

XIV. In the event of the Secretary of State for India desiring to acquire full proprietary rights in the siding, the Company will, if and when requested by him so to do, sell and assure to him its rights, proprietary or otherwise, in the land and works provided under clauses I and V at the actual cost incurred by the Company and thereupon this agreement shall cease and determine subject to the rights of either party in consequence of any previous breach or non-performance of any of its provisions.

XV. The Company may at any time give notice in writing to the Railway of its desire to determine this agreement on the 30th June or 31st December then next ensuing being not less than six calendar months after the date of such notice and on such 30th June or 31st December as the case may be, or if the agreement be determined by the Railway, then in either of such cases this agreement shall cease and determine subject to the rights of either party in consequence of any previous breach or non-performance of any of its provisions and thereupon the Company shall use the permanent way materials of the siding and

as may be determined by the Railway in either of such cases this agreement shall cease and determine subject to the rights of either party in consequence of any previous breach or non-performance of any of its provisions and thereupon the Company shall use the permanent way materials of the siding and

- (1) Failure of the Company to carry out and abide by the rules and regulations mentioned in clause VI.
- (2) Refusal of the Company to carry out and abide by the rules and regulations mentioned in clause VI.
- (3) Abandonment by the Company of the use of the siding.

XVII. The cost of stamp of this agreement will be borne by Government

Signed at _____ this _____ day of _____ 1898.

Witnesses.

Manager, E. C. Railway.

Witnesses.

Oriental Salt Company, Limited

The Railway may sanction the use of the siding for the traffic of persons other than the Company on payment to the Company, by way of remuneration for such use, of a special toll of 5 pies per maund in addition to the Railway rates as defined below and the terminal charges mentioned in Clause 7 to be paid to the Railway. All sums so collected in respect of traffic other than that of the Company (including the said special toll of 5 pies per maund) shall be credited or paid to the Company, the Railway deducting for its services, in addition to the terminals mentioned in Clause 7, sufficient only to cover the actual cost of moving the traffic, including wear and tear expenses of the Rolling Stock employed; these charges to be determined by the Railway Administration. (modification suggested by the East Coast Railway.

