

Print *a Railway Branch*

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Government (1898) of Madras.
PUBLIC WORKS.

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FEBRUARY.

Ordered that a copy of the preliminary draft of an agreement for the —, together with a note thereon by the Examiner, Guaranteed Railway Accounts, Madras, be forwarded to the Government of India for information.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers:—

From—The Agent and Manager, Madras Ry.
To—The Secretary to the Board of Directors, Madras Ry. Co.
Dated—Madras, 3rd February 1898, No. 2347.

With reference to the correspondence with the Nilgiri Railway Company, which accompanied your letter of the 29th October last, I beg to report that I have been in communication with Mr. Weightman, the Agent and Chief Engineer of that Company, with respect to an agreement for working the line of railway between Méttupálaiyam and Coonoor.

Twelve printed copies of the proposed agreement are now forwarded for the information and guidance of the Board, together with twelve type-written copies of Mr. Weightman's letter addressed to me on the 29th January 1898.

Mr. Weightman in his letter takes objection to only two clauses in the proposed agreement, viz., paragraph 13 (v) and paragraph 17 (a); but in conversation with Mr. Weightman, I have understood him to say that the proposed contribution to the Provident fund, referred to in paragraph 21, viz., the payment of 1 per cent. from the net earnings of the line as a subscription to the Provident fund, must be approved by the Directors of the Nilgiri Railway in London.

Paragraph 22 was included in the agreement at Mr. Weightman's request when I met him at Méttupálaiyam on the 17th December 1897 and when he stated his objection to paragraph 13 (v).

It will be for the Boards of the two railways to determine which of these two clauses shall remain in the agreement. Both are, of course, not wanted.

I am unable to relieve the Nilgiri Railway of the direct charge for interest on joint buildings at Méttupálaiyam, referred to in paragraph 17 (a), and here again the final decision must rest with the two Boards. In accordance with the arrangements agreed to at a meeting of the officers of the two companies, held on the 15th June 1892 (see G.O., No. 2675 R. of 11th November 1892, forwarded to the Board with letter, No. 2070), it was decided that the Nilgiri Railway should work into the Madras Railway station at Méttupálaiyam instead of building a station of its own, and, to adapt the station then existing to the requirements of a joint station, the platforms were extended and the rooms of the station enlarged. The expense of building the Méttupálaiyam station, and carrying out the changes agreed to at this meeting, was incurred by the Madras Railway, and the Nilgiri Railway share of this expenditure should now, it seems to me, be paid in cash if the rent agreed to at the meeting is objected to. To charge the rent to abstract G, as proposed by Mr. Weightman, would result in the Madras Railway bearing the whole of the interest charge upon the capital expenditure at Méttupálaiyam station, and such an arrangement might be objected to by the Government, seeing that the Government was represented at the meeting of the 15th June 1892.

I am advised by Mr. Weightman that up to date a second class fare has not been sanctioned for passengers travelling on the Nilgiri Railway. I am of opinion that, as a matter of form, a maximum rate of 6 annas a mile should be agreed to, even if we do not, on the opening of the railway, attempt to carry second class passengers.

It is understood that the agreement will be signed in England and not in this country as soon as the consent of the Secretary of State has been obtained to the arrangements proposed by the two companies.

ENCLOSURE.

NILGIRI RAILWAY.

Draft of a Working Agreement between the Nilgiri Ry. Co. and the Madras Ry. Co.

MEMORANDUM of Agreement made this _____ day of _____ eighteen hundred and ninety-eight between the Nilgiri Ry. Co. and the Madras Ry. Co. for the working and maintenance of the Nilgiri Railway by the Madras Ry. Co.

1. Throughout this Agreement, unless otherwise stated or unless there is something repugnant in the context, the following terms are to have the meanings set opposite to each of them, respectively, namely:—

- | | |
|--|---|
| (a) Traffic includes everything that is carried over the Nilgiri Railway. | Traffic. |
| (b) Coaching traffic includes passengers, horses, carriages, dogs, parcels, luggage and all that is booked at what are commonly known as coaching rates. | Coaching traffic. |
| (c) Goods traffic includes coal, minerals, material and merchandise of all kinds, also cattle, sheep, &c., and all that is booked at what are commonly known as goods rates. | Goods traffic. |
| (d) Telegraph receipts include all sums received for telegrams for the State and private parties. | Telegraph receipts, &c. |
| (e) Capital expenditure includes all expenditure of all kinds which would, under the rules in force from time to time on the Madras Railway, be charged to the Capital account. | Capital expenditure. |
| (f) Revenue expenditure includes all expenditure of all kinds which would, under the rules in force from time to time on the Madras Railway, be charged to the Revenue account. | Revenue expenditure. |
| (g) Stations include sidings, platforms (where provided), points, sheds, tank-houses, wells, water-columns, signals, approaches, roads, buildings for traffic purposes, dwellings for the station staff, furniture, fittings, lamps, and other appliances that are required for working traffic, &c., at stations. | Stations. |
| (h) Locomotive premises include running sheds, repairing shops, and all other appliances necessary for maintaining rolling-stock in working order. | Locomotive premises. |
| (i) Rolling-stock includes brake vans, water-tanks, all goods and coaching vehicles and all locomotive engines which are necessary for working the traffic of the Nilgiri Railway. | Rolling-stock. |
| (k) The term "Nilgiri Railway" includes all stations, locomotive premises, dwellings for the staff, rolling-stock, and the whole of the permanent-way, which form part of the complete undertaking of the Nilgiri Railway Company. | Nilgiri Railway. |
| (l) Local traffic and telegraph receipts are those which relate to traffic and telegrams which do not pass off the Nilgiri Railway, and include the receipts for traffic and telegrams between Méttupálaiyam and any station of the Nilgiri Railway. | Local traffic & telegraph receipts. |
| (m) Through traffic and telegraph receipts are the share of the receipts due to the Nilgiri Railway for traffic and telegrams which pass between stations of the Nilgiri Railway and stations of the Madras and other Railways beyond the Madras Railway. | Through traffic and telegraph receipts. |
| (n) Gross receipts include the Nilgiri Railway share of all local and through traffic and telegraph receipts, all amounts received for rent and all other sums received by the Madras Railway on account of the Nilgiri Railway—including advertisement and refreshment room receipts, and including also any sums received from Government under its guarantee to make the minimum gross earnings up to Rs. 2,00,000 (two lakhs of rupees) per annum. | Gross Receipts. |

2. The Nilgiri Railway, as hereinbefore defined with permanent-way, station buildings, furniture, fittings, sheds, sidings, locomotive engines and rolling-stock of all kinds, and all other conveniences necessary for working the traffic to and from the Coonoor terminus of the Nilgiri Railway will be taken charge of by the Madras Railway Company on the first day of eighteen hundred and ninety-eight and from that date it is, during the period of this Agreement (see clause 3), to continue to be worked by the Madras Railway Company as part of its own undertaking, in all respects as if it actually belonged to the Company, subject only to the same control of Government through the Consulting Engineer to the Government of Madras as is provided for in the agreement entered into between the Nilgiri Railway and the Secretary of State, the intention being that for working purposes the Nilgiri Railway is to be considered and dealt with exactly as if it were the property of the Madras Railway Company, except as to the provision of funds for Capital expenditure and as to the maintenance and renewal of the permanent-way, &c., and cost of Home establishment, which are specially provided for in clauses (5) five (6) six and (7) seven, respectively.

3. This agreement is to remain in force for a period of three years from the date on which the line is opened for public traffic: after the expiration of the three years the agreement will continue in force subject to any alteration of terms and conditions which may mutually be agreed upon by the two Boards of Directors, and subject to six months' notice on either side, such notice, however, only to expire on the 30th June or 31st December of any year.

4. The Nilgiri Railway Company will obtain from Government any land that may at any time be required for the use or extension of the Nilgiri Railway system. Application for extra land required will be submitted in all cases by the Madras Railway direct to the Government Consulting Engineer.

Period of agreement.

Land.

Capital funds.

5. The Nilgiri Railway Company will provide all necessary funds that may be required for Capital expenditure, and when such Capital works are to be undertaken by the Madras Railway Company, the estimated cost thereof is to be deposited in advance with the Madras Railway Company. All expenditure on Capital account is to be subject to the sanction of the Government, and no expenditure on capital works estimated to exceed Rs. 5,000 shall be incurred without the previous sanction of the Board of Directors of the Nilgiri Railway Company.

Engineering maintenance.

6. The Engineering maintenance, including the repair and renewal of all buildings, bridges, cuttings and embankments, permanent-way and all other expenditure chargeable according to Government Orders to the Abstract A, form of Revenue account, will be undertaken at the sole cost of the Nilgiri Railway Company, but the Engineering staff shall be, in all respects, subject to the orders and control of the Agent and Manager of the Madras Railway Company. Abstract A will be submitted periodically to the Government Examiner of Accounts, Madras.

6-A. Estimates for work in connection with maintenance to be submitted in advance half-yearly to the Nilgiri Board in London, and in the event of objections being raised to any proposed expenditure, the question to be referred, if necessary, to the Consulting Engineer for Railways, Madras.

Home establishment.

7. The cost of the Home establishment as chargeable by Government Orders under Abstract E of the Revenue Accounts, items 1st sub-heads 1, 2, 3 and 4, will be borne by the Nilgiri Railway Company.

Passenger fares.

8. The following passenger fares shall be chargeable between Mettupalaiyam and stations on the Nilgiri Railway:—

1st Class—A maximum mileage rate of 10 annas.

2nd Class—Do. do.

3rd Class—A maximum mileage rate of one anna.

Luggage and parcels—A maximum mileage rate of one anna per maund per mile.

Other coaching rates will be charged as shown in published time-tables and circulars.

Goods rates.

9. The following goods rates will be charged for all classes of goods-traffic:—

From Mettupalaiyam upwards—a maximum rate of $4\frac{1}{2}$ pies per maund per mile.

From Coonoor downwards—a maximum rate of $2\frac{1}{4}$ pies per maund per mile.

Terminal charges.

9-A. Terminal charges will be levied at the rates in force from time to time on the Madras Railway.

Alteration of rates both passenger and goods.

10. Subject to the above-mentioned maximum rates, the Madras Railway Company shall have the power to alter the rates as found to be desirable for the encouragement of traffic.

Carriage of mails.

11. Government mails shall be carried over the Nilgiri Railway under the terms of the agreement between the Nilgiri Railway Company and the Secretary of State.

Carriage of revenue stores.

12. The Madras Railway Company agree to carry over its own line and over the Nilgiri Railway any materials required for Revenue works upon the Nilgiri Railway at double the rates, but under the same arrangements, as are in force for material required for Revenue works on its own line.

Responsibility for accidents, &c.

13. The Madras Railway will be responsible to the public for all accidents, losses or damages of all kinds upon the Nilgiri Railway except as follows:—

Accidents or losses—

(i) Caused by the failure of way or works owing to defective construction, or so long as the Nilgiri Railway maintains its own Engineering staff;

(ii) Owing to mechanical or other failure of method or system on which rolling-stock ascends or descends gradients on the Nilgiri Railway;

(iii) Owing to defective construction of rolling-stock; and

(iv) Owing to extraordinary casualties from exceptional rainfall, or damages by floods, land slips, bursting of tanks, rivers, or other irrigation works;

For which exceptions the Nilgiri Railway Company will be financially responsible to the public, as well as for the repair or replacement of all way and works, rolling-stock, and for any accident or damage that the Madras Railway could not have prevented.

(v) The Nilgiri Railway will be responsible for loss through delay in the event of the rolling-stock and equipment being found to be insufficient when working has commenced.

Provision of staff, stores, &c.

14. The Madras Railway Company shall provide the necessary staff, stores, &c., required for the working of all descriptions of traffic between Mettupalaiyam station and the terminal station of the Nilgiri Railway.

Control of traffic.

15. The Madras Railway Company shall have entire control of the train and traffic arrangements of the Nilgiri Railway and shall, during the continuance of this agreement, cause to be run upon the Nilgiri Railway as many trains and at such times as the traffic shall from time to time require: at least one train shall be run daily throughout the entire length in each direction.

16. The Government Telegraph Department will provide and maintain the necessary lines of telegraph required for working, and the rent charged by the Government will be debited against revenue. The Madras Railway will decide whether block instruments shall be hired from Government or if it will provide Winter's instruments at a rental not exceeding the rate charged by Government for similar instruments.

Telegraph lines and block instruments.

17. The necessary expenditure to render the station buildings at Mettupalaiyam available for use as a joint station will be at all times undertaken by, and at the cost of, the Madras Railway: interest upon the total cost of the joint station premises, at the rate of $7\frac{1}{2}$ per cent. per annum, will be charged to the two railways in proportion to the amount of their local and interchanged traffic at Mettupalaiyam.

Mettupalaiyam joint station.

The weight of coaching traffic shall be reckoned according to the following scale:—

For each passenger of every class	...	...	...	1 cwt.
" " child	...	...	...	56 lb.
" " horse or each head of horned cattle	...	...	...	$\frac{1}{2}$ ton.
" " sheep, calf, goat, pig, dog or other small animal.	...	...	...	56 lb.
" " parcel	...	...	...	actual weight.
" " carriage of any size	...	...	...	$\frac{1}{2}$ ton.

17. (a) The payment of the Nilgiri Railway Company of their proportion of the interest on cost of joint buildings shall be in addition to the proportion of gross earnings for ordinary working expenses to be charged by the Madras Railway under clause 19.

18. The Madras Railway Company shall record and keep in a proper manner full and particular accounts of all its transactions and correspondence in any way relating to or affecting the Nilgiri Railway or the business thereof or any of the matters or things included or referred to in this agreement, so as at all times to exhibit fully and truly the state of its affairs in relation thereto, in the same manner as prescribed in the contracts between the Secretary of State for India and the two railways.

Accounts.

(b) The gross receipts of the Nilgiri Railway as hereinbefore defined are to be collected and treated as the receipts of the Madras Railway Company. The balance, after deducting the payments as defined in clauses 19 and 20 of this agreement, is to be paid over to the Nilgiri Railway Company as soon as the accounts for each half-year shall have been made up and passed by the Government of Madras.

(c) A full statement of accounts shall be furnished by the Madras Railway Company half-yearly to the Nilgiri Railway Company, and the former Company will also furnish weekly a statement of traffic earnings of the latter railway.

19. The charge to be made by the Madras Railway Company for working the Nilgiri Railway (including all revenue charges, excepting those for maintenance and home establishment excluded under clauses 6 and 7) shall be 30 per cent. of the gross earnings—see clause 1 sub-head (n): provided that if the Madras Railway Company's actual expenditure in working the Nilgiri line show a saving upon this proportion of 30 per cent. of gross earnings, then the Madras Railway Company agree to surrender half the said saving to the Nilgiri Railway Company; but if such actual charges show the expenses to be over the 30 per cent. of gross earnings, the Nilgiri Railway Company agrees to share the excess in equal proportions up to the point at which the payment to the Madras Railway Company would amount to 35 per cent. of gross earnings as a maximum.

Remuneration to the Madras Railway for working the Nilgiri line.

20. (a) The Madras Railway Company will maintain the Nilgiri Railway and its engines and rolling-stock in the same state of efficiency as that in which they were handed over to the company.

Maintenance of Nilgiri Railway.

(b) The precise conditions of the Nilgiri Railway, both as regards way and works and its equipment, when handed over to the Madras Railway Company are specified in the schedule to be annexed to this agreement. A detailed inventory of the Nilgiri Railway as made over to the Madras Railway shall be prepared by the Nilgiri Railway and accepted and kept by the Madras Railway Company as part of the accounts.

21. A sum amounting to 1 per cent. of net earnings shall be retained by the Madras Railway Company for contribution to the funds of the Company's Provident institution.

Provident Institution.

22. Before the railway is open for traffic the Agent and Manager of the Madras Railway shall, in consultation with the Engineer-in-Chief of the Nilgiri Railway, decide whether a sufficiency of engines and rolling-stock (with the necessary duplicate parts), buildings and quarters and general appliances and equipment have been provided.

Engines, rolling-stock and other equipment.

23. The Nilgiri Railway as defined in clause I (k) shall be inspected and passed by the Government officials before being opened for traffic, and periodically thereafter as Government decides.

Government inspection of line, and rolling-stock.

24. All the general and subsidiary rules and regulations for the working and management of the Madras Railway in force during the term of this agreement shall, so far as they are applicable to a branch line, be brought into operation on the Nilgiri Railway.

Madras Railway's rules and regulations to apply. Arbitration.

25. In the event of any difference of opinion arising upon any of the terms of this agreement between the respective Companies, the matter shall be referred through the Government of Madras to the Government of India, who shall decide from time to time as to responsibility for loss or damage, under this agreement, and whose decision shall be final and binding upon both parties.

NOTE by the Examiner, Guaranteed Railway Accounts, Madras, dated 9th February 1898, on the agreement for the working of the Nilgiri Railway by the Madras Railway Company.

The agreement for the working of the Nilgiri Railway by the Madras Railway Company will require sanction of the Government of India under section 50 of the Railway Act of 1890 and Act 42 and 43 Vic., Cap. 41 (2).

One or two minor points have not yet been definitely settled but have been reserved for the decision of the respective Boards. The agreement cannot, therefore, yet be sent for confirmation by India, but a copy might be submitted for information as a preliminary.

As the Nilgiri Railway Company is practically independent financially of Government, I think the only consideration that need be kept in view in examining the terms of the agreement is whether Government interests in the Madras Railway have been so far safeguarded that no loss is likely to be incurred by the undertaking to work the ghât line.

The principal terms for working are (1) that maintenance of way and works is to be charged for at actual cost and (2) that all other expenses (exclusive of Home Board expenditure) are to be covered by a charge of 30 per cent. of the gross earnings of the ghât line.

Maintenance being charged for at actual cost, there can be no loss on this item of working. As regards the 30 per cent. charge for other working expenses, it is noticed that the average of the Madras Railway Company's percentage of working expenses, exclusive of maintenance to gross earnings, has been 38 per cent. for the past five years. At first sight it would, therefore, appear as if the company had agreed to charge the Nilgiri Railway for other expenses at somewhat less than their own cost of working, notwithstanding the undoubtedly much higher cost of working traffic on a ghât line of 1 in 17 gradient.

It must be remembered, however, that the Nilgiri Railway schedule of rates and fares is very much higher than that of the Madras Railway, so that although the charges for working expenses measured as a percentage of gross earnings will only be about equal to those of the Madras Railway itself, the charges per ton mileage of traffic carried will probably be at least four times as high as on the Madras Railway.

Taking these points into consideration, I am of opinion that the Madras Railway Company will not lose by undertaking the working of the Ghât Railway on the terms agreed to.

ORDER—No. 270 Ry., dated 17th February 1898.

Ordered to be forwarded for the information of the Government of India.

[Here enter No. 271 Ry., dated 17th February 1898.]

(True Extract.)

FRANCIS J. E. SPRING,
Joint Secretary.

To the Consulting Engineer for Railways.
„ Agent, Madras Railway.
„ Examiner, Guaranteed Railway Accounts.

Government {1898} of Madras. PUBLIC WORKS.

Recd.

Enclosures

1898.

Regd.

Spare copies

Letter, No. 271 Ry., 17th February 1898.

FEBRUARY.

Working of the Nilgiri Railway by the Madras Railway Company

Forwarding a copy of the preliminary draft of an agreement for the —, together with a note thereon by the Examiner, Guaranteed Railway Accounts, Madras.

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,

I am directed to submit, for the information of the Government of India, a copy of a preliminary draft of an agreement for the working of the Nilgiri Railway by the Madras Railway Company, together with a note thereon by the Examiner of Guaranteed Railway Accounts, Madras. The draft has been sent by the Agent, Madras Railway, for the consideration and approval of his Board, with his letter, No. 2347, of the 3rd February 1898, of which a copy is also enclosed.

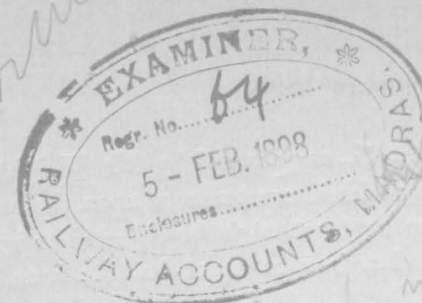
I have the honour to be,

Sir,

Your most obedient servant,

FRANCIS J. E. SPRING,
Joint Secretary.

FORT ST. GEORGE,
17th February 1898.



No. 2347.

To

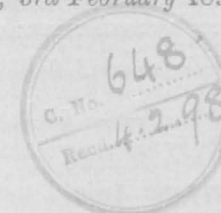
JULIAN BYRNE, Esq.,

Secretary,

Madras Railway Company,

LONDON.

MADRAS RAILWAY COMPANY,
MADRAS, 3rd February 1898.



SIR,

WORKING OF THE NILGIRI RAILWAY.

With reference to the correspondence with the Nilgiri Railway Company, which accompanied your letter of the 29th October last, I beg to report that I have been in communication with Mr. Weightman, the Agent and Chief Engineer of that Company, with respect to an agreement for working the line of railway between Mettupalaiyam and Coonoor.

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Mr. Weightman in his letter takes objection to only two clauses in the proposed agreement, viz., para. 13 (v) and para. 17 (a); but in conversation with Mr. Weightman, I have understood him to say that the proposed contribution to the Provident Fund, referred to in para. 21, viz., the payment of 1 per cent. from the *net* earnings of the line as a subscription to the Provident Fund must be approved by the Directors of the Nilgiri Railway in London.

Para. 22 was included in the agreement at Mr. Weightman's request when I met him at Mettupalaiyam on the 17th December 1897 and when he stated his objection to para. 13 (v).

It will be for the Boards of the two Railways to determine which of these two clauses shall remain in the agreement. Both are of course not wanted.

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meeting is objected to. To charge the rent to Abstract G., as proposed by Mr. Weightman, would result in the Madras Railway bearing the whole of the interest charge upon the capital expenditure at Mettupalaiyam Station, and such an arrangement might be objected to by the Government, seeing that the Government was represented at the meeting of the 15th June 1892.

I am advised by Mr. Weightman that up to date a 2nd class fare has not been sanctioned for passengers travelling on the Nilgiri Railway. I am of opinion that, as a matter of form, a maximum rate of 6 annas a mile should be agreed to, even if we do not, on the opening of the Railway, attempt to carry 2nd class passengers.

It is understood that the agreement will be signed in England and not in this country, as soon as the consent of the Secretary of State has been obtained to the arrangements proposed by the two Companies.

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

James S. M. V. S.

Agent and Manager.

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Madras
Railway to
work the
Nilgiri
Railway

(see clause 3), to continue to be worked by the Madras Railway Company as part of its own undertaking, in all respects as if it actually belonged to the Company, subject only to the same control of Government through the Consulting Engineer to the Government of Madras as is provided for in the agreement entered into between the Nilgiri Railway and the Secretary of State, the intention being that for working purposes the Nilgiri Railway is to be considered and dealt with exactly as if it were the property of the Madras Railway Company, except as to the provision of funds for Capital expenditure and as to the maintenance and renewal of the permanent-way, &c., and cost of Home establishment, which are specially provided for in clauses (5) five (6) six and (7) seven, respectively.

Period of agreement.

3. This agreement is to remain in force for a period of three years from the date on which the line is opened for public traffic: after the expiration of the three years the agreement will continue in force subject to any alteration of terms and conditions which may mutually be agreed upon by the two Boards of Directors, and subject to six months' notice on either side, such notice, however, only to expire on the 30th June or 31st December of any year.

Land.

4. The Nilgiri Railway Company will obtain from Government any land that may at any time be required for the use or extension of the Nilgiri Railway system. Application for extra land required will be submitted in all cases by the Madras Railway direct to the Government Consulting Engineer.

Capital funds.

5. The Nilgiri Railway Company will provide all necessary funds that may be required for Capital expenditure, and when such Capital works are to be undertaken by the Madras Railway Company, the estimated cost thereof is to be deposited in advance with the Madras Railway Company. All expenditure on Capital account is to be subject to the sanction of the Government, and no expenditure on capital works estimated to exceed Rs. 5,000 shall be incurred without the previous sanction of the Board of Directors of the Nilgiri Railway Company.

Engineering maintenance.

6. The Engineering maintenance, including the repair and renewal of all buildings, bridges, cuttings and embankments, permanent-way and all other expenditure chargeable according to Government Orders to the Abstract A, form of Revenue account, will be undertaken at the sole cost of the Nilgiri Railway Company, but the Engineering staff shall be, in all respects, subject to the orders and control of the Agent and Manager of the Madras Railway Company. Abstract A will be submitted periodically to the Government Examiner of Accounts, Madras.

6-A. Estimates for work in connection with maintenance to be submitted in advance half-yearly to the Nilgiri Board in London, and in the event of objections being raised to any proposed expenditure, the question to be referred, if necessary, to the Consulting Engineer for Railways, Madras.

Home establishment.

7. The cost of the Home establishment as chargeable by Government Orders under Abstract E of the Revenue Accounts, items 1st sub-heads 1, 2, 3 and 4, will be borne by the Nilgiri Railway Company.

Passenger fares.

8. The following passenger fares shall be chargeable between Mettupalaiyam and stations on the Nilgiri Railway:—

- 1st Class—A maximum mileage rate of 10 annas.
- 2nd Class—Do. do.
- 3rd Class—A maximum mileage rate of one anna.
- Luggage and parcels—A maximum mileage rate of one anna per maund per mile.
- Other coaching rates will be charged as shown in published time-tables and circulars.

Goods rates.

9. The following goods rates will be charged for all classes of goods-traffic:—

- From Mettupalaiyam upwards—a maximum rate of 4½ pies per maund per mile.
- From Coonoor downwards—a maximum rate of 2½ pies per maund per mile.

Terminal charges.

9-A. Terminal charges will be levied at the rates in force from time to time on the Madras Railway.

Alteration of rates both passenger and goods.

10. Subject to the above-mentioned maximum rates, the Madras Railway Company shall have the power to alter the rates as found to be desirable for the encouragement of traffic.

Carriage of mails.

11. Government mails shall be carried over the Nilgiri Railway under the terms of the agreement between the Nilgiri Railway Company and the Secretary of State.

Carriage of revenue stores.

12. The Madras Railway Company agree to carry over its own line and over the Nilgiri Railway any materials required for Revenue works upon the Nilgiri Railway at double the rates, but under the same arrangements, as are in force for material required for Revenue works on its own line.

Responsibility for accidents, &c.

13. The Madras Railway will be responsible to the public for all accidents, losses or damages of all kinds upon the Nilgiri Railway except as follows:—

Accidents or losses—

- (i) Caused by the failure of way or works owing to defective construction, or so long as the Nilgiri Railway maintains its own Engineering staff;
- (ii) Owing to mechanical or other failure of method or system on which rolling-stock ascends or descends gradients on the Nilgiri Railway;

- (iii) Owing to defective construction of rolling-stock; and
- (iv) Owing to extraordinary casualties from exceptional rainfall, or damages by floods, land slips, bursting of tanks, rivers, or other irrigation works;
- For which exceptions the Nilgiri Railway Company will be financially responsible to the public, as well as for the repair or replacement of all way and works, rolling-stock, and for any accident or damage that the Madras Railway could not have prevented.
- (v) The Nilgiri Railway will be responsible for loss through delay in the event of the rolling-stock and equipment being found to be insufficient when working has commenced.

14. The Madras Railway Company shall provide the necessary staff, stores, &c., required for the working of all descriptions of traffic between Mettupalaiyam station and the terminal station of the Nilgiri Railway. Provision of staff, stores, &c.

15. The Madras Railway Company shall have entire control of the train and traffic arrangements of the Nilgiri Railway and shall, during the continuance of this agreement, cause to be run upon the Nilgiri Railway as many trains and at such times as the traffic shall from time to time require: at least one train shall be run daily throughout the entire length in each direction. Control of traffic.

16. The Government Telegraph Department will provide and maintain the necessary lines of telegraph required for working, and the rent charged by the Government will be debited against revenue. The Madras Railway will decide whether block instruments shall be hired from Government or if it will provide Winter's instruments at a rental not exceeding the rate charged by Government for similar instruments. Telegraph lines and block instruments.

17. The necessary expenditure to render the station buildings at Mettupalaiyam available for use as a joint station will be at all times undertaken by, and at the cost of, the Madras Railway: interest upon the total cost of the joint station premises, at the rate of 7½ per cent. per annum, will be charged to the two railways in proportion to the amount of their local and interchanged traffic at Mettupalaiyam. Mettupalaiyam joint station.

The weight of coaching traffic shall be reckoned according to the following scale:—

For each passenger of every class	...	...	...	1 cwt.
" " child	...	...	...	5½ lb.
" " horse or each head of horned cattle	...	...	...	½ ton.
" " sheep, calf, goat, pig, dog or other small animal.	...	...	...	56 lb.
" " parcel	...	...	...	actual weight.
" " carriage of any size	...	...	...	½ ton.

17. (a) The payment of the Nilgiri Railway Company of their proportion of the interest on cost of joint buildings shall be in addition to the proportion of gross earnings for ordinary working expenses to be charged by the Madras Railway under clause 19.

18. The Madras Railway Company shall record and keep in a proper manner full and particular accounts of all its transactions and correspondence in any way relating to or affecting the Nilgiri Railway or the business thereof or any of the matters or things included or referred to in this agreement, so as at all times to exhibit fully and truly the state of its affairs in relation thereto, in the same manner as prescribed in the contracts between the Secretary of State for India and the two railways. Accounts.

(b) The gross receipts of the Nilgiri Railway as hereinbefore defined are to be collected and treated as the receipts of the Madras Railway Company. The balance, after deducting the payments as defined in clauses 19 and 20 of this agreement, is to be paid over to the Nilgiri Railway Company as soon as the accounts for each half-year shall have been made up and passed by the Government of Madras.

(c) A full statement of accounts shall be furnished by the Madras Railway Company half-yearly to the Nilgiri Railway Company, and the former Company will also furnish weekly a statement of traffic earnings of the latter railway.

19. The charge to be made by the Madras Railway Company for working the Nilgiri Railway (including all revenue charges, excepting those for maintenance and home establishment excluded under clauses 6 and 7) shall be 30 per cent. of the gross earnings—see clause 1 sub-head (a): provided that if the Madras Railway Company's actual expenditure in working the Nilgiri line show a saving upon this proportion of 30 per cent. of gross earnings, then the Madras Railway Company agree to surrender half the said saving to the Nilgiri Railway Company; but if such actual charges show the expenses to be over the 30 per cent. of gross earnings, the Nilgiri Railway Company agrees to share the excess in equal proportions up to the point at which the payment to the Madras Railway Company would amount to 35 per cent. of gross earnings as a maximum. Remuneration to the Madras Railway for working the Nilgiri line.

20. (a) The Madras Railway Company will maintain the Nilgiri Railway and its engines and rolling-stock in the same state of efficiency, as that in which they were handed over to the company. Maintenance of Nilgiri Railway.

(b) The precise conditions of the Nilgiri Railway, both as regards way and works and its equipment, when handed over to the Madras Railway Company are specified in the schedule to be annexed to this agreement. A detailed inventory of the Nilgiri Railway as made over to the Madras Railway shall be prepared by the Nilgiri Railway and accepted and kept by the Madras Railway Company as part of the accounts.

21. A sum amounting to 1 per cent. of net earnings shall be retained by the Madras Railway Company for contribution to the funds of the Company's Provident institution.

22. Before the railway is open for traffic the Agent and Manager of the Madras Railway shall, in consultation with the Engineer-in-Chief of the Nilgiri Railway, decide whether a sufficiency of engines and rolling-stock (with the necessary duplicate parts), buildings and quarters and general appliances and equipment have been provided.

23. The Nilgiri Railway as defined in clause I (k) shall be inspected and passed by the Government officials before being opened for traffic, and periodically thereafter as Government decides.

24. All the general and subsidiary rules and regulations for the working and management of the Madras Railway in force during the term of this agreement shall, so far as they are applicable to a branch line, be brought into operation on the Nilgiri Railway.

25. In the event of any difference of opinion arising upon any of the terms of this agreement between the respective Companies, the matter shall be referred through the Government of Madras to the Government of India, who shall decide from time to time as to responsibility for loss or damage, under this agreement, and whose decision shall be final and binding upon both parties.

NOTE BY THE CONSULTING ENGINEER FOR RYS., MADRAS, DATED 12TH FEB. 1898.

The Nilgiri Railway extension from Coonoor to Ootacamund.

The first proposal to extend the Mettupalaiyam-Coonoor Railway to Ootacamund came from the late Mr. R. Woolley in May 1892. This Government supported him to the extent of pressing the Government of India to provide the money estimated at 15 lakhs (see G.O., No. 1638 R., dated 1st July 1892). Later on the Nilgiri Railway Company (Mr. Woolley) undertook to make the survey on certain conditions. This we recommended to the Government of India in our No. 1903-R.P.W., dated 6th August 1892.

2. In their No. 956 R.C. of 29th August 1892, the Government of India refused to provide money for the purpose, as the funds at their disposal were required for other works of greater importance. They, however, agreed in their letter, No. 1411 R.C., dated 23rd December 1892, to allow the Company to make the survey on the condition that, in the event of Government making the line or giving it to another Company, they were to be recouped.

3. On the 7th June 1893 with his No. 42, the Secretary, Nilgiri Railway Company, sent us a rough plan and section of the extension surveyed by Mr. Weightman. This Government expressed approval of the alignment in our No. 29/O. of the 18th July 1893, leaving it to the Nilgiri Railway Company (see subsequent letter, No. 34/O. of 28th July 1893) to make the survey or not as they pleased. Now came the collapse of the old Company and the rise of the new one out of its ashes. This caused a delay of $3\frac{1}{2}$ years.

4. With his No. 818, dated 1st December 1896, the Agent and Chief Engineer of the new Nilgiri Railway Company (the old Company being defunct), sent us a copy of his letter to the Government of India, No. 820, dated the 1st December 1896, in which he stated that his Board, learning that the Government of Madras was in favour of seeing the extension put in hand as soon as possible, and being sensible of the importance of starting the new work before the staff of the old is dispersed, would be glad to know whether any assistance in raising the capital, estimated at 18 lakhs, might be expected, and if so of what sort, a subsidy, or a guarantee of interest.

5. In forwarding this letter to the Government of India, with our No. 3 R., dated the 4th January 1897, we expressed a wish to see the line put in hand at an early date, and recommended that assistance should be given to it, preferably in the form already given to the Mettupalaiyam-Coonoor line. We said that we could not recommend any definite sum, as statistics though being collected were not yet available.

Provident Institution.

Engines, rolling-stock and other equipment.

Government inspection of line, and rolling-stock.

Madras Railway's rules and regulations to apply. Arbitration.

E R

The Agreement for the working of the N. Ry. by the Madras Ry. Co. will require sanction of the Govt. of India under Sec 50 of the Ry. Act of 1890 and Act 42 & 43 Vol. Chap. 41 (2)

One or two minor points have not yet been definitely settled but have been reserved for the decision of the respective Boards. The Agreement cannot therefore yet be sent for consideration by India, but a copy might be submitted for information as a preliminary.

As the Nilgiri Ry. Co. is practically independent financially of Govt. I think the only consideration that need be kept in view as regards the terms of the Agreement is whether Govt. interests in the Madras Ry. have been so far safeguarded that no loss is likely to be incurred by the undertaking to work the first line.

The principal terms for working are (1) that Maintenance of Way & Works is to be charged for at actual cost and (2) that all other expenses (exclusive of those already mentioned) are to be covered by a charge of 30% of the gross earnings of the first line.

Maintenance being charged for at actual cost there can be no loss on this item of working. As regards the 30% charge for other working expenses, it is noticed that the average of the Madras Ry. Co.'s percentage of working expenses exclusive of maintenance to gross earnings has been 38% for the past 5 years. At first sight it would therefore appear as if the Co. had agreed to charge the N. Ry. for other expenses at somewhat less than their own cost of working, notwithstanding the understanding

2.2.98

much higher cost of working traps on a flat line
 of 1 in 7 gradient.
 It must be remembered however that the 'Mogre' by
 the side of cuts & fences is very much higher than that
 of the Madras Ry so that although the charges for
 working expenses measured as a percentage of gross earnings
 will only be about equal to those of the Madras Ry itself
 the charges for ton mileage of traps carried will probably
 be at least 4 times as high as on the Madras Ry.
 Taking these points into consideration I am of opinion
 that the Madras Ry Co. will not lose by undertaking
 the working of the flat Ry on the terms agreed to.

EW 9/2/90
 C.R.
 Major M.E.
 Secy. of Ry. Co. Madras
 SM
 Sent copy to Railways suggested for information
 with a copy of C.R.'s Note.
 F.H.S.
 11/4/90

A/B

DEPARTMENT.
 No. 270. By dated 17/2/98

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Letter from the Agent-Manager, Ry. to his B^d of Directors
 No. 2347 dt. 3/2/98 with an enclosure.
 READ the following

Note by the Examiner, Guada Ry. Accts. Madras dated
 9th Feb. 1898 on the agreement for the working of the Nilgiri
 Railway by the Madras Ry. Company.

W.P.

Ordered to be
 forwarded for the information
 of the Govt. of India.

The Comy Engr. for Ry.
 Agent Madras Ry.
 in Exam. G. Ry. Accts.

to H.E. No. 271. dt. dated 17/2/98
 The Secy to the Govt. of India
 1. W. Septo

Print

Sir,
 I am directed to submit
 for the information of the Govt.
 of India a copy of ^{a preliminary draft of an} ~~the~~ Agreement
 for the working of the Nilgiri
 Railway by the Madras Ry.
 Company together with a
 Note thereon by the Examiner
 of Guada Ry. Accts. Madras.
 The draft has been sent to the Agent M.B. for
 the consideration and approval of
 his Board, with his letter No.
 2347 of the 3rd Feb. 98. of which
 a copy is also enclosed
 F.H.S. 157

Documents accomg.
 Draft agreement with note by CM
 pr. dt. 26/4/98 18/2/98
 P. W. 40
 1,000-14-10-97.