Public Works (1898) Depa

RAILWAY BRANCH.

G.O., No. 537-37 Ry
A

DATED 5 April 1898.

Includes
G.O. No. 660-61 Ry dy 15-9-97
do 72 Ry dy 29-1-97

[Despatch Abstract.]

Extension of the Mayavaram Mut
Railway to Avadaiyarko

Passing orders on the method
financing the proposed —

Forg a copy of Proceedings of G
Madras Government passing o
on the method of financing the
proposed —

Indexed.

[2. W. Br.
100—8-5-99.]

BACK PAPERS.

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

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
74	Ry	Ry	11.1.05				
1168	Ry	Ry	17.6.05				
122	Ry		17.1.05				

RAILWAY.

Government {1898} of Madras.

PUBLIC WORKS.

Recd. } 1898. *Enclosures*

Regd. } *Spare copies*

G.O., Nos. 537, $\frac{537}{A}$ Ry., 5th April 1898.

APRIL.

Extension of the Mayavaram-Mutupet Railway to Avadaiyarkovil

Forwarding a copy of Proceedings of the Madras Government passing orders on the method of financing the proposed —.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read again the following paper :—

G.O., No. 660 R., dated 15th September 1897.

Read the following papers :—

From—The Joint Secretary to the Govt. of Madras, P.W. Dept., Railway Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—Madras, 29th January 1897, No. 72 R.

I am directed to forward, for the orders of the Government of India, two applications from the Tanjore District Board for leave to construct railways in that district, and to make the necessary surveys.

2. The lines proposed are—

(1) An extension of the Mayavaram-Mutupet Railway through Adirampatnam and Pattukkottai to Avadaiyarkovil ; and

(2) A line from Kumbakonam to Mannargudi through Nidamangalam.

3. The length and cost of these lines is estimated to be as under : —

(1) 45 miles cost 15 lakhs.
(2) 21 „ „ 13 „

4. It is proposed to raise the necessary capital by borrowing in the open market on the security of receipts from the opened portion of the Mayavaram-Mutupet Railway and from the railway guarantee cess.

5. The proposal has the strong recommendation that it will enable these railways to be built at once without laying any burden on Provincial or Imperial resources ; whereas if the proposed lines have to wait until sufficient funds, arising from the railway cess and from the profits of the Mayavaram-Mutupet Railway, have accumulated, it will take some fifteen years before they can be built. Although, as far as this Government is aware, there is no precedent for permitting a *District Board* to capitalise its resources in the manner proposed, a similar operation appears to have been sanctioned in the case of the Howrah Municipality, which is shown, in Appendix D of the Finance and Revenue Accounts of 1894–95, as having borrowed half a lakh in the open market for the construction of portable railways, &c.

In the opinion of this Government there appears to be no objection to the proposed method of financing these lines provided that the conditions laid down in the rules framed by the Government of India under sections 5 and 7 of the Local Authorities Loan Act 1879 (*vide* paragraphs 4 and 5 of Resolution No. 16, Proceedings of Government of India, Department of Finance and Commerce—Loans and Advances No. 14, dated 1st January 1889) are observed. And having in view the undoubted benefits which would accrue to the districts served by the proposed railways His Excellency the Governor in Council desires to recommend the proposal for favourable consideration.

6. As the proposed lines were likely to affect the prospects of the South Indian Railway and of the proposed line from Madura to Pamban, the views of the Agent, South Indian Railway, have been called for, and a copy of his letter is attached. It will be seen that he has no objection to No. (1) branch provided it is not extended to join the Madura-Pamban Railway.

7. This proviso seems to this Government to be a reasonable one, and the Agent has accordingly been informed that there is no present intention of making such an extension, though the Government cannot pledge itself to say it will never be made.

8. As regards the objection raised to the link from Kumbakonam to Nidamangalam, His Excellency the Governor in Council is in accord with the Agent in thinking that the disadvantages of this line outweigh its advantages, that portion of the district being already well served with roads and railways. The same objections do not apply to the portion of the second project from Nidamangalam to Mannargudi.

9. No statistics of traffic between Avadaiyarkovil and Mutupet have yet been collected (these will be called for), but the District officers report favourably on the prospects of the first line and there is good reason to think that the second will be not less remunerative.

10. The proposals are submitted to the Government of India with the recommendation that the first line from Mutupet to Avadaiyarkovil may be sanctioned and also that portion of the second line lying between Nidamangalam and Mannargudi.

Enclosures.

STATEMENT UNDER HEAD 8 OF THE APPLICATION.

The District Board, Tanjore, possesses a fund which is called the Railway Guarantee Fund and which consists of 3 pies in every anna of the Local Fund cess raised in the district. This fund was called into existence because owing to the nature of the soil of the district it is impossible to make or maintain efficient roads even at a prohibitive cost and the fund was intended to develop the district by the construction of railways. This being the origin and object of the fund the District Board considers that it should be utilized to construct such railways as the district needs as soon as possible. The Board desires to use the fund only for the development of the district. It does not desire competing or highly remunerative lines. The Board considers that the accumulation of the fund is practically a misapplication of it and it seeks not income but those railways which are urgently wanted owing to defective communications. It is plain the Board thinks, that its duty in this matter can be best discharged by capitalizing its funds by which means it will not only be able at once to make not less than 65 miles of very necessary lines but to take off within a very few years the whole or the greater part of the tax now needlessly imposed on the district. The Board conceives that there can be no objection to the capitalization of its cess. This course is not only recognised but pressed on municipalities for works of local interest and improvement and as the Board's object in this project is solely the construction of a local work of general utility it trusts that this proposal on its part will meet the approbation both of the Government of Madras and of the Government of India.

The taluk of Pattukkottai through which the District Board proposes to extend the Mayavaram-Mutupet Railway is a strip of country about 15 miles wide by 35 to 40 miles long lying between the native State of Pudukkottai and the sea. It differs from the rest of the district in that it is not comprised in the delta. It possesses a fertile though sandy soil. Though it is mostly dry land, it contains in its southern part a very large number of small tanks of which however very many are rainfed. Under these tanks is grown rice which is the best in the district but which notwithstanding is known to have been left to rot as it could not be taken out. It is crossed by four somewhat large rivers which take their rise in the country to the west. Though it possesses only one town of over 10,000 persons Adirampatnam, and one of 5,000, viz., Pattukkottai through which the railway is to pass, it is a populous tract having a population of 300 to the square mile. Owing to the nature of the soil from which as in the delta no materials for metalling roads can be obtained, it is almost without communications worth the name. It contains a large number of temples and holy places. Along the sea coast are several large salt factories.

The reasons which have led the Board to resolve to extend the railway to this tract are as follow :—

It is that portion of the district which at present most needs a railway for its development. The district is 3,710 square miles in extent. As in the delta tract which is 2,295 square miles in extent, there are 181 miles of railway it seemed plain that the Pattukkottai taluk which is 900 square miles in extent was that portion of the district most needing railway extension for its development.

In this southern taluk also, a railway line ought to be fairly successful financially. It would open up a new, fertile and populous tract of country. The cost of construction need not be heavy though there are only three considerable rivers to cross since the line will stop on the north side of the Vellar near Avadaiyarkovil.

The line will pass through or near many of the large centres of trade and population in the taluk, viz :—

Adirampatnam	10,748
Pattukkottai	5,028
Tamarankottai	3,842
Kalagam	1,332
Arasankulam	2,404
Avadaiyarkovil	2,480
Manamelgudi	3,559
Arantanghi	2,708

A list is appended of the important chattrams in the taluk and also a statement showing the towns, markets, &c., which will be served by the line on both sides.

The line ought to command a very considerable through passenger traffic because Avadaiyarkovil the terminus will be only 55 miles from Ramnad while Madura is over 80. This line will carry all the pilgrim traffic to Rameswaram for by it the pilgrimage can be made right handed. Avadaiyarkovil is itself a place of much sanctity and resort and for this reason also as well owing to the number of local shrines, the railway will get much pilgrim traffic. Since Avadaiyarkovil is not 20 miles from Devakottai, the home of the Nattukkottai Chetties, a trading community known all over the South of India and the Straits, it will carry a large number of passengers to and from that place and from the very populous tract of which it is the centre. It will get also the passenger traffic from a large portion of the Ramnad zemindari and of the east part of Sivaganga. It will also get all the passenger traffic from Pudukkottai town, for the journey thence to a station at the Perungadu village *viâ* Arantangi will be only 25 miles against nearly 40 by any other route.

It will get also local passenger traffic which should be fairly large having regard to the population. From Mutupet to Pattukkóttai it will pass Tamarankota at 5 miles, Adirampatnam at 9 miles and Pattukkottai at 16 miles. At Tambikkinallavankottai there is a large salt factory. Between Pattukkottai and Perungadu the country is not thickly inhabited but it will pass Kalagam at 9 miles and Arasankulam at 20 miles. It is difficult to determine from the census returns, owing to the difficulty of identifying the villages in any given survey area, what the population per square mile of the southern part of the taluk is but it is, the opinion of all those who know the country that the Ponbetti firka, *i.e.*, the south portion, is a very populous part. The population works out 277 per square mile for Government villages so far as can be ascertained. It is also well known that the part of Madura surrounding Devakottai is very rich and populous. This line is therefore the connecting link between this populous tract and the Tanjore delta and hence the passenger traffic will be all through traffic both ways at least as far as Pattukkottai.

As to goods traffic so far as the Board is aware, no statistics have been taken except with a view to the extension of the line from Mutupet to Adirampatnam. So far as these statistics go they are favourable. They show that the produce which is being brought out is only agricultural produce and salt ; but even now it is being moved in quantities which give a rate of Rs. 17 per mile per week if the railway carried it all. The returns for 12 months are consolidated in the appended statement.

The annexed statement shows the value of the trade of Adirámpatnam and Mutupet for the 5 years shown :—

Statement showing the value of the trade of Mutupet and Adirámpatnam for the years shown.

Years.	Mutupet.		Adirámpatnam.	
	Import.	Export.	Import.	Export.
	Rs.	Rs.	Rs.	Rs.
1891–92	19,422	5,68,746	1,15,031	3,65,358
1892–93	92,802	6,21,779	1,60,394	3,86,247
1893–94	61,112	5,82,942	1,87,852	3,80,690
1894–95	46,738	8,35,947	87,613	6,58,187
1895–96	56,071	8,16,105	48,586	7,25,573

This statement shows that a considerable volume of trade is even now running to Adirámpatnam and Mutupet.

There is also a probability of considerable paddy trade for the following reason. As has been said above the Pattukkottai rice which is mainly grown in the Ponbetti firka is much prized and commands a considerably higher price than the delta rice where it is procurable. It will therefore be carried into the delta for the consumption of the rich mirasidars of that tract either delta rice or other products being sent back to pay for it, giving rise to traffic over the whole line both ways.

At present there is an increasing demand for ground-nut through all the southern parts suited for its growth and already there is a considerable trade where such is possible having regard to communications. The Board thinks that with the making of this railway a great impetus will be given to this very paying product not only in the Pattukkottai taluk but also in the State of Pudukkottai. It will be brought over the whole of the proposed line and shipped probably at Adirampatnam and Mutupet. Salt in all probability will be sent back to pay for it. There is thus a probability of trade both ways in connection with this staple too. Having regard to the fact that the town of Pudukkóttai is much nearer to this than to any other line it is probable that, in the course of time, a paying feeder line to the proposed line will be constructed to that place.

The Board also desires to make this line with a view to improving their own property in two ways. By its extension and the drawing to it of the pilgrim traffic, the Mayavaram-Mutupet line must largely benefit and since the bulk of the chattram villages are in the Pattukkottai taluk, the endowment funds of the Board will be largely benefited.

The financial success of this line will, of course, entirely depend on the cost of construction, and the cost of construction will be very light except for the bridging. The rivers which are to be crossed are in their nature jungle streams, *i.e.*, after heavy rain a spate runs down them for a few hours and then subsides and communications are seldom cut off or for more than 24 hours at a time. Except in times of flood the quantity of water passing down the rivers is inconsiderable. As this is to be a local line which will be an enormous gain to the country, even if communication be interrupted for some days occasionally, the Board thinks should investigation show the cost of bridging to be very high that at first instead of constructing costly bridges to carry the line, causeways should be made across the rivers with vents in the middle sufficient to pass the water ordinarily coming down the river and that in time of freshes the water should be allowed to pass over the rails ; or the rails may be carried across the beds of the larger rivers, on screw piles. If it be found possible and necessary afterwards to build bridges these causeways could be turned into road crossings for the railway will follow almost the line of the road. It will be unnecessary at present to take the line across the Vellar at Avadaiyarkovil. It can stop on the north bank which is less than a mile even from the shrine itself.

Having regard to the principle on which the Government of India has determined to make advances from the famine insurance fund this line cannot be regarded as having claims upon that fund for but little has ever been or is likely ever to be spent in Pattukkottai on famine relief. When scarcity prevails there it is met by migration to the delta or by resort to the chattrams ; but in regard to portions of the Ramnad and Sivaganga Zemindaris, this line would be of much use as a protection against famine and would have a strong claim even on the principle laid down by the Government of India. The Board does not press its application for this line as a famine protective line but as a branch line, and it would urge the protective value of the line more as a reason why it should obtain the aid and sympathy of Government for this undertaking on its part than for any other reasons.

In regard to the financing this project, the Board thinks that looking to the nature and object of the railway cess, it is their duty to make as soon as possible all the railways the district requires and to take off or divert the cess as soon as possible thereafter. It has no desire to heap up and invest the cess however lucrative such investment might be. It wishes therefore as soon as possible to realize the capital it has invested in the Mayavaram-Mutupet railway and apply it to further railway extension. This it can do either by disposing absolutely of its interest in the line or by capitalizing the interest it receives from it. This interest will probably in future years never fall below Rs. 50,000. On the security of this sum as well as its cess, it desires to raise the capital necessary to make the lines wanted within the district either by a loan from the Government of India or in the open market as Government may direct. The Board would observe in this connection that the latest quotations show that the last Madras Municipal 4 per cent. loan is selling in the open market for Rs. 115, *i.e.*, that body can borrow on the security of its revenue only at under 4 per cent. The 1895 loan of 4,00,000, of the Madras Municipality was placed at 108–125 Rupees and was covered 4 times over. Looking to the much better security which it can offer, the Board thinks that it could raise a loan in the open market on certainly better terms than the Municipality. There seems little doubt that the Board can raise the money wanted and provide a sinking fund for redemption after 50 years for 4·55 per cent. The annual railway income of the Board which it can capitalize is 1,50,000 rupees roundly.

As will be seen from the resolution, the Board has named at present as the capital required a sum of Rs. 15,00,000. It is roughly estimated that the 45 miles of line proposed to be made should not cost even with bridging more than the average cost per mile of the Mayavaram-Mutupet Railway, *i.e.*, half a lakh of rupees. The cost of bridging on the Mayavaram-Mutupet line was 34·84 per cent. of the total cost. Though there may be some large bridges on this line there will be few small ones and the cost of formation will be very low. It is anticipated that by the time it is wanted, the Railway Guarantee Fund will have a balance of about 8 lakhs to its credit so that with this sum it will need but the 15,00,000 asked for. The Board however have named that sum merely as a rough estimate for the purpose of the application and are able and prepared to raise a larger sum if necessary for the project. But it is confident that if the bridging cost is kept down as suggested it will not be necessary to raise more than 10,00,000 for the project if even so much.

MUTUPET-AVADAIYARKOVIL LINE.

FORM A.

To accompany all applications for leave to construct a branch or feeder Railway in any part of British India.

Nature of particulars to be specified.	Particulars.
1. The name of the company, person or persons by whom the application is preferred; the proposed amount of capital, the number of shares and the amount of each share.	1. *Name.*—The Tanjore District Board. 2. *Capital.*—Rs. 15,00,000 3. *Number of shares.*—Rs. 15,000 4. *Amount of each share.*—Rs. 100
2. The termini together with the names of all the principal towns from, in, through or into, or near which the railway is intended to be constructed.	Mutupet and Avadaiyarkovil north bank of the Vellar on the termini. The line will pass through Adirmpatanam, Pattukkottai, Kalagam, Sithathikadu, Arasankulam and Perungadu. See statement No. 1 appended for towns near which the line will pass.
3. The length as far as known of the proposed railway.	45 miles.
4. The gauge proposed and weight of rail, &c.	As adopted for the Mayavaram-Mutupet Railway.
5. The motive power to be employed.	Steam.
6. The maximum tolls, rates and fares intended to be charged on the proposed railway.	As Mayavaram-Mutupet Railway.
7. Details of any agreement which may have been provisionally arranged or which it is desired to enter into, under which the proposed line when constructed is to be leased out for working to any existing railway administration.	It is proposed to entrust the working of the line to the South Indian Railway Company. Terms to be fixed hereafter.
8. Any further information that may be required to enable the Government of India to thoroughly understand the scope of the proposals.	*Vide* Statement annexed.

Extract from the Proceedings of the District Board, Tanjore, dated 25th July 1896.

* * * * *

2. Read G.O., No. 1148 L., Miscellaneous, dated 20th June 1896, passing orders on District Board's resolution No. 2, dated 28th March 1896, regarding extension of railway lines in the Tanjore district and District Board's resolution No. 2, dated 8th July 1896.

Proposed by the President and seconded by M.R.Ry. S. A. Swaminada Aiyar Avargal.

The Board resolve to apply to Government for permission to make a railway line from Mutupet *vid* Adirampatnam, Pattukkottai, Kalagam and Nagudi to Avadaiyarkovil under notification of the 28th April 1896, published in Part I of the *Fort St. George Gazette*, pages 534 to 539. Also to send in an application for the immediate survey of the line in Form A as under:—

Column 1. Capital Rs. 15,00,000; shares Rs. 500; number 3,000.
„ 2. As in list appended marked A as far as Avadaiyarkovil.
„ 3. 45.
„ 4 Mayavaram-Mutupet Railway, &c.
„ 5. Steam.
„ 6. As in Máyavaram Mutupet Railway.
„ 7. South Indian Railway; terms to be fixed hereafter.
„ 8. As in the President's letter hereto annexed.

They would raise the capital either in the open market by pledging their share of the Mayavaram-Mutupet Railway and their cess which amounts to about one lakh of rupees or from Government of India or of Madras or as Government may order.

The Board would allot Rs. 20,000 for the survey of this line. The Board will carry out such registration of traffic as Government may consider necessary under the original resolution of the 28th March.

Carried by 22 for and 1 against, 1 not voting.

* * * * *

Memorandum under Head 8 of the Application.

The District Board holds that the best way to employ its railway-cess is to capitalize it and make as soon as it can the railways which the district needs having regard to the urgency of their necessity for the development of the district in all its parts. It has therefore resolved to take up the extension to Avadaiyarkovil of the Mayavaram-Mutupet Railway and has set aside a sum of Rs. 23,00,000 for that purpose. It is probable that the scheme will not require that sum especially if the cost of bridging is minimised in the way suggested in the remarks appended to the application to make it submitted to the Government of India. But for the purpose of the present application, the Board will take it that 23,00,000 of its capital is pledged. The question arises as to how much is left and what the Board should do with it.

Exclusive of any profit which may be made from the Avadaiyarkovil line, the Board has assets—

Cess roundly	Rs.	1,00,000
Profits of Mayavaram-Mutupet line roundly	„	50,000
Total ...	„	1,50,000

If the Board borrows, Government will insist on its providing a Sinking fund to repay the loan in 30 or 50 years. For every lakh borrowed therefore, if the Sinking fund is invested in Government 3½ per cent. loan, the Board must pay annually if repayable in 30 years Rupees 1,937·13, if repayable in 50 years Rs. 763·45. All the latest loans of the Madras Municipality are for 50 years and the Board thinks it best to adopt the same term.

Beside the Sinking fund, the Board will have to pay the annual interest. The question is at what rate the Board can borrow. The Madras Municipality has borrowed in 1895 at 4 per cent. repayable in 50 years and the value of the Rs. 100 stock is by the latest quotations 115. The President, Madras Municipality, has informed the Board that the Madras Municipal 4,00,000 loan of 1895 was covered four times over at a premium of Rs. 8·125. Coming into the market with no previous debt and with solid security in railway property at its back, the Board can borrow no doubt in the open market at 3¾ per cent.

For every 1,00,000 borrowed repayable after 50 years, the Board must provide therefore an annual payment of Rs. 4,513·45 or say roundly Rs. 4,550.

The board can provide therefore annual payments from the Railway Guarantee fund alone sufficient to enable it to raise $\frac{1,50,000}{4,550} = 32,96,704$ or 33 lakhs roundly. Of the sum of 23,00,000 alluded to above as pledged to the Mutupet, Avadaiyarkovil line Rs. 8,00,000 are to be provided by the accumulation of the fund before the capital can be wanted. But Rs. 15,00,000 are therefore to be raised by loan. Hence the District Board has cess free which will capitalize to 18 lakhs.

Having provided for the Pattukkottai taluk, the Board thinks the next line to which the Board should turn its attention is a line from Kumbakonam to Mannargudi. Starting from Kumbakonam with 54,307 persons it will pass Valangaman at 7 miles with 7,244, Nidamangalam

at 12¼ miles with 2,806, and will end at Mannragudi 21 miles with 20,395. Though it serves to open up no new country, it will serve a very large population and so is fairly wanted. It will bring Kumbakonam within 40¼ miles of Negapatam port against 45 to Karikal. It will be comparatively expensive to make. The best line for it seems to be to start from the west side of the Arasilar Railway bridge near Kumbakonam *viâ* Valangaman to the east end of the existing bridge over the Vennar near Nidamangalam and into Nidamangalam station over the existing bridge and line. The cost of bridging the Arasilar and the Vennar will thus be saved, though no doubt some expense will have to be incurred in adapting these bridges. After leaving Nidamangalam station and utilizing the existing bridge over the Korayar it would run in a straight line between the Korayar and Pamaniyar to the south end of Mannargudi near the temple the line running parallel to the river bank or the line may be taken on the west side of the Pamaniyar but as this will put the river between the railway and the rich country, this line should, if possible, be avoided. The length of this line may be taken as 21 miles. The line will thus cross (1) the Tirumalairajanar, (2) the Mudikondanar, (3) the Kodamurutti, (4) the Vettar. The bridging will thus be heavy. It will cost certainly not less per mile than the Mayavaram-Mutupet line but probably more. According to the Capital account of the Mayavaram-Mutupet line up to the last half-year, the length of the line is 53½ miles and its cost Rs. 50,500 per mile.

Taking the proposed line to cost 60,000 a mile, the cost of the line will be 12,60,000 against 18 lakhs which the Board can provide.

Against the extra cost of construction however may be set the saving in the upkeep of the metalled road now maintained which will not be less than Rs. 8,000 a year which represents about Rs. 1,80,000 of capital. This line will not compete with the Mayavaram-Mutupet line unless it is extended to the south which the Board would not advocate at present. If it earns Rs. 80 a mile per week, the Mayavaram-Mutupet earnings, the gross earnings of the line will be 87,360, of which 66 per cent. or two-thirds must be set aside to pay working expenses and hire of rolling stock, leaving Rs. 29,120 as profit or it will pay 2·31 per cent. on 12,60,000.

No traffic statistics have been taken of late years. In the year 1883, however, statistics were taken for six months. The following are the summarised figures found in Board's Proceedings No. 2722 of 11th September 1883:—

Place.	Number of carts loaded with grain passing each way.	Number of carts laden with other goods.	Number of empty carts.	Number of jutkas or other passenger vehicles laden.	Number of jutkas or passenger vehicles not laden.	Total.
						Rs.
Valangaman	5,199	10,388	7,333	23,723	173	46,816
Mannárgudi	17,607	18,064	12,970	25,445	315	74,401

The Board would most strongly urge the advantages of capitalizing its resources. By doing so it will gain two immense advantages—

Firstly.—It will be enabled to make the lines it wants immediately. If it is to go on as at present accumulating the cess it will be 8·725 years before it can take the Mutupet-Avadaiyarkovil project in hand and assuming that the above project takes two years to make and at the end of that time pays 2½ per cent. on 20,00,000, the Board will probably be in a position to take up the second project in 4·68 years. Thus it will be on the whole (8·725 + 2 + 4·68) 15·505 years before the present project can be carried out.

Secondly.—It will be enabled to divert or suspend the cess as soon as the lines are made. If the capital is borrowed, the annual payment at 4,550 per lakh will, for 27 lakhs, amount to Rs. 1,22,850. If the lines pay 2½ per cent., the receipts on 27 lakhs will be Rs. 67,500 and the receipts from the Mayavaram-Mutupet line will be 50,000. Hence the total receipts will be 1,17,500 or the Board will only have to find Rs. 5,350 annually. Thus if the present accumulation system be persisted in, about 16,00,000 on the most favourable calculations will be levied off the district without any need whatever in addition to the 13,00,000 already sunk in the Mayavaram-Mutupet Railway or a total of 29,00,000 of unnecessary taxation.

The board thinks this line a useful one and likely to be financially sufficiently successful. It therefore has resolved—

(1) That an application be submitted to the Government of India to make this line as a branch line.

(2) That an application be made for its survey.

(3) That Rs. 10,000 be set aside from the Guarantee fund for the cost of survey. The Board thinks this would be a good opportunity to get the survey done by the same party which will make the Pattukkottai survey.

Since the above memorandum was first put into type, a large conversion of the 3½ per cent. stock of the Government of India has been announced. It seems safer to take a rate of 3 per cent. for the Sinking fund in the future. Taking 3 per cent., the annual payment for Sinking fund will be Rs. 886·55 per lakh and the total annual payment per lakh will be roundly Rs. 4,650. Hence the sum which the board can borrow will be 32,25,807 or roundly 32¼ lakhs instead of 33 lakhs.

KUMBAKONAM-MANNARGUDI LINE.

Form A.

To accompany all applications for leave to construct a branch or feeder railway in any part of British India.

Nature of particulars to be specified.	Particulars.
1. The name of the company, person or persons by whom the application is preferred; the proposed amount of capital, the number of shares and the amount of each share.	1. *Name.*—The District Board, Tanjore. 2. *Capital.*—Rs. 13,00,000. 3. *Number of shares.*—Rs. 13,000. 4. *Amount of each share.*—Rs. 100.
2. The termini together with the names of all the principal towns from, in, through or into or near which the railway is intended to be constructed.	*Termini.* Kumbakonam and Mannargudi. *Principal Towns.* Valangaman, Alangudi, Nidamangalam, Puvanur.
3. The length as far as known of the proposed railway.	21 miles.
4. The gauge proposed and the weight of rails, &c.	Same as Mayavaram-Mutupet Railway.
5. The motive power to be employed.	Steam.
6. The maximum tolls, rates and fares intended to be charged on the proposed railway.	Same as Mayavaram-Mutupet Railway.
7. Details of any agreement which may have been provisionally arranged or which it is desired to enter into, under which the proposed line when constructed is to be leased out for working to any existing railway Administration.	South Indian Railway. The terms to be fixed hereafter.
8. Any further information that may be required to enable the Government of India to thoroughly understand the scope of the proposals.	See memorandum annexed.

From the Proceedings of the District Board, Tanjore, dated 29th August 1896.

* * * * *

2. Read President's memorandum on the Railway Extension from Kumbakonam to Mannargudi.

The District Board resolves unanimously to apply to be allowed to make the line proposed as a branch line and to apply for its survey at the same time as the Pattukkottai line and to allot Rs. 10,000 from the Railway Guarantee Fund for its survey. The Form marked A appended is approved.

In this connection, the Board would wish to make the shares in the Mutupet-Avadaiyarkovil line each Rs. 100 as in the above application.

* * * * *

From—The Agent, South Indian Railway.
To—The Consulting Engineer for Railways, Madras.
Dated—Trichinopoly, 2nd November 1896, No. 1012.

In reply to your letter No. 178/O, dated 10th October 1896, I have the honour to offer the following remarks on the proposals of the Tanjore District Board to construct lines of metre gauge railway from Mutupet to Avadaiyarkovil and from Kumbakonam to Mannargudi *viâ* Nidamangalam.

2. *Mutupet-Avadaiyarkovil Railway.*—This line is put forward on the grounds that it will develop a portion of the Tanjore district which most needs railway facilities, that it will command considerable passenger traffic in pilgrims and local residents and that it will carry salt, paddy, and probably ground-nuts, in large quantities. The District Board expressly states that it does not desire to make competing or highly remunerative lines, but one of the main items of the traffic on which it relies for the financial success of the project, namely the pilgrim traffic from and to Ramesvaram, is of a very decidedly competitive nature. The future extension of this line to join the projected Madura-Pamban Railway though not referred to in the District Board's proposals is, I have reason to know, one of the principal objects which the Board has in view in advocating the construction of the Mutupet-Avadaiyarkovil Railway. I need hardly point out the serious effect such a line will have on the traffic of the South Indian Railway, which would be diverted from the 171 miles between Madura and Mayavaram, and to the still more serious consequences which would result to the Madura-Pamban line. If the through traffic *viâ* Pamban were sufficient to justify two routes there might be some reason for constructing the second line, but as there are no grounds for such an assumption I strongly deprecate the Government property in the South Indian Railway being injured needlessly to bring in revenue to an already affluent District Board. I have further to observe that His Highness the Rajah of Pudukkottai is contemplating the construction of a line from Trichinopoly through his State towards Sivaganga, and that this project, if realized, will bring a third line into the competitive area, which cannot fail to divert traffic from the Mutupet-Avadaiyarkovil Railway. Under these circumstances, I trust that Government will be pleased to restrict the operations of the District Board to the line they now propose to make, and that any extension beyond the boundary of the Tanjore Collectorate be prohibited. If this proposal commends itself to Government, and the Mutupet-Avadaiyarkovil project is restricted to the roll of a feeder railway to the Mayavaram-Mutupet line, there would appear to be no good reason for opposition.

3. *Kumbakonam-Mannargudi Railway.*—The section of this line between Kumbakonam and Nidamangalam is as distinctly competitive as it is possible to imagine, and the connection is not wanted in the interests of the public. The line will be expensive to make and will involve the working of two extra junctions. The distance between Kumbakonam and Nidamangalam is 15 miles, and the towns are connected by a good metalled road on which numerous jutkas are run at cheap rates. It is questionable therefore whether the proposed connection would secure much passenger traffic, and its main source of revenue would undoubtedly be derived from such goods traffic as it might divert from the South Indian Railway. The Mayavaram-Tiruvalur section of the District Board's own line would also suffer, and I feel sure that Government will never favour a project calculated to inflict so much damage and to offer such insignificant

advantages. The Mayavaram-Tiruvalur line has undoubtedly caused considerable loss to the South Indian Railway, and I must protest most strongly against the construction of a second and parallel chord. The portion of the District Board's project between Mannargudi and Nidamangalam would act as a feeder to the Negapatam branch, and though it would be cheap to make I much question whether such a short line would attract much traffic or prove economical to work. There is, however, no objection to its construction should the District Board decide on the line being made. The accompaniments to your endorsement are herewith returned.

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Railway Branch.
Dated—Simla, 20th May 1897, No. 832 R.C.

I am directed to acknowledge the receipt of your letter, No. 72 R., dated 29th January 1897, submitting two applications from the Tanjore District Board for permission to construct the following railways on the metre gauge :—

(1) An extension of the Mayavaram-Mutupet Railway southwards to Avadaiyarkovil, a distance of 45 miles, at a cost of Rs. 15,00,000.

(2) A branch from Kumbakonam station on the South Indian Railway, *viâ* Nidamangalam to Mannargudi, a distance of 21 miles, at a cost of Rs. 13,00,000.

2. As regards funds for the construction of the projected lines, the District Board propose to borrow the money in the open market on the security of the existing Mayavaram-Mutupet Railway and of the receipts from their railway guarantee cess.

3. You say that, in the opinion of the Government of Madras, there appears to be no objection to the proposed method of financing these schemes, and that the Local Government would therefore recommend sanction to the Mutupet-Avadaiyarkovil extension and to the southern section of the second project from Nidamangalam to Mannargudi.

4. In reply I am directed to say that, as Local Boards are at present constituted, their local revenue and expenditure is not financially independent of and separate from the general revenue and expenditure of India, so that a guarantee given from them would not be distinguishable in its effect from a guarantee from general revenues. The Secretary of State has fixed a limit of railway construction on guarantee of general revenues which is operative for three years from April 1st, 1896, and against this limit arrangements have already been fully made. There is therefore no room in the programme to accept any further construction on the terms proposed by the Local Board, and recommended by the Government of Madras.

5. The Government of India regret therefore that under the circumstances they are unable to sanction the loan which the Tanjore District Board propose to raise in the open market for the construction of the projected railways.

6. I am however to say that while, for the reasons given above, it is not feasible for the District Board to form themselves into a Branch Line Company for the purpose of undertaking these extensions, it is yet open to them to promote a Branch Line Company to take over the existing Mayavaram-Mutupet line and to construct such branches and extensions thereto as may be approved, under a guarantee limited to their special cess, but not otherwise pledging their revenues.

7. Should this course be acceptable to the District Board and meet also with the approval of the Government of Madras, the proposed lines will be considered at this year's Conference on receipt of an intimation to that effect accompanied with the statistics of traffic referred to in paragraph 9 of your letter under reply.

Order—No. 660 R., dated 15th September 1897.

The Government of India will be addressed.

From—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—Ootacamund, 15th September 1897, No. 661 R.

I am directed to acknowledge the receipt of your letter No. 832 R.C., dated the 20th May 1897, expressing regret that the Government of India are unable to sanction the raising of a loan in the open market by the Tanjore District Board, for the purpose of constructing the proposed extension of their present railway system, viz., from Mutupet to Avadaiyarkovil, and from Nidamangalam to Mannargudi.

2. While fully accepting the principles enunciated in your 4th paragraph which appears to be nothing more than a paraphrase of those embodied in the Statute 33, Geo. III C. 52, S. 40, and a recital of the responsibility of the Government of India for regulating the total burden of taxation to the capacity of the taxpayer, this Government is anxious to secure a reconsideration of the question. With this object in view, His Excellency the Governor in Council hopes to satisfy the Government of India that the scheme will not to any appreciable or material degree affect the general resources of the Empire, or throw any ultimate responsibility on the Imperial or Provincial treasury. To this end I am therefore desired to communicate the following observations and argument for the favourable consideration of the Government of India.

3. In the first place it seems desirable to indicate the legal position. Shortly after the passing of the Local Authorities' Loans Act (XI of 1879), it was found that that Act did not empower a Board to give a legal guarantee of interest to a Company or person providing capital for the carrying out of works which under that Act it had been authorised to undertake. Act XV of 1885 was accordingly passed to amend the Act of 1879. The amendment consisted in adding to section 8 a clause to the effect that nothing contained in Act XI of 1879 should "affect the power conferred on any local authority by any such enactment, (*i.e.*, a 'special enactment now or hereafter in force,' *vide* clause (*a*) of section 8) to charge its funds by guaranteeing the payment of interest on money to be applied to any purpose to which the funds of the local authority can legally be applied." When the (India) Act XV of 1885 was passed, there was no special enactment in force enabling a Local Board in this Presidency to charge its funds by guarantee. Madras Act I of 1888 was accordingly passed, and by this Act, the Local Government, with the previous sanction of the Governor-General in Council, may authorise any local authority to charge its funds or any part thereof by way of guarantee for the payment of interest on, or by the creation of a fund for the repayment of, money expended or to be expended on any work, or for any of the purposes for which such funds might be by law applied.

4. In the present case the funds proposed to be charged to guarantee the interest on the money required for the extension of the local railway in question are not a "special cess", but form a portion of the land-cess levied under the Local Boards Act V of 1884. The cess is leviable under the Act in all the districts in the Presidency except three (Malabar, South Canara and the Nilgiris) at a maximum rate of one anna in the rupee on the annual rent value of occupied lands. Up to 1880 the rate in Tanjore was nine pies, but in that year it was enhanced to one anna, the additional three pies being expressly designed "to form the requisite guarantee fund for the formation of" the Mayavaram-Mutupet Railway, "and such other lines of railway as may hereafter be sanctioned." This three-pie enhancement of the land-cess is a light burden to which the people of Tanjore, one of the richest districts in India, have become accustomed since 1880; and as to the incidence of it, no complaint has ever reached this Government.

5. The revenues raised under the Madras Local Boards Act are not available for any purpose beyond the district in which they are raised. They cannot, therefore, come to the aid of the general Imperial or Provincial taxation to meet any outside emergency. Nor by utilising the cess in the manner proposed will Provincial revenues to any appreciable degree be even indirectly exposed to the disadvantage that it will thereby be made more difficult to lighten the contributions paid by Provincial to Local, for the only contribution of any moment made from the Provincial treasury to the Local Board is the small sum of about Rs. 10,000 on account of certain classes of

higher education—a contribution which cannot well be foregone without altering the educational policy of Government. Nor is there any reason to suppose that the produce of the cess could be more advantageously devoted to other objects within the purview of the Local Board; for, in the opinion of this Government, roads and communications, though quite as essential to the well being and development of the district as are education and sanitation, do not receive at present an adequate or proportionate share of the general fund; and in Tanjore the scheme of 1880 was introduced expressly for the purpose of substituting, in certain parts of the district, railway communications for roadway communications, inasmuch as, on account of the special character of the soil of the district of Tanjore and the peculiar conformation of its surface, the construction and maintenance of efficient roads is most difficult and expensive. Under the Act (section 95) it devolves as a legal duty on the Local Board to maintain adequate communications, and they are merely replacing one mode of communication by another. It may perhaps safely be postulated that the Government of India would never think of interfering if it were proposed that the enhanced land-cess should be devoted to the construction and maintenance of ordinary roads. A railway, moreover, has this supreme advantage over a road, if constructed at a reasonable cost in a district where metalled roads can be kept up only at a disproportionate cost, that the railway may be expected to pay at least for its maintenance, if not (and in Tanjore the chance of such failure is extremely small), for interest upon the outlay incurred upon its construction. Indeed, there is, in the case of the projected lines, every reason to hope and believe that, apart from the chances of further extension, it may be possible, within a year of their completion, to suspend the collection of the three-pie enhancement of cess; for it is believed that the existing Mayavaram-Mutupet Railway, which is the property of the District Board, will continue to show a profit of half a lakh a year, and that the new extensions will at least not be worked at a loss. Indeed there is every reason to anticipate that they will be worked at a considerable profit.

6. I am instructed to invite the attention of the Government of India to the discussions in the Supreme Council when the Act of 1885 was being passed. These discussions are relied on by this Government as showing that it was at that time the Government of India's declared policy to allow local bodies to apply part of their revenues to the development of railway communications outside the Imperial Railway Scheme.

7. The Government of India have doubtless not lost sight of the legal position of the guarantee proposed to be given; but it seems as well to recall it here, by pointing out that, under Madras Act I of 1888, when the local Government authorises a local authority to charge a part of its funds "by way of guarantee for the payment of interest on any work" (section 3), then in the event of default His Excellency the Governor in Council may, on the application of those entitled under an engagement entered into under section 3, "attach the funds made subject to charge on account thereof," (section 4). Beyond this there is, under the Act, no legal liability affecting either the Provincial or the Imperial Treasury.

8. But it may be that, apart from the question of strictly legal liability, the Government of India are concerned lest loans of the sort proposed should fall into disrepute if defaults of guarantee by local bodies were commonly to occur. This Government quite recognises that the money market does not stay to make nice distinctions between the guarantee given by a Local Board, with the approval of Government, limited to special funds raised under a special enactment, and the guarantee given directly by Government and secured on the general revenues of India. The disrepute attaching to such failure might doubtless be expected to some extent also to extend itself to Indian Government loans in general; but in the present case no such apprehension can arise, for the richness of the district proposed to be opened up prohibits the anticipation of any such *fiasco*.

9. For the reasons above adduced, His Excellency the Governor in Council confidently hopes that the Government of India may see fit to withdraw the prohibition expressed in para 5 of your letter against the proposed method of financing the projected railways,—a method which, in the opinion of this Government, and in the interests of the District Board of Tanjore, is greatly to be preferred to the method suggested in the 6th para. of your letter under reply.

Read also the following papers :—

Telegram from—The Secretary to the Government of India, P.W. Dept.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
Dated—Simla, 10th November 1897, No. 1863 R.C.

Your letter numbered and dated as follows: 661 R., 15th September last. What is the annual revenue derived by Tanjore Board from three pie Railway cess.

Telegram from—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Depepartment.
Dated—Calcutta, 16th November 1897, No. 36 B.

Your telegram numbered and dated as follows : 1863 R.C., 10th instant. Annual revenue in thousands of rupees derived by Tanjore Board from three pie cess for last ten years commencing 1887–88 has been 86, 85, 87, 90, 93, 99, 90, 117, 110 and 130.

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Railway Branch.
Dated—5th March 1898, No. 303 R.C.

I am directed to acknowledge the receipt of your letter No. 661 R., dated 15th September 1897, submitting for the consideration of the Government of India certain observations and arguments in support of the proposal of the Government of Madras to allow the District Board of Tanjore to raise funds for the construction of the proposed extensions of the Mayavaram-Mutupet Railway marginally noted, by a loan in the open market on the security of the Mayavaram-Mutupet Railway and of the receipts from their Railway Guarantee cess.

1. Mutupet to Avadaiyarkovil.
2. Nidamangalam to Mannargudi.

2. In reply I am to say that, after further consideration of the matter, the Government of India are prepared to recommend to the Secretary of State that the District Board should be permitted to undertake the extension of the Mayavaram-Mutupet Railway to Avadaiyarkovil as an addition to the railway programme, the funds required for this purpose, in addition to any available balances at the disposal of the Board, being raised by debentures running for a term of not more than twenty years on the security of the Mayavaram-Mutupet Railway and of the receipts from their railway guaranteed cess ; the Government of India reserving the right to take over the extension at any time on twelve months' notice by assuming any liabilities in the form of debentures which the Board may have undertaken in order to raise the money, and repayment of any further amounts which the Board may have spent out of balances at their disposal. The form and conditions of the debentures should be approved by the Government of India.

3. I am to explain that it is not intended to enforce this condition under ordinary circumstances for a period of twenty years at least. But in the progress of railway construction a time may arrive when it will become inconvenient to maintain a short line of this kind as a separate interest, and it is necessary for the Government of India to reserve the power of extinguishing this separate interest if at any time it becomes, in their judgment, inexpedient to maintain it.

4. I am to enquire whether the Government of Madras are willing to accept the above terms, and, if they meet with their approval, to request that an estimate of the cost of the extension may be prepared in the prescribed form and submitted for sanction.

5. I am to add that the Government of India do not consider that a branch from Nidamangalam to Mannargudi is required at present.

Note by the Consulting Engineer for Railways, Madras, dated 15th March 1898.

Tanjore district railways—extension from Mutupet to Avadaiyarkovil.

In their letter No. 303 R.C., dated 5th March 1898, the Government of India say that they are prepared to recommend to the Secretary of State that the District Board of Tanjore should be permitted to make the proposed extension of their Mayavaram-Mutupet line a further distance of 45 miles to Avadaiyarkovil ; such capital as may be necessary, over and above the Board's available balances, being raised in the form of debentures having a currency of not more than twenty years.

2. This is very satisfactory and the result will doubtless be the early completion of this most promising extension. Moreover, the Government of India's decision opens out great possibilities in the way of railway extensions in districts rich enough and intelligent enough to follow the example of Tanjore and to tax themselves specially for railway extensions.

3. The security for the debentures is to be "the (net receipts of the ?) Mayavaram-Mutupet Railway, and the receipts from the special railway cess."

4. I cannot say yet what the cost of the extension will be. It has not been surveyed or estimated. But the first $9\frac{1}{4}$ miles of it have been surveyed, that is as far as Adirampatnam, and have been estimated at about $4\frac{3}{4}$ lakhs, or at just about the same sum per mile, Rs. 50,000, as the Mayavaram-Mutupet Railway. I do not think that without very special measures of economy the 45 miles of extension can be made to cost much less than 23 lakhs. But it will be perfectly justifiable to economise in the bridging of the larger rivers, by the use of causeways, in lieu of bridges for the first few years, even at the risk of stoppage of trains for a few days in the year. When ordering the survey this will be seen to.

5. Now about the provision of these 23 lakhs, or less,—In November last the District Board had an available balance of Rs. 7,70,000. Their realisations from their special cess are just now at the rate of Rs. 1,30,000 per annum, so that by next November they ought to have 9 lakhs. Then as, in the first few years, interest on debentures will be light, we may count on their having 10 lakhs available from their special cess before the line is open for traffic.

6. Pending the preparation of estimate it seems therefore as if they would have to call for 13 lakhs of debentures, possibly less, but it will be safest for the present to say 13.

7. They ought, in my opinion, to provide a sinking fund for the extinguishment of these debentures at the end of the 20 years. If they invest their sinking fund in $3\frac{1}{2}$ per cent. Government paper at par, it will require an annual investment of about Rs. 3,550 per lakh, or for 13 lakhs a sum of Rs. 46,000 must be annually set aside and invested in $3\frac{1}{2}$ per cent. paper. If paper all gets converted to 3 per cent., or if the price of $3\frac{1}{2}$ per cent. paper should rise until the return from it is only the same as from 3 per cent. at par, the sum that must be annually set aside will be about Rs. 48,400 per annum. It will perhaps be safest to say that Rs. 50,000 per annum must be put away into the sinking fund for the next 20 years for the purpose of the amortization of the debentures.

8. Supposing that in that time the special cess does not drop below Rs. 1,30,000 per annum, the Board, after providing for the sinking fund, would thus have, Rs. 80,000 per annum for the payment of interest on the debentures. At 4 per cent. the interest will come to Rs. 52,000, at $4\frac{1}{2}$ it will come to Rs. 58,500, and the Board would have between twenty and thirty thousand rupees over, to provide for petty new capital works which will doubtless become necessary as traffic develops. Thus the situation looks very solvent and satisfactory.

9. But things are even better than I have so far shown them to be, because the special railway cess shows signs of great elasticity. I find that in the last 10 years it steadily increased as follows, the figures representing thousands of rupees, viz., 86, 85,

87, 90, 93, 99, 90, 117, 110, 130. I am not in a position to judge whether this is the result of better collection or of extension of cultivation and of assessments on such cultivation. I only offer the figures. They seem to me to point to a very healthy state of things.

10. Then turning to the figures of net earnings of the Mayavaram-Mutupet Railway, half of which are the Board's, and half the property of Government, in proportion to the share of each in ownership of the line. For the three years ending 30th June 1897 they have been as follows—Rs. 92,169 : 92,304 : 109,575. The dividends have steadily risen in the seven half-years up to 30th June 1897, during which the line has been open, until in the last half-year they have attained to a rate of 4·62 per cent. per annum. It seems to me that so steady an increase may safely be taken as indicating the probability of its continuance.

11. To sum up the position of the Local Board; against liabilities, for sinking fund and interest on debentures, which according to the state of Government paper and of the money market may be variously estimated at from Rs. 96,000 at best to perhaps Rs. 1,07,000 at worst, they have an apparently increasing income of Rupees 1,30,000 from the special cess, and a steadily improving income of Rs. 55,000 from the Mayavaram-Mutupet Railway. In addition they will have the net earnings of the 45 miles of new extensions; and if these after the first three or four years turn out to be on the same scale as those of the parent line they may be counted on for another Rs. 91,000 per annum. Then again there is the improvement of the Mayavaram-Mutupet earnings by reason of the traffic brought on to it by the new extension. On the whole it will not, I think, be too sanguine an estimate to say that not only may the Local Board with perfect safety incur the proposed liability, but that after the extension has been opened and has got into full swing, say four or five years hence, the Board will still have not much short of a lakh a year to the good, over and above all liabilities, including the sinking fund whereby after twenty years they will become absolute owners of the property free of debt.

12. It suggested itself to me that instead of the Board going on the market for its loan the Government of India might be moved to agree to either lending the money themselves at 3 per cent. or 3½ per cent. * or to enabling the South Indian Railway Company to borrow it in the form of State guaranteed debentures, the guarantee of the State being underwritten by the Board just as is proposed in the case of Travancore. But I do not like to suggest what may have the effect of prolonging negotiations unduly. I think, too, that it will be a better lesson in local Self-Government if the Local Board are merely enabled to do their own financing. In due course, as years go on and as this sort of security becomes better understood, the rate of interest will drop, as that of loans raised by the big cities for municipal purposes has dropped since they were first begun many years ago. It is not as if the Tanjore District Board were hard put to it to meet their probable liabilities, as I have shown they are very well off, and I would not afford them the special sort of aid involved in the above suggestion.

* Four per cent. is the usual rate at which loans are made to local bodies.

Note by the Financial Department, dated 30th March 1898.

A rough forecast of the probable receipts and charges of the Tanjore Railway Guarantee Fund is subjoined, drawn up on the lines adopted in the Railway Department note, but taking on the whole a less sanguine view of the situation.

(i) Allowing for bad seasons, &c., the collections of the cess have been retained at 1·12 throughout.

(ii) It is assumed that the debentures loan of 13 lakhs will be raised in 1898–99 and that 12 lakhs will be invested at par in Government securities, before the close of the year.

(iii) The expenditure on the new line has been distributed in nearly the same proportion as that on the old line, thus:—

	Old line.	New line.
First year	2·86	2·00
Second year	4·26	4·00
Third year	9·19	9·50
Fourth year	6·40	6·50
Fifth year	1·27	1·00
	23·98	23·00

It will be seen that at the end of the sixth year the Board will have a balance of over 3·00 lakhs in hand after meeting all liabilities.

Tanjore Railway Guaranteed Fund.		1898–99.	1899–0.	1900–1.	1901–2.	1902–3.	1903–4.
Opening balance.	Government securities ..	8·16	20·16	17·16	8·16	2·66	2·00
	Cash	·29	·33	·38	·66	·28	·53
Receipts—							
Railway-cess		* 1·12	1·12	1·12	1·12	1·12	1·12
Interest on Government securities (3 per cent.) ..		·25	·60	·51	·24	·07	·06
Sale-proceeds do. do. ..		..	3·00	9·00	5·50	·66	..
Debenture loan		13·00	..	..	..	..	..
Net traffic receipts	Old line	·51	·51	·51	·51	·51	·51
	New line	..	..	..	..	..	(Say) ·51
	Total ..	14·88	5·23	11 14	7·37	2·36	2·20
Expenditure—							
Surveying expenses		·05	..	..	..	..	..
Outlay on railway		2·00	4·00	9·50	6·50	1·00	..
Purchase of Government securities		12·00	..	..	..	..	1·00
Discount on 3 per cent.		..	·09	·27	·16	·02	..
Sinking fund		·50	·50	·50	·50	·50	·50
Interest on debenture (4½ per cent.)		† ·29	·59	·59	·59	·59	·59
	Total ..	14·84 -	5·18	10·86	7·75	2·11	2·09
Closing balance.	Cash	·33	·38	·66	·28	·53	·64
	Government securities ..	20·16	17·16	8·16	2·66	2·00	3·00

* G.O., No. 1045, Financial, dated 14th December 1897 (page 5).

† For half the year.

Order—No. 537 Ry., dated 5th April 1898.

The President of the District Board of Tanjore will be informed that this Government is of opinion that the method suggested in paragraph 2 of the Government of India letter quoted above would be the most suitable method of financing the proposed extension of the Mayavaram-Mutupet Railway a further distance of 45 miles to Avadaiyarkovil. The opinion expressed by the Government of India that the Nidamangalam-Mannargudi section is not wanted at present is concurred in by this Government.

The Board are advised not to raise any objection to the Government of India's reservation of power to acquire the line, as His Excellency the Governor in Council is of opinion, in the light of the Government of India's explanation, that the reservation is a proper one.

2. The District Board would do well to enter into communication with the Agent, South Indian Railway Company, with as little delay as possible, so as to ensure the early preparation of the necessary survey and estimate, without which the Government of India are not in a position to address the Secretary of State with a view to obtaining sanction for the execution of the work.

3. From a perusal of G.O., No. 1963 R., dated the 13th August 1892, it is observed that the first section south from Mutupet, $9\frac{1}{4}$ miles, to Adirampatnam, has already been surveyed, and estimated as likely to cost Rs. 4,62,614. It is suggested to the District Board that it might be as well that they should at once apply for permission to go on with this section, stating their readiness to put the South Indian Railway Company in funds for the purpose. Such a proposal will have the support of this Government and will be forwarded for the orders of the Government of India.

4. A copy of these Proceedings will be forwarded for the information of the Government of India.

[Here enter No. $\frac{537}{A}$ Ry., dated 5th April 1898.]

(True Extract.)

Francis J. E. Spring,
Joint Secretary.

To the Local and Municipal Department, for communication to the District Board of Tanjore and to all Local Boards in the Presidency to whom it may be considered advisable to circulate it.
„ Consulting Engineer for Railways.
„ Agent, South Indian Railway.
„ Financial Department.

Endorsement—No. $\frac{537}{A}$ Ry., dated 5th April 1898.

Forwarded.

(By order.)

Francis J. E. Spring,
Joint Secretary.

Exd. C. M. Thumbusawmy.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read again the following papers :—

From—The Joint Secretary to the Government of Madras, P.W. Dept., Railway Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—Madras, 29th January 1897, No. 72 R.

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Railway Branch.
Dated—Simla, 20th May 1897, No. 832 R.C.

From—The Joint Secretary to the Government of Madras, P.W. Dept., Railway Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—Ootacamund, 15th September 1897, No. 661 R.

Telegram from—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Railway Branch.
Dated—Simla, 10th November 1897, No. 1863 R.C.

Telegram from—The Joint Secretary to the Government of Madras P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—Calcutta, 16th November 1897, No. 36 B.

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Railway Branch.
Dated—5th March 1898, No. 303 R.C.

Note by the Consulting Engineer for Railways, Madras, dated 15th March 1898.

Tanjore district railways—extension from Mutupet to Avadaiyarkovil.

In their letter No. 303 R.C., dated 5th March 1898, the Government of India say that they are prepared to recommend to the Secretary of State that the District Board of Tanjore should be permitted to make the proposed extension of their Mayavaram-Mutupet line a further distance of 45 miles to Avadaiyarkovil; such capital as may be necessary, over and above the Board's available balances, being raised in the form of debentures having a currency of not more than twenty years.

2. This is very satisfactory and the result will doubtless be the early completion of this most promising extension. Moreover, the Government of India's decision opens out great possibilities in the way of railway extensions in districts rich enough and intelligent enough to follow the example of Tanjore and to tax themselves specially for railway extensions.

3. The security for the debentures is to be "the (net receipts of the ?) Mayavaram-Mutupet Railway, and the receipts from the special railway cess."

4. I cannot say yet what the cost of the extension will be. It has not been surveyed or estimated. But the first $9\frac{1}{4}$ miles of it have been surveyed, that is as far as Adirampatnam, and have been estimated at about $4\frac{3}{4}$ lakhs, or at just about the same sum per mile, Rs. 50,000, as the Mayavaram-Mutupet Railway. I do not think that without very special measures of economy the 45 miles of extension can be made to cost much less than 23 lakhs. But it will be perfectly justifiable to economise in the bridging of the larger rivers, by the use of causeways, in lieu of bridges for the first few years, even at the risk of stoppage of trains for a few days in the year. When ordering the survey this will be seen to.

5. Now about the provision of these 23 lakhs, or less,—In November last the District Board had an available balance of Rs. 7,70,000. Their realisations from their special cess are just now at the rate of Rs. 1,30,000 per annum, so that by next November they ought to have 9 lakhs. Then as, in the first few years, interest on debentures will be light, we may count on their having 10 lakhs available from their special cess before the line is open for traffic.

6. Pending the preparation of estimate it seems therefore as if they would have to call for 13 lakhs of debentures, possibly less, but it will be safest for the present to say 13.

7. They ought, in my opinion, to provide a sinking fund for the extinguishment of these debentures at the end of the 20 years. If they invest their sinking fund in $3\frac{1}{2}$ per cent. Government paper at par, it will require an annual investment of about Rs. 3,550 per lakh, or for 13 lakhs a sum of Rs. 46,000 must be annually set aside and invested in $3\frac{1}{2}$ per cent. paper. If paper all gets converted to 3 per cent., or if the price of $3\frac{1}{2}$ per cent. paper should rise until the return from it is only the same as from 3 per cent. at par, the sum that must be annually set aside will be about Rs. 48,400 per annum. It will perhaps be safest to say that Rs. 50,000 per annum must be put away into the sinking fund for the next 20 years for the purpose of the amortization of the debentures.

8. Supposing that in that time the special cess does not drop below Rs. 1,30,000 per annum, the Board, after providing for the sinking fund, would thus have, Rs. 80,000 per annum for the payment of interest on the debentures. At 4 per cent. the interest will come to Rs. 52,000, at $4\frac{1}{2}$ it will come to Rs. 58,500, and the Board would have between twenty and thirty thousand rupees over, to provide for petty new capital works which will doubtless become necessary as traffic develops. Thus the situation looks very solvent and satisfactory.

9. But things are even better than I have so far shown them to be, because the special railway cess shows signs of great elasticity. I find that in the last 10 years it steadily increased as follows, the figures representing thousands of rupees, viz., 86, 84, 87, 90, 93, 99, 90, 117, 110, 130. I am not in a position to judge whether this is the result of better collection or of extension of cultivation and of assessments on such cultivation. I only offer the figures. They seem to me to point to a very healthy state of things.

10. Then turning to the figures of net earnings of the Mayavaram-Mutupet Railway, half of which are the Board's, and half the property of Government, in proportion to the share of each in ownership of the line. For the three years ending 30th June 1897 they have been as follows—Rs. 92,169 : 92,304 : 109,575. The dividends have steadily risen in the seven half-years up to 30th June 1897, during which the line has been open, until in the last half-year they have attained to a rate of 4·62 per cent. per annum. It seems to me that so steady an increase may safely be taken as indicating the probability of its continuance.

11. To sum up the position of the Local Board; against liabilities, for sinking fund and interest on debentures, which according to the state of Government paper and of the money market may be variously estimated at from Rs. 96,000 at best to perhaps Rs. 1,07,000 at worst, they have an apparently increasing income of Rupees 1,30,000 from the special cess, and a steadily improving income of Rs. 55,000 from the Mayavaram-Mutupet Railway. In addition they will have the net earnings of the 45 miles of new extensions; and if these after the first three or four years turn out to be on the same scale as those of the parent line they may be counted on for another Rs. 91,000 per annum. Then again there is the improvement of the Mayavaram-Mutupet earnings by reason of the traffic brought on to it by the new extension. On the whole it will not, I think, be too sanguine an estimate to say that not only may the Local Board with perfect safety incur the proposed liability, but that after the extension has been opened and has got into full swing, say four or five years hence, the Board will still have not much short of a lakh a year to the good, over and above all liabilities, including the sinking fund whereby after twenty years they will become absolute owners of the property free of debt.

12. It suggeste itself to me that instead of the Board going on the market for its loan the Government of India might be moved to agree to either lending the money themselves at 3 per cent. or $3\frac{1}{2}$ per cent. * or to enabling the South Indian Railway Company to borrow it in the form of State guaranteed debentures, the guarantee of the State being underwritten by the Board just as is proposed in the case of Travancore. But I do not like to suggest what may have the effect of prolonging negotiations unduly. I think, too, that it will be a better lesson in local Self-Government if the Local Board are merely enabled to do their own financing. In due course, as years go on and as this sort of security becomes better understood, the rate of interest will drop, as that of loans raised by the big cities for municipal purposes has dropped since they were first begun many years ago. It is not as if the Tanjore District Board were hard put to it to meet their probable liabilities, as I have shown they are very well off, and I would not afford them the special sort of aid involved in the above suggestion.

* Four per cent. is the usual rate at which loans are made to local bodies.

Note by the Financial Department, dated 30th March 1898.

A rough forecast of the probable receipts and charges of the Tanjore Railway Guarantee Fund is subjoined, drawn up on the lines adopted in the Railway Department note, but taking on the whole a less sanguine view of the situation.

(i) Allowing for bad seasons, &c., the collections of the cess have been retained at 1·12 throughout.

(ii) It is assumed that the debentures loan of 13 lakhs will be raised in 1898–99 and that 12 lakhs will be invested at par in Government securities, before the close of the year.

(iii) The expenditure on the new line has been distributed in nearly the same proportion as that on the old line, thus:—

	Old line.	New line.
First year	2·86	2·00
Second year	4·26	4·00
Third year	9·19	9·50
Fourth year	6·40	6·50
Fifth year	1·27	1·00
	23·98	23·00

It will be seen that at the end of the sixth year the Board will have a balance of over 3·00 lakhs in hand after meeting all liabilities.

Tanjore Railway Guaranteed Fund.		1898–99.	1899–0.	1900–1.	1901–2.	1902–3.	1903–4.
Opening balance.	Government securities ..	8·16	20·16	17·16	8·16	2·66	2·00
	Cash	·29	·33	·38	·66	·28	·53
Receipts—							
Railway-cess		† 1·12	1·12	1·12	1·12	1·12	1·12
Interest on Government securities (3 per cent.) ..		·25	·60	·51	·24	·07	·06
Sale-proceeds do. do. ..		..	3·00	9·00	5·50	·66	..
Debenture loan		13·00	..	..	..	..	..
Net traffic receipts	Old line	·51	·51	·51	·51	·51	·51
	New line	..	..	..	..	..	(Say) ·51
	Total ..	14·88	5·23	11·14	7·37	2·36	2·20
Expenditure—							
Surveying expenses		·05	..	..	..	..	..
Outlay on railway		2·00	4·00	9·50	6·50	1·00	..
Purchase of Government securities		12·00	..	..	..	..	1·00
Discount on 3 per cent.		..	·09	·27	·16	·02	..
Sinking fund		·50	·50	·50	·50	·50	·50
Interest on debenture ($4\frac{1}{2}$ per cent.)		‡ ·29	·59	·59	·59	·59	·59
	Total ..	14·84	5·18	10·86	7·75	2·11	2·09
Closing balance.	Cash	·33	·38	·66	·28	·53	·64
	Government securities ..	20·16	17·16	8·16	2·66	2·00	3·00

† G.O., No. 1045, Financial, dated 14th December 1897 (page 5).
‡ For half the year.

Order—No. 537 Ry., dated 5th April 1898.

The President of the District Board of Tanjore will be informed that this Government is of opinion that the method suggested in paragraph 2 of the Government of India letter quoted above would be the most suitable method of financing the proposed extension of the Mayavaram-Mutupet Railway a further distance of 45 miles to Avadaiyarkovil. The opinion expressed by the Government of India that the Nidamangalam-Mannargudi section is not wanted at present is concurred in by this Government.

The Board are advised not to raise any objection to the Government of India's reservation of power to acquire the line, as His Excellency the Governor in Council is of opinion, in the light of the Government of India's explanation, that the reservation is a proper one.

2. The District Board would do well to enter into communication with the Agent, South Indian Railway Company, with as little delay as possible, so as to ensure the early preparation of the necessary survey and estimate, without which the Government of India are not in a position to address the Secretary of State with a view to obtaining sanction for the execution of the work.

3. From a perusal of G.O., No. 1963 R., dated the 13th August 1892, it is observed that the first section south from Mutupet, 9¼ miles, to Adirampatnam, has already been surveyed, and estimated as likely to cost Rs. 4,62,614. It is suggested to the District Board that it might be as well that they should at once apply for permission to go on with this section, stating their readiness to put the South Indian Railway Company in funds for the purpose. Such a proposal will have the support of this Government and will be forwarded for the orders of the Government of India.

4. A copy of these Proceedings will be forwarded for the information of the Government of India.

[Here enter No. $\frac{537}{A}$ Ry., dated 5th April 1898.]

(True Extract.)

Francis J. E. Spring,
Joint Secretary.

To the Local and Municipal Department, for communication to the District Board of Tanjore and to all Local Boards in the Presidency to whom it may be considered advisable to circulate it.
„ Consulting Engineer for Railways.
„ Agent, South Indian Railway.
„ Financial Department.

Endorsement—No. $\frac{537}{A}$ Ry., dated 5th April 1898.

Forwarded.

(By order.)

Francis J. E. Spring,
Joint Secretary.

Exd. C. M. Thumbusawmy.

RAILWAY.

Government {1898} of Madras.

PUBLIC WORKS.

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G.O., Nos. 537, $\frac{537}{A}$ Ry., 5th April 1898.

APRIL.

Extension of the Mayavaram-Mutupet Railway to Avadaiyarkovil

Forwarding a copy of Proceedings of the Madras Government passing orders on the method of financing the proposed —.

Public Works Department, Railways.

NOTES CONNECTED WITH G.O., Nos. 537, $\frac{537}{A}$ Ry., DATED 5TH APRIL 1898.

[SUBJECT.—*Railway Extensions in Tanjore.*]

From the Local and Municipal Department, No. 1145, *dated* 3rd *October* 1896.

The Tanjore District Board have applied for leave to construct branch lines —

(1) From Mutupet through Adirampatnam and Pattukkottai to Avadaiyarkovil; and

(2) from Kumbakonam *viâ* Needamangalam to Mannargudi.

The lines to be constructed on branch line terms and worked by the South Indian Railway.

The estimated length and cost of the two projects are —

(1)	45	miles,	Rs. 15	lakhs.
(2)	21	„	„ 13	„
Total		„	28	„

2. The Board propose to raise the necessary capital in the open market, on the security of receipts from the Mayavaram-Mutupet line and from the Railway Guarantee cess.

3. The proposal is explained in detail in the "memorandum under head 8 of the application."

4. The District Board has now some 8 lakhs in hand, which would only be sufficient for a small portion of the project, and, as the President points out, it will take in the ordinary course of things 15 years before the railways now proposed can be made; whereas by the financial operation proposed they could be taken in hand at once and the cess could be suspended on their completion.

would be well to have the benefit of Mr. Stokes' views on these projects.

A. E. H[AVELOCK].
20-11-96.

His Excellency having directed that this file be considered in the Financial Department, it should be sent there. It will be much more convenient to consider it after Financial Department has noted, than before.

H. W. B[LISS].
7-12-96.

J. G[ROSE].
9-12-96.

Can these receipts be made use of in this way without the consent of the South Indian Railway Company?

A.E.H.
3-12-96.

By "receipts", "net receipts" must be meant. The South Indian Railway has no concern with the net receipts which are divided equally between Government and the Local Board.

H.W.B.

5. There is much in favour of this scheme; but whether the District Board will be allowed to capitalise its resources and borrow in the open market as proposed appears to be a question for consideration in the Financial Department. I notice in the demi-official correspondence between Mr. Hodson and Mr. G. Stokes that the former considers it will not be allowed, and is apparently supported in that opinion by the Chief Secretary (Mr. Price).

Yes: The Financial Department should be asked to report. I agree with Mr. Stokes' note of 26th November 1896 on this subject.

A. E. H[AVELOCK].
3-12-96.

6. The extension of the Mayavaram-Mutupet Railway from Mutupet as far as Adirampatnam has already* been surveyed and statistics of traffic collected. The length of this portion is 9¼ miles and the cost per mile, Rs. 50,000.

* I was not aware of this, and have never seen the papers.

G. STOKES.
24-11-96.

7. The Revenue Department have also submitted traffic statistics for the line from Mutupet to Adirampatnam, and the opinions of the Collectors of Tanjore and Madura regarding the best route through their districts of a line to join the Madura-Pamban have been received.

8. The Collector of Tanjore recommends a line through Adirampatnam, Pattukkottai and Avadaiyarkovil.

9. The Madura Collector recommends an extension of this line through Devakottai to Paramagudi.

10. The Board of Revenue in commenting on these reports fears that the project will be unremunerative and suggests an extension from Pudukkottai to Tanjore *viâ* Vallam.

11. No traffic statistics have been called for between Avadaiyarkovil and Mutupet. It is suggested that the Board of Revenue may be asked to establish registering stations for one year at suitable points between Avadaiyarkovil and Mutupet. A draft is put up for approval.

It is not the Board of Revenue but the District Board that must do this.

G.S.
24-11-96.

The District Board should be requested to do this.

A.E.H.
3-12-96.

12. As regards the advisability of carrying this line through to join the Madura-Pamban opinions in this department seem to have been divided.

13. The Agent, South Indian Railway, naturally objects to such an extension as it will damage not only the South Indian Railway but the Madura-Pamban which he is trying to promote; and he asks for a promise that no extension beyond Avadaiyarkovil should be permitted.

14. Mr. Upcott takes the same view, and recommends that this line shall not be considered till the fate of the Madura-Pamban is settled.

15. Mr. Hodson considers that the South Indian Railway should be overruled though elsewhere he recognises the damage that the chord line would inflict on the South Indian Railway.

16. The first consideration of Government is doubtless the welfare of the cultivators; and if to promote this it is necessary to make lines of railway which will short-circuit existing ones, the loss of revenue to them must be faced. But it is obvious that where Government money is invested in a railway, such property should not be damaged if the districts through which it passes can be equally well served by non-competing feeder lines.

Yes.

A. E. H[AVELOCK].

17. In the present instance there is the further objection that the extension of the Avadaiyarkovil line to meet the Madura-Pamban will prejudice the prospects of construction of the latter railway: for the Agent proposes, as I understand, to promote a subsidiary company to build the Madura-Pamban; and if it gets wind in the London market that a line is to be built which will cut off most of the traffic, it will not be easy to float a company; nor does it seem quite fair to allow a line to be made by a company and then build another to cut off its traffic.

Yes.

A.E.H.

18. It is true that there is no immediate prospect of an extension of the Mutupet-Avadaiyarkovil line beyond that place, because the Tanjore Board are not allowed to construct railways beyond their frontier, and the Madura District Board are, I believe, too poor to undertake any railway construction.

Yes.

A.E.H.

19. The question remains what answer may be given to the Agent to allay his apprehensions. It would perhaps be going too far to say that such extension will never be allowed, but he may perhaps be told that Government does not favour it and that it is not likely to be made for a long time.

Yes.

A.E.H.

20. Captain Shelley states that the Raja of Pudukkottai is anxious to make a line from Trichinopoly to the borders of his State: and he appears not to have the same objection to an extension of this line to Sivaganga, as he would then only lose the lead between Sivaganga and Trichinopoly, as against between Paramagudi and Mayavaram if the Avadaiyarkovil line is extended.

Captain Shelley repeated this to me yesterday.

A.E.H.

21. If this line (Trichinopoly-Pudukkottai-Sivaganga) were constructed, and a link made between Pudukkottai and Avadaiyarkovil, the three districts of Madura, Tanjore and Pudukkottai would be well opened up, and but little harm would be done to Government property: while if it were considered advisable, at some future time, to shorten up the distance between Pamban and Madras, a link from Pudukkottai to Tanjore would give a better through route to Madras, as well as to the north than that *via* Paramagudi-Avadaiyarkovil-Mayavaram.

22. As regards the other project, Kumbakonam-Needamangalam-Mannargudi, I am quite of the Agent's opinion that the chord from Kumbakonam to Needamangalam is indefensible. It is a distinctly competing line and the country which it traverses is already well served both with roads and railways.

I concur.

A.E.H.
3-12-96.

23. If the Tanjore Board are sincere in their protestations that they do not wish to construct remunerative lines, but are only anxious to develop their district, there is surely no case for this link.

Three drafts are put up for approval: it is suggested that the draft to India may be submitted to the Financial Department with reference to paragraph 5.

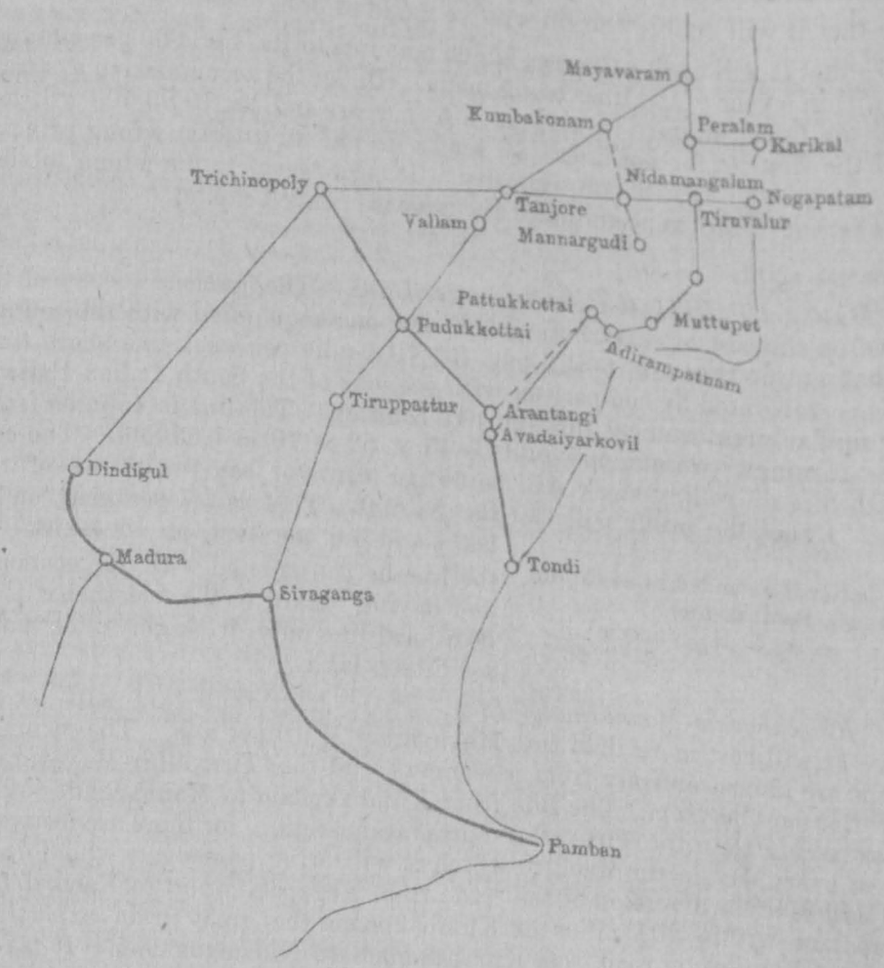
Yes.

A.E.H.

F. D. FOWLER.
14-11-96.

I saw Captain Shelley since the above was written and he informs me that the Raja of Pudukkottai proposes to build a line from Trichinopoly through his capital in

the direction of Tondi, a port which is said to have a large trade with Be
Such a line would work in well with the proposal contained in paragraph 21 above
sketch below :—



Yes.
A. E. H[AVELOCK].

On receipt of reply from Age
proposed draft, the opinions of the Di
Boards might be called for.

F. D. FOWLER.
21-11-9

Note—

There seems to be only the following points on which it is necessary for m
comment :—

Recorded with reference to the remark of His Excellency the Governor, dated 20th November 1896.

G.S.

1*st*.—The financing of the line.

2*nd*.—the financial prospects o

(1) Mutupet-Pattukkottai-Avadaiyarkovil line.
(2) Mannargudi-Kumbakonam line.

3*rd*.—The extension of the former into Madura.

4*th*.—The alternative line *vid* Pudukkottai.

I am disposed to agree with Mr. Stokes.
A E.H.

In regard to the first point I cou
I cannot see and have never come acr
a single argument in justification of
accumulative system which Mr. Hoo
says is to be insisted on. The borrowing in the open market in connection with

Tanjore Railways has never before been suggested. In fact it is only the great fall in the rate at which money can *now* be got which makes it possible. That it will be successful the experience of the Madras Municipality shows over and over again. The arguments in favour of it are—

First—that it will enable the lines to be made at once;

Second—that it will enable the cess which amounts to Rs. 1,08,000 per annum to be suspended within a year of the lines being made. Under the accumulative system on the other hand the lines can only be made in fifteen years and Rs. 79,00,000 will have been levied off the district for nothing. It seems to me an utterly wrong principle to tax the present for the benefit of posterity. It also seems to me wrong to allow a body like a District Board to accumulate an immense funded capital.

As to the second point—

(*a*) *The Muttupet-Pattukkottai-Avadaiyarkovil line.*—The financial success of this line will depend on the cost of construction. Every one acquainted with the country is of opinion that a line through it will pay Rs. 70 a mile per week in a short time. This opinion is corroborated by comparison with sections of the South Indian Railway running under similar circumstances through like country. The line is 45 miles long; hence the gross earnings per annum would be $45 \times 52 \times 70 = 1,63,800$. The cost of working with hire of rolling-stock will be 66 per cent. or say two-thirds of the gross earnings. Hence the profit will be Rs. 54,600. This is 2·7 per cent. on 20 lakhs and 3·6 per cent. on 15 lakhs. If the line be constructed with due economy and having regard to the fact that it is to be a local line only, it ought to be made for fifteen lakhs.

Would it pay better if extended so as to join the proposed Madura-Pamban line?
A. E. H[AVELOCK].
3-12-96.

(*b*) *The Kumbakonam-Mannargudy Line.*—It is true that this will be an expensive line. It will cost more than the Mayavaram-Muttupet line. The earnings on this latter line are almost entirely from passengers, and the Tiruvallur-Mayavaram section is much the most paying. The line from Kumbakonam to Mannargudi ought to be hardly less paying than the Tiruvallur-Mayavaram section, for there are festivals in temples almost every day in the week to which it will bring passengers who do not now come. It will save the diversion of the trade from Negapatam port to Karikal, for it brings Negapatam within $40\frac{1}{4}$ miles of Kumbakonam, the great grain exporting centre. It is 15 not 12 miles by road from Kumbakonam to Nidamangalam. It takes much longer to go by train from point to point than by road and costs more; hence the line will not take away the existing passenger traffic from the South Indian. The section between Kumbakonam and Nidamangalam will not injure the existing goods trade on the South Indian either. It may draw goods traffic off the portion from Kumbakonam to Mayavaram, but it will put it on to the portion from Nidamangalam to Negapatam. I would urge that this project should not be sacrificed to the South Indian.

I think the Agent, South Indian Railway, has the best of the argument against this section.
A.E.H.

3. With regard to the extension of the line to Avadaiyarkovil into Madura, it seems to me that if it were made it would protect the country in the east of Madura better than the Madura-Pamban line. It seems hardly good policy in the general interests to send traffic an immense distance round in the interests of the South Indian. However, I do not think it is necessary for Government to go further than as proposed in the draft to decline to give any undertaking in the matter.

It is Government interests not those of the South Indian Railway which are in question. The Company merely work the line and have a very limited interest (£1,000,000) in the concern.
F. D. FOWLER.
30-11-96.

4. In regard to the line through Pudukkottai, I do not believe it will ever be made. It will be at least 65 miles long and Pudukkottai can never raise the money required for the line. It might make the line from near Aranthanghi on the Muttupet-Avadaiyarkovil line to Pudukkottai town 25 miles, but it will never get beyond

this. The Pudukkottai territory is poor high dry land, and the Avadaiyarkovil line ru
through better country. The latter w
open our own territories. If a line is m
through Pudukkottai, it will short circ
the South Indian almost as effectively
the Muttupet-Avadaiyarkovil line.

No, see paragraph 20.
F. D. Fowler.
Captain Shelley says it will not.
A. E. H[avelock].
3-12-96.

G. Stokes.
26-11-96.

From the Financial Department, No. 46, *dated 8th January* 1897.

Public Works Department, Railways.

The papers are resubmitted with reference to Memorandum, No. 46, Financia
Paragraph 5 of the proposed draft to Government of India has not been altered by t
Financial Department, but it would seem from their note that some modification
required. A revised paragraph is therefore inserted for approval opposite the origin
one.

F. D. Fowler.
14-1-97.

Revised paragraph 5 approved.

A. E. H[avelock].
17-1-97.

H. W. B[liss].
20-1-97.

J. G[rose].
21-1-97.

Public Works Department, Railways.

The papers are resubmitted with reference to remarks by the Hon'ble M
Bliss. The Government of India have now resolved to dispose of railway projec
annually by means of a committee which will sit at Simla each summer. As the proje
under reference is in some respects a new departure and is also incomplete, no surv
or estimate having been made, it is not unlikely that it will have to stand over till ne
year. If this should prove to be the case it is respectfully submitted that the statist
called for might prove of considerable value when resubmitting the project ne
year (by which time the survey may perhaps have been made), on the other hand, if t
project is sanctioned at once orders can be issued to abolish the registering statio
and avoid any further expenditure. Orders are requested as to whether any furth
action should be taken.

F. D. Fowler.
25-1-97.

Very well. Let the collection of statistics be ordered. My fear however is th
the returns will be so poor as to operate as a discouragement to the scheme.

H. W. B[liss].
26-1-97.

The district board should be told to set up registering stations.

J. G[rose].
27-1-97.

Yes.

A. E. H[avelock].
30-1-97.

From the Govt. of India, P.W. Dept., Railways, No. 832-*R.C., dated* 20*th May* 1897.

Public Works Department, Railways.

C. No. 5185 was talked over in council on Friday last, May 28th. Since then I have had a talk with Mr. Stokes on the subject, and yesterday, June 2nd, Mr. J. Andrew, the Acting Collector of Tanjore, met me in Mr. Stokes' room and we discussed the whole situation.

I cannot quite see the force of the argument made use of by the Government of India in their paragraph 4. I should have thought that the principle of ultimate imperial responsibility, underlying the argument used in that paragraph, would be equally applicable to loans raised by the Municipal corporations of the great cities, and to port trust and similar loans.

Then again the Government of India appear to me to be inconsistent, for in paragraph 5 they express their readiness to allow the District Board to pledge its *special cess* as a guarantee to a Branch Line Company. While previously in paragraph 4 they had apparently objected to this same cess being utilized, in combination with the net earnings of the Mayavaram-Muttupet Railway as security for interest on a loan.

Our Municipal and Financial Departments may be able to advise upon this point, and it may perhaps be worth while to argue the point with the Government of India or perhaps to get a clear explanation from them as to what precisely may or may not be done by District Boards in the way of raising loans, or giving guarantees, for railway extensions.

I am disposed, however, to think that the District Board of Tanjore will be wise to take the Government of India's hint and to enter into negociations with firms in Madras who are likely to move in the matter. Best & Co. and other firms will probably be glad to do business with them on the basis of a 4 per cent. guarantee (or less if possible).

I have flagged, at C, an advertisement calling for subscriptions to take up the shares of a seven lakh railway company, in Bengal, on the guarantee of the Nuddea District Board, of 4 per cent. The advertisement is very interesting, in connection with the proposal now under reference, to form a Branch Line Company in Tanjore under the District Board's guarantee. It might form the basis of a similar advertisement to be issued under the authority of the Tanjore Board by the promoters of the "Tanjore Branch Railway Company", yet to be formed.

I made enquiries some time ago about this scheme and was told on good authority that no one would look at it in Calcutta.

H. W. B[liss].

I learn from Mr. Andrew that the District Board have set aside plenty of money for the survey. So far there has been no survey, traffic statistics are being collected.

I think that the best thing to do now will be to send a copy of India's letter to the Chairman of the Tanjore District Board for an expression of the views of that body. I think it probable that they will accept the suggestion about forming a Branch Line Company to take over the existing Mayavaram-Muttupet Railway and make the extensions. That the guarantee should be a stable one it is apparently essential that, even if in after years the success of their railway working should make it necessary to draw less and less upon their special cess, they should nevertheless continue to keep up their special cess; and it will lie within their power, I suppose, to proportionately diminish their other cesses. I gather from the Government of India's letter that a special railway cess may be pledged without involving the Imperial Government in liability, but that such is not the case with ordinary cesses. (Or are India differentiating between the hypothecation of cesses for *interest on loans*, and for *guarantee to Branch Line Company?*)

A

F. J. E. Spring.
3-6-97.

The position taken up by the Government of India is, I suppose, legally correct,—though I must say they seem to me to be rather straining their legal right. The Local Board propose to pledge only its railway cess and its railway profits. But, being

itself the borrower, if those securities failed, the general revenues of the Local Boa... would become liable. And, it appears to be held that those general revenues are mixe... up with the general revenues of India. I am not certain that this view is correct... But, in any case, the Government of India seems to be adopting an unfriendly and... obstructive attitude towards a legitimate and healthy enterprise. The Municipa... Corporations mentioned by Mr. Spring and Port Trusts are exempted by section 3 of... the Local Authorities Loans Act, No. XI of 1879, from the restrictions imposed upo... borrowing by ordinary local authorities.

I am quite willing, if Honourable Members concur, to appeal to India, pointing... out the remote and slight risk they run, and the desirability of encouraging and... helping the Local Board in their praiseworthy enterprize.

If Honourable Members do not think this course expedient, I would consult the... Tanjore District Board as proposed by the Secretary at **A** in this note.

A. E. H[AVELOCK].
8-6-97.

I certainly think we should at once contest the dictum of India in paragraph... of the current that the revenue and expenditure of Local Boards is not financially... independent of and separate from the general revenue and expenditure of India... Whatever may be the case in other provinces, we must go here by the Local Boards... Act which seems to me distinct. The matter should, however, be further considered... **B** in the Local and Municipal Department, which may have knowledge of precedents... which favour the view taken by India.

I also think we should protest against the attitude of India, which practically... refuses the sanction necessary under section 7 of Act XI of 1879 before the Local... Government can authorize the Local Board to borrow in the open market.

There is a misconception involved, I think, in the use of the words "special cess"... There is no "special cess", properly so-called—what happened was that the rate of the... ordinary cess was increased and that the additional receipts thus obtained were set... aside to form the Railway fund. But this was merely by an understanding between... Government and the Local Board; and the Railway fund, so-called, might to-morrow... be devoted without illegality to roads or hospitals or any other purpose covered by... the Act. It was a most improvident and foolish way of raising money, I think... though perhaps, in view of India's attitude, the only one open at the time.

H. W. B[LISS].
9-6-97.

I think the Government of India should be addressed. The mistake about the... "special cess" should be pointed out.

J. G[ROSE].
12-6-97.

PUBLIC WORKS DEPARTMENT, RAILWAYS.

To Local and Municipal Department with reference to the Honourable Member's... remark at **B**.

Honourable Member— LOCAL AND MUNICIPAL DEPARTMENT.

The Government of India in paragraph 4 of their Railway letter * say "as Local... "Boards are at present constituted, their... "local revenue and expenditure is (*sic*) not... "financially independent of and separate... "from the general revenue and expenditure of India, so that a guarantee given from... "them would not be distinguishable in its effect from a guarantee from general... "revenues."

*No. 832 R.C., dated 20th May 1897.

As I understand this passage the Government of India are only recalling attention to the principle embodied in the statute 33 Geo. III, c. 52, s. 40. "The Governor-"General in Council, Fort William, shall have and be invested by virtue of this Act "with full power and authority to superintend, control and direct the several Govern-"ments and Presidencies of Fort St. George and Bombay * * * * in all such "points as shall relate to * * * * * the collection or application of the "revenues of the said acquisitions and territories in India."

The Government of India do not mean to imply that funds raised under the Local Boards Act can be *applied* for general administrative purposes, or for purposes other than those declared by the enactment. They are merely looking at the situation from the point of view that taxation raised under that and similar enactments is part of the general taxation of the country imposed by the legislative authority of the Government, and that the regulation of its incidence and application vests in the last resort in the Government of India. The Local Boards Acts empower the Boards to raise certain funds locally; but that power is not unrestricted, it is subject to the sanction of the Presidency or Provincial Government, and that sanction is in its turn amenable by *statute* to the control and direction of the Supreme * Government. The local enactment must be read subject to the statute.

The Local Board is a mere agency for the administration of an assigned fraction of the general revenues of the country. The total burden on the tax-payer is not lightened by the designation of the tax as Imperial, Provincial or Local. The more that is raised or applied under any one of these heads diminishes *pro tanto* the resources on which the State can draw for application in other directions. In the last resort it falls on the Supreme Government to regulate the total burden to the capacity of the people.

Reading the statement of the Government of India, which has been brought under discussion, as merely calling attention to the fundamental principles which I have attempted to set out, I do not think it would be advisable to enter upon a controversy on the general subject.

As references antagonistic to the dictum enunciated in paragraph 4 of the Government of India letter, the office has put up the Government of India resolution of 20th February 1878, No. 1072, in G.O., No. 381, Financial, dated 27th February 1878, and Government of India resolution No. 2098, dated 29th March 1878, in G.O., No. 1289, Financial, dated 23rd July 1878. But those resolutions are not, I think, inconsistent with the present letter or the views which I have explained above. Those resolutions merely declare that in ordering the incorporation of the local fund transactions in the general accounts the Government of India "does † not intend to make any change whatever in regard to the APPROPRIATION of the funds which will be governed, as now, by the laws and orders from time to time applicable thereto." It will be observed that the quotation relates to the *appropriation* of the funds; and it is little more than a truism to say that that will be governed by the law. Of course if the *law* directs that certain funds if raised are to be appropriated to certain purposes, the Government of India cannot divert them to some other purpose. *But* it is for the Government to determine whether funds *shall* be so raised for a particular purpose.

* The Secretary of State has also an ultimate statutory control over Local and Municipal expenditure; and when the discussions were in progress between the Government of India and the Secretary of State on the extension of local self-Government, the latter in a despatch of July 1883 (of which I have a note) wrote: "Your Excellency will concur with me that it is necessary great care should be taken to check any tendency of the Provincial Governments to authorize fresh expenditure in connection with the extension of local self-Government, the effect of which would be, when the new system comes into full operation to impose increased burdens on the country." And even in regard to municipal expenditure which in many ways is on a more independent footing than district local funds he wrote: "Although moneys raised by municipalities are at their absolute disposal, the expenditure of the revenues of India is by the provisions of the law (*a*) subject to the control of the Secretary of State in Council who cannot divest himself of his responsibility in regard to that expenditure."

(*a*) 22 and 23 *Vic.*, c. 106, s. 41 and 24 and 25 *Vic.*, c. 67, s. 22.

G.S.F.

† Paragraph 5 of the resolution of March 1878 last quoted above.

In this present case the special railway cess referred to in the correspondence is not a special cess the raising of which the law authorizes for the specific purpose of railway extension. What the District Board of Tanjore did was to enhance with the sanction of Government the land-cess leviable under the District Boards Act from 9 pies to one anna and to devote the difference to the construction of the railway. But the land-cess is the mainstay of the general fund out of which the Local Board has to provide for *all* the duties and services imposed on the Board.

G.O., No. 1201, Financial, dated 17th June 1880.

The Government of India being apparently under the impression that there is a special cess has no objection to the giving of a guarantee limited to that. When however it is explained to them that the so-called cess is only a portion of the general local fund earmarked for railway extension, the objection taken in the earlier paragraph of their letter will apply.

To get round the Government of India, therefore, it seems to me that it is out of place and unnecessary to discuss their authority to negative the contemplated appropriation and that the correct course is to satisfy the Government of India that the scheme will not to any appreciable or material degree affect the general resources of the empire, or throw any ultimate responsibility on the Imperial treasury. At any rate this seems the only line of argument open.

Before touching on these points it may be desirable to indicate the legal position.

The Local Authorities Loan Act (XI of 1879) was passed to empower a Local Board to borrow money for the purpose of carrying out works which it was legally authorized to carry out.

Shortly afterwards it was found that the Act did not enable a Board to give a legal guarantee of interest to a company or person providing capital for the carrying out of such works. Accordingly Act XV of 1885 was passed to amend the Act of 1879. The amendment consisted in adding to section 8 a clause to the effect that nothing contained in the Act (*i.e.* of 1879) should "affect the power conferred on a "local authority by any such enactment [*i.e.*, a special enactment now or hereafter in "force—*vide* clause (*a*) of section 8] to charge its funds by guaranteeing the payment "of interest on money to be applied to any purpose to which the funds of the Local "authority can legally be applied."

It is interesting to recall that this amending Act was passed by the Government of India in connection with this very Muttupet Railway. Sir Theodore Hope's speech at the passing of the Act may be read (*vide* pages 481—483, Abstract Proceedings Governor-General's Council, 1885).

When the India Act of 1885 was passed there was no special enactment in force enabling a Local Board in this Presidency to charge its funds by guarantee; but Sir T. Hope in the speech above cited explained it was for each Local Government to pass the necessary enactment. Accordingly in 1886 a Bill with that object was introduced into the Madras Council. This was disallowed by the Governor General, and another Bill was introduced in November 1887† which was ultimately passed as Madras Act I of 1888.

* *Fort St. George Gazette* Supplement, dated 7th April 1886.
Fort St. George Gazette Supplement, dated 13th August 1886.
Fort St. George Gazette Supplement, dated 2nd November 1886.
† *Fort St. George Gazette* Supplement, dated 29th November 1887.

By this Act "the Local Government, *with the previous sanction of the Governor General in Council*, may authorize a "local authority . . . . to charge "its funds or any part thereof by way "of guarantee for the payment of interest on or by the creation of a fund for "repayment of monies expended or to be expended on any work or for any of the "purposes for which such funds might be by law applied."

Section 3.

By section 5 the Governor in Council may make rules in connection with the carrying out of the Act. I find however from the office that no rules have yet been

made under the section. But as the rules are not essential to the operation of the Act, the fact that none have been made would not bar the passing of orders by Government under it.

Supposing, therefore, it is finally settled to borrow on the guarantee of a portion of the land-cess raised under the Local Boards Act, the necessary orders will have to be issued under the powers conferred by Madras Act I of 1888 and India Act XV of 1885, and enabling in that behalf.

Turning now to the arguments which may be used relative to the expediency of affecting the revenues by the guarantee proposed and as to the consequences on Provincial or Imperial finance.

In the first place it may be pointed out that the revenues raised under the District Boards Act are not available* for any purpose beyond the district in which they are raised. They cannot, therefore, come to the aid of the general Imperial or Provincial taxation to meet any outside emergency.

* Sections 54, 56 and 95 of the Act.

Nor by utilizing the cess in the manner proposed will provincial revenues be even indirectly advantaged in the way of lightening the contributions paid by provincial to local. In Tanjore the only payment made to the Local Board is about Rs. 10,000 on account of education. But that small burden could not be transferred to the Local Board without altering the educational policy of Government, by which general provincial revenues assist with funds certain classes of higher education while leaving the administration of these with the Local Board. And we could not possibly make a special case of Tanjore and treat it differently from other districts. Even if we did, the sum is so small that it could not substantially affect the financial position. (There is also a sum paid on account of choultries but that is under a special arrangement which does not affect the present question). Nor is there any reason to suppose that the produce of the cess could be more advantageously devoted to other objects within the purview of the Local Boards Act. Roads and communications are quite as essential as education and sanitation and do not receive a disproportionate share of the general fund.

G.O., No. 1908 L., dated 14th October 1896, page 5.
G.O., No. 468 L., dated 8th March 1897, page 6.

There are also, I think, some contributions on account of salaries of Medical officers in charge of hospitals and dispensaries.

H. W. B[LISS].

Then will the capacity of the Tanjore ryot to meet general taxation be appreciably affected by the proposal? This cannot be affirmed. Tanjore is one of the richest districts in India, and is safe from famine. In this rich district the three pie allotment of the land-cess is a light burden to which the people have been accustomed since 1880 and so far as I know no complaint has ever been made about its incidence. Moreover the object of the allotment seems to have been overlooked. Although it is stated in the prescribed form of application, yet the point might be more fully insisted on. On account of the peculiar nature of the soil and the configuration of the surface, the construction and maintenance of efficient roadways in Tanjore is most difficult and expensive; and these light railways are merely to take the place of ordinary roads. The Government of India would never think of interfering if the enhanced land cess were devoted to roads. Nor do they ask us to cease levying the enhanced rate. No doubt if it is not tied up by a long guarantee it can be remitted at any moment. But as it is, if Mr. Stokes' anticipations are correct—*vide* his note of 26th November 1896 in the file—it will be possible to suspend the cess within a year of the construction of the new line: it being calculated that the existing line will continue to give a profit of Rs. 50,000, and that the new line will be worked at a profit. The proposal is thus more economical and to the tax-payer less burdensome in the long run, than the present arrangement.

Excellent point, this.

A. E. H[AVELOCK].

It is not understood that the Government of India object to the mortgaging of the profits of the existing line. This is the property of the Board. In this connection, however, I would call attention to a note of the Hon'ble Sir H. Bliss at paragraph 54 of the Financial department note to K.W. to G.O., No. 904 of 29th December 1896, in

which there is the suggestion that the whole of the capital expenditure on the old line be recovered from the Board. If this be carried out, the cess would not be available as a guarantee for some years. But as a larger share and ultimately the whole of the net earnings would go to the Local Board, these alone *might* be accepted in the market as a sufficient guarantee for the capital required for the extension. To this the Government of India would probably have no objection, although the profits are part of the revenue of the Board, and theoratically of the general revenues of the Empire.

Pages 481–83, Legislative Proceedings of Governor-General's Council, Vol. XXIV.

Excellent.

A.E.H.

Attention might also be called to the discussions in the Supreme Council when the Act of 1885 was passed, as showing that the purpose or policy of the Government of India was to allow local bodies to develop branch railway communications outside the imperial scheme.

Finally there is the point as to the legal position of the guarantee proposed to be given in this case. The Government of India must be aware of this but it might be well to recall to them that under Madras Act I of 1888 when the Local Government authorizes any local authority to charge a *part of its* funds "by way of guarantee for the payment of interest . . . on monies to be expended on any work" (section 3), then "in the event of default" the Governor in Council may, on the application of those entitled under an engagement entered into under section 3, "attach the funds *made subject to charge* on account thereof" (section 4). There is no legal liability *ultra* affecting either the provincial or the imperial treasury.

No doubt it is the duty of Government to see that such engagements are not lightly incurred. The money market does not stay to make nice distinctions between the guarantee given by a Local Board and approved by Government, limited to special funds raised under a special enactment and the guarantee given directly by Government and extending to the general revenues at large. If defaults were commonly to occur in the former case, the credit of the Indian Government in the money market might come to be affected. This is one reason why the Government of India is careful in the matter of guarantees given by local bodies. In the present case however no such apprehension can arise, and as I have pointed out there is no *legal* liability upon the Imperial treasury.

I was not present in the Council when the subject was before it, and I do not know what line the Honourable Members were inclined to take. I have therefore confined my note to pointing out certain considerations which affect the point taken by the Government of India and the question raised by the Hon'ble Sir H. Bliss.

G. S. Forbes.
13–8–97.

Mr. Forbes has gone into this question in a very thorough and satisfactory manner and I think we cannot do better than adopt the course he suggests.

H. W. B[liss].
23–8–97.

I agree.

J. G[rose].
24–8–97.

A. E. H[avelock].
28–8–97.

The file is returned to Public Works Department (Railway).

G. S. Forbes.
30–8–97.

Public Works Department (Railway) u.o.

Public Works Department (Railway).

Before sending this draft on to His Excellency and Honourable Members, I shall be glad if Mr. Forbes will kindly go through it, and see whether it expresses correctly the line of reasoning which inspired his note. I have adhered as closely as I could, consistently with the requirements of a letter to India to Mr. Forbes' *ipsissima verba*. But it is quite possible as the subject is not my own, that I may have slipped into errors of sequence, facts or reasoning.

F. J. E. Spring.
1–9–97.

Local and Municipal Department u.o.

Local and Municipal Department.

To Secretary, Railways—

There are only a few suggestions which I would venture to make. I have marked them alphabetically on the draft with pencil.

A. For "Secretary of State", substitute "Government of India."

B. I would begin paragraph 3:—

"In the first place, it seems desirable to indicate the legal position."

C. I would begin paragraph 4:—

"In the present case the funds proposed to be charged to guarantee the interest on the money required for the extension of the local railway in question are not a 'special cess', but form a portion of the land-cess levied under the Local Boards Act V of 1884 (M.). The cess is leviable under the Act at a maximum rate of 2 annas in the rupee on the annual rent-value of occupied lands. Up to 1880 the rate was 9 pies, but in that year it was enhanced to 1 anna;" . . . .

I have expanded this portion of the paragraph in order to dispel any misunderstanding there may be about the existence of a special *railway* cess; and also to indicate that even the maximum local rate is not raised; and that there is ample margin for other local wants.

D. I would omit the last sentence as the "capacity" point is meant to be an inference which the Government of India can draw from the *whole* situation. The point has been, I think, sufficiently indicated at the end of paragraph 2.

E. At the end of the third sentence of paragraph 5 I would insert:—

"For the only contributions of any moment made from the Provincial treasury to the Local Board is the small sum of about Rs. 10,000 on account of certain classes of higher education—a contribution which cannot well be foregone without altering the educational policy of Government."

F. I would run paragraphs 5 and 6 together beginning at the end of paragraph 5 with the following:—

"And in Tanjore the scheme of 1880 was introduced expressly for the purpose of substituting in certain parts of the district railway communications for roadway communications, inasmuch as . . . . "

G. And at G I would insert:—

"Under the Act (section 95) it devolves as a legal duty upon the Local Board to maintain adequate communications, and they are merely replacing one mode of communication for another."

In the second sentence farther on in the paragraph perhaps it would be well to substitute "can be kept up only at a disproportionate expense" for the tamer words "are expensive to keep up."

H. I am not sure whether it is desirable to take up the point elaborated in paragraph 9 but ?

I have inserted in pencil, for more easy reading the emendations which I have suggested above; and also one or two other modifications not detailed in this note.

In the third sentence of paragraph 5 it is important to insert "to any appreciable degree.

G. S. Forbes.
2–9–97.

This draft which I put up for approval is based on, and indeed for the most part follows, Mr. Forbes' note. Mr. Forbes also has been good enough to go through the draft with me and to suggest many amendments which have been inserted.

F. J. E. SPRING.
3-9-97.

Approved.

A. E. H[AVELOCK].
7-9-97.

H. W. B[LISS].
8-9-97.

J. G[ROSE].
9-9-97.

Secretary, Local and Municipal, for perusal of draft as amended.

F. J. E. SPRING.
10-9-97.

G. S. FORBES.
11-9-97.

Issue.

F. J. E. SPRING.
14-9-97.

[Issued as G.O., No. 661 Ry., dated 15th September 1897.]

Public Works Department, Railways.

Letter from the Govt. of India P.W.D., Railways No. 303 R.C., dated 5th March 1898.

In their letter No. 303 R.C., dated 5th March 1898, the Government of India say that they are prepared to recommend to the Secretary of State that the District Board of Tanjore should be permitted to make the proposed extension of their Máyavaram-Mutupet line a further distance of 45 miles to Avadaiyarkovil: such capital as may be necessary, over and above the Board's available balances, being raised in the form of debentures having a currency of not more than twenty years.

2. This is very satisfactory and the result will doubtless be the very early completion of this very promising extension. Moreover the Government of India's decision opens out great possibilities in the way of railway extensions in districts rich enough and intelligent enough to follow the example of Tanjore and to tax themselves specially for railway extensions.

3. The security for the debentures is to be "the (net receipts of the?) Máyavaram-Mutupet Railway, and the receipts from the special railway cess."

4. I cannot say yet what the cost of the extension will be. It has not been surveyed or estimated. But the first $9\frac{1}{4}$ miles of it have been surveyed, that is, as far as Adirampatnam, and have been estimated at about $4\frac{3}{4}$ lakhs, or at just about the same sum per mile, Rs. 50,000, as the Máyavaram-Mutupet Railway. I do not think that without very special measures of economy this 45 miles of extension can be made to cost much less than 23 lakhs. But it will be perfectly justifiable to economise in the bridging of the larger rivers, by the use of causeways, in lieu of bridges for the first few years, even at the risk of stoppage of trains for a few days in the year. When ordering the survey this will be seen to.

5. Now about the provision of these 23 lakhs (or less). In November last the District Board had an available balance of Rs. 7,70,000. Their realisations from their special cess are just now at the rate of Rs. 1,30,000 per annum, so that by next November they ought to have 9 lakhs. Then as in the first year interest on debentures will be light, we may count on their having 10 lakhs available from their special cess before the line is open for traffic.

6. Pending the preparation of estimates it seems therefore as if they would have to call for 13 lakhs of debentures, possibly less, but it will be safest for the present to say 13.

7. They ought in my opinion to provide a sinking fund for the extinguishment of these debentures at the end of the 20 years. If they invest their sinking fund in $3\frac{1}{2}$ per cent. Government paper at par it will require an annual investment of about Rs. 3,550 per lakh, (Statement attached) or for 13 lakhs a sum of Rs. 46,000 must be annually set aside and invested in $3\frac{1}{2}$ per cent. paper. If paper all gets converted to 3 per cent. or if the price of $3\frac{1}{2}$ per cent. paper should rise until the return from it is only the same as from 3 per cent. at par the sum that must be annually set aside will be about Rs. 48,400 per annum.

It will perhaps be safest to say that Rs. 50,000 per annum must be put away into the sinking fund for the next twenty years for the purpose of the amortisation of the debentures.

8. Supposing that in that time the special cess does not drop below Rs. 1,30,000 per annum, the Board after providing for the sinking fund would thus have Rs. 80,000 per annum for the payment of interest on the debentures. At 4 per cent. the interest will come to Rs. 52,000, at $4\frac{1}{2}$ it will come to Rs. 58,500, and the Board would have between twenty and thirty thousand rupees over, to provide for petty new capital works which will doubtless become necessary as traffic develops. Thus the situation looks very solvent and satisfactory.

9. But things are even better than I have so far shown them to be, because the special railway cess shows signs of great elasticity. I find that in the last ten years it steadily increased as follows, the figures representing thousands of rupees, *viz.*, 86, 85, 87, 90, 93, 99, 90, 117, 110, 130. I am not in a position to judge whether this is the result of better collection or of extension of cultivation and of assessment on such cultivation. I only offer the figures. They seem to me to point to a very healthy state of things.

10. Then turning to the figures of net earnings of the Mayavaram-Muttupet Railway, half of which are the Board's and half the property of Government (in proportion to the share of each in ownership of the line). For the three years ending 30th June 1897 they have been as follows: Rs. 92,169, Rs. 92,304, Rs. 1,09,575. The dividends have steadily risen in the seven half-years up to 30th June 1897, during which the line has been open, until in the last half-year they have attained to a rate of 4·62 per cent. per annum. It seems to me that so steady an increase may safely be taken as indicating the probability of its continuance.

11. To sum up the position of the Local Board: against liabilities, for sinking fund and interest on debentures, which according to the state of Government paper and of the money market may be variously estimated at from Rs. 96,000 at best to perhaps Rs. 1,07,000 at worst they have an apparently increasing, income of Rupees 1,30,000 from the special cess, and a steadily inproving income of Rs. 55,000 from the Mayavaram-Muttupet Railway. In addition they will have the net earnings of the 45 miles of new extension: and if these after the first three or four years turn out to be on the same scale as those of the parent line they may be counted on for another Rs. 91,000 per annum. Then again there is the improvement of the Mayavaram-Muttupet earnings by reason of the traffic brought on to it by the new extension. On the whole, it will not, I think, be too sanguine an estimate to say that not only may the Local Board with perfect safety incur the proposed liability, but that after the extension has been opened and has got into full swing, say four or five years hence, the Board will still have not much short of a lakh a year to the good, over and above all liabilities, including the sinking fund whereby after 20 years they will become absolute owners of the property free of debt.

12. It suggested itself to me that instead of the Board going on the market for its loan the Government of India might be moved to agree to either lending the money themselves at 3 per cent. or $3\frac{1}{2}$ per cent.* or to enabling the South Indian Railway Company to borrow it in the form of State guaranteed debentures, the guarantee of the State being under written by the Board just as is proposed in the case of

* 4 per cent. is the usual rate at which loans are made to local bodies.
F.J.E.S.

Travancore. But I do not like to suggest what may have the effect of prolongi negociations unduly. I think too that it will be a better lesson in local self-Gov ernment if the Local Board are merely enabled to do their own financing. In di course, as years go on, and as this sort of security becomes better understood, the ra of interest will drop as that of loans raised by the big cities for municipal purpos has dropped since they were first begun many years ago. It is not as if the Tanjo District Board were hard put to it to meet their probable liabilities, as I have show they are very well off and I would not afford them the special sort of aid involved i the above suggestion.

13. Now to return to the Government of India's letter. We may concur wit them that the Nidamangalam-Mannargudi branch is not wanted at present, and te the Board so. We may also advise them not to raise objection to the reservation b the Government of India of power to acquire the line. It will probably never b exercised, but it is a very proper reservation.

14. We may tell the board to communicate with the South Indian Railway Company about getting the line surveyed and estimated, as the work will doubtless b carried out by that Company in the same manner as the Mayavaram-Muttupet Railway and the Peralam-Karikal Railway. We may tell the South Indian Railway wha instructions we have given the Board.

15. But I see from G.O., No. 1963 R., dated the 13th August 1892, that th South Indian Railway Company have already made a survey and estimate for th $9\frac{1}{4}$ miles from Muttupet to Adirampatnam. This section is estimated at $4\frac{3}{4}$ lakhs and it might be as well to put its construction in hand at once as the Board have plenty of money to go on with. In this way considerable time may be saved. We might propose this to the District Board and if they agree we might recommend it to the Government of India.

16. I put up a draft Government Order for the approval of His Excellency and Honourable Members giving effect to the above suggestion. I do this without waiting for orders on the detailed suggestions, though I am aware that it is usual to take orders first and draft afterwards, because I do not think that I have expressed what I advise should be done quite so clearly in paragraphs 12, 13 and 14, as I have now expressed them in the draft Government Order.

F. J. E. SPRING,
15-3-98.

Seen.

Seen. I have passed the draft. I suppose a reply will be sent to the Government of India.

A. E. H[AVELOCK].

J. G[ROSE].
2-4-98.

[*Issued as G.O., Nos.* 537, $\frac{537}{A}$ *Ry., dated 5th April* 1898.]

Sinking Fund.

How much is it necessary to invest annually for n years at a rate of interest of R per cent. (or r per unit) so that at the end of the time, if interest be added yearly to the accumulated sum, a capital C may be available.

Let x = the annual payment.
r = the interest per unit (so that $x\,r$ is the interest for a year on x).

At the end of the 1st year the accumulation is ,.		x
Add 2nd year's payment	... ...	x
Add interest on 1st year's payment	... ...	$r\,x$
Total at end of 2nd year	...	$x\,(2 + r)$
Similarly total at end of 3rd year is	...	$x\left(3 + 3r + r^2\right)$
4th ,,	...	$x\left(4 + 6r + 4r^2 + r^3\right)$
5th ,,	...	$x\left(5 + 10r + 10r^2 + 5r^3 + r^4\right)$
nth year	...	$x\left(n + Ar + Br^2 + Cr^3 + \ldots\ldots r^{n-1}\right)$

A little consideration shows that the co-efficients A, B, C, etc., are formed thus. There is no use going beyond the constant for r^3 because r is so small a fraction when 3 or 4 per cent. that its 4th power is very minute, and may be neglected.

—	n	r	r^2	r^3
1st year	1	..	..	..
2nd ,, ...	1	1	..	..
3rd ,, ...	1	2	1	..
4th ,, ...	1	3	3	1
5th ,, ...	1	4	6	4
6th ,, ...	1	5	10	10
7th ,, ...	1	6	15	20
8th ,, ...	1	7	21	35
9th ,, ...	1	8	28	56
10th ,, ...	1	9	36	84
11th ,, ...	1	10	45	120
12th ,, ...	1	11	55	165
13th ,, ...	1	12	66	220
14th ,, ...	1	13	78	286
15th ,, ...	1	14	91	364
16th ,, ...	1	15	105	455
17th ,, ...	1	16	120	560
18th ,, ...	1	17	136	680
19th ,, ...	1	18	153	816
20th ,, ...	1	19	171	969
Constants for 20th year.	20	190	1,140	4,845

The summing up of the columns from the top down to any desired year will give the constants required. Thus for the 20th year we have—

$x\left(20 + 1{,}90r + 1{,}140r^2 + 4{,}845r^3 + \ldots + r^{19}\right) = C$

$x(20 + 6{\cdot}65 + 1{\cdot}3965 + 0{\cdot}1979 + \ldots) = C$ when rate is $3\frac{1}{2}$ per cent. that is when $r = 0{\cdot}035$.

$\therefore x = \frac{C}{28{\cdot}2444}$ when rate of investment is $3\frac{1}{2}$ per cent.

Thus for a sinking fund to amount at the end of twenty years to 1 lakh, the annual amount to be put by at $3\frac{1}{2}$ per cent. will be $\frac{1{,}00{,}000}{28{\cdot}2444}$ = Rs. 3,544.

F. J. E. SPRING.
15-3-98.

Railway

ublic Works (189 6) Department.

CURRENT No. 8983

Postponed

er

From The Local and Municipal Departt

No. 1145

Dated 3-10-96

Received 7.10.96

Enclosures 17 (3 Plans)

Spare copies

SUBJECT.

Transferring proposals for extending the Mayavaram-Muttupet railway line to Avadayar koil.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Ry C No. 8983 No. 63

Local & Munl. (1896) Department.

CURRENT No. 2367L

H.M.

C. Nos. 2367L, 2368L, 2455L & 2516L

From The President District Board Tanjore

C.L.

~~Order~~ No. 1145 HD 28/9/96

Transferred to the Public Works (Railway) Department.

Dispos No. No. 713 D.B.

W. D. Phillips
Ag. Asst. Secretary

Dated 23rd August 96

Received 28/8

Registered 1/9

Enclosures 8 2 as per list

Spare copies.

H.A.

P.P. 1/11/96
~~Fort St. George 3rd October 96~~
~~24 Sept. 1896~~

J.

The Public Works (Railway) Department

SUBJECT.

Submitting application for sanctioning the ~~[illegible]~~ Mayavaram Muthupet line to Avadayarkovil and requesting to apply to the Govt of India to issue -

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

8983

Statement under head 8 of the application.

The District Board Tanjore possesses a fund which is called the Railway Guarantee Fund and which consists of 3 pies in every anna of the Local Fund cess raised in the District. This Fund was called into existence because owing to the nature of the soil of the District it is impossible to make or maintain efficient roads even at a prohibitive cost and the Fund was intended to develope the District by the construction of Railways. This being the origin and object of the Fund the District Board considers that it should be utilized to construct such Railways as the District needs as soon as possible. The Board desires to use the Fund only for the development of the District. It does not desire competing or highly remunerative lines. The Board considers that the accumulation of the Fund is practically a misapplication of it and it seeks not income but those Railways which are urgently wanted owing to defective communications. It is plain the Board thinks, that its duty in this matter can be best discharged by capitalizing its funds by which means it will not only be able at once to make not less than 65 miles of very necessary lines but to take off within a very few years the whole or the greater part of the tax now needlessly imposed on the District. The Board conceives that there can be no objection to the capitalization of its cess. This course is not only recognised but pressed on municipalities for works of local interest and improvement and as the Board's object in this project is solely the construction of a local work of general utility it trusts that this proposal on its part will meet the approbation both of the Government of Madras and of the Government of India.

The Taluk of Pattukkottai through which the District Board proposes to extend the M. M. Railway is a strip of country about 15 miles wide by 35 to 40 miles long lying between the native State of Puducotah and the Sea. It differs from the rest of the District in that it is not comprised in the delta. It possesses a fertile though sandy soil. Though it is mostly dry land, it contains in its southern part a very large number of small tanks of which however very many are rainfed. Under these tanks is grown rice which is the best in the District but which notwithstanding is known to have been left to rot as it could not be taken out. It is crossed by four somewhat large rivers which take their rise in the country to the west. Though it possesses only one town of over 10,000 persons Adirampatnam, and one of 5000 viz. Pattukkottai through which the Railway is to pass, it is a populous tract having a population of 300 to the square mile. Owing to the nature of the soil from which as in the Delta no materials for metalling roads can be obtained, it is almost without communications worth the name. It contains a large number of temples and holy places. Along the Sea coast are several large salt factories.

The reasons which have led the Board to resolve to extend the Railway to this tract are as follow :—

It is that portion of the District which at present most needs a railway for its development. The District is 3710 square miles in extent. As in the Delta tract which is 2295 square miles in extent, there are 181 miles of Railway it seemed plain that the Pattukottai Taluk which is 900 square miles in extent was that portion of the District most needing Railway extension for its development.

In this Southern Taluk also, a Railway line ought to be fairly successful financially. It would open up a new, fertile, and populous tract of country. The cost of construction need not be heavy though there are only three considerable rivers to cross since the line will stop on the north side of the Vellar near Avadayarkovil.

The line will pass through or near many of the large centres of trade and population in the Taluk viz.

Adirampatnam	...	...	...	10748
Pattukkottai	...	...	...	5028
Tamarankottai	...	...	...	3842
Kalagam	...	...	...	1332
Arasankulam	...	...	...	2404
Avadayarcovil	...	...	...	2480
Manamelgudi	...	...	...	3559
Arantanghi	...	...	...	2708

A list is appended of the important chattrams in the Taluk and also a statement showing the Towns, markets, &c., which will be served by the line on both sides.

The line ought to command a very considerable through passenger traffic because Avadayarkovil the terminus will be only 55 miles from Ramnad while Madura is over 80. This line will carry all the pilgrim traffic to Rameswaram for by it the pilgrimage can be made right handed. Avadayarcovil is itself a place of much sanctity and resort and for this reason also as well owing to the number of local shrines, the Railway will get much pilgrim traffic. Since Avadayarcovil is not 20 miles from Devacotta the home of the Nattukkottai chetties, a trading community known all over the South of India and the Straits it will carry a large number of passengers to and from that place and from the very populous tract of which it is the centre. It will get also the passenger traffic from a large portion of the Ramnad Zemindari and of the east part of Shivaganga. It will also get all the passenger traffic from Puducotah town, for the journey thence to a station at the Perungadu village *via* Arantanghi will be only 25 miles against nearly 40 by any other route.

It will get also local passenger traffic which should be fairly large having regard to the population. From Muttupet to Pattukkottai it will pass Tamarankota at 5 miles, Adirampatnam at 9 miles and Pattukkottai at 16 miles. At Tambikkinallavankottai there is a large Salt factory. Between Pattukkottai and Perungadu the country is not thickly inhabited but it will pass Kalagam at 9 miles and Arasankulam at 20 miles. It is difficult to determine from the census returns owing to the difficulty of identifying the villages in any given survey area what the population per square mile of the southern part of the Taluq is but it is the opinion of all those who know the country, that the Ponbetti Firka i.e., the south portion is a very populous part. The population works out 277 per square mile for Government villages so far as can be ascertained. It is also well known that the part of Madura surrounding Devacotta is very rich and populous. This line is therefore the connecting link between this populous tract and the Tanjore Delta and hence the passenger traffic will be all through traffic both ways at least as far as Pattukkottai.

As to goods traffic so far as the Board is aware, no statistics have been taken except with a view to the extension of the line from Muttupet to Adirampatnam. So far as these statistics go they are favorable. They show that the produce which is being brought out is only agricultural produce and salt; but even now it is being moved in quantities which give a rate of Rs. 17 per mile per week if the Railway carried it all. The returns for 12 months are consolidated in the appended statement.

The annexed statement shews the value of the trade of Adirampatnam and Muttupet for the 5 years shewn.

Statement showing the value of the trade of Muttupet and Adirampatnam for the years shewn.

Years.	Muttupet.		Adirampatnam.	
	Import.	Export.	Import.	Export.
1891—92	19,422	5,68,746	1,15,031	3,65,358
1892—93	92,802	6,21,779	1,60,394	3,86,247
1893—94	61,112	5,82,942	1,87,852	3,80,690
1894—95	46,738	8,35,947	87,613	6,58,187
1895—96	56,071	8,16,105	48,586	7,25,573

This statement shews that a considerable volume of trade is even now running to Adirampatnam and Muttupet.

There is also a probability of considerable paddy trade for the following reason. As has been said above the Pattukkottai rice which is mainly grown in the Ponbetti Firka is much prized and commands a considerably higher price than the Delta rice where it is procurable. It will therefore be carried into the Delta for the consumption of the rich mirasidars of that tract either Delta rice or other products being sent back to pay for it, giving rise to traffic over the whole line both ways.

At present there is an increasing demand for ground nut through all the Southern parts suited for its growth and already there is a considerable trade where such is possible having regard to communications. The Board thinks that with the making of this Railway a great impetus will be given to this very paying product not only in the Pattukkottai Taluk but also in the state of Puducotah. It will be brought over the whole of the proposed line and shipped probably at Adirampatnam and Muttupet. Salt in all probability will be sent back to pay for it. There is thus a probability of trade both ways in connection with this staple too. Having regard to the fact that the town of Puducotah is much nearer to this than to any other line it is probable that in the course of time a paying feeder line to the proposed line will be constructed to that place.

The Board also desires to make this line with a view to improving their own property in two ways. By its extension and the drawing to it of the pilgrim

traffic, the M. M. line must largely benefit and since the bulk of the chattram villages are in the Pattukkottai Taluk, the endowment Funds of the Board will be largely benefitted.

The financial success of this line will of course entirely depend on the cost of construction, and the cost of construction will be very light except for the bridging. The rivers which are to be crossed are in their nature jungle streams *i.e.*, after heavy rain a spate runs down them for a few hours and then subsides and communications are seldom cut off or for more than 24 hours at a time. Except in times of flood the quantity of water passing down the rivers is inconsiderable. As this is to be a local line which will be an enormous gain to the country, even if communication be interrupted for some days occasionally, the Board thinks should investigation show the cost of bridging to be very high that at first instead of constructing costly bridges to carry the line, Causeways should be made across the rivers with vents in the middle sufficient to pass the water ordinarily coming down the river and that in time of freshes the water should be allowed to pass over the rails; or the rails may be carried across the beds of the larger rivers, on screw piles. If it be found possible and necessary afterwards to build bridges these causeways could be turned into road crossings for the Railway will follow almost the line of the road. It will be unnecessary at present to take the line across the Vellar at Avadayarcoil. It can stop on the north bank which is less than a mile even from the shrine itself.

Having regard to the principle on which the Government of India has determined to make advances from the Famine Insurance Fund this line cannot be regarded as having claims upon that Fund for but little has ever been or is likely ever to be spent in Pattukkottai on Famine Relief. When scarcity prevails there it is met by migration to the delta or by resort to the chattrams; but in regard to portions of the Ramnad and Shivagunga Zemindaries, this line would be of much use as a protection against famine and would have a strong claim even on the principle laid down by the Government of India. The Board does not press its application for this line as a Famine Protective line but as a branch line and it would urge the protective value of the line more as a reason why it should obtain the aid and sympathy of Government for this undertaking on its part than for any other reasons.

In regard to the financing this project, the Board thinks that looking to the nature and object of the Railway cess, it is their duty to make as soon as possible all the Railways the District requires and to take off or divert the cess as soon as possible thereafter. It has no desire to heap up and invest the cess however lucrative such investment might be. It wishes therefore as soon as possible to realize the capital it has invested in the M. M. Railway and apply it to further Railway extension. This it can do either by disposing absolutely of its interest in the line or by capitalizing the interest it receives from it. This interest will probably in future years never fall below Rs. 50,000. On the security of this sum as well as its cess, it desires to raise the capital necessary to make the lines wanted within the District either by a loan from the Government of India or in the open market as Government may direct. The Board would observe in this connection that the latest quotations show that the last Madras Municipal 4 per cent loan is selling in the open market for Rs. 115. *i.e.*, that body can borrow on the security

of its revenue only at under 4 per cent. The 1895 loan of 4,00,000, of the Madras Municipality was placed at 108-125 Rs. and was covered 4 times over. Looking to the much better security which it can offer, the Board thinks that it could raise a loan in the open market on certainly better terms than the Municipality. There seems little doubt that the Board can raise the money wanted and provide a sinking fund for redemption after 50 years for 4·55 per cent. The annual Railway income of the Board which it can capitalize is 1,50,000 Rs. roundly.

As will be seen from the resolution, the Board has named at present as the capital required a sum of Rs. 15,00,000. It is roughly estimated that the 45 miles of line proposed to be made should not cost even with bridging more than the average cost per mile of the M. M. Railway *i. e.* half a lac of Rupees. The cost of bridging on the M. M. line was 34·84 per cent of the total cost. Though there may be some large bridges on this line there will be few small ones and the cost of formation will be very low. It is anticipated that by the time it is wanted, the Railway Guarantee Fund will have a balance of about 8 lacs to its credit so that with this sum it will need but the 15,00,000 asked for. The Board however have named that sum merely as a rough estimate for the purpose of the application and are able and prepared to raise a larger sum if necessary for the project. But it is confident that if the bridging cost is kept down as suggested it will not be necessary to raise more than 10,00,000 for the project if even so much.

G. STOKES,
President.

President.

MUTTUPPET–AVADAYARKOVIL LINE.

FORM A.

To accompany all applications for leave to construct a branch or feeder Railway in any part of British India.

Nature of particulars to be specified.	Particulars.
1. The name of the company person or persons by whom the application is preferred; the proposed amount of capital, the number of shares and the amount of each share.	1. *Name*:— The Tanjore District Board. 2. *Capital*:— ... ... Rs. 15,00,000 3. *No. of shares*:— ... 3000 1500 4. *Amount of each share*:— ... Rs: 500 100
2. The termini together with the names of all the principal towns from, in, through or into, or near which the Railway is intended to be constructed.	Muttupet and Avadayarcovil north bank of the Vellar on the termini. The line will pass through Adirampatnam, Pattukkottai, Kalagam, Sithathikadu, Arasankulam, and Perungadu. See statement No. 1 appended for towns near which the line will pass.
3. The length as far as known of the proposed Railway.	45 Miles.
4. The gauge proposed and weight of Rail &c.	As adopted for the Mayavaram—Muttupet Railway.
5. The motive power to be employed.	Steam.
6. The Maximum tolls, rates and fares intended to be charged on the proposed Railway.	As Mayavaram—Muttupet Railway.
7. Details of any agreement which may have been provisionally arranged or which it is desired to enter into, under which the proposed line when constructed is to be leased out for working to any existing Railway Administration.	It is proposed to entrust the working of the line to the S. I. Ry. Company. Terms to be fixed hereafter.
8. Any further information that may be required to enable the Government of India to thoroughly understand the scope of the proposals.	Vide Statement annexed.

G. STOKES,

President.

President.

No. 1.

Statement of important towns and villages on or about the proposed Railway line in Pattukkottai Taluk.

Name of village.	Population.	House.	Importance.	Remarks.
			Muttupet to Adirampatnam.	
Thambikinallavankottai ...	5756	1032	Has a salt factory; a fair is held every Wednesday.	
Adirampatnam (sathiram called Pudukottai).	10748	1837	Has a salt factory and a fair is held here every Sunday. Has a sea-customs office, is a place of large trade especially in rice to Ceylon. It is a major union and contains a mahomedan temple where an important kandhiri festival is held annually attended by numerous mahomedans from the neighbouring villages.	
Mahilankottai ...	843	177	Is the seat of a salt factory.	2 miles distant from Adirampatnam.
Rajamadam ...	1252	253	A holy place for the Hindus who go in hundreds thither to bathe in the sea on newmoon days. Has a vishnu temple with a large endowment where an annual festival is held in Ani (June—July). Seat of a big chatram.	
Periyakottai ...	1084	226	A place of manufacture of mats.	7 miles from Muttupet.
Madukur ...	4093	708	A place of large trade especially in paddy. A fair is held on every Tuesday.	This village is 7 miles distant from Pattukkottai as well as from Muttupet.
Athivetti ...	1719	329	The capital of Athivetti Zemin.	4 miles from Muttupet.

Statement of important towns and villages on or about the proposed Railway line in Pattukkottai Taluk.

Name of village.	Population.	House.	Importance.	Remarks.
			Pattukottai to Avadayarcovil.	
Pattukkottai ...	5028	903	Seat of a Taluk Office, of a Sub-magistrate's, of a Munsif's Court. An important fair is held on every Monday. Has a siva temple and a famous village temple called Nadiamman Temple, each of which has an annual festival largely attended. Devotees from distant places as well as from the neighbourhood resort to the Nadiamman Temple on every Friday. An important place of halt for all pilgrims to Rameswaram. Seat of a Chatram called Kasangulam Chatram.	This is on the road.
Pappanad ...	600	92	The capital of the Papanad Zemindari. Has a fair on every Tuesday.	7 miles north from Pattukottai.
Kalagam ...	1332	219	Contains good fresh water wells. Gives an immense supply of Jack fruits.	On the road.
Thiruchittambalam ...	1034	187	An old Siva temple where a festival is annually held in Vygasi (May-June).	4 miles from Kalagam.
Seruvaviduthi North and South.	1613	364	Has a fair on every Friday.	5 miles from Kalagam.
Peraoorni ...	799	164	Holds a large fair on every Sunday.	
Keeramangalam ...	2333	449	Has a good number of money lenders and traders in sundry articles.	7 miles.
Nagaram ...	771	115	Capital of the Sendangudi Zemin. Has a Siva temple which has two festivals in every year when they are largely attended by devotees from many places far and near. A fair is held every Monday.	Do.
Mannagudi Sivapuram ...	300	59	Has a good number of money lenders. A rich village. Large trade in paddy and other grains.	
Arasangulam ...	2404	471	Is the seat of an extensive fair on every Sunday.	
Arantanghi ...	2708	523	Is the seat of a Sub-Magistrate's Office, and of a Sub-Registrar's. The village Veeramagaliamman kovil has a number of devotees far and near. An annual festival is celebrated and it is largely attended. Is the seat of the weekly fair held on Tuesdays. It is the most important fair in the whole taluk. A good cattle market; weaving industry carried on largely.	4 miles from Perangadu.
Paramanthur ...	146	35	Has an old historic Vishnu temple.	2 miles from Avadayarcovil.
Avadayarcovil ...	2480	503	The well known siva temple called Atmanathaswami Temple well known for its structure. A religious place second to no other than Chidambaram. Two festivals are held in every year one in Margali	

Name of village.	Population.	House.	Importance.	Remarks.
			(December–January) and another in Ani (June–July) just like Chidambaram. More than 20,000 people have at present been attending each of the festivals. All pilgrims to Rameswaram make it their duty to pass by this religious place. The puranic history has a good deal to do with the Madura temple. A fair is held every Monday. Arantanghi is only 8 miles distant by road but nearer by a cross cut.	
Karakottai ...	752	157	Is the seat of a siva temple having one annual festival.	
Kattumavadi ...	756	145	Has a salt factory and is a sea port (sub-port).	
Perumagalore North and South.	1241	244	A weekly fair is held on every Wednesday.	
Sethubavachatram ...	500	88	A sanitarium during hot weather. A place where Hindus from various parts bathe on newmoondays.	
Rendampulikadu ...	247	45	A weekly fair is held on every Thursday.	
Ammani Chatram ...	348	58	Seat of a big Chattram, a travellers' bungalow and a dispensary.	

NOTE:—The villages herein noted are those within the distance of 7 miles and are confined to the Tanjore District. The line drawn up so far as it goes from Pattukottai to Avadayarcovil is throughout near the Pudukotah frontier ranging between a distance of 13 miles at the North end, and 5 miles at the south end; and it is within easy reach of many important places in the Pudukotah state such as Karambakudi, Alangudi, Arumpallam, Pudupatti, Therumayam, and Embal. In the Tanjore District itself in this taluk there are the following villages more noted than any named above except Avadayarcovil. The first is Tirupunavasal containing a famous Siva temple exact in importance to the Brahadheeswara swami Temple at Tanjore and at Jayakondasolapuram in the South Arcot District. It is 15 miles south of Avadayarcovil. An annual festival closely connected with the Puranic history of the Madura temple is held here and is largely attended. Then comes Manamelkudi which is of importance to the Hindus as the bathing ghaut in the sea water next after the Point-de-Calmere. There are many seaport towns at a distance of 8 to 13 miles from the road in question. Erichi 4 miles to the west of Arantangi with a famous Siva temple and a never failing spring is a religious place of bathing for all Hindus on newmoondays. It is known by the name of "Pandava Thirtham." Palayavanam which is the capital of a Zemin is 6 miles to the north of Arantanghi, Silatoor where an important fair is held on every Friday is 3 miles to the north of Arantanghi; Poovathagudi 4 miles to the north of Arantanghi a rich place contains a good number of money lenders and of traders in sundry articles.

G. STOKES,

President.

TANJORE DISTRICT BOARD.

Extract from the Proceedings of the District Board Tanjore dated 25th July 1896.

PRESENT:—

G. Stokes Esquire, President.

Members.

1. M. R. Ry. C. Murugesam Pillai Avargal Deputy Collector Tanjore and Vice President.
2. N. E. Marjoribanks Esquire Head Assistant Collector Negapatam.
3. M. R. Ry. G. Narayanaswami Aiyar Avargal Deputy Collector Pattukkottai Division.
4. Dr. W. A. Lee District Medical and Sanitary Officer, Tanjore.
5. M. R. Ry. T. N. Sivagnanam Pillai Avargal Personal Asst. Deputy Collector, Tanjore.
6. M. R. Ry. S. A. Swaminada Aiyar Avargal Government Pleader Tanjore.
7. The Hon'ble Mr. K. Kalyanasundram Aiyar Avargal Tanjore.
8. M. R. Ry. Venkatarama Aiyar Avargal, Pattukkottai
9. „ S. Ramaswami Aiyar Avargal Pattukkottai.
10. „ A. Swami Aiyar Avargal Mayavaram.
11. „ Balakrishna Nayudu Avargal Negapatam.
12. „ M. G. Ramaswami Pillai Avargal Do.
13. „ P. Ratnasabhapati Pillai Avargal Do.
14. „ S. Andapillai Chettiyar Avargal Negapatam.
15. „ R. Srinivasa Ayangar Avargal Do.
16. „ Vythianada Aiyar Avargal Mayavaram.
17. „ Govindasami Aiyar Avargal Nannilam.
18. „ T. Somasundara Mudaliyar Avargal Mannargudi.
19. „ Rengaswami Mudaliyar Avargal Do.
20. „ Ramalinga Mudaliyar Avargal Tirutturaippundi.
21. „ V. Ponnusami Nadar Avargal Kumbakonam.
22. „ Gopala Rao Gade Rao Sahib Avargal, Tanjore.
23. „ Annaswami Tever Avargal Tanjore.
24. Syed Gulam Ghouse Shah Kadiri Sahib Tanjore.

* * * * * *

2. Read G. O. No. 1148 L. Miscellaneous dated 20th June 1896 passing orders on District Board's resolution No. 2 dated 28th March 1896 regarding extension of Railway lines in the Tanjore District and District Board's resolution No. 2 dated 8th July 1896.

Proposed by the President and seconed by M. R. Ry. S. A. Swaminada Aiyar Avargal.

The Board resolve to apply to Government for permission to make a Railway line from Muttupet *Via* Adirampatnam, Pattukkottai, Kalagam and Nagudi to Avadayarcovil under notification of the 28th April 1896 published in part I of the Fort Saint George Gazette pages 534 to 539. Also to send in an application for the immediate Survey of the line in Form A as under :—

Column	1.	Capital Rs. 15,00,000 ; shares Rs. 500 ; number 3000.
„	2.	As in list appended marked A as far as Avadayarcovil.
„	3.	45.
„	4.	Mayavaram Muttupet Railway &c.
„	5.	Steam.
„	6.	As in Mayavaram Muttupet Railway.
„	7.	South Indian Railway ; Terms to be fixed hereafter.
„	8.	As in the President's letter hereto annexed.

They would raise the capital either in the open market by pledging their share of the Mayavaram Muttupet Railway and their cess which amounts to about one lakh of Rupees or from Government of India or of Madras or as Government may order.

The Board would allot Rs. 20,000 for the Survey of this line. The Board will carry out such registration of traffic as Government may consider necessary under the original resolution of the 28th March.

Carried by 22 for and 1 against, 1 not voting.

* * * * *

(Signed) G. STOKES,
President.

(True copy).

G. STOKES,
President.

President.

THIS Indenture made the
day of 1894, between the SECRETARY OF STATE IN COUNCIL OF INDIA (hereinafter called the "SECRETARY OF STATE") of the one part, and the SOUTH INDIAN RAILWAY COMPANY, LIMITED. (hereinafter called "THE COMPANY") of the other part :—

1. Whereas under the provision contained in clause ten of an Indenture, dated the 24th day of November 1890, between the SECRETARY OF STATE and THE COMPANY, the Secretary of State has called upon the company to work the line of railway between MAYAVARAM and MUTUPET, it is here by agreed and declared as follows :—

2. On and from the 2nd April 1894, the date on which the Mayavaram and Mutupet Railway was opened by the Company for public traffic, the Company shall maintain such railway in good repair and in good working order and condition —that is to say, the costs and expenses of such maintenance shall be borne by the Company so far only as such maintenance shall be necessary to make good damage caused by the ordinary wear and tear incident to the use and working of the said railway and works by the Company and the conveyance of traffic thereon by the Company, and not further or otherwise, and the company shall not bear nor be put to any cost or expense for or in respect of any repair, restoration, renewal, or replacement necessary to make good any damage that may have occurred to the said railway and works or any portion thereof which may have been due to extraordinary casualty affecting the said railway and works, or any cause other than the ordinary wear and tear of a railway incident to the use and working thereof and the conveyance of traffic thereon, and to the occurrence of which the Company shall not have in any way contributed by any act neglect or default of their own.

3. The Company further undertake to provide sufficient rolling stock for the movement of traffic over the said railway.

4. The Company shall charge such rates and fares for the carriage of passengers and goods over any portion of the said railway as shall from time to time be agreed upon between the Company and the Secretary of State, not being greater than the maximum rates and fares, nor less than the minimum rates and fares for the time being respectively in force on the undertaking.

5. The Company shall keep, in rupee currency, a distinct and separate account of the gross receipts derived from the working of the said railway. Such account shall be made up half-yearly to the 30th of June, and the 31st of December in each year, and shall be regularly submitted by the Company to the Secretary of State who may audit the same and correct any error which may be discovered therein. The Company shall also within two calendar months after each of the said half-yearly days render to the Secretary of State a summary of the said account for the half-year ending on such half-yearly-day.

6. The said gross receipts shall, at such times and in such manner as the Secretary of State may from time to time direct,be paid without deduction into such Treasury of the Government of India as the Secretary of State may approve. The Secretary of State shall, as soon as the accounts between him and the Company

Struck.

in respect of the said railway for any half-year shall have been settled, pay over to the Company at Madras to the credit of the undertaking out of the gross receipts of the said railway the same percentage of such gross receipts as the traffic on the undertaking is from time to time worked at plus five per cent of the gross receipts to cover the use of rolling stock.

7. *Provision of funds for Capital Outlay.*—The company shall execute such new works as may from time to time be necessary after having first obtained the sanction of the Government for so doing, the cost of all such works to be paid by the Government.

8. *Police.*—The Secretary of state shall provide and maintain such a Police force as the Company with the approval of the secretary of state shall from time to time require. The cost of providing and maintaining this force shall be defrayed in the following manner; that is to say, three-tenths shall be borne by the Secretary of State and the remaining seven-tenths shall be included in working expenses.

9. *Telegraphs* .—The Company shall arrange with the Secretary of State or otherwise for the supply and maintenance of the requisite telegraphs and payments on account of rental and maintenance shall form part of the Company's Railway system, and the Mayavaram—Mutupet Railway; and the necessary equipment of the telegraph offices at stations together with any additions thereto which may from time to time be found necessary shall be provided, furnished and equipped by the Company at the expense of the Secretary of State.

10. *Land.*—The Secretary of State will provide for the Company any land that may at any time be required by the Mayavaram—Mutupet Railway.

11. *Accounts.*—The Company shall record and keep in proper books full and particular accounts of all its transactions and correspondence in any way relating to or affecting the Mayavaram—Mutupet 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 its contract with the Secretary of State.

The Company shall for the above purposes maintain a separate journal and ledger and shall also furnish all the returns required by Government including the following, viz. :—

Weekly—

(*a*) Approximate statements of traffic.

(*b*) Audited statements of traffic.

Monthly—

(*c*) Capital accounts.

(*d*) Return of grants. Form D.

Half-yearly—

(*e*) Capital and revenue accounts for the half-year.

Yearly—

(*f*) Six months estimates.

(*g*) Revised and budget estimates, capital.

(*h*) Revised and budget estimates, revenue.

(*i*) Finance accounts, capital and revenue.

12. *Joint Stations* .—Tiruvalur and Mayavaram.

(*a*) The division of expenditure at the joint stations to be in accordance with Government of India P. W. D. Circular XII. Railway, dated Simla 13th August 1889.

(*b*) The amount to be divided should be 4½ per cent of the outlay on structures and sidings at Mayavaram and Tiruvalur less share of outlay on structures and sidings used solely for the accommodation of South Indian Railway through traffic at Mayavaram and South Indian Railway and Mayavaram—Mutupet through traffic at Tiruvalur.

13. This Indenture to remain in force until either party gives to the other twelve months previous notice of their intention to terminate its provisions, such notice to expire on the 31st day of December in any year.

~~G. STOKES~~,
~~*President.*~~

(True copy)

President.

Statement showing the Chattrams in the Pattukkottai Taluk.

No.	Names of Chattrams.	Remarks.
	District Board Chattrams.	
1.	Kasangulam.	Travellers are fed.
2.	Rajamadam.	
3.	Vilangulam.	
4.	Manamelgudi.	
5.	Mimissal.	
6.	Arantanghi.	Travellers can halt
	Taluk Board Chattrams.	
7.	Ottangadu.	
8.	Kuppa Thevan.	
9.	Kannugudi.	
10.	Thiruvonam.	
	Private Chattrams.	
11.	Sethubava Chattram.	Travellers are fed.
12.	Avadayarkovil.	

G. STOKES,
President.

Statement showing the Number, Weight and Value of the goods returned as having passed through the Trijunction at Thambikkinallavankotai for the year ending June 96.

Names of articles.	Pattukkottai to Muttupet.				Muttupet to Pattukkottai.				Adirampatnam to Muttupet.				Muttupet to Adirampatnam.				Grand Total for all the rds.			
	Number.	Weight.	Number of bandies.	Value.	Number.	Weight.	Number of bandies.	Value.	Number.	Weight.	Number of bandies.	Value.	Number.	Weight.	Number of bandies.	Value.	Number.	Weight.	Number of bandies.	alue.
Tents	2	...	2	300	...	...	...	...	...	...	...	...	3	...	3	450	11	...	11	1650
Mangoes	1163000	...	288	2908	3000	...	...	...	6	...	6	900	...	...	...	...	1166000	...	289	2916
Drumsticks	10000	...	2	10	...	...	1	8	...	...	...	...	...	...	...	...	10000	...	2	10
Jack fruits	160250	...	2023	20093	...	...	...	...	...	...	...	...	...	...	...	...	164940	...	2082	20679
Wood	2210	...	127	2720	388	...	...	...	4690	...	59	586	1182	...	71	653	8363	...	400	5962
Grains	20456	...	1396	34716	46622	...	23	498	4583	...	179	2091	86184	...	5391	129180	154406	...	9839	237963
Dried Cocoanuts	...	4560	143	10273	...	150	2964	71163	1144	...	88	2904	...	150	5	456	...	10190	326	24938
Do. Fish	...	90	3	180	...	8176	5	300	...	5330	173	13915	...	1842	42	2490	...	10468	321	19750
Chillies	...	9700	327	19400	...	120	264	16360	...	360	12	720	...	90	3	180	...	10030	338	20060
Tobacco	...	220	8	660	...	16260	4	240	...	120	4	240	...	6810	228	20610	...	23290	785	69930
Bran	...	...	...	...	24962	...	549	48660	...	...	...	...	1070	...	55	134	26032	...	1314	3257
Straw	...	...	...	...	...	1010	1259	3123	...	...	...	...	...	5370	162	821	...	6460	208	999
Oil cake	...	8440	281	6333	...	...	44	158	...	80	2	20	...	...	...	...	...	8744	292	6560
Salt	...	...	...	...	...	...	...	...	...	304	11	227	...	...	...	...	...	138714	8630	44235
Tamarind	...	14180	486	14430	...	...	...	...	...	138714	8630	341285	...	...	...	...	...	14790	507	15060
Areca nuts	...	...	...	...	...	6945	...	...	...	610	21	630	...	1410	51	2745	...	8745	307	16710
Onions	...	30	1	15	...	80	243	13380	...	390	13	585	...	...	...	...	...	110	4	75
Keeths	50000	...	50	150	1025200	...	3	60	...	...	...	...	10000	...	10	30	1523500	...	1530	4579
Mats	48000	...	48	5975	...	840	1031	3084	438300	...	439	1315	...	...	...	...	48000	840	76	6815
Bones	...	...	...	...	...	...	28	840	...	...	...	...	...	...	...	...	...	560	24	280
Cotton	...	...	...	...	...	...	...	...	...	560	24	280	...	100	4	380	...	120	5	420
Oil	...	120	4	600	...	...	...	...	...	20	1	40	...	...	...	...	...	170	5	750
Earthenware	...	...	...	...	...	...	...	...	...	50	1	150	350	...	2	11	350	...	2	11
Tiles and bricks	...	...	...	...	...	...	...	...	...	...	...	...	...	...	248	1133	94900	...	271	1287
Cocoanut Fibre	...	...	...	...	500	...	1	8	7800	...	22	146	86600	...	...	...	...	120	6	1
Rails	...	...	...	...	...	120	6	1	...	...	...	...	6	...	2	30	202	90	40	900
Cotton seeds	...	...	...	...	196	90	3	870	...	...	...	...	...	150	6	113	...	660	23	496
Brass-vessels	...	...	...	...	...	510	17	383	...	...	...	...	...	...	...	...	...	60	2	300
Cocoanut	410000	60	2	360	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1314	36883
Bamboos	...	...	406	11090	41900	...	40	1078	838400	...	838	23950	31000	...	30	770	1321300	...	4	100
Turmeric	...	...	...	...	...	...	...	...	400	...	4	100	...	60	2	120	400	...	60	2	120
Cloth	...	...	...	...	...	...	...	...	...	...	...	...	...	40	2	400	...	60	2	400
Ground-nut	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	60	2	120
Sea-shell	...	...	...	...	...	60	2	120	...	...	...	...	...	...	...	...	...	60	2	60
Pipes	...	...	...	...	...	...	...	...	...	...	...	...	...	12	1	60	1002	136	143	7170
Plantains	210000	...	50	455	1002	174	142	7110	...	60	2	60	...	...	...	...	210000	...	50	455
Yarn cotton	...	...	...	...	...	...	...	...	...	...	...	...	...	150	5	1050	...	250	7	2050
Sacks and skin	...	40	1	160	5600	450	...	...	...	100	2	1000	84000	...	106	10500	207200	700	310	9,000
Jaggery	...	30	1	30	...	...	43	3070	117600	210	160	15,270	...	80	2	100	...	190	5	230
Miscellaneous articles	304	2590	77	5319	...	3150	...	...	...	80	2	100	...	4110	137	13700	545	9850	334	30199
							105	10500	241	...	15	650	...							
TOTAL ...	2074222	40060	5726	136117	1149370	38135	6812	181014	1413164	146938	10708	410194	300395	20374	6568	186110	4937151	245557	29814	913435

G. STOKES.

President.

Stat

Names of a

Tents ...	...
Mangoes ...	...
Drumsticks	...
Jack fruits	...
Wood ...	...
Grains ...	...
Dried Cocoanuts	...
Do. Fish	...
Chillies ...	...
Tobacco ...	...
Bran ...	...
Straw ...	...
Oil cake ...	...
Salt ...	...
Tamarind	...
Areca nuts	...
Onions ...	...
Keeths ...	...
Mats ...	...
Bones ...	...
Cotton ...	...
Oil ...	...
Earthenware	...
Tiles and bricks	...
Cocoanut Fibre	...
Rails ...	...
Cotton seeds	...
Brass-vessels	...
Cocoanut ...	...
Bamboos ...	...
Turmeric ...	...
Cloth ...	...
Ground-nut	...
Sea-shell ...	...
Pipes ...	...
Plantains	...
Yarn cotton	...
Sacks and skin	...
Jaggery ...	...
Miscellaneous articles	

1 (in N. Parcels Rs 14

No. 196.

SOUTH INDIAN RAILWAY CO., LD.

No. 221

Parcels receipt note.

Received from Bill collector a parcel

Weighing 3 pounds to the address of H. Chief Secretary to Govt

of Madras

Egmore Station.

28/8/96 18 Receiving Clerk.

If the person named herein aa consignee is unable to take delivery himself at the station, he must enface this receipt note with the name of the servant or other representative whom he deputes to sign and receive on his behalf.

இதில்கண்ட சாமான் யார் பேருக்கு வருகிறதோ அந்த மனிதன் தான் கேரில் ஸ்டேஷனுக்கு வந்து சாமான்களை ஒப்புக்கொள்ள சரிப்படாத பக்ஷத்தில் தனக்காக வேலையாளை வைத்து சாமான்களை பெற்றுக்கொள்ளும்படி நியமிக்கிற யாதொரு வேலைக்காரன் அல்லது பிரதிநிதியின் பேரை ரசீதின் பேரில் எழுதவேண்டும்.

2
Rly receipt for survey supplies
2587 dtd 28/8/96.

ess submitted to
the E & M depart-
ure & disposal
8th August 1896,
reading as covil

lication.
der Head 8 of the

1 showing
and villages
roposed Railway

4. District Board's resolution No. 2 dated 25th July 1896.

5. Draft agreement regarding the Mayavaram Mubtupat Railway between the Secretary of State and the South Indian Railway Company.

6. Statement showing the chabbrams in the Pabbukkottai Taluk. - - - - - - - - - -

Stat

Names of a

Tents ...	...
Mangoes ...	...
Drumsticks	...
Jack fruits	...
Wood ...	...
Grains ...	...
Dried Cocoanuts	...
Do. Fish	...
Chillies ...	...
Tobacco ...	...
Bran ...	...
Straw ...	...
Oil cake ...	...
Salt ...	...
Tamarind	...
Areca nuts	...
Onions ...	...
Keeths ...	...
Mats ...	...
Bones ...	...
Cotton ...	...
Oil ...	...
Earthenware	...
Tiles and bricks	...
Cocoanut Fibre	...
Rails ...	...
Cotton seeds	...
Brass-vessels	...
Cocoanut ...	...
Bamboos ...	...
Turmeric ...	...
Cloth ...	...
Ground-nut	...
Sea-shell ...	...
Pipes ...	...
Plantains	...
Yarn cotton	...
Sacks and skin	...
Jaggery ...	...
Miscellaneous articles	

Dec 27
8583/96

List of papers submitted to Government in the L & M department as enclosure to disposal No 713/DB dated 28th August 1896, re Arubbupat Avadayarcovil Railway line.

1. Form A. application.
2. Statement under Head 8 of the application.
3. Statement No 1 showing the important towns and villages on or about the proposed Railway line.
4. District Board's resolution No 2 dated 25th July 1896.
5. Draft agreement regarding the Nayavasam Arubbupat Railway between the Secretary of State and the South Indian Railway Company.
6. Statement showing the chattrams in the Pabbukkottai

1. Consolidated return of traffic registered at the tri-junction at Thanbikkanallavankottai for the year ending June 1896.

2. Survey map of the Pattukkottai Taluk.

N.B. Nos 1 & 2 despatched separately by Railway parcel for which a railway receipt is attached.

Khudyar Khan
for President

24. 8. 96

Disposal No. 713

Tanjore District Board office
23rd August 1896.

Municipal D...
DEPT No. 2567

From.

G. Stokes Esquire
President
District Board
Tanjore

To

The Honorable Mr J. F. Price
Chief Secretary to Govt
L & M. Department
Madras.

Sir

In continuation of the office disposal No. 556 dated

1 Application in Form A in accordance with District Board's resolution dated 25th July 1896 No 2 with its enclosures as per list 2. Map of the Pattukkottai Taluk duly marked.	11th June 1896 — I have the honor to submit the —

marginally noted papers regarding the municipal — Avadyarcc

Avadayar coil line and to
request that Government will
be pleased to apply to the
Government of India to issue
the necessary orders as early
as possible.

I have the honor to be
Sir
Your most obedient Servt

[signature]
for President

24-8-96

DESPATCHED
24 AUG. 96

Ord 3
8483/96

Local & Munl. (1896) Department.

CURRENT No. 2368

From The President
District Board
Jaffna.

Order

Disposal No. 721

Dated 26th August
Received 28/8
Registered 1/9
Enclosures 2
Spare copies.

SUBJECT.

Submitting 2 copies of the application Form A with enclosures pages regarding Railways, police Selections for those already sent with Disposal No. 713 DB 23-8-96.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Tanjore district Board off
Vallam 26th August 18

Proposal No. 721

From.

Local & Municipal
23 8 K

Q. Stokes Esqre

President

district Board

Tanjore

To

The Honorable Mr J. F. Price

Chief Secretary to Gov

L & M. Department

Madras.

Sir

In continuation of
this offices disposal No. 713 dated
23d August 1896, I have the
honor to submit herewith 2
copies of the Application Form
A with its enclosures to be sub
-stituted for those already sent

I have the honor to be
Sir
Your most obedient Ser

DESPATCHED
26 AUG 96

Local & Munl. (1896) Department.

CURRENT No. 2455 L

From The President District Board Jaunpore

Order

Disposal No. 737

Dated 1st September 96.

Received 7 SEP 96

Registered 8/9

Enclosures 1

Spare copies

SUBJECT

Submitting a copy of District Board's resolution No. 2 29-8-96. and requesting to make certain alterations in application form A forwarded with Disposal No. 721. 26-8-96

W/9.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Local Fund Department

Tanjore District Board's Office.

Camp, 18th September 1896.

Disposal No. 737 D. B.

From

G. Stokes ESQUIRE,

PRESIDENT DISTRICT BOARD,

TANJORE.

To

THE HONORABLE MR. L. F. Price,

CHIEF SECRETARY TO GOVERNMENT,

LOCAL AND MUNICIPAL DEPARTMENT,

MADRAS.

Sir,

In continuation of this office disposal No 721 dated 26th August 1896, I have the honour to submit herewith a copy of the District Board's resolution No 2 dated 29th August 1896 and to request that Government will be pleased to order the marginally noted alterations

In column 1 of Form A submitted in connection with the Mettupatti Avadayarcoil line
For 3 No of shares please read 15,000 for 3000.
" 4 Amount of each share } do — do Rs 100 for 500.

alterations to be made in
application Form A as
desired by the Board.

2. A separate application
regarding the Kumbakonam
-Mannargudi line referred
to in the resolution will shortly
be submitted.

I have the honor to be
Sir
Your most obedient Servt
Bhashyam
for President

DESPATCHED
4 SEP. 96

S.

Extract from the Proceedings
of the District Board of Tanjore
dated 29th August 1896.

Present

C. Stokes Esqr - President

Members

1. M. R. Ry. C. Murugesam Pillai Avargal
Deputy Collector Tanjore and Vice
President.
2 W. B. Arbuthnot Esqr. Sub Collector of
Kumbakonam.
3. A. E. Marjoribanks Esqr. Hd Asst.
Collector Negapatam.
4 M. R. Ry. K. V. Lakshmana Row -
Avargal, Deputy Collector Mannar
-gudi Do
5 Mr. K. C. Williams Pillai, Assistant
Inspector of Schools Tanjore.
6 M. R. Ry S. A Swaminada Mudal -
Avargal Government Pleader Tanjore
7. V. Chinna Marakayar Maluniar Sahib
Nagore Negapatam Taluk.
8 M. R. Ry. T. S. Sivaswami Odiyar Avargal
Kumbakonam.
9 M. R. Ry A Annaswami Ievar Avargal

1/2455 M/96

10 M.R.Ry M.S. Ramalinga mudaliyar Avargal Nedumbalam Kumbakonam Taluk.

11 Lt Dorsett Esqr, Assistant to Agent South Indian Railway Trichinopoly.

12 Mr — R. Coloundrusami Pillai Mayavaram.

13 M.R.Ry Balakrishna Nayudu Garu Vadugacheri Negapatam Taluk.

14 M.R.Ry V. Ratnasabapati Pillai Avargal. Negapatam.

15. Syed Gulam Ghouse Shah Kadri Sahib. Valavapalayam Tanjore.

16 M.R.Ry. Gopala Row Gade Rao Sahib Avargal. Kumbakonam Tanjore Taluk.

17. M.R.Ry Rengaswami mudaliyar Avargal Kottur Mannargudi Taluk.

18 M.R.Ry V. Appaswami Vandayar Avargal, Koondy, Tanjore Taluk.

19 M.R.Ry R. Govindaswami Aiyar Avargal Pungalam Pamilam Taluk.

20 M.R.Ry Vythinadha Aiyar Avargal Subbaraya Koil Mayavaram Taluk.

21 M.R.Ry T. A Alaga Pillai Avargal Mayavaram.

22 M.R.Ry S. Ramaswami Pillai Avargal

23. M.R.Ry. R. Srinivasa Aiyangar Avargal Negapatam.

24 M.R.Ry S. Ramaswami Aiyar Avargal Pabbukkottai.

25 M.R.Ry T. Somasundara mudaliyar Avargal Vadupatthimangalam Mannargudi Taluk.

—

* * * * *

2 Read Presidency memorandum on the Railway extension from Kumbakonam to Mannargudi

The district Board resolved unanimously to apply to be allowed to make the line proposed as a branch line and to apply for its survey at the same time as the Pabbukkottai line and to allot Rs 10,000 from the Railway Guarantee Fund for its survey. The A form marked A appended is approved.

In this Connection, the Board would wish to make

the shares in the Arubbupet-Ava-
-dayarcovil line each Rs 100
as in the above application.

* * * *

(Signed) G. Stokes
President

(True extract)

Thulasilal
for President

Local & Munl. (1896) Department.

CURRENT No. 2516 L

Order

From The President
District Board
Tanjore

Diposal No. 708

Dated 9th Sept 1896.
Received
Registered 15/9
Enclosures 4 + 2 maps
Spare copies.

SUBJECT.

Submitting application in Form A for opening a Railway line from Kumbakonam to Mannargudi and requesting to apply to the Govt of India to issue necessary orders

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Local Fund Department

Tanjore District Board's Office.

Camp, Vallam 9th Sept. 1896.

Disposal No. 788 / D. B. of 1896

From

C. Stokes ESQUIRE,

PRESIDENT DISTRICT BOARD,

TANJORE.

To

THE HONORABLE MR. J. F. Price,

CHIEF SECRETARY TO GOVERNMENT,

LOCAL AND MUNICIPAL DEPARTMENT,

MADRAS.

Sir,

In Continuation of this office Disposal No. 787 / DB dated 1st September 1896, I have the honour to submit herewith the marginally noted papers regarding the Kumbakonam Manargudi line and to request

1. 3 Copies of
   (a) Application in Form A in accordance with District Board's resolution No. 2 dated 29th August 1896
   (b) Memo under Head 8 of the application.
   (C) District Board's resolution No. 2 dated 29th August 1896.
2. Two maps of the Kumbakonam & Manargudi Taluks, the line being duly marked.
   * Railway parcel receipt attached.

that Government will be pleased to apply to the Government of India to issue the necessary orders as early as possible.

I have the honor to be
Sir
Your most obedient Servt

For President

MEMO UNDER HEAD 8 OF THE APPLICATION.

The District Board holds that the best way to employ its Railway cess is to capitalize it and make as soon as it can the Railways which the District needs having regard to the urgency of their necessity for the development of the District in all its parts. It has therefore resolved to take up the extension to Avadayarcovil of the M. M. Railway and has set aside a sum of 23,00,000 for that purpose. It is probable that the scheme will not require that sum especially if the cost of bridging is minimised in the way suggested in the remarks appended to the application to make it submitted to the Government of India. But for the purpose of the present application the Board will take it that 23,00,000 of its capital is pledged. The question arises as to how much is left and what the Board should do with it.

Exclusive of any profit which may be made from the Avadayarcovil line, the Board has assets.

Cess roundly	1,00,000
Profits of M. M. line roundly	50,000
	1,50,000

If the Board borrows, Government will insist on its providing a sinking fund to repay the loan in 30 or 50 years. For every lakh borrowed therefore, if the sinking fund is invested in Government $3\frac{1}{2}$ per cent loan, the Board must pay annually if repayable in 30 years Rs. 1937·13, if repayable in 50 years Rs. 763·45. All the latest loans of the Madras Municipality are for 50 years and the Board thinks it best to adopt the same term.

Beside the sinking fund, the Board will have to pay the annual interest. The question is at what rate the Board can borrow. The Madras Municipality has borrowed in 1895 at 4 per cent repayable in 50 years and the value of the Rs. 100 stock is by the latest quotations 115. The President Madras Municipality has informed the Board that the Madras Municipal 4,00,000 loan of 1895 was covered 4 times over at a premium of Rs. 8·125. Coming into the market with no previous debt and with solid security in Railway property at its back, the Board can borrow no doubt in the open market at $3\frac{3}{4}$ per cent.

For every 1,00,000 borrowed repayable after 50 years, the Board must provide therefore an annual payment of Rs. 4513·45 or say roundly Rs. 4550.

The Board can provide therefore annual payments from the Railway Guarantee fund alone sufficient to enable it to raise $\frac{150000}{4550} = 32,96,704$ or 33 lakhs roundly. Of the sum of 23,00,000 alluded to above as pledged to the Muttupet Avadayarcovil line Rs. 8,00,000 are to be provided by the accumulation of the Fund before the capital can be wanted. But Rs. 15,00,000 are therefore to be raised by loan. Hence the District Board has cess free which will capitalize to 18 lakhs.

Having provided for the Pattukkottai Taluk, the Board thinks the next line to which the Board should turn its attention is a line from Kumbakonam to Mannargudi. Starting from Kumbakonam with 54,307 persons it will pass Valangaman at 7 miles with 7,244, Nidamangalam at 12¼ miles with 2,806, and will end at Mannargudi 21 miles with 20,395. Though it serves to open up no new country, it will serve a very large population and so is fairly wanted. It will bring Kumbakonam within 40¼ miles of Negapatam port against 45 to Karikal. It will be comparatively expensive to make. The best line for it seems to be to start from the west side of the Arasillar Railway bridge near Kumbakonam *via* Valangaman to the east end of the existing bridge over the Vennar near Nidamangalam and into Nidamangalam Station over the existing bridge and line. The cost of bridging the Arasillar and the Vennar will thus be saved, though no doubt some expense will have to be incurred in adapting these bridges. After leaving Nidamangalam station and utilizing the existing bridge over the Korayar it would run in a straight line between the Korayar and Pamaniyar to the south end of Mannargudi near the temple the line running parallel to the river bank. The [illegible] miles. The line will thus cross (1) the [illegible]ti. (4) the Vettar.

Page 2 line 16. Insert the following between "bank" and [illegible] per mile than the

[illegible]ne may be taken on the west side of the Pamaniyar but as th[illegible] t of the M. M. line
[illegible]ween the railway and the rich country, this line should, if [illegible]ts cost 50,500 Rs.
the line will be
12,60,000 against 18 lakhs which the [illegible]

Against the extra cost of construction however may be set the saving in the upkeep of the metalled road now maintained which will not be less than 8000 Rs. a year which represents about Rs. 1,80,000 of capital. This line will not compete with the M. M. line unless it is extended to the South which the Board would not advocate at present. If it earns 80 Rs. a mile per week, the M. M. earnings, the gross earnings of the line will be 87,360 of which 66 per cent or ⅔rds must be set aside to pay working expenses and hire of rolling stock leaving Rs. 29,120 as profit or it will pay 2·31 per cent on 12,60,000.

No traffic statistics have been taken of late years. In the year 1883, however, statistics were taken for 6 months. The following are the summarised figures found in Board's Proceedings No. 2722 of 11th September 1883.

Place.	No. of carts loaded with grain passing each way	No. of carts laden with other goods.	No. of empty carts.	No. of Jutkas or other passenger Vehicles laden.	No. of Jutkas or passenger Vehicles not laden	Total.
Valangaman	5,199	10,388	7,333	23,723	173	46,816
Mannargudi	17,607	18,064	12,970	25,445	315	74,401

The Board would most strongly urge the advantages of capitalizing its resources. By doing so it will gain two immense advantages.

Firstly. It will be enabled to make the lines it wants immediately. If it is to go on as at present accumulating the cess it will be 8·725 years before it can take the Muttupet–Avadayarcovil project in hand and assuming that the above project takes 2 years to make and at the end of that time pays 2½ per cent on 20,00,000, the Board will probably be in a position to take up the 2nd project in 4·68 years. Thus it will be on the whole (8·725+2+4·68) 15·505 years before the present project can be carried out.

Secondly. It will be enabled to divert or suspend the cess as soon as the lines are made. If the capital is borrowed, the annual payment at 4,550 per lakh will for 27 lakhs amount to 1,22,850 Rs. If the lines pay 2½ per cent, the receipts on 27 lakhs will be 67,500 Rs. and the receipts from the M. M. line will be 50,000. Hence the total receipts will be 1,17,500 or the Board will only have to find 5,350 Rs. annually. Thus if the present accumulation system be persisted in, about 16,00,000 on the most favourable calculations will be levied off the District without any need whatever in addition to the 13,00,000 already sunk in the Mayavaram—Muttupet Railway or a total of 29,00,000 of unnecessary taxation.

The Board thinks this line a useful one and likely to be financially sufficiently successful. It therefore has resolved.

(1) That an application be submitted to the Government of India to make this line as a branch line.

(2) That an application be made for its survey.

(3) That Rs. 10,000 be set aside from the Guarantee Fund for the cost of survey. The Board thinks this would be a good opportunity to get the survey done by the same party which will make the Pattukkottai survey.

President.

Since the above memo was first put into type a large conversion of the 3½ per cent stock of the Government of India has been announced. It seems safer to take a rate of 3 per cent for the Sinking Fund in the future. Taking 3 per cent. the annual payment for sinking fund will be Rs. 886·55 per lakh and the total annual payment per lakh will be roundly Rs. 4650. Hence the sum which the Board can borrow will be 32,25,807 or roundly 32¼ lakhs instead of 33 lakhs.

President.

KUMBAKONAM—MANNARGUDI LINE.

FORM A.

To accompany all applications for leave to construct a branch or feeder railway in any part of British India.

Nature of particulars to be specified.	Particulars.
1. The name of the company person or persons by whom the application is preferred; the proposed amount of capital, the number of shares and the amount of each share.	1. *Name*:—The District Board, Tanjore. 2. *Capital*:—Rs. 13,00,000. 3. *No. of shares*:—13,000. 4. Amount of each share:—Rs. 100.
2. The termini together with the names of all the principal towns from, in, through or into or near which the railway is intended to be constructed.	*Termini.* Kumbakonum and Mannargudi. *Principal Towns.* Valangaman, Alangudi, Nidamangalam, Puvanur.
3. The length as far as known of the proposed railway.	21 miles
4. The Gauge proposed and the weight of rails &c.	Same as M. M. Railway.
5. The motive power to be employed.	Steam
6. The maximum tolls, rates and fares intended to be charged on the proposed Railway.	Same as M. M. Railway.
7. Details of any agreement which may have been provisionally arranged or which it is desired to enter into, under which the proposed line when constructed is to be leased out for working to any existing railway Administration.	South Indian Railway. The terms to be fixed hereafter.
8. Any further information that may be required to enable the Government of India to thoroughly understand the scope of the proposals.	See Memo annexed.

President.

1 Inr Postal Guide 05/14

No. 196.

SOUTH INDIAN RAILWAY CO., LD.

No. 219

Parcels receipt note.

Received from Dist Collector a parcel

Weighing 0 8 pounds to the address of Chief Secretary to Govt

of Madras

Tanjore Station.

9/9/ 1896 Receiving Clerk.

If the person named herein aa consignee is unable to take delivery himself at the station, he must enface this receipt note with thename of the servant or other representative whom he deputes to sign an receive on his behalf.

இதில்கண்ட சாமான் யார் பேருக்கு வருகிறதோ அந்த மனிதன் தானேநேரில் ஸ்டேஷனுக்கு வந்து சாமான்களை ஒப்புக்கொள்ள சரிப்படாத பக்ஷத்தில் தனக்காக எழுதிகொடுத்து வைத்த சாமான்களை பெற்றுக்கொள்ளும்படி யமிக்கிற யாதொரு வேலைக்காரன் அல்லது பிரதிநிதியின் பேரை ரசீதின் பேரில் எழுதிவேண்டும்.

25164/96

No.

Government of Madras.

PUBLIC WORKS DEPARTMENT,

RAILWAY BRANCH.

To

THE SECY. TO THE GOVT. OF INDIA,

P. W. DEPARTMENT.

189 .

SIR,

I am directed to forward for the orders of the Govt. of India the applications from the Tanjore Dist. Board for leave to construct railways in that district, and to make the necessary surveys.

2. The lines proposed are
(1) an extension of the Mayavaram Muthupet Rly through Adirampatnam and Puttucottah to Avadyarcoil and
(2) a line from Kumbakonam to Mannargudi through Kedamangalam.

3. The length and cost of these lines is estimated to be as under
(1) 45 miles cost 15 lakhs
(2) 21 " " 13 "

20/1/97

21/1/97

Despatched

R. Form No. 12.

No.

Government of Madras.

PUBLIC WORKS DEPARTMENT,

RAILWAY BRANCH.

To

The Secy. to the Govt. of India,

P. W. Department.

_____ 189 .

Sir,

I am directed to forward for the orders of the Govt. of India the applications from the Tanjore Dist. Board for leave to construct railways in that district, and to make the necessary surveys.

2. The lines proposed are (1) an extension of the Mayavaram-Mutupet Rly. through Adirampatnam and Pattukottah to Avadyarkoil and (2) a line from Kumbakonam to Mannargudi through Kedamangalam.

3. The length and cost of these lines is estimated to be as under
(1) 45 miles cost 15 lakhs
(2) 21 " " 13 "

Appd.
HAH
3.1.96

20/1/97

21/1/97

Despatched

4. It is proposed to raise the necessary capital by borrowing in the open market on the security of receipts from the opened portion of the Nagavaram - Nuttapet Rly. and of from the railway guarantees.

5. As far as this Govt is aware no district Board has as yet proposed, or been permitted, to capitalize its resources in the manner suggested: and some doubt financial
exists is felt as to whether such an operation by a District Board should be permitted. The proposal has the strong recommendation that it will enable these railways to be built at once without laying any burden on Provincial or Imperial resources, whereas if the proposed lines have to wait until sufficient funds, arising from the railway cess and from the profits of the Nagavaram - Nuttapet canal-head branch accumulated, it will take some 15 years before they can be built. ~~But on these grounds this Govt is inclined~~. On the other hand the propriety of allowing a Dist. Board to embark on a commercial transaction of this nature is questionable. But which this Govt is inclined, having in view the undoubted benefit which would accrue to the district to recommend the proposal.

for consideration in Fin. Dept. and ? Board of Rev.

D.S.M.

5. The proposal has the strong recommendation that it will enable these railways to be built at once without laying any burden on Provincial or Imperial ~~funds~~ resources, whereas if the proposed lines have to wait until sufficient funds, arising from the railway cess and from the profits of the M. M. railway have accumulated it will take some 15 years before they can be built. Although (as far as this Govt is aware) there is no precedent for permitting a Dist. Bd. to capitalize its resources in the manner proposed, a similar operation appears to have been sanctioned in the case of the Howrah Municipality, which is shown in Appendix D of the Fin. & Rev. Accts. of 1854-5 as having borrowed half a lakh ~~for~~ in the open market for the construction of portable railways etc.

~~There appears~~ In the opinion of this Govt there appears to be no objection to the proposed method of financing these lines provided that the conditions laid down in the rules framed by the Govt of India under sections 5 and 7 of the Local Authorities Loan act are observed (vide paras

P.T.O.

6. As the proposed lines would likely affect the prospects of the South Indian Rly and of the proposed line from Madura to Paumban, the views of the Agent South Indian Rly. have been called for and a copy of his letter is attached. It will be seen that he has no objection to no (1) board provided its ~~not~~ control extended to join the Madura-Paumban Rly.

7. This proviso seems to this Govt to be reasonable and the Agent has accordingly been informed that there is no present intention of making Southern extension through Pudukottai-pledge itself to any direct route to Rameswaram.

8. As regards the objection raised to the link from Kumbakonum to Nidamangalam the Collector is agreed with the Agent in thinking that ~~it~~ the disadvantages of this line outweigh its advantages that portion of the District being already well served with roads & railways.

These same objections do not apply to that portion of the Seven projects from Nidamangalam to Mannargudi

9. No statistics of traffic between Avadayarcoil and Muttupet-head can be collected (these will be called for) but the District Officer

report favourably on the pro-
posals of the first line. and
there is good reason to think
that the Ground will be let on
remunerative.

10. The proposals are submitted
to the Govt. of India with the
recommendation that the first
two lines be for Immediate
Construction may be sanctioned
and also that portion of the second
line between Beccan and Alcazar
and Manarjedi.

14/11

Financial (1896) Department.

CURRENT No.

From The Public Works Dept
Railway Branch

Order

No. 48476

Dated 14 December 1896.
Received 15-12-96
Registered 16-12-96
Enclosures file of papers
Spare copies —

SUBJECT.

Railway Extensions in Tangier

Forwarding for favour of report file of papers re-garding the —

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

CURRENT No. 3272

P. W. D. Railway Branch

Madras 14th December 1896

No. 4847. C

The file of papers herewith regarding railway extensions in Tanjore is forwarded to the Financial Department for favour of report with reference to para 5 of the Joint Secretary's Note and para 5 of the despatches to India.

F. D. Fowler

Offg. Jt. Secy. to Govt. P. W. D.

Ry. Branch

[6/69]
1,000—3-12-96.

P. W. Current No. 303

SERIAL No. 69

Financial Department

CHIEF SECRETARIAT, MADRAS.

Memorandum No. 46.

READ the following paper :—

Endorsement of the Public Works Department, Railway Branch, No.4847C, dated 14th December 1896.

Returned to the Public Works Department with the remark that there appears to be no objection to the Tanjore District Board borrowing money in the open market for railway construction, on the security of receipts from the opened portion of the Mayavaram-Mutupet line and from the Railway Guarantee cess, provided that the conditions laid down in the rules framed by the Government of India under sections 5 and 7 of the Local Authorities Loan Act, 1879 are observed. In appendix D to the Finance and Revenue accounts for 1894-95 the Howrah Municipality is shown as having borrowed in 1886 half a lakh in the open market for the construction of portable railways and the taking over of a Railway over-bridge from the East Indian Railway and Co.

Vide page 10 of G.O. No.24 Finl. dated 18th Jany. 1889.

Fort St.George
18th January 1897.

for Chief Secretary

To

The Public Works Department.