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Public Works (1898) Department.

RAILWAY BRANCH.

G.O., No. 852 Rly.

DATED 23d June 1898.

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G.O. No. 765 Rly dy 27—5-98
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[Despatch Abstract.]

Madras Railway

Metre gauge conversion & Extension policy. Inviting an expression of opinion from the Chamber of Commerce, Madras, the Chamber of Commerce, Malabar, the Madras & S.I. Ry Companies, & other public bodies who may be interested, on the proposed ———.

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RAILWAY.

Government {1898} of Madras.

PUBLIC WORKS.

Recd. } 1898. *Enclosures*

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G.O., No. 852 Ry., 23rd June 1898.

JUNE.

Madras Railway Metre Gauge Conversion and Extension Policy

Inviting an expression of opinion from the Chamber of Commerce, Madras, the Chamber of Commerce, Malabar, the Madras and South Indian Railway Companies, and other public bodies who may be interested, on the proposed —.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read again the following papers:—

G.O., Nos. 526-27 Ry., dated 4th April 1898.

From—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Dept., Simla.
Dated—4th April 1898, No. 527 Ry.

The telegraphic and demi-official correspondence which ended with your telegram No. 313 R.C., dated the 7th March 1898, have conveyed to the Government of India the information that this Government have had it in contemplation to recommend the adoption of a very important change of policy in regard to the gauge of a considerable mileage of the south-western part of the Madras Railway and of its projected extensions. It has been a source of regret to this Government, that circumstances have rendered it impossible for them to take an earlier opportunity to invite the Government of India into their confidence on the subject, and even now things are not quite ripe to allow of its doing so as fully as it would desire. Still, His Excellency the Governor in Council thinks that it is better, even prematurely, to inform the Government of India of what he has in view, in order that meanwhile, and pending the completion of certain preliminary negociations which have necessarily taken considerable time, they may have an opportunity of considering the matter in all its bearings, and of expressing their preliminary or absolute concurrence, or otherwise, in the scheme which I am now instructed to put forward.

2. Proposals for the extension of the Madras Railway Company's system, especially in the south-western direction, have always been met by the objection that there is no trade, nor is there ever likely to be a trade, in the tracts proposed to be served by such extensions, which might not be quite sufficiently well served by metre gauge branches costing from Rs. 50,000 per mile, like the Tanjore line, to Rs. 70,000 per mile. The result has been that the Madras Railway has been crossed at several points by the metre gauge system of the South Indian Railway Company and that they have, naturally enough, been greatly dissatisfied on account of this tapping of what they have rightly looked on as their lawful territory.

3. In India, where Government has so large a degree of control over rates, and where in one way or another it can when necessary bring pressure to bear on Companies over whom such control is not absolute, there is no necessity, or ought to be none, for encouraging a new railway Company to enter a trade tract in which another Company is already in possession. It is, in this Government's opinion, for the interest of the tax-payer that separate railway agencies or Companies should take separate tracts of country whose boundaries will usually be indicated by considerations of the wonted flow of trade, of its financing, and often by physical, social or other features. If so much be conceded, it follows that it is most undesirable that, owing to the fact that while their trunk line is on the broad gauge, the demands of the south-west districts would be adequately met by the metre, the Madras Railway Company should be forced to put up with seeing their lawful territory penetrated in every direction by a rival Company. The sort of competition that results from such penetration is, in the opinion of this Government, good neither for the tax-payers, nor

for the district producers, nor for the shareholders of the rival Companies. No Company liable to such encroachment can fairly be expected to develop its business so as to work up to its fullest capacity.

4. Considerations such as these came strongly to the front when it fell to this Government to carefully weigh the rival claims of the Madras and the South Indian Railway Companies to make and to work the proposed Podanur-Dindigul line. The Government of India will find this matter fully discussed in my letter, No. 533 R., dated the 5th August 1897; and in your letter, No. 1746 R.C., dated the 22nd October 1897, you expressed the Government of India's concurrence in the proposal to defer consideration of this line for the present, as also their preference for the metre gauge, a preference which coincided with that of this Government. The evidence which has accumulated during the last few months tends strongly to prove that not only is the trade of the districts which this proposed line would serve already largely in the hands of the Madras Railway Company to which it is attracted by feeder roads, but also that the requirements of the producers in the tract in question will be better met by a Company whose interest it will be to encourage flow towards Calicut and westward, than by one which will try to draw it eastwards and southwards.

5. Similar considerations have come even more strongly and emphatically to the front in connection with this Government's debates as to the proper agency for constructing and afterwards working the Erode-Nanjangod line. It may be thought that it is somewhat premature to take this project into consideration just yet: but the larger problem, towards the proper solution of which this letter is intended to contribute, demands that even at this early stage as full consideration as may, under the circumstances, be practicable should be given to all lines likely to form part of the network of railways which will be affected by the suggested change of policy. Owing to the fact of the South Indian Railway coming up to Erode, and to that of the Mysore State Railways coming down to Nanjangod, both being metre-gauge lines, it seemed to this Government to be essential that the link connecting these two should, whenever constructed, be the metre. And yet, as things were a few months ago, this seemed to necessitate its being made by the South Indian Railway Company. The suggestion that the latter Company should make this link gave rise, and very naturally too, to a strong remonstrance from the Madras Railway Company, who represented that the result to them could be a very heavy loss of earnings. Though the amount of the loss which the Madras Railway Company claimed would accrue to them seemed to this Government to be much exaggerated, when investigated on the basis of the present agreement under which the "shortest route" principle has been adopted by the Madras, Southern Mahratta and South Indian Railway Companies, nevertheless it was felt to be exceedingly unfair, and for the interest of nobody except the South Indian Railway Company's shareholders, that the latter Company should be permitted to stretch another arm across their broad gauge rival and thereby grasp so much of the trade of Southern Mysore as desired an outlet towards Madras. Still there was the difficulty that not only would the metre gauge amply suffice to carry the amount likely to be handled, but, as already expressed, it was essential, for reasons of general facility of communication, that this particular link should not differ in gauge from that of the systems which it was designed to connect.

6. While these difficulties were forming the subject of anxious consideration it came to the knowledge of His Excellency the Governor, while on tour, that His Highness the Rajah of Cochin had a strong desire to make the projected Shoranur-Cochin branch line, out of his own accumulated capital so far as it would go, and without direct financial aid from Government. Amongst the various considerations to which due weight had to be given in connection with His Highness' proposals, was the fact that it could not be denied that the country to be traversed offers no traffic, and, even if the line should hereafter be extended to join the projected Travancore lines, it never is likely to secure any traffic, which the metre gauge cannot perfectly well carry. And yet the branch in itself seemed too short to warrant a proposal being made that it should be made on a different gauge from the trunk line, unless it should be found possible to work it in direct connection with a larger system on the proposed narrower gauge.

7. These considerations gave rise to a conviction in the mind of His Excellency in Council that, pending the mature consideration of the whole problem of the best gauge for the projected south-western branches and extensions of the Madras Railway, it would be wrong and shortsighted to allow the broad gauge to be drifted into for the Calicut-Cannanore Railway. The outcome of this conviction was the demi-official and telegraphic correspondence already referred to, ending in your telegraphic prohibition, dated the 7th March 1898, against any works being undertaken on the Calicut-Cannanore Railway which would prejudice the gauge question.

8. The Government of India have already been made aware, in my letter, No. 1054 R., dated the 30th November 1897, that the Madras Railway Company have lately, and in the opinion of this Government most wisely, expressed their readiness to make and to work metre gauge extensions and branches. Proposals in connection with the financing of the Shoranur-Cochin line are not yet quite ripe enough to be put forward, owing to certain difficulties, which will doubtless disappear, about the provision of land in the few miles of Travancore territory that the line must cross. But meanwhile His Highness the Rajah of Cochin has expressed his unreserved acceptance of the metre gauge for the line which he proposes to own and finance; and the receipt of this expression of the Rajah's wishes puts this Government in a position for the first time, to address the Government of India on the subject of the change of gauge policy which is the main subject of this letter, and which, after the explanation offered in the preceding paragraphs, I am now instructed to put forward for the Government of India's consideration.

9. The policy to which the assent of the Government of India is asked is practically this, that sooner or later the Madras Railway and all its branches from Podanur westward should, in the near future, be on the metre gauge: and that, as soon as it is decided to make the Erode-Nanjangod link, that branch, as well as the Erode-Podanur section, should also be on the metre gauge. The metre gauge sections of the Madras Railway would then be as follows:—

New branches—

Calicut-Cannanore	62 miles.
Shoranur-Cochin	73 „
Podanur-Dindigul	118 „
Erode-Nanjangod-Mysore	130 (including 15 already open).

Existing broad gauge sections—

Erode-Podanur	60 miles.
Podanur-Shoranur	57 „
Shoranur-Calicut	54 „
Podanur-Mettupalaiyam	26 „
Total future metre gauge section to be worked by the Madras Railway Company	580 „

This programme would involve the conversion of 197 miles of existing broad gauge line, and the construction as opportunity permits of 368 miles of new metre line.

10. I am instructed to explain that it is not desired that this entire scheme of conversion and of extension should be entered on blindly and immediately. It is perfectly well understood that two of the proposed extensions must in all probability await their turn for a place in the general railway programme for all India. Again, it is quite foreseen that even after the Erode-Mysore connection is completed it is a question for comparative estimates to decide whether it is likely to pay better to convert the Podanur-Erode section, or that the Madras Railway Company should arrange for the repairs of their rolling stock on this branch locally, with assistance when necessary from the Southern Mahratta and South Indian Railway Companies.

11. Podanur, where already there is a good deal of engine accommodation, would become the chief locomotive centre for the 580 miles of metre gauge railway, while Shoranur would become the engine-homing centre for the three runs—Shoranur to Cannanore 116 miles, Shoranur to Podanur 117 miles, and the Shoranur-Cochin branch 73 miles. The Podanur-Dindigul branch 118 miles, and the Podanur-Mettupalaiyam branch 26 miles, with its extension 32 miles further to Ootacamund, would be worked from Podanur, while the branch to Mysore would be worked from the existing engine sheds at Erode. The main line on the standard gauge between Erode and Madras would be worked as at present in two lengths of 132 and 111 miles from Jalarpet as an engine station.

12. Thus there would only be one great tranship station, viz., that at Erode; and there would be the freest possible interchange of rolling stock between the South Indian Railway, the Southern Maharatta Railway and the 580 mile metre section of the Madras Railway.

13. The considerations which have led to this proposal being put forward are so many and so complicated that some difficulty is experienced in marshalling them in such a way that they shall be as convincing to the Government of India as they have been to this Government. What I am instructed now to press for is that if the Government of India, after a careful consideration of the arguments now adduced, should concur with this Government as to the wisdom of the proposed policy, the whole programme should be laid before the Madras Railway Company through the Secretary of State, with a promise that, if they should agree to adopt it, their right to the construction and working of the Dindigul line and of the branch to Mysore would be definitely recognized; and that, conditionally of course on detailed inquiries and estimates proving that the Dindigul and the Nanjangod branches would be likely to be commercially successful, the Company would be enabled to raise the capital required for their construction on terms similar to the Calicut-Cannanore terms, as soon as it is decided that the time is ripe for including them in the railway programme for all India.

14. I am instructed to suggest that the Madras Railway Company's views should at once be sought, in the light of the information and opinions contained in this letter, and that they be pressed to agree to the construction of the Calicut-Cannanore line being at once proceeded with on the metre gauge.

15. The principles underlying the recommendations now put forward, viz., that it is wisest that means should be co-ordinated with ends, so that a railway costing $1\frac{1}{4}$ lakhs per mile should not be constructed to do the work that may perfectly well be done by a railway costing $\frac{3}{4}$ lakh per mile, and that in its turn the latter should only under very exceptional circumstances be used when $\frac{1}{4}$ lakh per mile would suffice, are the same principles which also came into prominence, and which carried great weight with this Government, when its recent letter on the subject of famine feeder railways, No. 169, dated 22nd March 1898, was under consideration; and I am instructed here to repeat that it is better, in the opinion of His Excellency the Governor in Council, that the credit of the Railway Companies, backed as it is by the public credit, should be employed in securing as large as possible a mileage of a sufficiently good means of transport rather than that, for the sake of uniformity of system and of gauge, a uniformity which may easily be too dearly purchased, a comparatively small mileage of too good a means of transport should be provided.

16. The object which this Government has in view is so to utilize the credit of the railway companies, which as just observed is practically the public credit, that in as brief a term of years and at as small an expense as are in every way consistent with economy and efficiency, as large a tract of country as possible may be brought within the area of influence of the railway system.

17. This object will, in the opinion of this Government, by the adoption of the programme now put forward, be brought nearer to accomplishment than will ever be possible if Government and the Madras Railway Company determine to continue to adhere to the policy, or absence of policy, which has heretofore been in force, and which has resulted in so serious a departure from the principle so strongly advocated by this Government, that as far as possible one trade tract should be served by one railway.

Extract from—The Madras Railway Board's letter.
To—The Agent and Manager, Madras Railway.
Dated—11th March 1898, No. 970.

Para. 15. The Board learn with some disappointment from paragraph 9 of No. 2348 and G.O., No. 135, dated 24th January 1898, that the survey of the proposed Erode-Nanjangode Railway has been entrusted to the South Indian Railway, but they accept with satisfaction the assurance of the Government of India that the utilization of that Company for this purpose will in no way prejudice the question of the Agency by which the line, it ever made, shall be financed, constructed and worked.

The Board understand that you have clearly explained to the Consulting Engineer the serious loss of revenue which would accrue to the Madras Railway, a loss to be shared equally by the Government and the Company, if another agency were allowed to construct this extension from Mysore to our South-West line. You have also specially invited the attention of that officer to the express offer of this Company to construct and work this extension on the metre gauge. The Board trust therefore that the claims of the Madras Railway to undertake the construction of this line will not be set aside.

As you have remarked to the Consulting Engineer, this Company would desire to work this extension in connection with the proposed Podanur and Dindigul Railway, also with the Nilgiri Railway, and to extend the system from Satyamangalam to Mettupalaiyam, the present standard gauge branch to that place from Podanur being converted into the metre gauge.

Moreover, it occurs to the Board to suggest for the consideration of the Government and of the Company working the Bangalore-Mysore Railway, whether it would not be desirable to extend that line direct to the northern foot of the Nilgiri mountains, and eventually to climb the ghât to Ootacamund. The scheme would be of great value if brought no further than to the foot of the ghât, and prove of much advantage to the Nilgiri Railway. The distance is between 40 and 50 miles, and the gradients, it is believed, are easy.

Order—No. 539 Ry., dated 6th April 1898.

The Government of India will be addressed.

From—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, P.W. Dept., Simla.
Dated—6th April 1898, No. 540-Ry.

With reference to the subject dealt with in my letter No. 527, Railway, dated 4th April 1898, I am directed to forward a copy of paragraph 15 of the Madras Railway Board of Director's letter to their Agent, No. 970, dated the 11th March 1898.

2. I am instructed also to inform you that the difficulty hinted at paragraph 8 of my letter above referred to has now been removed by the receipt from the Travancore Dewan of an expression of His Highness the Rajah's readiness to allow the Cochin Railway to occupy the requisite strip of land where for a few miles it will pass through Travancore territory.

From—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Dept., Simla.
Dated—23rd April 1898, No. 613 Ry.

With reference to my letter No. 527 Ry., dated the 4th April 1898, and in continuation of my letter No. 540 Ry., dated the 6th April 1898, on the subject of a proposed metre gauge policy for the Madras Railway and its extensions west of Podanur, or perhaps of Erode, I am instructed to invite your attention to paragraph 15 of the Madras Railway Company's letter to their Agent, No. 970, dated the 11th March 1898, copy enclosed, in which it is suggested that the necessary connection between the metre-gauge Dindigul-Podanur branch and the metre-gauge Erode-Nanjangod-Mysore branch, should be effected by means of the construction of a short new link, about 25 miles in length, from Mettupalaiyam to Satyamangalam, and the conversion to the metre gauge of the Podanur-Mettupalaiyam branch.

2. The suggestion in question has been carefully considered by this Government which sees in it an alternative to the conversion of the Erode-Podanur broad-gauge section,—a conversion which seemed necessary when para. 9 of my first-mentioned letter was written. It seems probable that the Madras Railway Company will be anxious that as small a mileage of their old line as possible should be converted; and thus the force of their opposition, if there should be opposition, to the scheme as a whole, will be greatly lessened if it is no longer proposed to convert any part of the old line east of Podanur.

3. The construction of the 25 mile section from Mettupalaiyam to Satyamangalam will allow of the connection of the Erode-Mysore metre section with the other metre sections, which is so desirable in the interests of economical working. It will also give a reduction of nearly 100 miles in the through journey from the north, *viâ* Mysore, to the Nilgiris—a journey which, as facilities improve, will undoubtedly be undertaken by larger numbers of upper class passengers.

4. The actual cost, as ascertained from the books of the South Indian Railway, of converting 167 miles of broad-gauge track to metre gauge was Rs. 700 per mile only. There were other charges for new accommodation; but Rs. 700 per mile covered practically everything except the new junction at Erode and certain transhipment arrangements at Karúr. The actual time occupied in the conversion of the 30 miles between Guntakal and Bellary from broad to metre gauge, that is, the time of interference with running, was just 30 hours.

5. A reference was made in para. 13 of my letter, No. 527 Ry., dated the 4th April 1898, to the difficulty experienced in marshalling all the considerations which have led this Government to the adoption of the policy under reference, in such a way that they might appear as convincing to the Government of India as to His Excellency the Governor in Council. But two of these considerations may usefully here be referred to. First, there is the practical certainty that, sooner or later, Travancore will demand connection southwards from Cochin to her own system, at Quilon or wherever may be its terminus; and second, that extension from Cannanore northwards through South Canara is certain later on to be demanded in the interests of the development of the Presidency. It is not easy to foresee where this extension northward is to stop; it may, in due course, lead to the completion of a West Coast Railway; and in the opinion of this Government it would be a deplorable thing if, through want of a little forethought at this present juncture, any section of this through coast line of the future should, when the time comes, be found to be on the wrong gauge.

6. The demand for the development of Coorg, too, has weighed greatly with this Government. The difficulties in the way of opening up this important planting district will be greatly mitigated if they are complicated by no question of an extravagantly expensive gauge for the railways on which its development must depend.

7. In conclusion, I am instructed to express the hope that full weight may be attached by the Government of India to the arguments which have been put forward by this Government in support of these important proposals, and that they may be induced to lend their fullest support to the policy of conversion and extension on the metre gauge, when laying it before the Secretary of State for discussion with the Board of the Madras Railway Company.

Note by the Consulting Engineer for Railways, Madras, dated 1st May 1898.

Proposals to extend the area served by the Madras Railway Company's system have always been met by the objection that, for the traffic of the areas proposed to be served, a broad gauge railway is too expensive a carrying machine. As this Company has not been permitted to extend the area of their business operations by constructing and working feeders and extensions upon a cheaper scale than that of their main line, they have been obliged, with much dissatisfaction and very natural grumbling, to look on at the gradual extension across their lawful territory of the cheap and efficient South Indian Railway, which seemed likely, sooner or later, to suck away much of the life blood of the older and more expensive organization. But during the last twelve months, in connection with the question whether the south parts of Mysore—a track which seems undoubtedly to be within the lawful sphere of trading influence of the Madras Railway—should be tapped by that railway or by its rival, the Madras Railway Company expressed their willingness, officially and definitely, to work and to construct metre gauge branches. This, in my opinion, is a most wise decision, and one which, once arrived at, deserves all possible encouragement at the hands of this Government.

2. As we are not dealing with the question of great through trunk lines or of stratagic lines, it may be taken as an axiom that it is desirable that, so far as may be possible, certain tracts of country, tracts which as a rule will have their boundaries fairly well defined, whether by natural physical features, climate, topography, soil, produce, or by the existing course of trade and its financing, should be made over to certain railway organizations to work, without fear of encroachment from rivals. I refer of course to India, where the relations of the monopolist to the public can be fairly effectively controlled by Government. A system of railways, to serve such a tract as it ought to be served, may be compared to a river and its feeders, if not in its gauge, then at least in its carrying capacity as measured by the number of trains which it runs on its several parts. Far up towards the "divide" it will sometimes happen that, even with one train a day each way, a railway on the broad gauge is a very uneconomical machine for the work to be done, or ever likely to be done; and it becomes in that case a question, to be decided by experience and by comparative estimates, whether the additional expense involved in change of gauge and in a separate rolling stock organization may not be more than balanced by the economy of working which results from the better co-ordination of means with ends. Thinking on these lines brings us logically in some cases to metre gauge branches or extensions of standard gauge systems, and sometimes perhaps to narrow, *e.g.*, 2-ft. gauge, commercial branch feeders for standard or metre gauge systems. If the standard gauge is known to cost, say Rs. 1,00,000, metre gauge cheap branches in a poor country Rs. 50,000, and 2-ft. gauge feeders on district roads Rs. 25,000, per mile, very little consideration will show that the adoption of break of gauge, the cost of which is now pretty well known though not specifically charged to the public, may in certain cases prove to be a wise and an economical measure; always predicating that it is not stratagic lines or great through trunk lines that are under consideration, but strictly commercial lines for the haulage of third-class passengers from village to village and of produce between the villages and the nearest port or mart.

3. It would be greatly to be regretted if, having given in their adherence to so wise a policy, the Madras Railway Company should afterwards find themselves seriously hampered by reason of the length, or the position, of their metre gauge branches being such as to make their economical working impossible. Thus if they found on their hands only the Dindigul branch, on the metre gauge, it would undoubtedly be difficult to work it economically as an isolated section. But during the progress of inquiries by His Highness the Rajah of Cochin, through the Political Department, as to the possibility of himself, without financial aid from Government, providing the capital necessary for the projected Shoranur-Cochin Railway, it suggested itself that by the adoption of the metre gauge His Highness would find it possible to become the owner of the line, and that with little or no borrowing. But negotiations in such matters take time, and meanwhile sanction had come to start work on the Calicut-Cannanore line. It seemed right, pending a definite decision being arrived at in regard to this question of metre gauge policy, that the Madras Railway Company should not be committed to what might prove to be infructuous expenditure on broad gauge

works where there seems good reason to hope that the metre gauge may ultimately be adopted. If ever a continuous line of railway should become a *fait accompli* along the west coast of India—and with the Tinnevelly-Quilon, the Shoranur-Cochin, the Calicut-Cannanore and certain proposed lines near Bombay on the tapis or under consideration, it does not seem unreasonable to expect that within a reasonable period there will be such a continuous line,—it will certainly be a metre gauge railway; and any short intervening broad gauge sections, if unfortunately they should be allowed to come into existence, will certainly be sooner or later converted. In view of these considerations it seems to me to be quite essential that the broad gauge should not be drifted into for the Cannanore extension through mere absence of forethought, and of due consideration of all the conditions so far as it is possible to foresee them; Government has accepted this view, and the result of the correspondence which has ensued is that the Government of India have ordered that no work on the Calicut-Cannanore line shall be entered on which would be likely to prejudice the consideration of the question of gauge.

4. What I have in view for the Madras Railway Company, much of it possibly yet a long way off, but none the less for all that deserving of careful consideration in connection with this large problem, is that, sooner or later, they should work the following extensions and branches on the metre gauge; and that necessarily, in connection with such working, they should convert the following sections of their own line from the broad to the metre gauge:—

393 *miles new branches or extensions to be built.*

Calicut-Cannanore	62 miles.
Shoranur-Cochin	73 „
Podanur-Dindigul	118 „
Erode-Nanjangod-Mysore	130 (15 already exist.)
Mettupalaiyam-Satyamangalam	25 miles.

137 *miles existing main line and branches to be converted.*

Podanur-Shoranur	57 miles.
Shoranur-Calicut	54 „
Podanur-Mettupalaiyam	26 „
Total, future metre gauge for Madras Railway Company ...	520 „

Thus what is contemplated is the construction by the Madras Railway Company of 393 miles of new metre gauge line, some of it for the Rajah of Cochin, and the remainder by State guaranteed debentures raised on what may be called Cannanore terms; and the conversion from standard to metre gauge of 137 miles of their present line; with, in addition, the working of the 15 miles section of the Mysore State Railway between Nanjangod and Mysore. But it seems probable that the Mysore State may desire to build the 30 miles of the Erode-Nanjangod line, which lie within their territory, as part of their own system, to be leased, with the 15 miles Nanjangod-Mysore section, to the Madras Railway Company; and in that case the new mileage on this branch to be arranged for by the Madras Railway Company would be 85 only.

5. It will here be convenient to complete the arguments in favour of the adoption of the above scheme by Government and the Madras Railway Company by pointing out that, if it is carried out, the locomotive running lengths will be as follows. Between Madras and Podanur, the broad gauge engine runs will be divided as may suit best for the distance, 302 miles; there are engine stations at present on this length at miles 42, 80, 132, 207, 243 and 302. For the metre gauge system the important junction of Podanur, where all metre gauge engine and rolling stock works would be situated, would be the engine-homing station for the following daily runs:—Podanur to Shoranur and back 114 miles; Podanur to Dindigul 118 miles; Podanur, by rack rolling stock, through Mettupalaiyam to Ootacamund and back, 104 miles. The Nanjangod-Erode run 114 miles would be worked from Erode where the Company have got old accommodation. It may be that the ghât pusher engines could

be utilized for the short connecting link of 25 miles between Satyamangalam and Mettupalaiyam. Shoranur would serve as the engine-homing station for the two runs, Shoranur to Cannanore 116 miles, and Shoranur to Cochin 73 miles with prospects of extension afterwards in the Quilon direction.

6. As it is not only as an engine-homing station that Podanur will be useful, but also as the locomotive workshop centre for the metre-gauge sections, it seems possible to work in with this the reduction of the area of new shops likely to be required at Perambore, the existing locomotive shops of the Madras Railway Company, if the East Coast Railway or part of it should be leased to that Company.

7. Taken as a whole, the scheme seems to me to be an eminently good one, and one which ought to prove equally acceptable to the Company and to Government. From Podanur westward, and throughout the whole area to be served, there is no traffic, nor so far as can be judged is there ever likely to be any traffic, at all approaching to that on parts of the South Indian Railway metre system. By the adoption of this scheme, the Madras Railway Company would secure the trade of the important tract of country, now undoubtedly their proper territory, which the proposed branch from Podanur through Udamalpet, Dharapuram and Palni to Dindigul will serve. They would also retain all the advantages of trading direct with Mysore, advantages which will certainly be snatched from them if the South Indian Railway Company are allowed to extend to Nanjangod. The cost and difficulty of conversion are not serious. I am now making enquiries as to what similar work has cost on former occasions, and have already ascertained that the conversion of the Guntakal-Bellary section, 30 miles in length, was effected during only 30 hours' stoppage of traffic, and that Rs. 700 per mile was all that was spent, (apart from buildings and tranship arrangements, on the conversion of the 167 miles from Negapatam to Erode.

8. Should this policy commend itself to Government and to the Madras Railway Company, it would be wise to convert the Calicut-Podanur section with as little delay as possible after rolling-stock had been provided, so that all might be in working order by the time the extension to Cannanore and the Cochin branch were finished. The conversion of the Mettupalaiyam branch might advantageously be done in time for the opening of the Mettupalaiyam-Coonoor section of the Nilgiri Railway, and in that case the Nilgiri rolling-stock could be used on the branch. At Erode, and also at Podanur through the Dindigul branch, the Madras Railway Company's metre system would connect with that of the South Indian Railway Company.

THE FOLLOWING IS A STATEMENT OF THE MOVEMENT OF MADRAS RY. TRAFFIC PAST PODANUR IN 1897.

From Podanur westward (block Nos. 44—52), is here for convenience called the "West Coast Block."

Business done between the West Coast Block and each of the following blocks.	From West Coast.	To West Coast.	Remarks.
	MDS.	MDS.	
1—8 Arkonam-Madras	122,131		
9—19 Arkonam-Kaichur	40,153	84,708	
20—39 Arkonam-Erode, with Bangalore Branch ..	800,854	9,230	
53 Kolar Gold Fields Railway	308,943	981,205	Will all break gauge.
55. Great Indian Peninsula Railway	8,254	45	
56—57 Southern Mahratta Railway *viâ* Guntakkal or Bangalore.	31,859	1,087	
58—62 South Indian Railway		47,399	
41—43 Nilgiri Railway	391,758		
40 Between Erode and Podanur, including Podanur ..	558,668	224,021	Will not break gauge.
	191,538	216,721	
		267,343	Perhaps half will break gauge.

The above statement seems to show that for the full year 1897, 1,376,000 maunds were exported from and 1,211,000 maunds were imported to, the West Coast block, to and from places whose continuity of gauge it is proposed to sever. That is 26 ten-ton wagon will have to break bulk at Podanur daily.

But on the other hand, gauge will not in future have to be broken by 1,078,000 maunds of exports and 652,000 maunds of imports per annum. In other words 16 ten-ton wagon loads of which 15 do now actually break bulk at one junction or another, need not in future break bulk.

The effect of the change will be that the net result of break of bulk will be that 26—15=11 wagon loads daily, more than at present, will break bulk. Madras seems to be concerned with two wagons per diem.

From—The Agent and Manager, Madras Railway Company.
To—The Consulting Engineer for Railways, Madras.
Dated—13th May 1898, No. 9096—437.

With reference to your letter, No. 360 of the 4th February last, in reply to my letter, No. 9096-A-84 of the 28th January, on the subject of the Podanur-Dindigul and the Mettupalaiyam-Sattyamangalam, Erode-Nanjangode proposed lines, I have the honour to invite the special attention of the Government to paragraph 15 of letter No. 970 from my Board, copy of which I enclose.

I understand from this letter that if the Government is prepared to place the construction and working of these branch railways in the hands of the Madras Railway, my Board will agree to the Podanur-Mettupalaiyam Branch of the Madras Railway being converted from standard to metre-gauge, so securing a continuous gauge between Coonoor and Dindigul on the one side and between Coonoor and Mysore *viâ* Sattyamangalam and Nanjangode on the other side.

In the event of the gauge being changed, passengers from Madras to the Hills would leave the standard gauge carriages at Podanur instead of at Mettupalaiyam.

If the proposal suggested by the Board is entertained, the work of strengthening the girders of the bridges on the Podanur-Mettupalaiyam Branch now under suspension may be indefinitely postponed, as the girders now laid are sufficiently strong, it is believed to bear the weight without risk of metre-gauge engines and stock.

Note by the Examiner, Guaranteed Railway Accounts, Madras, on the Accounts for the Madras Railway system in the event of the Madras Government's proposals being agreed to.

I am of opinion that the accounts of the Madras Railway proper, as it now is, will still have to be kept intact, notwithstanding the conversion of 139 miles of it to the metre-gauge. All the conditions which apply to these 139 miles in regard to capital raised, capital outlay, interest, working expenses earnings, surplus profits, &c., are so bound up with the original contracts, that it would scarcely be feasible to separate the accounts of the 139 miles and amalgamate them with the rest, or rather part of the rest, of the proposed metre-gauge system.

2. I do not consider that the conversion will cause any difficulty in keeping the accounts of the present system intact, nor that there will be any such difficulties or complications in arranging for the accounts of the extended broad and metre-gauge system as to form the ground for objections to the proposals of Madras Government.

3. The accounts of working expenses throughout will, I presume, be first amalgamated, and then simply distributed in proportion to gross earnings among the different sections, so that there will be no difficulty here. The capital outlay is easily kept separate for any sections into which it may be found necessary to divide the system; and though the necessity for dividing fares and freights, and for keeping separate accounts of earnings, for a large number of different sections, must cause some trouble, yet this is a state of affairs which must be expected to follow as a natural result of the multiplication of new branches in all directions, and I do not suppose that the number of sections on the proposed Madras Railway system, for which separate accounts will have to be kept, will be exceptionally large in comparison with many of the other great Railways of India.

4. For the combined broad and metre-gauge system of the Madras Railway as now contemplated, the following accounts would be required:—

(*a*) Madras Railway proper, 697 miles broad gauge, 137 miles metre-gauge. One complete set of capital and revenue accounts as at present.

(*b*) Three extensions on "Cannanore terms."

(1)	Calicut-Cannanore Extension ...	62	Miles, Metre gauge.
(2)	Dindigul-Podanur	118	,, ,,
(3)	Mettupalaiyam-Sattyamangalam. 25 miles Erode-Mysore Frontier ... ... 85 ,,	110	,, ,,

For each of these separate capital accounts forms IV and V, revenue accounts form VIII, interest account form XVII, and surplus profits form XVI would be required. These might be given as subsidiary forms in the Madras Railway accounts proper, or separate accounts printed if subsequently found more convenient.

(*c*) Three Native State Lines worked by the Company—

(1)	Kolar Gold Fields Railway	10 miles	broad gauge.
(2)	Shoranur-Cochin (Cochin State Railway) ...	73 „	metre „
(3)	Mysore-Nangangod ... 15 miles	45 „	„ „
	Nangangod-Mysore Frontier ... 30 „		

For each of these a separate set of Capital and Revenue Accounts would be required.

5. In all, seven sets of Capital and Revenue Accounts at the most, which may not be considered very exceptional, as the Southern Mahratta Railway Company for years past have been keeping six separate accounts for their system.

6. It might be possible to amalgamate the Revenue Accounts of (*b*) (3) and (*c*) (3) as given above, by dividing *profits* of this combined section between the British and Mysore Governments under a special arrangement somewhat similar to that proposed for the British and Native State sections of the Tinnevelly-Quilon Railway. This would save some trouble in account keeping, and in dividing fares and freights in through booking on this combined section; but it would necessitate, I think, the British portion being undertaken at the direct cost of Government, instead of as an extension of the Madras Railway on "Cannanore terms," and is therefore not to be advocated as involving great delay in finding funds.

7. As regards the question of the allocation of the cost of conversion of the 139 miles of the Madras Railway, which may perhaps be estimated roughly at about two lakhs for the road alone, with perhaps 2 lakhs more for break of gauge accommodation at Podanur: I do not think there is much doubt about the latter item of 2 lakhs for break of gauge accommodation at Podanur, except in so far as any demolition, removal and reconstruction of existing buildings and works may be concerned; most of the accommodation would, I imagine, be purely additional, and this would be a fair Capital charge.

8. The item of 2 lakhs for conversion of the line is more doubtful. From an Accountant's point of view it would not seem correct to state the Capital Account of the 137 miles of converted line as standing at the amount of the original cost of its construction on the broad gauge *plus* the cost of converting subsequently to metre gauge; the cost of conversion of a more expensive form of construction to one of a less expensive nature would also, under ordinary principles, seem to be a proper charge to Revenue; but in the Secretary of State's Despatch laying down the principles of allocation to be followed on Indian Railways it is clearly recognised that cases involving exceptionally large outlay, which would, under ordinary rules, be a Revenue charge, must be specially considered and dealt with; and I think that as the conversion would in this particular case be a substantial improvement, there are strong grounds for a recommendation that the cost should be specially allowed to be treated as Capital outlay by the Government of India.

9. At the most the Government of India would probably not press for more than half the cost of the line's conversion being treated as a Revenue charge, and if in addition this were allowed to be distributed over, say three years, the burden on the Revenue Account would not be very heavy—that is not more than Rs. 15,000 to Rs. 17,000 a half-year for that period.

Order—No. 724 Ry., dated 14th May 1898.

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 Simla.
Dated—Ootacamund, 14th May 1898, No. 725 Ry.

With reference to my letters Nos. 527 Ry. and 613 Ry. dated respectively the 4th and 23rd April 1898, I am directed to forward for information a copy of a note prepared by the Government Examiner, Guaranteed Railway Accounts, Madras, on the system of accounting which will be necessary if the proposals contained in my letters above referred to are agreed to.

From—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—Ootacamund, 27th May 1898, No. 765 Ry.

In continuation of the correspondence on the subject of change of gauge and metre gauge extensions of the Madras Railway, ending with my letter No. 725 Ry., dated the 14th May 1898, and with special reference to my No. 613 Ry., dated the 23rd April 1898, with which you were furnished with a copy of paragraph 15 of Madras Railway Company's letter to their Agent, No. 970, dated the 11th March 1898, I am now directed to forward a copy of a letter No. 9096/437, dated the 13th May 1898, from the Agent of the Madras Railway Company. In this letter the Agent interprets the intention of his Board to be that they would be prepared to consent to the conversion of the Podanur-Mettupalaiyam branch, 25 miles, to the metre gauge, if promised the construction and working hereafter, whenever decided on, of the Podanur-Dindigul and the Erode-Nanjangod branches with the Mettupalaiyam-Satyamangalam connection.

2. The Government of India have already been made acquainted with the reasons which have led this Government to the conclusion that it is right that, whenever the time arrives for making them, the Madras Railway Company and not the South Indian Railway Company should be given the working of the Podanur-Dindigul and the Erode-Nanjangod branches. Should these views commend themselves to the Government of India there would seem to be no reason why the Madras Railway Company should not be informed that their claim to these two extensions is definitely admitted, subject always to the agreement of the Mysore Government as regards the section of the Erode-Nanjangod-Mysore line lying within their territory. It appears likely that once they have been made acquainted with the opinion of the Government of India, that the two branches in question are looked upon as hypothecated to them, the Madras Railway Company would agree to at once carry out the conversion of the Podanur-Mettupalaiyam section.

3. In view of the approaching opening of the Mettupalaiyam-Coonoor metre gauge line, and of the practical certainty of its being worked by the Madras Railway Company, and of the importance to Government, its guarantors, that road competition should not have to be encountered, it seems very desirable that Podanur and not Mettupalaiyam should be the point where, from the very first, break of gauge will occur. So long as break of gauge, specially for goods, is at Mettupalaiyam, so long will the Nilgiri Railway be exposed to severe competition with carts. But competition will be practically rendered non-existent if break of gauge is made to occur at Podanur.

4. There is nothing in either the vehicles or the engines of the Coonoor line which would make it objectionable to run them on the converted Madras Railway, indeed the first few miles from Mettupalaiyam to Kullar are of a character similar to that of the converted Podanur-Mettupalaiyam section. There will be no difficulty in arranging terms between the two Companies for the use of the Nilgiri rolling-stock on the 25 miles of the Madras Railway. Indeed the Madras Railway Company will probably be glad of the chance of setting free the broad gauge stock now locked up on the branch.

5. The convenience to passengers of changing once for all into the metre gauge at Podanur will be very great, because at present the majority of them necessarily change there from the main to the branch line vehicles, and if the proposed conversion of the branch is carried out, the Podanur change will be the only one on the journey to the Nilgiris. The saving of the proposed expenditure, which has just been stopped in time, on the strengthening of the bridges on the branch, referred to in the Agent's letter, is worthy of consideration. The actual conversion, judging by the Bellary-Guntakkal case, can be very quickly and cheaply accomplished.

6. I am instructed to say that, in the opinion of His Excellency the Governor in Council, a decision in this matter need not wait upon the decision to be arrived at upon the large conversion and metre extension scheme of which this forms a very small part. It might have been dealt with on its own merits without being tied up with the Podanur and Nanjangod schemes. But the Madras Railway Company's Board apparently desire that it should stand or fall with the decision that may be arrived at in regard to these two projected branches. It might have been worth while to endeavour to induce the Company to separately deal with the Podanur-Mettupalaiyam conversion, on its own merits, as explained in my paragraphs 3, 4 and 5, had there been any question of the expediency of promising them the working, hereafter, of the Dindigul and Nanjangod branches. Indeed, even now, if the Government of India do not see their way to accepting without further explanation the views of this Government as to the propriety of promising these two branches to the Madras Railway Company, it might be advisable to endeavour to persuade the Company to consent to the immediate conversion of the Mettupalaiyam branch, for the reasons referred to in paragraphs 3, 4 and 5, and because it will be for their interest to do so.

7. But it is strongly recommended, for the reasons put forward in this Government's Consulting Engineer's Note on the general Railway programme, dated 1st May 1898, and adopted by this Government in paragraph 10 of my letter No. 689 Ry., dated the 4th May 1898, that permission be accorded to intimation being given to the Madras Railway Company that the Government of India concur with this Government in the opinion that their claim to work the Podanur-Dindigul and the Erode-Nanjangod lines, with the Satyamangalam-Mettupalaiyam link and the converted Podanur-Mettupalaiyam section, all on the metre gauge, is a reasonable claim, and that meanwhile, pending a decision being definitely come to as to when and how these extensions shall be undertaken, their suggestion to convert the Podanur-Mettupalaiyam section is agreed to, and they are recommended to carry out the conversion in time for the opening of the Nilgiri Railway for the reasons given in paragraphs 3, 4 and 5 of this letter. I am to add that there is reason to believe that they will readily adopt such a recommendation.

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
Dated—Simla, 31st May 1898, No. 706 R.C.

I am directed to acknowledge receipt of your letter No. 527 Ry., dated 4th April 1898, inviting consideration by the Government of India of a very important change of policy in regard to the gauge of the Madras Railway and of projected lines connecting with it west of Erode, and suggesting that, if on careful consideration the Government of India are disposed to concur in the wisdom of the proposed policy, the whole programme should be laid before the Madras Railway through the Secretary of State with a promise that if they agree to adopt it their right to the construction and working of the Dindigul line and the branch to Mysore would be definitely recognised, and that they should be pressed to agree to the construction of the Calicut-Cannanore extension being at once proceeded with on the metre gauge.

2. The recommendations of the Madras Government are understood to rest mainly on the ground that the existence of the broad gauge system west of Erode constitutes an obstacle to the development of railway communication on the metre gauge which would suffice for the needs of the country to be served, and to the linking up

of the South Indian and Southern Mahratta metre gauge systems, and that these difficulties cannot be removed without prejudice to the equitable claims of the Madras Railway Company except by their consenting to convert to the metre gauge so much of their system as would enable them to construct and work as part of it the extensions and connections for which the metre gauge is recognized as preferable or necessary.

3. In reply, I am to state that, while the Government of India appreciate the force of the arguments to which the Madras Government have lent the weight of their support, it seems necessary that the opinion of the mercantile bodies interested should be obtained and considered before so radical a step as the introduction of a break of gauge on a main line of communication between the east and west coasts of India is recommended to the Secretary of State.

4. I am to add that even if the policy of the change were accepted and the right of the Madras Railway to make the connection on the metre gauge between Erode and Nanjangod were recognised, it would be absolutely necessary that the two metre gauge systems to the north and south of the link should have running powers over it and that it is by no means clear that under these circumstances the Madras Railway Company would consider it worth their while to go to a large expense so near the possible termination of their contract in converting their broad gauge line for the sake of obtaining the right to make the link.

5. An estimate of the cost involved in the radical change of policy proposed, showing cost of conversion, provision of metre gauge rolling-stock, and the erection and equipment of the necessary workshops and transhipping stations would also be necessary before the Government of India could come to any decision, and until a decision in favour of the change of policy recommended has been arrived at it would obviously be impossible to press the Madras Railway Company to undertake the immediate construction of the Calicut-Cannanore extension on the metre gauge. There appears to be no other course open than to defer the prosecution of work on this line till the question is settled.

6. I am accordingly to request that, with His Excellency's permission, the opinions of the Madras and Malabar Chambers of Commerce and of any other representative bodies that may be interested in the question, and of the South Indian and Madras Railways may be invited, and transmitted together with the estimates referred to in paragraph 5 above, and any further expression of the views of the Madras Government which may seem to be called for.

7. To prevent possible misapprehension it will be desirable in making the necessary communication to the Madras Railway Company, to draw prominent attention to the condition stated above, paragraph 4, as necessarily attaching to any proposal that the link between the South Indian and Southern Mahratta Railways should be made as part of their system.

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Note by the Consulting Engineer for Railways, Madras, dated 17th June 1898.

Steps shall at once be taken to obtain from each of the Railway Companies interested, as well as from Chambers of Commerce and other representative bodies, an expression of opinion, in regard to the important railway policy referred to in the Government of India's letter, No. 706 R.C., dated the 31st May 1898. But this will take some little time, and meanwhile I offer the following remarks :—

2. The fact of their referring only to this Government's letter, No. 527 Ry., dated the 4th April 1898, and not to any of the subsequent letters on the same subject marginally noted, and also the use of the words "West of Erode" in paragraph 2, instead of "West of Podanur," would apparently justify the presumption that the Government of India failed to appreciate that the suggestion made by the Madras Railway Company's Board of Directors

No. 540 Ry., dated 6th April 1898.
„ 613 Ry., „ 23rd „ „
Note for the Railway Conference of 1898, and letter No. 689 Ry., dated 4th May 1898.
No. 725 Ry., dated 14th May 1898.
„ 765 Ry., „ 27th „ „

in their letter to their Agent, No. 970, dated the 11th March 1898, made it possible for this Government to so far modify its original proposal as to suggest Podanur instead of Erode as the most suitable point for break of gauge, thus making conversion unnecessary on the 60 miles between Erode and Podanur.

3. It is important to remember that the Erode-Nanjangod line was not proposed for the sake of forming a metre gauge link between the two great metre systems by which the Madras Railway is flanked. It, in common with the Podanur-Dindigul, the Cochin branch, and the Cannanore extension, have been pressed for in order that the main south-west line of the Madras Railway which at present traverses a wide tract of country in the form, practically, of a feederless trunk, may be furnished with a suitable system of feeders, without which the commercial requirements of the country purporting to be served by the trunk line cannot be adequately met. The Erode-Mysore branch of the Madras Railway would certainly, but merely incidentally, form a connecting link between two metre gauge systems, and this is an additional reason why it should be on the metre gauge; but the main reason is that that gauge will quite suffice to handle any traffic that is ever likely to be attracted to it.

4. I fail to see the necessity for the Government of India's stipulation that it be made a condition that the Southern Mahratta and South Indian Railways shall have running powers over the Erode-Mysore branch of the Madras Railway. There would appear to be no reason to anticipate any such flow of traffic between the two metre Companies' lines as cannot quite adequately be met, to the full satisfaction of traders, by the ordinary facilities afforded by through booking agreements and by the ordinary rules for interchange of rolling stock. The main object of the proposed Erode-Mysore branch of the Madras Railway is to bring into direct touch with the Madras Railway system and of course through it with the South Indian Railway system, the trade of South Mysore which concentrates at, and is financed in, the City of Mysore. This question, however, of the necessity for granting running powers over this branch to foreign lines shall be dealt with more fully is due course when enquiries about the course of trade, in connection with the policy under reference, shall have been more fully matured. I see no more reason for the grant of such powers than might be held to prevail in the case of many other links throughout India where running powers are not proposed to be granted.

5. The Government of India say that it is by no means clear that if running powers are granted to the Southern Mahratta and South Indian Railways over the Erode-Mysore branch, the Madras Railway Company would consider it worth their while to go to a large expense, so near the possible termination of their contract, in converting their broad gauge line for the sake of obtaining the right to make this branch. But in the first place what it is proposed to offer to the Madras Railway Company is not merely the Erode-Mysore branch, but the Podanur-Dindigul and Shoranur-Cochin Branches also, as well as a connecting link between Mettupalaiyam and Sattyamangalam, all forming, with the converted sections, and the Nilgiri Railway, a network of metre gauge lines 577 miles in extent, and of a shape most suitable for economical working. This network it is proposed to offer them in lieu of the 173 miles of trunk from Podanur to Cannanore, which is branchless except for its feeder to the Nilgiris.

6. It is proposed that, for the sake of securing these advantages, and they would appear to be well worth their securing, the Company should consent, first, to convert 137 miles of standard gauge line to metre at a cost which may presumably be estimated at under 1½ lakhs for the road alone, with an additional sum for transhipment arrangements; 2nd, to incur the expense of metre-gauge rolling stock for some 550 miles of line; and 3rd, to build workshops and whatever else may be necessary at Podanur for the upkeep of this metre-gauge rolling stock.

7. But it must not be forgotten that against these three items of expenditure must be set, at the credit side, the following savings: 1st, the very large reduction in the cost of the 62 miles of the Cannanore extension; 2nd, the setting free, for use on the remainder of the broad-gauge system, of the existing rolling stock of 137 miles of line to be converted; 3rd, the saving which it will be possible to effect of the contemplated and at present urgently demanded extension of the main workshops of

the Company at Perambur; 4th, the saving which will be secured by the proposed strengthening of certain bridges becoming unnecessary and in its being found possible to utilize existing weak broad gauge girders on the projected metre-gauge branches. So far as can at present be judged, pending the preparation of estimates, the net results of these capital items ought to work out very largely favourable to the Company.

8. Then, as regards the revenue side of the account, it appears to me that the cost of handling the comparatively small quantity of goods which must break bulk at Podanur, will be far more than balanced by the saving accruing from the use of the metre-gauge on a portion of the Madras Railway Company's system where the broad-gauge is more than adequate for any present or future traffic requirements.

9. The actual need for continuity of gauge between the east and west coasts of India in the parts of this Presidency which are traversed by the south-west section of the Madras Railway must not be gauged by the same measure as would be applied had a similar problem to be solved on the north-west line which connects Madras with Bombay, or on the Peshawar-Karachee, or the Calcutta-Bombay, or even on the Calcutta-Karachee connection. So far as can at present be judged, pending the completion of traffic analyses, the through traffic *viâ* Podanur between the east and the west coasts is very small indeed. There is reason to believe that the interest of the Madras merchant in the trade of the west coast and of the Malabar merchant in the trade of Madras, as measured in weight of goods dealt in, would be more than amply provided for by a daily train or two on a 2-feet gauge line. The flow of the bulk of the traffic is at present believed to be from Podanur and its neighbourhood towards both coasts and *vice versâ*. Station to station traffic figures are now being carefully analysed with a view to ascertaining the truth or otherwise of this surmise.

10. The Government of India refer at the end of paragraph 5 of their letter to the advisability of the prosecution of work on the Cannanore extension being stopped until the question of its gauge should have been settled. Work on the first 26 miles is now being prosecuted so far as is possible without prejudicing the gauge question, and quite as much is being done as is possible in the present state of the season. There has so far been no necessity to seriously obstruct progress, and a full measure of control over all work is retained.

11. In connection with the railway policy which is now put forward, the extracts printed below from a letter, dated ten years ago, from the Chairman of the Madras Chamber of Commerce to this Government, dated 2nd May 1888, will be read with much interest.

12. The extracts quoted below from a letter of about the same period from the Board of Directors, Madras Railway Company, to their Agent, No. 794, dated the 20th April 1888, will also be of interest. The proposals then made by the Company failed, unfortunately as it now seems to me, to commend themselves to the Government of that day.

Extract No. 1.

From—The Chairman, Chamber of Commerce, Madras.
To—The Chief Secretary to Government, Ootacamund.
Dated—2nd May 1888.

It is stated in the Report on the Administration of the Madras Presidency during the year 1886–87 that the South Indian Railway Company having expressed its willingness to take over the working of the Cuddapah-Nellore State Railway, an agreement has been drawn up by the Government to enable it to do so; and that the Company having offered to undertake the construction and working of the projected Tirupati-Dharmavaram and the Villupuram-Pakala lines, negotiations with that object are now proceeding.

It is, I trust, superfluous for me to state that the Chamber regards the two Railway Companies whose field of work lies within this presidency with the utmost impartiality; and that it is opposed to the idea of extending any invidious preference to either of them. There is room

in the presidency for the full employment of both systems, and the Government appears to have succeeded hitherto in so apportioning the territory served by each that the extent of the work done by the two lines is now remarkably even. Thus, in 1886, the Madras Railway Company carried 6,374,718 passengers and the South Indian Railway Company carried 6,509,963.

The Chamber cannot, therefore, view with unconcern a policy that proposes to allow the southern Company to intrude upon and divert, by preferential rates or otherwise, the traffic obtainable in what has hitherto been considered the special territory of the northern Company, and to encourage that traffic to find its outlet either at the French port of Pondicherry or the British port of Negapatam, instead of at its more natural destination, namely, the port of Madras, at which a harbour is now being constructed at great cost to the State.

* * * * *

The comparatively inconsiderable results in the earning of interest on capital of the two railway systems that divide between them the main arteries of traffic in this presidency are justly attributed in the Madras Manual of Administration to geographical disadvantages, the want of great staples of commerce, and the poverty of the people. It is believed by the Government that the same drawbacks will apply to almost all extensions, but it is anticipated that "some of the shorter lines will without doubt become valuable feeders of the existing railways; while others, of a purely local character, may also be expected to yield fair returns." It must have been contemplated when these words were written that the extensions alluded to would become the feeders of the railway lines in their immediate vicinity; and it does not seem to have been intended that extensions close to the west of the north-west line of the Madras Railway would be converted into feeders of the South Indian line, any more than that extensions in Madura and Tinnevelly would be utilised as feeders to the Madras Railway.

* * * * *

The Chamber is not in a position to state that the Board of Directors of the Madras Railway Company is prepared to accept the responsibility of constructing or working metre-gauge extensions as adjuncts to, or feeders of, its broad-gauge system; but it entertains the confident belief that the Directors will not be slow to avail themselves of the opportunity of doing so, if the proposal is made to them; for they must be exceedingly anxious to remove the reproach that attaches to their line on account of the heavy charge for interest that it still entails on the State; and they must sympathise with the desire of the Chamber to see Madras increase, rather than decrease, in commercial importance.

The Chamber does not forget that the acceptance by the Madras Railway Company of the charge of the extensions in the Anantapur, Cuddapah, North Arcot, and Nellore districts would involve break of bulk at Guntakal, Tirupati, Vellore, &c. But the inconveniences arising from break of bulk should be minimised when the transfer of traffic is effected by the servants of one Company.

* * * * *

It would manifestly be to the interest of the Madras Railway Company to turn to the best possible use the feeders referred to and to encourage traffic both by quick despatch and by quoting through rates to Madras which would, to a great extent, counterbalance the disadvantages of break of bulk at the junctions of the broad and metre-gauge systems.

The large tract bound by the Southern Mahratta main line and the Bellary-Kistna Railway to the north, by the south-west line of the Madras Railway to the south, by the Coromandel Coast to the east, and the Malabar Coast to the west, might have been reasonably regarded as the proper field of labor of the Madras Railway Company; while the area south of the south-west line of the Madras Railway might continue to be assigned to the South Indian Railway Company. The intrusion of the Southern Mahratta Railway Company into the State of Mysore—which was placed in direct railway communication with the coast at Madras eighteen years before that Company was established—is an encroachment on the legitimate field of the Madras Railway Company that must militate against the commercial prosperity of Madras and contribute to the development of Marmagoa. The Chamber attaches importance to the fact that the Deputy Commissioner of the Bangalore district had occasion a few days ago to place on record his opinion that the transfer of the Mysore State Railway to the Southern Mahratta Railway Company, which was given effect to in July last, has not benefited the country or the railway. In the Chamber's opinion the transfer should have been made to the Madras Railway Company, in view to the eventual extension from Mysore to Coorg or the Wynaad. If the Madras line has to submit both to the shrinkage of traffic in Mysore and to the diversion of traffic from its north-west line, its prospects will be most seriously affected, and the presidency capital will inevitably sustain permanent injury. The Chamber, therefore, respectfully begs the Government to do what lies in its power to prevent the accomplishment of a mistake that its successors may have bitter cause to lament.

Extract No. 2.

From—The Secretary to the Board of Directors, Madras Railway.
To—The Agent and Manager, Madras Railway.
Dated—61, New Broad Street, London, 20th April 1888, No. 794.

Looking at the map which accompanies the Administration Report of the Public Works Department, Railway Branch, Madras, 1886–87, the Board observe that extensions are projected in various directions, the carrying out of which will, the Board apprehend, very materially affect the traffic of the Madras Railway. If it be determined to construct these contemplated lines by other agency than this Company, the Madras Railway will be exposed to competition on all sides, and, it is feared, may lose very heavily. The pecuniary interests of Government in this railway, no less than those of the Company, should be sufficient to ensure caution in proceeding with other lines which could seriously interfere with the development of the Madras line.

2. I am desired, therefore, to request your early and special attention to this question, and that you will submit it to the Government of Madras for their careful consideration, in the hope that the claims of this Company to the construction and working of any projected extensions on the metre gauge or otherwise within the territory which may be properly regarded as coming within the Madras Railway district may be favourably entertained.

3. Of the proposed lines described on the page prefixed to the Administration Report above quoted, the first on the list, viz., the Hindupur extension, to be prolonged, no doubt, eventually to Bangalore, seems to the Board to be one which is eminently within the province of the Madras Railway Company to undertake. * * * The Board very earnestly desire that the attention of the Government and of the military authorities may be invited to their proposal to undertake this line on the standard gauge, and trust that it will be viewed with favour.

* * * * *

5. There are other branches and extensions which this Company are desirous to undertake, and which, provided they had the management and control of them, they would be prepared to construct even on the metre gauge if preferred by the Government to the standard gauge. These are the surveyed line to Cochin from Shoranur, the extension from Palghat to Pollachi and Dindigul, a branch to the town of Salem and Namakal, and several others.

6. The Board would suggest that estimates be prepared both for the metre and broad gauges of such lines as, in your opinion, it will be desirable for this Company to undertake, it being understood that the standard gauge would be constructed at first in the lightest manner consistent with efficiency and economy in working.

7. The Board would be prepared also to take over the working of the line from Nellore to Tirupati, which traverses a region within the Madras Railway area rather than that of the South Indian Railway.

8. The extension of the broad gauge line to the military station of Cannanore has been under consideration, and also the realignment of the portion of the south-west line from Sholinghur to Mailpati so as to take in several important towns, but sufficient data are not yet to hand to show the probable financial results of these extensions.

* * * * *

Order—No. 852 Ry., dated 23rd June 1898.

His Excellency the Governor in Council will be glad to receive from the Chamber of Commerce, Madras, the Chamber of Commerce, Malabar, the Madras Railway Company, the South Indian Railway Company, and other public bodies who may be interested, an expression of opinion in regard to the question of Railway Policy referred to in the papers read above.

2. The Chamber of Commerce, Madras, is invited to a re-perusal of the correspondence of 1888, from which extracts are quoted in Appendix A of the Consulting Engineer's Note, dated 17th June 1898.

3. The Madras Railway Company are requested to direct particular attention to the stipulation made in paragraph 4 of the Government of India's letter No. 706 R.C., dated the 31st May 1898. The Agent, Madras Railway Company, should prepare the estimates asked for by the Government of India in paragraph 5 of their letter just quoted; and also a statement of the probable amount of traffic breaking bulk at Podanur, with, as a set off, a statement of the amount of traffic for which break of bulk will no longer be necessary.

4. As, for reasons connected with the progress of work after the monsoon on the Calicut-Cannanore Railway, it is very desirable that an early decision should be arrived at on this important question of Railway Policy, His Excellency in Council will be glad to receive the replies of those consulted at an early date.

[Here enter No. $\frac{15}{852\ Ry.}$, dated 23rd June 1898.]

(True Extract.)

Francis J. E. Spring,
Joint Secretary.

To the Chairman, Chamber of Commerce, Madras.
" " " " Malabar.
" Agent and Manager, Madras Railway.
" " " South Indian Railway.

Exd. C. Rajagopaul.

Government of Madras.

PUBLIC WORKS DEPARTMENT.

(Copy.)

Letter to the Right Honourable the Secretary of State for India.

No. $\frac{15}{852\ Ry.}$, dated 23rd June 1898.

Forwarding copies of further correspondence with the Government of India on the subject of the proposed metre-gauge policy for the Madras Railway and its extensions.

Note by the Examiner, Guaranteed Railway Accounts, Madras, on the Accounts for the Madras Railway system in the event of the Madras Government's proposals being agreed to.

I am of opinion that the accounts of the Madras Railway proper, as it now is, will still have to be kept intact, notwithstanding the conversion of 139 miles of it to the metre-gauge. All the conditions which apply to these 139 miles in regard to capital raised, capital outlay, interest, working expenses earnings, surplus profits, &c., are so bound up with the original contracts, that it would scarcely be feasible to separate the accounts of the 139 miles and amalgamate them with the rest, or rather part of the rest, of the proposed metre-gauge system.

2. I do not consider that the conversion will cause any difficulty in keeping the accounts of the present system intact, nor that there will be any such difficulties or complications in arranging for the accounts of the extended broad and metre-gauge system as to form the ground for objections to the proposals of the Madras Government.

3. The accounts of working expenses throughout will, I presume, be first amalgamated, and then simply distributed in proportion to gross earnings among the different sections, so that there will be no difficulty here. The capital outlay is easily kept separate for any sections into which it may be found necessary to divide the system; and though the necessity for dividing fares and freights, and for keeping separate accounts of earnings, for a large number of different sections, must cause some trouble, yet this is a state of affairs which must be expected to follow as a natural result of the multiplication of new branches in all directions, and I do not suppose that the number of sections on the proposed Madras Railway system, for which separate accounts will have to be kept, will be exceptionally large in comparison with many of the other great Railways of India.

4. For the combined broad and metre-gauge system of the Madras Railway as now contemplated, the following accounts would be required:—

(*a*) Madras Railway proper, 697 miles broad gauge, 137 miles metre-gauge. One complete set of capital and revenue accounts as at present.

(*b*) Three extensions on "Cannanore terms."

(1)	Calicut-Cannanore Extension ...		62	Miles, Metre gauge.
(2)	Dindigul-Podanur		118	„ „
(3)	Mettupalaiyam-Sattyamangalam.	25 miles	110	„ „
	Erode-Mysore Frontier	85 „		

For each of these separate capital accounts forms IV and V, revenue accounts form VIII, interest account form XVII, and surplus profits form XVI would be required. These might be given as subsidiary forms in the Madras Railway accounts proper, or separate accounts printed if subsequently found more convenient.

(*c*) Three Native State Lines worked by the Company—

(1)	Kolar Gold Fields Railway	10 miles	broad gauge.
(2)	Shoranur-Cochin (Cochin State Railway) ...	73 „	metre „
(3)	Mysore-Nangangod ... ... 15 miles	45 „	„ „
	Nangangod-Mysore Frontier ... 30 „		

For each of these a separate set of Capital and Revenue Accounts would be required.

5. In all, seven sets of Capital and Revenue Accounts at the most, which may not be considered very exceptional, as the Southern Mahratta Railway Company for years past have been keeping six separate accounts for their system.

6. It might be possible to amalgamate the Revenue Accounts of (*b*) (3) and (*c*) (3) as given above, by dividing *profits* of this combined section between the British and Mysore Governments under a special arrangement somewhat similar to that proposed for the British and Native State sections of the Tinnevelly-Quilon Railway. This would save some trouble in account keeping, and in dividing fares and freights in through booking on this combined section; but it would necessitate, I think, the British portion being undertaken at the direct cost of Government, instead of as an extension of the Madras Railway on "Cannanore terms," and is therefore not to be advocated as involving great delay in finding funds.

7. As regards the question of the allocation of the cost of conversion of the 139 miles of the Madras Railway, which may perhaps be estimated roughly at about two lakhs for the road alone, with perhaps 2 lakhs more for break of gauge accommodation at Podanur: I do not think there is much doubt about the latter item of 2 lakhs for break of gauge accommodation at Podanur, except in so far as any demolition, removal and reconstruction of existing buildings and works may be concerned; most of the accommodation would, I imagine, be purely additional, and this would be a fair Capital charge.

8. The item of 2 lakhs for conversion of the line is more doubtful. From an Accountant's point of view it would not seem correct to state the Capital Account of the 137 miles of converted line as standing at the amount of the original cost of its construction on the broad gauge *plus* the cost of converting subsequently to metre gauge; the cost of conversion of a more expensive form of construction to one of a less expensive nature would also, under ordinary principles, seem to be a proper charge to Revenue; but in the Secretary of State's Despatch laying down the principles of allocation to be followed on Indian Railways it is clearly recognised that cases involving exceptionally large outlay, which would, under ordinary rules, be a Revenue charge, must be specially considered and dealt with; and I think that as the conversion would in this particular case be a substantial improvement, there are strong grounds for a recommendation that the cost should be specially allowed to be treated as Capital outlay by the Government of India.

9. At the most the Government of India would probably not press for more than half the cost of the line's conversion being treated as a Revenue charge, and if in addition this were allowed to be distributed over, say three years, the burden on the Revenue Account would not be very heavy—that is not more than Rs. 15,000 to Rs. 17,000 a half-year for that period.

Order—No. 724 Ry., dated 14th May 1898.

The Government of India will be addressed.

No. 725 Ry.

From

FRANCIS J. E. SPRING, ESQ., C.I.E.,
Joint Secretary to the Government of Madras,
Public Works Department,
Railway Branch,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
PUBLIC WORKS DEPARTMENT.

DATED OOTACAMUND, 14th May 1898.

SIR,

With reference to my letters Nos. 527 Ry. and 613 Ry. dated respectively the 4th and 23rd April 1898, I am directed to forward for information a copy of a note prepared by the Government Examiner, Guaranteed Railway Accounts, Madras, on the system of accounting which will be necessary if the proposals contained in my letters above referred to are agreed to.

I have the honour to be,
Sir,
Your most obedient Servant,

FRANCIS J. E. SPRING,
Joint Secretary.

No. 765 Ry.

From

FRANCIS J. E. SPRING, ESQ., C.I.E.,
Joint Secretary to the Government of Madras,
Public Works Department,
Railway Branch,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
PUBLIC WORKS DEPARTMENT.

DATED OOTACAMUND, 27th May 1898.

SIR,

In continuation of the correspondence on the subject of change of gauge and metre gauge extensions of the Madras Railway, ending with my letter No. 725 Ry., dated the 14th May 1898, and with special reference to my No. 613 Ry., dated the 23rd April 1898, with which you were furnished with a copy of paragraph 15 of Madras Railway Company's letter to their Agent, No. 970, dated the 11th March 1898, I am now directed to forward a copy of a letter No. 9096/437, dated the 13th May 1898, from the Agent of the Madras Railway Company. In this letter the Agent interprets the intention of his Board to be that they would be prepared to consent to the conversion of the Podanur-Mettupalaiyam branch, 25 miles, to the metre gauge, if promised the construction and working hereafter, whenever decided on, of the Podanur-Dindigul and the Erode-Nanjangod branches with the Mettupalaiyam-Satyamangalam connection.

2. The Government of India have already been made acquainted with the reasons which have led this Government to the conclusion that it is right that, whenever the time arrives for making them, the Madras Railway Company and not the South Indian Railway Company should be given the working of the Podanur-Dindigul and the Erode-Nanjangod branches. Should these views commend themselves to the Government of India there would seem to be no reason why the Madras Railway Company should not be informed that their claim to these two extensions is definitely admitted, subject always to the agreement of the Mysore Government as regards the section of the Erode-Nanjangod-Mysore line lying within their territory. It appears likely that once they have been made acquainted with the opinion of the Government of India, that the two branches in question are looked upon as hypothecated to them, the Madras Railway Company would agree to at once carry out the conversion of the Podanur-Mettupalaiyam section.

3. In view of the approaching opening of the Mettupalaiyam-Coonoor metre gauge line, and of the practical certainty of its being worked by the Madras Railway Company, and of the importance to Government, its guarantors, that road competition should not have to be encountered, it seems very desirable that Podanur and not Mettupalaiyam should be the point where, from the very first, break of gauge will occur. So long as break of gauge, especially for goods, is at Mettupalaiyam, so long will the Nilgiri Railway be exposed to severe competition with carts. But competition will be practically rendered non-existent if break of gauge is made to occur at Podanur.

4. There is nothing in either the vehicles or the engines of the Coonoor line which would make it objectionable to run them on the converted Madras Railway, indeed the first few miles from Mettupalaiyam to Kullar are of a character similar to that of the converted Podanur-Mettupalaiyam section. There will be no difficulty in arranging terms between the two Companies for the use of the Nilgiri rolling-stock on the 25 miles of the Madras Railway. Indeed the Madras Railway Company will probably be glad of the chance of setting free the broad gauge stock now locked up on the branch.

5. The convenience to passengers of changing once for all into the metre gauge at Podanur will be very great, because at present the majority of them necessarily change there from the main to the branch line vehicles, and if the proposed conversion of the branch is carried out, the Podanur change will be the only one on the journey to the Nilgiris. The saving of the proposed expenditure, which has just been stopped in time, on the strengthening of the bridges on the branch, referred to in the Agent's letter, is worthy of consideration. The actual conversion, judging by the Bellary-Guntakkal case, can be very quickly and cheaply accomplished.

6. I am instructed to say that, in the opinion of His Excellency the Governor in Council, a decision in this matter need not wait upon the decision to be arrived at upon the large conversion and metre extension scheme of which this forms a very small part. It might have been dealt with on its own merits without being tied up with the Podanur and Nanjangod schemes. But the Madras Railway Company's Board apparently desire that it should stand or fall with the decision that may be arrived at in regard to these two projected branches. It might have been worth while to endeavour to induce the Company to separately deal with the Podanur-Mettupalaiyam conversion, on its own merits, as explained in my paragraphs 3, 4 and 5, had there been any question of the expediency of promising them the working, hereafter, of the Dindigul and Nanjangod branches. Indeed, even now, if the Government of India do not see their way to accepting without further explanation the views of this Government as to the propriety of promising these two branches to the Madras Railway Company, it might be advisable to endeavour to persuade the Company to consent to the immediate conversion of the Mettupalaiyam branch, for the reasons referred to in paragraphs 3, 4 and 5, and because it will be for their interest to do so.

7. But it is strongly recommended, for the reasons put forward in this Government's Consulting Engineer's Note on the general Railway programme, dated 1st May 1898, and adopted by this Government in paragraph 10 of my letter No. 689 Ry., dated the 4th May 1898, that permission be accorded to intimation being given to the Madras Railway Company that the Government of India concur with this Government in the opinion that their claim to work the Podanur-Dindigul and the Erode-Nanjangod lines, with the Satyamangalam-Mettupalaiyam link and the converted Podanur-Mettupalaiyam section, all on the metre gauge, is a reasonable claim, and that meanwhile, pending a decision being definitely come to as to when and how these extensions shall be undertaken, their suggestion to convert the Podanur-Mettupalaiyam section is agreed to, and they are recommended to carry out the conversion in time for the opening of the Nilgiri Railway for the reasons given in paragraphs 3, 4 and 5 of this letter. I am to add that there is reason to believe that they will readily adopt such a recommendation.

I have the honour to be,
Sir,
Your most obedient Servant,

FRANCIS J. E. SPRING,
Joint Secretary.

No. 706 R.C.

From

THE SECRETARY TO THE GOVERNMENT OF INDIA,
Public Works Department,

To

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

DATED SIMLA, 31st May 1898.

SIR,

I am directed to acknowledge receipt of your letter No. 527 Ry., dated 4th April 1898, inviting consideration by the Government of India of a very important change of policy in regard to the gauge of the Madras Railway and of projected lines connecting with it west of Erode, and suggesting that, if on careful consideration the Government of India are disposed to concur in the wisdom of the proposed policy, the whole programme should be laid before the Madras Railway through the Secretary of State with a promise that if they agree to adopt it their right to the construction and working of the Dindigul line and the branch to Mysore would be definitely recognised, and that they should be pressed to agree to the construction of the Calicut-Cannanore extension being at once proceeded with on the metre gauge.

2. The recommendations of the Madras Government are understood to rest mainly on the ground that the existence of the broad gauge system west of Erode constitutes an obstacle to the development of railway communication on the metre gauge which would suffice for the needs of the country to be served, and to the linking up of the South Indian and Southern Mahratta metre gauge systems, and that these difficulties cannot be removed without prejudice to the equitable claims of the Madras Railway Company except by their consenting to convert to the metre gauge so much of their system as would enable them to construct and work as part of it the extensions and connections for which the metre gauge is recognized as preferable or necessary.

3. In reply, I am to state that, while the Government of India appreciate the force of the arguments to which the Madras Government have lent the weight of their support, it seems necessary that the opinion of the mercantile bodies interested should be obtained and considered before so radical a step as the introduction of a break of gauge on a main line of communication between the east and west coasts of India is recommended to the Secretary of State.

4. I am to add that even if the policy of the change were accepted and the right of the Madras Railway to make the connection on the metre gauge between Erode and Nanjangod were recognised, it would be absolutely necessary that the two metre gauge systems to the north and south of the link should have running powers over it and that it is by no means clear that under these circumstances the Madras Railway Company would consider it worth their while to go to a large expense so near the possible termination of their contract in converting their broad gauge line for the sake of obtaining the right to make the link.

5. An estimate of the cost involved in the radical change of policy proposed, showing cost of conversion, provision of metre gauge rolling-stock, and the erection and equipment of the necessary workshops and transhipping stations would also be necessary before the Government of India could come to any decision, and until a decision in favour of the change of policy recommended has been arrived at it would obviously be impossible to press the Madras Railway Company to undertake the immediate construction of the Calicut-Cannanore extension on the metre gauge. There appears to be no other course open than to defer the prosecution of work on this line till the question is settled.

6. I am accordingly to request that, with His Excellency's permission, the opinions of the Madras and Malabar Chambers of Commerce and of any other representative bodies that may be interested in the question, and of the South Indian and Madras Railways may be invited, and transmitted together with the estimates referred to in paragraph 5 above, and any further expression of the views of the Madras Government which may seem to be called for.

7. To prevent possible misapprehension it will be desirable in making the necessary communication to the Madras Railway Company, to draw prominent attention to the condition stated above, paragraph 4, as necessarily attaching to any proposal that the link between the South Indian and Southern Mahratta Railways should be made as part of their system.

8. With regard to the projected Shoranur-Cochin Branch, which it is stated His Highness the Rajah of Cochin has a strong desire to make on the metre gauge, out of his own accumulated capital so far as it would go, and without direct financial aid from Government, I am to remark that the construction of this branch on the same gauge as that of the Madras Railway is perhaps hardly so essential as in the case of the Calicut-Cannanore line, and that a possible solution of the apparent difficulties of His Highness to finance the line entirely with his own capital might be to construct it on the 2 feet gauge, a course which would enable His Highness to become the entire owner without the necessity of borrowing, and at the same time would provide a railway quite adequate to the present wants of the country. It would be necessary, however, in case this suggestion should be adopted, to make such stipulations as would ensure that no difficulties would arise hereafter in the event of its becoming necessary to link up the branch with the metre gauge systems to the South and East.

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

F. R. UPCOTT,
Secretary.

No. 849 Ry.

From

FRANCIS J. E. SPRING, ESQ., C.I.E.,
Joint Secretary to the Government of Madras,
Public Works Department,
Railway Branch,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
PUBLIC WORKS DEPARTMENT.

DATED OOTACAMUND, 23rd June 1898.

SIR,

I am directed to acknowledge the receipt of your letter, No. 706 R.C., and in reply to inform you that steps shall at once be taken to obtain an expression of opinion, in regard to the important railway policy therein referred to, from each of the Railway Companies interested, as well as from Chambers of Commerce and other representative bodies. But as this will take some little time, I am desired to offer, meanwhile, the following remarks.

2. The fact of your referring only to my letter, No. 527 Ry., dated the 4th April 1898, and not to any of the subsequent letters on the same subject, marginally noted, and also your use of the words "west of Erode" in paragraph 2, instead of "west of Podanur", would apparently justify the presumption that the Government of India failed to appreciate that the suggestion made by the Madras Railway Company's Board of Directors, in their letter to their Agent, No. 970, dated the 11th March 1898, made it possible for this Government to so far modify its original proposal as to suggest Podanur instead of Erode as the most suitable point for break of gauge, thus making conversion unnecessary on the 60 miles between Erode and Podanur.

No. 540 Ry., dated 6th April 1898.
„ 613 Ry., dated 23rd „ „
Note for the Railway Conference of 1898 and letter, No. 689 Ry., dated 4th May 1898.
No. 725 Ry., dated 14th May 1898.
„ 765 Ry., „ 27th „ „

3. There is another matter to which I am instructed to invite particular attention, because a perusal of your letter now under reply would, in the opinion of His Excellency the Governor in Council, appear to indicate that the importance of the motives which have led this Government to advocate this particular railway policy has not been duly appreciated. The Erode-Nanjangod line has not been proposed for the sake of forming a metre-gauge link between the two great metre systems by which the Madras Railway is flanked. It, in common with the Podanur-Dindigul, the Cochin branch, and the Cannanore extension, have been pressed for in order that the main South-West line of the Madras Railway, which at present traverses a wide tract of country in the form, practically, of a feederless trunk, may be furnished with a suitable system of feeders, without which the commercial requirements of the country purporting to be served by the trunk line cannot be adequately met. The Erode-Mysore branch of the Madras Railway would certainly, but merely incidentally, form a connecting link between two metre-gauge systems, and this is an additional reason why it should be on the metre gauge; but the main reason is that, in the opinion of this Government, that gauge will quite suffice to handle any traffic that is ever likely to be attracted to it.

4. This Government, as at present advised, fails te see the reasonableness of the Government of India's stipulation that it be made a condition that the Southern Mahratta and South Indian Railways shall have running powers over the Erode-Mysore branch of the Madras Railway. There would appear to be no reason to anticipate any such flow of traffic between the two metre Companies' lines as cannot quite adequately be met, to the full satisfaction of traders, by the ordinary facilities afforded by through booking agreements and by the ordinary rules for interchange of rolling stock. The main object of the proposed Erode-Mysore branch of the Madras Railway is to bring into direct touch with the Madras Railway system, and of course through it with the South Indian Railway system, the trade of South Mysore which concentrates at, and is financed in, the city of Mysore. This question, however, of the necessity for granting running powers over this branch to foreign lines, shall be dealt with more fully in due course when enquiries about the course of trade, in connection with the policy under reference, shall have been more fully matured. As at present advised this Government sees no more reason for the grant of such powers than might be held to prevail in the case of many other links throughout India where running powers are not proposed to be granted.

5. You express the opinion that it is by no means clear that if running powers are granted to the Southern Mahratta and South Indian Railways over the Erode-Mysore branch, the Madras Railway Company would consider it worth their while to go to a large expense, so near the possible termination of their contract, in converting their broad gauge line for the sake of obtaining the right to make this branch. But in the first place what it is proposed to offer to the Madras Railway Company is not merely the Erode-Mysore branch, but the Podanur-Dindigul and Shoranur-Cochin branches also, as well as a connecting link between Mettupalaiyam and Satyamangalam, all forming, with the converted sections and the Nilgiri Railway, a *reseau* of metre-gauge lines, 577 miles in extent, and of a shape most suitable for economical working. This *reseau* it is proposed to offer them in lieu of the 173 miles of trunk, from Podanur to Cannanore, branchless except for its feeder to the Nilgiris.

6. It is proposed that, for the sake of securing these advantages, and they seem to His Excellency in Council to be well worth their securing, the Company should consent, first, to convert 137 miles of standard gauge line to metre, at a cost which may presumably be estimated at under 1½ lakhs for the road alone with an additional sum for transhipment arrangements; second, to incur the expense of metre-gauge rolling stock for some 550 miles of line; and, third, to build workshops and whatever may be necessary at Podanur for the upkeep of this metre-gauge rolling stock.

7. But it must not be forgotten that against these three items of expenditure must be set, at the credit side, the following savings: First, the very large reduction in the cost of the 62 miles of the Cannanore extension; second, the setting free, for use on the remainder of the broad gauge system, of the existing rolling stock of 137 miles of line to be converted; third, the saving which it will be possible to effect of the contemplated and at present urgently demanded extension of the main workshops of the Company at Perambur; fourth, the saving which will be secured by the proposed strengthening of certain bridges becoming unnecessary, and in its being found possible to utilize existing weak broad gauge girders on the projected metre-gauge branches. So far as can at present be judged, pending the preparation of estimates, the net results of these Capital items ought to work out very largely favourable to the Company.

8. Then, as regards the revenue side of the account, it appears to this Government that the cost of handling the comparatively small quantity of goods which must break bulk at Perambur will be far more than balanced by the saving accruing from the use of the metre gauge on a portion of the Madras Railway Company's system where the broad gauge is more than adequate for any present or future traffic requirements.

9. The actual need for continuity of gauge between the East and West coasts of India in the part of this Presidency which is traversed by the South-West section of the Madras Railway must not be gauged by the same measure as would be applied had a similar problem to be solved on the North-West line which connects Madras with Bombay or on the Peshawar-Kurrachee or the Calcutta-Bombay or even on the

Calcutta-Kurrachee connection. So far as can at present be judged, pending the completion of traffic analyses, the through traffic *viâ* Podanur between the East and West coasts is very small indeed. There is reason to believe that the interests of the Madras merchant in the trade of the West Coast and of the Malabar merchant in the trade of Madras, as measured in weight of goods dealt in, would be more than amply provided for by a daily train or two on a 2-feet gauge line. The flow of the bulk of the traffic is at present believed to be from Podanur and its neighbourhood towards both coasts and *vice versa*. Station to station traffic figures are being carefully analysed with a view to ascertaining the truth or otherwise of this surmise, and the results shall in due course be communicated.

10. As regards the reference, at the end of paragraph 5 of your letter under reply, to the advisability of the prosecution of work on the Cannanore extension being stopped until the question of its gauge shall have been settled, I am instructed to inform you that work on the first 26 miles is being prosecuted so far as is possible without prejudicing the gauge question, and that as much indeed is being done as is possible in the present state of the season. There has so far been no necessity to seriously obstruct progress, and a full measure of control over all work is retained.

11. As regards the remarks made about the Cochin line in your paragraph 8, I am directed to say that this Government do not consider it to be desirable to interfere in the exercise by His Highness the Rajah of Cochin of his own discretion in regard to the selection of the gauge for the railway which he is about to propose to construct entirely out of his own resources, and the more so in that His Excellency in Council concurs with His Highness the Rajah in the opinion that the metre gauge is in this case the right one.

I have the honour to be,
Sir,
Your most obedient Servant,

FRANCIS J. E. SPRING,
Joint Secretary.

RAILWAY.

Government {1898} of Madras.

PUBLIC WORKS.

Recd.	1898.	*Enclosures*
Regd.		*Spare copies*

G.O., No. 852 Ry., 23rd June 1898.

JUNE.

Madras Railway Metre Gauge Conversion and Extension Policy

Inviting an expression of opinion from the Chamber of Commerce, Madras, the Chamber of Commerce, Malabar, the Madras and South Indian Railway Companies, and other public bodies who may be interested, on the proposed —.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read again the following papers:—

G.O., Nos. 526–27 Ry., dated 4th April 1898.
" " 539–40 " " 6th " "
" No. 613 " " 23rd " "

Note by the Consulting Engineer for Railways.
Dated—1st May 1898.

From—The Agent and Manager, Madras Railway.
To—The Consulting Engineer for Railways.
Dated—13th May 1898, No. 9096/437.

G.O., Nos. 724–25 Ry., dated 14th May 1898.
" No. 765 " " 27th " "

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to Government of Madras, P.W. Dept., Railway Branch.
Dated—31st May 1898, No. 706R.C.

Note by the Consulting Engineer for Railways.
Dated—17th June 1898.

Extract from a letter from—The Chairman, Chamber of Commerce, Madras.
To—The Chief Secretary to Government.
Dated—2nd May 1888.

Extract from a letter from—The Secretary to the Board of Directors, Madras Railway.
To—The Agent and Manager, Madras Railway.
Dated—20th April 1888, No. 794.

ORDER—No. 852 Ry., dated 23rd June 1898.

His Excellency the Governor in Council will be glad to receive from the Chamber of Commerce, Madras, the Chamber of Commerce, Malabar, the Madras Railway Company, the South Indian Railway Company, and other public bodies who may be interested, an expression of opinion in regard to the question of Railway Policy referred to in the papers read above.

2. The Chamber of Commerce, Madras, is invited to a re-perusal of the correspondence of 1888, from which extracts are quoted in Appendix A of the Consulting Engineer's Note, dated 17th June 1898.

3. The Madras Railway Company are requested to direct particular attention to the stipulation made in paragraph 4 of the Government of India's letter No. 706 R.C., dated the 31st May 1898. The Agent, Madras Railway Company, should prepare the estimates asked for by the Government of India in paragraph 5 of their letter just quoted; and also a statement of the probable amount of traffic breaking bulk at Podanur, with, as a set off, a statement of the amount of traffic for which break of bulk will no longer be necessary.

4. As, for reasons connected with the progress of work after the monsoon on the Calicut-Cannanore Railway, it is very desirable that an early decision should be arrived at on this important question of Railway Policy, His Excellency in Council will be glad to receive the replies of those consulted at an early date.

[Here enter No. $\frac{15}{852 \text{ Ry.}}$, dated 23rd June 1898.]

(True Extract.)

FRANCIS J. E. SPRING,
Joint Secretary.

To the Chairman, Chamber of Commerce, Madras.
" " " " Malabar.
" Agent and Manager, Madras Railway.
" " " South Indian Railway.
"

Exd. C. Rajagopaul.

No. $\frac{15}{852\ \text{Ry.}}$, 23rd June 1898.

PUBLIC WORKS DEPARTMENT.

Letter—to

The Right Honourable the SECRETARY of STATE for INDIA.

My Lord,

In continuation of our despatch, No. $\frac{7}{613\ \text{Ry.}}$, dated the 23rd April 1898, we have the honour to forward, herewith, copies of our Proceedings noted in the margin, embodying further correspondence with the Government of India on the subject of the proposed metre-gauge policy for the Madras Railway and its extensions.

Nos. 724–25 Ry., dated 14th May 1898.
No. 765 „ „ 27th „ „
„ 849 „ „ 23rd June „
„ 852 „ „ 23rd „ „

We have the honour to be,

My Lord,

Your Lordship's most obedient, humble servants,

(Signed) A. E. HAVELOCK.
(„) H. W. BLISS.
(„) A. T. ARUNDEL.

Ootacamund,
23rd June 1898.

Exd. T. K. Narayana Aiyangar.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers:—

From the Consulting Engineer for Railways, dated Madras, 1st May 1888, No. 141.

From the Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 20th April 1888, No. 374.

I have the honor to call your attention to the railway map of the Madras Presidency prepared in your office and corrected up to June 1887, some copies of which you were good enough to send me. This map shows the railways which have been constructed in Southern India and proposed extensions which have been surveyed. Several of these proposed lines would, if carried out, seriously affect the traffic of the Madras Railway, and many of them lie entirely within what may fairly be considered as the legitimate field of operation of this company. I have, therefore, the honor to request that you will be good enough to favor me with some particulars concerning them for the information of my Board, whom I am about to address on the subject.

2. *Guntakal to Hindupur.*—The line joining the important military station of Bangalore with the trunk lines leading to the north should, I venture to think, as a matter of public policy, be made on the standard Indian gauge, so as to insure unbroken communication with the great arterial system of the empire. His Excellency Sir Charles Arbuthnot, Commander-in-Chief of Madras, informed me, during a recent conversation, that he attached great importance to this, and His Excellency Sir Frederick Roberts, Commander-in-Chief in India, has repeatedly urged the advantages of the broad gauge under such conditions.

3. So strongly was this felt in the case of the Bellary branch that the Government of India made the laying down of a third rail for the broad gauge one of the conditions upon which the Bellary branch was transferred to the Southern Mahratta Railway Company, whose system is on the metre gauge, and I learn by the last letter received from the Secretary of this Company (No. 793 of 23rd March) that the "Board have reason to know that the question of laying down the third rail on the Bellary branch is now engaging the attention of the Government of India." No proposition for the further extension of the Madras Railway system has recently been placed officially before my Board, but I have every reason to believe that they would be prepared to recommend the construction of a line from Bangalore to Guntakal as part of their present broad gauge system. This, as you are of course aware, was one of the directions in which it was originally proposed to make the Madras Railway, and I cannot think that the interests of the empire in connection with the chief line in this presidency will receive due consideration if sanction be given for the construction of the railway between Guntakal and Bangalore on the metre gauge. I have the honor to request that I may be favored with copies of the estimates and reports in connection with this line, regarding which I propose to address my Board by the outgoing mail.

4. *Nilgiri Railway.*—In a memorandum on the Madras Railway system, written by General Mullins, R.E., one of the Directors of this Company, and dated 28th March

1885, a copy of which was forwarded to you with letter No. 551, of 3rd August 1885, the proposed line up the Coonoor ghât was discussed at considerable length. General Mullins says in the opening paragraph of this portion of his memorandum, "endeavours have been made to float a special company to carry out this project, but hitherto without success, and it is probable that should the Madras Railway Company be inclined to take it up, there would be no difficulty in obtaining the concurrence of the promoters on payment of survey and connected expenses not exceeding a sum of Rs. 30,000." In a subsequent paragraph of the same memorandum General Mullins says: "It requires no argument to show that if this ghât line is to be made at all, it should be carried out by the Madras Railway, for no separate company could work it as economically or as conveniently."

5. In your letter, No. 655, of 7th November 1885, you mentioned that the period allowed to the Nílgiri-Rigi Railway Company under their new agreement for the formation of a company had been extended to the 1st March 1886, and that it was not then possible to say whether they would be successful or not in raising the required capital, but that should they fail to do so you had reason to believe that the Government would be willing to consider the proposal of the Board of Directors to construct a line out of the capital set free by the sale of the Bellary branch.

6. In a letter to the Agent, No. 756, of 18th December 1885, the Secretary, Madras Railway Company, stated that the above had been duly noted, and "if at the expiration of the extended period allowed to the above mentioned company, viz., 1st March 1886, they have not succeeded in raising the requisite capital, you will submit, on behalf of the Board, a proposition for the construction of the line in question with full details of its estimated cost and of the traffic that may be expected thereon.

7. At the expiration of the period named the Acting Agent wrote to you (letter No. 139 of 8th March 1886) asking for a further reply to his previous letter, and was then informed (letter No. 133 of 9th idem) that a new company styled "The Nílgiri Railway Compay, Limited" had been duly registered for the purpose of constructing a line of railway from Mettupálaiyam to Coonoor and that the intervention of the Madras Railway Company was not at present required.

8. I understand that Mr. Woolley has obtained a concession from Government to enable him to form a company to raise capital and make the line. I also understand that up to the present the required capital has not been subscribed. I shall be obliged if you can inform me of the general conditions of Mr. Woolley's concession, and especially how much longer time is allowed under his agreement for carrying out the work, as, in the event of his concession lapsing at an early date, it is probable that the Madras Railway Company would still be willing to make a line to Coonoor and Ootacamund in connection with their present system.

From the Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 27th April 1888, No. 411.

In continuation of my letter, No. 374, of 20th instant, on the subject of proposed railway extensions in this presidency, I have now the honor to call your attention to the Villupuram-Pakal and Pakal-Dharmavaram Railways, which are, I understand, proposed as part of the South Indian Railway system.

2. It is an admitted principle in State railway administration, and one to which I am told the present Director-General of Railways, India, attaches great importance, that when a moderate traffic only can be secured in a country, it is desirable to assign to each railway system its own territory so as to avoid a greater competition than the extent of the traffic will bear; a glance at the map will show how completely this principle has been ignored in the case of the proposed lines between Vellore and Guntakal junction, all of which lie within the legitimate working field of the Madras Railway.

3. The financial interests of the Government in the prosperity of this latter railway are very great, inasmuch as over ten millions sterling have been expended on its construction; the traffic which it can secure, especially on its north-west line, is much less than it can easily carry; then why introduce a competing line in a district which does not hold out any great commercial advantages? The answer to this question is that the proposed railway under notice is considered necessary for the protection of the country from the ravages of those terrible famines which every now and then occur, and to prevent which the State is bound, both from a humane and a financial point of view, to use every exertion, and to incur the heavy expenditure, by which alone such calamities can to a very great extent be reduced if not entirely averted.

4. But it may fairly be required that the Government when deciding upon the construction of "famine lines" should at the same time consider the commercial aspects of the question, and should endeavour to make such lines contribute to the general prosperity of the empire.

5. I would ask, has this been done in the present case? Referring again to the map it will be seen that if the proposed Guntakal to Hindupur line is carried out as part of the Southern Mahratta system, and the portion between Vellore and Dharmavaram is worked by the South Indian Railway, the result will be as follows. During certain seasons the traffic from Hindupur, Nandyál, and other places in this presidency, which should come to Madras, will be carried by the Southern Mahratta Railway to the Portuguese harbour of Goa. At other seasons, when the Goa harbour is closed, this traffic, as well as that brought by the Nellore-Tirupati Railway, will be carried *viâ* Villupuram to the French port of Pondicherry, so that the metre-gauge system, as at present proposed, is admirably fitted to divide traffic, which legitimately belongs to Madras, between the foreign ports of Goa and Pondicherry.

6. It may be thought at first sight that this is an exaggerated picture of the case, but I would remind you of the importance which the three following factors have in the settlement of the route by which goods travel:—

(1) Goods being sent through to their destination without break of bulk.
(2) Effect of through rates which managers can afford to quote for long mileage.
(3) The high port dues at the Madras harbour, which, it is said, are already driving trade to rival ports.

7. As I understand them the Government requirements are that a cheap railway should be constructed through a district exposed to famine, and that it should be so connected with the neighbouring railways and ports as to exert the maximum useful effect in times of scarcity.

8. All these objects would be gained if the portion of the railway under notice, which lies between Vellore and Dharmavaram, were constructed and worked by the Madras Railway Company. This would naturally involve the transfer of the Nellore-Tirupati line to the same agency.

9. In times of famine the proposed line would be just as useful as hitherto anticipated, whereas at other times the second factor which I have mentioned in para. 6 would operate as much in favor of Madras as in the interests of foreign ports, and undue competition would to a great extent be avoided.

10. The working of the broad and narrow gauge systems under the same administration has been successfully tried on the Bombay and Baroda Railway, and I have reason to believe that if the Government approve of the arrangement suggested in para. 8 of this letter, the company I have the honor to represent would be prepared to construct and work these lines on the metre gauge.

11. The question is now, I believe, under the consideration of the Secretary of State for India, with whom my Board are in communication; so I trust I shall be favored at an early date with the views of the Madras Government on the suggestions I have made, as prompt action is desirable if my proposals are approved.

Submitted for the orders of Government.

2. In reply to the first of the above letters the Agent has been supplied with a copy of the revised estimate for Hindupur extension and of the Nílgiri-Rigi contract.

3. With regard to the second letter the attention of Government is drawn to their undermentioned Proceedings :—

No. 425 R., dated 13th June 1887.
,, 261 R., ,, 28th Mar. ,,
,, 945 R., ,, 21st Dec. ,,

which embody the correspondence leading up to the terms of the engagements up to the present time entered into with the South Indian Railway Company.

ORDER—dated 11th May 1888, No. 396 R., Public Works.

His Excellency the Governor in Council is not prepared to reopen the question as to the agency by which the Villupuram-Pakal and Tirupati-Dharmavaram lines already assigned by the Secretary of State to the South Indian Railway Company shall be constructed.

2. As regards the representation made by the Agent of the Madras Railway in respect of the proposed line from Guntakal to Hindupur and its possible extension hereafter to connect with Bangalore, His Excellency in Council will be prepared to consider the views of the Board of Directors of the Madras Railway should they decide to address Government on the subject.

3. It will, however, be indispensable that a metre-gauge company shall have the full and free use of the line between Guntakal and Dharmavaram guaranteed to it.

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways.

Exd. J. Moses.
Spare Copies

RAILWAY.

Govt. of {1888} Madras.

PUBLIC WORKS.

Dated May, 11*th*.

Recd. *Encl.*

G.O., 11th May 1888, No. 396 R.

MAY.

Railway extension in the Madras Presidency

Declining to reopen the question as to the agency by which the Villupuram-Pakal and Tirupati-Dharmavaram lines should be constructed and expressing willingness to consider the views of the Madras Railway Board in respect of the proposed line from Guntakal to Hindupur and its possible future extension to Bangalore.

29TH MAY 1888, No. 429 R., PUBLIC WORKS.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

READ—the following letter from the Hon'ble S. R. TURNBULL, Chairman, Chamber of Commerce, Madras, to the Chief Secretary to Government, Ootacamund, dated Madras, 2nd May 1888 :—

I have the honor to bring to the notice of the Government that the Chamber has observed that His Excellency the Governor made some allusions, on the 23rd ultimo, at Salem, to questions connected with railway extensions in Southern India that are of peculiar interest to the Chamber. His Excellency admitted that the Government of Madras is suffering from the mistakes of its predecessors long gone by, since "those who made the alignment of the Madras Railway seem to have taken the precaution of avoiding all the populous centres as much as possible, and to have imagined that the line would pay better by passing through jungles instead of through towns." His Excellency expressed what is now the universal opinion in Madras, that it would have been better if the railway had not been kept four or five miles from large towns which it passes, as the very great difficulties which result from the present alignment would thus have been avoided. He added that in his official capacity he is not responsible for the making of railroads, as that subject is entirely controlled by the Government of India; but he gave utterance to the hope that his successors in office may be conceded a direct control over the railways in this presidency.

The Chamber has had abundant cause, from time to time, to lament the faulty alignment which was prompted by a nervous apprehension of large towns, and by what were regarded as strategic and economic considerations. The Madras Railway was to run through the most tranquil part of India; but the then recent cataclysm in Bengal caused those who traced it to subject the traffic that would be attracted to it to perpetual and costly inconvenience. The policy pursued was carried out notwithstanding frequent public protests; and the predictions at the time of critics whose minds were not warped by prejudice, that that policy would be fruitful of much embarrassment to the railway itself, to the Government, and to the public at large, have been fulfilled. Unfortunately, the mistake is one that cannot now be repaired at a cost which the Secretary of State could be reasonably expected to sanction; and the line must continue to suffer from causes over which it has no control, but for which the Government is confessedly responsible. The position must therefore be accepted, but the Chamber desires to respectfully suggest that the frank recognition of the unfortunate error of judgment of the over-ruling local authorities of upwards of a quarter of a century ago should tend to make the present Government peculiarly desirous of exerting the influence at its command to prevent any gratuitous addition to the serious drawbacks against which the Madras Railway has already to contend.

It is stated in the Report on the Administration of the Madras Presidency during the year 1886-87 that the South Indian Railway Company having expressed its willingness to take over the working of the Cuddapah-Nellore State Railway, an agreement has been drawn up by the Government to enable it to do so; and that the Company having offered to undertake the construction and working of the projected Tirupati-Dharmavaram and the Villupuram-Pákál lines, negotiations with that object are now proceeding.

It is, I trust, superfluous for me to state that the Chamber regards the two Railway Companies whose field of work lies within this presidency with the utmost impartiality; and that it is opposed to the idea of extending any invidious preference to either of them. There is room in the presidency for the full employment of both systems, and the Government appears to have succeeded hitherto in so apportioning the territory served by each that the extent of the work done by the two lines is now remarkably even. Thus, in 1886, the Madras Railway Company carried 6,374,718 passengers and the South Indian Railway Company carried 6,509,963.

The Chamber cannot, therefore, view with unconcern a policy that proposes to allow the southern Company to intrude upon and divert, by preferential rates or otherwise, the traffic obtainable in what has hitherto been considered the special territory of the northern Company, and to encourage that traffic to find its outlet either at the French port of Pondicherry or the British port of Negapatam, instead of at its more natural destination, namely, the port of Madras, at which a harbour is now being constructed at great cost to the State. The Chamber has been committed, since 1873, to the opinion that the trade of this port is capable of yielding, without undue pressure, a revenue in harbour dues sufficient to pay interest at the rate of 4 per cent. per annum on a capital expenditure of £565,000; but if the negotiations under reference are carried out as originally proposed, the Chamber will be compelled to modify its opinion of the revenue prospects of the harbour.

The comparatively inconsiderable results in the earning of interest on capital of the two railway systems that divide between them the main arteries of traffic in this presidency are justly attributed in the Madras Manual of Administration to geographical disadvantages, the want of great staples of commerce, and the poverty of the people. It is believed by the Government that the same drawbacks will apply to almost all extensions, but it is anticipated that "some of the shorter lines will without doubt become valuable feeders of the existing railways; while others, of a purely local character, may also be expected to yield fair returns." It must have been contemplated when these words were written that the extensions alluded to would become the feeders of the railway lines in their immediate vicinity; and it does not seem to have been intended that extensions close to the west of the north-west line of the Madras Railway would be converted into feeders of the South Indian line, any more than that extensions in Madura and Tinnevelly would be utilised as feeders to the Madras Railway.

The completion of the metre line of the Southern Mahratta Railway from Guntakal to the Portuguese port of Marmagoa is already tapping much of the cotton and other traffic of the Bellary district which has hitherto been brought by the Madras Railway for shipment to Madras; and the construction of a metre-gauge line from Guntakal *via* Dharmavaram to Hindupur—whence an extension to Bangalore may be considered as only a question of time—and from Dharmavaram, Pákál, Vellore, and Villapuram, and the connection at Guntakal with the Southern Mahratta and the Bellary-Kistna lines, and at Pákál with the Nellore State Railways, must tend to divert the traffic of Kurnool, Anantapur, Cuddapah and North Arcot from the Madras to the Southern Mahratta and South Indian lines. The result to the Madras Railway is likely to be disastrous. It is believed that that railway is capable, as at present constructed and equipped, of dealing with double the amount of the traffic that now reaches it on the north-west line; but the traffic is not available, for the country that it traverses is to a great extent poor, and the distances from the line to some centres of rural activity are very great. The Madras Government has recognised the great saving to the State from

having all mails carried free, and all troops, &c., carried at reduced rates; and has admitted that the railways of this presidency have made an enormous indirect return to the country at large, and contributed greatly to progress in every direction. But the Government of India has marked its sense of the failure of the Companies to earn the guaranteed interest by refusing to allow the executive the benefit of a Provident Fund until that interest has been obtained. Thus, in a very practical manner, which comes home to all the officers of both Companies, the Supreme Government holds them personally responsible for the natural operation of local conditions over which they have no control. It would be but equitable, therefore, if the Government declined to permit undue intrusion into the field of labor of either Company, and endeavoured so to arrange its famine lines that no injury should be done to the export trade of the country, or to the traffic of the railway within whose sphere of influence the proposed extensions lay.

The Chamber is not in a position to state that the Board of Directors of the Madras Railway Company is prepared to accept the responsibility of constructing or working metre-gauge extensions as adjuncts to, or feeders of, its broad-guage system; but it entertains the confident belief that the Directors will not be slow to avail themselves of the opportunity of doing so, if the proposal is made to them; for they must be exceedingly anxious to remove the reproach that attaches to their line on account of the heavy charge for interest that it still entails on the State; and they must sympathise with the desire of the Chamber to see Madras increase, rather than decrease, in commercial importance.

The Chamber does not forget that the acceptance by the Madras Railway Company of the charge of the extensions in the Anantapur, Cuddapah, North Arcot, and Nellore districts would involve break of bulk at Guntakal, Tirupati, Vellore, &c. But the inconveniences arising from break of bulk should be minimised when the transfer of traffic is effected by the servants of one Company. His Excellency the Governor stated at Salem that he had seen, "with great pain," when an agricultural show was lately held at Bellary, that the Southern Mahratta line "did not give to passengers and to owners of goods, animals, and grain, the facilities they required, and which they thought they were entitled to," whereas those responsible for the Madras Railway traffic during the show at Salem had not only done their best to accommodate the passenger and goods traffic, but had "done much more than was originally expected of them." It would manifestly be to the interest of the Madras Railway Company to turn to the best possible use the feeders referred to and to encourage traffic both by quick despatch and by quoting through rates to Madras which would, to a great extent, counterbalance the disadvantages of break of bulk at the junctions of the broad and metre gauge systems.

The large tract bound by the Southern Mahratta main line and the Bellary-Kistna Railway to the north, by the south-west line of the Madras Railway to the south, by the Coromandel Coast to the east, and the Malabar Coast to the west, might have been reasonably regarded as the proper field of labor of the Madras Railway Company; while the area south of the south-west line of the Madras Railway might continue to be assigned to the South Indian Railway Company. The intrusion of the Southern Mahratta Railway Company into the State of Mysore—which was placed in direct railway communication with the coast at Madras eighteen years before that Company was established—is an encroachment on the legitimate field of the Madras Railway Company that must militate against the commercial prosperity of Madras and contribute to the development of Marmagoa. The Chamber attaches importance to the fact that the Deputy Commissioner of the Bangalore district had occasion a few days ago to place on record his opinion that the transfer of the Mysore State Railway to the Southern Mahratta Railway Company, which was given effect to in July last, has not benefited the country or the railway. In the Chamber's opinion the transfer should have been made to the Madras Railway Company, in view to the eventual extension from Mysore to Coorg or the Wynaad. If the Madras line has to submit both to the shrinkage of traffic in Mysore and to the diversion of traffic from its north-west line, its prospects will be most seriously

affected, and the presidency capital will inevitably sustain permanent injury. The Chamber, therefore, respectfully begs the Government to do what lies in its power to prevent the accomplishment of a mistake that its successors may have bitter cause to lament.

ORDER—dated 29th May 1888, No. 429 R., Public Works.

His Excellency the Governor in Council desires to thank the Chamber of Commerce for submitting their views upon the probable results of the proposed metre-gauge extensions in this presidency, and has given to their letter the careful consideration which any communication from a body so favorably situated and competent to inform the Government on the matter referred to unquestionably demands.

2. His Excellency observes that the prediction of the Chamber that trade will be encouraged to find its outlet elsewhere than at Madras is based upon the assumed power of the South Indian Railway to quote preferential rates.

3. The Chamber were evidently, at the time of writing this letter, unaware that the subject of "undue preference," as exercised through preferential rates, has recently received the serious consideration of the Government of India, with the result that rules have been introduced, which, whether accepted or not by the Companies protected from control by their existing contracts, will certainly, in the case of all new lines yet to be constructed, be embodied in the terms and conditions of their transfer to Companies, and will effectually prevent the abuse of power from which the Chamber predict results injurious to the trade of Madras.

4. His Excellency cannot doubt that, in the absence of any inducement to traffic through the exercise of undue preference to leave the shorter route to the coast, the harbour of Madras will, unless burdened by exorbitant charges, outweigh such of the impediments due to a single break of gauge as are inevitable, and will secure to Madras the export trade to which its geographical position is so distinctly favorable.

5. It is impossible to foresee what may be the effect hereafter of these metre-gauge extensions upon the country they were designed to serve, but it is indisputable that they can neither deprive the Madras Railway of any considerable existing export trade, nor can they develop, in the immediate future, trade of such importance as to warrant any measure that would impair their famine protective functions. On the other hand, it is hardly open to question that both the Madras Railway and the Madras Harbour will share in the augmented local trade which the opening of over 500 miles of additional railway in connection with them cannot fail to encourage.

6. In conclusion, His Excellency would remind the Chamber that the metre-gauge extensions to which their letter refers were not projected under a belief that they would prove remunerative, but mainly with the object of establishing between the districts liable to recurring famine and the nearest food supply the freest possible means of communication. The question therefore for the Government to consider is not how these lines can be best made to serve the interests of Madras, nor how railway communication can be provided and worked at the least cost to Government, but rather how such communication can be made most effective in times of scarcity or famine.

7. His Excellency sees no reason to doubt that the maximum efficiency of the lines in question for the purpose which alone justified their construction will be secured by encouraging the freest possible competition between the various sources of supply and by interposing as few impediments as possible between the food supply and its destination. It seems obvious that this desirable result will not be promoted by placing these narrow-gauge lines under the management of a Company whose interest would lead them to do all in their power to force traffic upon their own broad-gauge line.

8. The letter of the Chamber of Commerce together with the above observations will be forwarded to the Government of India and to the Secretary of State for consideration and with a view to undue preference being effectively guarded against in the terms hereafter to be made with the South Indian Railway.

(True Extract.)

(Signed) W. H. COAKER, Major, R.E.,
Ag. Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Chamber of Commerce, Madras.
" Consulting Engineer for Railways.
" Public Department.
" Revenue "

Exd. E. Fernandez.

RAILWAY.

Govt. of {1888} Madras.

PUBLIC WORKS.

Issued

Recd. *Encl.*

G.O., 29th May 1888, No. 429 R.

MAY.

Famine Protective Lines

Orders on letter from the Chamber of Commerce offering certain suggestions on the agency by which the — to the north of the Madras Railway should be constructed and worked.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers :—

From the Consulting Engineer for Railways, dated Madras, 16th May 1888, No. 155.

From FRANCIS B. HANNA, Esq., Agent and Manager, Madras Railway Company, to the Consulting Engineer for Railways, dated Madras, 11th May 1888, No. 466.

I have the honor to forward a copy of a letter No. 794, of 20th April, which I received by last mail from the Secretary of the Madras Railway Company.

2. In the first paragraph the Board call attention to railway extensions that are projected in various directions, and express the fear that, unless these are carried out by the company, the Madras Railway will lose heavily.

3. In the next paragraph I am directed to submit this question to the Government of Madras for their careful consideration, in the hope, that the claims of this company to the construction, and working of any projected extensions, in the territory which may be properly regarded as coming within the Madras Railway district, may be favorably considered.

4. Attention is next directed to the proposed line between Guntakal and Bangalore, which seems to the Board to be one which is eminently within the province of the Madras Railway Company to undertake. This line is mentioned in my letter No. 374, of 20th April, and at the meeting of Council on 4th instant, at which I had the honor to be present, His Excellency the Governor requested me to send in further particulars in support of this company's claim for its construction and working, together with such figures bearing upon the question as could be obtained. This additional information is now being collected.

The Board very earnestly desire that the attention of the Government, and of the Military authorities may be invited to their proposal to undertake this line on the standard gauge, and trust it will be viewed with favor.

5. In para. 5, the Board express their desire to undertake the construction and working of other branches and extensions, and state that they are prepared to make these on the metre gauge if the Government prefer this to the standard gauge. They mention the following :—

Shoranur to Cochin ; Pálghat by Polláchi to Dindigul ; Suramangalam by Salem to Námakal, "and several others."

6. The Board suggest that estimates be prepared both for the metre and broad gauges of such lines as, in my opinion, it will be desirable for this company to undertake, it being understood that if made on the standard gauge, they would be constructed in the lightest manner consistent with efficiency and economy in working.

7. In compliance with the orders of the Board, I propose to submit estimates for the following lines :—

(i) From Bangalore to Guntakal, broad gauge.

(ii) From Suramangalam by Salem, Námakal, Karúr, Dindigul and Polláchi to Pálghat. This may be on either the metre or standard gauge as Government prefer, and upon their decision on this point will depend the alignment I would suggest for the extensions to Cochin and Tellicherry, as I consider these should be on the same gauge and form part of the same system as the line through Dindigul.

8. It will be seen that, by this proposal, the town of Salem will be given the railway communication, to which His Excellency the Governor attaches so much importance, and that all the branches named by the Board will be united into one system, by which means the working will be greatly facilitated. You will remember that, in a conversation I had with you early in March, the line from Pálghat to Dindigul was mentioned as a possible extension of the Madras Railway, and more recently it was suggested that the branch to Salem might be extended to Námakal. I trust, therefore, the system now proposed will meet with your full approval and that of the Madras Government.

9. In view to the submission of the estimates just mentioned, I have the honor to request that I and the Chief Engineer may be afforded an opportunity of examining the plans and sections of the line from Guntakal to Hindupur, which has been already surveyed, and the estimate for which you have been good enough to send me; also the plans and sections of the line from Pálghat to Dindigul, and I shall be much obliged if you can give me two copies of the estimate for this latter line.

10. So far as I am aware, the lines from Bangalore direct to Hindupur and from Salem to Dindigul have not yet been surveyed, so I request that I may be authorised to depute an experienced engineer to examine these lines and to report upon them, and also to have such sections, &c., made as will enable the Chief Engineer to furnish the estimates ordered by the Board.

11. It will facilitate matters if Government can now decide whether the proposed Dindigul system should be made on the broad or metre gauge; but if this be regarded as a question which depends upon a comparison of the estimates rather than upon the broader basis of State policy, then I shall submit estimates for both systems.

ENCLOSURE.

From JULIAN BYRNE, Esq., Secretary to the Board of Directors, Madras Railway Company, to the Agent and Manager, Madras Railway Company, dated 61, New Broad Street, London, 20th April 1888, No. 794.

Projected extensions in Madras Presidency.

Looking at the map which accompanies the administration report of the Public Works Department, Railway Branch, Madras, 1886-87, the Board observe that extensions are projected in various directions, the carrying out of which will, the Board apprehend, very materially affect the traffic of the Madras Railway. If it be determined to construct these contemplated lines by other agency than this company, the Madras Railway will be exposed to competition on all sides, and, it is feared, may lose very heavily. The pecuniary interests of Government in this railway, no less than those of the company, should be sufficient to ensure caution in proceeding with other lines which could seriously interfere with the development of the Madras line.

2. I am desired, therefore, to request your early and special attention to this question, and that you will submit it to the Government of Madras for their careful consideration, in the hope that the claims of this company to the construction and working of any projected extensions on the metre gauge, or otherwise, within the territory which may be properly regarded as coming within the Madras Railway district, may be favorably entertained.

3. Of the proposed lines described on the page prefixed to the administration report above quoted, the first on the list, viz., the Hindupur extension, to be prolonged, no doubt, eventually to Bangalore, seems to the Board to be one which is eminently within the province of the Madras Railway Company to undertake. The direct connection of the important city and military station of Bangalore with Bombay and Calcutta, by means of a chord line on the standard gauge from the junction at Guntakal, seems to the Board to be a necessary completion of the main arterial railway system of India. To construct this extension by an agency distinct from the Madras Railway Company would not only very seriously affect the traffic revenue of the Madras Railway, but if done on the metre gauge, would interfere with the political and

military value of the communication. The Board very earnestly desire that the attention of the Government and of the military authorities may be invited to their proposal to undertake this line on the standard gauge, and trust that it will be viewed with favor.

4. The Board would refer to the opinion expressed on the question of gauge by the Select Committee on Indian Railways in their report of 1884, para. 21, page 10, as being applicable to this case.

With regard to the question of gauge, your Committee are of opinion that all the leading trunk lines, with their principal feeders, should be on the broad gauge, the metre gauge being, as a rule, confined to tracts of country where that system is already in successful operation, and to local lines where the traffic is likely to be so light that cheapness of construction more than counterbalances the undoubted disadvantage of break of gauge.

5. There are other branches and extensions which this company are desirous to undertake, and which, provided they had the management and control of them, they would be prepared to construct even on the metre gauge, if preferred by the Government to the standard gauge. These are the surveyed line to Cochin from Shoranur, the extension from Pálghat to Polláchi and Dindigul, a branch to the town of Salem and Námakal, and several others.

6. The Board would suggest that estimates be prepared both for the metre and broad gauges of such lines as, in your opinion, it will be desirable for this company to undertake, it being understood that the standard gauge would be constructed at first in the lightest manner consistent with efficiency and economy in working.

7. The Board would be prepared also to take over the working of the line from Nellore to Tirupati, which traverses a region within the Madras Railway area, rather than that of the South Indian Railway.

8. The extension of the broad-gauge line to the military station of Cannanore has been under consideration, and also the re-alignment of the portion of the south-west line from Sholinghur to Mailpati, so as to take in several important towns, but sufficient data are not yet to hand to show the probable financial results of these extensions.

9. The capital at present standing to the credit of the company will be expended in completing the several large bridges on the north-west line and other sanctioned works. But there still remain, under the company's Act of Parliament, 17 Vic., Session 1854, borrowing powers to the extent of some three millions sterling, and the Secretary of State might, the Board hope, be disposed to authorise the issue, from time to time, of debentures for the construction of such extensions as may be shown to be desirable, and which have received the approval and sanction of the Government in India.

Submitted for the consideration and orders of Government.

Note by His Excellency the Commander-in-Chief, dated 22nd May 1888.

In the Office Note the Joint Secretary to Government presumes that the recommendations of a committee held in 1883 and accepted by the Government of the day will be adhered to. But surely the changes which have taken place in the five years which have since elapsed may be held to justify a change in opinions then formed. The Government of India is, I believe, now far more alive than it was five years ago to the necessity of being enabled to transport troops to our north-west frontier with the least possible delay; and it is, I should hope, probable that the proposal of a standard gauge line direct from Bangalore to Guntakal, thereby placing the large garrison at the former place in direct communication without break of gauge with Bombay and the North of India, would receive more favorable consideration now than then.

Small a matter as it may be, it is an imperial question, and should, in my opinion, be referred to the Government of India.

The proposed branches of the Madras Railway to Cochin and Tellicherry should doubtless be on the standard gauge, especially the former, as it is possible that Cochin may yet become the more important port in Southern India.

As regards other proposed lines, I have not the necessary local knowledge to enable me to form an opinion. I would therefore only say that all due consideration should be given to the claims of the Madras Railway, to save it, as far as possible, from the loss likely to arise from surrounding it with metre gauge lines of other companies and so depriving it of all power of extension.

Order—dated 7th June 1888, No. 467 R., Public Works.

The Board of Directors of the Madras Railway, in paras. 1 and 2 of their letter, dated 20th April 1888, express a fear that the metre gauge lines projected between Vellore and Guntakal to meet famine requirements will, if constructed by other agency than that company, be detrimental to its interests; and they offer to construct and work any such extensions on the metre gauge or otherwise.

2. The letter also contains suggestions for certain extensions and branches which might be made in connection with the present south-west line of the Madras Railway, and the Agent and Manager is directed to submit definite proposals for the consideration of Government.

3. With reference to paras. 1 and 2 of the Board of Director's letter, their attention will be invited to the Proceedings of Government, No. 396 R., dated 11th May 1888, in which the Government state that they are not prepared to re-open the question as to the agency by which the Villupuram-Pakal and Tirupati-Dharmaveram lines shall be constructed.

4. The lines proposed by the Agent and Manager to meet the views of the Board of Directors are—

(i) Bangalore to Guntakal.
(ii) Salem to Dindigul, *viâ* Námakal and Karúr.
(iii) Pálghat to Dindigul.
(iv) Calicut to Tellicherry or Cannanore.
(v) A branch to Cochin.

5. Mr. Hanna advocates a broad gauge for the line from Bangalore to Guntakal, and this is supported by His Excellency the Commander-in-Chief on military grounds. For famine purposes, however, as pointed out in the Proceedings already referred to, it is essential that there should be metre gauge connection between Guntakal and Dharmaveram, and the continuation of the metre gauge beyond Dharmaveram would offer greater facilities for the supply of grain to South Anantapur and Bangalore. The interposition of only a broad gauge from Guntakal to Dharmaveram between two metre gauge systems would be a fatal error, and a mixed gauge for a distance of 63 miles would be so expensive to construct and inconvenient to work, that His Excellency the Governor in Council sees no alternative but to decide in favor of the metre gauge for the whole distance from Guntakal to Hindupur and eventually to Tumkúr. The Note by His Excellency the Commander-in-Chief will be communicated to the Government of India as an expression of his opinion upon the military question, but it must be borne in mind that the broad gauge system of the Madras Railway is already connected with Bangalore *viâ* Arkónam, and the direct connection of Bangalore with Guntakal; *viâ* Tumkúr, will afford an additional and alternative route. In view of the decision now arrived at, no useful purpose would be served by the preparation of plans and estimates for a line from Bangalore to Guntakal on the broad gauge, but it is most unlikely that any such line could be made remunerative.

6. The Government consider that a line from Salem to Dindigul is not required, but there is no objection to the investigation of a branch from Salem to Námakal, and the preparation of preliminary plans and estimates, should the results of such investigation prove satisfactory.

7. The surveys and estimates of the proposed line from Pálghat to Dindigul will be handed over to the Agent and Manager, in view to the preparation of approximate estimates on the broad gauge, but no expenditure should be incurred in making further surveys. If this line be constructed by the Madras Railway, it should, in the opinion of Government, be on the broad gauge, the break of gauge being at Dindigul instead of at Pálghat. There is no doubt that such a line is desirable, and the only question is whether it is likely to pay.

8. The Agent and Manager will be authorised to arrange for the examination of the country between Calicut and Cannanore, but before a survey is undertaken a definite sanction to the necessary outlay should be obtained. This extension would naturally be on the broad gauge.

9. With regard to the proposed branch to Cochin, it is observed that a survey for this was made by the Madras Railway so long ago as 1869, but the company then declined to undertake the work. This survey will no doubt furnish all the information needed to place the scheme once more before Government. In 1879–1883 attempts were made by a London company to raise funds for the construction of this branch, but these failed in spite of the assistance promised by the Governments of Travancore and Cochin. The same assistance may probably be anticipated at the present time in the event of it being decided to construct the branch.

10. In making the investigations which are now authorised, it must be understood that any expenditure beyond the ordinary establishment of the Madras Railway will require the special sanction of Government.

(True Extract.)

(Signed) W. H. COAKER, Major, R.E.,
Ag. Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways.

Letter—to the Secretary to the Government of India, Public Works Department, dated Ootacamund, 7th June 1888, No. 468 R.

I am directed to forward, for the consideration of the Government of India, copy of Proceedings of this Government, No. 467 R., dated 7th June 1888, regarding certain extensions of the Madras Railway proposed by the Board of Directors of that company.

2. These extensions may be briefly stated as follows:—

(i) Bangalore to Guntakal.
(ii) Salem to Dindigul, *viâ* Námakal and Karúr.
(iii) Pálghat to Dindigul.
(iv) Calicut to Cannanore.
(v) Branch to Cochin.

3. With regard to the first of these lines, I am to forward a Note by His Excellency the Commander-in-Chief advocating, on military grounds, the construction of a broad gauge line from Bangalore to Guntakal. The arguments in favor of a metre gauge line, which commend themselves to His Excellency the Governor in Council, will be found in the Proceedings, and considering that there is already broad gauge communication with Bangalore, while a metre gauge line to Guntakal would still further assist in the transport of troops, it does not appear that a second broad gauge connection is called for. It must be remembered that but for the question of protection against famine, the line from Bangalore, or Tumkur, to Guntakal would not be contemplated for many years to come. There would, however, be a saving of about 230 miles by a direct broad gauge line from Guntakal as compared with the route *viâ* Arkónam.

4. The Agent and Manager, Madras Railway, has been authorised to undertake a preliminary investigation of the following lines:—

(i) Salem to Námakal.
(ii) Calicut to Cannanore.

The first of these would afford railway communication to the town of Salem, which is now four miles distant from the station of that name, and I am to say that His Excellency the Governor in Council attaches much importance to this connection. The extension of the branch to Námakal would serve a portion of the Salem district, which is cut off from the South Indian Railway by the Cauvery river, and would not be reached by the projected famine line from Villupuram on the South Indian Railway to Salem. The total length would be about 35 miles.

5. The extension of the Madras Railway to Cannanore was recommended to the Government of India in 1868, and now that the expensive portion as far as Calicut has been constructed, the arguments in favor of its further extension appear to His Excellency the Governor in Council to possess greater force.

(Signed) W. H. COAKER, Major, R.E.,
Ag. Joint Secy. to Govt., P.W.D.,
Railway Branch.

Exd. F. R. Bantleman.
Spare Copies

RAILWAY.

Govt. of {1888} Madras.

PUBLIC WORKS.

Dated June, 7th.

Recd.

Encl.

G.O., 7th June 1888, Nos. 467, 468 R.

JUNE.

Madras Railway

Forwarding, with remarks, copy of Proceedings on proposals of the Board of Directors of the Madras Railway Company regarding certain extensions of the —.

31 Aug 1

18TH AUGUST 1888, No. 676 R., PUBLIC WORKS.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers:—

Despatch from the Right Honorable VISCOUNT CROSS, Her Majesty's Secretary of State for India, to His Excellency the Right Honorable the Governor in Council, Fort St. George, dated India office, London, 12th July 1888, No. 3, Railway.

[*Construction and working of famine protective lines in Madras Presidency*].

I have received Your Excellency's Railway letter No. 9 of 29th May 1888, forwarding copies of the Proceedings of your Government in connection with certain communications from the Madras Chamber of Commerce and the Agent and Manager of the Madras Railway Company advocating the claims of that Company to share in the construction and management of the proposed famine protective lines in the Madras Presidency.

2. I gather from these papers that your Government concurs in the policy of entrusting the construction and working of the Villupuram-Pakal and Tirupati-Dharmavaram lines to the South Indian Railway Company as the best means of securing "the freest possible communication between the districts subject to famine and the various sources of food supply," but "as the Madras Railway might be unduly prejudiced by the quotation of preferential rates to ports on the South Indian system," you suggest that undue preference should be effectually prevented in any contract that may be entered into.

3. The views expressed by Your Excellency's Government on this point shall not be overlooked, should arrangements be made with the South Indian Railway Company for carrying out the lines in question, and in that event also due care will be taken to reserve sufficient control over the rates and fares in the hands of the Secretary of State.

4. In connection with this subject I forward, for your information, copy of a despatch * which I have addressed to the Government of India relative to the passing of the "South Indian Railway (Additional Powers) Act, 1888," and the measures which should be taken for the construction of the Tirupati-Dharmavaram and Pakal-Villupuram lines.

* No. 60, Railway, dated 7th June 1888.

ENCLOSURES.

Despatch from the Right Honorable VISCOUNT CROSS, Her Majesty's Secretary of State for India, to His Excellency the Right Honorable the Governor-General of India in Council, dated India office, London, 7th June 1888, No. 60, Railway.

[*South Indian Railway: possible extension. Claims of Madras Railway Company*].

In pursuance of the intimation conveyed to you by my Railway despatch No. 119, dated 10th November 1887, I have now to inform you that an Act * has been passed, entitled the "South Indian Railway (Additional Powers) Act, 1888," by which Act the South Indian

* 12 copies sent by book post.

Railway Company is enabled to extend its system and to enter into arrangements with Government for taking over and working the existing Cuddapah-Nellore State line, and constructing and working the suggested Tirupati-Dharmavaram and Pakal-Villupuram sections.

2. The Board of the Company have applied to be informed what measures should be taken for carrying out such portions of the projected lines as it is thought desirable to undertake; and I request, therefore, that I may be furnished with the views of Your Excellency's Government on this application.

3. I take this opportunity of drawing the attention of your Government to a communication addressed by the Board of the Madras Railway Company to their Agent in India, No. 794, dated 20th April 1888, copy of which is herewith forwarded, setting forth the views of that Board in respect to their agency being also employed in the extension of certain railways in Southern India.

From JULIAN BYRNE, Esq., Secretary to the Board of Directors, Madras Railway Company, ot the Agent and Manager, Madras Railway Company, dated 61, New Broad Street, London, 20th April 1888, No. 794.

Looking at the map which accompanies the Administration Report of the Public Works Department, Railway Branch, Madras, 1886-87, the Board observe that extensions are projected in various directions, the carrying out of which will, the Board apprehend, very materially affect the traffic of the Madras Railway. If it be determined to construct these contemplated lines by other agency than this Company, the Madras Railway will be exposed to competition on all sides, and, it is feared, may lose very heavily. The pecuniary interests of Government in this railway, no less than those of the Company, should be sufficient to ensure caution in proceeding with other lines which could seriously interfere with the development of the Madras line.

2. I am desired, therefore, to request your early and special attention to this question, and that you will submit it to the Government of Madras for their careful consideration, in the hope that the claims of this Company to the construction and working of any projected extensions on the metre gauge or otherwise within the territory which may be properly regarded as coming within the Madras Railway district may be favorably entertained.

3. Of the proposed lines described on the page prefixed to the Administration Report above quoted, the first on the list, viz., the Hindupur extension, to be prolonged, no doubt, eventually to Bangalore, seems to the Board to be one which is eminently within the province of the Madras Railway Company to undertake. The direct connection of the important city and military station of Bangalore with Bombay and Calcutta, by means of a chord line on the standard gauge from the junction at Guntakal, seems to the Board to be a necessary completion of the main arterial railway system of India. To construct this extension by an agency distinct from the Madras Railway Company would not only very seriously affect the traffic revenue of the Madras Railway, but, if done on the metre gauge, would interfere with the political and military value of the communication. The Board very earnestly desire that the attention of the Government and of the military authorities may be invited to their proposal to undertake this line on the standard gauge, and trust that it will be viewed with favor.

4. The Board would refer to the opinion expressed on the question of gauge by the Select Committee on Indian Railways in their report of 1884, para. 21, page 10, as being applicable to this case.

> With regard to the question of gauge, your Committee are of opinion that all the leading trunk lines, with their principal feeders, should be on the broad gauge, the metre gauge being, as a rule, confined to tracts of country where that system is already in successful operation, and to local lines where the traffic is likely to be so light that cheapness of construction more than counterbalances the undoubted disadvantage of break of gauge.

5. There are other branches and extensions which this Company are desirous to undertake, and which, provided they had the management and control of them, they would be prepared to construct even on the metre gauge if preferred by the Government to the standard gauge. These are the surveyed line to Cochin from Shoranur, the extension from Pálghat to Polláchi and Dindigul, a branch to the town of Salem and Námakal, and several others.

6. The Board would suggest that estimates be prepared both for the metre and broad gauges of such lines as, in your opinion, it will be desirable for this Company to undertake, it being understood that the standard gauge would be constructed at first in the lightest manner consistent with efficiency and economy in working.

7. The Board would be prepared also to take over the working of the line from Nellore to Tirupati, which traverses a region within the Madras Railway area rather than that of the South Indian Railway.

8. The extension of the broad gauge line to the military station of Cannanore has been under consideration, and also the realignment of the portion of the south-west line from Sholinghur to Mailpati so as to take in several important towns, but sufficient data are not yet to hand to show the probable financial results of these extensions.

9. The capital at present standing to the credit of the Company will be expended in completing the several large bridges on the north-west line and other sanctioned works. But there still remain, under the Company's Act of Parliament, 17 Vic., Session 1854, borrowing powers to the extent of some three millions sterling, and the Secretary of State might, the Board hope, be disposed to authorize the issue, from time to time, of debentures for the construction of such extensions as may be shown to be desirable, and which have received the approval and sanction of the Government of India.

ORDER—dated 18th August 1888, No. 676 R., Public Works.

Communicated to the Consulting Engineer for Railways with reference to Proceedings Nos. 396 R. and 429 R., dated 11th and 29th May 1888.

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways.

Exd. F. R. Bantleman.
Spare Copies

RAILWAY.

Govt. of {1888} Madras.

PUBLIC WORKS.

Dated August, 18*th*.

Recd. *Encs.*

G.O., 18th Aug. 1888, No. 676 R.

AUGUST.

South Indian Railway

Communicating to the Consulting Engineer for Railways despatch from the Secretary of State for India to the Government of India relative to the passing of the "— (Additional Powers) Act, 1888," and the measures to be taken for the construction of the Tirupati-Dharmavaram and Pakal-Villupuram lines.

No. 804 R.C.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY CONSTRUCTION.

To

THE SECRETARY TO THE GOVERNMENT OF MADRAS,
PUBLIC WORKS DEPARTMENT.

Simla, the 7th August, 1888.

SIR,

I am directed to acknowledge the receipt of your letter No. 468-R., dated the 7th June 1888, forwarding, for the consideration of the Government of India, a copy of the Proceedings of the Government of Madras, regarding certain extensions of the Madras Railway which have been proposed by the Directors of the Madras Railway Company.

2. With regard to the Bangalore-Guntakul line, I am to say that the Government of India fully agrees in the views expressed by the Government of Madras, and considers that the construction of this line on the broad gauge is out of the question.

3. With reference to the other proposed lines, it is observed that sanction has been accorded to the preliminary investigation by the Company's officers of two of the proposed lines, namely, (i) from Salem Station to Námakal; and (ii) from Calicut to Cannanore, and that the estimates for the line from Palghât to Dindigul will be made over to the Madras Railway Company for the preparation of a project on the broad gauge between those two places. The condition has been very properly appended by the Madras Government, that no expenditure is to be incurred without special sanction.

4. I am now to communicate the approval by the Government of India of the orders which have been issued on the subject by the Government of Madras. Before any money is spent on the investigation or survey of any of the projects which have been brought forward, the Madras Railway Company should be asked to state the terms on which they would be prepared to construct these extensions (of their system), or any other lines, should the results of their investigations prove satisfactory.

5. The Government of India desires that the Company should be warned that no proposal to raise the Capital required for the execution of these projects, on the original terms of a 5 per cent. guarantee, could be entertained; and, unless the Madras Railway is prepared to offer terms which would have a reasonable prospect of being accepted by Government, no useful object would be gained by the consideration of the particular projects which are dealt with in your present communication.

6. I am to remark that the Government of India is not in possession of any statistics which would enable an opinion to be formed of the probable traffic between Calicut and Cannanore, and that, *primâ facie*, a line along the sea coast, which would compete with sea-carriage, seems out of place.

7. I am also to ask whether there is any hope that the proposed 4-mile branch line to the town of Salem, and possibly its extension to Námakal, can be undertaken as a Local Board scheme, in the same manner as the line from Mayaveram to Mutupet has been taken up by the Local Board of Tanjore: or, if the construction cannot be arranged for by the Local Board, whether the Provincial Government would be willing, at the cost of Provincial revenues, to take up the scheme, to which it is said that His Excellency the Governor in Council attaches much importance.

I have the honour to be,

SIR,

Your most obedient servant,

M. C. BRACKENBURY, Major, R.E.,
Under-Secretary.

Documents accompanying.
Nil.

G.O.
No. 704 R. dy 28.8.88.
Communicated to the Consulting Engr for Railways with reference to paras 4 & 5 and to the Local & Municipal Depts with reference to paragraph 7 of the letter read above. Copies of papers connected with the Salem extension will also be furnished to the Local & Munl Depts.
(Signed) C. J. Smith
Col RE.
R

G.Ord: 704 dy 28-8-88.

To The Cons Engr for Rys
& Local & Munl Depts
with copies of R. of
396 Rly & 467
& 11 May & 7 June
1888.

G. C. Press, Simla.—No. 732, P. W. D.—10-3-89—100.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read again the following papers:—

G.O., dated 5th February 1889, Nos. 130-31 R., Public Works.

From the Consulting Engineer for Railways, dated Madras, 22nd January 1889, No. 42.

Letter from the Agent and Manager, Madras Railway Company, dated 14th Jan. 1889, No. 34.

From the Secretary to the Board of Directors, Madras Railway, dated 2nd November 1888, No. 804.

Submitted to Government with reference to G.O., No. 704 R., dated 28th August 1888.

2. The Agent and Manager, Madras Railway, submits the reply of his Board to paras. 4 and 5 of Government of India's No. 804 R.C., dated 7th August 1888, which is to the effect that the extensions proposed are such as would become part and parcel of their system, and for the execution of which no special terms or alterations are necessary in the Act under which the operations of the company are now controlled, and that under the borrowing powers of the company it is proposed to raise the money required either by the issue of debentures at $3\frac{1}{4}$ or $3\frac{1}{2}$ per cent. or by the offer of a 4 per cent. silver guarantee.

3. The approval of Government to the above proposal is necessary before any money is spent on the investigation or survey of any of the projects which have been brought forward.

Order—dated 5th February 1889, No. 130 R., Public Works.

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

(Here enter No. 131 R., dated 5th February 1889.)

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

Endorsement—dated 5th February 1889, No. 131 R., Public Works.

Forwarded.

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

G.O., dated 7th March 1889, Nos. 244-45 R., Public Works.

G.O., dated 19th February 1889, Mis. No. 426 L., Local and Municipal.

Letter from the President, District Board, Salem, dated 8th February 1889, Ref. on No. 24 L.F.-Govt.

In reply to the Assistant Secretary Mr. Meyer's endorsement No. 133, dated 6th instant, on the office note (returned) from the Joint Secretary to Government, Public Works Department, Railway Branch, I have the honor to state that the District Board of Salem is awaiting the figures promised by the Agent and Manager of the Madras Railway as to the probable cost of the proposed line from Suramangalam to Námakal *viâ* Salem, before deciding the question asked by Government.

2. I may say, however, that there is little probability of the District Board embarking on such an enterprise, and I fervently hope that the Madras Railway Company will undertake it. The Madras Railway Company alone will be able to make the line pay.

Order—dated 19th February 1889, Mis. No. 426 L., Local and Municipal.

Communicated to the Public Works Department (Railway Branch).

(True Extract.)

(Signed) W. S. MEYER,
Assistant Secretary.

Order—dated 7th March 1889, No. 244 R., Public Works.

Ordered that the following letter be forwarded to the Government of India in continuation of docket No. 131 R., dated 5th February 1889.

(Here enter No. 245 R., dated 7th March 1889.)

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

From Colonel C. J. SMITH, R.E., Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, to the Secretary to the Government of India, Public Works Department, dated 7th March 1889, No. 245 R.

In reply to your letter No. 804 R.C., dated 7th August 1888, and in continuation of Madras Government G.O., Nos. 130-31 R., dated 5th February 1889, I am directed to forward a letter* that has been received from the President of the District Board, Salem.

* Embodied in Proceedings of Government, No. 244 R., dated 7th March 1889.

2. With reference to your question "whether there is any hope that the proposed 4-mile branch line to the town of Salem, and possibly its extension to Námakal, can be undertaken as a Local Board scheme, in the same manner as the line from Máyavaram to Mutupet has been taken up by the Local Board of Tanjore; or if the construction cannot be arranged for by the Local Board, whether the Provincial Government would be willing, at the cost of Provincial revenues, to take up the scheme," I am to state that the resources of the District Board of Salem are not such, as would enable it to take up either a line to Námakal or a branch to Salem, even if it were shown that either would pay.

3. It has been decided that a branch from Suramangalam to Salem would not pay, and it appears very questionable whether an extension of the Madras Railway to Námakal would give an adequate return on the capital outlay.

4. Under these circumstances, I am to say, His Excellency the Governor in Council could not recommend that the Provincial Government should undertake either line.

Read also the following paper:—

From Colonel R. C. B. PEMBERTON, R.E., Secretary to the Government of India, Public Works Department (Railway—Construction), to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, dated Simla, 10th April 1889, No. 282 R.C.

I am directed to acknowledge the receipt of your letters quoted in the margin forwarding correspondence regarding certain extensions of the Madras Railway which were proposed by the Madras Railway Company.

Nos. 130-31 R., dated 5th February 1889, and No. 245 R., dated 7th March 1889.

2. It is observed that the Board of Directors of the Madras Railway Company are not prepared to construct these extensions without a Government guarantee. The Government of India is not, however, prepared to concede a guarantee; and, until more suitable conditions can be arranged, no further expenditure should be sanctioned in connection with the surveys of any of these projects.

3. It is also observed as regards the branch to Salem that the resources of the District Board do not warrant the construction of the four miles of railway from Suramangalam or its possible extension to Námakal, and that the Government of Madras is doubtful whether either the branch or its prolongation would give an adequate return on the capital outlay.

4. Under these circumstances, the Government of India, I am directed to say, is of opinion that the consideration of the proposed extensions of the Madras Railway must be deferred until more favorable conditions can be proposed for their construction.

ORDER—dated 26th April 1889, No. 465 R., Public Works.

Communicated to the Consulting Engineer for Railways with reference to his endorsement No. 42, dated 22nd January 1889.

(True Extract.)

(Signed) C. J. SMITH, Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Consulting Engineer for Railways.
" Examiner, Guaranteed Railway Accounts.

Exd. J. Henricus.
Spare Copies

RAILWAY.

Govt. of {1889} Madras.

PUBLIC WORKS.

Dated April, 26th.

Recd. *Encl.*

G.O., 26th April 1889, No. 465 R.

APRIL.

Madras Railway Extensions

Letter from the Government of India stating that the consideration of the extensions proposed by the Railway Company must be deferred, communicated to the Consulting Engineer for Railways.

Public Works (189) Department.

G.O., No.

DATED

Demi-Official correspondence between Govt: of India & this Govt.

[Despatch Abstract.]

[P.W. 25. 5,000—30-11-98.]

Indexed.

BACK PAPERS.

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

FURTHER PAPERS.

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

Draft

Draft telegram

6

London

Vacivior (From the Governor of Madras to the Secretary of State).

Please defer hiscunto (execution of contract) Calicut Cannanor Aucerent (pending receipt of) letter Infuscum (Government of India) about altering to narrabam (metre gauge) to gluberem (correspond with) projected metre extensions linarent (in the neighbourhood).

7 11
R.

Desp 19-2-90

PUBLIC WORKS DEPARTMENT
INDIA

Calcutta, the 22nd February 1898

SERIAL
No. 8

Dear Spring,

I am not prepared to take the action you suggest in a demi-official communication. In the first place we have nothing officially from you regarding the Shoranur Cochin line though I have seen a letter D.O. from you to Sir Arthur Trevor, and the proposals you now make in your note of 16th February 1898 are so large and involve so many issues, besides hanging up all Madras lines for a long time, that I think it right to wait for the official letters, as it is always open to you to wire officially to save time.

Yours sincerely,

F. R. Scott

FRS
28/2

SERIAL
No. 37

Government of Madras
Public Works Department
Railway Branch

D. O.

Madras 1st March 1898.

My dear Elpcott

Rees, the Resident in Travancore and Cochin, has not yet told us what are the wishes of the two Darbars in regard to the Shoranur-Cochin line.- There is always some jealousy between them, and Travancore may possibly not be willing to give land free for the benefit of the railway of the rival State. All this however will arrange itself in time, and we shall doubtless in due course send forward the Cochin Rajah's proposals for spending his accumulated lakhs.-

Meanwhile I have prepared maps for the possibility of delay in regard to the Cannanore line, and he has readily fallen in with the proposal, and has written to his Board, he tells me, strongly supporting not only the idea of immediate metre gauge construction for the projected extension but also the suggestion of a possible conversion of portion of the main line hereafter.- He has urged, he tells me, that there is nothing, and that there is never likely to be anything, which the metre gauge could not deal with, up to Podanur, and has even gone so far as to say that the only flaw he can see in the proposal is that it does not contemplate conversion as far as

as

GOVERNMENT OF MADRAS.

Public Works Department,

RAILWAY BRANCH,

MADRAS.

15 — 1 — 1898.

My dear Upcott

This is intended to prepare you for a very important communication which I expect to have to make to you in a few days about changing the gauge of the Calicut Cannanore line from broad to metre, and about deciding to do so before indent go home on obvious work is begun. The question is an interesting mixed up with others that I cannot put it briefly. It may explain that what has brought it into prominence in such short notice is the decision which I shall shortly have to announce in a few days of H.H. the Rajah of Cochin

to pay for the whole of the Bhavani Cochin Ry. or practically the whole of it. out of his savings: and to have it under a the metre gauge.

This decision of the Rajah at once brought the question of the gauge of the Calicut Cannanore line into prominence, as it the new future there two as well as the Madras line. and any extension by the Malabar side towards Karwar and Mangalore (and possibly also a connection from Palladam (& Mysore system) must necessarily form part of one system.

Still it seemed a difficult thing to move in the matter of the Cannanore gauge, until a few days ago, we learned that towards it by an enquiry from the Agent Madura Ry. whether he would be allowed to survey the proposed Podanur Dindigul line, and an expression of readiness to take it on either gauge. He said that his opinion that if it is to be metre the Podanur Metropolitan line must be converted.

He of course has in view, for obvious purposes the chance of tapping Mysore via Sitzamangalam on the metre gauge, from Metropolitan.

When you can see at once how it suggests itself that in the future, possibly not until 1907 possibly sooner, it may seem wise to terminate the broad gauge system at Podanur. and to keep all west and south of that on the metre converting such parts as may be necessary.

Once this idea obtrudes itself it seemed obvious shortsighted to allow the Calicut Cannanore line to proceed on the broad gauge. inasmuch as we

Office of Consulting Engineer for Railways,
MADRAS,
..... 189 .

Well, in view of the long question being laid before H.E. the Governor in Council, it has been carefully considered and has been adopted. This Govt think that it is right to look well ahead in such matters, and that the fact that negotiations in regard to the Calicut Cannanore line are in train ought not to prevent so important a policy being inaugurated for fear of immediate inconvenience, slight delay, and possible opposition on the part of the M.R.C.

I have talked it all over with the

can we get committed to nothing in regard to it; and it, as well as the Cochin line, or the Dindigul line, is long enough to be worked as a separate metre gauge branch, quite economically.

This Govt. are quite clear that the territory lying from Podanur to new Dindigul is properly the territory of the Madras R.C. and not of the South Indian, and all that has prevented the public recognition of this has been the aversion of the M.R.C. until lately to having anything to do with metre gauge branches. They are now better advised in this regard, and have officially expressed their readiness to make and work metre gauge branches.

can we get committed to nothing in regard to it;
and it, as well as the Cochin line to
Trivandrum [illegible]

Right Hon. R.J.C., and thought a little yarn by
the possibility of some delay in his actually
starting work on the Canonore line. He
personally agrees that it is the right thing to do,
and that the policy which we have set before
us is a right policy, and he will work this
as a right policy, and he will ask the Board for the possibility
[illegible] and progress in Board for the possibility
of the two departures, and will transmit
just as the tracks a little a week by...

It will take a little time before we can
write to you officially about this, because it
will take a little time to secure the Cochin
Rajah's official offer. But I have shown
this letter to H.E. the Governor in Council, and
it is approved by, so that you would be safe

to take whatever action on it you might be
authorised to take. I would suggest that
to prevent things going too fast in London before
you hear from us officially, you might
write to the Sec. of State, concurring in a
move which this Govt intends to send, to
counteract the following effect. "Please do not
[illegible] agreement with Hon'ble R.J.C. about
Cannanore R. pending receipt by letter addressed
to India about altering it, going to notice".

There shall be no delay in your being
officially addressed as soon as it is possible
to refer officially to H.H. the Rajah of Cochin's
offer.

Yours sincerely
F.R.S. 17/1/98

Despatch 16/2/98

Government of Madras
SERIAL No. 37

Can we get Committee to act[illegible] in regard to it;

PRIVATE SECRETARY TO THE GOVERNOR · MADRAS ·

GOVERNMENT HOUSE.
Madras.
15th February 1898.

My dear Spring.

His Excellency has read and approves of the enclosed.

Yours sincerely

[illegible]

SERIAL No. 37

Government of Madras
Public Works Department
Railway Branch

D. O.

Madras 1st March 1898.

My dear Upcott

Rees, the Resident in Travancore and Cochin, has not yet told us what are the wishes of the two Darbars in regard to the Shoranur-Cochin line. There is always some jealousy between them, and Travancore may possibly not be willing to give land free for the benefit of the railway of the rival State. All this however will arrange itself in time, and we shall doubtless in due course send forward the Cochin Rajah's proposals for spending his accumulated lakhs.

Meanwhile I have prepared Moss for the possibility of delay in regard to the Cannanore line, and he has readily fallen in with the proposal, and has written to his Board, he tells me, strongly supporting not only the idea of immediate metre gauge construction for the projected extension but also the suggestion of a possible conversion of part of the main line hereafter. He has urged, he tells me, that there is nothing, and that there is never likely to be anything, which the metre gauge could not deal with, up to Podanur, and has even gone so far as to say that the only flaw he can see in the proposal is that it does not contemplate conversion as far as

as

as Erode.-

All this is of course only demi-official so for pending the receipt of Cochin's proposals.

About the Calicut-Cannanore - There is really no urgency.- Land is being taken up on the first few miles, but they are still surveying the remainder and are making very extensive improvements in the alignment.- The Shoranur-Cochin alignment can also be similarly improved in detail. Dallas is on it, with full instructions and I shall run over it with West as soon as he has anything to show.

If one metre construction and conversion scheme comes off, the engines and rolling stock of the whole metre gauge system beyond Podanur, including the Nilgiri Railway and probably the Dindigul line could be worked from Podanur just as the metre portion of the E. B. S. Ry. is worked from Saidpur.-

I do not anticipate any opposition on the part of the Company, if I may judge from what Innes tells me.- They have already written to him strongly supporting a policy of narrow feeders suitable to the dimensions of the trade of the Districts tapped: and the metre extension scheme is, on a larger scale, a policy of a similar nature.-

Your Revenue (Famine) Deptt. will I daresay by now have got our Revenue Department's scheme for the utilization of a fair share of the Famine grant, in this Presidency, in narrow gauge feeder railway construction.- We took the utmost pains to select localities, and very grave consideration was given to the adoption of the policy, and I hope that it will come all right.-

Yours Sincerely

Francis. J. E. Spring.

Despd. 1/3/[illegible]

P. W. Dy. Cur. N° 336.

Very Urgent.

Proposed change of gauge of Calicut Cannanore line.

H. E. The Governor

The Hon Sir H. Bliss K.C.I.E.

The Hon Mr J. Grose C.I.E.

The telegram below. Current N. 336. is from the Govt. of India in reply to our joint copy sent to them, dated 22nd Feb. Flag. W. of our wire to the Sec. of State.

There was never any idea of our waiting for a reply to my D.O. letter to the Agent dated 15th Feb. before sending the telegram to the Sec. of State. Indeed in that letter I said "this Govt. intends to send" the telegram.

The whole object of the telegram was to present the accident of the Sec. of State to the Madras R. Co agreeing immediately about a broad gauge line while some inevitable delay was occurring here in our officially writing on the subject. Indeed the Agent's D.O. reply. flagged O only arrived here nine days after we sent home the telegram, and 12 days after my D.O. as was of course inevitable. The object we had in view might have been entirely defeated had we

1. Seen.
2. I think, under the circumstances, we acted rightly.

A.H
9.3.98

Quite agree.
The question remains whether we should send the proposed telegraphic reply. I should advise Madras (whether Madras' telegram (whether this is intended or not) says that work on the extension is to be stopped "except purchases will not be affected by change of gauge advocated" — Well, this is just what themselves think — Why make any reply? If you do, perhaps they will send some order which we do not want — How we have them safe. Let us rest thankful.

Flag S
27.1.14

KH 10/3/98

Salto

allowed sufficient time to elapse for the agreement to be signed in England.

It seems to me that we were absolutely right in the matter, and that to have acted in any other way than we did would have laid us open to a charge of negligently allowing a difficulty to be shifted into, which at the cost of an early wire might be avoided.

Had we waited for a reply to the S.O. and had we then acted as (though he does not say so) Mr Wyatt seem in his S.O. reply to have wished us to act. viz. delayed taking any action at all untill we could do so officially, the situation would in all probability have by now got complicated by the agreement having been signed at home. You observe on that if this had happened the Govt. of India would have declined to reopen the question at all. I hope that H.E. and Hon Members will consider that we only acted with ordinary prudential foresight, and that there was no discourtesy, or certainly none was intended, to the Govt. of India.

I learn S.O. from Mr Rees that our proposals or rather suggestion about the gauge of the Cochin line reached us too late for the Mail of the 9th inst. I think it will be better to keep our proposal as proposed. Otherwise we seem to accept their reproof, & leave the G of I to daily astonishment at not getting their promised official

JS
10/3/98

H. E. The Governor.

I should like to change my mind about the telegram and adopt Sir H. Blake's suggestion that no reply be sent. I had thought of this between noting point and reading Sir H. Blake's comments. Does Your Excellency approve? I write a few days explaining fully to Mr Wyatt why our official letter is delayed.

7 RS.
10/3/98

Perhaps after all it might be well to send the telegram as I have altered it in pencil. When we write the letter later on we can, if worth while, justify our action in wiring home.

7 RS
10/3/98

I think on the whole, it will be simpler to keep it back until we send the letter.

Very well. JS
14/3/98

A.G.H
11.3.98
H.E. has not yet seen it or the S.O. enquiry with the Resident.
7/11/98

him on tour so that some delay inevitably occurred before he could lay them before the Cochin Rajah. But he has promised to give me the earliest possible reply about the Rajah's acceptance of the metre gauge suggestion, without waiting for the solution of any complications that may perhaps arise about Travancore making over the land where the line passes through their State.

I put up for approval a draft of a wire to the Govt of India.

"Your 313 R.C. dated 7th March.

This Govt. considered it essential that question of change of gauge should not be prejudiced by contract for broad gauge being actually signed, and therefore stated in demi official 15th Feb. that they intended to send the telegram. Some delay has necessarily occurred in receiving Cochin Rajah's proposals so impossible seldom you officially get about suggested metre gauge policy. Meanwhile except land acquisition and survey nothing doing on Cannanore line, though no objection to having cuttings being begun and material collected."

Typed. A.G.H 9.3.98

JS
9/3/98

As H.E. does 11.3.98 7/11

7 RS.
8/3/98

Mr. Hum
8/3/98
R 10/3/98
Sent again to Mr.
10.3.98.
R
12.3.98
Hm
12.3.98
R
14.3.98

D.O. from Mr. Rees of 22-3-98

(2) H.E. The Governor

(3) ~~The Hon Sir H. Blake KCMG~~

(2) ~~The Hon The J. Secy CMG~~

I think the position set forth in paras. 6 & 14 of Mr Spring's Draft Note for the Pretoria Conference, and in his draft letter flagged H., is a sound and logical one. I approve the letter.

A.H
30.3.98

x Flag C.

N.B. See the 1st para of Mr. Rees' D.O of x Flag D

on the 24 March, the Transvaal Volksraad is meeting and, if it be understood that the Drifts accept the Southern route?

No. They only say that they will pay for a survey of it. A.H 30.3.98

7/S 31/3/98

I spoke of all this to the Hon Sir H. Blake at his house yesterday, and he fully approved. The policy has also been already accepted by the Hon the Secy. So I shall now draft a letter for final approval of H.E. and the Members

H.E. & Exec 28.3.98

7/S 31/3/98

In a Note dated the 12th Feb. 98 Flag B. I put forward a proposal about changing the gauge of main line and branches of the South western and of the Standard B. System. My proposals were referred by H.E. the Governor to Hon Members of whom they were accepted. H.E. in his turn, on 14-2-98, accepted the opinion of Hon Members. The demi official and telegraphic correspondence which thereon ensued will be perused by H.E. and Hon Members. It pointed in the telegram from the Govt of India dated 7th March, in which they desired that all work in the Colony - Cannon line should be stopped except such as will not be affected by change of the gauge. Meanwhile I had written (on Co. Eng. not on Secy.) to the Agent Standard B.C. asking him to endeavour to obtain an expression of his Board's views. He shortly after that in writing unofficially to his Chairman he strongly recommended that my proposals should be accepted, and said that the only thing he could see in them to criticise was that I had not proposed to make the gauge at Rhodesia instead of at Pardam. Meanwhile I have given the matter much anxious consideration, because it seemed to me to be rather hard on the Govt of India that we should be leaving them in suspense

so long, after our having wired the Sec. of State to ask him to defer the final completion of the Calicut Cannanore agreement. But this delay was inevitable, because Mr Rees did not succeed in getting any definite expression of his wishes at of the Rajah of Cochin until just a few days ago.

2.- But I have now received the letter below flagged. F dated 22nd March. from Mr Rees. forwarding a copy of a telegram dated 19th from the Diwan of Cochin, stating that H.H. the Rajah accepts the metre gauge unreservedly.

3.- I would not give your Excellency to advise me to take action on this telegram and at once address the Govt. of India without waiting for the final nothing of the Rajahs proposals and for the smoothing away of the difficulties about land with Travancore. were it not that while all this is going on the Cannanore line is hung up, and also that it seems only right that we should take the first possible opportunity of addressing the Govt of India.

4.- It has fallen to me during the last few days to commence writing the annual note on which we base our letter which must go to the Govt. of India in time for the railway Conference of May next. I have not fully finished that note yet. and it is in a very rough state.

But rough as it is I invite a perusal of the few paragraphs of it which have been drafted, especially paras 6 to 14 inclusive in which I recount what seem likely to be our policy. It will be seen that I have ventured considerably beyond my instructions in this rough draft. in assuming that your Excellency in Council would approve of the suggestion to convert the Podanur Erode section also (as Mr Rees suggests.) But this seem to me to be essential if the diversion seem to South Mysore is to be given to the Madras R.C.

5.- When at Bangalore the other day I talked this over (the Nanjangud line) with the Resident and the Diwan. and I gathered that Mysore would be welcome the Madras line in Mysore as a set off against the Southern Mahratta who are a bit too strong for them; and that it is in view of this possibility that they are keeping the short 15 mile section between Mysore and Nanjangud on a very short lease to the S.M.R.C.

6.- If your Excellency in Council will take the papers in my Note for the Railway Conference which assume consent to the change of gauge of the Podanur Section as a note "for orders", and will also please consider my very rough draft. flagged H. of a suggested letter to

the Govt. of India as being also merely a Note for orders, and with your orders thereon as to whether the proposals therein contained are approved or should be modified, I shall be in a position to submit a revised draft of a letter to India for formal approval.

7. I certainly think that we owe it to India to address them very fully, on proposal, with the least possible delay, and that we would be fully justified in doing so on the telegram from the Viceroy of Cochin to the Press without waiting for anything more formal.

8. It is not as if we were waiting to tell them about the Regalia decision to make the case. For that things are not yet quite ripe. We are merely waiting to tell them what our general views are, and we are now point in a position to say that this Govt. and the Cochin Regd agree that the metre gauge is the right one for the projected railway, whatever may be the arrangements to be hereafter arranged for framing it.

9. I am doing my best to be able to send this all up in a more complete and less unfinished state, but it seems to me to be due to the Govt of India that we should not let a day longer than necessary elapse before addressing them.

J.W.S.
28/3/98

H.E. the Governor

Read.
A.94
30.3.98

Fit in to our case
H.E. to send approval of
the proposals.
JW

H.E.
30.3.98
R
31.3.98

Madras Railway Co. and the new metre gauge policy.

Thinking a good deal about that Madras Railway policy question, it seems to me that perhaps I have not put one or two things quite clear enough.

What I have in view is that we should look far ahead, and make out what it seems right to aim at, in the long run, and get a recognition of such and such being the right things to aim at, in order that instead of shifting we may work steadily forwards towards a recognised line of action.

I am not pressing for everything to be done at once, but rather for definite recognition of the interests that we and we ought eventually to be done.

Then it may be given before the Podanur Dindigul or the Erode Mysore branches can be secured to the Madras R. C. But I want well understood, that it should be officially recognised that so long as they do not want to build them as the standard gauge, the Madras R. C. and not the South India ought to have them, for the reasons which I have gone into in detail, viz. "our territory our Company". (In India be it understood.)

Then under and until the Podaur Dindigul line is decided on, no conversion of old broad gauge line to metre could be effected east of Shoranur. Again, until it is decided that the Mysore (Nanjangud) branch shall be made, and shall be worked by the Madura R. no conversion shall be effected east of Podaur.

But even still, it is quite possible that the Madura R. Co. may be quite contented not to convert the Podaur Erode section, but to arrange for the Metre Gauge repairs of the Mysore Branch line with the Southern Mahratta and South India R. Co.

I think that some of the above ought to go into our letter to India.

I told you something yesterday about the letter which Mr Thornycroft received from his Chairman. Yesterday he told me what he had written in reply. He wrote that he is quite confident that this Govt. have the interests of his Company at heart, their interests being in this case practically identical with those of Government. He also said that he has never before seen any attempt made to formulate a definite railway policy in Madras, in lieu of drifting; and that this policy has his support.

railway matters

(I may add and it will perhaps be of interest, that now that the planning of the Cauvery Canal system has been practically completed, it turns out that the proposed length from Calicut to Beleyidan, is only the same as the old length from Calicut to Cannanore, the additional 4½ miles being caused by better Surveys on the realignment. The work also has been very greatly reduced.).

J.W.S.

30/3/98

Circulate. to

(3) H.E. The Governor

(2) The Hon. Sir H. Bliss K.C.I.S.

(1) The Hon Mr Gross C.I.S.

H.E. The Governor has already approved of the rough draft in manuscript. so I send the proof to him last.

The Hon Sir H. Bliss told me that I might send him this particular case and that if he felt well enough he would deal with it. If the Hon Member should not feel up to posting the proof letter the peon can take the file on to H.E. the Governor.

I should very much like to send the promised copy home to the Sec. of State by next Thursday's mail. because the Chairman Madras R.C. is I know going to Sir W. Barrett about it, and the India Office have no information. That is why I am treating it as so urgent.

J.H.S.
1/4/98

I have passed this Draft

JG
1/4/98

1/4/98

A.S.H
2.4.98

A.R.

The proof letter & that to Sec. of State. should now be treated as very very as most urgent

J.H.S

11-30 AM. 2/4/98

Hm + H.E.
1.4.98

R
2.4.98

RAILWAY.

Government {1898} of Madras.

PUBLIC WORKS.

Recd. } 1898. *Enclosures*

Regd. } *Spare copies*

G.O., No. 526 Ry., 4th April 1898.

APRIL.

Change of Gauge

Ordered that the Government of India be addressed recommending the adoption of a very important change of policy in regard to the gauge of a considerable mileage of the south-west part of the Madras Railway and of its projected extensions.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers :—

From—The Joint Secretary to the Govt. of Madras, P. W. Dept., Ry. Branch.
To—The Under Secretary of State for India.
Dated—22nd February 1898, No. 85 R.M.

I am directed to inform you that the following telegram was despatched to the Right Honourable the Secretary of State for India on the 19th instant :—

"Please defer execution of contract Calicut-Cannanore pending receipt of letter Government of India about altering to metre gauge to correspond with projected metre extensions in the neighbourhood."

From—The Joint Secretary to the Govt. of Madras, P. W. Dept., Ry. Branch.
To—The Secretary to the Govt. of India., P. W. Dept.
Dated—22nd February 1898, No. 86 R.M.

I am directed to inform you that the following telegram was despatched to the Right Honourable the Secretary of State for India on the 19th instant :—

"Please defer execution of contract Calicut-Cannanore pending receipt of letter Government of India about altering to metre gauge to correspond with projected metre extensions in the neighbourhood."

2. The above telegram was sent with reference to D.O., dated 16th February 1898, from the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, to the Secretary to the Government of India, Public Works Department.

Telegram—From the Secretary to the Govt. of India, P. W. Dept.
To—The Joint Secretary to the Government of Madras, P. W. Dept., Ry. Branch.
Dated—Calcutta, 7th March 1898.

No. 313 R.C. Your letter numbered and dated as follows: 86 R.M., 22nd ultimo. Government India much deprecate your acting on demi-official correspondence without even allowing time for reply and desire all work Calicut-Cannanore be stopped except such as will not be affected by change of gauge advocated by Madras Government.

ORDER—No. 526 Ry., dated 4th April 1898.

The Government of India will be addressed.

[Here enter No. 527 Ry., dated 4th April 1898.]

(True Extract.)

FRANCIS J. E. SPRING,
Joint Secretary.

To the Consulting Engineer for Railways.

Exd. W. D'Moss.

RAILWAY.

Government {1898} of Madras.

PUBLIC WORKS.

Recd.	1898.	*Enclosures*
Regd.		*Spare copies*

Letter, No. 527 Ry., 4th April 1898.

APRIL.

Change of Gauge

Recommending the adoption of a very important change of policy in regard to the gauge of a considerable mileage of the south-west part of the Madras Railway and of its projected extensions.

PUBLIC WORKS DEPARTMENT.

Railway.

LETTER—from

FRANCIS J. E. SPRING, ESQ., C.I.E,
Joint Secretary to the Government of Madras,
Public Works Department,
Railway Branch,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
PUBLIC WORKS DEPARTMENT,
SIMLA.

SIR,

The telegraphic and demi-official correspondence which ended with your telegram No. 313 R.C., dated the 7th March 1898, have conveyed to the Government of India the information that this Government have had it in contemplation to recommend the adoption of a very important change of policy in regard to the gauge of a considerable mileage of the south-western part of the Madras Railway and of its projected extensions. It has been a source of regret to this Government, that circumstances have rendered it impossible for them to take an earlier opportunity to invite the Government of India into their confidence on the subject, and even now things are not quite ripe to allow of its doing so as fully as it would desire. Still, His Excellency the Governor in Council thinks that it is better, even prematurely, to inform the Government of India of what he has in view, in order that meanwhile, and pending the completion of certain preliminary negociations which have necessarily taken considerable time, they may have an opportunity of considering the matter in all its bearings, and of expressing their preliminary or absolute concurrence, or otherwise, in the scheme which I am now instructed to put forward.

2. Proposals for the extension of the Madras Railway Company's system, especially in the south-western direction, have always been met by the objection that there is no trade, nor is there ever likely to be a trade, in the tracts proposed to be served by such extensions, which might not be quite sufficiently well served by metre gauge branches costing from Rs. 50,000 per mile, like the Tanjore line, to Rs. 70,000 per mile. The result has been that the Madras Railway has been crossed at several points by the metre gauge system of the South Indian Railway Company and that they have, naturally enough, been greatly dissatisfied on account of this tapping of what they have rightly looked on as their lawful territory.

3. In India, where Government has so large a degree of control over rates, and where in one way or another it can when necessary bring pressure to bear on Companies over whom such control is not absolute, there is no necessity, or ought to be none, for encouraging a new railway Company to enter a trade tract in which another Company is already in possession. It is, in this Government's opinion, for the interest of the tax-payer that separate railway agencies or Companies should take separate tracts of country whose boundaries will usually be indicated by considerations of the wonted flow of trade, of its financing, and often by physical, social or other features. If so much be conceded, it follows that it is most undesirable that, owing to the fact that while their trunk line is on the broad gauge, the demands of the south-west districts would be adequately met by the metre, the Madras Railway Company should be forced to put up with seeing their lawful territory penetrated in every direction by a rival company. The sort of competition that results from such penetration is, in the opinion of this Government, good neither for the tax-payers, nor for the district producers, nor for the shareholders of the rival Companies. No Company liable to such encroachment can fairly be expected to develop its business so as to work up to its fullest capacity.

4. Considerations such as those came strongly to the front when it fell to this Government to carefully weigh the rival claims of the Madras and the South Indian Railway Companies to make and to work the proposed Podanur-Dindigul line. The Government of India will find this matter fully discussed in my letter, No. 533 R., dated the 5th August 1897; and in your letter, No. 1746 R.C., dated the 22nd October 1897, you expressed the Government of India's concurrence in the proposal to defer consideration of this line for the present, as also their preference for the metre gauge, a preference which coincided with that of this Government. The evidence which has accumulated during the last few months tends strongly to prove that not only is the trade of the districts which this proposed line would serve already largely in the hands of the Madras Railway Company to which it is attracted by feeder roads, but also that the requirements of the producers in the tract in question will be better met by a Company whose interest it will be to encourage flow towards Calicut and westward, than by one which will try to draw it eastwards and southwards.

5. Similar considerations have come even more strongly and emphatically to the front in connection with this Government's debates as to the proper agency for constructing and afterwards working the Erode-Nanjangod line. It may be thought that it is somewhat premature to take this project into consideration just yet: but the larger problem, towards the proper solution of which this letter is intended to contribute, demands that even at this early stage as full consideration as may, under the circumstances, be practicable should be given to all lines likely to form part of the network of railways which will be affected by the suggested change of policy. Owing to the fact of the South Indian Railway coming up to Erode, and to that of the Mysore State Railways coming down to Nanjangod, both being metre gauge lines, it seemed to this Government to be essential that the link connecting these two should, whenever constructed, be the metre. And yet, as things were a few months ago, this seemed to necessitate its being made by the South Indian Railway Company. The suggestion that the latter company should make this link gave rise, and very naturally too, to a strong remonstrance from the Madras Railway Company, who represented that the result to them could be a very heavy loss of earnings. Though the amount of the loss which the Madras Railway Company claimed would accrue to them seemed to this Government to be much exaggerated, when investigated on the basis of the present agreement under which the "shortest route" principle has been adopted by the Madras, Southern Mahratta and South Indian Railway Companies, nevertheless it was felt to be exceedingly unfair, and for the interest of nobody except the South Indian Railway Company's shareholders, that the latter Company should be permitted to stretch another arm across their broad gauge rival and thereby grasp so much of the trade of Southern Mysore as desired an outlet towards Madras. Still there was the difficulty that not only would the metre gauge amply suffice to carry the amount likely to be handled, but, as already expressed, it was essential, for reasons of general facility of communication, that this particular link should not differ in gauge from that of the systems which it was designed to connect.

6. While these difficulties were forming the subject of anxious consideration it came to the knowledge of His Excellency the Governor, while on tour, that His Highness the Rajah of Cochin had a strong desire to make the projected Shoranur-Cochin branch line, out of his own accumulated capital so far as it would go, and without direct financial aid from Government. Amongst the various considerations to which due weight had to be given in connection with His Highness' proposals, was the fact that it could not be denied that the country to be traversed offers no traffic, and, even if the line should hereafter be extended to join the projected Travancore lines, it never is likely to secure any traffic, which the metre gauge cannot perfectly well carry. And yet the branch in itself seemed too short to warrant a proposal being made that it should be made on a different gauge from the trunk line, unless it should be found possible to work it in direct connection with a larger system on the proposed narrower gauge.

7. These considerations gave rise to a conviction in the mind of His Excellency in Council that, pending the mature consideration of the whole problem of the best gauge for the projected south-western branches and extensions of the Madras Railway, it would be wrong and shortsighted to allow the broad gauge to be drifted into for

the Calicut-Cannanore Railway. The outcome of this conviction was the demi-official and telegraphic correspondence already referred to ending in your telegraphic prohibition, dated the 7th March 1898, against any works being undertaken on the Calicut-Cannanore Railway which would prejudice the gauge question.

8. The Government of India have already been made aware, in my letter, No. 1054 R., dated the 30th November 1897, that the Madras Railway Company have lately, and in the opinion of this Government, most wisely; expressed their readiness to make and to work metre gauge extensions and branches. Proposals in connection with the financing of the Shoranur-Cochin line are not yet quite ripe enough to be put forward, owing to certain difficulties, which will doubtless disappear, about the provision of land in the few miles of Travancore territory that the line must cross. But meanwhile His Highness the Rajah of Cochin has expressed his unreserved acceptance of the metre gauge for the line which he proposes to own and finance; and the receipt of this expression of the Rajah's wishes puts this Government in a position, for the first time, to address the Government of India on the subject of the change of gauge policy which is the main subject of this letter, and which, after the explanation offered in the preceding paragraphs, I am now instructed to put forward for the Government of India's consideration.

9. The policy to which the assent of the Government of India is asked is practically this, that sooner or later the Madras Railway and all its branches from Podanur westward should, in the near future, be on the metre gauge: and that, as soon as it is decided to make the Erode-Nanjangod link, that branch, as well as the Erode-Podanur section, should also be on the metre gauge. The metre gauge sections of the Madras Railway would then be as follows:—

	Miles.	
New branches—		
Calicut-Cannanore	62	
Shoranur-Cochin	73	
Podanur-Dindigul	118	
Erode-Nanjangod-Mysore	130	(including 15 already open).
Existing broad gauge sections—		
Erode-Podanur	60	
Podanur-Shoranur	57	
Shoranur-Calicut	54	
Podanur-Mettupalaiyam	26	
Total future metre gauge section to be worked by the Madras Railway Company	580	miles.

This programme would involve the conversion of 197 miles of existing broad gauge line, and the construction as opportunity permits of 368 miles of new metre line.

10. I am instructed to explain that it is not desired that this entire scheme of conversion and of extension should be entered on blindly and immediately. It is perfectly well understood that two of the proposed extensions must in all probability await their turn for a place in the general railway programme for all India. Again, it is quite foreseen that even after the Erode-Mysore connection is completed it is a question for comparative estimates to decide whether it is likely to pay better to convert the Podanur-Erode section, or that the Madras Railway Company should arrange for the repairs of their rolling stock on this branch locally, with assistance when necessary from the Southern Mahratta and South Indian Railway Companies.

11. Podanur, where already there is a good deal of engine accommodation, would become the chief locomotive centre for the 580 miles of metre gauge railway, while Shoranur would become the engine-homing centre for the three runs — Shoranur to Cannanore 116 miles, Shoranur to Podanur 117 miles, and the Shoranur-Cochin branch 73 miles. The Podanur-Dindigul branch 118 miles, and the Podanur-Mettupalaiyam branch 26 miles, with its extension 32 miles further to Ootacamund, would be worked from Podanur, while the branch to Mysore would be worked from the existing engine sheds at Erode. The main line on the standard gauge between Erode and Madras would be worked as at present in two lengths of 132 and 111 miles from Jalarpet as an engine station.

12. Thus there would only be one great tranship station, viz., that at Erode; and there would be the freest possible interchange of rolling stock between the South Indian Railway, the Southern Mahratta Railway and the 580 mile metre section of the Madras Railway.

13. The considerations which have led to this proposal being put forward are so many and so complicated that some difficulty is experienced in marshalling them in such a way that they shall be as convincing to the Government of India as they have been to this Government. What I am instructed now to press for is that if the Government of India, after a careful consideration of the arguments now adduced, should concur with this Government as to the wisdom of the proposed policy, the whole programme should be laid before the Madras Railway Company through the Secretary of State, with a promise that, if they should agree to adopt it, their right to the construction and working of the Dindigul line and of the branch to Mysore would be definitely recognized; and that, conditionally of course on detailed inquiries and estimates proving that the Dindigul and the Nanjangod branches would be likely to be commercially successful, the Company would be enabled to raise the capital required for their construction on terms similar to the Calicut-Cannanore terms, as soon as it is decided that the time is ripe for including them in the railway programme for all India.

14. I am instructed to suggest that the Madras Railway Company's views should at once be sought, in the light of the information and opinions contained in this letter, and that they be pressed to agree to the construction of the Calicut-Cannanore line being at once proceeded with on the metre gauge.

15. The principles underlying the recommendations now put forward, viz., that it is wisest that means should be co-ordinated with ends, so that a railway costing $1\frac{1}{4}$ lakhs per mile should not be constructed to do the work that may perfectly well be done by a railway costing $\frac{3}{4}$ lakh per mile, and that in its turn the latter should only under very exceptional circumstances be used when $\frac{1}{4}$ lakh per mile would suffice, are the same principles which also came into prominence, and which carried great weight with this Government, when its recent letter on the subject of famine feeder railways, No. 169, dated 22nd March 1898, was under consideration; and I am instructed here to repeat that it is better, in the opinion of His Excellency the Governor in Council, that the credit of the railway Companies, backed as it is by the public credit, should be employed in securing as large as possible a mileage of a sufficiently good means of transport rather than that, for the sake of uniformity of system and of gauge, a uniformity which may easily be too dearly purchased, a comparatively small mileage of too good a means of transport should be provided.

16. The object which this Government has in view is so to utilize the credit of the railway Companies, which as just observed is practically the public credit, that in as brief a term of years and at as small an expense as are in every way consistent with economy and efficiency, as large a tract of country as possible may be brought within the area of influence of the railway system.

17. This object will, in the opinion of this Government, by the adoption of the programme now put forward, be brought nearer to accomplishment than will ever be possible if Government and the Madras Railway Company determine to continue to adhere to the policy, or absence of policy, which has heretofore been in force, and which has resulted in so serious a departure from the principle so strongly advocated by this Government, that as far as possible one trade tract should be served by one railway.

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

Francis J. E. Spring,
Joint Secretary.

Fort St. George,
4th April 1898.

Exd. Shaik Karim.

Form No. (2).

8 pages only

PUBLIC WORKS DEPARTMENT,

RAILWAY BRANCH.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

57P

READ the following

para 15

Extract from the Madras Railway Board's letter to Agent and Manager, Madras Railway, No. 970, dated 11th March 1898

15. The Board learn with some disappointment from para 9 of No. 2348 and G.O. No. 135 dated 24th January 1898, that the survey of the proposed Erode-Nanjangode Railway has been entrusted to the South Indian Railway, but they accept with satisfaction the assurance of the Govt. of India that the utilization of that Company for this purpose will in no way prejudice the question of the Agency by which the line, if ever made, shall be financed, constructed, and worked.

The Board understand that you have clearly explained to the Consulting Engineer the serious loss of revenue which would accrue to the Madras Railway, a loss to be shared equally by the Government and the Company, if another agency were allowed to construct this extension from Mysore to our South West line. You have also specially invited the attention of that

officer

offer
Officer to the express of this Company, to
Construct and work this extension on the
metre gauge. The Board trust therefore
that the claims of the Madras Railway to
undertake the construction of this line will
not be set aside.

As you have remarked to the Consulting
Engineer, this Company would desire to
work this extension in connection with the
proposed Podanur and Dindigal Railway
also with the Nilgiri Railway, and to extend
the system from Satyamangalam to Metta-
palayam, the present standard gauge branch
to that place from Podanur being converted
into the metre gauge.

Moreover, it occurs to the Board to suggest
for the consideration of the Government and
of the Company working the Bangalore-Mysore Railway
whether it would not be desirable to extend
that line direct to the northern foot of the
Nilgiri Mountains, and eventually to climb
the ghat to Cotacamund. The scheme would
be of great value, if brought no further
than to the foot of the ghat, and prove
of much advantage to the Nilgiri Railway.
The distance is between 40 and 50 miles, and
the gradients, it is believed, are easy.

—

Order

65

Order thereon. No. 539. Ry, dated 6th April 1898

The Government of India will
be addressed

—

No. 540. Ry, dated 6th April 1898.

To

The Secretary to the Govt. of India
Public Works Dept
Simla

Sir,

With reference to the subject
dealt with in my letter No. 527 Ry dated 4th
April 1898, I am directed to forward a copy
of para 15 of the Madras Railway Board's
of Directors letter to their Agent, No. 970,
dated the 11th March 1898.

2. I am instructed also to inform
you that the difficulty hinted at para 8
of my letter above referred to has now
been removed by the receipt from
the Travancore Dewan of an expression
of His Highness the Rajah's readiness
to allow the Cochin Railway to occupy
the requisite strip of land where

for

for a few miles it will pass through Travancore territory.

I have &c

(Signed) F.J.E. Spring.

Joint Secretary

No. 613 Ry., 23rd April 1898.

PUBLIC WORKS DEPARTMENT.

Railway.

Letter—from

Francis J. E. Spring, Esq., C.I.E.,

Joint Secretary to the Government of Madras,

Public Works Department,

Railway Branch,

To

The SECRETARY to the GOVERNMENT of INDIA,

Public Works Department,

Simla.

Sir,

With reference to my letter No. 527 Ry., dated the 4th April 1898, and in continuation of my letter No. 540 Ry., dated the 6th April 1898, on the subject of a proposed metre gauge policy for the Madras Railway and its extensions west of Podanur, or perhaps of Erode, I am instructed to invite your attention to para. 15 of the Madras Railway Company's letter to their Agent, No. 970, dated the [illegible] It is suggested that the necessary connection between the metre gauge Dindigul-Podanur branch and the metre gauge Erode-Nanjangod-Mysore branch, should be effected by means of the construction of a short new link, about 25 miles in length, from Mettupalaiyam to Satyamangalam, and the conversion to the metre gauge of the Podanur-Mettupalaiyam branch.

2. The suggestion in question has been carefully considered by this Government which sees in it an alternative to the conversion of the Erode-Podanur broad gauge section,—a conversion which seemed necessary when para. 9 of my first mentioned letter was written. It seems probable that the Madras Railway Company will be anxious that as small a mileage of their old line as possible should be converted; and thus the force of their opposition, if there should be opposition, to the scheme as a whole, will be greatly lessened if it is no longer proposed to convert any part of the old line east of Podanur.

3. The construction of the 25 mile section from Mettupalaiyam to Satyamangalam will allow of the connection of the Erode-Mysore metre section with the other metre sections, which is so desirable in the interests of economical working. It will also give a reduction of nearly 100 miles in the through journey from the north, *via* Mysore, to the Nilgiris; a journey which as facilities improve will undoubtedly be undertaken by larger numbers of upper class passengers.

4. The actual cost, as ascertained from the books of the South Indian Railway of converting 167 miles of broad gauge track to metre gauge was Rs. 700 per mile only. There were other charges for new accommodation; but Rs. 700 per mile covered practically everything except the new junction at Erode and

certain tranship arrangements at Karur. The actual time occupied in the conversion of the 30 miles between Guntakal and Bellary from broad to metre gauge, that is the time of interference with running, was just 30 hours.

5. A reference was made in para. 13 of my letter No. 527-Ry., dated the 4th April 1893, to the difficulty experienced in marshalling all the considerations which have led this Government to the adoption of the policy under reference, in such a way that they might appear as convincing to the Government of India as to His Excellency the Governor in Council. But two of these considerations may usefully here be referred to. First, there is the practical certainty that sooner or later Travancore will demand connection southwards from Cochin to her own system, at Quilon or wherever may be its terminus; and second, that extension from Cannanore northwards through South Canara is certain later on to be demanded in the interests of the development of the Presidency. It is not easy to foresee where this extension northward is to stop; it may, in due course, lead to the completion of a West Coast Railway; and in the opinion of this Government it would be a deplorable thing if, through want of a little forethought at this present juncture, any section of this through coast line of the future should, when the time comes, be found to be on the wrong gauge.

6. The demand for the development of Coorg, too, has weighed greatly with this Government. The difficulties in the way of opening up this important planting District will be greatly mitigated if they are complicated by no question of an extravagantly expensive gauge for the railways on which its development must depend.

7. In conclusion I am instructed to express the hope that full weight may be attached by the Government of India to the arguments which have been put forward by this Government in support of these important proposals, and that they may be induced to lend their fullest support to the policy of conversion and extension on the metre gauge, when laying it before the Secretary of State for discussion with the Board of the Madras Railway Company.

I have the honour to be,

Sir,

Your most obedient servant,

Francis J. E. Spring,

Joint Secretary.

Ootacamund,
23rd April 1898.

RAILWAY.

Government {1898} of Madras.

PUBLIC WORKS.

—o—

Recd. } 1898. *Enclosures*

Regd. } *Spare copies*

Letter, No. 613 Ry., 23rd April 1898.

APRIL.

Change of Gauge.

Offering further arguments in support of the proposed metre gauge policy for the Madras Railway and its extensions, westward from Erode.

~~THE RAILWAY CONFERENCE OF 1898.~~

~~Extracts from a~~ Note by the Consulting Engineer for Railways, Madras.

* * * * *

6. It will at this stage be convenient to explain very fully how we have been driven into advocating an important change of policy in regard to the gauge of 137 miles of the south-western end of the Madras Railway, and of the projected extensions and existing and projected branches thereof,—a policy which, if accepted, will ~~result in 520 miles of metre system being worked by the Madras Railway Company.~~

Proposals to extend the area served by ~~this~~ Company's system have always been met by the objection that, for the traffic of the areas proposed to be served, a broad gauge railway is too expensive a carrying machine. As ~~it never seemed to have occurred to the Company that they might advantageously~~ extend the area of their business operations by ~~offering to undertake the~~ construction and working of feeders and extensions upon a cheaper scale than that of their main line, they have been obliged, with much dissatisfaction and very natural grumbling, to look on at the gradual extension across their lawful territory of the cheap and efficient South Indian Railway, which seemed likely, sooner or later, to suck away much of the life blood of the older and more ~~conservative and slowly moving~~ organization. But during the last twelve months, in connection with the question whether the south parts of Mysore—a tract which seems undoubtedly to be within the lawful sphere of trading influence of the Madras Railway—should be tapped by that railway or by its rival, the Madras Railway Company expressed their willingness, officially and definitely, to work and to construct metre gauge branches. This, in my opinion, is a most wise decision, and one which, once arrived at, deserves all possible encouragement at the hands of this Government.

8. As we are not dealing with the question of great through trunk lines or of strategic lines, it may be taken as an axiom that it is desirable that, so far as may be possible, certain tracts of country, tracts which as a rule will have their boundaries fairly well defined, whether by natural physical features, climate, topography, soil, produce, or by the existing course of trade and its financing, should be made over to certain railway organizations to work, without fear of encroachment from rivals. I refer of course to India, where the relations of the monopolist to the public can be fairly effectively controlled by Government. A system of railways, to serve such a tract as it ought to be served, may be compared to a river and its feeders, if not in its gauge, then at least in its carrying capacity as measured by the number of trains which it runs on its several parts. Far up towards the "divide" it will sometimes happen that, even with one train a day each way, a railway on the broad gauge is a very uneconomical machine for the work to be done, or ever likely to be done; and it becomes in that case a question, to be decided by experience and by comparative estimates, whether the additional expense involved in change of gauge and in a separate rolling stock organization may not be more than balanced by the economy of working which results from the better co-ordination of means with ends. Thinking on these lines brings us logically in some cases to metre gauge branches or extensions of standard gauge systems, and sometimes perhaps to narrow, *e.g.*, 2-ft. gauge, commercial branch feeders for standard or metre gauge systems. If the standard gauge is known to cost, say Rs. 1,00,000, metre gauge cheap branches in a poor country Rs. 50,000, and 2-ft. gauge feeders on district roads Rs. 25,000, per mile, very little consideration will show that the adoption of break of gauge, the cost of which is now pretty well known though not specifically charged to the public, may in certain cases prove to be a wise and an economical measure; always predicating that it is not strategic lines or great through trunk lines that are under consideration, but strictly commercial lines for the haulage of third-class passengers from village to village and of produce between the villages and the nearest port or mart.

9. It would be greatly to be regretted if, having given in their adherence to so wise a policy, the Madras Railway Company should afterwards find themselves seriously hampered by reason of the length, or the position, of their metre gauge branches being such as to make their economical working impossible. Thus if they found on their hands only the Dindigul branch, on the metre gauge, it would undoubtedly be difficult to work it economically as an isolated section. But during the progress of enquiries by His Highness the Rajah of Cochin, through the Political Department, as to the possibility of himself, without financial aid from Government, providing the capital necessary for the projected Shoranur-Cochin Railway, it suggested itself that by the adoption of the metre gauge His Highness would find it possible to become the owner of the line, and that with little or no borrowing. But negociations in such matters take time, especially as there is a complication in connection with the necessity for part of the proposed line passing through the lands of the neighbouring State of Travancore; and meanwhile sanction had come to start work on the Calicut-Cannanore line. It seemed right, pending a definite decision being arrived at in regard to this question of metre gauge policy, that the Madras Railway Company should not be committed to what might prove to be infructuous expenditure on broad gauge works where there seems good reason to hope that the metre gauge may ultimately be adopted. If ever a continuous line of railway should become a *fait accompli* along the west coast of India—and with the Tinnevelly-Quilon, the Shoranur-Cochin, the Calicut-Cannanore and certain proposed lines near Bombay on the tapis or under consideration, it does not seem unreasonable to expect that within a reasonable period there will be such a continuous line—it will certainly be a metre gauge railway; and any short intervening broad gauge sections, if unfortunately they should be allowed to come into existence, will certainly be sooner or later converted. In view of these considerations it seemed to this Government to be quite essential that the broad gauge should not be drifted into for the Cannanore extension through mere absence of forethought, and of due consideration of all the conditions so far as it was possible to foresee them; and the result of correspondence which has ensued is that the Government of India have ordered that no work on the Calicut-Cannanore line should be entered on which would be likely to prejudice the consideration of the question of gauge.

10. What I have in view for the Madras Railway Company, much of it possibly yet a long way off, but none the less for all that deserving of careful consideration in connection with this large problem, is that, sooner or later, they should work the following extensions and branches on the metre gauge; and that necessarily, in connection with such working, they should convert the following sections of their own line from the broad to the metre gauge:—

393 *miles new branches or extensions to be built.*

Calicut-Cannanore	62	miles.
Shoranur-Cochin	73	„
Podanur-Dindigul	118	„
Erode-Nanjangod-Mysore	130	(15 already exist).
Mettupalaiyam-Satyamangalam	25	miles.

137 *miles existing main line and branches to be converted.*

Podanur-Shoranur	57	miles.
Shoranur-Calicut	54	„
Podanur-Mettupalaiyam	26	„
Total, future metre gauge for Madras Railway Company...	520	„

Thus what is contemplated is the construction by the Madras Railway Company of 393 miles of new metre gauge line, some of it for the Rajah of Cochin, and the remainder by State guaranteed debentures raised on what may be called Cannanore terms; and the conversion from standard to metre gauge of 137 miles of their present line; with, in addition, the working of the 15 miles section of the Mysore State Railway between Nanjangod and Mysore. But it seems probable that the Mysore State may desire to build the 30 miles of the Erode-Nanjangod line, which lie within their territory, as part of their own system, to be leased, with the 15 miles Nanjangod-Mysore section, to the Madras Railway Company; and in that case the new mileage on this branch to be arranged for by the Madras Railway Company would be 85 only.

11. It will be convenient in this note to complete the arguments in favour of the adoption of the above scheme by Government and the Madras Railway Company by pointing out that, if it is carried out, the locomotive running lengths will be as follows. Between Madras and Podanur, the broad gauge engine runs will be divided as may suit best for the distance, 302 miles; there are engine stations at present on this length at miles 42, 80, 132, 207, 243 and 302. For the metre gauge system the important junction of Podanur, where all metre gauge engine and rolling stock works would be situated, would be the engine-homing station for the following daily runs:—Podanur to Shoranur and back 114 miles, Podanur to Dindigul 118 miles, Podanur, by rack rolling stock, through Mettupalaiyam to Ootacamund and back, 104 miles. The Nanjangod-Erode run 114 miles would be worked from Erode where the Company have got old accommodation. It may be that the ghât pusher engines could be utilized for the short connecting link of 25 miles between Satyamangalam and Mettupalaiyam. Shoranur would serve as the engine-homing station for the two runs, Shoranur to Cannanore 116 miles, and Shoranur to Cochin 73 miles with prospects of extension afterwards in the Quilon direction.

12. As it is not only as an engine-homing station that Podanur will be useful, but also as the locomotive workshop centre for the metre gauge sections, it seems possible to work in with this the reduction of the area of new shops likely to be required at Perambore, the existing locomotive shops of the Madras Railway Company, if the East Coast Railway or part of it should be leased to that Company.

13. Taken as a whole, the scheme seems to me to be an eminently good one, and one which ought to prove equally acceptable to the Company and to Government. From Podanur westward, and throughout the whole area to be served, there is no traffic, nor so far as can be judged is there ever likely to be any traffic, at all approaching to that on parts of the South Indian Railway metre system. By the adoption of this scheme, the Madras Railway Company would secure the trade of the important tract of country, now undoubtedly their proper territory, which the proposed branch from Podanur through Udamalpet, Dharapuram and Palni to Dindigul will serve. They would also retain all the advantages of trading direct with Mysore, advantages which will certainly be snatched from them if the South Indian Railway Company are allowed to extend to Nanjangod. The cost and difficulty of conversion are not serious. I am now making enquiries as to what similar work has cost on former occasions, and have already ascertained that the conversion of the Guntakal-Bellary section, 30 miles in length, was effected during only 30 hours' stoppage of traffic, and that Rs. 700 per mile was all that was spent (apart from buildings and transhipment arrangements at Erode) on the conversion of the 167 miles from Negapatam to Erode.

14. Should this policy commend itself to Government and to the Madras Railway Company, it would be wise to convert the Calicut-Podanur section with as little delay as possible after rolling-stock had been provided, so that all might be in working order by the time the extension to Cannanore and the Cochin branch were finished. The conversion of the Mettupalaiyam branch might advantageously be done in time for the opening of the Mettupalaiyam-Coonoor section of the Nilgiri Railway, and in that case the Nilgiri rolling stock could be used on the branch. At Erode, and also at Podanur through the Dindigul branch, the Madras Railway Company's metre system would connect with that of the South Indian Railway Company.

15. Having, in paragraphs 6 to 14, recounted the principal reasons which have led to the proposal to adopt a narrow gauge policy for the Madras Railway extensions and feeders south and west of Podanur, I proceed, following last year's practice, to group the 17 projects, referred to as still alive, in paragraph 5, around the main or trunk systems with which they seem to be naturally connected, or by the agency of which they seem likely to be worked when completed.

Madras Railway Company's Group of Lines.

16. *I. Calicut-Cannanore, 62 miles, Rs. 73,75,000.*—I have increased the length of this extension from the 59 miles given last year, because though there will be some reduction of length due to the recent re-alignment, the line will certainly be extended to Baliapatnam, Cannanore being no place to stop it. Since the inspection recorded in G.O., No. 695, dated 21st September 1897, a great deal of survey has been done

and with most satisfactory results, and I quite expect to see a substantial reduction in the estimate, quite apart from any question of gauge. The survey parties are still in the field. In November 1897 the Agent, Madras Railway Company, learnt from his Board that they had raised £100,000 for the Calicut-Cannanore extension in the form of 2½ per cent debentures at £99. The Government of India telegraphed on the 29th December 1897 that work might proceed on the first 26 miles, and immediately after they allotted one lakh for land and 2½ lakhs for works for expenditure in 1897–98. Very little of this however was spent, as delay unavoidably occurred in making over the land. The Company have been authorised to collect materials and to do certain classes of work which will not result in waste if the metre gauge should be decided on.

17. *II. The Arcot Branch*, 4·35 *miles*.—With our No. 467 R., dated the 15th July 1897, we sent to the Government of India an estimate for this short branch, amounting to Rs. 2,58,065. In forwarding it for the sanction of the Secretary of State, the Government of India recommended that negociations with the Company should be conducted on the basis of their raising money for it on the terms of capital being converted at the prescribed or average rate of exchange, and of the application of the same rate to the interest thereon. Under this arrangement the estimate was raised to Rs. 2,98,000 by adding a sum equivalent to difference in exchange on expenditure in England between the rates of 1*s.* 10*d.* and current rates. These conditions being accepted by the Company, work was allowed to proceed. At the present moment land is being acquired and some improvements are being carried out in the alignment which will, it is believed, result in economy.

18. *III. The Madras Harbour Branch*, *about* 1 *mile*, *Rs.* 2,00,000.—The maturing of this useful project has been greatly hampered by the necessity for considering the requirements and convenience of the Harbour Trust Board. They, reasonably enough, object very strongly to any interference with their existing arrangements for handling the trade of the port, and indeed to the Madras and South Indian Railways coming to any permanent arrangement until such time as their own schemes for extending the accommodation of the port, whether by docks or by boat basins, shall have been brought to maturity. But certain proposals have quite lately been laid before the Harbour Trust Board and the Madras Railway Company which, if agreed to, will have the effect of allowing at least temporary arrangements to be made which, while securing to Madras the immense convenience of direct access by rail to the harbour face and to the business part of the city, will offer the minimum of interference with the conduct of the landing and shipping business. These temporary arrangements have been estimated at about Rs. 52,000, nearly the whole of which will be to the good if the permanent proposals are hereafter brought to maturity.

19. *IV. Shoranur-Cochin*, 73 *miles*, *latest rough estimate Rs.* 50,00,000.—Reference will be found in paragraph 9 of this note to an offer which this Government are in daily expectation of receiving, from His Highness the Rajah of Cochin, to construct this branch at his own expense and on the metre gauge. Correspondence on the subject has up to date been demi-official or confidential, because there are certain difficulties which have to be considered in the Political Department about the provision of land for nine or ten miles of the line by the neighbouring Native State of Travancore. These difficulties will doubtless disappear in due course, and meanwhile the Madras Railway Company have a survey party in the field who are working on the same principles as those which, in the case of the Calicut-Cannanore extension, have resulted in such marked economy. It is quite hoped that, on the completion of the estimate, a metre gauge line may be found to be well within the means of His Highness the Rajah of Cochin, whose great desire is to become the owner of a railway from which such good results in the development of his State are expected.

20. *V. Podanur-Dindigul*, 118 *miles*, *perhaps Rs.* 80,00,000, *metre gauge*.—As information on the subject of this proposed line accumulates, it becomes more and more evident that the Madras Railway Company, who already have a grip on the trade of much of the country proposed to be served, should get the building of the line, and not the South Indian Railway Company. And yet it is clear that a metre gauge line will be quite large enough to carry the traffic. In July 1897, the Board of Directors of the South Indian Railway Company made an offer to construct the Madura-Pamban, Tinnevelly-Quilon, and Podanur-Dindigul lines *en bloc*. But for reasons given in

our letter No. 533 R., dated the 5th August 1897, this Government advised the Government of India to refuse permission to the inclusion of the last-named line in that Company's programme for the present, but without prejudice to its re-consideration hereafter. This view of the matter was accepted by the Government of India in their letter No. 1746 R.C., dated the 22nd October 1897, in which they agreed with us that this particular project had better be shelved for the present, and concurred with us in the opinion that the metre gauge would suffice for it. Meanwhile, the Madras Railway Company had been keeping open their claim to build it, and had sent in an estimate for a survey.

21. The whole aspect of the question of which Company should be allowed to make this branch line has undergone a change since the Madras Railway Company have expressed their readiness to make metre gauge branches. I have explained in paragraphs 10 and 13 the reasons which have led us to favour the construction of this branch by the Madras Railway Company on the metre gauge; viz., that if built, it will form part of a large scheme of cheap and economically worked feeders to the standard gauge trunk line, connected therewith at Podanur and also at Erode; and moreover that the branch if made at all must be on the cheaper gauge; and that if the Madras Railway Company do not make it they will lose territory by reason of the tract being tapped by their rival the South Indian Railway Company. Evidence obtained from local Civil officials is to the effect that what the produce of the tract needs is a shorter outlet towards Calicut. The ten or twelve towns which are important enough to be tapped are so situated that the length of the line is considerably greater than if it went fairly straight from Podanur to Dindigul. But it is essentially a development line, and ought therefore to touch every village of importance. It will be a slow line, and length is therefore a matter of little moment in comparison with the picking up of traffic.

22. This Government have now put the imprimatur of their approval on the metre gauge scheme detailed in paragraph 10, in its entirety, and have advised the Government of India that, conditionally on the Madras Railway Company's acceptance of the full scheme as one to be gradually worked up to as occasion offers, their right to the Podanur-Dindigul line should be definitely recognized. I consider that the money for this line should be raised on conditions similar to those of the Calicut-Cannanore line, and that we should press for its inclusion in the financial programme for railway construction for the three years' cycle which will open in April 1899. Meanwhile, the Madras Railway Company might be authorised to make a regular survey.

23. *VI. Erode-Nanjangod Railway*, 115 *miles*.—Though in last year's note this scheme was put into the South Indian Railway group, it seems right this year to put it into the Madras Railway group, because it forms one of the sections which would be worked by the Madras Railway Company if the scheme detailed in paragraphs 6 to 14 should be approved. The Madras Railway Company naturally enough protest very strongly against the South Indian Railway Company being allowed to stretch another arm across their trunk, and to snatch traffic from South Mysore which the older Company consider to be theirs by right. But meanwhile the South Indian Railway Company came forward with an offer to survey the route, and, as they had men and appliances ready, their offer was recommended to the Government of India for acceptance in this Government's letter No. 1054 R., dated the 30th November 1897. Permission was accorded to them to make the survey, and an estimate for Rs. 17,829 was sanctioned in the Government of India's letter No. 78 R.C., dated the 15th January 1898, but on the clear understanding that the making of the survey should not in any way prejudice the question of who is to make and to work the line hereafter, and that the results of the survey should be at the disposal of Government, the revenues of the South Indian Railway being reimbursed for the cost of them if they should hereafter at any time be made over to another Railway Company. The section of the line which lies within Mysore territory would be about 30 miles in length, and it seems likely that the Mysore Government may prefer that this section should be an integral part of their own State Railway system; in this case they would probably be willing to lease the 45 miles from the frontier to Mysore City to the Madras Railway Company if it is arranged that the latter shall construct and work the British portion.

My latest information from the Chief Engineer of the South Indian Railway is that the Gajalhatti ghât by which the descent is made from the Mysore plateau is not nearly so formidable as was anticipated.

24. *VII. Mettupalaiyam-Satyamangalam link, 25 miles.*—This link is a necessary part of the new metre gauge scheme, to enable the rolling-stock of the Erode-Mysore section to get to Podanur for repairs, and also to shorten by 100 miles the distance to the Nilgiris from Mysore and the Deccan.

25. *VIII. Nilgiri Railway extension, 11½ miles, Rs.* 19,19,000.—In last year's note this was classed in the South Indian Railway group, as there was a proposal for that Company to work the Nilgiri Railway. But, now that arrangements are being negociated for its being worked by the Madras Railway Company, it must be grouped with that railway's extensions and branches. The Coonoor-Ootacamund extension has been recommended by the Conference of 1897 for construction by a Branch Line Company. With our letter No. 246 Ry., dated the 12th February 1898, this Government forwarded the plans and estimates, amounting to Rs. 19,19,000 inclusive of interest during construction, for the sanction of the Government of India, with a strong recommendation, that the 3 per cent. guarantee of interest for which the Company ask should not be withheld. It would be very convenient if the concession for this extension could be so settled that there need be no necessity for separate capital and revenue accounts to be kept for the old and new sections.

* * * * *

F. I. R. 8.

Following Statement of movement of Madras Ry. traffic past Podanur in the year 1897.

From Podanur westward, (blocks Nos. 44–52,) are two for convenience called "West Coast Block"

Business done between the West Coast and east of the following blocks.	From West Coast Maunds	To West Coast Maunds	Remarks.
1–8 Arkonam – Madras	122.131	84.708	With all break gauge
9–19 Arkonam – Raichur	40.158	9.930	
20–39 Arkonam – Erode, with Bangalore branch	800,854	981.205	
53 K.G.F. Ry.	308.943	45	
55 G.I.P.R.	8.254	1,087	
56–57 S.M.Ry. via Jolarpettai & Bangalore	31,859	47.399	With not break gauge
58–62 South India Ry.	391.758	224.021	
41–43 Nilgiri Ry.	558,668	246.721	
40 Between Erode and Podanur, including Podanur.	191,538	267.343	Perhaps half with break gauge.
	25	7	7 15

The above statement seems to show that for the full year 1897, ~~1,600,000~~ 1376,000 maunds were exported from and ~~1076,000~~ 1211,000 maunds were imported to, the West Coast Block, to and from places where entering of goods it is proposed to alter. That is ~~42~~ 26 ten ton waggon will have to break bulk at Podanur daily.

But on the other hand, goods will not in future have to be broken by ~~1076,000~~ 1078,000 Mds. of exports and 652,000 mds of imports per annum. In other words 16 ten ton waggon loads of which 15 do now actually break bulk at one junction or another, need not in future break bulk.

The effect result of the change will be that the net ~~result~~ of break of bulk will be that 26–15 = 11 waggon loads daily, more than at present, will break bulk. Madras seem to be concerned with 2 waggons per day.

F. I. R. S.
25/4/98
1-5-98

Typewrite this
Same for the other

23/4

1

3

MR. HORACE BELL,

Telegraphic Address:
Samasata, London.
Telephone No. 3086.

Victoria Mansions,
28, Victoria Street,
Westminister, S.W.

May 10th 1898.

My dear Weightman,

Your note of 19th ultimo accompanied by newspaper giving an article on Spring's proposals. I think there is a general agreement of ~~opi~~ opinion that there should be no further increase of broad gauge south of Madras, and I am quite prepared to see a reduction of what already exists. So far I am in entire accord with Spring's views, but I should work it out differently. I would not increase the Madras system in the direction he proposes. By the time they get the Madras-Bezwada section of the East Coast Railway, and if they ended at Erode, they would have a system quite large enough. I am strongly opposed to over large systems, and especially in India. This I have insisted on in a lecture I have recently given at the Society of Arts (copy sent you with this). I am convinced that more harm than good comes of having large systems, and would put the extreme limit at 1,500 miles (preferably 1,200). My idea would be to stop the Broad gauge at Erode, and from there on to Mangalore and up the Ghat have the metre gauge together of course with the lines mentioned in the newspaper article. I would give the Erode-Nunjangode to the South Indian and throw the rest into a new metre gauge system, say the "Indian South Western Railway Company" which should include as follows:-

Erode to Mangalore.
Mangalore to Hassan.
Podanur-Metapollium-Satyamangalam.
Nilgiri Railway.

Shoranopr-Quilon-Tinnevelly.

Palghat-Dindigul.

This would make a system of About 800 miles, which would soon grow to 1,000.

If the Government of Madras would support this solution and the Govern-ment of India would give a concession for these lines for say 6 months, I believe that, if the rupee will steady to or near 1 s. 4 d., I could get the money without guarantee, and offer moreover to share profits with the State over 4 per cent. Land of course given free.

Yours truly,

(Sd) Horace Bell,

W. J. Weightman Esq.

P.S.—You may let Spring have a copy of this if you like.

(No. I.)

5000-15-3-88.

No. 9096.

437

MADRAS RAILWAY.

SERIAL No. 25

AGENT AND MANAGER'S OFFICE,

MADRAS, 13th May, 188/98

2331 14.5.98

14 MAY 1898

From

The Agent and Manager,

Madras Railway Company,

To

The Consulting Engineer for Railways.

Madras.

SIR,

S. 36 EN By Mr. Weightman's letter attached file.

With reference to your letter No. 360 of the 4th February last in reply to my letter No. 9096/A 84 of the 28th January on the subject of the Podanur- Dindigal and the Mettupalaiyam -Sattiamangalam Erode-Nanjangode proposed lines, I have the honour to invite the special attention of the Government to para 15 of letter No. 970 from my Board, copy of which I enclose.

SN° 35 Same case

SN° 20

I understand from this letter that if the Government is pre-pared to place the construction and working of these branch Railways in the hands of the Madras Railway, my Board will agree to the Podanur-Mettupalaiyam Branch of the Madras Railway being converted from stand-ard to metre gauge, so securing a continuous gauge between Coonoor and Dindigal on the one side, and between Coonoor and Mysore via Satta-mangalam and Nanjangode on the other side.

In the event of the gauge being changed, Passengers from Madras to the Hills would leave the standard gauge carriages at Poda-nur instead of at Mettupalaiyam.

If

5

[250—24-3-98.]

If the proposal suggested by the Board is entertained, the work of strengthening the girders of the bridges on the Podanur Mettu-palaiyam Branch, now under suspension, may be indefinitely postponed, as the girders now laid are sufficiently strong, it is believed, to bear the weight without risk of metre gauge Engines and Stock.

I have the honor to be,

Sir,

Your most Obedient Servant,

Agent and Manager.

[250—24-3-98.]

MADRAS RAILWAY.

From

The Agent and Manager,
M. R. Co.,

To

The Consulting Engineer
for Railways

Dated 188

Read.

No.

P.W. DEPARTMENT.
Railway Br.

E.R.'s C. No. 2331
14.5.98

Letter to Govt
No-765 Rly
27-5-98

(3) HIS EXCELLENCY THE GOVERNOR.
(1) THE HON'BLE SIR HENRY BLISS, K.C.I.E.
(2) THE HON'BLE MR. GROSE, C.I.E.

SUBJECT.
Conversion of the Podanur-Mettupalaiyam Section to the metre gauge.

FOR ORDERS.

I quite agree that Podanur will be a much better place than Mettur for the break of gauge, if for no other reason, because it is much more healthy a place, which is a matter of importance in view of the much larger staff required at changing stations than at an ordinary station serving a small town. Of course there will be a loss in the abandonment of the buildings at Mettur which are much more extensive than will be needed if this proposal is carried out. But I suppose they will come in useful if the Mettur — Salem Jn. Mangalam scheme ever comes to anything.

RS
19/5/98

I think that Indian orders ought to be sought on the subject of the letter below from the Agent Madras R. C. & the Con. Engr. and that an effort ought to be made to get the proposal to convert the Podanur — Mettupalaiyam section to the metre gauge sanctioned before the Nilgiri Railway is opened. I have drafted for approval.

F.W.S.
17/5/98

Tgm. A.M. 22.5.98
Letter
P.W.
275

[P. W. 43.
500—27-1-98.]

250—24-3-98.

Public Works (1898) Department.

RAILWAY BRANCH.

G.O., No. 724-25. Rly.

DATED 14th May 1898

[Despatch Abstract.]

Accounts for the Madras Ry System

Ordered that a copy of a note by the Govt Examiner of Ry Accts, Madras, on the — in the event of the Madras Govt's proposals as to change of gauge being agreed to, be forwarded for the info. of the Govt of India

Forwarded

6½

Indexed.

[P. W. 25. 250—24-3-98.]

BACK PAPERS.

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

FURTHER PAPERS.

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

Form No. 34.

P. W. D., RAILWAY BRANCH.

OFFICE OF THE CONSULTING ENGINEER FOR RAILWAY.

Madras, 21st April 1898.

No. 1139.

EXAMINER, RAILWAY ACCOUNTS, MADRAS.
Regr. No. 67
21 APR. 1898
Enclosures

OFFICE NOTE.

From E. R.

To C.R.

1.— I have been trying to think out some system for the account of the Madras R. of it transfer if the new Metre gauge Railway is agreed to. It seems to me that the matter is very far from being a simple one. To me personally it is most interesting, and I shall be very glad if you can suggest anything yourself. Perhaps the difficulties which I foresee will not arise. You can express an opinion on this point.

2.— You will see from paras 6 to 14 of enclosed rough proof Note what the new scheme is. This Govt. means to press for it most strongly, and to win if possible. I have good reason to believe that it will not be very strongly opposed by the Madras R.C. Indeed I think that they will probably fall in with our plans willingly enough. But difficulties

may be made about accounting, and I should like to tackle these difficulties in anticipation, and specially write about them, making some proposals in anticipation of objections.

3.- Since the printed Note was drafted the scheme has been altered as follows. A link 25 mls in length is proposed to connect Metupalliam on the metre gauge with Satyamangalam, and this link will obviate the necessity for converting the Erode Podanur section from broad to metre gauge.

4.- Now you see how things will be. The broad gauge portion of the Madura R.C. system will consist of

(a)	Madura – Rameswaram	350 ½
(b)	Pachaman – [redacted] Podanur	259 ½
(c)	Jolarpet – Bangalore	87
(d)	K.G.T. Ry.	10
	Total	707

The metre gauge section of the Madura R. will consist of.

(e)	Podanur – Calicut	111
(f)	Calicut – Cannanore	62
(g)	Shoranur – Cochin	73
(h)	Dindigul – Podanur	118
(i)	Podanur – Metupalliam	25 ½
(j)	Metupalliam – Satyamangalam	25
(k)	Erode – Nanjangud	115
(l)	Nanjangud – Mysore	15
(m)	Palghat – Olavakot.	2 ½
		547

5.- Thus (omitting the East Coast Railway or any part of it,) the Madura Railway of the future will consist of 1254 miles of which 707 miles will be broad gauge and 547 miles metre. But these 547 miles of metre gauge will not be all new lines. If they were there would be no difficulty in arranging terms for interest, account, &c. because as obviously it is desirable to keep separate account for the metre gauge part of the system, if all the metre portion were new "Canonne terms" could be applied to them.

6.- But items (e), (i) to (m) are old broad gauge guaranteed railway converted to metre gauge; item (g) is a joint (Native State) owned line, leased to the Madura R.C., and item (l) with possibly 32 miles of item (k) will be a Mysore State owned line, leased to the Madura R.C.

7.- Therefore it looks as if for the items referred to in para. 6 separate account will have to be kept up. I do not see how it is possible to avoid having to keep separate account for item (g), the Shoranur Cochin line, and for item (l) and part of (k). But I think it ought not to go beyond our ingenuity to devise some means whereby separate account need not be kept up for items (e), (i) and (m). Item (m) is not of much account and anyhow it will follow the lead of items (e), (i). Now what can we do about (e), (i), (m)? They are # 5% guaranteed sections. Can you suggest any scheme likely to be

agreed to which would bring them into line with items (f), (h), (j) and part of (k). all of which will doubtless be financed as "Commonwealth Works"?

No idea at all as the subject suggested to me. But perhaps there is no need to contain anything. That is perhaps the inconvenience of keeping separate accounts for the separate sections will not be so great as to make it worth while to continue anything for the abolition of it. What do you say?

There is another question which we shall have to tackle. and I suppose that we should not appear to have overlooked it. That is the question of whether the cost of connecting the 13g miles (e), (i) & (m), which will cause perhaps to 1½ or 2 lakhs for the road alone with perhaps 2 lakhs more for bridge & gauge accommodation at Padaun, is to be a capital charge or not. It seems to me that it must be a capital charge. because it is not possible to conceive of it as a working charge. You may say that alteration from broad to metre is not an "improvement". But "improvement" is not absolute but relative. and I say that any alteration decided on in the interests of traffic. I mean any alteration of this nature, if in the interests of traffic, is an "improvement".

What I am aiming at is to anticipate all difficulties likely to arise in the negociations with the Standard Co. and to try to meet them fairly, remembering that if the time all the proposed changes are effected, the end of the Company's contract will be so near that even if we allow them some advantages over to which in strict fairness they are not entitled, it is a matter of but minor consequence compared with the advantage of being prepared, before 1907, with a complete well organised system of lines for handing over to the new working organisation.

I shall be obliged if C.R. will think the whole thing out and advise me.

F/RS

19/4/98

E.R. Office Note No 1139 dy 21st April 1898

Accounts for Madras Dy System.

E.R.

1.— I am of opinion that the Accounts of the Madras Dy proper, as it now is, will still have to be kept intact, notwithstanding the conversion of 139 miles of it to the Metre gauge. All the conditions which apply to these 139 miles in regard to Capital raised, Capital outlay, interest, working expenses earnings, surplus profits &c are so bound up with the original Contracts, that it would scarcely be possible to separate the Accts of the 139 miles & amalgamate them with the rest, or rather part of the rest, of the proposed Metre gauge System. The only way to effect this separation would, I think, be to write back the original cost of the 139 miles from the Capital outlay on the Madras Dy proper, to take an equivalent of the Capital raised as appertaining specially to this Section, and to apply new Conditions to this part of the Co's undertaking. This would be asking the Co in some measure to relinquish part of the advantages & privileges of their old Contracts, & would probably lead to much opposition & many disputes.

2.— On the other hand I do not consider that the conversion will cause any difficulty in keeping the accounts of the present System intact, nor that there will be any such disputes or complications in arranging for the Accounts of the extended Broad & Metre gauge System as to form the ground for objections to your proposals.

3.— The accounts of Working Expenses throughout will, I presume, be first amalgamated & then simply distributed in proportion to gross earnings among the different Sections

so that there will be no opportunity here. The Capital outlay is easily kept separate for any Sections into which it may be found necessary to divide the System; and though the necessity for dividing Gross & Freights, and for keeping separate accounts of Earnings for a large number of different Sections must cause some trouble, yet this is a State of affairs, which must be expected to follow as a natural result of the multiplication of new Branches in all directions, and I do not suppose that the number of Sections on the proposed Madras Ry System, for which separate Accounts will have to be kept, will be exceptionally large in comparison with many of the other great Railways of India.

For the combined Broad & Metre gauge System of the Madras Ry as sketched out we you note the following accounts would be required:—

(a) Madras Ry proper 699 miles Broad gauge 139 miles metre gauge

One complete set of Capital & Revenue Accounts as at present.

(b) Three Extensions on "Cammamore Terms"

1 Cuttack-Cammamore Extension 62 miles metre gauge
2 Bandergat-Podanur " 118 " " "
3 { Villupuram-Salymangalam 25 miles / Erode-Mupore Frontier 85 " } 108 " " "

For each of these separate Capital Accounts Form IV & V Revenue Accounts Form III, Interest Account Form XVII and Surplus Profits Form XVI would be required. These might be given as subsidiary forms in the Madras Ry Accounts proper, a separate Account printed of subsequently found more convenient.

(c) Three Native State Lines worked by the Company

1 Tinivelly Gold Fields Railway 10 miles Broad gauge
2 Shoranur-Cochin (Cochin State Ry) 43 " metre "
3 { Mupore Nanganpad 15 miles / Nanganpad-Mupore Frontier 32 " } 47 " " "

For each of these a separate set of Capital & Revenue Accounts would be required.

In addition seven sets of Capital & Revenue Accounts at the most, which may not be considered very exceptional as the S Ry Co for years past having been keeping 6 separate Accounts for their System.

It might be possible to amalgamate the Revenue Accts of 6(3) and C(3) as given above by dividing profits of the combined Section between the Southern & Mupore Lines under a special arrangement somewhat similar to that proposed for the Southern & Native State Sections of the Tinnevelly Madura Ry. This would save some trouble in account keeping, and in dividing Gross & Freights on through booking on the combined Section, but it would necessitate, I think, the Southern portion being undertaken at the Joint cost of Govt, instead of as an extension of the Madras Ry on "Cammamore Terms" and is therefore not to be advocated as involving great saving in finding funds.

As regards the question of the allocation of the cost of conversion of the 139 miles of the Madras Ry, which may perhaps for estimate roughly at about 2 lakhs for the road alone, with perhaps 2 lakhs more for break of gauge accommodation at Podanur;—I do not think there is much doubt about the latter item of 2 lakhs for break of gauge

accommodation at Poharam, except in so far as any demolition, removal and reconstruction of existing buildings and works may be concerned; most of the accommodation would, I suppose be purely additional, and thus would be a fair Capital charge.

8. The item of 2 lakhs for conversion of the line is more doubtful. From an Accountants point of view it would not seem correct to state the Capital Account of the 137 miles of converted line as standing at the amount of the original cost of its construction as Broad gauge plus the cost of converting subsequently to Metre gauge. The cost of conversion of a more expensive form of construction to one of a less expensive nature would also under ordinary principles seem to be a proper charge to Revenue. But in the Secretary of State's Despatch laying down the principles of allocation to be followed on Indian Railways, it is clearly suggested that cases involving exceptionally large outlay, which would under ordinary rule be a Revenue charge, must be specially considered & dealt with, and I think the reasons given in your note for holding that the conversion would in this particular case be a substantial improvement, are also strong grounds for a recommendation that the cost should be specially allowed to be treated as Capital outlay by the Govt of India, with whom of course the final decision will rest.

If the result the Govt of India would probably not press for more than half the cost of the line conversion being treated as a Revenue Charge, and if an addition Rs 100 were allowed to be distributed over say 3 years, the burden on the Revenue account would not be very heavy - that is not more than Rs 15 000 to Rs 17 000 a half year for that period

E.R. Please say if you wish to see this. Proceedings office will be taken [illegible]

E Walter
C R 27/4/98

CR

I shall be glad if C.R. will see this version of the Note which would be represent mine, and if correct will sign it, or will modify it in any way desired. I sent it and [illegible] letter about the current question.

[illegible]

9/5

Signed & returned

E Walter
6/5/98

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Note by the Examiner Guaranteed Railway Accounts, Madras, on the Accounts for the Madras Railway system in the event of the Madras Government's proposals being agreed to.

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1. I am of opinion that the Accounts of the Madras Railway proper, as it now is, will still have to be kept intact, not-withstanding the conversion of 139 miles of it to the metre gauge. All the condi-tions which apply to these 139 miles in regard to Capital raised, Capital outlay, interest, working expenses earnings, sur-plus profits &c. are so bound up with the original contracts, that it would scarcely be feasible to separate the Accounts of the 139 miles and amalgamate them with the rest, or rather part of the rest, of the proposed metre gauge System.

2. I do not consider that the conver-sion will cause any difficulty in keep-ing the accounts of the present System intact, nor that there will be any such difficulties or complications in arrang-ing for the accounts of the extended Broad and Metre Gauge System as to form the ground for objections to the proposals of the Madras Government.

3. The accounts of working expenses throughout will, I presume, be first amalga-mated, and then simply distributed in proportion to gross earnings among the different Sections, so that there will be no difficulty here. The Capital outlay is easily kept separate for any Sections into

which it may be found necessary to divide the System; and though the necessity for dividing fares and freights, and for keeping separate accounts of earnings, for a large number of different Sections must cause some trouble, yet this is a state of affairs which must be expected to follow as a natural result of the multi--plication of new branches in all direc--tions, and I do not suppose that the number of Sections on the proposed Madras Railway System, for which separate ac--counts will have to be kept, will be ex--ceptionally large in comparison with many of the other great Railways of India.

4. For the combined Broad and Metre gauge System of the Madras Railway as now contemplated the following accounts would be required:-

(a) Madras Railway proper 697 miles broad gauge 137 miles metre gauge

One complete set of Capital and Revenue Accounts as at present.

(b) Three Extensions on "Cannanore terms"

1. Calicut-Cannanore Extension		62 miles	metre gauge	
2. Dindigul-Podanur "		118 "	"	"
3. Mettupalaiyam-Satyamangalam	25 miles	110 "	"	"
Erode-Mysore Frontier	85 "			

For each of these separate Capital Ac--counts Forms IV and V, Revenue Accounts Form VIII, Interest Account Form XVII, and Surplus Profits Form XVI, would be requir--ed. These might be given as subsidiary Forms in the Madras Railway Accounts pro--per, or separate accounts printed if subsequently found more convenient.

Copy of Memo by Capitt Hanscomb Hon Secretary Flag M.

(c)

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(c) Three Native State Lines worked by the Company.

1. Kolar Gold Fields Railway		10 miles	Broad Gauge.	
2. Shoranur-Cochin (Cochin State Railway).		73 "	Metre	"
3. Mysore-Nangangud	15 miles.	45 "	"	"
Nangangud-Mysore Frontier.	30 "			

For each of these a separate set of Capi--tal and Revenue Accounts would be re--quired.

5. In all, seven sets of Capital and Revenue Accounts at the most, which may not be considered very exceptional, as the Southern Mahratta Railway Company for years past have been keeping 6 separate accounts for their System.

6. It might be possible to amalgamate the Revenue Accounts of b (3) and c (3) as given above, by dividing profits of this combined section between the British and Mysore Governments under a special arrange--ment somewhat similar to that proposed for the British and Native State Sections of the Tinnevelly-Quilon Railway. This would save some trouble in account keep--ing, and in dividing fares and freights in through booking on this combined sec--tion, but it would necessitate, I think, the British portion being undertaken at the direct cost of Government, instead of as an extension of the Madras Railway on "Cannanore terms" and is therefore not to be advocated as involving great delay in finding funds.

7. As regards the question of the alloca--tion of the cost of conversion of the 139 miles of the Madras Railway, which may per--haps be estimated roughly at about two

lakhs for the road alone, with perhaps 2 lakhs more for break of gauge accommoda-tion at Podanur:-I do not think there is much doubt about the latter item of 2 lakhs for break of gauge accommodation at Podanur, except in so far as any demoli-tion, removal and reconstruction of exist-ing buildings and works may be concerned; most of the accommodation would, I imagine be purely additional, and this would be a fair Capital charge.

8. The item of 2 lakhs for conversion of the line is more doubtful. From an Accountant's point of view it would not seem correct to state the Capital Account of the 137 miles of converted line as standing at the amount of the original cost of its construction on the Broad gauge plus the cost of converting subse-quently to Metre gauge; the cost of con-version of a more expensive form of con-struction to one of a less expensive nature would also under ordinary princi-ples seem to be a proper charge to Reve-nue; but in the Secretary of State's Despatch laying down the principles of allocation to be followed on Indian Railways it is clearly recognised that cases in-volving exceptionally large outlay, which would under ordinary rules be a Revenue charge, must be specially considered and dealt with; and I think that as the con-version would in this particular case be a substantial improvement, there are strong grounds for a recommendation that the cost should be specially allowed to be treated as Capital outlay by the Government of India.

9. At the most the Government of India

15 P

would probably not press for more than half the cost of the line conversion be-ing treated as a Revenue charge, and if in addition this were allowed to be dis-tributed over say 3 years, the burden on the Revenue Account would not be very heavy- that is not more than Rs. 15,000 to Rs. 17,000 a half-year for that period.

E. A. Waller

E Waller Major R.E
C.R. 6/5/98
Insp of Ry Accts. Madras.

9

B

165

F.O. No. 724 Pol 14/5/98

Revd. Quick

12½P

Letter f the Govt. of India No. 527. Ry. 4th April 98

" Quick " " " 613 Ry. 23rd " "

Print Quick Note f the Govt. Engr. Madras on the Railway Conference for 1898 dated the 1st May 1898

Note f the Secy. Govt. of India Ry. Depts. Madras dated the 6th May 1898

Order thereon

The Govt. of India will be addressed

(Here enter letter No. 725 Ry dated 14/5/98)

FWS
12/5/98

10

R. Form No. 12.

B

Print

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No. 725. Ry

H.E. The Governor

Government of Madras.

PUBLIC WORKS DEPARTMENT,

RAILWAY BRANCH.

To

THE SECY. TO THE GOVT. OF INDIA,

P. W. DEPARTMENT.

Simla

Coty Fort St. George the 4th May 1898.

SIR,

A.94
10.5.98

With reference to my letters Nos.
527.K. — 613.K. dated respectively the 4th
& 23rd April 98. I am directed to forward for
information a copy of a Note prepared by the Govt.
Examr. Guaranteed Rly. Accts. Madras, on the
system of accounting which will be necessary if
the proposals contained in my letters above referred
to are agreed to.

I have &

J.W.S.
9/5/98

Documents accompanying: —

Copy of Note

Referred

Despatched On 14/5/98

11

Mr. 25. 1145

B. Form No. 12.

No. 765 Ry

Government of Madras.

PUBLIC WORKS DEPARTMENT,

RAILWAY BRANCH.

SERIAL No. 26

To

The Secy. to the Govt. of India,

P. W. Department.

Simla

Coty, the 27th May 1898.

Sir,

In continuation of the correspondence on the subject of change of gauge and metre gauge extensions of the Madras Railway, ending with my letter No. 725 Ry. dated the 14th May 1898, and with special reference to my No. 613 Ry, dated the 23rd April 1898, with which you were furnished with a copy of para 15 of Madras Railway Company's letter to their Agent, No. 970 dated the 11th March 1898, I am now directed to forward a copy of a letter No. 9096/437 dated the 13th May 1898, from the Agent of the Madras Railway Company. In this letter the Agent interprets the intention of his Board to be that they would be pre-

-pared to consent to the conversion of the Podanur-Mettupalaiyam Branch, 25 miles, to the metre gauge, if promised the con-
-struction and working hereafter, whenever decided on, of the Podanur-Dindigul and the Erode-Nanjangod Branches with the Mettupalaiyam-Satyamangalam connection.

2. The Government of India have already been made acquainted with the reasons which have led this Government to the conclusion that it is right that, whenever the time arrives for making them, the Madras Rail-
-way Company and not the South Indian Rail-
-way Company should be given the working of the Podanur-Dindigul and the Erode-Nanjangod Branches. Should these views commend themselves to the Government of India there would seem to be no reason why the Madras Railway Company should not be informed that their claim to these two extensions is definitely admitted, subject always to the agreement of the Mysore Government as regards the section of the Erode-Nanjangod-Mysore line lying within

19 P

their territory. It appears likely that once they have been made acquainted with the opinion of the Government of India, that the two branches in question are looked-upon as hypothecated to them, the Madras Railway Company would agree to at once carry out the conversion of the Podanur-Mettupalaiyam Section.

3. In view of the approaching opening of the Mettupalaiyam-Coonoor metre gauge line, and of the practical certainty of its being worked by the Madras Railway Company, and of the importance to Govern-
-ment, its guarantors, that road competi-
-tion should not have to be encountered, it seems very desirable that Podanur and not Mettupalaiyam should be the point where, from the very first, break of gauge will occur. So long as break of gauge, especial-
-ly for goods, is at Mettupalaiyam, so long will the Nilgiri Railway be exposed to severe competition with carts. But com-
-petition will be practically rendered non-existent if break of gauge is made to

occur at Podanur.

4. There is nothing in either the vehi-
-cles or the engines of the Coonoor line
which would make it objectionable to run
them on the converted Madras Railway,
indeed the first few miles from Mettupalai-
-yam to Kullar are of a character similar
to that of the converted Podanur-Mettu-
-palaiyam Section. There will be no diffi-
-culty in arranging terms between the two
Companies for the use of the Nilgiri roll-
-ing stock on the 25 miles of the Madras
Railway. Indeed the Madras Railway Com-
-pany will probably be glad of the chance
of setting free the broad gauge stock now
locked up on the branch.

5. The convenience to passengers of
changing once for all into the metre gauge
at Podanur will be very great, because at
present they necessarily change there from
the main to the branch line vehicles, and
if the proposed conversion of the branch
is carried out, the Podanur change will be
the only one on the journey to the Nilgiris.

The saving of the proposed expenditure,
which has just been stopped in time, on
the strengthening of the bridges on the
branch, referred to in the Agent's letter,
is worthy of consideration. The actual
conversion, judging by the Bellary-Gunta-
-kal case, can be very quickly and cheaply
accomplished.

6. I am instructed to say that, in the
opinion of His Excellency the Governor in
Council, a decision in this matter need
not wait upon the decision to be arrived
at upon the large conversion and metre
extension scheme of which this forms a
very small part. It might have been dealt
with on its own merits without being tied
up with the Podanur and Nanjangod schemes.
But the Madras Railway Company's Board
apparently desire that it should stand or
fall with the decision that may be arrived
at in regard to the two projected Branches.
It might have been worth while to endea-
-vour to induce the Company to separate-
-ly deal with the Podanur-Mettupalaiyam

conversion, on its own merits, as ex-
-plained in my paras 3, 4 and 5, had there
been any question of the expediency of
promising them the working, hereafter, of
the Dindigul and Nanjangod Branches. In-
-deed, even now, if the Government of India
do not see their way to accepting without
further explanation the views of this
Government as to the propriety of promis-
-ing these two branches to the Madras
Railway Company, it might be advisable to
endeavour to persuade the Company to con-
-sent to the immediate conversion of the
Mettupalaiyam Branch, for the reasons
referred to in paras 3, 4 and 5, and because
it will be for their interest to do so.

7. But it is strongly recommended, for
the reasons put forward in this Government's
Consulting Engineer's Note on the general
Railway programme dated 1st May 1898, and
adopted by this Government in para 10 of
my letter No. 689 Ry. dated the 4th May
1898, that permission be accorded to inti-
-mation being given to the Madras Railway

21 & P

Company that the Government of India con-
-cur with this Government in the opinion
that their claim to work the Podanur-Dindi
-gul and the Erode-Nanjangod lines, with
the Satyamangalam-Mettupalaiyam link and
the converted Podanur-Mettupalaiyam Sec-
-tion, all on the metre gauge, is a rea-
-sonable claim, and that meanwhile, pend-
-ing a decision being definitely come to
as to when and how these extensions shall
be undertaken, their suggestion to convert
the Podanur-Mettupalaiyam Section is agreed
to, and they are recommended to carry out
the conversion in time for the opening of
the Nilgiri Railway for the reasons given
in paras 3, 4, 5 of this letter. I am to add
that Mysore is prepared to believe that they will readily adopt
such a recommendation.

This letter was
drafted by Mr. Thomas

J.P.S.
R.
17/5/98

Documents accompanying:-
Letter from the Agent, Madras Ry Co
No. 2096/437 dated 13/5/98 (Copy)

Despatched on 24.5.98

Works

Public (1898) Department.

Railway

CURRENT No. 688

From The Gast of India

Order

No. 706 R.C.

Dated 31st May 1898

Received 7-6-98

Registered

Enclosures

Spare copies

SUBJECT.

Gauge.

Passing orders on the proposals of the Gast of Madras in regard to the — of the M Ry + of projected lines connecting with it west of Erode.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

22 to 5

No. 706 R.C.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY CONSTRUCTION.

All communications should be addressed to the Secretary.

To

The Joint Secretary to the Government of Madras,

Public Works Department, Railway Branch.

Simla, the 31st May 1898.

Sir,

I am directed to acknowledge receipt of your letter No.527 Ry., dated 4th April 1898, inviting consideration by the Government of India of a very important change of policy in regard to the gauge of the Madras Railway and of projected lines connecting with it West of Erode, and suggesting that, if on careful consideration the Government of India are disposed to concur in the wisdom of the proposed policy, the whole programme should be laid before the Madras Railway through the Secretary of State with a promise that if they agree to adopt it their right to the construction and working of the Dindigul line and the Branch to Mysore would be definitely recognised, and that they should be pressed to agree to the construction of the Calicut Cannanore Extension being at once proceeded with on the metre gauge.

2. The recommendations of the Madras Government are understood to rest mainly on the ground that the existence of the broad gauge system West of Erode constitutes an obstacle to the development of railway communication on the metre

gauge

gauge which would suffice for the needs of the country to be served,and to the linking up of the South Indian and Southern Mahratta metre gauge systems,and that these difficulties cannot be removed without prejudice to the equitable claims of the Madras Railway Company except by their consenting to convert to the metre gauge so much of their system as would enable them to construct and work as part of it the extensions and connections for which the metre gauge is recognized as preferable or necessary.

3. In reply I am to state that,while the Government of India appreciate the force of the arguments to which the Madras Government have lent the weight of their support,it seems necessary that the opinion of the Mercantile bodies interested should be obtained and considered before so radical a step as the introduction of a break of gauge on a main line of communication between the East and West coasts of India is recommended to the Secretary of State.

4. I am to add that even if the policy of the change were accepted and the right of the Madras Railway to make the connection on the metre gauge between Erode and Nanjangode were recognised,it would be absolutely necessary that the two metre gauge systems to the North and South of the link should have running powers over it and that it is by no means clear that under these circumstances the Madras Railway Company would consider it worth their while to go to a large expense so near the possible termination of their contract in converting their broad gauge line for the sake of obtaining the right to make the link.

5. An estimate of the cost involved in the radical change of policy proposed,showing cost of conversion,provision of metre gauge Rolling stock,and the erection and equipment of the necessary workshops and transhipping stations would also be necessary before the Government of India could come to any decision,and until a decision in favour of the change

of

2358P

of policy recommended has been arrived at it would obviously be impossible to press the Madras Railway Company to undertake the immediate construction of the Calicut-Cannanore Extension on the metre gauge. There appears to be no other course open than to defer the prosecution of work on this line till the question is settled.

6. I am accordingly to request that,with His Excellency's permission,the opinions of the Madras and Malabar Chambers of Commerce and of any other representative bodies that may be interested in the question,and of the South Indian and Madras Railways may be invited,and transmitted together with the estimates referred to in paragraph 5 above,and any further expression of the views of the Madras Government which may seem to be called for.

7. To prevent possible misapprehension it will be desirable in making the necessary communication to the Madras Railway Company, to draw prominent attention to the condition stated above,paragraph 4,as necessarily attaching to any proposal that the link between the South Indian and Southern Mahratta Railways should be made as part of their system.

8. With regard to the projected Shoranur-Cochin Branch, which it is stated His Highness the Rajah of Cochin has a strong desire to make on the metre gauge,out of his own accumulated Capital so far as it would go,and without direct financial aid from Government, I am to remark that the construction of this branch on the same gauge as that of the Madras Railway is perhaps hardly so essential as in the case of the Calicut-Cannanore line,and that a possible solution of the apparent difficulties of His Highness to finance the line entirely with his own Capital might be to construct it on the 2 feet gauge,a course which would enable His Highness to become the entire owner without the necessity of borrowing,and at the same time would provide a railway quite adequate to the present wants of the country. It would be necessary,however,in case this suggestion should be adopted,

to

to make such stipulations as would ensure that no difficulties would arise hereafter in the event of its becoming necessary to link up the branch with the metre gauge systems to the South and East.

I have the honour to be,

Sir,

Your most obedient servant,

F. R. Upcott

Secretary.

Documents accompanying :-

Nil.

S.s.S.

P.W.Rly Current-N-688 dt 7.6.98. 4

H.E. The Governor.
& Council.

I accept the proposals made by Mr. Spring in paras. 6 & 7. Save other my marginal Notes.

A.H.
12.6.98

1.— We have now received the Govt. of India reply to our first letter, No. 527. Ry. dated 4th April 98. on the proposed change of gauge and metre extension proposals for the Madras Ry.

2.— Their reply. No. 706. R.C. dated the 31st May 98 is to the following effect.

3.— "We appreciate the force of your arguments. But before we can move the Secretary of State in the matter we must have more information — we must know what the mercantile people think about it, and what the Madras and South Indian Railway think about it".

They therefore ask us to have estimates prepared of the cost of the proposals to the Madras Ry. Co. They also ask us to obtain the opinion of the Madras and Madura Chambers of Commerce, and of the Madras and South Indian Railway Companies.

They make a very important stipulation which I am inclined to think that we should have to permit. viz. that the South Indian and Southern Mahratta Ry. Companies should have running powers on the Madras Ry. Co's Erode Mysore branch, which will form a link between the former two Companies.

Now for my proposals. I think that we ought to issue a G.O. printing in full

H/E/4058 Rl 14/6/98 HMS 14/6 R 15/6/98

our series of memoirs letters to the Govt of India with their reply now under reference. Also we ought to print para 6 to 14 of the Con. Engr's Note on the Railway programme for the Presidency, written for the coming Railway Conference, as this Note summarises exactly and brings the various modifications to a focus.

7 Then the G.O. might say that H.E. in Council would be glad to receive the opinion of the Madras and South India Railway and of the Chamber of Commerce, on the subject.

8 I insert H.E's journal of the old G.O's of 1888, collated and flagged I. O. Letter. These have only recently come to my notice. It will be seen that the gravamen of the Madras R.C. Govt in a vigorous protest against their territory being crossed by the S.I.R.Co. but that the reply of Govt. at the time was to the effect that the water lines under reference were famine lines and it was necessary that a little artificial restriction in profits should be interposed between the source of food supply and the famine tracts. — the very same arguments as we have been using recently about the Bezwada Kambyetum extension —. The Chamber of Commerce Madras also supported the Madras R. Co's protest on the ground that they were likely to lose traffic through the S.I.R. Co's effort to drag it off by means of ~~differential~~ prospective rates to their own ports.

P.Q.R and another letter which is in circulation O

S

K

Yes. A.S.H

But they were silenced by being told that the subject of ~~differential~~ prospective competition if ~~differential~~ rates were being considered and that it could be arranged in all new contracts that no undue preference should be shown.

9 The Madras Chamber of Commerce letter of the day, dated 2nd May 88. published in our G.O. No. 429. R. P.W. dated 29-5-88. is an able and well argued thesis on well worthy of general and I think of reproduction in our G.O. now to be issued. H.E. will see that the principle about "one trade tract one railway" &c. are practically the same principle which we have lately been insisting on in our letters to the Govt of India.

10 I shall try and get a diagram prepared showing the weight of all station to station traffic on the Madras R. which I quite hope will show at a glance that the weight which goes through Podanur is nearly a minimum for the line; in other words that that place, where we propose to put the break of gauge, is the "watershed of traffic" as I may call it, or traffic divide of the line. (I hope the diagram won't turn out to prove something quite different!)

11 My draft letter to India and to the Resident in Mysore, about the Mysore agency for working the Mysore end of the

proposed Under-Mysore branch of the Madras Railway, are now in circulation. I do not think that the receipt of the present letter from the Govt. of India is any reason why the issue of these drafts, if they are approved, should be withheld.

12 I think that it would be quite right now, and quite in order, if we were to furnish the R.H. the Sec. of State with one or two recent letters to India of which copies have not yet gone to him, and also of India's reply, and of the G.O. which we propose now to issue.

13 The Estimate of Cost to the Madras Ry. of the proposed Podanur Calicut and Podanur Pollachi Conversion, together with workshops and traveling stations must show, as a set off on the credit side, the saving in not being obliged to strengthen certain bridges, in being able to get by with a smaller area of extension of the Peramboor Shops than is now contemplated for the working of the Great Coast Ry. Also against the estimate for metre gauge rolling stock must be set the saving in widths for new broad gauge stock due to the setting free of the stock now locked up west of Podanur. Account will also have to be taken of the changes Cannanore branch. to there will I hope be a very large credit to show.

I ought to explain, in regard to para 5. viz. the fact of India's stipulation about the grant to the S.I. and S.M. Rys. of running powers over the Under Mysore branch of the Madras Ry. that as at present informed I do not believe that such powers are necessary. I believe that the probability is very small of the volume of traffic to be interchanged between these two Companies becoming large enough to warrant any further privilege than is secured to them by right under the ordinary Conference Rules for "through booking" and interchange of rolling stock, "demurrage" "mileage" &c. I do not believe that there will be any public demand for such exceptional facilities any more than that the Bengal Nagpur Ry. should have running powers over the G.I.P. Ry. at one end to Bombay and the E.I. Ry. at the other end to Calcutta. If however the Madras Ry. Co. realising that the grant of running powers will not result in undue competition for traffic over their branch, should raise no objection, it will not be for us to object. In the G.O. we must insist the special Conference of the Mad. Ry. Co. rules with reference to this question.

15 The Govt. of India also ask that they may be supplied with first letter of the 4th of April. They ignore the most important modification of it contained in our letter of the 23rd April in which, taking a letter of the

Madras R. Co. to their Govt on a that we abandoned the proposal to convert the 60 mile Erode Podanur section, and proposed in lieu of it to construct the Satyamangalam Metropolitan link.

18 — It strikes me also that they have more or less failed to grasp the spirit of our proposals. They talk about how best to connect systems, whereas what we have in mind is primarily how best to provide trunk and only secondarily or incidentally links between systems.

17 — What we are working for is to enable the trunk to spread out feeders as far as permits into the reserved tracts on its flanks. and we say as you cannot give us these feeders on the expensive gauge let us have them on the cheap gauge even though it involves break of gauge. The Govt. of India do not appear to me to grasp this. and I think we should be right to put it to them more clearly.

18 — I suggest that while waiting for the additional information that they ask for we should send them an ad interim reply, emphasising this ruling motive of our proposals, and telling them that it is how best the feeders that we are thinking of and proposing to collect the information asked for.

Yes. A.S.H.

Yes, emphatically. A.S.H. 12.6.98

Letter with H.E. 16.6.98

19 — I ought to add that we had better tell the Govt. of India, in regard the Calicut Cannanore line that work is going on slowly so far as is possible consistently with what is done being convertible to broad gauge when if that gauge should be decided on. But that what is being done is suitable for metre gauge without extravagance.

20 — We may I think also say that the Govt. propose to leave the decision as to the gauge of the Cochin line to H.H. the Rajah, and is of opinion that under all the circumstances of the present and probable future the metre gauge is which H.H. has decided is the proper gauge.

10/6/98

Nilgiri Railway Company, Limited.

Engineer in Chief's Office.

May 31st 1898

My dear Spring.

Will you please read and return the enclosed from Horace Bell -

I do not see the full text of your note available, I have only seen the 'Madras Mail' leader on it -

Yours sincerely -

W. Moleigh Hunter

There is no objection to my Office, the Nilgiris or the Nor. East or the other hand there is the inconvenience in it. So I shall not give him a copy

I agree that thoroughly, with the Secretary, did in the District in question.

Mr Horace Bell like all retired officials with any energy left. Even if cause his an axe to grind, and now that the Southern Bengal and Nilgiri Railways are getting finished, he would like to get another five or six hundred -

Form No. 10.

PUBLIC WORKS DEPARTMENT.

RAILWAY BRANCH.

C. No.

SUBJECT.

HIS EXCELLENCY THE GOVERNOR.

~~THE HON'BLE SIR HENRY BLISS, K.C.I.E.~~

~~THE HON'BLE MR. GROSE, C.I.E.~~

FOR ORDERS.

Your Excellency will be interested to read the
I also put in the number of the Society of Art Journal
containing Mr Horace Bell's lecture. The newspaper with
reference to the Madras Mail, had its origin, I learn,
in a correspondence between Mr Beauchamp & Mr
Nicholson about the latter's remarks on the subject of
the Calicut Commission R. in the Budget Council Meeting
at Calcutta. On the Madras Mail discrediting Mr
Nicholson's statement the latter wrote to say "Have you
not heard of the Madras Govt's recent proposals?". as
Mr Beauchamp went to Mr Moss, proposed to
them cold water on them, & the latter indeed him
to support them strongly, which Mr Beauchamp did
in the Article in question.

Mr Horace Bell like all retired officials
with any energy left, has of course his axe
to grind, and now that the Southern Bengal
and Nilgiri Railways are getting finished, he
would like to get another five or six hundred a

gen. & promotion many out of the "Indian South Western Railway Co". & quite right to.

But he certainly is in no better position in the London money market than the Rhodesian R. C. are. Moreover I certainly disagree with him about railway systems being overgrown when they exceed 1500 miles or thereabouts in length. The theory would perhaps have something in it if a system were allowed to struggle wildly about the country crossing other systems at dozens of places. & serving various & competing trade centres & export ports.

But if my theory be ~~of possible~~ kept in view, that one trade trunk should be, as far as possible, the one railway system. & that all the branches & feeders should be arranged, as far as ~~possible~~ practicable, to feed the main trunk, & to take produce where the bulk of it wants to go (& vice versa). I claim that, with an Agent who has all his wits about him & a good clean business stiff, it is no easy to work 3000 miles as 1500.

Anyhow Mr. Horace Bell knows right of the fact that two essential sections of his network, viz the Rhodesian-Cabinet Extension, & the Podamo-Metzgobbin, belong to the Rhodesian R. C. who most certainly would not let him have them on any terms. ~~He does not fail to see that without the Podamo-Cabinet section of the Rhodesian R. his system would be grossly crippled~~

I see that he proposes to take over the Rhodesian-Cabinet Section. But the Rhodesian R. C. will most certainly not let him have or sell it. 7/6/98

~~has no system at all, (at least as I define a system, viz: like a man & its feeders.) but merely a struggling fragment of section beginning & ending nowhere in particular & serving no existing or conceivable system of trade flow.~~

He also probably does not know of the fact of Indian refusal to give a concession to Mr. Lowndes for the Harrow Mungalow line, on the grounds that it would never pay. Judging from Mr. Bell's letter he thinks this attitude of the Govt of India shews grandmotherliness. But I think Govt. are quite right, not exactly to save the ignorant investing public from the vortex of promotion, but to take reasonable precautions that Indian Railways, which on the whole pay as well as are not discredited amongst ignorant investors & interested brokers through the ~~French~~ financial mess of many one railway. The Bengal Central affair taught Govt a lesson in this respect which they are not likely soon to forget. After such discredit & consequent bogething the Sec. of State was obliged to guarantee the Bengal Central rather than have a scandal through he had from the beginning distinctly repudiated responsibility for the prospectus.

I might visit D.O. & Mr. Wigham saying that I had read Mr. Horace Bell's proposals with interest, but that this Govt had already committed itself to proposals of a different nature.

Yrs. Hosk 3.4.98

F. Hs. 2/6/98

24 to 27 P

Note by the Consulting Engineer for Railways, Madras.

Letter from the Government of India, Public Works Department, No. 706 R.C. dated 31st May 1898.

Steps shall at once be taken to ob-
-tain from each of the Railway Companies interested, as well as from Chambers of Commerce and other representative bodies, an expression of opinion, in regard to the important Railway Policy referred to in the Government of India's letter No. 706 R.C., dated the 31st May 1898. But this will take some little time and meanwhile I offer the following remarks.

2. The fact of their referring only to this Government's letter No. 527 Ry., dated the 4th April 1898, and not to any of the subsequent letters on the same sub-
-ject marginally noted and also the use of the words "West of Erode" in para 2, instead of "West of Podanur", would appa-
-rently justify the presumption that the

N° 540 Ry dt 6-4-98.
613 Ry dt 23-4-98.
Note for the Railway Conference of 1898, and letter N° 689 Ry dt 4-5-98.
N° 725 Ry dt 14.5.98.
765 Ry dt 27.5.98.

24 to 27

Note by the Consulting Engineer for

Office of Consulting Engineer
FOR RAILWAYS,
OOTACAMUND,
6— 6— 1898.

My dear Wigstrum

Jour D.O. of May 31st with Horace Bell's letter to you of May 10th which I return. My detailed Jorgrounds referred to are not available. They are the subject of correspondence with the Govt of India. I have read Horace Bell's Jorgrounds with interest, but the Govt. of Madras is already committed to Jorgrounds of a different character.

24 Aug P

Note by the Consulting Engineer for

I do not know Lw Horace Bell
suppose to indicate the Hudson R. C.
to give up important section of this
property.

I have read with much interest,
but without being convinced, Horace Bell
Society of Arts Jaipur.

Yours sincerely

F Lrs.

6/6/98

Despatched on 7.6.98

Government of India failed to appreciate that the suggestion made by the Madras Railway Company's Board of Directors in their letter to their Agent, No. 970, dated the 11th March 1898, made it possible for this Government to so far modify its original proposal as to suggest Podanur instead of Erode as the most suitable point for break of gauge, thus making conversion unnecessary on the 60 miles between Erode and Podanur.

3. It is important to remember that the Erode Nanjangode line was not proposed for the sake of forming a metre gauge link between the two great metre systems by which the Madras Railway is flanked. It, in common with the Podanur Dindigul, the Cochin branch, and the Cannanore extension, have been pressed for in order that the main south west line of the Madras Railway which at present traverses a wide tract of country in the form, practically, of a feederless trunk, may be furnished with a suitable system of feeders, without which the commercial requirements of the country purporting to be served by the trunk line cannot be adequately met. The Erode-Mysore branch of the Madras Railway would certainly, but merely incidentally, form a connecting link between two metre gauge systems, and this is an additional reason why it should be on the metre gauge; but the main reason is that that gauge will quite suffice to handle any traffic that is ever likely to be attracted to it.

4. I fail to see the necessity for the Government of India's stipulation that it be made a condition that the Southern and South Indian Mahratta Railways shall have running powers over the Erode-Mysore branch of the Madras Railway. There would appear to be no reason to anticipate any such flow of traffic between the two metre Companies' lines as cannot quite adequately be met, to the full satisfaction of traders, by the ordinary facilities afforded by through booking agreements and by the ordinary rules for interchange of rolling stock. The main object of the proposed Erode-Mysore branch of the Madras Railway is to bring into direct touch with the Madras Railway system and of

course through it with the South Indian Railway system, the trade of South Mysore which con-centrates at, and is financed in, the City of Mysore. This question, however, of the necessity for granting running powers over this branch to foreign lines shall be dealt with more fully in due course when enquires about the course of trade, in connection with the policy under reference, shall have been more fully matured. I see no more reason for the grant of such powers than might be held to prevail in the case of many other links throughout India where running powers are not proposed to be granted.

5. The Government of India say that it is by no means clear that if running powers are granted to the Southern Mahratta and South Indian Railways over the Erode Mysore branch, the Madras Railway Company would consider it worth their while to go to a large expense, so near the possible termination of their con-tract, in converting their broad gauge line for the sake of obtaining the right to make this branch. But in the first place what it is proposed to offer to the Madras Railway Company is not merely the Erode-Mysore branch, but the Podanur-Dindigul and Shoranur-Cochin Branches also, as well as a connecting link between Mettupalaiyam and Satyamangalam, all forming, with the converted sections, and the Nilgiri Rail-way, a reseau of metre gauge lines 577 miles in extent, and of a shape most suitable for economical working. This reseau it is proposed to offer them in lieu of the 173 miles of trunk from Podanur to Cannanore, which is branchless except for its feeder to the Nilgiris.

6. It is proposed that, for the sake of securing these advantages, and they would appear to be well worth their securing, the Company should consent 1st to convert 137 miles of standard gauge line to metre at a cost which may presumably be estimated at under 1½ lakhs for the road alone, with an additional sum for transhipment arrange-ments, 2nd to incur the expense of metre gauge rolling stock for some 550 miles of line, and 3rd to build workshops and whatever else may be necessary at

Podanur for the upkeep of this metre gauge rolling stock.

7. But it must not be forgotten that against these three items of expenditure must be set, at the credit side, the following savings. 1st The very large reduction in the cost of the 62 miles of the Cannanore exten-sion; 2nd the setting fee, for use on the remainder of the broad gauge system, of the existing rolling stock of 137 miles of line to be converted; 3rd the saving which it will be possible to effect of the contemplated and at present urgently demanded extension of the main workshops of the Company at Perambur; 4th the saving which will be secured by the proposed strengthening of certain bridges becoming unnecessary and in its being found possible to utilize existing weak broad gauge girders on the projected metre gauge branches. So far as can at present be judged, pending the preparation of estimates, the net results of these Capital items ought to work out very largely favourable to the Company.

8. Then, as regards the revenue side of the account, it appears to me that the cost of handling

2 Enc P

the comparatively small quantity of goods which must break bulk at Podanur, will be far more than balanced by the saving accru-ing from the use of the metre gauge on a portion of the Madras Railway Company's system where the broad gauge is more than adequate for any present or future traffic requirements.

9. The actual need for continuity of gauge between the east and west coasts of India in the parts of this Presidency which are traversed by the South West section of the Madras Railway must not be gauged by the same measure as would be applied had a similar problem to be solved on the North West line which connects Madras with Bombay, or on the Peshawar-Kurrachee, or the Cal-cutta-Bombay, or even on the Calcutta-Kurrachee connection. So far as can at present be judged, pending the completion of traffic analyses, the through traffic via Podanur between the East and the West Coasts is very small indeed. There is reason to believe that the interests of the Madras merchant in the trade of the west

coast and of the Malabar merchant in the trade of Madras, as measured in weight of goods dealt in, would be more than amply provided for by a daily train or two on a 2 ft. gauge line. The flow of the bulk of the traffic is at present believed to be from Podanur and its neighbourhood towards both coasts and vice versa. Station to Station traffic figures are now being carefully analysed with a view to ascertaining the truth or other-wise of this surmise.

10. The Government of India refer at the end of para 5 of their letter to the advisability of the prosecution of work on the Cannanore extension being stopped until the question of its gauge should have been settled. Work on the 1st 26 miles is now being prosecuted so far as is possible without prejudicing the gauge question, and quite as much is being done as is possible in the present state of the season. There has so far been no necessity to seriously obstruct progress, and a full measure of control over all work is retained.

F.V.S.

E. R.

17-6-98

11.- In connection with the Railway policy which is now put forward, the extracts printed below from a letter dated two years ago from the Chairman of the Madras Chamber of Commerce to the Government dated 2nd May 1888 will be read with much interest.

The extracts printed below from a letter of about the same period from the Board of Directors Madras R.C. to their Agent. No.794. dated the 20th April 1888. will also be of interest. The proposal there made by the Company failed, unfortunately as it now seems to me, to command themselves to the Government of that day.

Form No. 1.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

No 852 Ry dated 23rd June 1898

Papers to be read in Proceedings:—

Again G.O., dated 4th April 1898, No. 526-27 Ry.
Again G.O., dated 14th May 1898, No. 724-725 Ry.
Current No. of 189 , dated , from
" " " 189 , " , "
" " " 189 , " , "

Read also the following papers (There will be printed).

Letter from Madras Govt to Govt. of India No. 527-Ry. dated 4th April 98.

Madras Ry. Board's Letter to Agent. (Jan. 15) No. 970 dated 11th March 98.

Letter from Madras Govt to Govt of India G.O. No. 539-540 -Ry. dated the 6th April 98

Letter from Madras Govt to Govt of India No. 613. Ry. dated the 23rd April 98.

Note of the Com. Rly for Railways Madras (Flag S) dated 1st May 98.

Letter from Agent Madras R.C. No 9096/437. May 13th 98.

Letter from Madras Govt to Govt. of India No. 765. Ry. dated the 27th May 98.

Govt. of India's letter No. 706. R.C. May 31st 98.

Note of the Com. Rly for Rys. dated 17th June 98.

ORDER.

His Excellency the Governor in Council will be glad to receive from the Chamber of Commerce, Madras, the Chamber of Commerce Madura, the Madras Ry. Co. the South India Ry. Co. and other public bodies who may be interested, an expression of opinion in regard to the question of Railway Policy referred to in the papers read above.

2.- The Chamber of Commerce, Madras, is invited to a reperusal of the correspondence of 1888 from which extracts are quoted in appendix A. of the Com. Rly's Note dated 17th June 98.

3.- The Madras Ry. Co. are requested to direct particular attention to the stipulations made in para Jeans 4 of the Govt. of India's letter No. 706. R.C. dated the 31st May 98. The Agent Madras R. Co. also requires should furnish the estimates asked for by the Govt. of India in para 5 of their letter just quoted; and also a statement of the probable amount of traffic

Enclosures.

Extract from—The Madras Railway Board's letter.
To—The Agent and Manager, Madras Railway.
Dated—11th March 1898, No. 970.

Para. 15. The Board learn with some disappointment from paragraph 9 of No. 2348 and G.O., No. 135, dated 24th January 1898, that the survey of the proposed Erode-Nanjangode Railway has been entrusted to the South Indian Railway, but they accept with satisfaction the assurance of the Government of India that the utilization of that Company for this purpose will in no way prejudice the question of the Agency by which the line, if ever made, shall be financed, constructed and worked.

The Board understand that you have clearly explained to the Consulting Engineer the serious loss of revenue which would accrue to the Madras Railway, a loss to be shared equally by the Government and the Company, if another agency were allowed to construct this extension from Mysore to our South-West line. You have also specially invited the attention of that officer to the express offer of this Company to construct and work this extension on the metre gauge. The Board trust therefore that the claims of the Madras Railway to undertake the construction of this line will not be set aside.

As you have remarked to the Consulting Engineer, this Company would desire to work this extension in connection with the proposed Podanur and Dindigul Railway, also with the Nilgiri Railway, and to extend the system from Satyamangalam to Mettupalaiyam, the present standard gauge branch to that place from Podanur being converted into the metre gauge.

Moreover, it occurs to the Board to suggest for the consideration of the Government and of the Company working the Bangalore-Mysore Railway, whether it would not be desirable to extend that line direct to the northern foot of the Nilgiri mountains, and eventually to climb the ghât to Ootacamund. The scheme would be of great value if brought no further than to the foot of the ghât, and prove of much advantage to the Nilgiri Railway. The distance is between 40 and 50 miles, and the gradients, it is believed, are easy.

———

Order—No. 539 Ry., dated 6th April 1898.

The Government of India will be addressed.

——

From—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, P.W. Dept., Simla.
Dated—6th April 1898, No. 540-Ry.

With reference to the subject dealt with in my letter No. 527, Railway, dated 4th April 1898, I am directed to forward a copy of paragraph 15 of the Madras Railway Board of Director's letter to their Agent, No. 970, dated the 11th March 1898.

2. I am instructed also to inform you that the difficulty hinted at paragraph 8 of my letter above referred to has now been removed by the receipt from the Travancore Dewan of an expression of His Highness the Rajah's readiness to allow the Cochin Railway to occupy the requisite strip of land where for a few miles it will pass through Travancore territory.

Tracing Table at Podanur, with, as a set off, a statement of the amount of traffic for which breaks of table will no longer be necessary. 4.— As for reasons connected with the progress of work after the monsoon on the Calicut Cannanore Railway it is very desirable that an early decision should be arrived at on this important question of railway policy, the Travelling in Council will be glad to receive the replies of those consulted at an early date.

23/6/98

To
The Chamber of Commerce, Madras.
" " " , Malabar.
" Agent & Manager, Madras R.
" " " S. I. Ry.

Despatched on 30-6-98

NOTE BY THE CONSULTING ENGINEER FOR RAILWAYS, MADRAS.

Proposals to extend the area served by the Madras Railway Company's system have always been met by the objection that, for the traffic of the areas proposed to be served, a broad gauge railway is too expensive a carrying machine. As this Company has not been permitted to extend the area of their business operations by constructing and working feeders and extensions upon a cheaper scale than that of their main line, they have been obliged, with much dissatisfaction and very natural grumbling, to look on at the gradual extension across their lawful territory of the cheap and efficient South Indian Railway, which seemed likely, sooner or later, to suck away much of the life blood of the older and more expensive organization. But during the last twelve months, in connection with the question whether the south parts of Mysore—a track which seems undoubtedly to be within the lawful sphere of trading influence of the Madras Railway—should be tapped by that railway or by its rival, the Madras Railway Company expressed their willingness, officially and definitely, to work and to construct metre gauge branches. This, in my opinion, is a most wise decision, and one which, once arrived at, deserves all possible encouragement at the hands of this Government.

2. As we are not dealing with the question of great through trunk lines or of stratagic lines, it may be taken as an axiom that it is desirable that, so far as may be possible, certain tracts of country, tracts which as a rule will have their boundaries fairly well defined, whether by natural physical features, climate, topography, soil, produce, or by the existing course of trade and its financing, should be made over to certain railway organizations to work, without fear of encroachment from rivals. I refer of course to India, where the relations of the monopolist to the public can be fairly effectively controlled by Government. A system of railways, to serve such a tract as it ought to be served, may be compared to a river and its feeders, if not in its gauge, then at least in its carrying capacity as measured by the number of trains which it runs on its several parts. Far up towards the "divide" it will sometimes happen that, even with one train a day each way, a railway on the broad gauge is a very uneconomical machine for the work to be done, or ever likely to be done; and it becomes in that case a question, to be decided by experience and by comparative estimates, whether the additional expense involved in change of gauge and in a separate rolling stock organization may not be more than balanced by the economy of working which results from the better co-ordination of means with ends. Thinking on these lines brings us logically in some cases to metre gauge branches or extensions of standard gauge systems, and sometimes perhaps to narrow, *e.g.*, 2-ft. gauge, commercial branch feeders for standard or metre gauge systems. If the standard gauge is known to cost, say Rs. 1,00,000, metre gauge cheap branches in a poor country Rs. 50,000, and 2-ft. gauge feeders on district roads Rs. 25,000, per mile, very little consideration will show that the adoption of break of gauge, the cost of which is now pretty well known though not specifically charged to the public, may in certain cases prove to be a wise and an economical measure; always predicating that it is not stratagic lines or great through trunk lines that are under consideration, but strictly commercial lines for the haulage of third-class passengers from village to village and of produce between the villages and the nearest port or mart.

3. It would be greatly to be regretted if, having given in their adherence to so wise a policy, the Madras Railway Company should afterwards find themselves seriously hampered by reason of the length, or the position, of their metre gauge branches being such as to make their economical working impossible. Thus if they found on their hands only the Dindigul branch, on the metre gauge, it would undoubtedly be difficult to work it economically as an isolated section. But during the progress of inquiries by His Highness the Rajah of Cochin, through the Political Department, as to the possibility of himself, without financial aid from Government, providing the capital necessary for the projected Shoranur-Cochin Railway, it suggested itself that by the adoption of the metre gauge His Highness would find it possible to become the owner of the line, and that with little or no borrowing. But negotiations in such matters take time, and meanwhile sanction had come to start work on the Calicut-Cannanore line. It seemed right, pending a definite decision being arrived at in regard to this question of metre gauge policy, that the Madras Railway Company should not be committed to what might prove to be infructuous expenditure on broad gauge

works where there seems good reason to hope that the metre gauge may ultimately be adopted. If ever a continuous line of railway should become a *fait accompli* along the west coast of India—and with the Tinnevelly-Quilon, the Shoranur-Cochin, the Calicut-Cannanore and certain proposed lines near Bombay on the tapis or under consideration, it does not seem unreasonable to expect that within a reasonable period there will be such a continuous line,—it will certainly be a metre gauge railway; and any short intervening broad gauge sections, if unfortunately they should be allowed to come into existence, will certainly be sooner or later converted. In view of these considerations it seems to me to be quite essential that the broad gauge should not be drifted into for the Cannanore extension through mere absence of forethought, and of due consideration of all the conditions so far as it is possible to foresee them; Government has accepted this view, and the result of the correspondence which has ensued is that the Government of India have ordered that no work on the Calicut-Cannanore line shall be entered on which would be likely to prejudice the consideration of the question of gauge.

4. What I have in view for the Madras Railway Company, much of it possibly yet a long way off, but none the less for all that deserving of careful consideration in connection with this large problem, is that, sooner or later, they should work the following extensions and branches on the metre gauge; and that necessarily, in connection with such working, they should convert the following sections of their own line from the broad to the metre gauge:—

393 *miles new branches or extensions to be built.*

Calicut-Cannanore	62 miles.
Shoranur-Cochin	73 „
Podanur-Dindigul	118 „
Erode-Nanjangod-Mysore	130 (15 already exist.)
Mettupalaiyam-Satyamangalam	25 miles.

137 *miles existing main line and branches to be converted.*

Podanur-Shoranur	57 miles.
Shoranur-Calicut	54 „
Podanur-Mettupalaiyam	26 „
Total, future metre gauge for Madras Railway Company ...	520 „

Thus what is contemplated is the construction by the Madras Railway Company of 393 miles of new metre gauge line, some of it for the Rajah of Cochin, and the remainder by State guaranteed debentures raised on what may be called Cannanore terms; and the conversion from standard to metre gauge of 137 miles of their present line; with, in addition, the working of the 15 miles section of the Mysore State Railway between Nanjangod and Mysore. But it seems probable that the Mysore State may desire to build the 30 miles of the Erode-Nanjangod line, which lie within their territory, as part of their own system, to be leased, with the 15 miles Nanjangod-Mysore section, to the Madras Railway Company; and in that case the new mileage on this branch to be arranged for by the Madras Railway Company would be 85 only.

5. It will here be convenient to complete the arguments in favour of the adoption of the above scheme by Government and the Madras Railway Company by pointing out that, if it is carried out, the locomotive running lengths will be as follows. Between Madras and Podanur, the broad gauge engine runs will be divided as may suit best for the distance, 302 miles; there are engine stations at present on this length at miles 42, 80, 132, 207, 243 and 302. For the metre gauge system the important junction of Podanur, where all metre gauge engine and rolling stock works would be situated, would be the engine-homing station for the following daily runs:—Podanur to Shoranur and back 114 miles; Podanur to Dindigul 118 miles; Podanur, by rack rolling stock, through Mettupalaiyam to Ootacamund and back, 104 miles. The Nanjangod-Erode run 114 miles would be worked from Erode where the Company have got old accommodation. It may be that the ghât pusher engines could

be utilized for the short connecting link of 25 miles between Satyamangalam and Mettupalaiyam. Shoranur would serve as the engine-homing station for the two runs, Shoranur to Cannanore 116 miles, and Shoranur to Cochin 73 miles with prospects of extension afterwards in the Quilon direction.

6. As it is not only as an engine-homing station that Podanur will be useful, but also as the locomotive workshop centre for the metre-gauge sections, it seems possible to work in with this the reduction of the area of new shops likely to be required at Perambore, the existing locomotive shops of the Madras Railway Company, if the East Coast Railway or part of it should be leased to that Company.

7. Taken as a whole, the scheme seems to me to be an eminently good one, and one which ought to prove equally acceptable to the Company and to Government. From Podanur westward, and throughout the whole area to be served, there is no traffic, nor so far as can be judged is there ever likely to be any traffic, at all approaching to that on parts of the South Indian Railway metre system. By the adoption of this scheme, the Madras Railway Company would secure the trade of the important tract of country, now undoubtedly their proper territory, which the proposed branch from Podanur through Udamalpet, Dharapuram and Palni to Dindigul will serve. They would also retain all the advantages of trading direct with Mysore, advantages which will certainly be snatched from them if the South Indian Railway Company are allowed to extend to Nanjangod. The cost and difficulty of conversion are not serious. I am now making enquiries as to what similar work has cost on former occasions, and have already ascertained that the conversion of the Guntakal-Bellary section, 30 miles in length, was effected during only 30 hours' stoppage of traffic, and that Rs. 700 per mile was all that was spent apart from buildings and transhipment arrangements at Erode on the conversion of the 167 miles from Negapatam to Erode.

8. Should this policy commend itself to Government and to the Madras Railway Company, it would be wise to convert the Calicut-Podanur section with as little delay as possible after rolling-stock had been provided, so that all might be in working order by the time the extension to Cannanore and the Cochin branch were finished. The conversion of the Mettupalaiyam branch might advantageously be done in time for the opening of the Mettupalaiyam-Coonoor section of the Nilgiri Railway, and in that case the Nilgiri rolling-stock could be used on the branch. At Erode, and also at Podanur through the Dindigul branch, the Madras Railway Company's metre system would connect with that of the South Indian Railway Company.

The following is a statement of the movement of Madras Railway Traffic past Podanur in the year 1897.

From Podanur westward (block Nos. 44—52), is here for convenience called the "West Coast block."

Business done between the West Coast and each of the following blocks.	From West Coast.	To West Coast.	Remarks.
	Mds.	Mds.	
1—8 Arkonam-Madras	122,131	84,708	
9—19 Arkonam-Raichur	40,153	9,930	
20—39 Arkonam-Erode, with Bangalore Branch	860,854	981,205	Will all break gang.
53 Kolar Gold Fields Railway	308,943	45	
55. Great Indian Peninsula Railway	8,254	1,087	
56—57 Southern Mahratta Railway *vid* Guntakkal or Bangalore.	31,859	47,399	
58—62 South Indian Railway	391,758	224,021	Will not break gang.
41—43 Nilgiri Railway	558,668	216,721	
40 Between Erode and Podanur, including Podanur ..	191,538	267,343	Perhaps half will break gang.

The above statement seems to show that for the full year 1897, 1,376,000 maunds were exported from and 1,211,000 maunds were imported to, the West Coast block to and from places whose continuity of gang it is proposed to sever. That is 26 ten-ton wagon will have to break bulk at Podanur daily.

But on the other hand, gangs will not in future have to be broken by 1,078,000 maunds of exports and 652,000 maunds of imports per annum. In other words 16 ten-ton wagon loads of which 15 do now actually break bulk at one junction or another, need not in future break bulk.

The effect of the change will be that the net result of break of bulk will be that 26—15=11 wagon loads daily, more than at present, will break bulk. Madras seems to be concerned with two wagons per diem.

From—The Agent and Manager, Madras Railway Company.
To—The Consulting Engineer for Railways, Madras.
Dated—13th May 1898, No. 9096—437.

With reference to your letter, No. 360 of the 4th February last, in reply to my letter, No. 9096-A-84 of the 28th January, on the subject of the Podanur-Dindigul and the Mettupalaiyam-Sattyamangalam, Erode-Nanjangode proposed lines, I have the honour to invite the special attention of the Government to paragraph 15 of letter No. 970 from my Board, copy of which I enclose.

I understand from this letter that if the Government is prepared to place the construction and working of these branch railways in the hands of the Madras Railway, my Board will agree to the Podanur-Mettupalaiyam Branch of the Madras Railway being converted from standard to metre-gauge, so securing a continuous gauge between Coonoor and Dindigul on the one side and between Coonoor and Mysore *viâ* Sattyamangalam and Nanjangode on the other side.

In the event of the gauge being changed, passengers from Madras to the Hills would leave the standard gauge carriages at Podanur instead of at Mettupalaiyam.

If the proposal suggested by the Board is entertained, the work of strengthening the girders of the bridges on the Podanur-Mettupalaiyam Branch now under suspension may be indefinitely postponed, as the girders now laid are sufficiently strong, it is believed to bear the weight without risk of metre-gauge engines and stock.

To—The Government of India.
Dated—4th April 1898, No. 527 Ry.

To—The Government of India.
Dated—23rd April 1898, No. 613 Ry.

Note by the Consulting Engr. for Rys., Madras, on the Railway Conference for 1898.
Dated—1st May 1898.

Note by the Examiner, Guaranteed Railway Accounts, Madras, on the Accounts for the Madras Railway system in the event of the Madras Government's proposals being agreed to.

I am of opinion that the accounts of the Madras Railway proper, as it now is, will still have to be kept intact, notwithstanding the conversion of 139 miles of it to the metre-gauge. All the conditions which apply to these 139 miles in regard to capital raised, capital outlay, interest, working expenses earnings, surplus profits, &c., are so bound up with the original contracts, that it would scarcely be feasible to separate the accounts of the 139 miles and amalgamate them with the rest, or rather part of the rest, of the proposed metre-gauge system.

2. I do not consider that the conversion will cause any difficulty in keeping the accounts of the present system intact, nor that there will be any such difficulties or complications in arranging for the accounts of the extended broad and metre-gauge system as to form the ground for objections to the proposals of Madras Government.

3. The accounts of working expenses throughout will, I presume, be first amalgamated, and then simply distributed in proportion to gross earnings among the different sections, so that there will be no difficulty here. The capital outlay is easily kept separate for any sections into which it may be found necessary to divide the system; and though the necessity for dividing fares and freights, and for keeping separate accounts of earnings, for a large number of different sections must cause some trouble, yet this is a state of affairs which must be expected to follow as a natural result of the multiplication of new branches in all directions, and I do not suppose that the number of sections on the proposed Madras Railway system, for which separate accounts will have to be kept, will be exceptionally large in comparison with many of the other great Railways of India.

4. For the combined broad and metre-gauge system of the Madras Railway as now contemplated, the following accounts would be required:—

(*a*) Madras Railway proper, 697 miles broad gauge, 137 miles metre-gauge. One complete set of capital and revenue accounts as at present.

(*b*) Three extensions on "Cannanore terms."

		Miles. Metre-gauge.
(1)	Calicut-Cannanore Extension	62
(2)	Dindigul-Podanur	118
(3)	Mettupalaiyam-Sattyamangalam ... ... 25 miles Erode-Mysore Frontier ... ... 85 miles	110

For each of these separate capital accounts forms IV and V, revenue accounts form VIII, interest account form XVII, and surplus profits form XVI would be required. These might be given as subsidiary forms in the Madras Railway accounts proper, or separate accounts printed if subsequently found more convenient.

(*c*) Three Native State Lines worked by the Company—

(1)	Kolar Gold Fields Railway	10 miles broad gauge.
(2)	Shoranur-Cochin (Cochin State Railway) ...	73 „ metre „
(3)	Mysore-Nangangod ... ... 15 miles Nangangod-Mysore Frontier ... 30 „	45 „ „ „

For each of these a separate set of Capital and Revenue Accounts would be required.

5. In all, seven sets of Capital and Revenue Accounts at the most, which may not be considered very exceptional, as the Southern Mahratta Railway Company for years past have been keeping six separate accounts for their system.

6. It might be possible to amalgamate the Revenue Accounts of (*b*) (3) and (*c*) (3) as given above, by dividing *profits* of this combined section between the British and Mysore Governments under a special arrangement somewhat similar to that proposed for the British and Native State sections of the Tinnevelly-Quilon Railway. This would save some trouble in account keeping, and in dividing fares and freights in through booking on this combined section, but it would necessitate, I think, the British portion being undertaken at the direct cost of Government, instead of as an extension of the Madras Railway on "Cannanore terms" and is therefore not to be advocated as involving great delay in finding funds.

7. As regards the question of the allocation of the cost of conversion of the 139 miles of the Madras Railway, which may perhaps be estimated roughly at about two lakhs for the road alone, with perhaps 2 lakhs more for break of gauge accommodation at Podanur: I do not think there is much doubt about the latter item of 2 lakhs for break of gauge accommodation at Podanur, except in so far as any demolition, removal and reconstruction of existing buildings and works may be concerned; most of the accommodation would, I imagine, be purely additional, and this would be a fair Capital charge.

8. The item of 2 lakhs for conversion of the line is more doubtful. From an Accountant's point of view it would not seem correct to state the Capital Account of the 137 miles of converted line as standing at the amount of the original cost of its construction on the broad gauge *plus* the cost of converting subsequently to metre gauge; the cost of conversion of a more expensive form of construction to one of a less expensive nature would also, under ordinary principles, seem to be a proper charge to Revenue; but in the Secretary of State's Despatch laying down the principles of allocation to be followed on Indian Railways it is clearly recognised that cases involving exceptionally large outlay, which would, under ordinary rules, be a Revenue charge, must be specially considered and dealt with; and I think that as the conversion would in this particular case be a substantial improvement, there are strong grounds for a recommendation that the cost should be specially allowed to be treated as Capital outlay by the Government of India.

9. At the most the Government of India would probably not press for more than half the cost of the line's conversion being treated as a Revenue charge, and if in addition this were allowed to be distributed over, say three years, the burden on the Revenue Account would not be very heavy—that is not more than Rs. 15,000 to Rs. 17,000 a half-year for that period.

Order—No. 724 Ry., dated 14th May 1898.

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 Simla.
Dated—Ootacamund, 14th May 1898, No. 725 Ry.

With reference to my letters Nos. 527 Ry. and 613 Ry. dated respectively the 4th and 23rd April 1898, I am directed to forward for information a copy of a note prepared by the Government Examiner, Guaranteed Railway Accounts, Madras, on the system of accounting which will be necessary if the proposals contained in my letters above referred to are agreed to.

From—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated— Ootacamund, 27th May 1898, No. 765 Ry.

In continuation of the correspondence on the subject of change of gauge and metre gauge extensions of the Madras Railway, ending with my letter No. 725 Ry., dated the 14th May 1898, and with special reference to my No. 613 Ry., dated the 23rd April 1898, with which you were furnished with a copy of paragraph 15 of Madras Railway Company's letter to their Agent, No. 970, dated the 11th March 1898, I am now directed to forward a copy of a letter No. 9096/437, dated the 13th May 1898, from the Agent of the Madras Railway Company. In this letter the Agent interprets the intention of his Board to be that they would be prepared to consent to the conversion of the Podanur-Mettupalaiyam branch, 25 miles, to the metre gauge, if promised the construction and working hereafter, whenever decided on, of the Podanur-Dindigul and the Erode-Nanjangod branches with the Mettupalaiyam-Satyamangalam connection.

2. The Government of India have already been made acquainted with the reasons which have led this Government to the conclusion that it is right that, whenever the time arrives for making them, the Madras Railway Company and not the South Indian Railway Company should be given the working of the Podanur-Dindigul and the Erode-Nanjangod branches. Should these views commend themselves to the Government of India there would seem to be no reason why the Madras Railway Company should not be informed that their claim to these two extensions is definitely admitted, subject always to the agreement of the Mysore Government as regards the section of the Erode-Nanjangod-Mysore line lying within their territory. It appears likely that once they have been made acquainted with the opinion of the Government of India, that the two branches in question are looked upon as hypothecated to them, the Madras Railway Company would agree to at once carry out the conversion of the Podanur-Mettupalaiyam section.

3. In view of the approaching opening of the Mettupalaiyam-Coonoor metre gauge line, and of the practical certainty of its being worked by the Madras Railway Company, and of the importance to Government, its guarantors, that road competition should not have to be encountered, it seems very desirable that Podanur and not Mettupalaiyam should be the point where, from the very first, break of gauge will occur. So long as break of gauge, specially for goods, is at Mettupalaiyam, so long will the Nilgiri Railway be exposed to severe competition with carts. But competition will be practically rendered non-existent if break of gauge is made to occur at Podanur.

4. There is nothing in either the vehicles or the engines of the Coonoor line which would make it objectionable to run them on the converted Madras Railway, indeed the first few miles from Mettupalaiyam to Kullar are of a character similar to that of the converted Podanur-Mettupalaiyam section. There will be no difficulty in arranging terms between the two Companies for the use of the Nilgiri rolling-stock on the 25 miles of the Madras Railway. Indeed the Madras Railway Company will probably be glad of the chance of setting free the broad gauge stock now locked up on the branch.

5. The convenience to passengers of changing once for all into the metre gauge at Podanur will be very great, because at present the majority of them necessarily change there from the main to the branch line vehicles, and if the proposed conversion of the branch is carried out, the Podanur change will be the only one on the journey to the Nilgiris. The saving of the proposed expenditure, which has just been stopped in time, on the strengthening of the bridges on the branch, referred to in the Agent's letter, is worthy of consideration. The actual conversion, judging by the Bellary-Guntakkal case, can be very quickly and cheaply accomplished.

6. I am instructed to say that, in the opinion of His Excellency the Governor in Council, a decision in this matter need not wait upon the decision to be arrived at upon the large conversion and metre extension scheme of which this forms a very small part. It might have been dealt with on its own merits without being tied up with the Podanur and Nanjangod schemes. But the Madras Railway Company's Board apparently desire that it should stand or fall with the decision that may be arrived at in regard to these two projected branches. It might have been worth while to endeavour to induce the Company to separately deal with the Podanur-Mettupalaiyam conversion, on its own merits, as explained in my paragraphs 3, 4 and 5, had there been any question of the expediency of promising them the working, hereafter, of the Dindigul and Nanjangod branches. Indeed, even now, if the Government of India do not see their way to accepting without further explanation the views of this Government as to the propriety of promising these two branches to the Madras Railway Company, it might be advisable to endeavour to persuade the Company to consent to the immediate conversion of the Mettupalaiyam branch, for the reasons referred to in paragraphs 3, 4 and 5, and because it will be for their interest to do so.

7. But it is strongly recommended, for the reasons put forward in this Government's Consulting Engineer's Note on the general Railway programme, dated 1st May 1898, and adopted by this Government in paragraph 10 of my letter No. 689 Ry., dated the 4th May 1898, that permission be accorded to intimation being given to the Madras Railway Company that the Government of India concur with this Government in the opinion that their claim to work the Podanur-Dindigul and the Erode-Nanjangod lines, with the Satyamangalam-Mettupalaiyam link and the converted Podanur-Mettupalaiyam section, all on the metre gauge, is a reasonable claim, and that meanwhile, pending a decision being definitely come to as to when and how these extensions shall be undertaken, their suggestion to convert the Podanur-Mettupalaiyam section is agreed to, and they are recommended to carry out the conversion in time for the opening of the Nilgiri Railway for the reasons given in paragraphs 3, 4 and 5 of this letter. I am to add that there is reason to believe that they will readily adopt such a recommendation.

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
Dated—Simla, 31st May 1898, No. 706 R.C.

I am directed to acknowledge receipt of your letter No. 527 Ry., dated 4th April 1898, inviting consideration by the Government of India of a very important change of policy in regard to the gauge of the Madras Railway and of projected lines connecting with it west of Erode, and suggesting that, if on careful consideration the Government of India are disposed to concur in the wisdom of the proposed policy, the whole programme should be laid before the Madras Railway through the Secretary of State with a promise that if they agree to adopt it their right to the construction and working of the Dindigul line and the branch to Mysore would be definitely recognised, and that they should be pressed to agree to the construction of the Calicut-Cannanore extension being at once proceeded with on the metre gauge.

2. The recommendations of the Madras Government are understood to rest mainly on the ground that the existence of broad gauge system west of Erode constitutes an obstacle to the development of railway communication on the metre gauge which would suffice for the needs of the country to be served, and to the linking up

of the South Indian and Southern Mahratta metre gauge systems, and that these difficulties cannot be removed without prejudice to the equitable claims of the Madras Railway Company except by their consenting to convert to the metre gauge so much of their system as would enable them to construct and work as part of it the extensions and connections for which the metre gauge is recognized as preferable or necessary.

3. In reply, I am to state that, while the Government of India appreciate the force of the arguments to which the Madras Government have lent the weight of their support, it seems necessary that the opinion of the mercantile bodies interested should be obtained and considered before so radical a step as the introduction of a break of gauge on a main line of communication between the east and west coasts of India is recommended to the Secretary of State.

4. I am to add that even if the policy of the change were accepted and the right of the Madras Railway to make the connection on the metre gauge between Erode and Nanjangod were recognised, it would be absolutely necessary that the two metre gauge systems to the north and south of the link should have running powers over it and that it is by no means clear that under these circumstances the Madras Railway Company would consider it worth their while to go to a large expense so near the possible termination of their contract in converting their broad gauge line for the sake of obtaining the right to make the link.

5. An estimate of the cost involved in the radical change of policy proposed, showing cost of conversion, provision of metre gauge rolling-stock, and the erection and equipment of the necessary workshops and transhipping stations would also be necessary before the Government of India could come to any decision, and until a decision in favour of the change of policy recommended has been arrived at it would obviously be impossible to press the Madras Railway Company to undertake the immediate construction of the Calicut-Cannanore Extension on the metre gauge. There appears to be no other course open than to defer the prosecution of work on this line till the question is settled.

6. I am accordingly to request that, with His Excellency's permission, the opinions of the Madras and Malabar Chambers of Commerce and of any other representative bodies that may be interested in the question, and of the South Indian and Madras Railways may be invited, and transmitted together with the estimates referred to in paragraph 5 above, and any further expression of the views of the Madras Government which may seem to be called for.

7. To prevent possible misapprehension it will be desirable in making the necessary communication to the Madras Railway Company, to draw prominent attention to the condition stated above, paragraph 4, as necessarily attaching to any proposal that the link between the South Indian and Southern Mahratta Railways should be made as part of their system.

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Note by the Consulting Engineer for Railways, Madras, dated 17th June 1898.

Steps shall at once be taken to obtain from each of the Railway Companies interested, as well as from Chambers of Commerce and other representative bodies, an expression of opinion, in regard to the important railway policy referred to in the Government of India's letter, No. 706 R.C., dated the 31st May 1898. But this will take some little time, and meanwhile I offer the following remarks :—

2. The fact of their referring only to this Government's letter, No. 527 Ry., dated the 4th April 1898, and not to any of the subsequent letters on the same subject marginally noted and also the use of the words "West of Erode" in paragraph 2, instead of "West of Podanur," would apparently justify the presumption that the Government of India failed to appreciate that the suggestion made by the Madras Railway Company's Board of Directors

No. 540 Ry., dated 6th April 1898.
" 613 Ry., " 23rd " "
Note for the Railway Conference of 1898, and letter No. 689 Ry., dated 4th May 1898.
No. 725 Ry., dated 14th May 1898.
" 765 Ry., " 27th " "

in their letter to their Agent, No. 970, dated the 11th March 1898, made it possible for this Government to so far modify its original proposal as to suggest Podanur instead of Erode as the most suitable point for break of gauge, thus making conversion unnecessary on the 60 miles between Erode and Podanur.

3. It is important to remember that the Erode-Nanjangod line was not proposed for the sake of forming a metre gauge link between the two great metre systems by which the Madras Railway is flanked. It, in common with the Podanur-Dindigul, the Cochin branch, and the Cannanore extension, have been pressed for in order that the main south-west line of the Madras Railway which at present traverses a wide tract of country in the form, practically, of a feederless trunk, may be furnished with a suitable system of feeders, without which the commercial requirements of the country purporting to be served by the trunk line cannot be adequately met. The Erode-Mysore branch of the Madras Railway would certainly, but merely incidentally, form a connecting link between two metre gauge systems, and this is an additional reason why it should be on the metre gauge; but the main reason is that that gauge will quite suffice to handle any traffic that is ever likely to be attracted to it.

4. I fail to see the necessity for the Government of India's stipulation that it be made a condition that the Southern Mahratta and South Indian Railways shall have running powers over the Erode-Mysore branch of the Madras Railway. There would appear to be no reason to anticipate any such flow of traffic between the two metre Companies' lines as cannot quite adequately be met, to the full satisfaction of traders, by the ordinary facilities afforded by through booking agreements and by the ordinary rules for interchange of rolling stock. The main object of the proposed Erode-Mysore branch of the Madras Railway is to bring into direct touch with the Madras Railway system and of course through it with the South Indian Railway system, the trade of South Mysore which concentrates at, and is financed in, the City of Mysore. This question, however, of the necessity for granting running powers over this branch to foreign lines shall be dealt with more fully is due course when enquiries about the course of trade, in connection with the policy under reference, shall have been more fully matured. I see no more reason for the grant of such powers than might be held to prevail in the case of many other links throughout India where running powers are not proposed to be granted.

5. The Government of India say that it is by no means clear that if running powers are granted to the Southern Mahratta and South Indian Railways over the Erode-Mysore branch, the Madras Railway Company would consider it worth their while to go to a large expense, so near the possible termination of their contract, in converting their broad gauge line for the sake of obtaining the right to make this branch. But in the first place what it is proposed to offer to the Madras Railway Company is not merely the Erode-Mysore branch, but the Podanur-Dindigul and Shoranur-Cochin Branches also, as well as a connecting link between Mettupalaiyam and Sattyamangalam, all forming, with the converted sections, and the Nilgiri Railway, a *reseau* of metre gauge lines 577 miles in extent, and of a shape most suitable for economical working. This *reseau* it is proposed to offer them in lieu of the 173 miles of trunk from Podanur to Cannanore, which is branchless except for its feeder to the Nilgiris.

6. It is proposed that, for the sake of securing these advantages, and they would appear to be well worth their securing, the Company should consent, first, to convert 137 miles of standard gauge line to metre at a cost which may presumably be estimated at under $1\frac{1}{2}$ lakhs for the road alone, with an additional sum for transhipment arrangements; 2nd, to incur the expense of metre-gauge rolling stock for some 550 miles of line; and 3rd, to build workshops and whatever else may be necessary at Podanur for the upkeep of this metre-gauge rolling stock.

7. But it must not be forgotten that against these three items of expenditure must be set, at the credit side, the following savings: 1st, the very large reduction in the cost of the 62 miles of the Cannanore extension; 2nd, the setting fee, for use on the remainder of the broad-gauge system, of the existing rolling stock of 137 miles of line to be converted; 3rd, the saving which it will be possible to effect of the contemplated and at present urgently demanded extension of the main workshops of

the Company at Perambur; 4th, the saving which will be secured by the proposed strengthening of certain bridges becoming unnecessary and in its being found possible to utilize existing weak broad gauge girders on the projected metre-gauge branches. So far as can at present be judged, pending the preparation of estimates, the net results of these capital items ought to work out very largely favourable to the Company.

8. Then, as regards the revenue side of the account, it appears to me that the cost of handling the comparatively small quantity of goods which must break bulk at Podanur, will be far more than balanced by the saving accruing from the use of the metre-gauge on a portion of the Madras Railway Company's system where the broad-gauge is more than adequate for any present or future traffic requirements.

9. The actual need for continuity of gauge between the east and west coasts of India in the parts of this presidency which are traversed by the south-west section of the Madras Railway must not be gauged by the same measure as would be applied had a similar problem to be solved on the north-west line which connects Madras with Bombay, or on the Peshawar-Karachee, or the Calcutta-Bombay, or even on the Calcutta-Karachee connection. So far as can at present be judged, pending the completion of traffic analyses, the through traffic *viâ* Podanur between the east and the west coasts is very small indeed. There is reason to believe that the interests of the Madras merchant in the trade of the west coast and of the Malabar merchant in the trade of Madras. as measured in weight of goods dealt in, would be more than amply provided for by a daily train or two on a 2-feet gauge line. The flow of the bulk of the traffic is at present believed to be from Podanur and its neighbourhood towards both coasts and *vice versâ*. Station to station traffic figures are now being carefully analysed with a view to ascertaining the truth or otherwise of this surmise.

10. The Government of India refer at the end of paragraph 5 of their letter to the advisability of the prosecution of work on the Cannanore extension being stopped until the question of its gauge should have been settled. Work on the first 26 miles is now being prosecuted so far as is possible without prejudicing the gauge question, and quite as much is being done as is possible in the present state of the season. There has so far been no necessity to seriously obstruct progress, and a full measure of control over all work is retained.

11. In connection with the railway policy which is now put forward, the extracts printed below from a letter, dated ten years ago, from the Chairman of the Madras Chamber of Commerce to this Government, dated 2nd May 1888, will be read with much interest.

The extracts quoted below from a letter of about the same period from the Board of Directors, Madras Railway Company, to their Agent, No. 794, dated the 20th April 1888, will also be of interest. The proposals then made by the Company failed, unfortunately as it now seems to me, to commend themselves to the Government of that day.

From—The Chairman, Chamber of Commerce, Madras.
To—The Chief Secretary to Government, Ootacamund.
Dated—2nd May 1888.

It is stated in the Report on the Administration of the Madras Presidency during the year 1886–87 that the South Indian Railway Company having expressed its willingness to take over the working of the Cuddapah-Nellore State Railway, an agreement has been drawn up by the Government to enable it to do so; and that the Company having offered to undertake the construction and working of the projected Tirupati-Dharmavaram and the Villupuram-Pákal lines, negotiations with that object are now proceeding.

It is, I trust, superfluous for me to state that the Chamber regards the two Railway Companies whose field of work lies within this presidency with the utmost impartiality; and that it is opposed to the idea of extending any invidious preference to either of them. There is room in the presidency for the full employment of both systems, and the Government appears to have succeeded hitherto in so apportioning the territory served by each that the extent of the work done by the two lines is now remarkably even. Thus, in 1886, the Madras Railway Company carried 6,374,738 passengers and the South Indian Railway Company carried 6,509,963.

The Chamber cannot, therefore, view with unconcern a policy that proposes to allow the southern Company to intrude upon and divert, by preferential rates or otherwise, the traffic obtainable in what has hitherto been considered the special territory of the northern Company, and to encourage that traffic to find its outlet either at the French port of Pondicherry or the British port of Negapatam, instead of at its more natural destination, namely, the port of Madras, at which a harbour is now being constructed at great cost to the State.

* * * * *

The comparatively inconsiderable results in the earning of interest on capital of the two railway systems that divide between them the main arteries of traffic in this presidency are justly attributed in the Madras Manual of Administration to geographical disadvantages, the want of great staples of commerce, and the poverty of the people. It is believed by the Government that the same drawbacks will apply to almost all extensions, but it is anticipated that "some of the shorter lines will without doubt become valuable feeders of the existing railways; while others, of a purely local character, may also be expected to yield fair returns." It must have been contemplated when these words were written that the extensions alluded to would become the feeders of the railway lines in their immediate vicinity; and it does not seem to have been intended that extensions close to the west of the north-west line of the Madras Railway would be converted into feeders of the South Indian line, any more than that extensions in Madura and Tinnevelly would be utilised as feeders to the Madras Railway.

* * * * *

The Chamber is not in a position to state that the Board of Directors of the Madras Railway Company is prepared to accept the responsibility of constructing or working metre-gauge extensions as adjuncts to, or feeders of, its broad-gauge system; but it entertains the confident belief that the Directors will not be slow to avail themselves of the opportunity of doing so, if the proposal is made to them; for they must be exceedingly anxious to remove the reproach that attaches to their line on account of the heavy charge for interest that it still entails on the State; and they must sympathise with the desire of the Chamber to see Madras increase, rather than decrease, in commercial importance.

The Chamber does not forget that the acceptance by the Madras Railway Company of the charge of the extensions in the Anantapur, Cuddapah, North Arcot, and Nellore districts would involve break of bulk at Guntakal, Tirupati, Vellore, &c. But the inconveniences arising from break of bulk should be minimised when the transfer of traffic is effected by the servants of one Company.

* * * * *

It would manifestly be to the interest of the Madras Railway Company to turn to the best possible use the feeders referred to and to encourage traffic both by quick despatch and by quoting through rates to Madras which would, to a great extent, counterbalance the disadvantages of break of bulk at the junctions of the broad and metre-gauge systems.

The large tract bound by the Southern Mahratta main line and the Bellary-Kistna Railway to the north, by the south-west line of the Madras Railway to the south, by the Coromandel Coast to the east, and the Malabar Coast to the west, might have been reasonably regarded as the proper field of labor of the Madras Railway Company; while the area south of the south-west line of the Madras Railway might

continue to be assigned to the South Indian Railway Company. The intrusion of the Southern Mahratta Railway Company into the State of Mysore—which was placed in direct railway communication with the coast at Madras eighteen years before that Company was established—is an encroachment on the legitimate field of the Madras Railway Company that must militate against the commercial prosperity of Madras and contribute to the development of Marmagoa. The Chamber attaches importance to the fact that the Deputy Commissioner of the Bangalore district had occasion a few days ago to place on record his opinion that the transfer of the Mysore State Railway to the Southern Mahratta Railway Company, which was given effect to in July last, has not benefited the country or the railway. In the Chamber's opinion the transfer should have been made to the Madras Railway Company, in view to the eventual extension from Mysore to Coorg or the Wynaad. If the Madras line has to submit both to the shrinkage of traffic in Mysore and to the diversion of traffic from its north-west line, its prospects will be most seriously affected, and the presidency capital will inevitably sustain permanent injury. The Chamber, therefore, respectfully begs the Government to do what lies in its power to prevent the accomplishment of a mistake that its successors may have bitter cause to lament.

No ——— of 23rd June 1858

To 852 R

24 P.

Separate

The Right Honorable
the Secretary of State
for India

My Lord,

In continuation of our Despatch No. 7 613 Rly dated the 23rd April 1858, we have the honour to forward herewith, copies of our Proceedings Nos. 724-725 and 852 Rly, dated respectively the 14th May and 23rd June 1858, embodying further Correspondence with the Government of India on the subject of the proposed metre gauge policy for the Madras Railway and its Extensions.

RAILWAY.

Government {1898} of Madras.

PUBLIC WORKS.

Recd. } 1898. *Enclosures*

Regd. *Spare copies*

G.O., No. 852 Ry., 23rd June 1898.

JUNE.

Madras Rly

Metre gauge conversion & extension policy: Inviting an expression of opinion from the Chambers of Commerce, Madras, the Chamber of Commerce, Madura, the Madras & S. I. Ry Companies, and other public bodies who may be interested, on the proposals —.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read again the following papers:—

G.O., Nos. 526–27 Ry., dated 4th April 1898.

From—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Dept., Simla.
Dated—4th April 1898, No. 527 Ry.

The telegraphic and demi-official correspondence which ended with your telegram No. 313 R.C., dated the 7th March 1898, have conveyed to the Government of India the information that this Government have had it in contemplation to recommend the adoption of a very important change of policy in regard to the gauge of a considerable mileage of the south-western part of the Madras Railway and of its projected extensions. It has been a source of regret to this Government, that circumstances have rendered it impossible for them to take an earlier opportunity to invite the Government of India into their confidence on the subject, and even now things are not quite ripe to allow of its doing so as fully as it would desire. Still, His Excellency the Governor in Council thinks that it is better, even prematurely, to inform the Government of India of what he has in view, in order that meanwhile, and pending the completion of certain preliminary negociations which have necessarily taken considerable time, they may have an opportunity of considering the matter in all its bearings, and of expressing their preliminary or absolute concurrence, or otherwise, in the scheme which I am now instructed to put forward.

2. Proposals for the extension of the Madras Railway Company's system, especially in the south-western direction, have always been met by the objection that there is no trade, nor is there ever likely to be a trade, in the tracts proposed to be served by such extensions, which might not be quite sufficiently well served by metre gauge branches costing from Rs. 50,000 per mile, like the Tanjore line, to Rs. 70,000 per mile. The result has been that the Madras Railway has been crossed at several points by the metre gauge system of the South Indian Railway Company and that they have, naturally enough, been greatly dissatisfied on account of this tapping of what they have rightly looked on as their lawful territory.

3. In India, where Government has so large a degree of control over rates, and where in one way or another it can when necessary bring pressure to bear on Companies over whom such control is not absolute, there is no necessity, or ought to be none, for encouraging a new railway Company to enter a trade tract in which another Company is already in possession. It is, in this Government's opinion, for the interest of the tax-payer that separate railway agencies or Companies should take separate tracts of country whose boundaries will usually be indicated by considerations of the wonted flow of trade, of its financing, and often by physical, social or other features. If so much be conceded, it follows that it is most undesirable that, owing to the fact that while their trunk line is on the broad gauge, the demands of the south-west districts would be adequately met by the metre, the Madras Railway Company should be forced to put up with seeing their lawful territory penetrated in every direction by a rival Company. The sort of competition that results from such penetration is, in the opinion of this Government, good neither for the tax-payers, nor

for the district producers, nor for the shareholders of the rival Companies. No Company liable to such encroachment can fairly be expected to develop its business so as to work up to its fullest capacity.

4. Considerations such as those came strongly to the front when it fell to this Government to carefully weigh the rival claims of the Madras and the South Indian Railway Companies to make and to work the proposed Podanur-Dindigul line. The Government of India will find this matter fully discussed in my letter, No. 533 R., dated the 5th August 1897; and in your letter, No. 1746 R.C., dated the 22nd October 1897, you expressed the Government of India's concurrence in the proposal to defer consideration of this line for the present, as also their preference for the metre gauge, a preference which coincided with that of this Government. The evidence which has accumulated during the last few months tends strongly to prove that not only is the trade of the districts which this proposed line would serve already largely in the hands of the Madras Railway Company to which it is attracted by feeder roads, but also that the requirements of the producers in the tract in question will be better met by a Company whose interest it will be to encourage flow towards Calicut and westward, than by one which will try to draw it eastwards and southwards.

5. Similar considerations have come even more strongly and emphatically to the front in connection with this Government's debates as to the proper agency for constructing and afterwards working the Erode-Nanjangod line. It may be thought that it is somewhat premature to take this project into consideration just yet: but the larger problem, towards the proper solution of which this letter is intended to contribute, demands that even at this early stage as full consideration as may, under the circumstances, be practicable should be given to all lines likely to form part of the network of railways which will be affected by the suggested change of policy. Owing to the fact of the South Indian Railway coming up to Erode, and to that of the Mysore State Railways coming down to Nanjangod, both being metre-gauge lines, it seemed to this Government to be essential that the link connecting these two should, whenever constructed, be the metre. And yet, as things were a few months ago, this seemed to necessitate its being made by the South Indian Railway Company. The suggestion that the latter company should make this link gave rise, and very naturally too, to a strong remonstrance from the Madras Railway Company, who represented that the result to them could be a very heavy loss of earnings. Though the amount of the loss which the Madras Railway Company claimed would accrue to them seemed to this Government to be much exaggerated, when investigated on the basis of the present agreement under which the "shortest route" principle has been adopted by the Madras, Southern Mahratta and South Indian Railway Companies, nevertheless it was felt to be exceedingly unfair, and for the interest of nobody except the South Indian Railway Company's shareholders, that the latter Company should be permitted to stretch another arm across their broad gauge rival and thereby grasp so much of the trade of Southern Mysore as desired an outlet towards Madras. Still there was the difficulty that not only would the metre gauge amply suffice to carry the amount likely to be handled, but, as already expressed, it was essential, for reasons of general facility of communication, that this particular link should not differ in gauge from that of the systems which it was designed to connect.

6. While these difficulties were forming the subject of anxious consideration it came to the knowledge of His Excellency the Governor, while on tour, that His Highness the Rajah of Cochin had a strong desire to make the projected Shoranur-Cochin branch line, out of his own accumulated capital so far as it would go, and without direct financial aid from Government. Amongst the various considerations to which due weight had to be given in connection with His Highness' proposals, was the fact that it could not be denied that the country to be traversed offers no traffic, and, even if the line should hereafter be extended to join the projected Travancore lines, it never is likely to secure any traffic, which the metre gauge cannot perfectly well carry. And yet the branch in itself seemed too short to warrant a proposal being made that it should be made on a different gauge from the trunk line, unless it should be found possible to work it in direct connection with a larger system on the proposed narrower gauge.

7. These considerations gave rise to a conviction in the mind of His Excellency in Council that, pending the mature consideration of the whole problem of the best gauge for the projected south-western branches and extensions of the Madras Railway, it would be wrong and shortsighted to allow the broad gauge to be drifted into for the Calicut-Cannanore Railway. The outcome of this conviction was the demi-official and telegraphic correspondence already referred to ending in your telegraphic prohibition, dated the 7th March 1898, against any works being undertaken on the Calicut-Cannanore Railway which would prejudice the gauge question.

8. The Government of India have already been made aware, in my letter, No. 1054 R., dated the 30th November 1897, that the Madras Railway Company have lately, and in the opinion of this Government, most wisely, expressed their readiness to make and to work metre gauge extensions and branches. Proposals in connection with the financing of the Shoranur-Cochin line are not yet quite ripe enough to be put forward, owing to certain difficulties, which will doubtless disappear, about the provision of land in the few miles of Travancore territory that the line must cross. But meanwhile His Highness the Rajah of Cochin has expressed his unreserved acceptance of the metre gauge for the line which he proposes to own and finance; and the receipt of this expression of the Rajah's wishes puts this Government in a position for the first time, to address the Government of India on the subject of the change of gauge policy which is the main subject of this letter, and which, after the explanation offered in the preceding paragraphs, I am now instructed to put forward for the Government of India's consideration.

9. The policy to which the assent of the Government of India is asked is practically this, that sooner or later the Madras Railway and all its branches from Podanur westward should, in the near future, be on the metre gauge: and that, as soon as it is decided to make the Erode-Nanjangod link, that branch, as well as the Erode-Podanur section, should also be on the metre gauge. The metre gauge sections of the Madras Railway would then be as follows:—

	Miles.
New branches—	
Calicut-Cannanore	62
Shoranur-Cochin	73
Podanur-Dindigul	118
Erode-Nanjangod-Mysore	130 (including 15 already open).
Existing broad gauge sections—	
Erode-Podanur	60
Podanur-Shoranur	57
Shoranur-Calicut	54
Podanur-Mettupalaiyam	26
Total future metre gauge section to be worked by the Madras Railway Company	580 miles.

This programme would involve the conversion of 197 miles of existing broad gauge line, and the construction as opportunity permits of 368 miles of new metre line.

10. I am instructed to explain that it is not desired that this entire scheme of conversion and of extension should be entered on blindly and immediately. It is perfectly well understood that two of the proposed extensions must in all probability await their turn for a place in the general railway programme for all India. Again, it is quite foreseen that even after the Erode-Mysore connection is completed it is a question for comparative estimates to decide whether it is likely to pay better to convert the Podanur-Erode section, or that the Madras Railway Company should arrange for the repairs of their rolling stock on this branch locally, with assistance when necessary from the Southern Mahratta and South Indian Railway Companies.

11. Podanur, where already there is a good deal of engine accommodation, would become the chief locomotive centre for the 580 miles of metre gauge railway, while Shoranur would become the engine-homing centre for the three runs—Shoranur to Cannanore 116 miles, Shoranur to Podanur 117 miles, and the Shoranur-Cochin branch 73 miles. The Podanur-Dindigul branch 118 miles, and the Podanur-Mettupalaiyam branch 26 miles, with its extension 32 miles further to Ootacamund, would be worked from Podanur, while the branch to Mysore would be worked from the existing engine sheds at Erode. The main line on the standard gauge between Erode and Madras would be worked as at present in two lengths of 132 and 111 miles from Jalarpet as an engine station.

12. Thus there would only be one great tranship station, viz., that at Erode; and there would be the freest possible interchange of rolling stock between the South Indian Railway, the Southern Maharatta Railway and the 580 mile metre section of the Madras Railway.

13. The considerations which have led to this proposal being put forward are so many and so complicated that some difficulty is experienced in marshalling them in such a way that they shall be as convincing to the Government of India as they have been to this Government. What I am instructed now to press for is that if the Government of India, after a careful consideration of the arguments now adduced, should concur with this Government as to the wisdom of the proposed policy, the whole programme should be laid before the Madras Railway Company through the Secretary of State, with a promise that, if they should agree to adopt it, their right to the construction and working of the Dindigul line and of the branch to Mysore would be definitely recognized; and that, conditionally of course on detailed inquiries and estimates proving that the Dindigul and the Nanjangod branches would be likely to be commercially successful, the Company would be enabled to raise the capital required for their construction on terms similar to the Calicut-Cannanore terms, as soon as it is decided that the time is ripe for including them in the railway programme for all India.

14. I am instructed to suggest that the Madras Railway Company's views should at once be sought, in the light of the information and opinions contained in this letter, and that they be pressed to agree to the construction of the Calicut-Cannanore line being at once proceeded with on the metre gauge.

15. The principles underlying the recommendations now put forward, viz., that it is wisest that means should be co-ordinated with ends, so that a railway costing $1\frac{1}{4}$ lakhs per mile should not be constructed to do the work that may perfectly well be done by a railway costing $\frac{3}{4}$ lakh per mile, and that in its turn the latter should only under very exceptional circumstances be used when $\frac{1}{4}$ lakh per mile would suffice, are the same principles which also came into prominence, and which carried great weight with this Government, when its recent letter on the subject of famine feeder railways, No. 169, dated 22nd March 1898, was under consideration; and I am instructed here to repeat that it is better, in the opinion of His Excellency the Governor in Council, that the credit of the Railway Companies, backed as it is by the public credit, should be employed in securing as large as possible a mileage of a sufficiently good means of transport rather than that, for the sake of uniformity of system and of gauge, a uniformity which may easily be too dearly purchased, a comparatively small mileage of too good a means of transport should be provided.

16. The object which this Government has in view is so to utilize the credit of the railway companies, which as just observed is practically the public credit, that in as brief a term of years and at as small an expense as are in every way consistent with economy and efficiency, as large a tract of country as possible may be brought within the area of influence of the railway system.

17. This object will, in the opinion of this Government, by the adoption of the programme now put forward, be brought nearer to accomplishment than will ever be possible if Government and the Madras Railway Company determine to continue to adhere to the policy, or absence of policy, which as heretofore been in force, and which has resulted in so serious a departure from the principle so strongly advocated by this Government, that as far as possible one trade tract should be served by one railway.

Extract from—The Madras Railway Board's letter.
To—The Agent and Manager, Madras Railway.
Dated—11th March 1898, No. 970.

Para. 15. The Board learn with some disappointment from paragraph 9 of No. 2348 and G.O., No. 135, dated 24th January 1898, that the survey of the proposed Erode-Nanjangode Railway has been entrusted to the South Indian Railway, but they accept with satisfaction the assurance of the Government of India that the utilization of that Company for this purpose will in no way prejudice the question of the Agency by which the line, if ever made, shall be financed, constructed and worked.

The Board understand that you have clearly explained to the Consulting Engineer the serious loss of revenue which would accrue to the Madras Railway, a loss to be shared equally by the Government and the Company, if another agency were allowed to construct this extension from Mysore to our South-West line. You have also specially invited the attention of that officer to the express offer of this Company to construct and work this extension on the metre gauge. The Board trust therefore that the claims of the Madras Railway to undertake the construction of this line will not be set aside.

As you have remarked to the Consulting Engineer, this Company would desire to work this extension in connection with the proposed Podanur and Dindigul Railway, also with the Nilgiri Railway, and to extend the system from Satyamangalam to Mettupalaiyam, the present standard gauge branch to that place from Podanur being converted into the metre gauge.

Moreover, it occurs to the Board to suggest for the consideration of the Government and of the Company working the Bangalore-Mysore Railway, whether it would not be desirable to extend that line direct to the northern foot of the Nilgiri mountains, and eventually to climb the ghât to Ootacamund. The scheme would be of great value if brought no further than to the foot of the ghât, and prove of much advantage to the Nilgiri Railway. The distance is between 40 and 50 miles, and the gradients, it is believed, are easy.

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Order—No. 539 Ry., dated 6th April 1898.

The Government of India will be addressed.

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From—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, P.W. Dept., Simla.
Dated—6th April 1898, No. 540-Ry.

With reference to the subject dealt with in my letter No. 527, Railway, dated 4th April 1898, I am directed to forward a copy of paragraph 15 of the Madras Railway Board of Director's letter to their Agent, No. 970, dated the 11th March 1898.

2. I am instructed also to inform you that the difficulty hinted at paragraph 8 of my letter above referred to has now been removed by the receipt from the Travancore Dewan of an expression of His Highness the Rajah's readiness to allow the Cochin Railway to occupy the requisite strip of land where for a few miles it will pass through Travancore territory.

From—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Dept., Simla.
Dated—23rd April 1898, No. 613 Ry.

With reference to my letter No. 527 Ry., dated the 4th April 1898, and in continuation of my letter No. 540 Ry., dated the 6th April 1898, on the subject of a proposed metre gauge policy for the Madras Railway and its extensions west of Podanur, or perhaps of Erode, I am instructed to invite your attention to paragraph 15 of the Madras Railway Company's letter to their Agent, No. 970, dated the 11th March 1898, copy enclosed, in which it is suggested that the necessary connection between the metre-gauge Dindigul-Podanur branch and the metre-gauge Erode-Nanjangod-Mysore branch, should be effected by means of the construction of a short new link, about 25 miles in length, from Mettupalaiyam to Satyamangalam, and the conversion to the metre gauge of the Podanur-Mettupalaiyam branch.

2. The suggestion in question has been carefully considered by this Government which sees in it an alternative to the conversion of the Erode-Podanur broad-gauge section,—a conversion which seemed necessary when para. 9 of my first-mentioned letter was written. It seems probable that the Madras Railway Company will be anxious that as small a mileage of their old line as possible should be converted; and thus the force of their opposition, if there should be opposition, to the scheme as a whole, will be greatly lessened if it is no longer proposed to convert any part of the old line east of Podanur.

3. The construction of the 25 mile section from Mettupalaiyam to Satyamangalam will allow of the connection of the Erode-Mysore metre section with the other metre sections, which is so desirable in the interests of economical working. It will also give a reduction of nearly 100 miles in the through journey from the north, *viâ* Mysore, to the Nilgiris—a journey which, as facilities improve, will undoubtedly be undertaken by larger numbers of upper class passengers.

4. The actual cost, as ascertained from the books of the South Indian Railway, of converting 167 miles of broad-gauge track to metre gauge was Rs. 700 per mile only. There were other charges for new accommodation; but Rs. 700 per mile covered practically everything except the new junction at Erode and certain tranship arrangements at Karúr. The actual time occupied in the conversion of the 30 miles between Guntakal and Bellary from broad to metre gauge, that is, the time of interference with running was just 30 hours.

5. A reference was made in para. 13 of my letter, No. 527 Ry., dated the 4th April 1898, to the difficulty experienced in marshalling all the considerations which have led this Government to the adoption of the policy under reference, in such a way that they might appear as convincing to the Government of India as to His Excellency the Governor in Council. But two of these considerations may usefully here be referred to. First, there is the practical certainty that, sooner or later, Travancore will demand connection southwards from Cochin to her own system, at Quilon or wherever may be its terminus; and second, that extension from Cannanore northwards through South Canara is certain later on to be demanded in the interests of the development of the Presidency. It is not easy to foresee where this extension northward is to stop; it may, in due course, lead to the completion of a West Coast Railway; and in the opinion of this Government it would be a deplorable thing if, through want of a little forethought at this present juncture, any section of this through coast line of the future should, when the time comes, be found to be on the wrong gauge.

6. The demand for the development of Coorg, too, has weighed greatly with this Government. The difficulties in the way of opening up this important planting district will be greatly mitigated if they are complicated by no question of an extravagantly expensive gauge for the railways on which its development must depend.

7. In conclusion, I am instructed to express the hope that full weight may be attached by the Government of India to the arguments which have been put forward by this Government in support of these important proposals, and that they may be induced to lend their fullest support to the policy of conversion and extension on the metre gauge, when laying it before the Secretary of State for discussion with the Board of the Madras Railway Company.

NOTE BY THE CONSULTING ENGINEER FOR RAILWAYS, MADRAS.

Proposals to extend the area served by the Madras Railway Company's system have always been met by the objection that, for the traffic of the areas proposed to be served, a broad gauge railway is too expensive a carrying machine. As this Company has not been permitted to extend the area of their business operations by constructing and working feeders and extensions upon a cheaper scale than that of their main line, they have been obliged, with much dissatisfaction and very natural grumbling, to look on at the gradual extension across their lawful territory of the cheap and efficient South Indian Railway, which seemed likely, sooner or later, to suck away much of the life blood of the older and more expensive organization. But during the last twelve months, in connection with the question whether the south parts of Mysore—a track which seems undoubtedly to be within the lawful sphere of trading influence of the Madras Railway—should be tapped by that railway or by its rival, the Madras Railway Company expressed their willingness, officially and definitely, to work and to construct metre gauge branches. This, in my opinion, is a most wise decision, and one which, once arrived at, deserves all possible encouragement at the hands of this Government.

2. As we are not dealing with the question of great through trunk lines or of stratagic lines, it may be taken as an axiom that it is desirable that, so far as may be possible, certain tracts of country, tracts which as a rule will have their boundaries fairly well defined, whether by natural physical features, climate, topography, soil, produce, or by the existing course of trade and its financing, should be made over to certain railway organizations to work, without fear of encroachment from rivals. I refer of course to India, where the relations of the monopolist to the public can be fairly effectively controlled by Government. A system of railways, to serve such a tract as it ought to be served, may be compared to a river and its feeders, if not in its gauge, then at least in its carrying capacity as measured by the number of trains which it runs on its several parts. Far up towards the "divide" it will sometimes happen that, even with one train a day each way, a railway on the broad gauge is a very uneconomical machine for the work to be done, or ever likely to be done; and it becomes in that case a question, to be decided by experience and by comparative estimates, whether the additional expense involved in change of gauge and in a separate rolling stock organization may not be more than balanced by the economy of working which results from the better co-ordination of means with ends. Thinking on these lines brings us logically in some cases to metre gauge branches or extensions of standard gauge systems, and sometimes perhaps to narrow, *e.g.*, 2-ft. gauge, commercial branch feeders for standard or metre gauge systems. If the standard gauge is known to cost, say Rs. 1,00,000, metre gauge cheap branches in a poor country Rs. 50,000, and 2-ft. gauge feeders on district roads Rs. 25,000, per mile, very little consideration will show that the adoption of break of gauge, the cost of which is now pretty well known though not specifically charged to the public, may in certain cases prove to be a wise and an economical measure; always predicating that it is not stratagic lines or great through trunk lines that are under consideration, but strictly commercial lines for the haulage of third-class passengers from village to village and of produce between the villages and the nearest port or mart.

3. It would be greatly to be regretted if, having given in their adherence to so wise a policy, the Madras Railway Company should afterwards find themselves seriously hampered by reason of the length, or the position, of their metre gauge branches being such as to make their economical working impossible. Thus if they found on their hands only the Dindigul branch, on the metre gauge, it would undoubtedly be difficult to work it economically as an isolated section. But during the progress of inquiries by His Highness the Rajah of Cochin, through the Political Department, as to the possibility of himself, without financial aid from Government, providing the capital necessary for the projected Shoranur-Cochin Railway, it suggested itself that by the adoption of the metre gauge His Highness would find it possible to become the owner of the line, and that with little or no borrowing. But negotiations in such matters take time, and meanwhile sanction had come to start work on the Calicut-Cannanore line. It seemed right, pending a definite decision being arrived at in regard to this question of metre gauge policy, that the Madras Railway Company should not be committed to what might prove to be intructuous expenditure on broad gauge

works where there seems good reason to hope that the metre gauge may ultimately be adopted. If ever a continuous line of railway should become a *fait accompli* along the west coast of India—and with the Tinnevelly-Quilon, the Shoranur-Cochin, the Calicut-Cannanore and certain proposed lines near Bombay on the tapis or under consideration, it does not seem unreasonable to expect that within a reasonable period there will be such a continuous line,—it will certainly be a metre gauge railway; and any short intervening broad gauge sections, if unfortunately they should be allowed to come into existence, will certainly be sooner or later converted. In view of these considerations it seems to me to be quite essential that the broad gauge should not be drifted into for the Cannanore extension through mere absence of forethought, and of due consideration of all the conditions so far as it is possible to foresee them; Government has accepted this view, and the result of the correspondence which has ensued is that the Government of India have ordered that no work on the Calicut-Cannanore line shall be entered on which would be likely to prejudice the consideration of the question of gauge.

4. What I have in view for the Madras Railway Company, much of it possibly yet a long way off, but none the less for all that deserving of careful consideration in connection with this large problem, is that, sooner or later, they should work the following extensions and branches on the metre gauge; and that necessarily, in connection with such working, they should convert the following sections of their own line from the broad to the metre gauge:—

393 *miles new branches or extensions to be built.*

Calicut-Cannanore	62 miles.
Shoranur-Cochin	73 „
Podanur-Dindigul	118 „
Erode-Nanjangod-Mysore	130 (15 already exist.)
Mettupalaiyam-Satyamangalam	25 miles.

137 *miles existing main line and branches to be converted.*

Podanur-Shoranur	57 miles.
Shoranur-Calicut	54 „
Podanur-Mettupalaiyam	26 „
Total, future metre gauge for Madras Railway Company ...	520 „

Thus what is contemplated is the construction by the Madras Railway Company of 393 miles of new metre gauge line, some of it for the Rajah of Cochin, and the remainder by State guaranteed debentures raised on what may be called Cannanore terms; and the conversion from standard to metre gauge of 137 miles of their present line; with, in addition, the working of the 15 miles section of the Mysore State Railway between Nanjangod and Mysore. But it seems probable that the Mysore State may desire to build the 30 miles of the Erode-Nanjangod line, which lie within their territory, as part of their own system, to be leased, with the 15 miles Nanjangod-Mysore section, to the Madras Railway Company; and in that case the new mileage on this branch to be arranged for by the Madras Railway Company would be 85 only.

5. It will here be convenient to complete the arguments in favour of the adoption of the above scheme by Government and the Madras Railway Company by pointing out that, if it is carried out, the locomotive running lengths will be as follows. Between Madras and Podanur, the broad gauge engine runs will be divided as may suit best for the distance, 302 miles; there are engine stations at present on this length at miles 42, 80, 132, 207, 243 and 302. For the metre gauge system the important junction of Podanur, where all metre gauge engine and rolling stock works would be situated, would be the engine-homing station for the following daily runs:—Podanur to Shoranur and back 114 miles; Podanur to Dindigul 118 miles; Podanur, by rack rolling stock, through Mettupalaiyam to Ootacamund and back, 104 miles. The Nanjangod-Erode run 114 miles would be worked from Erode where the Company have got old accommodation. It may be that the ghât pusher engines could

be utilized for the short connecting link of 25 miles between Satyamangalam and Mettupalaiyam. Shoranur would serve as the engine-homing station for the two runs, Shoranur to Cannanore 116 miles, and Shoranur to Cochin 73 miles with prospects of extension afterwards in the Quilon direction.

6. As it is not only as an engine-homing station that Podanur will be useful, but also as the locomotive workshop centre for the metre-gauge sections, it seems possible to work in with this the reduction of the area of new shops likely to be required at Perambore, the existing locomotive shops of the Madras Railway Company, if the East Coast Railway or part of it should be leased to that Company.

7. Taken as a whole, the scheme seems to me to be an eminently good one, and one which ought to prove equally acceptable to the Company and to Government. From Podanur westward, and throughout the whole area to be served, there is no traffic, nor so far as can be judged is there ever likely to be any traffic, at all approaching to that on parts of the South Indian Railway metre system. By the adoption of this scheme, the Madras Railway Company would secure the trade of the important tract of country, now undoubtedly their proper territory, which the proposed branch from Podanur through Udamalpet Dharapuram and Palni to Dindigul will serve. They would also retain all the advantages of trading direct with Mysore, advantages which will certainly be snatched from them if the South Indian Railway Company are allowed to extend to Nanjangod. The cost and difficulty of conversion are not serious. I am now making enquiries as to what similar work has cost on former occasions, and have already ascertained that the conversion of the Guntakal-Bellary section, 30 miles in length, was effected during only 30 hours' stoppage of traffic, and that Rs. 700 per mile was all that was spent apart from buildings and transhipment arrangements at Erode on the conversion of the 167 miles from Negapatam to Erode.

8. Should this policy commend itself to Government and to the Madras Railway Company, it would be wise to convert the Calicut-Podanur section with as little delay as possible after rolling-stock had been provided, so that all might be in working order by the time the extension to Cannanore and the Cochin branch were finished. The conversion of the Mettupalaiyam branch might advantageously be done in time for the opening of the Mettupalaiyam-Coonoor section of the Nilgiri Railway, and in that case the Nilgiri rolling-stock could be used on the branch. At Erode, and also at Podanur through the Dindigul branch, the Madras Railway Company's metre system would connect with that of the South Indian Railway Company.

The following is a statement of the movement of Madras Railway Traffic past Podanur in the year 1897.

From Podanur westward (block Nos. 44—52), is here for convenience called the "West Coast Block."

Business done between the West Coast and each of the following blocks.	From West Coast.	To West Coast.	Remarks.
	Mds.	Mds.	
1—8 Arkonam-Madras	122,131	84,708	
9—19 Arkonam-Jaichur	40,153	9,930	
20—39 Arkonam-Erode, with Bangalore Branch ..	806,854	981,205	Will all break gang.
53 Kolar Gold Fields Railway	305,943	45	
55. Great Indian Peninsula Railway	8,254	1,087	
56—57 Southern Mahratta Railway *vid* Guntakkal or Bangalore. ..	31,859	47,399	
58—62 South Indian Railway	291,758	224,021	Will not break gang.
41—43 Nilgiri Railway	558,668	246,721	
40 Between Erode and Podanur, including Podanur ..	191,538	267,343	Perhaps half will break gang.

The above statement seems to show that for the full year 1897, 1,376,000 maunds were exported from and 1,211,000 maunds were imported to, the West Coast block to and from places whose continuity of gang it is proposed to sever. That is 26 ten-ton wagon will have to break bulk at Podanur daily.

But on the other hand, gangs will not in future have to be broken by 1,078,000 maunds of exports and 652,000 maunds of imports per annum. In other words 16 ten-ton wagon loads of which 15 do now actually break bulk at one junction or another, need not in future break bulk.

The effect of the change will be that the net result of break of bulk will be that 26—15=11 wagon loads daily, more than at present, will break bulk. Madras seems to be concerned with two wagons per diem.

From—The Agent and Manager, Madras Railway Company.
To—The Consulting Engineer for Railways, Madras.
Dated—13th May 1898, No. 9096—437.

With reference to your letter, No. 360 of the 4th February last, in reply to my letter, No. 9096-A-84 of the 28th January, on the subject of the Podanur-Dindigul and the Mettupalaiyam-Sattyamangalam, Erode-Nanjangode proposed lines, I have the honour to invite the special attention of the Government to paragraph 15 of letter No. 970 from my Board, copy of which I enclose.

I understand from this letter that if the Government is prepared to place the construction and working of these branch railways in the hands of the Madras Railway, my Board will agree to the Podanur-Mettupalaiyam Branch of the Madras Railway being converted from standard to metre-gauge, so securing a continuous gauge between Coonoor and Dindigul on the one side and between Coonoor and Mysore *viâ* Sattyamangalam and Nanjangode on the other side.

In the event of the gauge being changed, passengers from Madras to the Hills would leave the standard gauge carriages at Podanur instead of at Mettupalaiyam.

If the proposal suggested by the Board is entertained, the work of strengthening the girders of the bridges on the Podanur-Mettupalaiyam Branch now under suspension may be indefinitely postponed, as the girders now laid are sufficiently strong, it is believed to bear the weight without risk of metre gauge engines and stock.

To—The Government of India.
Dated—4th April 1898, No. 527 Ry.

To—The Government of India.
Dated—23rd April 1898, 613 Ry.

Note by the Consulting Engr. for Rys., Madras, on the Railway Conference for 1898.
Dated—1st May 1898.

Note by the Examiner, Guaranteed Railway Accounts, Madras, on the Accounts for the Madras Railway system in the event of the Madras Government's proposals being agreed to.

I am of opinion that the accounts of the Madras Railway proper, as it now is, will still have to be kept intact, notwithstanding the conversion of 139 miles of it to the metre-gauge. All the conditions which apply to these 139 miles in regard to capital raised, capital outlay, interest, working expenses earnings, surplus profits, &c., are so bound up with the original contracts, that it would scarcely be feasible to separate the accounts of the 139 miles and amalgamate them with the rest, or rather part of the rest, of the proposed metre-gauge system.

2. I do not consider that the conversion will cause any difficulty in keeping the accounts of the present system intact, nor that there will be any such difficulties or complications in arranging for the accounts of the extended broad and metre-gauge system as to form the ground for objections to the proposals of Madras Government.

3. The accounts of working expenses throughout will, I presume, be first amalgamated, and then simply distributed in proportion to gross earnings among the different sections, so that there will be no difficulty here. The capital outlay is easily kept separate for any sections into which it may be found necessary to divide the system; and though the necessity for dividing fares and freights, and for keeping separate accounts of earnings, for a large number of different sections must cause some trouble, yet this is a state of affairs which must be expected to follow as a natural result of the multiplication of new branches in all directions, and I do not suppose that the number of sections on the proposed Madras Railway system, for which separate accounts will have to be kept, will be exceptionally large in comparison with many of the other great Railways of India.

4. For the combined broad and metre-gauge system of the Madras Railway as now contemplated, the following accounts would be required:—

(*a*) Madras Railway proper, 697 miles broad gauge, 137 miles metre-gauge.
One complete set of capital and revenue accounts as at present.

(*b*) Three extensions on "Cannanore terms."

		Miles. Metre-gauge.
(1)	Calicut-Cannanore Extension	62
(2)	Dindigul-Podanur	118
(3)	Mettupalaiyam-Sattyamangalam ... ... 25 miles Erode-Mysore Frontier ... ... 85 miles	110

For each of these separate capital accounts forms IV and V, revenue accounts form VIII, interest account form XVII, and surplus profits form XVI would be required. These might be given as subsidiary forms in the Madras Railway accounts proper, or separate accounts printed if subsequently found more convenient.

(*c*) Three Native State Lines worked by the Company—

(1)	Kolar Gold Fields Railway	10 miles	broad gauge.
(2)	Shoranur-Cochin (Cochin State Railway) ...	73 "	metre "
(3)	Mysore-Nangangod ... ... 15 miles Nangangod-Mysore Frontier ... 30 "	45 "	" "

For each of these a separate set of Capital and Revenue Accounts would be required.

5. In all, seven sets of Capital and Revenue Accounts at the most, which may not be considered very exceptional, as the Southern Mahratta Railway Company for years past have been keeping six separate accounts for their system.

6. It might be possible to amalgamate the Revenue Accounts of (*b*) (3) and (*c*) (3) as given above, by dividing *profits* of this combined section between the British and Mysore Governments under a special arrangement somewhat similar to that proposed for the British and Native State sections of the Tinnevelly-Quilon Railway. This would save some trouble in account keeping, and in dividing fares and freights in through booking on this combined section, but it would necessitate, I think, the British portion being undertaken at the direct cost of Government, instead of as an extension of the Madras Railway on "Cannanore terms" and is therefore not to be advocated as involving great delay in finding funds.

7. As regards the question of the allocation of the cost of conversion of the 139 miles of the Madras Railway, which may perhaps be estimated roughly at about two lakhs for the road alone, with perhaps 2 lakhs more for break of gauge accommodation at Podanur: I do not think there is much doubt about the latter item of 2 lakhs for break of gauge accommodation at Podanur, except in so far as any demolition, removal and reconstruction of existing buildings and works may be concerned; most of the accommodation would, I imagine, be purely additional, and this would be a fair Capital charge.

8. The item of 2 lakhs for conversion of the line is more doubtful. From an Accountant's point of view it would not seem correct to state the Capital Account of the 137 miles of converted line as standing at the amount of the original cost of its construction on the broad gauge *plus* the cost of converting subsequently to metre gauge; the cost of conversion of a more expensive form of construction to one of a less expensive nature would also, under ordinary principles, seem to be a proper charge to Revenue; but in the Secretary of State's Despatch laying down the principles of allocation to be followed on Indian Railways it is clearly recognised that cases involving exceptionally large outlay, which would, under ordinary rules, be a Revenue charge, must be specially considered and dealt with; and I think that as the conversion would in this particular case be a substantial improvement, there are strong grounds for a recommendation that the cost should be specially allowed to be treated as Capital outlay by the Government of India.

9. At the most the Government of India would probably not press for more than half the cost of the line's conversion being treated as a Revenue charge, and if in addition this were allowed to be distributed over, say three years, the burden on the Revenue Account would not be very heavy—that is not more than Rs. 15,000 to Rs. 17,000 a half-year for that period.

Order—No. 724 Ry., dated 14th May 1898.

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 Simla.
Dated—Ootacamund, 14th May 1898, No. 725 Ry.

With reference to my letters Nos. 527 Ry. and 613 Ry. dated respectively the 4th and 23rd April 1898, I am directed to forward for information a copy of a note prepared by the Government Examiner, Guaranteed Railway Accounts, Madras, on the system of accounting which will be necessary if the proposals contained in my letters above referred to are agreed to.

From—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated— Ootacamund, 27th May 1898, No. 765 Ry.

In continuation of the correspondence on the subject of change of gauge and metre gauge extensions of the Madras Railway, ending with my letter No. 725 Ry., dated the 14th May 1898, and with special reference to my No. 613 Ry., dated the 23rd April 1898, with which you were furnished with a copy of paragraph 15 of Madras Railway Company's letter to their Agent, No. 970, dated the 11th March 1898, I am now directed to forward a copy of a letter No. 9096/437, dated the 13th May 1898, from the Agent of the Madras Railway Company. In this letter the Agent interprets the intention of his Board to be that they would be prepared to consent to the conversion of the Podanur-Mettupalaiyam branch, 25 miles, to the metre gauge, if promised the construction and working hereafter, whenever decided on, of the Podanur-Dindigul and the Erode-Nanjangod branches with the Mettupalaiyam-Satyamangalam connection.

2. The Government of India have already been made acquainted with the reasons which have led this Government to the conclusion that it is right that, whenever the time arrives for making them, the Madras Railway Company and not the South Indian Railway Company should be given the working of the Podanur-Dindigul and the Erode-Nanjangod branches. Should these views commend themselves to the Government of India there would seem to be no reason why the Madras Railway Company should not be informed that their claim to these two extensions is definitely admitted, subject always to the agreement of the Mysore Government as regards the section of the Erode-Nanjangod-Mysore line lying within their territory. It appears likely that once they have been made acquainted with the opinion of the Government of India, that the two branches in question are looked upon as hypothecated to them, the Madras Railway Company would agree to at once carry out the conversion of the Podanur-Mettupalaiyam section.

3. In view of the approaching opening of the Mettupalaiyam-Coonoor metre gauge line, and of the practical certainty of its being worked by the Madras Railway Company, and of the importance to Government, its guarantors, that road competition should not have to be encountered, it seems very desirable that Podanur and not Mettupalaiyam should be the point where, from the very first, break of gauge will occur. So long as break of gauge, specially for goods, is at Mettupalaiyam, so long will the Nilgiri Railway be exposed to severe competition with carts. But competition will be practically rendered non-existent if break of gauge is made to occur at Podanur.

4. There is nothing in either the vehicles or the engines of the Coonoor line which would make it objectionable to run them on the converted Madras Railway, indeed the first few miles from Mettupalaiyam to Kullar are of a character similar to that of the converted Podanur-Mettupalaiyam section. There will be no difficulty in arranging terms between the two Companies for the use of the Nilgiri rolling-stock on the 25 miles of the Madras Railway. Indeed the Madras Railway Company will probably be glad of the chance of setting free the broad gauge stock now locked up on the branch.

5. The convenience to passengers of changing once for all into the metre gauge at Podanur will be very great, because at present the majority of them necessarily change there from the main to the branch line vehicles, and if the proposed conversion of the branch is carried out, the Podanur change will be the only one on the journey to the Nilgiris. The saving of the proposed expenditure, which has just been stopped in time, on the strengthening of the bridges on the branch, referred to in the Agent's letter, is worthy of consideration. The actual conversion, judging by the Bellary-Guntakkal case, can be very quickly and cheaply accomplished.

6. I am instructed to say that, in the opinion of His Excellency the Governor in Council, a decision in this matter need not wait upon the decision to be arrived at upon the large conversion and metre extension scheme of which this forms a very small part. It might have been dealt with on its own merits without being tied up with the Podanur and Nanjangod schemes. But the Madras Railway Company's Board apparently desire that it should stand or fall with the decision that may be arrived at in regard to these two projected branches. It might have been worth while to endeavour to induce the Company to separately deal with the Podanur-Mettupalaiyam conversion, on its own merits, as explained in my paragraphs 3, 4 and 5, had there been any question of the expediency of promising them the working, hereafter, of the Dindigul and Nanjangod branches. Indeed, even now, if the Government of India do not see their way to accepting without further explanation the views of this Government as to the propriety of promising these two branches to the Madras Railway Company, it might be advisable to endeavour to persuade the Company to consent to the immediate conversion of the Mettupalaiyam branch, for the reasons referred to in paragraphs 3, 4 and 5, and because it will be for their interest to do so.

7. But it is strongly recommended, for the reasons put forward in this Government's Consulting Engineer's Note on the general Railway programme, dated 1st May 1898, and adopted by this Government in paragraph 10 of my letter No. 689 Ry., dated the 4th May 1898, that permission be accorded to intimation being given to the Madras Railway Company that the Government of India concur with this Government in the opinion that their claim to work the Podanur-Dindigul and the Erode-Nanjangod lines, with the Satyamangalam-Mettupalaiyam link and the converted Podanur-Mettupalaiyam section, all on the metre gauge, is a reasonable claim, and that meanwhile, pending a decision being definitely come to as to when and how these extensions shall be undertaken, their suggestion to convert the Podanur-Mettupalaiyam section is agreed to, and they are recommended to carry out the conversion in time for the opening of the Nilgiri Railway for the reasons given in paragraphs 3, 4 and 5 of this letter. I am to add that there is reason to believe that they will readily adopt such a recommendation.

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
Dated—Simla, 31st May 1898, No. 706 R.C.

I am directed to acknowledge receipt of your letter No. 527 Ry., dated 4th April 1898, inviting consideration by the Government of India of a very important change of policy in regard to the gauge of the Madras Railway and of projected lines connecting with it west of Erode, and suggesting that, if on careful consideration the Government of India are disposed to concur in the wisdom of the proposed policy, the whole programme should be laid before the Madras Railway through the Secretary of State with a promise that if they agree to adopt it their right to the construction and working of the Dindigul line and the branch to Mysore would be definitely recognised, and that they should be pressed to agree to the construction of the Calicut-Cannanore extension being at once proceeded with on the metre gauge.

2. The recommendations of the Madras Government are understood to rest mainly on the ground that the existence of broad gauge system west of Erode constitutes an obstacle to the development of railway communication on the metre gauge which would suffice for the needs of the country to be served, and to the linking up

of the South Indian and Southern Mahratta metre gauge systems, and that these difficulties cannot be removed without prejudice to the equitable claims of the Madras Railway Company except by their consenting to convert to the metre gauge so much of their system as would enable them to construct and work as part of it the extensions and connections for which the metre gauge is recognized as preferable or necessary.

3. In reply, I am to state that, while the Government of India appreciate the force of the arguments to which the Madras Government have lent the weight of their support, it seems necessary that the opinion of the mercantile bodies interested should be obtained and considered before so radical a step as the introduction of a break of gauge on a main line of communication between the east and west coasts of India is recommended to the Secretary of State.

4. I am to add that even if the policy of the change were accepted and the right of the Madras Railway to make the connection on the metre gauge between Erode and Nanjangod were recognised, it would be absolutely necessary that the two metre gauge systems to the north and south of the link should have running powers over it and that it is by no means clear that under these circumstances the Madras Railway Company would consider it worth their while to go to a large expense so near the possible termination of their contract in converting their broad gauge line for the sake of obtaining the right to make the link.

5. An estimate of the cost involved in the radical change of policy proposed, showing cost of conversion, provision of metre gauge rolling-stock, and the erection and equipment of the necessary workshops and transhipping stations would also be necessary before the Government of India could come to any decision, and until a decision in favour of the change of policy recommended has been arrived at it would obviously be impossible to press the Madras Railway Company to undertake the immediate construction of the Calicut-Cannanore Extension on the metre gauge. There appears to be no other course open than to defer the prosecution of work on this line till the question is settled.

6. I am accordingly to request that, with His Excellency's permission, the opinions of the Madras and Malabar Chambers of Commerce and of any other representative bodies that may be interested in the question, and of the South Indian and Madras Railways may be invited, and transmitted together with the estimates referred to in paragraph 5 above, and any further expression of the views of the Madras Government which may seem to be called for.

7. To prevent possible misapprehension it will be desirable in making the necessary communication to the Madras Railway Company, to draw prominent attention to the condition stated above, paragraph 4, as necessarily attaching to any proposal that the link between the South Indian and Southern Mahratta Railways should be made as part of their system.

* * * * *

Note by the Consulting Engineer for Railways, Madras, dated 17th June 1898.

Steps shall at once be taken to obtain from each of the Railway Companies interested, as well as from Chambers of Commerce and other representative bodies, an expression of opinion, in regard to the important railway policy referred to in the Government of India's letter, No. 706 R.C., dated the 31st May 1898. But this will take some little time, and meanwhile I offer the following remarks :—

2. The fact of their referring only to this Government's letter, No. 527 Ry., dated the 4th April 1898, and not to any of the subsequent letters on the same subject marginally noted and also the use of the words "West of Erode" in paragraph 2, instead of "West of Podanur," would apparently justify the presumption that the Government of India failed to appreciate that the suggestion made by the Madras Railway Company's Board of Directors

No. 540 Ry, dated 6th April 1898.
" 613 Ry., " 23rd " "
Note for the Railway Conference of 1898, and letter No. 689 Ry., dated 4th May 1898.
No. 725 Ry., dated 14th May 1898.
" 765 Ry., " 27th " "

in their letter to their Agent, No. 970, dated the 11th March 1898, made it possible for this Government to so far modify its original proposal as to suggest Podanur instead of Erode as the most suitable point for break of gauge, thus making conversion unnecessary on the 60 miles between Erode and Podanur.

3. It is important to remember that the Erode-Nanjangod line was not proposed for the sake of forming a metre gauge link between the two great metre systems by which the Madras Railway is flanked. It, in common with the Podanur-Dindigul, the Cochin branch, and the Cannanore extension, have been pressed for in order that the main south-west line of the Madras Railway which at present traverses a wide tract of country in the form, practically, of a feederless trunk, may be furnished with a suitable system of feeders, without which the commercial requirements of the country purporting to be served by the trunk line cannot be adequately met. The Erode-Mysore branch of the Madras Railway would certainly, but merely incidentally, form a connecting link between two metre gauge systems, and this is an additional reason why it should be on the metre gauge; but the main reason is that that gauge will quite suffice to handle any traffic that is ever likely to be attracted to it.

4. I fail to see the necessity for the Government of India's stipulation that it be made a condition that the Southern Mahratta and South Indian Railways shall have running powers over the Erode-Mysore branch of the Madras Railway. There would appear to be no reason to anticipate any such flow of traffic between the two metre Companies' lines as cannot quite adequately be met, to the full satisfaction of traders, by the ordinary facilities afforded by through booking agreements and by the ordinary rules for interchange of rolling stock. The main object of the proposed Erode-Mysore branch of the Madras Railway is to bring into direct touch with the Madras Railway system and of course through it with the South Indian Railway system, the trade of South Mysore which concentrates at, and is financed in, the City of Mysore. This question, however, of the necessity for granting running powers over this branch to foreign lines shall be dealt with more fully is due course when enquiries about the course of trade, in connection with the policy under reference, shall have been more fully matured. I see no more reason for the grant of such powers than might be held to prevail in the case of many other links throughout India where running powers are not proposed to be granted.

5. The Government of India say that it is by no means clear that if running powers are granted to the Southern Mahratta and South Indian Railways over the Erode-Mysore branch, the Madras Railway Company would consider it worth their while to go to a large expense, so near the possible termination of their contract, in converting their broad gauge line for the sake of obtaining the right to make this branch. But in the first place what it is proposed to offer to the Madras Railway Company is not merely the Erode-Mysore branch, but the Podanur-Dindigul and Shoranur-Cochin Branches also, as well as a connecting link between Mettupalaiyam and Sattyamangalam, all forming, with the converted sections, and the Nilgiri Railway, a *reseau* of metre gauge lines 577 miles in extent, and of a shape most suitable for economical working. This *reseau* it is proposed to offer them in lieu of the 173 miles of trunk from Podanur to Cannanore, which is branchless except for its feeder to the Nilgiris.

6. It is proposed that, for the sake of securing these advantages, and they would appear to be well worth their securing, the Company should consent, first, to convert 147 miles of standard gauge line to metre at a cost which may presumably be estimated at under 1½ lakhs for the road alone, with an additional sum for transhipment arrangements; 2nd, to incur the expense of metre-gauge rolling stock for some 550 miles of line; and 3rd, to build workshops and whatever else may be necessary at Podanur for the upkeep of this metre-gauge rolling stock.

7. But it must not be forgotten that against these three items of expenditure must be set, at the credit side, the following savings: 1st, the very large reduction in the cost of the 62 miles of the Cannanore extension; 2nd, the setting fee, for use on the remainder of the broad-gauge system, of the existing rolling stock of 137 miles of line to be converted; 3rd, the saving which it will be possible to effect of the contemplated and at present urgently demanded extension of the main workshops of

the Company at Perambur; 4th, the saving which will be secured by the proposed strengthening of certain bridges becoming unnecessary and in its being found possible to utilize existing weak broad gauge girders on the projected metre-gauge branches. So far as can at present be judged, pending the preparation of estimates, the net results of these capital items ought to work out very largely favourable to the Company.

8. Then, as regards the revenue side of the account, it appears to me that the cost of handling the comparatively small quantity of goods which must break bulk at Podanur, will be far more than balanced by the saving accruing from the use of the metre-gauge on a portion of the Madras Railway Company's system where the broad-gauge is more than adequate for any present or future traffic requirements.

9. The actual need for continuity of gauge between the east and west coasts of India in the parts of this presidency which are traversed by the south-west section of the Madras Railway must not be gauged by the same measure as would be applied had a similar problem to be solved on the north-west line which connects Madras with Bombay, or on the Peshawar-Karachee, or the Calcutta-Bombay, or even on the Calcutta-Karachee connection. So far as can at present be judged, pending the completion of traffic analyses, the through traffic *viâ* Podanur between the east and the west coasts is very small indeed. There is reason to believe that the interests of the Madras merchant in the trade of the west coast and of the Malabar merchant in the trade of Madras, as measured in weight of goods dealt in, would be more than amply provided for by a daily train or two on a 2-feet gauge line. The flow of the bulk of the traffic is at present believed to be from Podanur and its neighbourhood towards both coasts and *vice versâ*. Station to station traffic figures are now being carefully analysed with a view to ascertaining the truth or otherwise of this surmise.

10. The Government of India refer at the end of paragraph 5 of their letter to the advisability of the prosecution of work on the Cannanore extension being stopped until the question of its gauge should have been settled. Work on the first 26 miles is now being prosecuted so far as is possible without prejudicing the gauge question, and quite as much is being done as is possible in the present state of the season. There has so far been no necessity to seriously obstruct progress, and a full measure of control over all work is retained.

11. In connection with the railway policy which is now put forward, the extracts printed below from a letter, dated ten years ago, from the Chairman of the Madras Chamber of Commerce to this Government, dated 2nd May 1888, will be read with much interest.

The extracts quoted below from a letter of about the same period from the Board of Directors, Madras Railway Company, to their Agent, No. 794, dated the 20th April 1888, will also be of interest. The proposals then made by the Company failed, unfortunately as it now seems to me, to commend themselves to the Government of that day.

From—the Chairman, Chamber of Commerce, Madras.
To The Chief Secretary to Government, Ootacamund.
Dated 2nd May 1888.

It is stated in the Report on the Administration of the Madras Presidency during the year 1886–87 that the South Indian Railway Company having expressed its willingness to take over the working of the Cuddapah-Nellore State Railway, an agreement has been drawn up by the Government to enable it to do so; and that the Company having offered to undertake the construction and working of the projected Tirupati-Dharmavaram and the Villupuram-Pákal lines, negotiations with that object are now proceeding.

It is, I trust, superfluous for me to state that the Chamber regards the two Railway Companies whose field of work lies within this presidency with the utmost impartiality; and that it is opposed to the idea of extending any invidious preference to either of them. There is room in the presidency for the full employment of both systems, and the Government appears to have succeeded hitherto in so apportioning the territory served by each that the extent of the work done by the two lines is now remarkably even. Thus, in 1886, the Madras Railway Company carried 6,374,718 passengers and the South Indian Railway Company carried 6,509,963.

The Chamber cannot, therefore, view with unconcern a policy that proposes to allow the southern Company to intrude upon and divert, by preferential rates or otherwise, the traffic obtainable in what has hitherto been considered the special territory of the northern Company, and to encourage that traffic to find its outlet either at the French port of Pondicherry or the British port of Negapatam, instead of at its more natural destination, namely, the port of Madras, at which a harbour is now being constructed at great cost to the State.

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The comparatively inconsiderable results in the earning of interest on capital of the two railway systems that divide between them the main arteries of traffic in this presidency are justly attributed in the Madras Manual of Administration to geographical disadvantages, the want of great staples of commerce, and the poverty of the people. It is believed by the Government that the same drawbacks will apply to almost all extensions, but it is anticipated that "some of the shorter lines will without doubt become valuable feeders of the existing railways; while others, of a purely local character, may also be expected to yield fair returns." It must have been contemplated when these words were written that the extensions alluded to would become the feeders of the railway lines in their immediate vicinity; and it does not seem to have been intended that extensions close to the west of the north west line of the Madras Railway would be converted into feeders of the South Indian line, any more than that extensions in Madura and Tinnevelly would be utilised as feeders to the Madras Railway.

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The Chamber is not in a position to state that the Board of Directors of the Madras Railway Company is prepared to accept the responsibility of constructing or working metre-gauge extensions as adjuncts to, or feeders of, its broad-gauge system; but it entertains the confident belief that the Directors will not be slow to avail themselves of the opportunity of doing so, if the proposal is made to them; for they must be exceedingly anxious to remove the reproach that attaches to their line on account of the heavy charge for interest that it still entails on the State; and they must sympathise with the desire of the Chamber to see Madras increase, rather than decrease, in commercial importance.

The Chamber does not forget that the acceptance by the Madras Railway Company of the charge of the extensions in the Anantapur, Cuddapah, North Arcot, and Nellore districts would involve break of bulk at Guntakal, Tirupati, Vellore, &c. But the inconveniences arising from break of bulk should be minimised when the transfer of traffic is effected by the servants of one Company.

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It would manifestly be to the interest of the Madras Railway Company to turn to the best possible use the feeders referred to and to encourage traffic both by quick despatch and by quoting through rates to Madras which would, to a great extent, counterbalance the disadvantages of break of bulk at the junctions of the broad and metre-gauge systems.

The large tract bound by the Southern Mahratta main line and the Bellary-Kistna Railway to the north, by the south-west line of the Madras Railway to the south, by the Coromandel Coast to the east, and the Malabar Coast to the west, might have been reasonably regarded as the proper field of labor of the Madras Railway Company; while the area south of the south-west line of the Madras Railway might

continue to be assigned to the South Indian Railway Company. The intrusion of the Southern Mahratta Railway Company into the State of Mysore—which was placed in direct railway communication with the coast at Madras eighteen years before that Company was established—is an encroachment on the legitimate field of the Madras Railway Company that must militate against the commercial prosperity of Madras and contribute to the development of Marmagoa. The Chamber attaches importance to the fact that the Deputy Commissioner of the Bangalore district had occasion a few days ago to place on record his opinion that the transfer of the Mysore State Railway to the Southern Mahratta Railway Company, which was given effect to in July last, has not benefited the country or the railway. In the Chamber's opinion the transfer should have been made to the Madras Railway Company, in view to the eventual extension from Mysore to Coorg or the Wynaad. If the Madras line has to submit both to the shrinkage of traffic in Mysore and to the diversion of traffic from its north-west line, its prospects will be most seriously affected, and the presidency capital will inevitably sustain permanent injury. The Chamber, therefore, respectfully begs the Government to do what lies in its power to prevent the accomplishment of a mistake that its successors may have bitter cause to lament.

From—The Secretary to the Board of Directors, Madras Railway.
To—The Agent and Manager, Madras Railway.
Dated—61, New Broad Street, London, 20th April 1888, No. 794.

Looking at the map which accompanies the Administration Report of the Public Works Department, Railway Branch, Madras, 1886–87, the Board observe that extensions are projected in various directions, the carrying out of which will, the Board apprehend, very materially affect the traffic of the Madras Railway. If it be determined to construct these contemplated lines by other agency than this Company, the Madras Railway will be exposed to competition on all sides, and, it is feared, may lose very heavily. The pecuniary interests of Government in this railway, no less than those of the Company, should be sufficient to ensure caution in proceeding with other lines which could seriously interfere with the development of the Madras line.

2. I am desired, therefore, to request your early and special attention to this question, and that you will submit it to the Government of Madras for their careful consideration, in the hope that the claims of this Company to the construction and working of any projected extensions on the metre gauge or otherwise within the territory which may be properly regarded as coming within the Madras Railway district may be favourably entertained.

3. Of the proposed lines described on the page prefixed to the Administration Report above quoted, the first on the list, viz., the Hindupur extension, to be prolonged, no doubt, eventually to Bangalore, seems to the Board to be one which is eminently within the province of the Madras Railway Company to undertake. * * * The Board very earnestly desire that the attention of the Government and of the military authorities may be invited to their proposal to undertake this line on the standard gauge, and trust that it will be viewed with favour.

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5. There are other branches and extensions which this Company are desirous to undertake, and which, provided they had the management and control of them, they would be prepared to construct even on the metre gauge if preferred by the Government to the standard gauge. These are the surveyed line to Cochin from Shoranur, the extension from Palghat to Pollachi and Dindigul, a branch to the town of Salem and Namakal, and several others.

6. The Board would suggest that estimates be prepared both for the metre and broad gauges of such lines as, in your opinion, it will be desirable for this Company to undertake, it being understood that the standard gauge would be constructed at first in the lightest manner consistent with efficiency and economy in working.

7. The Board would be prepared also to take over the working of the line from Nellore to Tirupati, which traverses a region within the Madras Railway area rather than that of the South Indian Railway.

8. The extension of the broad gauge line to the military station of Cannanore has been under consideration, and also the realignment of the portion of the south-west line from Sholinghur to Mailpati so as to take in several important towns, but sufficient data are not yet to hand to show the probable financial results of these extensions.

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Order—No. 852 Ry., dated 23rd June 1898.

His Excellency the Governor in Council will be glad to receive from the Chamber of Commerce, Madras, the Chamber of Commerce, Malabar, the Madras Railway Company, the South Indian Railway Company, and other public bodies who may be interested, an expression of opinion in regard to the question of Railway Policy referred to in the papers read above.

2. The Chamber of Commerce, Madras, is invited to a re-perusal of the correspondence of 1888, from which extracts are quoted in Appendix A of the Consulting Engineer's Note, dated 17th June 1898.

3. The Madras Railway Company are requested to direct particular attention to the stipulation made in paragraph 4 of the Government of India's letter No. 706 R.C., dated the 31st May 1898. The Agent, Madras Railway Company, should also prepare the estimates asked for by the Government of India in paragraph 5 of their letter just quoted; and also a statement of the probable amount of traffic breaking bulk at Podanur, with, as a set off, a statement of the amount of traffic for which break of bulk will no longer be necessary.

4. As, for reasons connected with the progress of work after the monsoon on the Calicut-Cannanore Railway, it is very desirable that an early decision should be arrived at on this important question of Railway Policy, His Excellency in Council will be glad to receive the replies of those consulted at an early date.

[Here enter No. 16 / 852 Ry., dated 23rd June 1898.]

(True Extract.)

Under Secretary.

To the Chamber of Commerce, Madras. 12
" " " Malabar. 6
" Agent and Manager, Madras Railway. 12
" " " South Indian Railway. 10

Exd. C. Rajagopaul.

Despatched on 1/7/98