Public Works (~~190~~ 1899) Department.

RAILWAYS.

G.O., No. 183-184 R

DATED 17 - 2 - ~~190~~ 1899 .

Includes 850 Ry 23-6-98
1178 R 27-9-98

[Despatch Abstract.]

Preferential rates existing on the Southern Mahratta Railway. Forwarding to the Government of India copy of a letter from the Agent & Manager, Madras Railway re the —

Indexed

BACK PAPERS.

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

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MADRAS RAILWAY COMPANY,
Traffic Manager's Office,
Central Station, Madras, *June* 1892.

O. 6188.

THE ACTING AGENT AND MANAGER,
RAYAPURAM.

Dear Sir,

Competitive rates between Bombay and stations on the Madras, Southern Mahratta and South Indian Railways.

1. I beg to address you on the subject of the through rates at present in force between Bombay and stations in Southern India.

2. There are now three separate routes for traffic passing from Bombay to the South.

(*a*). The first, or the oldest established route, is from Bombay *via* Poona Raichur and Arkonam, and this route gives to the Great Indian Peninsula Railway a profitable mileage of 443 miles *viz.* the distance between Bombay and Raichur.

(*b*). The second route is from Bombay *via* Hotgi Godag and Guntakal, or *via* Hotgi Godag and Bangalore, and this route gives to the Great Indian Peninsula Railway a profitable mileage of 292 miles *viz.* the distance between Bombay and Hotgi.

(*c*). The third route is from Bombay *via* Poona Londa and Bangalore, and this route gives to the Great Indian Peninsula Railway a profitable mileage of only 119 miles *viz.* the distance between Bombay and Poona.

3. By the extension of the South Indian Railway to Guntakal a fourth route will shortly be open for traffic to the South, and when the Southern Mahratta and the South Indian Railways (both metre guage) are connected at Guntakal traffic from Bombay to the South will *under the existing scale of rates* pass from Bombay *via* Poona Londa Guntakal and Dharmavaram Junctions.

4. The rates now in force over the G. I. P. system for traffic carried from Bombay are—

	Distance.	Special class.			1st class.			2nd class.			3rd class.			4th class.			5th class.		
		RS.	A.	P	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
(*a*). *Via* Raichur ...	443	0	11	7	0	14	3	1	3	10	1	12	0	2	6	11	3	7	4
„ Hotgi ...	292	0	6	4	0	8	4	0	12	5	1	0	6	1	4	5	1	8	6
„ Poona ...	119	0	2	3	0	2	10	0	4	1	0	5	7	0	6	11	0	8	1

and these rates yield to the Great Indian Peninsula Railway per ton per mile.

	Sepcial class.	1st class.	2nd class.	3rd class.	4th class.	5th class.
	Pies.	Pies.	Pies.	Pies.	Pi es.	Pies.
(*b*). *Via* Raichur ...	8·47	10·42	14·50	20·47	28·46	40·46
„ Hotgi ...	6·84	9·24	13·77	18·30	22·65	27·18
„ Poona ...	6·12	7·71	11·11	15·20	18·83	22·00

BACK PAPERS.

G.O.

5. Contrary to the policy observed by home and other Railways it will be seen that higher mileage rates are charged for a *long* distance than are charged for a *short* distance and the effect of these rates to the Madras Railway, is to divert to the Southern Mahratta Railway traffic which should in many instances be legitimately carried by the Madras Railway.

6. It will probably suffice if I take the actual rates in force between Bombay and Madras, Katpadi (Vellore) and Trichinopoly to show how the interests of the Madras Railway are at present adversely affected.

		Distance.	Special class.			1st class.			2nd class.			3rd class.			4th class.			5th class.		
			RS	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P
(a). Bombay ... & Madras ...	Via Raichur	443	0	11	7	0	14	3	1	3	10	1	12	0	2	6	11	3	7	4
	& Arkonam	351	0	9	0	0	11	2	0	15	1	1	3	10	1	10	4	2	7	4
	Total...	794	1	4	7	1	9	5	2	2	11	2	15	10	4	1	3	5	14	8
Bombay ... & Madras ...	Via Poona	119	0	2	3	0	2	10	0	4	1	0	5	7	0	6	11	0	8	1
	Londa	626	0	10	8	0	13	7	1	4	2	1	12	0	2	3	1	2	9	3
	& Bangalore	219	0	5	9	0	7	1	0	9	6	0	12	6	1	0	7	1	8	8
	Total...	964	1	2	8	1	7	6	2	1	9	2	14	1	3	10	7	4	10	0
(b). Bombay ... & Katpadi ...	Via Raichur	443	0	11	7	0	14	3	1	3	10	1	12	0	2	6	11	3	7	4
	& Arkonam	346	0	8	10	0	11	0	0	14	10	1	3	7	1	10	0	2	6	9
	Total...	789	1	4	5	1	9	3	2	2	8	2	15	7	4	0	11	5	14	1
Bombay ... & Katpadi ...	Via Poona	119	0	2	3	0	2	10	0	4	1	0	5	7	0	6	11	0	8	1
	Londa	626	0	10	8	0	13	7	1	4	2	1	12	0	2	3	1	2	9	3
	& Bangalore	139	0	3	9	0	4	7	0	6	2	0	8	1	0	10	8	0	15	9
	Total...	884	1	0	8	1	5	0	1	14	5	2	9	8	3	4	8	4	1	1
(c). Bombay ... & Trichinopoly...	Via Raichur	443	0	11	7	0	14	3	1	3	10	1	12	0	2	6	11	3	7	4
	Arkonam	308	0	7	7	0	9	6	0	12	11	1	1	1	1	6	10	2	2	3
	& Tanjore	256	0	5	4	0	7	1	0	10	8	0	10	8	0	10	8	0	10	8
	Total...	1,007	1	8	6	1	14	10	2	11	5	3	7	9	4	8	5	6	4	3
Bombay ... & Trichinopoly...	Via Poona	119	0	2	3	0	2	10	0	4	1	0	5	7	0	6	11	0	8	1
	Londa	626	0	10	8	0	13	7	1	4	2	1	12	0	2	3	11	2	9	3
	Bangalore	198	0	4	9	0	6	1	0	8	4	0	11	0	0	14	8	1	6	0
	& Erode	85	0	1	9	0	2	4	0	3	7	0	3	7	0	3	7	0	3	7
	Total...	1,028	1	3	5	1	8	10	2	4	2	3	0	2	3	13	1	4	10	11

7. Clauses 42 (*2*) and 43 (*1*) of the Railway Act of 1890 read as follows:—

> Section 42 (*2*). A railway administration shall not make or give any undue or unreasonable preference or advantage to, or in favor of, any particular person or railway administration, or any particular description of traffic, in any respect whatsoever, or subject any particular person or railway administration or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.
>
> Section 43 (*1*). Whenever it is shewn that a railway administration charges one trader or class or traders, or the traders in any local area, lower rates for the same or similar animals or goods, or lower rates for the same or similar services, than it charges to other traders or classes of traders, or to the traders in another local area, the burden of proving that such lower charge does not amount to an undue preference shall be on the railway administration—

and my contention is that by quoting reduced mileage rates for traffic carried *via* Poona, and by refusing to extend the same mileage rates to traffic carried *via* Raichur, the Great Indian Peninsula Railway is favouring the Southern Mahratta route and is giving to the Southern Mahratta Company "an unreasonable preference or advantage" contrary to the provisions of the Sections of the RailwayAct I have referred to.

8. The special agreement in force between the Great Indian Peninsula and the Southern Mahratta Railways under which these reduced rates were quoted is printed with the Government of India Administration Report for 1889-90 and for ready reference I attach a copy of it, since this agreement was however framed rates still lower than those named in the Schedule (No. 1) to the agreement have been introduced for traffic carried from Bombay *via* Poona and handed to the Southern Mahratta Railway at the Poona Junction.

9. It will be seen from a copy of the Great Indian Peninsula Railway General Traffic Manager's letter of the 10th June 1890 which is forwarded herewith, that the ostensible object of these reduced rates was to draw traffic from the sea ports on the Western Coast of India, situated between Bombay and Marmagao, to Bombay *via* the Southern Mahratta and Great Indian Peninsula Railways, and it will be further seen from my letter of the 28th June 1890 addressed to the General Traffic Manager of the Great Indian Peninsula Railway, that while I disclaimed any intention of challenging rates specially introduced for the purpose of drawing the Western Coast traffic to the Railway systems, I objected strongly to these reduced rates operating upon Southern *inland* traffic and drawing from the South *via* Bangalore, traffic which should pass over the Madras Railway *via* Arkonam and Raichur Junctions.

10. In paras 6 and 8 of Mr. Conder's letter of the 21st January 1892 an offer is made to assimilate the rates to restricted areas affected by competition and in para 13 of his letter I am asked if I will accept the proposal as a "basis" on which such rates should be arranged.

11. It is not however stated that the Great Indian Peninsula Railway is prepared to quote to Raichur the same mileage rates that are in force between Bombay and Poona, or if it is expected from the paras of Mr. Conder's letter I have referred to, that the Madras Railway shall still further reduce its already very low rates to assimilate the through rates to the restricted areas named.

12. Only the West Deccan line of the Southern Mahratta Railway, the line stretching from Poona to Londa, is affected by sea competition, and I am very strongly of opinion that if the Great Indian Peninsula Company is not prepared to withdraw the reduced rates agreed to with the Southern Mahratta Railway in so far as they affect the inland traffic to the *east* of Londa Junction, it is not equitable to deprive the Madras Railway of the benefit the same rates would undoubtedly give us if they were applied generally to the Madras Railway system.

13. Either the reduced rates between Bombay and Poona should be restricted to traffic that passes between Bombay and the Western Coast stations of the Southern Mahratta Railway, or they should be applied generally to *all* stations of both the Southern Mahratta and Madras Railways.

14. A remedy that can be adopted by the Madras Railway to keep the goods traffic to its own system is to raise the rates between Bangalore and stations in the South, but I hesitate to recommend the adoption of this course as it might be urged that we also were attempting to ride through clauses 42 & 43 of the Railway Act.

15. I attach copy of Counsel's opinion taken upon the question at the close of last year and I attach also a sketch map shewing the position of the several Junction stations I have named.

16. Under Clause 28 of the Railway Act it is competent for us to call for a Commission, to be appointed by His Excellency the Governor-General in Council, to determine whether the reduced rates I have referred to are not inconsistent with the spirit of the Railway Act, but before taking this course I would respectfully suggest that the Board of Directors be asked to approach the Directors of the Great Indian Peninsula Railway with the view of settling if possible a matter which has been under correspondence for nearly four years.

17. The question is of great importance to the Madras Railway as there is a large and increasing traffic between Bombay and stations in Southern India.

Yours faithfully,

Traffic Manager.

Preferential Rates.

(1) Have we ever had any correspondence with any of the railways about the giving of unduly low rates by the G.I.P.R., in combination with the S.M.R. or alone, so as to draw traffic towards Bombay.

(2) I understand that the G.I.P.R. Co. at the time of the passing of the Ry. Act, refused to be bound by the clauses in it which prohibit preferential rates, and by the clauses under which matters in dispute can be referred to a Railway Commission.

Does this office know anything about this?

(3) Put up the Railway Act.

(4) Put up any Board of Trade or Parliamentary Report we may have which seem to bear on the subject in England.

F.R.S.
10/4/77

(1) & (2). Please see the accompanying case 231 and the pamphlet flagged Z. No other papers can be traced

(3) Copy of the Ry act put up (3)

(4) Please see book put up (4)

18/4

SERIAL
No. 1

Extract from Agent's letter to Board, Madras Ry,
No. 2354 dated 24th March 1898.

Competitive rates between Madras & Bombay and inland stations.

7. The Traffic Manager has addressed me specially on the subject of competitive rates between Madras and Bombay and inland stations and the Board will notice that in para 7 of his letter he refers particularly to the undertaking given by the Secretary of State that the Madras Railway would be protected against any war of rates brought about through the construction of famine or feeder railways. In forwarding six printed copies of the Traffic Manager's letter I beg to draw attention to Madras Government order No. 429 R of the 29th May 1888, a copy of which was sent to the Board with this Office letter No. 1835, and to the Despatch from the Secretary of State for India to the Government of Madras, dated the 12th July 1888, embodied in G.O. No. 676 R, dated 18th August 1888, a copy of which was furnished to you with letter No. 1848.

G.O. read. Please say if we may apply for copy.

C.R.

It is presumed that in the agreement entered into between the Secretary of State and the Southern Mahratta Railway for the working of the Bangalore-Guntakal extension, a protective clause has been provided which should guard the interests of the Madras Railway; but, as this agreement has not yet been published in the Director-General's report, I am not in a position to refer to it. There can be no question that the Madras Merchants have at the present time a very serious grievance, and it will be seen that the Madras Railway is utterly powerless to help them. For ready reference I attach extracts from the Madras Government Order and the Despatch of the Secretary of State.

Extract from Board's letter to the Agent & Manager, in Reg No: 974 of 20th May 1898.

SERIAL
No. 2

Competitive rates between Madras and Bombay.

14. The Board have carefully considered the Traffic Manager's letter of the
21st March, referred to in para. 7 of No. 2,354, on the subject of competitive
rates between Madras and Bombay and inland stations which exist on the
Southern Mahratta Railway, and I am now directed to forward for your
information copy of a letter, dated 29th ulto., addressed to the Secretary of
State relative thereto.

The question was further discussed at the Board, and it was considered
desirable that you should be directed to address the Government of India,
through the Consulting Engineer, for a ruling against the undue preference
which you state exists. This you should do without loss of time, as your repre-
sentations to the Local Government will lead to an earlier settlement of the
question than could be obtained by reference to the Secretary of State in this
country.

Extract from Bd's letter to the Agent & Manag
M Ry No: 976 d/ 3rd June 1898.

SERIAL
No. 3

[illegible] case.

Preferential rates between Madras and Bombay.

8. I forwarded to you on the 27th ultimo, with reference to para. 14 of No. 974, copy of a letter from the Secretary of State, dated 23rd May, in reply to the Board's communication on the subject of preferential rates. You will have observed that it was suggested that the Board should in the first instance, through their Agent and Manager, lay their complaint before the Government of India.

(No. I.)
No. 10511
B. 527

SERIAL
No. 4

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE.

Madras, 10th June 1898.

From

2765
11.6.98

The Agent and Manager,
M. R. Co.

To

The Consulting Engineer for Railways.
Madras.

CONSULTING ENGINEER FOR RAILWAYS
RECEIVED
11 JUN 1898
MADRAS.

SIR,

I have the honour to enclose 4 printed copies of a letter from the Traffic Manager No ~~C~~ O. 58599 dated the 21st March 1898 dealing with competitive rates between Madras and Bombay and inland Stations; also Copy of a letter no 994 dated the 29th April 1898 addressed by the Board to the Under Secretary of State for India on the subject.

ER

In forwarding this correspondence, I beg to request that the Government of India may be moved to bring its influence to bear upon the Southern Mahratta Railway with

the

the view of allowing the port of Madras to compete on equal terms with the port of Bombay so far as Railway rates are concerned.

We are aware that the Government cannot exercise any control over the rates of freight by sea and we are further aware that the Steamer rates between Europe and Bombay are generally more favourable than the rates by sea between Europe and Madras.

This is all the more reason why the rates of the railways connecting with Bombay should be arranged on an equitable basis and not fixed so as to kill competition from Madras

In forwarding the question to the Board, I did so under the impression that the Government of

India

MADRAS RAILWAY.

From
The Agent and Manager.

To
The Consulting Engineer
for Railways.

Dated 188

Recd.

No.

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* vide extract enclosed from letter from Secretary dated 13th May '88

India did not interfere in rates — differences between the Railways of India, but I am now instructed* by my Board to forward this correspondence to you "without loss of time" as it is stated the matter has been discussed with the Government Director at the last meeting of the Board and it is — believed that representations made from this Office "to the Local Government will lead to an earlier settlement of the question than could be obtained by reference to the Secretary of State".

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

Louis S. M[illegible]
Agent and Manager.

MADRAS RAILWAY.

From
The Agent and Manager.

To
The Consulting Engineer
for Railways.

Dated 188

Recd.

No.

Extract from a letter from the Secreta
dated the 13th 20th May 1898.

The Board have carefully considered the Traffic Manager's letter of the 21st Marc referred to in para 7 of No 2354, on the subject of competitive rates between Madra and Bombay and inland Stations which exist on the Southern Mahratta Railway and I am now directed to forward for your information Copy of a letter dated 29th ultimo addressed to the Secretary of State relative thereto.

The question was discussed at the Board with the Government Director at their last meeting, and although the letter above referred to had been despatched, it was considered desirable that you should be directed to address the Government of India through the Consulting Engineer for a ruling against the undue preference which you state exists. This you should do without loss of time as your representations to the Local Government will lead to an earlier settlement of the

question

question, than could be obtained by reference to the Secretary of State in this country.

(True extract)

Agent and Manager.

No.

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

Madras, ________ 188

From

Agent and Manager.

To

Consulting Engineer for Railways.

Sir,

3 2765 8
527 10.6.98
Am

MADRAS RAILWAY.

From
The Agent and Manager.

To
The Consulting Engineer
for Railways.

No.

Dated 188

Recd.

No. 9,144.

MADRAS RAILWAY COMPANY,
61, NEW BROAD STREET,
LONDON, E.C., *29th April, 1898.*

SIR,

The Agent and Manager of the Company in his official communication to the Board, No. 2,354, dated 24th ulto., forwards copy of a letter which has been addressed to him by Mr. Read, the Company's Traffic Manager, specially on the subject of the preferential rates which exist on the Southern Mahratta Railway between Bombay and Madras, *viâ* Poona from Bombay, and *viâ* Bangalore from Madras.

The question of equal mileage rates recently discussed by Mr. Read and the Traffic Manager of the Southern Mahratta Railway has since been represented officially to the latter, with a request that he would agree to adopt this system between the ports of Bombay and Madras *viâ* the junctions named, but he has stated in reply that it was impossible for him to consider the proposal.

The Madras Railway have, for years past, protested against the unequal rates from Bombay, *viâ* Poona, to stations within easy reach of Madras, and examples are given in the Traffic Manager's letter which illustrate the injustice which has been imposed upon the Madras Merchants, and which still exists.

These figures show that if the Madras Railway carried special class and bulk oil traffic free to Bangalore, the Southern Mahratta Railway rates for the 263 miles thence to Yalvigi (a station on that line equi-distant from Bombay and Madras), are higher than for the total distance of 482 miles from Bombay to Yalvigi—higher by Rs. 1. 4. 3 per ton on special class, and Rs. 3. 3. 9 per ton on bulk oil. This railway is, therefore, powerless to help the Madras Merchants.

The latter would not object to the mileage rates from Bombay being increased to the level of the rates from Madras, but if the Southern Mahratta Railway continue to object to their present rates being interfered with, it is thought that the Madras Merchants and the Madras Railway may reasonably claim that similar mileage rates *viâ* Bangalore and Guntakal from Madras shall be quoted to all stations on the Southern Mahratta Railway to which Madras is as near, or nearer than Bombay.

The Board understand that the working agreement for the Bangalore Guntakal branch of the Southern Mahratta Railway has not yet been published, but they presume that a clause has been provided in that agreement which would protect the *interests of the Madras Railway.

If His Lordship in Council would be pleased to pass orders that the Southern Mahratta Railway shall refrain from levying lower through equal mileage rates (or local rates where they compete) from the ports of Bombay and Marmagoa than they levy at Bangalore and Guntakal on traffic starting from the port of Madras, our competitive difficulties would cease, and the protection †promised would be effectual.

I have the honor to be, Sir,
Your most obedient Servant,
(Sd.) Julian Byrne
Secretary.

Papers about [illegible] only –
last [illegible] working of
metre gauge [illegible] by [illegible]

To THE UNDER SECRETARY OF STATE FOR INDIA,
India Office, Whitehall,
S.W.

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* Vide Section 43 (1) of the Indian Railway Act, and Secretary of State's Despatch embodied in Pds. of Madras Government No. 676R, dated 18th August, 1888.

† Vide Pds. of Madras Government No. 429R, dated 29th May, 1888.

2 2765 8
527 10. 6. 98

O. 58599.

Madras Railway,
Traffic Manager's Office,
Madras, 21*st March* 1898.

To

The AGENT AND MANAGER,
Royapuram.

Dear Sir,

Competitive rates between Madras and Bombay *viâ* Junctions from the Madras Railway and *viâ* Junctions from the Great Indian Peninsula Railway.

You are aware that for some time past the merchants of Madras have complained bitterly of the preferential and obstructive rates which exist on the Southern Mahratta Railway between Bombay and Madras *viâ* Poona from Bombay and *viâ* Bangalore from Madras—preferential rates from Bombay, and obstructive rates on the part of the Southern Mahratta Railway with traffic from Madras—and that, when I met the Traffic Manager of the Southern Mahratta Railway at Guntakal recently, we briefly discussed the question of equal mileage rates from Bombay and from Madras. The matter has since been represented to that Officer officially, with the request that he would agree to adopt this system between the ports of Bombay and Madras *viâ* the Junctions named. I regret, however, to have to state that the following telegram, dated the 2nd instant, has been received in reply :—

> "Impossible for me to consider your proposals to introduce equal mileage rates "between ports of Bombay and Madras. Our present agreement with the G. I. P., "which was duly accepted by you at meetings held at Poona on 16th January "and 8th October 1896, forbids it. The agreement, which is based on fact that "Marmugao route exists, was arranged by Boards of S. M. Railway and G. I. P. "at home, and therefore cannot be ignored or altered."

My answer to this telegram was :—

> "We have never accepted S. M. R. and G. I. P. agreement without protest, and only "under compulsion."

2. A proposal that equal mileage rates should be quoted from the two ports on the standard guage lines was discussed in November last between the G. I. P. and Madras Railways, to put an end to any unfair competition between the two ports named, and I am informed that the principle has since been accepted by the East Indian and Indian Midland Railways between the ports of Bombay and Calcutta. The G. I. P. Railway have agreed to its application between Madras and Bombay *viâ Raichur,* the arrangement being that a longer distance on either side shall not quote for the same classes of traffic a lower rate per mile than is in force over the shorter distance from the other port.

3. For example, the rates for Cotton from Raichur to Bombay and Raichur to Madras are to be 9 pies per ton per mile, which gives a through maund rate over the longer distance Raichur to Bombay, 443 miles, of Rs. 0-12-4 per maund, and from Raichur to Madras 351 miles, of Rs. 0-9-9 per maund, exclusive of terminals.

4. Similarly, from Madras to Yadagiri, 394 miles, the through Cotton rate per maund is to be Rs. 0-10-11, while from Bombay to Yadagiri, 400 miles, the through Cotton rate is to be Rs. 0-11-1 per maund, exclusive of terminals, the same rate per mile being charged in each case.

5. The mileage rate for Cotton, Raichur to Bombay, owing to a recent reduction, was lower than the mileage rate to Madras. It has since been raised to the same mileage rate, and the Great Indian Peninsula Railway find that, so long as the Bombay merchants know that the rates per mile from each port are equal where there is competition, they are perfectly satisfied.

6. It has been pointed out to the Southern Mahratta Railway that the records of the Dharwar Office will show that for some years past the Madras Railway have continued to protest against the unequal rates from Bombay *viâ* Poona to stations within easy reach of

Madras, and the examples given on page 4 of this letter will illustrate the injustice which has been imposed upon the Madras merchants, and which still exists.

7. It will be seen from these figures that if the Madras Railway carried Special class and bulk Oil traffic free to Bangalore, the Southern Mahratta Railway rates for the 263 miles thence to Yalvigi are higher than for the total distance of 482 miles from Bombay to Yalvigi—higher by Rs. 1-4-3 per ton on Special class and Rs. 3-3-9 per ton on bulk Oil. The Madras Railway are, therefore, powerless to help the Madras merchants. The subject, as you are aware, has previously been referred by the Board to the Secretary of State in a different form, and an assurance was then received that the Madras Railway would be protected against the policy complained of. The continued existence and subsequent elaboration of this obstructive policy has therefore caused some amazement in Southern India.

8. The Madras merchants would not object to the mileage rates from Bombay being increased to the level of the rates from Madras, but if the Southern Mahratta Railway continue to object to the present rates being interfered with, then the Madras merchants and the Madras Railway claim that similar mileage rates *viâ* Bangalore and Guntakal from Madras shall be quoted to all stations on the Southern Mahratta Railway to which Madras is as near, or nearer than, Bombay.

9. Apparently, in the past, the Southern Mahratta Railway have been of opinion that the introduction of through rates on this basis would be prejudicial to that Railway, but I may point out that the additional facilities offered to Madras would be likely to develop new traffic, giving return loading for rolling stock and reducing the cost of working.

10. Perhaps it would be difficult to give a more forcible illustration of the manner in which the Southern Mahratta Railway have blocked traffic from Madras than the return empty haulage rate levied upon Messrs. Best & Co.'s Oil tank wagon between Yalvigi and Bangalore (Rs. 0-5-3 per mile on narrrow gauge trucks), while no charge for return haulage is made on traffic from Bombay, and the rate is only 2 annas per wagon per mile on any part of this or any other broad gauge Railway in India.

11. Most of the Working Agreements are published in the Administration Reports of the Director-General of Railways, but I have been unable to find any copy of the Working Agreement for the Bangalore-Guntakal Branch of the Southorn Mahratta Railway although section 43 (1) of the Indian Railway Act reads as follows and is very clear :—

> "Whenever it is shewn that a Railway Administration charges one trader or class of
> "traders, or the traders in any local area, lower rates for the same or similar
> "animals or goods, or lower rates for the same or similar services, than it charges
> "to other traders or classes of traders, or to the traders in another local area, the
> "burden of proving that such lower charge does not amount to an undue
> "preference shall lie on the Railway Administration."

12. But it is unfortunately a fact that the preferential and obstructive rates, (examples of which are shown on page 4) are still being levied, the mileage rates *viâ* the shortest route between Guntakal and Bangalore being higher instead of lower than those *viâ* the longer routes, while preferential rates still exist *viâ* Poona and obstructive rates *viâ* Bangalore.

13. One of the many firms who have been seriously injured by the preferential and obstructive rates quoted by the Southern Mahratta Railway are Messrs. Best & Co., of Madras, who have repeatedly asked the Southern Mahratta Railway to quote reasonable rates for their traffic from Madras *viâ* Bangalore. Their requests, however, have met with no success, the *empty return haulage* on their Oil tank wagons from Bangalore being fixed at the unreasonable charge of 5 annas 3 pies per empty wagon per mile for a metre gauge wagon, which would be equivalent to a charge of 6 annas 3 pies for a Madras Railway 15 ton wagon, on which our charge is 2 annas per mile only on any part of the Railway. The Southern Mahratta Railway, on the other hand, charge no return haulage whatever on Oil tank wagons from Bombay.

14. Taking for working purposes in India the rupee at par, the obstructive empty haulage rate under protest is equivalent to slightly over 9 pence per mile for a standard gauge wagon, or at the current rate of exchange, approximately 6¼ pence per mile. It is hoped that further comments on the rates alluded to will be unnecessary.

15. From the fact that four of the leading Railways in India, (namely, the East Indian, Great Indian Peninsula, Madras, and Indian Midland, Railways) have accepted the principle of equal mileage rates to settle the competitive difficulty, it is obvious that the principle is equitable. The Madras Railway have since proposed it to the South Indian Railway where competition comes in between the ports of Madras and Tuticorin, and it is also as applicable to the competitive difficulty between the ports of Marmagoa and Madras, or to any other ports in India.

16. From the quotation in paragraph 1 of this letter, it will be seen that the respective Boards of the Southern Mahratta and Great Indian Peninsula Railways are directly responsible for the existing policy, and as, in the past, representations from the Madras Railway Board to the Boards alluded to have failed to effect a satisfactory alteration in their policies as pursued in India with regard to this traffic, I am compelled to ask you to kindly recommend that this Company's Board will again lay the subject before the Secretary of State as early as possible.

17. One of the beneficial results of the introduction of equal mileage rates would be, that both the Madras and Southern Mahratta Railway Traffic arrangements at Bangalore City and Guntakal (local as well as through) could be managed by a joint staff, very considerably reducing the present working expenses, while the friction which at present exists between the subordinate employés of the two Railways would cease.

18. If the Secretary of State would be pleased to agree to pass orders that the Southern Mahratta Railway shall forthwith refrain from levying lower through equal mileage rates (or local rates where they compete) from the ports of Bombay and Marmagoa than they levy on traffic from the port of Madras *viâ* Bangalore and Guntakal, our competitive difficulties would cease, and the protection which has been promised by the Secretary of State's Department would be effectual.

19. The term "equal mileage rates," as applied between the East Indian, Great Indian Peninsula, Madras, and Indian Midland Railways, is understood to mean that the rates from competing ports shall not only be the same per mile, but that, where they pass over more than one Railway, the total sum collected upon a consignment, exclusive of terminal charges, shall be divided between the Railways concerned in proportion to the miles traversed; and this is the principle which it is desired shall be introduced from Madras as well as from Bombay.

20. Will you kindly give the subject your early attention?

Yours faithfully,

F. W. Read

Traffic Manager.

A.

Present rates per ton, **Madras** to **Yalvigi,** a station on the Southern Mahratta Railway equidistant from **Madras** and **Bombay.**

STATIONS.	Miles.	Special class.			1st class.			2nd class.			3rd class.			4th class.			5th class.		
		Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Madras to Bangalore	219	9	11	3	11	15	3	16	0	6	21	1	6	27	15	9	41	10	0
Bangalore to Yalvigi	263	12	12	9	12	12	9	18	15	9	25	0	6	31	3	6	37	6	6
Total...	482	22	8	0	24	12	0	35	0	3	46	2	0	59	3	3	79	0	6

Present rates per ton, **Bombay** to **Yalvigi,** a station equidistant from **Bombav** and **Madras.**

STATIONS.	Miles.	Special class.			1st class.			2nd class.			3rd class.			4th class.			5th class.		
		Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Bombay to Poona	119	3	1	6	4	3	6	5	7	9	8	0	3	10	6	6	13	1	3
Poona to Yalvigi	363	8	7	0	11	13	0	15	12	0	23	12	3	30	10	6	39	15	0
Total...	482	11	8	6	16	0	6	21	3	9	31	12	6	41	1	0	53	0	3

——	Special class.			1st class.			2nd class.			3rd class.			4th class.			5th class.		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Difference per ton between Madras to Yalvigi and Bombay to Yalvigi in favor of Bombay...	10	15	6	8	11	6	13	12	6	14	5	6	18	2	3	26	0	3

KEROSINE OIL.

——	Miles.	Amount.			——	Miles.	Amount.		
		Rs.	a.	p.			Rs.	a.	p.
Madras to Bangalore	219	*10	4	3	Bombay to Poona	119	3	3	9
Empty return haulage... ...	...	2	10	9	Poona to Yalvigi	363	9	0	0
Bangalore to Yalvigi	263	8	9	3					
Empty return haulage	...	6	14	3					
Total...	482	28	6	6	Total...	482	12	3	9

Difference per ton between **Madras** to **Yalvigi** and **Bombay** to **Yalvigi** in favor of Bombay, Rs. 16-2-9.

* Ordinary special class rate with terminals.

B.

Present rates for 1,000 tons, **Madras** to **Yalvigi,** a station on the Southern Mahratta Railway equidistant from **Madras** and **Bombay.**

STATIONS.	Miles.	Special class.			1st class.			2nd class.			3rd class.			4th class.			5th class.		
		Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Madras to Bangalore ...	219	9,703	2	0	11,953	2	0	16,031	4	0	21,093	12	0	27,984	6	0	41,625	0	0
Bangalore to Yalvigi ...	263	12,796	14	0	12,796	14	0	18,984	6	0	25,031	4	0	31,218	12	0	37,406	4	0
Total...	482	22,500	0	0	24,750	0	0	35,015	10	0	46,125	0	0	59,203	2	0	79,031	4	0

Present rates for 1,000 tons, **Bombay** to **Yalvigi,** a station equidistant from **Bombay** and **Madras.**

STATOINS.	Miles.	Special class.			1st class.			2nd class.			3rd class.			4th class.			5th class.		
		Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Bombay to Poona ...	119	3,093	12	0	4,218	12	0	5,484	6	0	8,015	10	0	10,406	4	0	13,078	2	0
Poona to Yalvigi ...	363	8,437	8	0	11,812	8	0	15,750	0	0	23,765	10	0	30,656	4	0	39,937	8	0
Total...	482	11 531	4	0	16,031	4	0	21,234	6	0	31,781	4	0	41,062	8	0	53,015	10	0

——	Special class.			1st class.			2nd class.			3rd class.			4th class.			5th class.		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	a.	Rs.	a.	p.	Rs.	a.	p.
Difference per 1000 tons between Madras to Yalvigi and Bombay to Yalvigi in favor of Bombay.	10,968	12	0	8,718	12	0	13,781	4	0	14,343	12	0	18,140	10	0	26,015	10	0

KEROSINE OIL.

——	Miles.	Amount.			——	Miles.	Amount.		
		Rs.	a.	p.			Rs.	a	p.
Madras to Bangalore	219	*10,265	10	0	Bombay to Poona	119	3,234	6	0
Empty return haulage... ...	...	2,671	14	0	Poona to Yalvigi	363	9,000	0	0
Bangalore to Yalvigi	263	8,578	2	0					
Empty return haulage... ...	...	6,890	10	0					
Total...	482	28,406	4	0	Total...	482	12,234	6	0

Difference per 1,000 tons between **Madras** to **Yalvigi** and **Bombay** to **Yalvigi** in favor of Bombay, Rs. 16,171-14-0.

* Ordinary Special class rate with terminals.

NOTE.—The equidistant point is taken to illustrate the effect of the preferential and obstructive policy. Yalvigi itself is an unimportant station. But taking bulk Oil alone Messrs. Best & Co. despatched tons 1,058 in 1897 to Southern Mahratta Railway Stations generally via Bangalore even at the excessive rates while their estimate of what they would have sent at equal mileage rates is tons 3,085.

Particulars of this commodity are given because some further delay would arise in obtaining the detailed figures of all the traffic, and it is impossible without the figures for traffic carried over the Southern Mahratta Railway to give the actual weight of traffic which the preferential and obstructive rates have taken away from the port of Madras.

Form No. 10.

PUBLIC WORKS DEPARTMENT.

RAILWAY BRANCH.

ERi C. No. 2765
11-6-98

SUBJECT.

HIS EXCELLENCY THE GOVERNOR.
~~THE HON'BLE SIR HENRY BLISS, K.C.I.E.~~
~~THE HON'BLE MR. GROSE, C.I.E.~~

Competitive rates which exist on the Southern Mahratta Railway between Bombay and Madras and inland stations.

FOR ORDERS.

It is beyond the power of this Govt. to settle this very difficult and technical matter. I am doubtful whether the Govt. of India can settle it directly without putting the screw on the Southern Mahratta Ry. indirectly. We have no knowledge of the technicalities of the Southern Mahratta and G.I.P. Ry. contracts, which are administered by the Bombay Govt. The latter gave a decision adverse to our view 1891. (See our G.O. 1484. R. P.W. June 30th 91.) and we appear not to have pressed the matter any further at the time.

The Govt of India are in a position to take a broader purview of the situation than either this Govt. or that of Bombay can take, and can moreover put on the screw in a way which we cannot do.

I need not go into the technicalities of the matter either in this note for Your Excellency nor in the letter, drafted for approval, to Govt. of India. As a Government I think we are only called on to

A

Draft letter appd.
A.H.
20.6.98

adopt the ~~[illegible]~~ attitude of objecting generally to the unfair position in which the Madras merchant is placed, as compared with his Bombay rival.

Yes.
A.S.H.

What brought this to a head was that soon after joining here I called on the principal merchants of Madras at their offices, and said that I wished them to understand that it was my duty to help them in all railway matters, railways being merely carriers and the servants of trade. So one or two of them launched out very strongly about this particular grievance. One had got a case all ready to hand up, having ordered his Bombay correspondents to call for railway freight quotations for a large consignment of cement for Bangalore, and having done the same from this side, just to get a case up for legal opinion and for Govt. decision. I spoke about all this to Mr Moss, who then brought things to a head by addressing his Board, the result being the present reference.

Just so. This should never be forgotten.
A.S.H.

F.R.S.
16/6/98

R. Form No. 12.

No. 850 Ry

Government of Madras.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

SERIAL
No. 5

To

The Secy. to the Govt. of India,
P. W. Department.
Simla

Ooty, the 23rd June 1898.

Sir,

Appd.
A.S.H.
20.6.98

I am directed to forward, for the consideration and orders of the Govt. of India, a copy of a letter, to the address of the Consulting Engineer Madras, from the Agent Madras Ry. Co. No. 10511/B.527. June 10th 98. together with copies of the enclosures therein referred to. In this letter the Agent, under his Board's instructions, prays that the Govt of India may be moved to take such action as may result in a stop being put to the Southern Mahratta Ry. Co. manipulating rates in such a way as to give Bombay merchants a preferential advantage over Madras merchants in trading with the tract of country lying about midway between these two ports and connected therewith by the Madras, the Great Indian Peninsula, and the Southern Mahratta Railway Companies' system.

2.— The matter in dispute is very fully dealt with in the Madras Railway Traffic Manager's letter No. 0.58599. dated the 21st March 1898, and in the Board of Directors, Madras Ry. Co. letter to the Under Secretary of State for India No. 9144. dated the 29th April 1898. so it does not seem necessary to go into the technicalities of it here.

Enclosures to the Consulting

3.— But as the dispute is an old one, and as a mass of papers and information relating to the earlier stages of it are contained in this Govt. Consulting Engineer's file No M.R. 231 1890–92. I am instructed to forward that file in original, for favour of return when no longer required, in the hope that it may be found useful.

B

4.— It ~~does not~~ seems to this Govt. to be unnecessary to say more than that ~~[illegible]~~ it does not appear ~~seem~~ to be in accordance with the principles enunciated in Govt. of India Circular No. 1446-R.T. of the 12th Dec. 1887 and in the then Director General of Railways' Notes which form the appendices thereto, that the Southern Mahratta Railway Company should have it in their power to quote such rates to Bombay merchants as puts it out of the power of the Madras Ry. Co. to enable Madras Merchants to enter into fair competition for the trade of the regions lying about midway between the two ports. To quote the illustration made use of in the correspondence, it does not seem fair that in competing for the bulk oil trade of the Bellary region, a Madras Merchant, even if he got free freight over the Madras Railway as far as Bangalore, should find that he had to pay over three rupees per ton more for the remaining 263 miles than his Bombay rival would have to pay for the whole 482 miles.

C

I have &c. F.R.S. 16/6/98

Documents accompanying.

(1) Letter from the Agent. Madras Ry. No. 10511/B.527 of 10/6/98 with Enclosures

(2) E.R.s file No 231

Despatched on 24/6/98

R.

500—18-9-93.

SERIAL 6

CONSULTING ENGINEER FOR RAILWAYS
RECEIVED
19 SEP. 1898
MADRAS.

From
The Agent and Manager,
Madras Railway Company,
Madras,

4349
19.9.98

To
The Consulting Engineer for Railways,
Madras.

Dated 17th September 1898.
Received

No 10511
892

D.R. The Govt. of India were addressed in letter No. 859 Ry d 23-6-98 Flag R. No reply has yet been recd. Please say if India may be asked when a reply may be expected.

The undersigned has the honour to request the favour of an early reply to his letter No. 10511/B527 dated 10th June '98 on the subject of competitive rates between Madras and Bombay

Flag Q

Draft overleaf

for Agent and Manager.

P T O

No. 1178 Ry

27th Septr 1898

To the Secy to the Govt of India
P.W. Deptt

Sir,

I am directed to enquire when a reply may be expected to my letter No. 850 Ry dated the 23d June 1898, on the subject of the preferential rates existing on the Southern Mahratta Railway between Madras and Bombay and inland stations.

JLd 26.9.98.

27/9/98

pg for the whole 482 miles

F.W.S. 11/8/98

SERIAL No. 7

Public Works (1898) Department.

Railway

CURRENT No. 1219

From The Govt of India

~~**Order**~~ No. 2919 / 22-10-98

To A.M.

No. 1131 RT

Dated 13th October 1898
Received } 20.10.98
Registered }
Enclosures
Spare copies

Sir,

With reference to your letter No. 10511/B 527 of 10th June 1898, and subsequent reminder No. 10511/892 of 17th Sept 1898, regarding the preferential rates existing on the S.M Ry between Madras & Bombay and inland stations, I have the honour to state that the matter is still under investigation by the Govt of India.

JLd
for E.R.

Despatched on 22/10/98

SUBJECT.

Preferential rates

Stating that the matter re: the — existing on the S.M. Ry between Madras and Bombay and inland station is still under investigation by the Govt. of India.

21/10/98

BACK PAPERS.

No.	Date.

FURTHER PAPERS.

No.	Date.

P.J. for the whole 482 miles.

T.W.S. 16/6/08

JOINT SECRETARY TO GOVT. OF MADRAS RYS.
RECEIVED
20 OCT. 1898

All communications
should be addressed
to the Secretary.

No. 1131 R.T.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY TRAFFIC.

To

The Joint Secretary to the Government of Madras,
Public Works Department, Railway Branch.

Simla, the 13th October 1898.

Sir,

With reference to your letter No.850 Ry., dated the 23rd June 1898, and subsequent reminder No.1178 Ry., dated the 27th September 1898, regarding the preferential rates existing on the Southern Mahratta Railway between Madras and Bombay and inland Stations, I am directed to inform you that the matter is still under investigation by the Government of India.

55

56

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

W. J. McElhinney Captain R.E.,
Offg: Under Secretary.

Documents accompanying:-
Nil.

S.A.

SERIAL
No. 8

(No. II.)
No. 10511.

163

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

Madras, 10th February 1899.

80b.
11.2.99

1

From

The *Agent and Manager*,
Madras Railway.

To

The *Consulting Engineer for Railways*.
Madras.

57

SIR,

With reference to correspondence ending with your letter No.2919 dated 22nd October 1898 on the subject of preferential rates existing on the Southern Mahratta Railway, I have the honour to point out how essential it is that the agreement between the Secretary of State and the Southern Mahratta Railway for working the Guntakal and Bangalore State line should not be signed without a binding clause relating to competitive traffic.

2

If the Southern Mahratta Railway do not like the clause the Board of the Madras Railway will doubtless be glad to work the line and to accept the conditions which the Southern Mahratta Railway apparently refuse.

I have the honor to be,
Sir,
Your most Obedient Servant,

Lewis. S. Moss.
Agent and Manager.

5

Copy to India under G.O. without comment.
14/2/99

Form No. 1.

PUBLIC WORKS DEPARTMENT,

RAILWAY BRANCH, 9

Papers to be read in Proceedings :—

Again G.O., dated 189, No.

P.W.R. Circular No 1219 dated 20.10.98 from the Govt of India.

Again G.O., dated 189, No

Current No. 806 of 1899, dated 11th Feb , from A M

" " " 189 , " , "

" " " 189 , " , "

ORDER. No 183 Rev of 17/2/99.

The Government of India will be addressed

No 184 Rev of 17/2/99.

To

The Secretary to the Govt of India P.W.D.

Sir

With reference to the correspondence ending with your letter No. 1131. R.T. dated 13th October 1898 on the subject of preferential rates existing on the Southern Mahratta Railway, I am directed to forward a letter from the Agent and Manager, Madras Railway, No $\frac{10571}{163}$ of 10.2.99.

5 No 7

14.2.99.

Despatched on 17/2/99

14.2.99

MADRAS RAILWAY.

From

The Agent and Manager.

To

The Consulting Engineer for Railways.

Dated 188

Recd.

No.