Public Works (1899.) Department.

RAILWAY BRANCH.

G.O., No. 392 Ry

DATED 8th April 1899.

100/11

[Despatch Abstract.]

Carriage of coal between Bezwada & Bangalore.

Commg: to the Agents, Madras and South Indian Railways, memorandum from the Govt: of India forwarding copy of its letter to the Govt: of Bombay cancelling the reduced rate for the ______ over the Southern Mahratta Rys., which was sanctioned as an experiment for one year, as it has not proved to have attracted much traffic & restoring the former rates.

BACK PAPERS.

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

FURTHER PAPERS.

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

RAILWAY.

Government (1899) of Madras.

PUBLIC WORKS.

Recd.	1899.	*Enclosures*
Regd.		*Spare copies*

G.O., No. 392 Ry., 8th April 1899.

APRIL.

Carriage of coal between Bezwada and Bangalore

Communicating to the Agents, Madras and South Indian Railways, memorandum from the Government of India forwarding copy of its letter to the Government of Bombay cancelling the reduced rate for the — over the Southern-Mahratta Railway, which was sanctioned as an experiment for one year, as it has not proved to have attracted much traffic, and restoring the former rates.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read again the following paper:—

G.O., No. 389 Ry., dated 9th March 1898.

Read also the following papers:—

From—The Agent and Manager, Madras Railway.
To—The Consulting Engineer for Railways.
Dated—Madras, 12th January 1899, No. 9008/50.

I have the honour to invite attention to G.O., No. 389 Ry., dated 9th March 1898, conveying the sanction of the Government of India to the adoption by the Southern-Mahratta Railway of a special rate of 2½ pies per ton per mile for the carriage of coal from Bezwada to Bangalore, and to state that when we agreed as a guaranteed Company to be bound by minimum rates fixed by the State for State Railways we never expected that a competing Company would be allowed to quote rates below the sanctioned minimum rates to enable that Company to compete with us for the carriage of coal.

From—The Consulting Engineer for Railways.
To—The Agent and Manager, Madras Railway.
Dated—24th January 1899, No. 262.

From—The Agent and Manager, Madras Railway.
To—The Consulting Engineer for Railways.
Dated—26th January 1899, No. 9008/108.

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—Madras, 31st January 1899, No. 122 Ry.

With reference to correspondence ending with your letter No. 199 R.T., dated the 25th February 1898, to be found for ready reference in the enclosed copy of this Government Proceedings, No. 389 Ry., dated 9th March 1898, I am directed to enquire whether the Government of India intend to renew the permission granted to the Southern-Mahratta Railway Company—a permission the currency of which is now expiring—to carry Singareni coal between Bezwada and Bangalore at a rate below the scheduled minimum.

2. The matter forms the subject of the accompanying copy of a letter from the Agent, Madras Railway Company, No. 9008/50, dated the 12th January 1899, and in a subsequent letter that gentleman has explained that his Company imposed on themselves a minimum rate at the verbal request of the President of the Railway Conference of 1888.

3. This Government sees no reason to depart from the opinion already expressed that there is no advantage to anyone concerned except to the Singareni coal monopolist in the reduction of the cost of freight below the scheduled minimum.

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, 28th March 1899, No. 259 R.T.

The following is forwarded to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, with reference to his letter No. 122 Ry., dated the 31st January 1899.

Enclosure.

From—The Secretary to the Government of India, Public Works Department.
To—The Secretary to the Government of Bombay, P.W. Dept., Ry. Branch.
Dated—28th March 1899, No. 258 R.T.

I am directed to acknowledge the receipt of your letter No. 524, dated the 7th March 1899, and, in reply, to say that as the special reduced rate of 2½ pies per ton per mile for the carriage of coal over the Southern-Mahratta Railway between Bezwada and Bangalore, which was sanctioned as an experiment for one year in the Government of India letter No. 198 R.T. of the 25th February 1898, has not proved to have attracted much traffic, it should be considered as cancelled and the former rates restored.

Order—No. 392 Ry., dated 8th April 1899.

Communicated to the Agents, Madras and South Indian Railways, for information in continuation of G.O., No. 389 Ry., dated 9th March 1898.

(True Extract.)

Francis J. E. Spring,
Joint Secretary.

To the Agent, Madras Railway.
" " South Indian Railway.
" Examiner, Guaranteed Railway Accounts.
" Consulting Engineer for Railways.

Exd. Shaik Karim.

2 S. P

Letter from the Government of India, Public Works -- Department, No. 337 R.T. dated 8th May 1896.

I am directed to forward, herewith, a letter from the Government of Bombay, No. 758 dated 19th March 1896, with its - enclosures, regarding a proposal put forward by the Agent, -- Southern-Mahratta Railway Company, for a special rate of 2½ - pies per ton mile for the carriage of coal between Bezwada - and Bangalore, and to request that, with the permission of - His Excellency the Governor in Council, the Government of -- India may be furnished with the views of the Madras and South Indian Railway Administrations on the proposal made at an -- early date.

2. The return of the correspondence which is forwarded in original, is also requested.

Copy of letter from the Secretary to the Government of Bombay, P.W. Department, Railway Branch, to the Secretary to the Government of India, Public Works Department, No. 758 of 96 dated 19th March 1896.

I am directed to forward, for the consideration and orders of the Government of India, the undermentioned papers - regarding a proposal put forward by the Agent, SouthernMMahrat Railway Company, for a special rate of 2½ pies per ton mile - for the carriage of coal between Bezwada and Bangalore: and - in so doing I am to remark as follows:-

2. Your letter No. 117 R.T. dated 19th March 1895, conveyed

the

the approval of the Government of India to the introduction of the following rule, which is published in para 133 page 48 of the Southern-Mahratta Railway Goods Tariff No.1 of 1896.

> " At the end of any calendar year a consignor whose aggregate consignments carried over the Southern-Mahratta Railway for distances of 270 miles and over shall have exceeded 30,000 tons during the year, i-e from 1st January to 31st December, may claim a -- refund in respect of the payments of freight charges made in accordance with the following scale:-
>
> " (I) If the quantity is over 30,000 tons, the - rebate will be difference between freight charges - actually paid and freight charges calculated at 1/9th pie per maund per mile, without terminals.
>
> " (II) If the quantity is over 60,000 tons, the - rebate will be difference between freight charges -- actually paid and freight calculated at 1/10th pie-per maund per mile."

It will be observed that these rates are not below the sanctioned minimum of 1/10th pie per maund mile.

3. The Agent, seeking to further develop the coal traffic proposes to adopt the following additional rule, applicable solely to the coal traffic from Bezwada to Bangalore and -- stations beyond:- that the tariff rates be adhered to, but -- that if any consignor conveys over the Southern-Mahratta -- Railway from Bezwada to Bangalore and stations beyond 30,000 tons of coal during the calandar year 1896, he shall receive a rebate at the end of the year to the extent of the difference between the tariff rates and 2½ pies per ton mile (0.092 pies per maund-mile)

The proposed rate falls slightly below the sanctioned

minimum

3 s.p

minimum of 1/10th pie per maund per mile.

4. The coal traffic for the public passing through Bezwada is practically monopolised by Hajee Sajun Laljee, who -- was paid a rebate of Rs.26,500 on his consignments during 1895 This traffic during the past three years has been approximately as follows:-

During 1893 ------------------10,000 tons,
" 1894 ------------------14,000 "
" 1895 ------------------31,000 "

These figures show that the traffic is expanding - as vigorously as the exertions of a single merchant will allow. And it is questionable whether there is any reason to more -- than double the present rebate: this, as will be shown in the next paragraph, is what the Agent's proposal amounts to.

5. The distance from Bezwada to Bangalore is 453 miles The present ordinary rate for coal is about 13 pies per maund per mile (3.54 pies per ton mile).

	Rs.	As.	Ps.
1. Thus the carriage of one maund of coal from Bezwada to Bangalore costs -----------		4	9
---------- do ----- do ------- Ton -------	8	1	3
---------- do ----- do ---30,000 tons,	242,000	0	0

The present " rebate rate" is 1/9th pie per maund (3.02 pies per ton mile).

	Rs.	As.	Ps.
At this rate the carriage of 30,000 tons of coal costs -------------------	212,000	0	0

Thus the present ~~xxxbaxx~~ rebate granted is Rs.242,000/- Rs.212,000
= Rs.30,000 -- 0 -- 0

	Rs.	As.	Ps.
2. At the proposed rebate rate of 2.5 pies per ton mile, the cost of carriage of 30,000 tons of coal from Bezwada to Bangalore would be ---------	Rs.177,000	0	0

Thus the proposed rebate would be Rs.242,000-Rs.177,000 = Rs.65,000/-

6.

6. It will thus be seen, that the proposal is to practically more than double the present rate of rebate. It is of -- course possible that the cheapening of the rate for coal -- might induce the consignor to lower the price paid by the - public, and this bring about an increased demand. But as the - rebate if sufficient consignments are sent, is not to be -- granted till the end of the year, it is not unlikely, that the owner will retain the profits.

7. If the proposal however has in view the inducing of all or most of the coal which now takes off at Dharmaveram to continue down the Southern Mahratta Railway and go towards Madras and South from Bangalore, then the proposal amounts -- to competition with the South Indian Railway in which the -- Government of India are also interested.

8. The South Indian Railway have it is understood -- adopted the rates and rebates laid down in Government of India Circular No.8 Railway of May 1895. These rates if applied to - 30,000 tons from Bezwada to Bangalore, would give a result of about 3.5 pies per ton per mile as net freight . But the -- "rebate rate" of 1/9th pie per maund per mile already -- sanctioned by the Government of India for the Southern-Mahratta Railway works out to 3.02 pies per ton per mile.

9. I am to add that the sanction of the Board of Directors of the Southern Mahratta Railway Company to the present proposal is not mentioned by the Agent, yet in para 8 of their letter No.238 of 26th July 1893 (copy attached) the Board expressed their desire to be freed from a minimum rate for coal. But -- the question was not submitted at the time to the Government - of India, because this Government were of opinion that the - Southern Mahratta Railway Company could not move coal profitably below their minimum, unless they received far more than Bangalore and the mines were likely to take. It is thus understood that the Board would not be averse to the present proposal.

10.

4 S.P

10. As the Agent, considers the matter urgent, I am to ask that the decision of the Government of India may be communicated as soon as possible.

11. In conclusion I am to say that this Government considers that it is exceedingly difficult to lay down any hard and fast rule regarding the actual figure below which it will not pay any Railway to carry any traffic. The chief facts -- being seemingly the amount of that traffic to be carried. If that amount be great the traffic can be carried and will pay a fair profit at rates that would with a lesser amount of -- traffic involve a loss. I am therefore to say that this Government considers that the proposals of the Agent might be sanctioned say for 2 years and the results carefully watched to - see what result the alteration has on the coal traffic affected.

Copy of letter No.6262 C/1534 dated 12th February - 1896, from the Agent, S.M.Ry Company to the Consulting Engineer for Railways, Bombay.

In Bombay Government Resolution No.785 of 1895, the Government of India sanctioned certain rules for the granting of rebates on coal carried over the S.M.Ry , I have now to -- inform you that, as the result of a meeting held in my office on the 5th instant Hajee Sujan Laljee, the coal contractor, - Singareni Mines, has undertaken to convey over this line from and via Bezwada to Bangalore and stations beyond 30,000 tons of coal during the calendar year 1896, provided we give him a special rate of 2½ pies per ton per Mile. He agrees to pay -- in the first instance at tariff rates the necessary rebate -- being given when he has completed the 30,000 tons. This proposal is outside the arrangement sanctioned in the above quoted G.R. The rate of 2½ pies per ton per mile is slightly below our sanctioned minimum of 1/10 pie per maund per mile, but

as

as the volume of the traffic is large and the lead long, I trust the necessary sanction will be given. The sanction is required as we should notify in the usual way that coal booked from, and via Bezwada to, and via Bangalore will be charged ordinary -- tariff rates, but that at the end of any calendar year any -- consignor whose aggregate consignments carried over this line from or via Bezwada to Bangalore and stations beyond, namely, stations between Bangalore and Nanjangud on to stations on the Madras Railway, shall have exceeded 30,000 tons during the year, i.e. from 1st January to 31st December may claim a refund in respect to the payment of freight charges made as follows:-

The rebate to be the difference between the freight charges actually paid and the freight charges calculated at 2.5 pies per ton per mile without terminals.

2. As the matter is urgent I should be glad if I could have a reply by telegram.

Sent 13/5

No. 337 R.T.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

Railway Traffic.

All communications should be addressed to the Secretary.

1P

To

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

Simla, the 8th May 1896.

Sir,

I am directed to forward, herewith, a letter from the Government of Bombay, No. 738, dated 19th March 1896, with its enclosures, regarding a proposal put forward by the Agent, Southern Mahratta Railway Company, for a special rate of 2½ pies per ton mile for the carriage of coal between Bezvada and Bangalore, and to request that, with the permission of His Excellency the Governor in Council, the Government of India may be furnished with the views of the Madras and xxxxxxx South Indian Railway Administrations on the proposal made, at an early date.

2. The return of the correspondence, which is forwarded in original, is also requested.

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

G A Anderson

Offg. Under Secretary.

Documents accompanying :-
Letter from the Government of Bombay, No. 738,
dated 19th March 1896 and enclosures.
(To be returned)

P. W. CURRENT No. 4447

Encls: 5

Recd: 13. 5-96

Reminder to AM.
No. $\frac{52}{0}$/1 of 26. 6. 96.

P. W. Current No. 4447

5 P

India's letter No.
337 R.T. of 8th May 1896.

No. $\frac{52}{0}$ of 28 May 1896.

Print

Copy forwarded to the Agents Madras & S. I. Railways for favor of their views. —

C

7/1

ER

Govt of India 337 RT of 8.5-95 to Madras
" " Bombay 738 of 19.3.96 to India
Ag. S. M R 6262 P of 12.2.96 to Bombay

ER

As we have to make 3 cop. of the enclosures (1 to AM, 1 to SI, 1 spare) please say if I may get them printed at the Lawrence Asylum Press here —

ERC
18/5

Despatched on 28/5/96

ER Please say if [illegible] [illegible] enclosures [illegible] marked [illegible] may be [illegible] ERC 18/5

send the whole of the 3 letters and [illegible] the [illegible] C

OLS 111

No: 52/0 d/28th May 1896

(A & M. V. c.)

Enclosures

Madras Railway Company,

No. 497

6 P

South Indian Railway Co., Ld.
AGENT'S OFFICE.
TRICHINOPOLY, 9th June 1896.

From

THE AGENT,
SOUTH INDIAN RAILWAY,

To

THE Offg: CONSULTING ENGINEER
FOR RAILWAYS,
MADRAS.

Await reply from Madras Ry
W.E.R.

Sir,

With reference to your endorsement No. 52/0, dated 28th May 1896 on Government of India letter No. 337 R. T. dated 8th May 1896, I have the honor to inform you that this railway has no objection to the Southern Mahratta Railway making the proposed rebate provided that the same concession is also applicable for Coal passing on to the South Indian Railway via Dharmavaram. I am not sure if any further expression of opinion is required on the prospects of the proposed rates proving remunerative, and on the advisability of further strengthening Mr. Hajee Sajan Laljee's monopoly of Singareni Coal. To avoid future reference however I beg to state that I think the rate will prove remunerative, though not knowing the traffic conditions obtaining in respect to return lead on the wagons I am not prepared to give a decided opinion. In respect to the general development of the Coal trade from the Singareni mines I question the advisability of granting the further rebate proposed. So long as the mining Company give Mr. Hajee Sajan Laljee the right to all the Coal raised after certain railway requirements have been met, the rebate will have but little effect beyond

increasing

S. No. 2456
Recd. 19/6/96

increasing Mr. Laljee's profits. When however this monopoly is withdrawn the smaller merchants will be placed at a greater disadvantage than ever by increasing the rebate, and Mr. Laljee's position will be strong enough to resist all competition.

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

A. D. G. Shelley
Captn. R. E.
Agent

From
The Agent,
South Indian Railway,
Trichinopoly.
To
The Consulting Engineer for
Railways,
Madras.
Dated
Received
No.
189
Enclosure.

(A. & M. V. 6.)
Enclosures
No. 9003
585

Madras Railway Company,
AGENT & MANAGER'S OFFICE,
RAYAPURAM TERMINUS,
Madras

29th June 1896.

Print

From

The Ag. Agent & Manager,
Madras Railway Company.

7P

To

The Offg. Consulting Engineer for Railways,
Madras.

Cmu 30/6

Sir,

With reference to your Endorsement No. 52/0, dated 28th May 1896, on correspondence forwarded with letter No. 337 R.T., dated 8th idem, from the Government of India, P.W.D., regarding a proposal by the Agent, Southern Mahratta Railway for a special rate of 2½ pies per ton per mile for the carriage of coal between Bezvada and Bangalore, I have the honour to submit the following observations:-

2. The only large market for coal to which the route is via Bangalore is the Kolar Gold Field which is at present for all practical purposes entirely served by English coal carried over the Madras Railway from Madras. The S. M. Railway proposal to reduce the rates, therefore, can only have been made for the purpose of competing in this market with this Company.

3. As a matter of fact, I am informed that Singareni coal is not suitable for the purposes of the Gold Mines and that entirely outside of any question of rates, it is not likely to supplant the English coal now used for gold mining purposes; but independently of this, it seems advisable that Government should understand that any revenue made by the Southern Mahratta Railway through the carriage of increased quantities of coal via Bangalore would represent a corresponding amount out of the revenue of the Madras Railway. The Madras Railway naturally would not give up this revenue and any reduction in its rates necessitated by the younger Company being allowed to commit a breach of its contract with the Secretary of State and charge rates lower than the minimum fixed by

the

8P

the contract would have the inevitable result of loss of revenue to the State.

4. The present lowest rate from Yellandu to Marikuppam by the broad gauge is 7 annas 8 pies per maund. The present lowest rate between the same points via Bezvada is 8 annas 1 pie per maund, and if the proposed reduction is carried into effect, this will be reduced to 6 annas 10 pies per maund, provided no change is made in the proportion of the other Railways concerned. Neither of these rates have been made much use of for reasons connected with the quality of the coal. The broad gauge lines would, however, have to reduce their rates in competition and that they would hold the traffic owing to the two transhipments necessitated by the narrow gauge route there is little doubt.

5. With reference to para. 11 of the Government of Bombay letter, the statistics for the year 1894 shew that the average cost of lifting a ton of goods on the Southern Mahratta Railway was 4.78 pies, and 5.65 pies for the two half years respectively, and therefore the proposed rates which would include the cost of two transhipments would imply a very serious loss on the statistical cost of working. Whether this loss is a real one or not, it is certain that the Madras Railway can afford to come down to any figure which the Southern Mahratta Railway can carry at before parting with its traffic, and it should I think therefore be apparent to the Government of India that any such competition would have very expensive results. As pointed out in the letter from the Bombay Government, the only probable result to the public would be to put money into the pockets of one merchant.

6. The above represents the opinion expressed by the Company's Offg. Traffic Manager, and with his views I fully concur.

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

Ag. Agent & Manager.

2762
30/6/96

OL8277

R. Form No. 12.

Bf Print 9P

No. 599 R

Government of Madras.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

To

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

Simla
Ooty, the 9th July 1896.

To
H.E. the Governor
for approval -

Ins
7/7

Appd.
A.E.H
6.7.96

Letter No 497 of 9.6-96 from A.S.I.R to Govt.
" 2008/533 of 29.6-96 - A.M.Ry — —

Sir,

In reply to your No 337 R.T. of 8th May/96, I am desired to forward copies of the letters noted in the margin from the Agents of the South Indian & Madras Ry Cos. expressing their views on the subject of ~~[illegible]~~ the proposal to allow a freight rebate on freight paid ~~[illegible]~~ on the S M Ry for coal carried on the S M Ry from Bezwada to Bangalore to [illegible] by consignors whose consignments aggregate over 20000 tons per annum.

2. It will be observed that the Agent S.I.Ry ~~[illegible]~~ will

not oppose the proposed reduction in freight provided that the same concession be also made applicable to coal passing on to the S.I.Ry. via Dharmavaram. At the same time he does not consider the rebate called for.

(3. The Agent M.Ry. however strongly objects, as he considers that the concession would enable the S.I.Ry to attempt to compete both with the B.G. route from the Coal mines to Madras and with the English Coal traffic from Madras, the Kolar Gold Fields, and would force ~~[illegible]~~ him to reduce his rates also in order to retain the traffic. This the part of the two transhipment on the S.M.Ry route would enable him to do successfully, but at the cost of a considerable loss of revenue to the Co.s & therefore to the State. There is no doubt moreover that he would oppose the proposal still more strongly if the proposed concession were to be made applicable to the S.I.Ry also & that he would have good reason for so doing.

(4. Under the circumstances therefore I am desired to state that it appears to the Government that this particular concession is not desirable, as it would probably do but little towards the development of the consumption of Singareni Coal; ~~and the profits would~~ and its principal effect would be to increase the profits of the manufacturers at the cost of the revenues of railways in which the State is directly interested. It is hoped therefore that it will not be granted.

(5. All the enclosures to your letter are returned as requested.

C

7/2/86

Documents accompanying:—

Letters referred to in the margin, and

Enclosures referred to in para 5.

Despatched on 9.2.86

Bf No. 599 R dated 9.7.96

Bf- No 599 R. dated 9.7.96
Proposal put forward by the Agent, S.M. Ry., for a Special rate for the Carriage of Coal between Bezvada and Bangalore

H.E. 4.7.96 R 7/7 15/7

Print

11 P

All communications should be addressed to the Secretary.

No. 579 R.T.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

Railway Traffic.

Simla, the 27th July 1896.

The following is forwarded to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, for information, with reference to his No.599 R. dated 9th July 1896.

By Order,

G A Anderson

Offg. Under Secretary.

Copy of a letter No.578 R.T. dated 27th July 1896, from the Secretary to the Government of India, Public Works Department to the Secretary to the Government of Bombay, Public Works Department, Railway Branch.

With reference to correspondence ending with your letter No.1674 dated 9th July 1896, I am directed to state that after consulting the Madras and South Indian Railway Companies the Government of India are unable to sanction the special rate of 2½ pies per ton-mile for the carriage of coal between Bezvada and Bangalore which the Agent Southern Mahratta Railway Company proposes to introduce in competition with those Companies.

2. I am to add, that the Government of India are of opinion that any proposed reduction of rates for the carriage

of

P. W. CURRENT No. 7004

of coal from Singareni to Southern India might advantageously be considered at a meeting of the claims Arbitration Committee of Southern India; the constitution of which was recognised in the Government of India's letter No.156 R.T.dated 22nd February 1896.

C 32 A 95

Recd: 3.8.96

Of 419

B.B.Bose.

Print

No 2517
17-8-96

P.W. Current No: 7004

Govt: of India Memorandum No: 579 R.T. d/ 27th July 1896

12 P

Copy forwarded to Agent South Indian Railway with reference to his letter No: 497 d/ 9th June 96

Also to Agent & Manager Madras Railway with reference to his letter No: $\frac{9008}{555}$ d/ 29th June 1896.

Despatched on 17-8-96

Public Works (1896) Department.

CURRENT No. 9994

Order

From
The Govt. of India

No. 855 RT

Dated 29. 10. 96
Received 5. 11. 96
Enclosures
Spare copies

SUBJECT.

Rate for the carriage of coal between Bezwada and Bangalore.

Calling for certain information in connection with the proposal of the Agent, S. M. Ry. to introduce a special — which was negatived by the Govt. of India in July last.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Print

5/11

No. 855 R.T.

All communications should be addressed to the Secretary.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

Railway Traffic.

13 P

To

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

Simla, the 29th October 1896.

Sir,

In continuation of correspondence ending with Government of India Memorandum No.579 R.T., dated 27th July 1896, forwarding a copy of Government of India letter No. 578 R.T., of the same date to the Government of Bombay, in which the proposal of the Agent, Southern Mahratta railway, to introduce a special rate of $2\frac{1}{2}$ pies per ton-mile for the carriage of coal between Bezwada and Bangalore was negatived, I am directed to request that the Government of India may be furnished at an early date with the following information :-

(a) the cost of Singareni coal per ton at Kolar viâ Wadi, Raichur, Guntakal and Arconam;

(b) the cost of Singareni coal per ton at Kolar viâ the Southern Mahratta railway with 2 transhipments- at Bezvada and Bangalore;

(c) the cost of English coal at Kolar viâ Madras - giving

details

details in all cases of cost, rail freight, etc.

I have the honour to be,

Sir,

Your most obedient servant,

E A Mullins

Offg. Under Secretary.

Documents accompanying :-

Nil.

S. .

---

14 P

Print

IWC No- 9994

No 3551.

11/11/96

Copy forwarded to A.M. for favour of early report.

J.W.H. 10/11

Despatched on 11/11/96

D.E. 7.4

2.

FHB 16/12

15P

(No. I.)

No. 9008

1129

[illegible]

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

Madras, 17th December 1896

Forward to Indian w/ [illegible] with remarks
FHB 18/12

From

The Ag Agent and Manager.
Madras Railway.

To

The Consulting Engineer for Railways.
Madras.

Sir,

With reference to your endorsement No. 3551 dated 11th November 1896, on a letter from the Government of India No. 855 R.T., I have the honor to give below the information required.

a. The cost of Singareni coal per ton at Kolar via Wadi, Raichur, Guntakal and Arkonam at existing rates.

	miles.		
Yellandu to Wadi . .	277	at 3 pies rate =	Rs 4.3.6 per ton
Wadi to Raichur .	67	" 3 " " . "	0.15.9 "
Raichur to Bowringpet .	441	" 3 " " . "	6.14.3 "
Bowringpet to Marikuppam .	11	. . "	0.13.6 "
			Rs 12.15.0
Add Cost of coal at the mines		. . "	6.0.0
			Rs 18.15.0

b. The cost of Singareni coal per ton at Kolar via the Southern Mahratta Railway with 2 transhipments at Bezwada and Bangalor

Yellandu

VP

	miles		per Ton.
Yellandu to Bezwada . .	93	at 5.13 pies rate	Rs 2 " 8 " 6
Bezwada to Bangalore . .	453	" 3.39 "	" 8 " 0 " 3
Bangalore to Bowringpet . .	44	" 10.0 "	" 2 " 4 " 0
Bowringpet to Marikuppam . .	11	. . "	" 0 " 13 " 6 ive
			Rs 13 " 10 " 3
Add Cost of coal at the Mines . .			" 6 " 0 " 0
			Rs 19 " 10 " 3

The above includes no transhipment charges:d these charges having been abolished for some years, but it is understood that in the case of Singareni coal which particularly suffers from handling, the transhipment at Bezwada and Bangalore would no doubt l cause very considerable wastage which would affect the value of the coal.

C. The cost of English coal at Kolar via Madras.

	miles		per ton.
Madras to Bowringpet -	176	at 4 pies rate	Rs 3 . 10 . 6
Bowringpet to Marikuppam -	11	. .	" 0 " 13 " 6
			Rs 4 " 8 " 0
Add Cost of coal delivered at Madras as furnished by Madras Agents . .			" 20 " 6 " 8
			Rs 24 " 14 " 8

In accompaniment to Government of India Circular No. XVI Railway of 1894 Welsh coal and Kurhurbaree equivalents are given as follows:-

Hay C
C 153/93

Giridhi (Kurhurbaree) best steam coal . .	1.00
Welsh best steam coal . . .	0.80

and

Flag D

and in my letter No. $\frac{7771^{b}}{88}$ dated 28th January 1895 the following equivalents arrived at by actual experiment were quoted:-

Kurhurbaree	. -	1.00.
Singareni	. .	1.20.

This gives for Singareni as compared with Welsh coal as follows:-

Best Welsh coal	. -	1.00
Singareni	.	1.50

In other words one ton of Welsh coal is equivalent to one and a half ton of Singareni. At this rate to compete with Welsh coal, Singareni coal should be delivered at the Mines at $\frac{2}{3}$ of Rs 24.14.8 or Rs 16.9.9 per ton.

From the figures given below it will be seen that it is not possible at present rates, even if the low rate of 2½ pies between Bezwada and Bangalore is quoted to deliver Singareni coal at the Gold Mines at a rate that will compare favourably with Welsh coal.

Besides this, we have recently been furnished with a proof of the unsuitability of Singareni Coal for working stationary Engine

Engines, in the fact that a firm carrying on a large business not far from Madras who recently purchased a large supply have asked us to take it off their hands.

Cost of Singareni coal per ton at Kolar via Southern Mahratta Railway when the coal is carried at 2½ pies per mile from Bezwada to Bangalore:-

	miles		per ton
Yellandu to Bezwada ..	93	at 5.13 pies rate	Rs 2 " 8 " 6.
Bezwada to Bangalore -	453	at 2½ "	" 5 " 14 " 4
Bangalore to Bowringpet -	44	at 10 "	" 2 " 4 " 0
Bowringpet to Marikuppam -	11	- -	" 0 " 13 " 6
			Rs 11 " 8 " 4
Add Cost of coal at the Mines		. .	" 6 " 0 " 0
			Rs 17 " 8 " 4

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

Henry C Welch

Ag Agent & Manager.

Enclosure nil.

R. Form No. 12.

1/f Print 19 P

No. 1064 R

Government of Madras.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

To

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

Madras, 19th December 1896.

Sir,

With reference to your letter No: 855 RT. of 29th October 1896, I am directed to forward herewith a copy of letter No. $\frac{9008}{1129}$ of 17th Decr: 1896, from the Agent & Manager, Madras Railway, giving the information regarding cost of coal called for therein.

18/12

Documents accomg:
Copy of letter from A.M. referred to

18/12

B/f
No. 1064 & dated 19.12.96

Public Works (1898) Department.

Railway

CURRENT No. 329

Order

From
The Govt. of India

No. 199 RT

Dated 25th February 1898
Received
Registered } 7.3.98
Enclosures
Spare copies

SUBJECT.

Carriage of Coal between Bezwada & Bangalore.

Forwarding for information copy of its letter to the Govt of Bombay sanctioning the adoption by the S.M.Ry. of a special rate of 2½ pies per ton mile for the —— for a period of one year in order to encourage the use of Indian Coal at the Kolar Gold mines.

BACK PAPERS.

No.	Date.

FURTHER PAPERS.

No.	Date.

All communications should be addressed to the Secretary.

CONSULTING ENGINEER
RECEIVED
7 MAR 1898
MADRAS.

No. 199 R.T.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY TRAFFIC.

Print

20 P

Calcutta, the 25th February 1898.

The following is forwarded to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, for information with reference to correspondence ending with his letter No.1064 R., dated 19th December 1896.

Flag B

By Order,

Captain R.E.,
Offg: Under Secretary.

Copy of a letter No.198 R.T., dated 25th February 1898, from the Secretary to the Government of India, Public Works Department, to the Secretary to the Government of Bombay, Public Works Department, Railway Branch.

I am directed to acknowledge the receipt of your letter No.395 dated the 4th February 1898, forwarding for orders copy of further correspondence regarding the adoption by the Southern Mahratta Railway of a special rate of 2½ pies per ton-mile for the carriage of coal between Bezwada and Bangalore.

2. In reply, I am to state that the Government of India are pleased to sanction the adoption of the above rate for a period of one year in order to encourage the use of Indian coal at the Kolar Gold mines.

3.

3. I am to request that the effect may be watched and the result reported at the end of six months.

B.B.Bose.

Form No. (2.)

Public Works Department,
Railway Branch.

No. 389. Ry dated 9/3/98

PROCEEDINGS OF THE MADRAS GOVERNMENT.

21 P

Read the following

Letter from the Govt of India ,No 337 R.T. d/ 8th May 1896, with enclosures.

Endt by the Consg Engr of Rys, No 52 O , d/28th May 1896.

Letter from the Agent S.I.Ry, No 497, d/ 9th June 1896.

,, Madras Ry, No 555, d/ 29 June 1896.

Letter to the Govt of India, No 599 R, d/ 9th July 1896. ✓

Memo from the Govt of India, No 579 R.T, d/ 27th July 1896. ✓

Endt by the Consg of Rys, No 2517, 17th August 1896. ✓

Letter from the Govt of India, No 855 R.T, d/ 29th Octr 1896.

Endt by the Consg for Rys, No 3551, d/ 11th Novr 1896. ✓

Letter from the Agent Madras Ry, No 1129, d/ 17th Decr 1896.

Letter to the Govt of India, No 1064 R, d/ 19th Decr 1896.

Memo from the Govt of India, No 199R.T, d/ 25th Feby 1898.

Communicated to the Agents Madras and South Indian Railways for information.

Agent, Madras RY. ✓
,, S.I.Ry. ✓
Consg Engr for Rys.
Exr. Guartd Ry Acctts. ✓

3. I am to request that the effect may be watched and the result reported at the end of six months.

B.B.Bose.

Form No. (2.)

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

Rl No. 389. Ry dated 9/3/98

PROCEEDINGS OF THE MADRAS GOVERNMENT.

21P

READ the following

Letter from the Govt of India ,No 337 R.T. d/ 8th May 1896, with enclosures.

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Endt by the Consg of Rys, No 2517, 17th August 1896. ✓

Letter from the Govt of India, No 855 R.T, d/ 29th Octr 1896.

Endt by the Consg for Rys, No 3551, d/ 11th Novr 1896. ✓

Letter from the Agent Madras Ry, No 1129, d/ 17th Decr 1896.

Letter to the Govt of India, No 1064 R,d/ 19th Decr 1896.

Memo from the Govt of India, No 199R.T, d/ 25th Feby 1898.

9/3/98

7/3/98

Communicated to the Agents Madras and South Indian Railways for information.

R

Agent, Madras RY. ✓
,, S.I.Ry. ✓
Consg Engr for Rys. ✓ 16/4/98
Exr. Guard Ry Accts. ✓ 8/4/98

RAILWAY.

Government (1898) of Madras.

PUBLIC WORKS.

Recd.
Regd. } 1898.

Enclosures
Spare copies

G.O., No. 389 Ry., 9th March 1898.

MARCH.

Carriage of coal between Bezwada and Bangalore

Memorandum from the Government of India forwarding, for information, copy of its letter to the Government of Bombay sanctioning the adoption by the Southern Mahratta Railway of a special rate of 2½ pies per ton mile for a period of one year for the —, in order to encourage the use of Indian coal at the Kolar Gold Mines, communicated to the Agents, Madras and South Indian Railways.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers :—

From—The Secretary to the Govt. of India, P. W. Dept.
To—The Joint Secretary to the Govt. of Madras, P. W. Dept., Ry. Branch.
Dated—Simla, the 8th May 1896, No. 337 R.T.

I am directed to forward, herewith, a letter from the Government of Bombay, No. 738, dated 19th March 1896, with its enclosures, regarding a proposal put forward by the Agent, Southern Mahratta Railway Company, for a special rate of 2½ pies per ton mile for the carriage of coal between Bezwada and Bangalore, and to request that, with the permission of His Excellency the Governor in Council, the Government of India may be furnished with the views of the Madras and South Indian Railway Administrations on the proposal made, at an *early* date.

2. The return of the correspondence, which is forwarded in original, is also requested.

Enclosure No. 1.

From—The Secretary to the Govt. of Bombay, P. W. Dept., Ry. Branch.
To—The Secretary to the Govt. of India, P. W. Dept.
Dated—19th March 1896, No. 738.

I am directed to forward, for the consideration and orders of the Government of India, the undermentioned papers regarding a proposal put forward by the Agent, Southern Mahratta Railway Company, for a special rate of 2½ pies per ton mile for the carriage of coal between Bezwada and Bangalore: and in so doing I am to remark as follows.

2. Your letter No. 117 R.T., dated 19th March 1895, conveyed the approval of the Government of India to the introduction of the following rule, which is published in paragraph 133, page 48, of the Southern Mahratta Railway, Goods Traffic, No. 1 of 1896.

"At the end of any calendar year a consignor whose aggregate consignments carried over the Southern Mahratta Railway for distances of 270 miles and over shall have exceeded 30,000 tons during the year, *i.e.*, from 1st January to 31st December, may claim a refund in respect of the payments of freight charges made in accordance with the following scale :—

"(1) If the quantity is over 30,000 tons, the rebate will be difference between freight charges actually paid and freight charges calculated at 1/9th pie per maund per mile without terminals.

"(2) If the quantity is over 60,000 tons, the rebate will be difference between freight charges actually paid and freight calculated at 1/10th pie per maund per mile."

It will be observed that these rates are not below the sanctioned minimum of 1/10th pie per maund mile.

3. The Agent, seeking to further develop the coal traffic, proposes to adopt the following additional rule, applicable solely to the coal traffic from Bezwada to Bangalore and stations beyond: that the tariff rates be adhered to, but that if any consignor conveys over the Southern Mahratta Railway from Bezwada to Bangalore and stations beyond 30,000 tons of coal during the calendar year 1896, he shall receive a rebate at the end of the year to the extent of the difference between the tariff rates and 2½ pies per ton mile (0·092 pie per maund mile).

The proposed rate falls slightly below the sanctioned minimum of 1/10th pie per maund per mile.

4. The coal traffic for the public passing through Bezwada is practically monopolised by Hajee Sujan Laljee who was paid a rebate of Rs 26,500 on his consignments during 1895. This traffic during the past three years has been approximately as follows :—

	TONS.
During 1893	10,000
" 1894	14,000
" 1895	31,000

These figures show that the traffic is expanding as vigorously as the exertions of a single merchant will allow; and it is questionable whether there is any reason to more than double the present rebate: this, as will be shown in the next paragraph, is what the Agent's proposal amounts to.

5. The distance from Bezwada to Bangalore is 453 miles. The present ordinary rate for coal is about 13 pies per maund per mile (3·54 pies per ton mile)—

	RS.	A.	P.
(1) Thus the carriage of one maund of coal from Bezwada to Bangalore costs	0	4	9
The carriage of one ton of coal from Bezwada to Bangalore costs	8	1	3
The carriage of 30,000 tons of coal from Bezwada to Bangalore costs	2,42,000	0	0
The present "rebate rate" is 1/9th pie per maund (3·02 pies per ton mile). At this rate the carriage of 30,000 tons of coal costs	2,12,000	0	0
Thus the present rebate granted is Rs. 2,42,000 — Rs. 2,12,000 = Rs. 30,000.			
(2) At the proposed rebate rate of 2·5 pies per ton mile, the cost of carriage of 30,000 tons of coal from Bezwada to Bangalore would be	1,77,000	0	0
Thus the proposed rebate would be Rs. 2,42,000 — Rs. 1,77,000 = Rs. 65,000.			

6. It will thus be seen that the proposal is to practically more than double the present rate of rebate. It is of course possible that the cheapening of the rate for coal might induce the consignor to lower the price paid by the public, and thus bring about an increased demand. But as the rebate if sufficient consignments are sent is not to be granted till the end of the year, it is not unlikely that the owner will retain the profits.

7. If the proposal however has in view the inducing of all or most of the coal which now takes off at Dharmavaram to continue down the Southern Mahratta Railway and go towards Madras and south from Bangalore, then the proposal amounts to competition with the South Indian Railway in which the Government of India are also interested.

8. The South Indian Railway have, it is understood, adopted the rates and rebates laid down in Government of India Circular No. 8, Railway, of May 1895. These rates if applied to 30,000 tons from Bezwada to Bangalore would give a result of about 3·5 pies per ton per mile as net freight. But the "rebate rate" of 1/9th pie per maund per mile already sanctioned by the Government of India for the Southern Mahratta Railway works out to 3·02 pies per ton per mile.

9. I am to add that the sanction of the Board of Directors of the Southern Mahratta Railway Company to the present proposal is not mentioned by the Agent, yet in paragraph 8 of their letter No. 238 of 26th July 1893 (copy attached) the Board expressed their desire to be freed from a minimum rate for coal. But the question was not submitted at the time to the Government of India, because this Government were of opinion that the Southern Mahratta Railway Company could not move coal profitably below their minimum, unless they received far more than Bangalore and the mines were likely to take. It is thus understood that the Board would not be averse to the present proposal.

10. As the Agent considers the matter urgent, I am to ask that the decision of the Government of India may be communicated as soon as possible.

11. In conclusion I am to say that this Government considers that it is exceedingly difficult to lay down any hard-and-fast rule regarding the actual figure below which it will not pay any railway to carry any traffic. The chief facts being seemingly the amount of that traffic to be carried. If that amount be great, the traffic can be carried and will pay a fair profit at rates that would with a lesser amount of traffic involve a loss. I am therefore to say that this Government considers that the proposals of the Agent might be sanctioned say for two years, and the results carefully watched to see what result the alteration has on the coal traffic affected.

Enclosure No. 2.

From—The Agent, Southern Mahratta Ry. Co.
To—The Consulting Engineer for Rys.
Dated—Bombay, 12th February 1896, No. 6262 C/1534.

In Bombay Government Resolution No. 785 of 1895, the Government of India sanctioned certain rules for the granting of rebates on coal carried over the Southern Mahratta Railway, I have now to inform you that, as the result of a meeting held in my office on the 5th instant, Hajee Sujan Laljee, the coal contractor, Singareni mines, has undertaken to convey over this line from and *viâ* Bezwada to Bangalore and stations beyond 30,000 tons of coal during the calendar year 1896, provided we give him a special rate of 2½ pies per ton per mile. He agrees to pay in the first instance at tariff rates, the necessary rebate being given when he has completed the 30,000 tons. This proposal is outside the arrangement sanctioned in the above-quoted Government Resolution. The rate of 2½ pies per ton per mile is slightly below our sanctioned minimum of 1/10 pie per maund per mile, but as the volume of the traffic is large and the lead long, I trust the necessary sanction will be given. The sanction is required as we should notify in the usual way that coal booked from, and *viâ* Bezwada to, and *viâ* Bangalore will be charged ordinary tariff rates, but that at the end of any calendar year any consignor whose aggregate consignments carried over this line from or *viâ* Bezwada to Bangalore and stations beyond, namely, stations between Bangalore and Nanjangod or to stations on the Madras Railway, shall have exceeded 30,000 tons during the year, *i.e.*, from 1st January to 31st December, may claim a refund in respect to the payment of freight charges made as follows :—

The rebate to be the difference between the freight charges actually paid and the freight charges calculated at 2·5 pies per ton per mile without terminals.

2. As the matter is urgent, I should be glad if I *could have a reply by telegram.*

Endt. by the Consulting Engineer for Rys., dated 28th May 1896, No. 52/O.

Copy forwarded to the Agents, Madras and South Indian Railways, for favour of their views.

From—The Agent, South Indian Ry.
To—The Consulting Engineer for Rys., Madras.
Dated—Trichinopoly, 9th June 1896, No. 497.

With reference to your endorsement No. 52/O., dated 28th May 1896, on Government of India letter No. 337 R.T., dated 8th May 1896, I have the honour to inform you that this railway has no objection to the Southern Mahratta Railway making the proposed rebate provided that the same concession is also applicable for coal passing on to the South Indian Railway *viâ* Dharmavaram. I am not sure if any further expression of opinion is required on the prospects of the proposed rates proving remunerative, and on the advisability of further strengthening Mr. Hajee Sujan Laljee's monopoly of Singareni coal. To avoid future reference however, I beg to state that I think the rate will prove remunerative, though not knowing the traffic conditions obtaining in respect to return lead on the wagons I am not prepared to give a decided opinion. In respect to the general development of the coal trade from the Singareni mines, I question the advisability of granting the further rebate proposed. So long as the mining company give Mr. Hajee Sujan Laljee the right to all the coal raised after certain railway requirements have been met, the rebate will have but little effect beyond increasing Mr. Laljee's profits. When, however, this monopoly is withdrawn the smaller merchants will be placed at a greater disadvantage than ever by increasing the rebate, and Mr. Laljee's position will be strong enough to resist all competition.

From—The Agent and Manager, Madras Ry. Co.
To—The Consulting Engineer for Rys.
Dated—Madras, 29th June 1896, No. 9008/555.

With reference to your endorsement No. 52/O., dated 28th May 1896, on 'correspondence forwarded with letter No. 337 R.T., dated 8th idem, from the Government of India Public Works Department, regarding a proposal by the Agent, Southern Mahratta Railway, for a special rate of 2½ pies per ton per mile for the carriage of coal between Bezwada and Bangalore, I have the honour to submit the following observations.

2. The only large market for coal to which the route is *viâ* Bangalore is the Kolar Gold Field which is at present, for all practical purposes, entirely served by English coal carried over the Madras Railway from Madras. The Southern Mahratta Railway proposal to reduce the rates, therefore, can only have been made for the purpose of competing in this market with this Company.

3. As a matter of fact, I am informed that Singareni coal is not suitable for the purposes of the Gold Mines, and that entirely outside of any question of rates, it is not likely to supplant the English coal now used for gold mining purposes; but independently of this, it seems advisable that Government should understand that any revenue made by the Southern Mahratta Railway through the carriage of increased quantities of coal *viâ* Bangalore would represent a corresponding amount out of the revenue of the Madras Railway. The Madras Railway naturally would not give up this revenue and any reduction in its rates necessitated by the younger company being allowed to commit a breach of its contract with the Secretary of State and charge rates lower than the minimum fixed by the contract would have the inevitable result of loss of revenue to the State.

4. The present lowest rate from Yellandu to Marikuppam by the broad gauge is As. 7-8 per maund. The present lowest rate between the same points *viâ* Bezwada is As. 8-1 per maund, and if the proposed reduction is carried into effect, this will be reduced to As. 6-10 per maund, provided no change is made in the proportion of the other railways concerned. Neither of these rates have been made much use of for reasons connected with the quality of the coal. The broad gauge lines would, however, have to reduce their rates in competition and that they would hold the traffic owing to the two transhipments necessitated by the narrow gauge route there is little doubt.

5. With reference to paragraph 11 of the Government of Bombay letter, the statistics for the year 1894 show that the average cost of lifting a ton of goods on the Southern Mahratta Railway was 4·78 pies and 5·63 pies for the two half-years, respectively, and therefore the proposed rates which would include the cost of two transhipments would imply a very serious loss on the statistical cost of working. Whether this loss is a real one or not, it is certain that the Madras Railway can afford to come down to any figure which the Southern Mahratta Railway can carry at before parting with its traffic, and it should I think therefore be apparent to the Government of India that any such competition would have very expensive results. As pointed out in the letter from the Bombay Government, the only probable result to the public would be to put money into the pockets of one merchant.

6. The above represents the opinion expressed by the Company's Officiating Traffic Manager, and with his views I fully concur.

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—Ootacamund, 9th July 1896, No. 599 R.

In reply to your No. 337 R.T., dated 8th May 1896, I am desired to forward copies of the letters noted in the margin from the Agents of the South Indian and Madras Railway Companies, expressing their views on the subject of the proposal to allow a further rebate on freight paid for coal carried over the Southern Mahratta Railway from Bezwada to Bangalore and beyond by consignors whose transactions aggregate over 30,000 tons per annum.

Letter No. 497, dated, 9th June 1896, from the Agent, South Indian Ry., to the Consulting Engineer for Rys.
Letter No. 9008/555, dated 29th June 1898, from the Agent, Madras Ry., to the Consulting Engineer for Rys.

2. It will be observed that the Agent, South Indian Railway, will not oppose this proposed reduction in freight provided that the same concession be also made applicable to coal passing on to the South Indian Railway *viâ* Dharmavaram. At the same time he does not consider the rebate called for.

3. The Agent, Madras Railway, however strongly objects, as he considers that the concession would enable the Southern Mahratta Railway to attempt to compete both with the broad gauge route from the coal mines to the Kolar Gold Fields and with the English coal traffic from Madras, and would force him to reduce his rates also in order to retain the traffic. This the fact of the two transhipments on the Southern Mahratta Railway route would enable him to do successfully, but at the cost of a considerable loss of revenue to the Company and therefore to the State. There is no doubt, moreover, that he would oppose the proposal still more strongly if the proposed concession were to be made applicable to the South Indian Railway also and that he would have great reason for so doing.

4. Under the circumstances therefore I am desired to state that it appears to this Government that this further concession is not desirable, as it would probably do ~~not~~ but Little ~~better~~ towards the development of the consumption of Singareni coal and its principal effect would be to increase the profits of the monopolist at the cost of the revenues of railways in which the State is directly interested. It is hoped, therefore, that it will not be granted.

5. All the enclosures to your letters are returned as requested.

From—The Secretary to the Govt. of India, P.W. Dept.
To—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
Dated—Simla, the 27th July 1896, No. 579 R.T.

The following is forwarded to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, for information, with reference to his No. 599 R., dated 9th July 1896.

Enclosure.

From—The Secretary to the Govt. of India, P.W. Dept.
To—The Secretary to the Govt. of Bombay, P.W. Dept., Ry. Branch.
Dated—27th July 1896, No. 578 R.T.

With reference to correspondence ending with your letter No. 1674, dated 9th July 1896, I am directed to state that after consulting the Madras and South Indian Railway Companies the Government of India are unable to sanction the special rate of 2½ pies per ton mile for the carriage of coal between Bezwada and Bangalore which the Agent, Southern Mahratta Railway Company, proposes to introduce in competition with those Companies.

2. I am to add that the Government of India are of opinion that any proposed reduction of rates for the carriage of coal from Singareni to Southern India might advantageously be considered at a meeting of the Claims Arbitration Committee of Southern India, the constitution of which was recognised in the Government of India's letter, No. 156 R.T., dated 22nd February 1896.

Endorsement by the Consulting Engineer for Rys., dated 17th August 1896, No. 2517.

Copy forwarded to the Agent, South Indian Railway, with reference to his letter No. 497, dated 9th June 1896.

Also to Agent and Manager, Madras Railway, with reference to his letter, No. 9008/555, dated 29th June 1896.

From—The Secretary to the Govt. of India, P.W. Dept.
To—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
Dated—Simla, 29th October 1896, No. 855 R.T.

In continuation of correspondence ending with Government of India memo., No. 579 R.T., dated 27th July 1896, forwarding a copy of Government of India letter, No. 578 R.T., of the same date, to the Government of Bombay, in which the proposal of the Agent, Southern Mahratta Railway, to introduce a special rate of 2½ pies per ton mile for the carriage of coal between Bezwada and Bangalore was negatived, I am directed to request that the Government of India may be furnished at an early date with the following information:—

(a) The cost of Singareni coal per ton at Kolar *viâ* Wadi, Raichur, Guntakal and Arkónam.

(b) The cost of Singareni coal per ton at Kolar *viâ* the Southern Mahratta Railway, with two transhipments at Bezwada and Bangalore.

(c) The cost of English coal at Kolar *viâ* Madras, giving details in all cases of cost, rail freight, &c.

Endorsement by the Consulting Engr. for Rys., dated 11th November 1896, No. 3551.

Copy forwarded to the Agent and Manager for favour of early report.

From—The Agent and Manager, Madras Ry.
To—The Consulting Engineer for Rys.
Dated—Madras, 17th December 1896, No. 9008/1129.

With reference to your Endorsement No. 3551, dated 11th November 1896, on a letter from the Government of India, No. 855 R.T., I have the honour to give below the information required:—

(a) The cost of Singareni coal per ton at Kolar *viâ* Wadi, Raichur, Guntakal and Arkónam at existing rates —

				RS.	A.	P.	
Yellandu to Wadi	... 277 miles	at 3 pies rate	... ...	4	3	6	per ton.
Wadi to Raichur	... 67 „	at 3 „	... ...	0	15	9	„
Raichur to Bowringpet	... 441 „	at 3 „	... ...	6	14	3	„
Bowringpet to Marikuppam...	11 „	...	... ...	0	13	6	„
			Total ...	12	15	0	
			Add cost of coal at the mines ...	6	0	0	
			Grand Total ...	18	15	0	

(b) The cost of Singareni coal per ton at Kolar *viâ* the Southern Mahratta Railway with two transhipments at Bezwada and Bangalore —

				RS.	A.	P.	
Yellandu to Bezwada	... 93 miles	at 5·13 pies rate	...	2	8	6	per ton.
Bezwada to Bangalore	... 453 „	at 3·39 „	...	8	0	3	„
Bangalore to Bowringpet	... 44 „	at 10·0 „		2	4	0	„
Bowringpet to Marikuppam ...	11 „		...	0	13	6	„
			Total ...	13	10	3	
			Add cost of coal at the mines ..	6	0	0	
			Grand Total ..	19	10	3	

The above includes no transhipment charges, these charges having been abolished for some years, but it is understood that in the case of Singareni coal which particularly suffers from handling, the transhipment at Bezwada and Bangalore would no doubt cost very considerable wastage which would affect the value of the coal.

(c) The cost of English coal at Kolar *viâ* Madras —

				RS.	A.	P.	
Madras to Bowringpet	... 176 miles	at 4 pies rate	... ...	3	10	6	per ton.
Bowringpet to Marikuppam ..	11 „	...	... ...	0	13	6	„
			Total ...	4	8	0	
			Add cost of coal delivered at Madras as furnished by Madras Agents ...	20	6	8	
			Grand Total ...	24	14	8	

In accompaniment to Government of India Circular No. XVI, Railway, of 1894, Welsh coal and Kurhurbaree equivalents are given as follows :—

	TONS.
Giridhi (Kurhurbaree) best steam coal	1·00
Welsh best steam coal	0·80

And in my letter No. $\frac{7771b}{88}$, dated 28th January 1895, the following equivalents arrived at by actual experiment were quoted :—

	TONS.
Kurhurbaree	1·00
Singareni	1·20

This gives for Singareni as compared with Welsh coal as follows :—

	TONS.
Best Welsh coal	1·00
Singareni	1·50

In other words, one ton of Welsh coal is equivalent to one and-a-half ton of Singareni. At this rate to compete with Welsh coal, Singareni coal should be delivered at the mines at ⅔ of Rs. 24–14–8 or Rs. 16–9–9 per ton.

From the figures given below it will be seen that it is not possible at present rates, even if the low rate of 2½ pies between Bezwada and Bangalore is quoted to deliver Singareni coal at the gold mines at a rate that will compare favourably with Welsh coal.

Besides this, we have recently been furnished with a proof of the unsuitability of Singareni coal for working stationary engines, in the fact that a firm carrying on a large business not far from Madras who recently purchased a large supply have asked us to take it off their hands.

Cost of Singareni coal per ton at Kolar *viâ* Southern Mahratta Railway when the coal is carried at 2½ pies per mile from Bezwada to Bangalore —

		RS.	A.	P.	
Yellandu to Bezwada	... 93 miles at 5·13 pies rate ...	2	8	6	per ton.
Bezwada to Bangalore	... 453 „ at 2½ „ ...	5	14	4	„
Bangalore to Bowringpet	... 44 „ at 10 „ ...	2	4	0	„
Bowringpet to Marikuppam	11 „ ...	0	13	6	„
	Total ...	11	8	4	
	Add cost of coal at the mines ...	6	0	0	
	Grand Total ...	17	8	4	

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., Calcutta.
Dated—Madras, 19th December 1896, No. 1064 R.

With reference to your letter, No. 855 R.T., dated 29th October 1896, I am directed to forward herewith a copy of letter No. 9008/1129, dated 17th December 1896, from the Agent and Manager, Madras Railway, giving the information regarding cost of coal called for therein.

From—The Secretary to the Govt. of India, P.W. Dept.
To—The Joint Secretary to the Govt. of Madras, P.W. Dept., Ry. Branch.
Dated—Calcutta, 25th February 1898, No. 199 R.T.

The following is forwarded to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, for information with reference to correspondence ending with his letter No. 1064 R., dated 19th December 1896.

ENCLOSURE.

From—The Secretary to the Govt. of India, P.W. Dept.
To—The Secretary to the Govt. of Bombay, P.W. Dept., Ry. Branch.
Dated—25th February 1898, No. 198 R.T.

I am directed to acknowledge the receipt of your letter, No. 395, dated the 4th February 1898, forwarding for orders copy of further correspondence regarding the adoption by the Southern Mahratta Railway of a special rate of 2½ pies per ton mile for the carriage of coal between Bezwada and Bangalore.

2. In reply, I am to state that the Government of India are pleased to sanction the adoption of the above rate for a period of one year in order to encourage the use of Indian coal at the Kolar Gold Mines.

3. I am to request that the effect may be watched and the result reported at the end of six months.

ORDER—No. 389 Ry., dated 9th March 1898.

Communicated to the Agents, Madras and South Indian Railways, for information.

(True Extract.)

FRANCIS J. E. SPRING,
Joint Secretary.

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

Exd. Shaik Karim.

(No. I.)
No. 9008
50

58

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE,

Madras, 12th January 1899.

~~C 96~~
C 42/71

RECEIVED
From 16 JAN. 1899
CONSULTING ENGINEER FOR RAILWAYS
MADRAS.

325
16.1.99

Print

The Agent and Manager.
Madras Railway.

To

The Consulting Engineer for Railways.
Madras.

2

SIR,

I have the honor to invite attention to G. O. No. 389 S466 Ry dated 9th March 1898 conveying the sanction of the Government of India to the adoption by the Southern Mahratta Railway of a special rate of 2/2 pies per ton per mile for the carriage of coal from Bezwada to Bangalore, and to state that when we agreed as a guaranteed Company to be bound by minimum rates fixed by the State for State Railways we never expected that a competing Company would be allowed to quote rates below the sanctioned minimum rates to enable that Company to compete with us for the carriage of coal.

I have the honor to be,
Sir
Your most obedient servant
Innis. S M V B
Agent & Manager.

Enclo/nil.

CR 20/1/99

59

300—30-6-98.

Form No. 33.

Office of the Consulting Engineer for Railways,

Madras, 17 January 1899.

EXAMINER — Regr. No. 32 — RAILWAY ACCOUNTS, MADRAS.

Rd 18/1/99

No 196.

OFFICE NOTE.

Letter from the Agent, Madras Railway, No 50, dated 12th January 1899, forwarded to the Examiner of Railway Accounts. for remarks.

FWS
for E. R.
17/1

EXAMINER'S REPLY.

E R

I cannot find that the Madras Ry Co. has at any time agreed to be bound by the minimum rates laid down by Govt. for State Railways, but as the Agent now states that they have so agreed, it would perhaps be as well not to question the statement.

I would suggest that in reply to his letter the Agent might be asked whether he wishes in any cases to lower his rates below the minimum and if so to submit his proposals for consideration, as you feel sure that the Govt of India having sanctioned the rate for the carriage of coal on the S M Ry being reduced below the minimum, would be equally willing to approve of a similar reduced rate on the Madras Ry.

E W Wallace
G R 20/1/99

What is G. O. of circular No. 8. dt. 4 May 95 ?
FR 23.1.99.

D1 Please see S No 26
23.1.99

21.1.99

reply to this effect
FWS
23/1

No. 60

No. 262

Form No. 1/A.

Madras, 24 Jany 1899

From

THE CONSULTING ENGINEER FOR RAILWAYS,
MADRAS,

Reminders.

To

THE AGENT AND MANAGER, M. RY.

Reply No. 9008/108 dated 26.1.99

SIR,

With reference to your letter No. 9008/50, dated the 12th January 1899, I have the honour to enquire whether you desire ~~in any case~~ to lower your rates below the minimum. If so, will you submit your proposals for consideration, as I feel sure that the Govt of India having sanctioned the rate for the carriage of coal on the S. M. Ry being reduced below the minimum, would be equally willing to approve of a similar reduced rate on the Madras Railway.

24.1.99.

Despatched on 24/1/99

NO.

108

MADR ILWAY.

AGENT AND MANAGER'S OFFICE,

Madras, 26th January, 1899.

535
27-1-99

CONSULTING ENGINEER FOR RAILWAYS
RECEIVED
27 JAN. 1899
MADRAS.

From

The *Agent and Manager.*

M. R. C.

To

The *Consulting Engineer for Railways.*

Madras

SIR,

560

In reply to your letter No.262 of the 24th instant I have the honor to inform you that we have no desire to reduce our existing rates for Coal from Madras t the Kolar Gold Mines and there is really no necessity to quote rates lower than those we are charging.

Flag 5

2. Any reduction in the rate will simply be a loss of revenue to the State.

3. The action of the Government of India has released us from observing a minimum rate, a rate which we imposed upon ourselves at the verbal request of the President of the Railway Conference of 1888.

4. There is, in my opinion, no necessity for trade purposes for any Railway in India to quote rates below the minimum rates fixed by the Government unless th Railways concerned are competing with water carriage.

I should regard with grave suspicion any

Letter from
1008 d/12-1-99.

application from a Railway to lower its rates below the authorized and fixed minimum rates unless it had competition by water to contend with, and I should further view any such application as an endeavour to compete with another Railway at the sole expense of the State, because in this country all Railways are practically the property of the State.

I ask that the special rate sanctioned for the carriage of Coal from Bezwada to Bangalore may be withdrawn.

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

Francis J. Moss

Agent and Manager.

Letter from [illegible]
1008 d/12-1-99.

MADRAS RAILWAY.

From
The Agent and Manager.

To
The Consulting Engineer
for Railways.

Dated 188

Recd.

No.

R. FORM No. 12.

No. 122 Ry.

Government of Madras.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

Print.

To

THE SECY. TO THE GOVT. OF INDIA,
P. W. DEPARTMENT

31st January 1899.

SIR,

With reference to correspondence ending with your letter No. 199. R.T. dated the 25th Feb. 98, to be found for ready reference in the enclosed copy of this Govt' Proceedings No. 389. Ry. dated 9th March 98, I am directed to enquire whether the Govt of India intend to renew the permission granted to the S.M. Ry a permission the currency of which is now expiring. ~~[illegible]~~ to carry Singareni coal between Bezwada and Bangalore at a rate below the scheduled minimum.

2.– The matter forms the subject of the accompanying copy of a letter from the Agent M.Ry. Co. No. $\frac{9008}{50}$. dated the 12th Jany. 99, and in a subsequent letter that gentleman has explained that his Company imposed on themselves a minimum rate at the verbal request of the President of the Railway Conference of 18..

3.– This Govt. sees no reason to depart from the opinion already expressed that there is no advantage to anyone concerned except to the Singareni coal monopolist in the reduction of the cost of freight below the scheduled minimum.

I have &c
[illegible]
30/1/99

Despatched on 31/1/99

Documents accompanying

1 Pros: referred to.
2 Letter from Agt. No. $\frac{1008}{1}$ of 12-1-99.

Public Works (1899) Department.

Railway Branch

CURRENT No. 470

Read again
G.O. No. 389 Ry dated 9.3.98.
Read also
Letter from Agent No. 9008/50 dt 12.1.99. ×(Agent & Manager, M. Ry)
" to " 262 dt 24.1.99.
" from " 9008/108 dt 26.1.99
" to the Govt of India No. 122 Ry dt 31.1.99
" from " No. 259 R.T. dt 28.3.99.

From The Govt of India

Order No 392 Ry of 8/4/99

Print

69

Communicated to the Agents Madras & S.I. Rys for information in continuation of G.O. no 389 Ry dt 9.3.98.

No. 259 R.T.

Dated 28.3.99

Received
Registered 4.4.99

Enclosures

Spare copies

D.R.
6.4.99.

SUBJECT.

Reduced rate for Carriage of Coal over the S.M. Ry: between Bezvada & Bangalore

Forg: Copy of a letter No. 258 R. dt 28.3.99 from Secy to Govt of Ind. P.W.D. to Secy to Govt of Bomb. P.W.D. Ry. Bh: reg

To
The Agent Madras Ry ✓
" S.I. Ry ✓
" Exe. Cttr Ry Accts ✓
" Cons. Engr for Ry ✓

Despatched on 18/4/99

5.4.99

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

JOINT SECRETARY
RECEIVED
4 APR 1899
GOVT. OF MADRAS RYS.

All communications should be addressed to the Secretary.

No. 259 R.T.
GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
RAILWAY TRAFFIC.

Print

58

Simla, the 28th March 1899.

The following is forwarded to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, with reference to his letter No.122 Railway, dated the 31st January 1899.

562

By order,

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

Copy of a letter No.258 R.T., dated the 28th March 1899, from the Secretary to the Government of India, Public Works Department, to the Secretary to the Government of Bombay, Public Works Department, Railway Branch.

I am directed to acknowledge the receipt of your letter No.524, dated the 7th March 1899, and, in reply, to say that as the special reduced rate of 2½ pies per ton per mile for the carriage of coal over the Southern Mahratta railway between Bezwada and Bangalore, which was sanctioned as an experiment for one year in the Government of India letter No.198 R.T. of the 25th February 1898, has not proved to have attracted much traffic, it should be considered as cancelled and the former rates restored.

Page 97 S.46(b)
