Public Works (1899) Department.

RAILWAY BRANCH.

G.O., No. 747 Ry

DATED 8th July 1899.

Includes.

G.O. no. 1080 Ry d/ 23-8-98
do 517-18 Ry d/ 3-5-99
N.C. 62 R.M. d/ 10-2-99.

50/1

T.G.C.

[Despatch Abstract.]

Vizianagram - Bimlipatam Railway.

Recording correspondence relating to the Construction of the —

[P. W. 26. 100—30-3-99.]

Indexed.

BACK PAPERS.

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

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RAILWAY.

Government {1899} of Madras.
PUBLIC WORKS.

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

G.O., No. 747 Ry., 8th July 1899.

JULY.

Vizianagram-Bimlipatam Railway

Recording correspondence relating to the construction of the —.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read again the following paper:—

G.O., Nos. 898–99 R., dated 3rd November 1897.

Read also the following papers:—

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
Dated—Simla, 8th August 1898, No. 88 R.P.

The undermentioned papers are forwarded to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, for information, with reference to correspondence ending with Government of India telegram No. 1798 R.C., dated the 29th October 1897.

ENCLOSURE No. 1.

From—The Secretary, Public Works Department, London.
To—The Secretary to the Government of India, Public Works Department.
Dated—India Office, Whitehall, London, S.W., 1st July 1898, No. 1091 P.W.

I forward, herewith, for your information copy of a correspondence relative to the Vizianagram-Bimlipatam Railway scheme, which has passed between this office and Mr. H. G. Turner, subsequent to the receipt of the letter from the Government of India, No. 22, dated 14th April 1898.

Letter to Mr. Turner, dated 23rd May 1898.
,, from ,, ,, 9th June ,,
,, to ,, ,, 21st ,, ,,

ENCLOSURE No. 1 in No. 1.

From—A. GODLEY, Esq., Under Secretary of State for India.
To—H. G. TURNER, Esq., Winchester House, Old Broad Street, E.C.
Dated—India Office, Whitehall, London, S.W., 23rd May 1898, No. 823 P.W.

In continuation of the letter from this office, dated 18th January last, relative to a branch line from Vizianagram to Bimlipatam which you, in conjunction with Sir Bradford Leslie, desire to construct on the standard gauge, I am now directed by the Secretary of State for India in Council to inform you that he consents to your constructing this branch if you can furnish him with satisfactory evidence of your being in a position to raise the necessary funds for the work, and if you insert in your prospectus a statement (to be approved by his Lordship before the

issue of the prospectus) which will make it clear that under no circumstances will the Secretary of State acknowledge any financial responsibility in connection with the project.

I am to request that you will communicate to his Lordship your final decision in regard to this matter on or before the 31st of July.

ENCLOSURE No. 2 in No. 1.

From—H. G. TURNER, Esq.
To—The Under Secretary of State for India, India Office.
Dated—Winchester House, Old Broad Street, London, E.C., 9th June 1898.

I have the honour to acknowledge receipt of your letter No. 823 P.W. of the 23rd May 1898. In consultation with Sir Bradford Leslie we desire to express our great acknowledgments to the Secretary of State in Council for consenting to our constructing the Vizianagram to Bimlipatam Branch on the standard gauge.

We are sure that the concession to the wishes of the merchants of the district and to the Chamber of Commerce at Madras, will prove of the greatest benefit to the district of Vizagapatam and especially so when the proposed line from Vizianagram to Parvatipur enables the merchandise to circulate between the interior and the seaboard at Bimlipatam without break of gauge. We propose to address you further in regard to the latter line when we have consulted our financial friends. The through gauge undislocated at Vizianagram will, we think, be of great service to us in obtaining financial support to both lines.

It will no doubt be in your knowledge that the late Maharajah of Vizianagram was a strong supporter of the Vizianagram-Bimlipatam line, that he undertook to pay for the survey and to give the line substantial financial support. We have already addressed Mr. Willock, the officer now in charge of the Maharajah's estate, as to the extent in which he considers the estate bound by the promises of the late Maharajah. Though willing to complete the payment for the survey, this officer did not feel himself able to carry out the late Maharajah's intentions as to further financial support.

We think that the present aspect of the project, so advantageous to the interests of the Vizianagram estate and offering such an opportunity for advantageous investment, may induce Mr. Willock to reconsider the question, and we at all events deem it right that he should know of the decision of the Secretary of State.

We are therefore sending out to Mr. Willock by this mail copies of the correspondence to put him in full possession of his Lordship's views on the question.

It will, we fear, not be possible to obtain a reply from India to enable us to submit to you our scheme for financing this railway on or before the 31st July, the date fixed by you in your letter under reply. But we will use our best endeavours to lay our final proposals before you with as little delay as possible and we shall be glad to know whether there is any objection to granting us, say, three months longer in which to reply, namely, until the 31st October.

ENCLOSURE No. 3 in No. 1.

From—HORACE WALPOLE, Esq.
To—G. S. TURNER, Esq., Winchester House, Old Broad Street, E.C.
Dated—India Office, Whitehall, London, S.W., 21st June 1898, No. 1091 P.W.

I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 9th instant, enquiring whether you may be allowed an extension, for three months, of the time fixed in this office letter of the 23rd May, within which you were requested to communicate to the Secretary of State your decision with regard to the construction of the Vizianagram-Bimlipatam Railway.

In reply I am to inform you that the Secretary of State is pleased to extend the time fixed in my letter of 23rd May 1898, to the 31st October next.

ENCLOSURE No. 2.

Despatch from—The Right Honourable the Governor-General of India in Council.
To—The Right Honourable the Secretary of State for India.
Dated—Simla, 14th April 1898, No. 22 Ry.

We have the honour to acknowledge the receipt of your Lordship's despatch No. 6 Ry., dated 20th January 1898, forwarding a copy of further correspondence with Mr. H. G. Turner and Messrs. Macfadyen & Co. on the subject of their proposals for the construction of the Vizianagram-Bimlipatam and Vizianagram-Parvatipur branches.

2. In consideration of the fact that the promoters are prepared to undertake the construction of the Vizianagram-Bimlipatam branch without guarantee or aid from Government except the grant of free land, and that its working by the East Coast Railway would be facilitated by its being of the standard gauge, your Lordship sees no valid reason for the objection taken in our despatch No. 99 Ry., dated 23rd September 1897, to the adoption of that gauge, provided always that the promoters can show that they are in a position to find the money and on the understanding that they enter on the undertaking subject to the probable risk of the branch becoming unprofitable in the event of the improvement of the port of Vizagapatam.

If, however, the promoters are unable to find the money, your Lordship is of opinion that this branch should be made by Government with as little delay as possible.

3. Your Lordship states that you are the more inclined to ask us to consider this last alternative as there are other matters connected with the question of these branch lines which require careful examination, viz., the eventual extension of the Vizianagram-Parvatipur branch (to the construction of which by the agency of any particular Company the Government is not, your Lordship agrees, pledged) to connect with the Bengal-Nagpur Railway at Raipur. We are, therefore, requested to consider whether it is not advisable either to take the construction of the line from a point on the East Coast Railway to Parvatipur into the hands of Government, or to entrust it to the Bengal-Nagpur Railway Company to whose system it appears rightfully to belong, and thereby avoid the multiplication of the existing agencies for construction and the introduction of a new Company between the lines worked by the Bengal-Nagpur Railway Company.

4. As regards our objection to the alteration of the concession from a 2′ 6″ to a standard gauge line for the Vizianagram-Bimlipatam branch, we would point out that in adhering to the original concession for a narrow gauge line, we had regard to the needs of the town of Bimlipatam and the financial position of the promoters, as well as to the repeated warning of the Government of Madras that the adoption of the standard gauge would have the effect of keeping away capital for the improvement of the port and harbour of Vizagapatam.

5. If, however, this branch is to be on the standard gauge, we are prepared to consider it as a part of the Raipur-Vizianagram Railway which is now under survey; and we understand your Lordship to be in practical accord with us that it should form part of the East Coast or Bengal-Nagpur Railway system, and that it is undesirable to introduce a new Company on the same gauge between the lines worked by the Bengal-Nagpur Railway Company either to the sea coast or to the interior.

6. We are entirely at one with your Lordship in the desire to throw no obstacle in the way of *bonâ fide* private enterprise, and if we thought it possible to enforce the obligation that the promoters must understand that they enter on their undertaking subject to the risk that the branch may become unprofitable owing to the improvement of the port of Vizagapatam by the Government, we admit that there would be more to be said for allowing them to proceed. But experience shows that Government cannot divest itself of responsibility in regard to these so-called private enterprise concerns, and that if they do not come up to the anticipations of their promoters, the very strongest pressure is put on the Government of India to assist them. We must also point out that, with the concurrence of your Lordship, we introduced the system now in force and established the annual Railway Conference in order that railway extension might be mapped out so as to meet the more urgent demands of the country; and that if we are to make this system successful, we must aim at avoiding interference with vested interests; and, in dealing with the extension of railways by private enterprise, must take into consideration the financial soundness of proposed lines. Under these circumstances we feel bound to ask your Lordship to uphold in this case the decision of the last Railway Conference. We are of opinion that if the line to Bimlipatam is to be made by the promoters, it ought to be as a light line or tramway. If, however, they decline to undertake it on these conditions, we shall, as stated in paragraph 5 above, be prepared to reconsider the whole question, and the case will be submitted to the Conference when the results of the survey, now being carried out, have been received and considered.

Order—No. $\frac{1080}{A}$ Ry., dated 23rd August 1898.

The Government of India will be addressed on the subject by telegraph.

Telegram 11-A. As it is understood that the subject of your despatch No. 22 Ry., dated 14th April 1898, comes for discussion at Conference now sitting, it has been considered by Governor in Council who desires me to again strongly urge that if the Turner Leslie syndicate should fail to raise capital for standard gauge Bimlipatam branch, the State should do nothing so shortsighted as construct the branch a step which in this Government's opinion would indefinitely postpone undertaking of Vizagapatam harbour improvement—a work considered here to be far more important in the interests of trade development than the connection of Bimlipatam with the railway.

Telegram from—The Secretary to the Government of India, Public Works Dept.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
Dated—Calcutta, 3rd February 1899, No. 06 R.P.

Your telegram numbered and dated as follows, 11-A 23rd August last. Wire from the Secretary of State to the Viceroy: Begins—Yours 18th January last. Bimlipatam Railway project concessionaires granted extension of time up to 30th April next. Please inform Turner in India.

Telegram from—The Secretary to the Government of India, Public Works Dept.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
Dated—Calcutta, 3rd February 1899, No. 07 R.P.

My telegram numbered and dated as follows, 06 R.P., 3rd instant, should be read with the following wire from Viceroy to Secretary of State, dated 22nd December last. Your telegram of 8th. Madras Government strongly urge that construction of Bimlipatam branch will indefinitely postpone Vizagapatam harbour improvements which it is most important in trade interests to undertake.

From—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
To—H. G. Turner, Esq., Bimlipatam.
Dated—Madras, 10th February 1899, No. 62 R.M.

I am directed by Government to inform you that the concessionaires of the projected Bimlipatam branch of the East Coast Railway have been granted, by the Right Honourable the Secretary of State for India, an extension of time for its promotion up to the 30th of April 1899.

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
Dated—Simla, 7th April 1899, No. 24 R.P.

The undermentioned papers are forwarded to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, for information in continuation of Government of India Memo. No. 88 R.P., dated 8th August 1898.

Enclosure No. 1.

Despatch—From the Right Honourable the Secretary of State for India.
To—His Excellency the Right Honourable the Governor-General of India in Council.
Dated—India Office, London, 22nd December 1898, No. 104 Railway.

With reference to the letter of your Excellency's Government in the Public Works Department, No. 22 of the 14th April 1898, I transmit, herewith, for your Excellency's information, copy of the correspondence* which has passed up to date with Sir Bradford Leslie, K.C.I.E., and Mr. H. G. Turner on the subject of their proposals for the construction of a railway from Vizianagram to Bimlipatam.

* Letter to Mr. H. G. Turner, dated 23rd May 1898.
Reply, dated 9th June 1898.
Letter to Mr. Turner, dated 21st June 1898.
Reply, dated 5th October 1898.
Letter to Mr. Turner, dated 13th October 1898.
Reply, dated 21st October 1898.
Letter to Sir B. Leslie & Mr. Turner, dated 6th Dec. 1898.

2. You will observe that, on the 23rd May last, Mr. H. G. Turner, was informed that a concession for the construction of this line on the broad gauge would be granted to him if he could furnish satisfactory evidence of his being in a position to raise the necessary funds for the work.

3. The promoters have in their letter of the 21st October intimated that they propose to raise the capital for the construction of the line in sterling, and that the subscribers would expect to be paid off in sterling.

4. They have been reminded that the correspondence in connection with this project has hitherto proceeded on the understanding that the capital would be on a rupee basis, and that I am not prepared to recognise the fact of the money being raised in sterling as a reason for sanctioning terms of purchase by Government on a sterling basis.

5. The further conditions laid down in regard to this concession will be found in the letter from this office of the 6th December.

Enclosures Nos. 1, 2 and 3.

From—A. Godley, Esq.
To—H. G Turner, Esq., Winchester House, Old Broad St., London.
Dated—India Office, Whitehall, London, S.W., 23rd May 1898, No. 823 P.W.

From—H. G Turner, Esq.
To—A. Godley, Esq., India Office.
Dated—Winchester House, Old Broad St., London, E.C, 9th June 1898.

From—Horace Walpole, Esq.
To—H. G. Turner, Esq., Winchester House, Old Broad St., London.
Dated—India Office, Whitehall, London, S.W., 21st June 1898, No. 1091 P.W.

See pages 2 and 3.

Enclosure No. 4 to No. 1.

From—H. G. Turner, Esq. and Sir Bradford Leslie, London.
To—The Under Secretary of State for India.
Dated—Winchester House, Old Broad Street, London, E.C., 5th October 1898.

[P.W. No. 823 of 23rd May 1898 and P.W. No. 1091 of 21st June 1898.]

Referring to the letters above quoted, we have the honour to inform you that we are now so far advanced in our negotiations to raise the necessary funds for the construction of the line between Bimlipatam and Vizianagram as to ask you to be so good as to furnish us with a draft copy of the Agreement which will have to be entered into between the Secretary of State and ourselves regarding the construction, working and surrender of the line.

Enclosure No. 5 to No. 1.

From—Horace Walpole, Esq.
To—H. G. Turner, Esq.
Dated—India Office, Whitehall, London, S.W., 13th October 1898, No. 1816 P.W.

I am directed by the Secretary of State for India to acknowledge the receipt of your letter of the 5th October 1898, requesting that you may be furnished with a draft copy of the Agreement that will have to be entered into with regard to construction, working and surrender of the proposed line from Bimlipatam to Vizianagram.

In reply, I am to inform you that the construction of the line will be carried out by you, the necessary land being provided by the Government; and that as regards the working, it will be for you either to work the line directly or to arrange terms with the Administration which may work the East Coast Railway. With regard to the terms of surrender, I am to state that the Government of India will reserve the right to purchase the line at the expiry of 21 years, or at subsequent intervals of 10 years, on 12 months' notice, the purchase price being 25 times the yearly average net earnings of the three years preceding the purchase, with a maximum price of 120 and a minimum of 100 per cent. of the cost price of construction on a rupee basis as sanctioned by the Government of India.

Before the Agreement is finally drafted, it is necessary that you should furnish the Secretary of State with satisfactory evidence that you are in a position to raise the funds required for the undertaking.

Enclosure No. 6 to No. 1.

From—Sir Bradford Leslie and H. G. Turner, Esq., London.
To—The Under Secretary of State for India.
Dated—Winchester House, Old Broad Stree, London, E.C., 21st October 1898.

We have the honour to acknowledge receipt of your No. 1816 P.W. of the 13th October.

We thank you for setting forth so clearly the terms of surrender of the Bimlipatam-Vizianagram line. Should Government decide to purchase, these terms seem acceptable, except that it is stated that the price to be paid to the Company will be on a rupee basis. As the Secretary of State is aware, it is proposed to raise the capital for the construction of the line in sterling, and the subscribers would, naturally, expect to be paid off in sterling.

This is so reasonable, and is the course followed by the Secretary of State in other directions, that we feel sure the rupee basis for repayment will not be insisted upon, as it would be an absolute bar to the success of the issue

With reference to the closing paragraph of your letter, we think we will be able to satisfy the Secretary of State that we can raise the funds necessary to construct the railway, provided we are permitted to pay the charges incidental to the guaranteeing of the money and the issuing of the capital, and include the same in the cost of construction. During construction it will be necessary to pay interest on the monies subscribed at the rate of 4 per cent. per annum, and this, we understand, the Secretary of State will, as in similar cases, sanction. As the proposed railway is to have no financial assistance from Government in the shape of a guarantee or otherwise, the capitalists who will undertake the financing of the line require some commission for their risk and trouble. We are told that it will cost—including advertising and other issuing charges—6 per cent. on a capital of 80,000*l.* to ensure the money being found. We do not know what view the Secretary of State may take of this, but we put frankly before him the terms we think we could arrange, and we will be glad to know whether they are such as he can sanction.

The 6 per cent. is made up, roughly, as follows:—

	Per cent.
Commission to issuing house for obtaining underwriters, including guaranteeing of same … … … … … … ..	2
Commission to underwriters … … … … … …	3
Printing, circulating and advertising prospectus and legal expenses …	¾
Brokerage … … … … … … .. …	¼
	6

We give these details for the information of the Secretary of State, and on enquiry he will find that they are framed on a very moderate basis. We would further point out that the estimate for the construction of the line at 80,000*l.*—which includes all financing and other charges—is about 2 lakhs less than the Government of India estimated the line would cost to make. If agreeable to the Secretary of State it might suit us to construct the line on the basis of the estimate we have had prepared, for a lump sum of 80,000*l.*, and which we would submit for approval and sanction. In this way no question would arise as to the preliminary expenses, the line would be completed for 80,000 . and it would be from this basis that the terms of surrender would start, when the time arrived for considering them.

We are not aware, so far, as to what Administration will have to be dealt with for the working of the proposed line. It is, however, desirable that, before trying to arrange the necessary funds, we should be in a position to state that this line will be worked for 45 per cent. of the gross receipts, and with the usual rebate for the traffic contributed to the East Coast line. The latter is a State railway, so that it is for the Secretary of State to give us the necessary undertaking to the above effect.

We would venture, in conclusion, to point out that, if the Secretary of State could see his way to put in our hands the construction of the line from Vizianagram to Parvatipur, this would be a more attractive scheme to capitalists than simply the branch line from Bimlipatam to Vizianagram, for which at present we have the concession.

Enclosure No. 7 to No. 1.

From—Horace Walpole, Esq.
To—Sir Bradford Leslie, K.C.I.E., and H. G. Turner, Esq.
Dated—India Office, Whitehall, London, S.W., 6th December 1898, No. 1962 P.W.

I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 21st October, in reference to the terms of the concession granted to you on the 23rd May last for the construction of a railway line from Vizianagram to Bimlipatam on the standard gauge.

2. It appears from your present communication that it is now proposed to raise the capital required for the construction of the line in sterling.

3. In reply, I am directed to inform you that the correspondence has hitherto proceeded on the understanding that the capital would be on a rupee basis, and that the Secretary of State is not prepared to recognise the fact of the money being raised in sterling as a reason for modifying the decision conveyed in paragraph 2 of my letter of 13th October, and to sanction terms of purchase by Government on a sterling basis.

4. Nor can the Secretary of State assent to the grant of a rebate from the traffic interchanged with the East Coast Railway.

5. With reference to your proposal that an allowance of 6 per cent. should be charged against capital to cover the cost of commission and preliminary expenses, I am to inform you that the Secretary of State cannot agree to a larger sum being charged against the capital account for the purpose stated than 3½ per cent. on the capital raised, which it is considered should be sufficient to cover all expenses in connection with the issue of the capital, including brokerage, and legal, printing, and advertising expenses.

6. The Secretary of State agrees to the payment of interest at the rate of 4 per cent. out of capital during construction in accordance with the terms of the Act relating to such payments.

7. As regards the working of the line, I am to inform you that the Secretary of State cannot give any undertaking that the proposed line will be worked by the East Coast Railway, and on this point I am to refer you to paragraph 2 of my letter of the 13th October 1898.

Order—No. 517 Ry., dated 3rd May 1899.

The Government of India will be addressed.

From—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—Ootacamund, 3rd May 1899, No. 518 Ry.

With reference to your telegram No. 07 R.P., dated the 3rd February 1899, and your letter No. 24 R.P., dated the 7th April 1899, I am directed to request that as soon after the 30th April as it is possible to obtain the information, this Government may be informed whether or not it is to be understood that negociations with the promoters of the Bimlipatam Railway are at an end.

Telegram from—The Secretary to the Government of India, Public Works Dept.
To—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
Dated—Simla, 13th May 1899, No. 60 R.P.

Your letter numbered and dated as follows, 518 Ry. 3rd instant. Secretary of State wires: Begins—Mine 31st January last Bimlipatam project. Turner informed that concession has been cancelled. Presume you will now make line yourselves as suggested in my Railway despatch, 20th January 1898—Ends.

ORDER—No. 747 Ry., dated 8th July 1899.

Recorded.

(True Extract.)

FRANCIS J. E. SPRING,
Joint Secretary.

To the Consulting Engineer for Railways.

Exd. S. A. S. Raghaviengar.

COPY.

P.W.823.

India Office,
Whitehall S.W.
23rd May 1898.

Sir,

In continuation of the letter from this office dated 18th January last, relative to a branch line from Vizianagram to Bimilipatam which you, in conjunction with Sir Bradford Leslie, desire to construct on the standard gauge, I am now directed by the Secretary of State for Indian in Council to inform you that he consents to your constructing the branch if you can furnish him with satisfactory evidence of your being in a position to raise the necessary funds for the work, and if you insert in your Prospectus a statement (to be approved by his Lordship before the issue of the Prospectus) which will make it clear that under no circumstances will the Secretary of State acknowledge any financial responsibility in connection with the project.

I am to request that you will communicate to His Lordship your final decision in regard to this matter on or before the 31st of July.

I am, Sir,
Your Obedient Servant,
(Signed) A. Godley.

H. G. Turner Esq.
Winchester House,
Old Broad Street E. C.

Winchester House,
Old Broad Street,
London 9th June 1898.
E. C.

The Under Secretary of State for India,
India Office,
Whitehall S.W.

Sir,

I have the honour to acknowledge receipt of your letter P.W. 823 of the 23rd May 1898. In consultation with Sir Bradford Leslie we desire to express our great acknowledgments to the Secretary of State in Council, for consenting to our constructing the Vizianagram to Bimlipatam Branch on the Standard Gauge.

We are sure that the concession to the wishes of the Merchants of the District and to the Chamber of Commerce at Madras, will prove of the greatest benefit to the District of Vizagapatam - and especially so when the proposed line from Vizianagram to Parvatipur enables the merchandise to circulate between the interior and the seaboard at Bimlipatam without break of gauge. We propose to address you further in regard to the latter line when we have consulted our financial friends. The through gauge undislocated at Vizianagram will we think be of great service to us in obtaining financial support to both lines.

It will no doubt be in your knowledge that the late Maharajah of Vizianagram was a strong supporter of the Vizianagram-Bimlipatam Line, that he under took to pay for the survey and to give the line substantial financial support. We have already addressed Mr. Willock the Officer now in charge of the Maharajah's Estate as to the extent in which he considers the Estate bound by the promises of the late Maharajah. Though willing to complete the payment for the Survey, this Officer did not feel himself able to carry out the late Maharajah's intentions as to further financial support.

We think that the present aspect of the project so advantageous to the interests of the Vizianagram Estate, and offering such an opportunity for advantageous investment may induce Mr. Willock to reconsider the question and we at all events deem it right that he should know of the decision of the Secretary of State.

We are therefore sending out to Mr. Willosk by this mail copies of the correspondence to put him in full possession of His Lordship's views on the question.

It will we fear not be possible to obtain a reply from India to enable us to submit to you our scheme for financing this railway on or before the 31st July, the date fixed by you in your letter under reply. But we will use our best endeavours to lay our final proposals before you with as little delay as possible and we shall be glad to know whether there is any objection to granting us say 3 months longer in which to reply namely until the 31st October.

I have the honour to be, Sir,
Your Obedient Servant,

Winchester House,
Old Broad Street,
London, 9th June 1898.
E. C.

W. A. Willock Esq.,
Manager,
Vizianagram Samasthanam,
Vizianagram,
India.

Dear Sir,

Vizianagram-Bimlipatam Line.

We are desired by Sir Bradford Leslie and Mr. H. G. Turner to send you enclosed copies of letters passed between them and the Under Secretary of State in regard to the construction of the above line for which they have, after considerable trouble obtained the concession to make it on a standard gauge, and in view of the importance of the undertaking and of the undoubted benefits the Vizianagram estate will derive from its construction, we would ask you to fully consider what financial assistance you as Manager to the Estate can give to the proposed Company that will be formed to build the line.

It will of course be a *sine qua non* that there shall be 4% interest payable during construction, and from the moment the line is opened we fully expect a return 6% so that any money invested in the undertaking should not only be perfectly secured but yield a fair rate of interest coupled with the many indirect benefits to the whole of the Estate.

You are well aware of the interest the late Maharajah took in the scheme, and we hope that his views in connection therewith will be fully considered by you and H. H. the Maharanee in advising us of your decision.

The cost of the construction will be about 8 lakhs, and if you as Manager to the Estate could see your way to invest 2 lakhs this would give confidence to investors on this side and enable the remainder to be easily raised.

Thanking you to let us know as early as possible, as it may be the Secretary of State will not prolong the time beyond the 31st July next.

We are Dear Sir,

Yours faithfully,

(Signed) P. Macfadyen & Co.

Vizianagram,

Despatched 29th June 1898.

Messrs. P. Macfadyen & Co.,
London.

Dear Sirs,

In reply to your letter dated 9th June, I regret to say that I can afford no assistance towards forwarding the Bimlipatam-Vizianagram-Railway project. The undertaking is certain in my opinion to be a ruinous failure, and I can do nothing which would ~~extend~~ entail any responsibility on the Estate in connection with it.

I may as well add that I have never seen any statistics which would show that the line had any prospect of being a success. I have however made my own estimate of its earnings and feel certain it could never pay its working expenses--- much less the interest on the Capital.

I must also call your attention to the fact that Mr. Turner's statement in his letter dated 9th June to the Under Secretary of State that though I "was willing to complete the payment for the Survey this Officer did not &c" is most decidedly misleading as it suggests some approval of the project. I am willing to complete the payment merely because my doing so is in accordance with the promise made by the late Maharajah

Yours faithfully,

(Signed) W. A. Willock.

Form No. 10.

PUBLIC WORKS DEPARTMENT,

RAILWAY BRANCH.

C. No.

SERIAL No. 58

SUBJECT.

The Vizianagram–Bimlipatam Ry.

HIS EXCELLENCY THE GOVERNOR.

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

THE HON'BLE MR. A.T. ARUNDEL. [redacted]

FOR ORDERS.

His Excellency and Hon Members will be interested in reading the correspondence just up just below of which Mr Willock gave me copies.

F.L.S.

19/7/98

Seen: A.A.H. 20.7.98

H.S. 21/7/98

A.A. 22.7.98

F.M. 21/7

H.E. & Hon. Members 19.7.98

21/7

21/7

21/7

R. Form No. 7.

TELEGRAM ~~Urgent~~ ~~Ordinary~~ Deferred ✓

SERIAL No. 60

From E. R.

To

W. Willock Esqre
Manager. Vizianagram
Samasthanam
Vizianagram

No. 50.C

May I make official use of Macfadyen's letter to you June ninth and your reply June twenty ninth about guarantee for Bimli line.

FWS

17/8/98

Despatched on 17.8.98

INDIAN TELEGRAPHS. Monthly Number. 1121

Code Class. P.

To (Office) Ootacamund

From (Office) Madras. Mng

Words. 17 | Day. 18. | Hour. 15 | Minute. 55 | Official Instructions.

To (Person) Consulting Engineer Railways Stone House Oo

From (Person) Willock

Coming tomorrow send copy Macfadyens letter Bliss house

sent D.O. 19-8-98

Recd. from | LN. | At | Hrs. | Mts. by

Sent to | LN. | At | Hrs. | Mts. by

Telegraph Master.

OOTACAMUND 18 8 98

32 Word Form.

F.C.I.

O G P—No. 779 T—19 8 97—40' 0000.

SERIAL No. 61

Sheddon House
19 Aug 1898

My dear Stoney

I have no objection to the letter about the Bin[illegible] Railway being used. Your telegram reached me in Madras and I had not got the original to refer to and was a little doubtful as to Macfadyen's letter as he wrote privately to me on the same subject

Yours truly
W A Willcock

There is a clerical error in my letter which I have corrected. Kindly correct yours. copy

Place in the file for [illegible] when it returns to office today
FWS
20/8/98

Public Works (1898) Department.

Railway
CURRENT No. 976

SERIAL No. 68

From

The Govt. of India

No. 88 R.P.

Dated 8th August 1898

Received
Registered } 15. 8. 98

Enclosures 5

Spare copies

Order

No. 1080 Ry / A
dated. 23rd Augt 1898. 8½

The Government of India will be addressed on the subject by telegraph

23/8/98 R

SUBJECT.

Vizianagram - Bimlipatam branch Railway

—

Forwarding for information certain papers relative to the construction by private enterprise of the —

BACK PAPERS.

No.	Date.

FURTHER PAPERS.

No.	Date.

India Office

P.W.823.

23rd May 1898.

u 5 p

Sir,

Vide S. No. 57.

In continuation of the letter from this Office dated 18th January last, relative to a branch line from Vizianagram to Bimlipatam which you, in conjunction with Sir Bradford Leslie, desire to construct on the standard gauge, I am now directed by the Secretary of State for India in Council to inform you that he consents to your constructing this branch if you can furnish him with satisfactory evidence of your being in a position to raise the necessary funds for the work, and if you insert in your Prospectus a statement (to be approved by His Lordship before the issue of the Prospectus) which will make it clear that under no circumstances will the Secretary of State acknowledge any financial responsibility in connection with the project.

I am to request that you will communicate to His Lordship your final decision in regard to this matter on or before the 31st of July.

I am, Sir,
Your obedient Servant,

(Sd.) A. Godley.

H.G. Turner Esq.,
Winchester House,
Old Broad Street,
E.C.

A.C.B.

23
P W Ry C No 976/98

Winchester House,
Old Broad Street
London E.C.

The Under Secretary of State for India,
India Office, Whitehall. S.W.

Sir,

I have the honour to acknowledge receipt of your letter P.W.823 of the 23rd May 1898. In consultation with Sir Bradford Leslie we desire to express our great acknowledgments to the Secretary of State in Council for consenting to our constructing the Vizianagaram to Bimlipatam Branch on the Standard Gauge.

We are sure that the concession to the wishes of the Merchants of the District and to the Chamber of Commerce at Madras, will prove of the greatest benefit to the District of Vizigapatam - and especially so when the proposed line from Vizianagaram to Parvatipur enables the merchandise to circulate between the interior and the seaboard at Bimlipatam without brake of gauge. We propose to address you further in regard to the latter line when we have consulted our financial friends. The through gauge undislocated at Vizianagaram will we think be of great service to us in obtaining financial support to both lines.

It will no doubt be in your knowledge that the late Maharajah of Vizianagaram was a strong supporter of the Vizianagaram - Bimlipatam Line, that he undertook to pay for the Survey and to give the Line substantial financial support. We have already addressed Mr.Willock the officer now in charge of the Maharajah's Estate as to the extent in which he considers the Estate bound by the promises of the late Maharajah. Though willing to complete the payment

for

for the Survey, this officer did not feel himself able to carry out the late Maharajah's intentions as to further financial support.

We think that the present aspect of the project so advantageous to the interests of the Vizianagaram Estate, and offering such an opportunity for advantageous investment may induce Mr. Willock to reconsider the question - and we at all events deem it right that he should know of the decision of the Secretary of State.

We are therefore sending out to Mr. Willock by this mail copies of the correspondence to put him in full possession of His Lordship's Views on the question.

It will we fear not be possible to obtain a reply from India to enable us to submit to you our scheme for financing this railway on or before the 31st July, the date fixed by you in your letter under reply. But we will use our best endeavours to lay our final proposals before you with as little delay as possible and we shall be glad to know whether there is any objection to granting us say 3 months longer in which to reply, namely until the 31st October.

I have &c.,

(Sd.) H.G. Turner.

84
PW Ry C No 976/98

A.C.B.

P.W. 1091.

India Office

21st June 1898.

68

Sir,

I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 9th Instant, enquiring whether you may be allowed an extension, for 3 months, of the time fixed in this Office Letter of the 23rd May, within which you were requested to communicate to the Secretary of State your decision with regard to the construction of the Vizianagram-Bimlipatam railway.

In reply I am to inform you that the Secretary of State is pleased to extend the time fixed in my letter of 23rd May 1898, to the 31st October next.

I am, Sir,
Your obedient Servant,

(Sd.) Horace Walpole.

H.G. Turner, Esq.,
Winchester House,
Old Broad Street,
E.C.

A.C.B.

22
P.W. Rye No 976/98

India Office,
Whitehall,
London, S.W.

P.W. 1091.

35

1st July 1898.

Dear Sir,

I forward herewith for your information copy of a correspondence relative to the Vizianagram-Bimlipatam Railway Scheme, which has passed between this Office and Mr. H.G. Turner subsequent to the receipt of the Letter from the Government of India, No. 22, dated 14th April 1898.

Letter	to	Mr. Turner	d/-	23 May '98
,,	from	,,	,,	9 June ,,
,,	to	,,	,,	21 ,, ,,

Yours faithfully.

(Sd.) Edmund Neil
Secretary
Public Works Department.

The Secretary
to the Government of India,
Public Works Department.

A.C.B.

21
P.W. Rye No. 976/98

Copy.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY PROJECTS.

To

Her Majesty's Secretary of State for India.

No. 22 Railway.

Dated Simla, the 14th April 1898.

Received

VIZIANAGRAM-PARBATIPUR AND VIZIANAGRAM-BIMLIPATAM BRANCHES.

Construction by private enterprise.

Views of the Government of India on the proposals of Sir Bradford Leslie and Mr. H. G. Turner.

G. C. Press, Simla.—No. 47 P. W. D.—11 4-98.—80.

No. 22 Railway of 1898.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY PROJECTS.

To

THE RIGHT HONOURABLE LORD GEORGE FRANCIS HAMILTON,
Her Majesty's Secretary of State for India.

Simla, the 14th April 1898.

MY LORD,

We have the honour to acknowledge the receipt of Your Lordship's Despatch No. 6 Railway, dated 20th January 1898, forwarding a copy of further correspondence with Mr. H. G. Turner and Messrs. Macfadyen & Co. on the subject of their proposals for the construction of the Vizianagram-Bimlipatam and Vizianagram-Parbatipur Branches.

Flag A para 3

2. In consideration of the fact that the Promoters are prepared to undertake the construction of the Vizianagram-Bimlipatam Branch without guarantee or aid from Government except the grant of free land, and that its working by the East Coast Railway would be facilitated by its being of the standard gauge, Your Lordship sees no valid reason for the objection taken in our Despatch No. 99 Railway, dated 23rd September 1897, to the adoption of that gauge, provided always that the Promoters can show that they are in a position to find the money and on the understanding that they enter on the undertaking subject to the probable risk of the branch becoming unprofitable in the event of the improvement of the port of Vizagapatam.

If, however, the Promoters are unable to find the money, Your Lordship is of opinion that this branch should be made by Government with as little delay as possible.

3. Your Lordship states that you are the more inclined to ask us to consider this last alternative as there are other matters connected with the question of these branch lines which require careful examination; *viz.*, the eventual extension of the Vizianagram-Parbatipur Branch (to the construction of which by the agency of any particular Company the Government is not, Your Lordship agrees, pledged) to connect with the Bengal-Nagpur Railway at Raipur. We are, therefore, requested to consider whether it is not advisable either to take the construction of the line from a point on the East Coast Railway to Parbatipur into the hands of Government, or to entrust it to the Bengal-Nagpur Railway Company to whose system it appears rightfully to belong, and thereby avoid the multiplication of the existing agencies for construction and the introduction of a new Company between the lines worked by the Bengal-Nagpur Railway Company.

4. As regards our objection to the alteration of the concession from a 2' 6" to a standard gauge line for the Vizianagram-Bimlipatam Branch, we would point out that in adhering to the original concession for a narrow gauge

line, we had regard to the needs of the town of Bimlipatam and the financial position of the Promoters, as well as to the repeated warning of the Government of Madras that the adoption of the standard gauge would have the effect of keeping away capital for the improvement of the port and harbour of Vizagapatam.

[illegible]

5. If, however, this branch is to be on the standard gauge, we are prepared to consider it as a part of the Raipur-Vizianagram Railway which is now under survey; and we understand Your Lordship to be in practical accord with us that it should form part of the East Coast or Bengal-Nagpur Railway System, and that it is undesirable to introduce a new Company on the same gauge between the lines worked by the Bengal-Nagpur Railway Company either to the sea coast or to the interior.

6. We are entirely at one with Your Lordship in the desire to throw no obstacle in the way of *bonâ-fide* private enterprise, and if we thought it possible to enforce the obligation that the Promoters must understand that they enter on their undertaking subject to the risk that the branch may become unprofitable owing to the improvement of the port of Vizagapatam by the Government, we admit that there would be more to be said for allowing them to proceed. But experience shows that Government cannot divest itself of responsibility in regard to these so-called private enterprise concerns, and that if they do not come up to the anticipations of their Promoters, the very strongest pressure is put on the Government of India to assist them. We must also point out that, with the concurrence of Your Lordship, we introduced the system now in force and established the annual Railway Conference in order that railway extension might be mapped out so as to meet the more urgent demands of the country; and that if we are to make this system successful, we must aim at avoiding interference with vested interests; and, in dealing with the extension of railways by private enterprise, must take into consideration the financial soundness of proposed lines. Under these circumstances we feel bound to ask Your Lordship to uphold in this case the decision of the last Railway Conference. We are of opinion that if the line to Bimlipatam is to be made by the Promoters, it ought to be as a light line or tramway. If, however, they decline to undertake it on these conditions, we shall, as stated in para. 5 above, be prepared to reconsider the whole question, and the case will be submitted to the Conference when the results of the survey, now being carried out, have been received and considered.

We have the honour to be,

MY LORD,

Your Lordship's most obedient and humble Servants,

85
Prr Rye No 976/98

(Signed) C. E. NAIRNE.
" M. D. CHALMERS.
" A. C. TREVOR.
" C. M. RIVAZ.

Documents accompanying.
Nil.

All communications should be addressed to the Secretary.

SERIAL No. 59

No. 88 R.P.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY PROJECTS.

2 8

Simla, the 8th August 1898.

JOINT SECRETARY TO GOVT. OF MADRAS RYS.
RECEIVED
15 AUG. 1898

The under-mentioned papers are forwarded to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, for information, with reference to correspondence ending with Government of India telegram flag A No.1798 R.C., dated the 29th October 1897.

R
CTM

By order,

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

M

Documents referred to.

(1) Copy of letter No.P.W. 1091, dated the 1st July 1898, from the Secretary, Public Works Department, India Office, and of its enclosures.

(2) Copy of Despatch No.22 Railway, dated 14th April 1898, to Her Majesty's Secretary of State.

Construction by private enterprise of the Vizianagram-Bimlipatam branch railway.

A.C.B.

Form No. 10.

PUBLIC WORKS DEPARTMENT,

RAILWAY BRANCH.

C. No. 976/15.8.98.

SERIAL No. 62

(3) HIS EXCELLENCY THE GOVERNOR.

(1) THE HON'BLE SIR HENRY BLISS, K.C.I.E.

(2) THE HON'BLE MR. A.T. ARUNDEL, I.C.S.

SUBJECT.

Vizianagram Bimlipatam Railway

FOR ORDERS.

I circulate this Current No. 976. Ry. first to the Hon. Sir H. Bliss, as he may wish to speak of it to Mr. Willcock who I hear arrives to-day and leaves in a day or two for England.

In their correspondence with the Sec. of State the Govt. of India are giving the gallant support to our views. It may perhaps strengthen their hand if we address them again in time for consideration at the Annual Railway Conference now sitting, and which will be sitting for a week or two longer. We might perhaps wire them.

No. 11.R of 23/8/98

" As it is understood that the subject of your "
" despatch No. 22. Ry. April 14th 98 comes for "
" discussion at Conference now sitting, it has been "
" considered by H.E. the Governor in Council who desires "
" me to again strongly urge that if the Turner "
" Leslie Syndicate should fail to raise capital for "
" standard gauge Bimlipatam branch the State "
" should do nothing so shortsighted as construct the "

Yes. – I think this letter might go. – Mr. Willcock happens to be out & I would detain the file until he comes in. – But I know his views (Mr. Willcock's attached letter flag B)

HB
20/8/98

See overleaf.
ATA 20.8.98.

2.SH
22.8.98

"branch, a step which in this Government's opinion "
"would indefinitely postpone undertaking of "
"Vizag harbour improvements, a work considered "
"here to be far more important in the interests of "
"trade development than the connection of Bimlipatam "
"with the railway [which affects only the ~~[illegible]~~
" interests of local middlemen] ~~[illegible]~~."

I suggest to H.E. and Hon Members that some such telegram on the above despatches at this critical moment may be useful.

FJES
19/8/98

I would omit the words in brackets — they are over-emphatic. The public wd profit by the Railway to Bimlipatam as well as middlemen, but to nothing like the same extent as if the Vizag. harbour improvements were carried out.

ALA
20.8.98

I have made a few marginal notes to the Jt Secy's note Serial No 54.

The Telegram should go as amended by the Hon. Mr. Arundel.

A.S.H. 22.8.98

R. Form No. 7.

TELEGRAM ~~Urgent~~ ~~Ordinary~~ Deferred ✓

SERIAL No. 64

From

R.

Ooty

To

Works,

Simla.

8 8

No. 11.A/- As it is understood that the subject of your despatch No. 22 Ry. dated fourteenth April 98 comes for discussion at Conference now sitting it has been considered by Governor in Council who desires me to again strongly urge that if the Turner Leslie syndicate should fail to raise Capital for standard gauge Bimlipatam branch the State should do nothing so shortsighted as construct the branch a step which in this Government's opinion would indefinitely postpone undertaking of Vizagapatam harbour improvement a work considered here to be far more important in the interests of trade development than the connection of Bimlipatam with the railway.

Despatched 23/8/98

SERIAL No. 65

Public Works (1899) Department.

Railway
CURRENT No. 174.

2 Telegrams

From The Govt. of India

Order

Telegram No. 06 RP.

Dated 3rd February 1899
Received }
Registered } 4. 2. 99.
Enclosures
Spare copies

SUBJECT.

Bimlipatam Ry project

Requesting that Mr Turner in India may be informed of the extension of time up to 30th April next granted in connection with —.

BACK PAPERS.

No.	Date.

FURTHER PAPERS.

No.	Date.

T—14.

INDIAN TELEGRAPH.

Class. D

Monthly Local No. ✓

To Station: Triplicane		From Station: Calcutta	
Words. 31/14	Day. 3	Hour. 14	Minute. 40
Official Instruction. 0 [illegible]			
To (Person): Works Railway		From (Person): Works	

1 06 R. P. apple
2 11 a acrivity
3 wire vacantem
4 begins yours femin.
5 bimlipatam railway
6 project concession=
7 =aires granteu
8 extensem time
9 antiwit fosas
10 salsifas turner
11 erqaret
12
13
14

TRIPLICANE 3 FE. 99

Recd. from L. N. Sent to L. N.

At Hrs. Mts. By At Hrs. Mts. By

Date Translation of above Postmaster.

9P

As translated. 06. R. P. Your telegram numbered and dated as follows: flag F. S No 64 11. A. 23rd August last wire from the Secretary of State to the Viceroy begins yours 18th January last Bimlipatam railway project concession-aires granted extension of time up to 30th April next. Please inform Turner in India.

Please see telegram recd. in continuation of this.

SERIAL No. 66

Public Works (1899) Department.

Railway
CURRENT No. 175

From The Govt. of India

Telegram No. 07 RP.

Dated 3rd Feby: 1899
Received } 4. 2. 99
Registered }
Enclosures
Spare copies

Order

Vide letter to India
No 578 Ry [illegible] B
3.5.99

SUBJECT.

The Bimlipatam Branch

Forwarding copy of telegram from Viceroy to the Secy of State d/ 22.12.9 re: to be read with telegram from the Govt of India to the Govt. of Madras dated 3rd Feby '99

BACK PAPERS.

No.	Date.

FURTHER PAPERS.

No.	Date.

Code Class. DS

INDIAN TELEGRAPHS.

Monthly Number. 159

To (Office) Madras			From (Office) Calcutta		
Words 28/5	Day. 3	Hour. 18	Minute. 25	Official Instructions.	Dfd
To (Person) Works Railway			From (Person) Works		

108

(1)
07 R. P. applaren
66 R. P. (2) anointing
should be read with
the following wire from
Viceroy to Secretary of
State dated (3) adverbial your
Telegram of 8 Madras
Government strongly urge that
Construction of Bimlipatam branch
will indefinitely postpone Vizaga-
=patam harbour improvements which
it is most important in
trade interests to Undertake

(1) My telegram numbered and dated as follows } flag X
(2) 3rd instant
(3) 22nd December last

Recd. from LN. At Hrs. Mts. by

Sent to LN. At Hrs. Mts. by

Telegraph Master.

MADRAS 3-2-99

64 Word Form.

F C 2

C G P—No. 517 T—19 4 98—2000,000.

Form No. 10.

PUBLIC WORKS DEPARTMENT.

RAILWAY BRANCH.

P.W.-Ry C. No.s 174 & 175

HIS EXCELLENCY THE GOVERNOR.

~~THE HON'BLE MR. ARUNDEL I.C.S.~~

~~THE HON'BLE MR. H. M. WINTERBOTHAM, I.C.S.~~

SUBJECT.

Bimlipatam Railway Project

FOR ORDERS.

Mr. Turner should be informed.

A.GH
7.2.99

I have read Telegram No. 2 from Govt. of India to the Sec. of State.

A.GH
7.2.99

With reference to the two telegrams below. I ask for H.E's orders as to whether we ought to give Mr Turner the information that he has been granted the extension of time.

I think that we are bound to tell him so much, though of course he knows of it already.

J.K.S.
4/2/99

H.E.
4.2.99

Rd
5.2.99

No. 62 Rm

Government of Madras,

PUBLIC WORKS DEPARTMENT,

RAILWAY BRANCH.

SERIAL
No. 67

11 8

To

~~The~~ H. G. Turner Esq
Bimlipatam

Register the letter
& get senders acknowledgment.

10th Feby 1899.

Sir,

I am directed by Government to [illegible] inform you that the concessionaires of the projected Bimlipatam Branch of the East Coast Railway have been granted, by the R. H. the Secretary of State for India, an extension of time for its promotion up to the 30th of April 1899.

I have &

FWS
9/2/99

R

Despatched on 11/2/99

Public Works (1899) Department.

Railway

CURRENT No. 517

SERIAL
No. 68

To R
on return
JH
14.4.99

Resubmit in Ody
FHS
17/4/99

From The Govt of India

Order 16 P

No. 517 Ry dated 3/5/99.
Order

~~Recorded~~

The Govt of India will be addressed
FHS
R
—
26/4/99

No. 24 R P.

Dated 7th April 1899
Received
Registered } 13.4.99
Enclosures 1
Spare copies

SUBJECT.

Railway from Vizianagram to Bimlipatam

—

Forwarding for information copy of a Despatch from Her Majesty's Secy of State for India, No 104 Ry dated 22.12.98 & of its enclosures re: the proposed construction by Sir Bradford Leslie & Mr H. G. Turner, of a —

BACK PAPERS.

No.	Date.

FURTHER PAPERS.

No.	Date.

India Office,
London, 22nd December 1898.

Railway,
No. 104.

To His Excellency The Right Honourable The Governor General of India in Council.

Railway from Vizianagram to Bimlipatam.

My Lord,

With reference to the letter of your Excellency's Government in the Public Works Department, No. 22, of the 14th April 1898, I transmit herewith, for your Excellency's information, copy of the correspondence* which has passed up to date with Sir Bradford Leslie, K.C.I.E., and Mr. H. G. Turner on the subject of their proposals for the construction of a railway from Vizianagram to Bimlipatam.

2. You will observe that, on the 23rd May last, Mr. H. G. Turner was informed that a concession for the construction of this line on the broad gauge would be granted to him if he could furnish satisfactory evidence of his being in a position to raise the necessary funds for the work.

3. The promoters have in their letter of the 21st October intimated that they propose to raise the capital for the construction of the line in sterling, and that the subscribers would expect to be paid off in sterling.

4. They have been reminded that the correspondence in connection with this project has hitherto proceeded on the understanding that the capital would be on a rupee basis, and that I am not prepared to recognise the fact of the money being raised in sterling as a reason for sanctioning terms of purchase by Government on a sterling basis.

5. The further conditions laid down in regard to this concession will be found in the letter from this Office of the 6th December.

I have the honour to be,
My Lord,
Your Lordship's most obedient humble Servant,
(Signed) George Hamilton.

---

* Letter to Mr. H. G. Turner, dated 23rd May 1898.
Reply, dated 9th June 1898.
Letter to Mr. Turner, dated 21st June 1898.
Reply, dated 5th October 1898.
Letter to Mr. Turner, dated 13th October 1898.
Reply, dated 21st October 1898.
Letter to Sir B. Leslie and Mr. Turner, dated 6th December 1898.

ENCLOSURES.

No. 1.

India Office to Mr. H. G. Turner.

P.W. 823.

India Office,
23rd May 1898.

Sir,

In continuation of the letter from this Office, dated 18th January last, relative to a branch line from Vizianagram to Bimlipatam, which you, in conjunction with Sir Bradford Leslie, desire to construct on the standard gauge, I am now directed by the Secretary of State for India in Council to inform you that he consents to your constructing this branch if you can furnish him with satisfactory evidence of your being in a position to raise the necessary funds for the work, and if you insert in your Prospectus a statement (to be approved by his Lordship before the issue of the Prospectus) which will make it clear that under no circumstances will the Secretary of State acknowledge any financial responsibility in connection with the project.

I am to request that you will communicate to his Lordship your final decision in regard to this matter on or before the 31st of July.

I am, &c.,
A. GODLEY.

H. G. Turner, Esq.

No. 2.

Mr. Turner to India Office.

Winchester House, Old Broad Street,
London, E.C., 9th June 1898.

Sir,

I have the honour to acknowledge receipt of your letter, P.W. 823, of the 23rd May 1898. In consultation with Sir Bradford Leslie, we desire to express our great acknowledgments to the Secretary of State in Council for consenting to our constructing the Vizianagram to Bimlipatam branch on the standard gauge.

We are sure that the concession to the wishes of the merchants of the district and to the Chamber of Commerce at Madras will prove of the greatest benefit to the district of Vizagapatam, and especially so when the proposed line from Vizianagram to Parvatipur enables the merchandise to circulate between the interior and the seaboard at Bimlipatam without break of gauge. We propose to address you further in regard to the latter line when we have consulted our financial friends. The through gauge, undislocated at Vizianagram, will, we think, be of great service to us in obtaining financial support to both lines.

It will, no doubt, be in your knowledge that the late Maharaja of Vizianagram was a strong supporter of the Vizianagram-Bimlipatam line, that he undertook to pay for the survey and to give the line substantial financial support. We have already addressed Mr. Willock, the officer now in charge of the Maharaja's estate, as to the extent in which he considers the estate bound by the promises of the late Maharaja. Through willing to complete the payment for the survey, this officer did not feel himself able to carry out the late Maharaja's intentions as to further financial support.

We think that the present aspect of the project, so advantageous to the interests of the Vizianagram estate, and offering such an opportunity for advantageous investment, may induce Mr. Willock to reconsider the question, and we at all events deem it right that he should know of the decision of the Secretary of State.

We are therefore sending out to Mr. Willock by this mail copies of the correspondence to put him in full possession of his Lordship's views on the question.

It will, we fear, not be possible to obtain a reply from India to enable us to submit to you our scheme for financing this railway on or before the 31st July, the date fixed by you in your letter under reply. But we will use our best endeavours to lay our final proposals before you with as little delay as possible, and we shall be glad to know whether there is any objection to granting us, say, three months longer in which to reply, namely, until the 31st October.

I have, &c.,
H. G. TURNER.

The Under Secretary of State
for India.

No. 3.

India Office to Mr. Turner.

P.W. 1091/98.

India Office,
21st June 1898.

Sir,

I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 9th instant enquiring whether you may be allowed an extension, for three months of the time fixed in this Office Letter of the 23rd May, within which you were requested to communicate to the Secretary of State your decision with regard to the construction of the Vizianagram-Bimlipation Railway.

In reply I am to inform you that the Secretary of State is pleased to extend the time fixed in my letter of the 23rd May 1898 to the 31st October next.

I have, &c.,
HORACE WALPOLE.

H. G. Turner, Esq.

No. 4.

Mr. Turner to India Office.

P.W. 823 of 23rd May 1898.
P.W. 1091 of 21st June 1898.

Winchester House, Old Broad Street.
London, E.C., 5th October 1898.

Sir,

Referring to the letters above quoted, we have the honour to inform you that we are now so far advanced in our negotiations to raise the necessary funds for the construction of the line between Bimlipatam and Vizianagram as to ask you to be so good as to furnish us with a draft copy of the Agreement which will have to be entered into between the Secretary of State and ourselves regarding the construction, working and surrender of the line.

We have, &c.,
H. G. TURNER,
for Sir Bradford Leslie and Self.

The Under Secretary of State
for India.

No. 5.

India Office to Mr. Turner.

P. W. 1816.

India Office,
13th October 1898.

Sir,

I am directed by the Secretary of State for India to acknowledge the receipt of your letter of the 5th October 1898, requesting that you may be furnished with a draft copy of the Agreement that will have to be entered into with regard to construction, working, and surrender of the proposed line from Bimlipatam to Vizianagram.

In reply, I am to inform you that the construction of the line will be carried out by you, the necessary land being provided by the Government; and that as regards the working, it will be for you either to work the line directly or to arrange terms with the administration which may work the East Coast Railway. With regard to the terms of surrender, I am to state that the Government of India will reserve the right to purchase the line at the expiry of 21 years, or at subsequent intervals of 10 years, on 12 months' notice, the purchase price being 25 times the yearly average net earnings of the three years preceding the purchase, with a maximum price of 120 and a minimum of 100 per cent. of the cost price of construction on a rupee basis as sanctioned by the Government of India.

Before the agreement is finally drafted, it is necessary that you should furnish the Secretary of State with satisfactory evidence that you are in a position to raise the funds required for the undertaking.

I am, &c.,
HORACE WALPOLE.

H. G. Turner, Esq.

No. 6.

Sir Bradford Leslie and Mr. Turner to India Office.

Winchester House, Old Broad Street,
London, E.C., 21st October 1898.

Sir,

We have the honour to acknowledge receipt of your P. W. 1816, of the 13th October.

We thank you for setting forth so clearly the terms of surrender of the Bimlipatam-Vizianagram line. Should Government decide to purchase, these terms seem acceptable, except that it is stated that the price to be paid to the Company will be on a rupee basis. As the Secretary of State is aware, it is proposed to raise the capital for the construction of the line in sterling, and the subscibers would, naturally, expect to be paid off in sterling.

This is so reasonable, and is the course followed by the Secretary of State in other directions, that we feel sure the rupee basis for repayment will not be insisted upon, as it would be an absolute bar to the success of the issue.

With reference to the closing paragraph of your letter, we think we will be able to satisfy the Secretary of State that we can raise the funds necessary to construct the railway, provided we are permitted to pay the charges incidental to the guaranteeing of the money and the issuing of the capital, and include the same in the cost of construction. During construction it will be necessary to pay interest on the monies subscribed at the rate of 4 per cent. per annum, and this, we understand, the Secretary of State will, as in similar cases, sanction. As the proposed railway is to have no financial assistance from Government in the shape of a guarantee or otherwise, the capitalists who will undertake the financing of the line require some commission for their risk and trouble.

We are told that it will cost—including advertising and other issuing charges—6 per cent. on a capital of 80,000*l.* to ensure the money being found. We do not know what view the Secretary of State may take of this, but we put frankly before him the terms we think we could arrange, and we will be glad to know whether they are such as he can sanction.

The 6 per cent. is made up, roughly, as follows :—

Commission to issuing house for obtaining underwriters, including guaranteeing of same . .	2 per cent.
Commission to underwriters	3 " "
Printing, circulating and advertising prospectus and legal expenses	$\frac{3}{4}$ " "
Brokerage	$\frac{1}{4}$ " "
	6 per cent.

We give these details for the information of the Secretary of State, and on enquiry he will find that they are framed on a very moderate basis. We would further point out that the estimate for the construction of the line at 80,000*l.*—which includes all financing and other charges—is about 2 lakhs less than the Government of India estimated the line would cost to make. If agreeable to the Secretary of State it might suit us to construct the line on the basis of the estimate we have had prepared, for a lump sum of 80,000*l.*, and which we would submit for approval and sanction. In this way no question would arise as to the preliminary expenses, the line would be completed for 80,000*l.*, and it would be from this basis that the terms of surrender would start, when the time arrived for considering them.

We are not aware, so far, as to what administration will have to be dealt with for the working of the proposed line. It is, however, desirable that, before trying to arrange the necessary funds, we should be in a position to state that this line will be worked for 45 per cent. of the gross receipts, and with the usual rebate for the traffic contributed to the East Coast line. The latter is a State railway, so that it is for the Secretary of State to give us the necessary undertaking to the above effect.

We would venture, in conclusion, to point out that, if the Secretary of State could see his way to put in our hands the construction of the line from Vizianagram to Parvatipur, this would be a more attractive scheme to capitalists than simply the branch line from Bimlipatam to Vizianagram, for which at present we have the concession.

We have, &c.,
BRADFORD LESLIE.
H. G. TURNER.

The Under Secretary of State
for India.

No. 7.

India Office to Sir Bradford Leslie and Mr. Turner.

P. W. 1962.

India Office,
6th December 1898.

Gentlemen,

I am directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 21st Ootober, in reference to the terms of the concession granted to you on the 23rd May last for the construction of a railway line from Vizianagram to Bimlipatam on the standard gauge.

2. It appears from your present communication that it is now proposed to raise the capital required for the construction of the line in sterling.

3. In reply, I am directed to inform you that the correspondence has hitherto proceeded on the understanding that the capital would be on a rupee basis, and that the Secretary of State is not prepared to recognise the fact of the money being raised in sterling as a reason for modifying the decision conveyed in paragraph 2 of my letter of 13th October, and to sanction terms of purchase by Government on a sterling basis.

4. Nor can the Secretary of State assent to the grant of a rebate from the traffic interchanged with the East Coast Railway.

5. With reference to your proposal that an allowance of 6 per cent. should be charged against capital to cover the cost of commission and preliminary expenses, I am to inform you that the Secretary of State cannot agree to a larger sum being charged against the capital account for the purpose stated than 3½ per cent. on the capital raised, which it is considered should be sufficient to cover all expenses in connection with the issue of the capital, including brokerage, and legal, printing, and advertising expenses.

6. The Secretary of State agrees to the payment of interest at the rate of 4 per cent. out of capital during construction in accordance with the terms of the Act relating to such payments.

7. As regards the working of the line, I am to inform you that the Secretary of State cannot give any undertaking that the proposed line will be worked by the East Coast Railway, and on this point I am to refer you to paragraph 2 of my letter of the 13th October 1898.

I am, &c.,

HORACE WALPOLE.

Sir Bradford Leslie, K.C.I.E.

H. G. Turner, Esq.

13
PWRy GO 577/99

All communications
should be addressed
to the Secretary.

No. 24 R.P.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY PROJECTS.

12 P

JOINT SECRETARY TO GOVT. OF MADRAS RYS.
RECEIVED
13 APR. 1899

Simla, the 7th April 1899

The under-mentioned papers are forwarded to the Joint Secretary to the Government of Madras, Public Works Department, Railway Branch, for information in continuation of Government of India Memorandum No. 88 R.P. dated 8th August 1898.

By Order,

G Lubbock

Lieut., R.E.,

Offg. Under Secretary

Documents referred to :-

Copy of a Despatch from Her Majesty's Secretary of State for India, No. 104 Railway, dated 22nd December 1898 and of its enclosures.

Proposed construction by Sir Bradford Leslie and Mr. H. G. Turner, of a railway from Vizianagram to Bimlipatam.

M.

A.R.K.

Railway from Vizianagram to Bimlipatam.

R. Form No. 12.

No. 518 Ry.

SERIAL No. 68

Government of Madras.

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

H.E. for approval.

178

To

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

Ooty, the 3rd May 1899.

Sir,

With reference to your telegram No. 07 R.P. dated the 3rd Feb. 99, and your letter No. 24-R.P. dated the 7th April 99, I am directed to request that as soon after the 30th April as it is possible to obtain the information, this Government may be informed whether or not it is to be understood that negotiations with the promoters of the Bimlipatam Railway are ~~[illegible]~~ at an end.

Appd.
A.G.H.
30.4.99

FWS
1/5

I have &
FWS
26/4/99

3/5/99

H.E. 27.4.99 R 2/5/99

Public Works (1899) Department.

Railway Branch

CURRENT No. 663

From The Govt of India

No: 747 R of 8/7/99.

~~Order~~

Recorded.

31/5/99

Telegram No. 60 R.P.

Dated the 13th May 1899

Received " 15th " "

Registered

Enclosures

Spare copies

SUBJECT.

Vizianagram-Bimlipatam Railway.

Repeating telegram from the S of S informing that Mr. Irwin's Concession for the Construction of the — has been Cancelled

To

E.R. S

Despatched on 7/7/99

BACK PAPERS.

No.	Date.

FURTHER PAPERS.

No.	Date.

Code Class. } S S   INDIAN TELEGRAPHS.   Monthly Number. } 1088

To (Office)	ootacamund	From (Office)	Simla

Words.	Day.	Hour.	Minute.	Official Instructions.
45/9	13	13	13	Sfd

To (Person)	Works Ry 18 8	From (Person)	Works

Sep 13

32 Word Form.

60 R P. [Your letter numbered & dated as follows applauding] 518 railwa
3rd instant
anointing secretary of state f
31st January last
wires begins nine abeyance
bimlipatam project turner infor
ed that concession has been
canalled presume you will
now make line yourselves
as suggested in my railway desp
20th January
abduction 1898 ends

OOTACAMUND 14-5-99

not communicated to this Govt

10

Form No. 10.

PUBLIC WORKS DEPARTMENT.

RAILWAY BRANCH.

C. No. 663
13.5.99

HIS EXCELLENCY THE GOVERNOR.
THE HON'BLE MR. ARUNDEL ~~I.C.S.~~ C.S.I.
THE HON'BLE MR. H. M. WINTERBOTHAM, I.C.S.

SUBJECT.

Vizianagram – Bimlipatam Ry.

FOR ORDERS.

It is very strange how persistent the Secy of State is in pressing for the construction of the Bimlipatam branch, somehow or anyhow, without regard to the Vizag. harbour interest. By shortening of some 30 miles the length of railway freight for Maharajah, and it will put a good deal of money into the pockets of Mr. Turner's Company, so he does not mind very much even if he has not the promoting of it.

We have never seen the Despatch referred to dated Jany 20th 1898. But we gather the gist of it from the Govt. of India's reply to it No. 22. Ry. dated 14th April 98. Flag S

On Aug 23rd 98 we telegraphed to the Govt. of India again strongly protesting, in the interest of Vizag. harbour, against the branch to Bimli being made.

I do not think we need do any more now. Before starting to build the branch [illegible] State has

16/5/99

R.A. 29/5/99.

the Govt. of India will doubtless consult this Govt. again.

The correspondence may be recorded.

Fles

16/5/99

A.S.H.
25.5.99

A.A.
26.5.99

H.W.
26-5-99

P.W.D. Railway Branch

Proceedings of the Madras Government

Read again the follg.

1 G.O. No. 898-99 Ry of 3rd November 1898

Read also the follg.

Government of India P.W.D. No. 88 R.I. of 8-8-98 with enclosures

Telegram to Works Simla No. 11 A. of 23.8-98

— do — from — do — No. 06 R.I. of 3. 2 99

— do — do — do — No. 07 R.I. of 3-2-99

Letter to H. G. Turner Esq. No. 62-R.M. of 10-2-99

Government of India P.W.D. No. 24. R.I. of 7.4.99

~~Letter to Govt of India~~ Progs. of Madras Govt. P.W.D. No. 517 ~~578~~ Ry of 3-5-99

Telegram from — do — No. 60 R.I. of 13-5-99

G.O. No. Ry of June 1899

Recorded

(Sd) Francis J. E. Spring.

Joint Secretary

[illegible] 23/6/99

Press

Please set up the accompanying papers in type and furnish proof G.O. as early as possible.

Jas. Holder
Assistant Secy. P.W.D.
Ry Branch
3/6/99