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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No. / B.P. No.	166	Press / Mis.

Dated 26th November 1873 —196

Not to be folded or roughly handled

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1

Minute by the Right Honorable the President.

I agree. ~~the instructions~~ to the Committee must be carefully worded. The Government ought to charge the Companies such a price as that (reproducing timber, if necessary, for the purpose) it could expect to be always able to supply them without raising the price. ——

/Signed/ H.

3rd Nov/73

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2

Minute by the Honorable W. Robinson C.S.I.

I wish the draft sent to the Consulting Engineer's letter sent to His Excellency the Governor and Mr. Sim with reference to Paras 5 to 8 of the latter communication.

It is of the utmost importance that this matter be taken up in right Earnest. The trifling seignorage (as a price for wood) is tempting consumption of Village communal wood and of so called State. reserved forest wood in a manner that as observed by the Consulting Engineer is very detrimental to the interests of the country as well as calculated to mislead as to the true cost of such fuel.

I would appoint a Committee to investigate the matter thoroughly

No. 311. Read the following letter from Lieutenant-Colonel J. H. M. SHAW-STEWART, R.E., Consulting Engineer for Railways, to Colonel G. W. WALKER, R.E., Secretary to Government, Public Works Department, dated Madras, 22nd October 1873, No. 558 :—

In compliance with the instructions conveyed in the Proceedings of Government, No. 2,368, dated the 25th September 1873, I have the honour to submit a statement showing the names of the changing stations on the railways within this Presidency at which locomotives are supplied with wood and coal respectively. Letters* from the Agents of the Madras and the Great Southern of India Railways are also forwarded in explanation of the statement.

* From Agent, Madras Railway, No. 835, 16th October 1873.
Do. do., Great Southern of India Railway, No. 5,227, 9th October 1873.

2. It will be seen that, on the Madras Railway, coal is regularly burnt between Madras and Jollarpett, a distance of 132 miles; between Arconum and Tripetty, a distance of 41 miles; between Ghooty and Raichore, a distance of 93 miles; and on the Bellary branch, 32 miles in length. Between Palghaut and Beypore, a distance of 74 miles, coal is also burnt during six months of the year; so that altogether coal may be said to be used over about 335 miles of a railway system of 858 miles.

Upon the Great Southern of India Railway, coal is burnt in general between Negapatam and Trichinopoly, a distance of 82 miles, out of an entire length of 168 miles of open line; while upon the 19 miles of the Carnatic Railway, between Arconum and Conjeveram, coal is not used.

3. Of the whole of the railway system in this Presidency, comprising 1,045 miles of open line, coal is at present used upon 417 miles, or thereabouts. If the Godavery coal can be brought by inland water-carriage to Madras, it will, in my opinion, be found to compete successfully with the English coal now used between Madras and Jollarpett, a distance of 132 miles, and between Arconum and Tripetty, a distance of 41 miles. It also seems to me that it cannot fail to be extensively and profitably used upon the line of railway now under construction from Madras towards Cuddalore and the South.

4. When first reporting upon this question, in March last, I assumed Rs. 21 as the cost per ton of English coal landed at Madras, but it is now clear that this calculation was too low. The last cargo of coal supplied from England for the Great Southern of India Railway Company, cost, at Negapatam, more than Rs. 28 per ton, and it seems far from probable that there will be any early reduction in the English price. If coal from the Godavery can be delivered in Madras at anything like the rate calculated by me, Rupees 10 per ton, there can be little doubt that it will compete successfully with English coal over a great part of the Presidency.

5. In connection with this question, there is one point which seems to demand the serious consideration of Government. I allude to the price at which the railways are supplied with firewood. Timber for fuel is at present obtained from the State forests by the railways under one of two conditions: either by the

payment of a charge of Rupee 1 per 1,000 lbs. as seigniorage, the Company making its own arrangements for felling and carriage to its stations; or, as in the case of Erode, where these operations are performed by the Forest Department, by the payment of Rupees 6 per ton for firewood delivered upon the line of railway. There can be no doubt that these charges are abnormally low; and it is clear that, so long as the railways can obtain firewood at a price so far below its real value, coal from the Godavery or from any other part of India, will have no chance of fair competition at a distance from the seaboard.

6. It has been* repeatedly laid down by the Government that the price to be charged for firewood felled in any of the State forests within this Presidency is to be regulated with reference to the cost of production; and this principle was endorsed by the Secretary of State in his Despatch,† dated the 3rd December 1870, No. 8, wherein His Grace stated that he was "strongly of opinion that a remunerative price ought to be obtained for all timber and firewood derived from the State forests and jungles." Upon the same occasion, the Directors of the Madras Railway Company were distinctly informed by the Secretary of State that the Government could not undertake to sell firewood for the bare cost of growing it, but that they must look to obtain a fair profit upon the sale; it being added that "to follow any other principle would be to make a concession to the purchaser out of the revenues of India, and must also act as a discouragement to private enterprise in growing timber and fuel, since it would not be possible that landholders devoting their land to this purpose could compete with the Government if it sold its wood at cost price."

* *Vide* G. O., Revenue Department, 10th November 1864, No. 2,061.
Do. do. 2nd May 1865, No. 896.
Do. do. 15th Jan. 1867, No. 159.
Do. do. 21st May 1869, No. 1,436.
Do. do. 28th July 1870, No. 1,124.

† *Vide* Proceedings of Government, 23rd January 1871, No. 141.

7. In accordance with this principle the rate of seigniorage was increased from the 1st September 1869 to the figure at which it now stands; but a reference to the Proceedings* of Government upon the subject will show that the rate was intended to have temporary effect only, and to be subject to further increase with reference to the cost of production. In paragraph 11 of the Order of Government, dated the 28th July 1870, No. 1,124, His Excellency in Council distinctly stated that a gradual increase in the rate of seigniorage was contemplated; but, in spite of the explicit and repeated enunciation by Government of this principle, the rate of seigniorage is now the same that was fixed more than four years ago; and there can, I think, be no doubt that the State reserves of natural timber are being rapidly drained by the Railway Companies, and that they are obtaining the timber at a rate far below that at which it can be reproduced. At Erode, for instance, the Forest Department are delivering wood fuel to the Madras Railway Company at Rupees 6 per ton, and I am inclined to question whether it could be replaced at double the price thus obtained.

* 21st May 1869, No. 1,436.
19th July ,, ,, 2,093.

From the papers laid before Government by the Board of Revenue, with their Proceedings, dated the 24th September 1873, No. 1,931, it will be seen that

Proceedings of the Madras Government, Public Works Department,
22nd November 1873.

there is a tendency on the part of the Officers of the Forest Department to regulate the price of firewood felled in the State forests with reference, not to the rate at which it would be remunerative to the Government to sell it, but to the rate at which it would be remunerative to the Railway Companies to buy it; and in paragraph 12 of the Board's Proceedings, the same erroneous view seems to be taken of the principle by which such sales should be regulated.

It is with no desire to embarrass the Railway Companies, or to increase their expenditure, that I bring this question forward. The economy with which the railways are worked is as much a matter of interest to me as it can be to the Directors of the Companies, but such economy as is effected by obtaining the products of the State forests at a price far below their value is altogether fictitious.

8. In his letter* dated the 1st June 1869, the Conservator of Forests recommended that certain forest tracts belonging to Zemindars should be rented by the Government, adding that "it would be advantageous if Government could lease at almost any cost." I do not know whether this proposal has been as yet acted upon, but it seems to me impossible to advocate such a measure too strongly. In many of these large Zemindary tracts which adjoin the lines of railway, the work of destruction has been carried on in a most reckless and improvident manner; and there can be no doubt that it would tend in no small degree to the general advantage of the country if they could be rented by the State upon long leases, say for 99 years, in order that the felling operations might be brought under some sort of control. As an instance of the reckless manner in which the timber in Zemindary forests is being destroyed, it may be mentioned that the Madras Railway Company have lately concluded a contract for the supply of firewood for the Bangalore branch, the contractor agreeing to deliver it upon the line of railway at Rupees 5½ per ton. The whole supply is, I believe, to be drawn from the jungles belonging to the Zemindar of Congoondy; and as the price to be paid, though far below the value of the fuel, will no doubt leave a considerable profit to the contractor, the improvidence of the arrangement on the part of the Zemindar admits of no question.

* *Vide* Proceedings of Government, 19th July 1869, No. 2,093.

9. In submitting these observations to Government, as bearing upon the general question as to whether coal from the lower Godavery fields can be profitably used upon the railways in this Presidency, I have the honour to solicit that His Excellency in Council will be pleased to permit the Proceedings of Government under date the 14th August 1873, No. 2,024, to be communicated to the Press. The previous Proceedings of Government upon the subject, dated the 2nd May 1873, No. 1,257, as well as the letter addressed by His Excellency in Council to the Government of India, were placed upon the Editor's table, and their publication produced an impression which the subsequent order of Government showed to be erroneous. The remarks which were made at the time, both in the public newspapers and elsewhere, upon the manner in which my report had been apparently received by the Government, were far from complimentary, and I trust that His Excellency will not object to the second order of Government being in like manner placed upon the Editor's table.

LIST OF ENGINE CHANGING STATION.

Distance from Madras.	Intermediate distance.	Name of Station.	Fuel burnt.	Remarks.
		Madras Railway, South-West Line.		The entries in the column headed "Fuel burnt" must be taken as approximate. When the supply of firewood runs short, it often becomes necessary to use coal instead.
.....	.....	Madras	Coal	
43	43	Arconum... ...	Do.	
81	38	Vellore	Do.	
132	51	Jollarpett ...	Do.	
207	75	Salem	Wood	
302	95	Pothanore ...	Do.	
332	30	Palghaut ...	Do.	
406	74	Beypore ...	Wood for six months and coal for the remainder of the year	
		North-West Line.		
84	84	Tripetty ...	Coal	
162	78	Cuddapah ...	Wood	
258	96	Ghooty	Coal	
351	93	Raichore ...	Do.	
		Bangalore Branch.		
217	85 from Jollarpett.	Bangalore ...	Wood	

Distance from Madras.	Intermediate Station.	Name of Station.	Fuel burnt.	Remarks.
		Neilgherry Branch.		The entries in the column headed "Fuel burnt" must be taken as approximate. When the supply of firewood runs short, it often becomes necessary to use coal instead.
328	26 from Pothanore.	Mettapollium ...	Wood	
		Bellary Branch.		
305	47 from Ghooty.	Bellary	Coal	
Distance from Negapatam.		*Great Southern of India Railway.*		
.....	.....	Negapatam ...	Coal	
49	49	Tanjore	Do.	
82	33	Trichinopoly ...	Do.	
127	45	Caroor	Wood	
168	41	Erode	Do.	

MADRAS, 23*rd October* 1873.

(Signed) J. H. M. SHAW-STEWART, Lieut.-Colonel, R.E., *Consulting Engineer for Railways.*

From W. BARTON-WRIGHT, Esq., Acting Agent and Manager of the Madras Railway Company, to Lieutenant-Colonel J. H. M. SHAW-STEWART, R.E., Consulting Engineer for Railways, dated Madras, 16th October 1873, No. 835.

WITH reference to your letter, No. 926, of the 4th instant, I have the honour to enclose you a copy of the Locomotive Superintendent's letter No. 312, dated yesterday, which contains the information required by the Government of India with regard to the length of line upon this railway on which wood fuel is burnt in the engines, and also has appended to it a statement showing the names of the changing stations at which the locomotives are supplied with wood and coal respectively.

Proceedings of the Madras Government, Public Works Department, 22nd November 1873.

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From W. BARTON-WRIGHT, Esq., Locomotive Superintendent, to the Agent and Manager of the Madras Railway Company, dated Royapooram, 15th October 1873, No. 312.

WITH reference to your endorsement of the 6th instant on the Consulting Engineer's letter, No. 926, dated 4th October 1873, I beg to inform you that all engines working on the South-West Line between Jollarapett and Beypore, and all engines running on the Bangalore branch, a distance of 339 miles, are supplied with wood fuel.

2. For about six months in the year however during the south-west monsoon, we are compelled to use coal on all engines working between Beypore and Palghaut, a distance of 74 miles, in consequence of the wood fuel becoming so saturated with moisture as to cause a difficulty in keeping steam.

3. On the North-West Line wood is, as a general rule, burnt in all engines working between Tripetty and Ghooty, 174 miles, though, as our stock of wood at Cuddapah has temporarily fallen rather low, we are at present compelled to use coal in some of the engines working between Cuddapah and Ghooty.

4. Wood is also used on some few of the engines working between Jollarpett and Vellore on the South-West Line, a distance of 51 miles, and between Tripetty and Arconum on the North-West Line, a distance of 41 miles.

5. Coal is burnt in all engines running out of Madras to either Jollarpett on the South-West or to Tripetty on the North-West Lines, the distances being, respectively, 132 and 84 miles. All engines running between Ghooty and Raichore on the North-West Line, as well as on the Bellary branch, a total distance of 125 miles, are also supplied with coal.

6. As requested by the Consulting Engineer, I attach a list showing the names of the various changing stations and the description of fuel supplied at each.

From W. S. BETTS, Esq., Agent of the Great Southern of India Railway, to Lieutenant-Colonel J. H. M. SHAW-STEWART, R.E., Consulting Engineer for Railways, dated Negapatam, 9th October 1873, No. 5,227.

YOUR No. 428. The engines working between Trichinopoly and Erode are at present burning wood; and as our stock of wood at Erode is out, they take a very small quantity of coal, as they cannot carry enough wood to work to Erode and back. Only one train on the eastern section is being worked with wood at present, our supply being limited.

2. Enclosed I hand you a statement showing the names of the changing stations at which the locomotives are supplied with coal and wood respectively.

No. 312. ORDER THEREON, 22nd November 1873, No. 2,823.

RAILWAY, No. 47.

ORDERED that the papers on the subject of the changing stations on the Railways in this Presidency at which locomotives are supplied with wood and coal be forwarded to the Government of India.

2. It is observed that the calculations of the comparative efficiency of the Godavery and English coal which were submitted to the Government of India with letter, No. 1,258, dated 2nd May 1873, were based on the assumption that the cost of English coal at Madras was Rupees 21 per ton. It is now reported that the cargo last received at Negapatam cost Rupees 28 per ton, but the Consulting Engineer has not not yet obtained information as to the price of Australian coal

delivered at the same place, stated by the Government of India as having been Rupees 18 a ton in 1870.

3. The question raised in paragraphs 5 to 8 of this letter in regard to the price charged by the Forest Department for the wood used as fuel will be referred for early consideration in the Revenue Department.

(True Extract.)

C. H. Walker Colonel, R.E.,
Secretary to Government.

To the Consulting Engineer for Railways.
,, Revenue Department.

Exd. E. C. Shunker,
20 Spare Copies

Rev: 1873, Dckt
A. 3786

Govt. of {1873} Madras.

PUBLIC WORKS.

To

THE CONSULTING ENGINEER FOR

RAILWAYS.

&c., &c., &c.

Dated November 22nd.

Read. — 4. 25th *Encl.* 1

G. O., 22nd November 1873, No 2,823.

NOVEMBER.

Nos. 311-312

No 166 — 26 Nov 73

Stations.—Passing orders on papers on the subject of the changing stations on the Madras Railways at which locomotives are supplied with wood and coal.

With Order

No 166.
Forwarded to the Board of Revenue for Hydk
26: Nov: 1873.