

Revenue (189⁸) Department.

MISCELLANEOUS SERIES.

G.O., No. 3949

DATED 4th Oct. 98

[Despatch Abstract.]

Copy. to the Bd of Rev. Secy. & Co.
passing order on the subject of the
best alignment for the Madras
Pamban Railway.

BACK PAPERS.

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

FURTHER PAPERS.

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

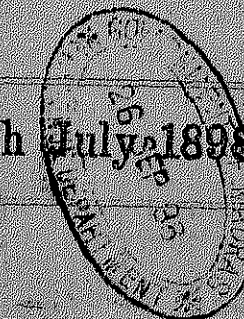
RAILWAY.

Government (1898) of Madras. PUBLIC WORKS.

Recd. 26 Sept 1898.
Regd. 27 in

Enclosures
8 are copies

G.O., No. 968 Ry., 28th July 1898.



JULY.

G.O. No. 3949 of 4 Oct. 1898
Communicated to the
Board of Revenue.

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11/10/98

Madura-Pamban Railway

Passing orders on the subject of the best alignment for the —.

1 To the Board of Rev (L.R.)
" " (Sep. Rev)
" " (Rev. Solt)

bes. 11-7-98

11/10/98
11/10/98

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following paper:—

From—The Secretary to the Government of India, Public Works Department.
To—The Joint Secretary to the Government of Madras, P.W.D., Ry. Branch.
Dated—Simla, 22nd October 1897, No. 1746 R.C.

I am directed to acknowledge the receipt of your letters marginally quoted, on the subject of the proposals of the South Indian Railway Company, for the construction and working of the following proposed railways:—

- (1) Madura-Pamban, 100 miles in length and estimated to cost Rs. 42 lakhs.
- (2) Tinnevely-Quilon—

British section, 45 miles, Rs. 24 to 25 lakhs.

Travancore section, 58 miles, Rs. 76 lakhs.

- (3) Palghat-Dindigul, 115 miles in length and estimated to cost Rs. 85 lakhs.

2. The proposals of the Board of the South Indian Railway Company contemplate the undertaking *en bloc* of the three lines, Madura-Pamban, Palghat-Dindigul and the British portion of the Tinnevely-Quilon as integral parts of that Company's system. The Board are also willing to construct the Travancore section of the Tinnevely-Quilon Railway at actual cost and work it on behalf of the Travancore Durbar for 50 per cent. of the gross receipts, provided that the cost of maintenance for the first two years after opening is charged to capital.

3. In your letter No. 530 R., dated 5th August 1897, you say with regard to the Madura-Pamban line that His Excellency the Governor in Council does not lose sight of the disadvantages attaching to the proposal made by the South Indian Railway Company for financing this extension, *viz.*, that if it is to form an integral part of the South Indian Railway, it must wait for a place in the general programme for all India, but you urge that if it is possible to give it a very early place in that programme, it may be borne in mind that the Government of Madras would much prefer that it should be so constructed rather than be entrusted to a Branch Line Company.

4. As regards the British section of the Tinnevely-Quilon Railway, the same preference is expressed in your letter No. 532 R., dated 5th August 1897; *viz.*, that, unless the exigencies of the general programme make it impossible to allow the South Indian Railway Company to construct it until after the expiry of say another two years, it will for all reasons be far preferable to adopt this method of financing the scheme; but that if the general exigencies should cause considerable delay in the commencement of the work, the Government of Madras would then urge that the South Indian Railway Company be given every encouragement to form a subsidiary company for its construction and working under the rebate terms of Public Works Department Resolution No. 514 R.C., dated 17th April 1896.

As to the Travancore section, you suggest that there would presumably be no opposition on the part of the Travancore Durbar, who had already accepted the proposal of the Government of India to underwrite the proposed guarantee by the Government of India in so far as it applies to the Native State Section, to similarly underwrite a corresponding British guarantee offered to a Branch Line Company owning the British section of the Railway.

5. Lastly, as regards the Palghat-Dindigul line, the Government of Madras recommend, for the reasons advanced in your letter No. 533 R., dated 5th August 1897, that the offer of the South Indian Railway Company in so far as it concerns this project should be refused for the present, but without prejudice to the re-opening of the question of its construction hereafter.

6. I am now to inform you that these proposals of the South Indian Railway Company, and the views of the Government of Madras thereon, have been carefully considered by the Government of India, together with the recommendations of the Railway Conference which has just concluded its sittings at Simla under the Presidency of His Excellency the Viceroy.

7. I am to say that while the Government of India are fully aware of the advantages offered by the proposals of the South Indian Railway Company, which are supported by the Government of Madras, for constructing the branch lines connected with the South Indian Railway in British territory as integral parts of that Railway, His Excellency the Governor-General in Council desires to again impress on the Government of Madras and upon the South Indian Railway Company that, having regard to the existing engagements of the Government of India which have received the approval of Her Majesty's Secretary of State, there is no prospect whatever of all the lines referred to in this correspondence being included in the ordinary programme of railway construction for the next two years.

8. It was after a full consideration of the proposals that had previously been made for the construction and working of the Tinnevely-Quilon Railway, which are virtually identical with those now put forward by the South Indian Railway Company, and of the limitations of the ordinary Railway programme, that the Government of India addressed the Government of Madras in their letter No. 1304 R.C., dated 2nd September 1896, on the subject of this railway, and explained the arrangements which appear to His Excellency the Governor-General in Council to be best calculated to secure the early construction of the line under conditions which would be most equitable to all the parties interested.

I am now to say that after further consideration of the present views of the Government of Madras, the Government of India adhere to the opinion already formed that the proposals made in their letter of the 2nd September 1896, No. 1304 R.C., although not offering any direct advantages in respect of the division of surplus profits, were not inequitable to the South Indian Railway Company, and were such as His Excellency the Governor-General in Council had hoped that the Government of Madras would support in the reasonable interests of the Travancore Durbar, which interests would appear to have been overlooked in the proposals now made by the Board of the South Indian Railway Company and recommended by the Local Government.

9. As regards the Madura-Pamban Railway, with letter No. 1058 R.C., dated 22nd December 1896, the Government of Madras were furnished with a copy of a despatch (No. 95 Rx., dated 15th October 1896) from the Secretary of State intimating that the provisional concession granted to Messrs. Wallace Brothers for the construction of this Railway had lapsed, and you were informed that the orders of the Secretary of State were not understood to restrict the undertaking of this line to the direct agency of the South Indian Railway Company with funds to be supplied by the State. These funds the Government of Madras were reminded were limited and it was indicated that there was little chance of any being available for this railway until after 1899, but that it might be carried out at an earlier date upon branch line terms by a Company subsidiary to the South Indian Railway Company.

With a subsequent letter, No. 552 R.C., dated 5th April 1897, the Government of Madras were furnished, for favour of opinion, with an application from Messrs. Best & Co., Madras, for a concession for the construction of this line upon branch line terms. The Government of Madras replied in your letter No. 277 R., dated 22nd April 1897, that as there was no chance of funds being available before the end of 1898-99, nor of the South Indian Railway Company being authorised to issue State guaranteed debentures, they were strongly of opinion that the best course would be for the South Indian Railway Company to promote the formation of a subsidiary Branch Company for the construction and working of the Madura-Pamban line on terms acceptable to both Companies and to Government, without the intervention of Messrs. Best & Co., or any particular firm of promoters.

You were informed in letter No. 837 R.C., dated 20th May 1897, that the Government of India had no objection to the Board of the South Indian Railway Company being invited to consider the above proposal of the Government of Madras, as alternative to Messrs. Best & Co.'s application; but you were at the same time reminded that if the proposed subsidiary company had any direct financial connection with the South Indian Railway Company, except through the rebate clause of the branch line terms, the scheme would have to wait for a place in the railway programme for all India.

Simultaneously with the receipt of your letter No. 530 R., dated 5th August 1897, conveying the offer of the Board of the South Indian Railway Company to undertake this and the other lines *en bloc* as integral parts of the South Indian Railway, intimation was received from Messrs. Best & Co. that they had been informed by the Board of the South Indian Railway Company of their willingness to join that firm in their scheme for the formation of an independent subsidiary Company for the construction and working of the Madura-Pamban Railway on branch line terms, and that the Board had also communicated this information to the Secretary of State.

10. With the foregoing explanatory remarks, I am to communicate the decision of the Government of India upon the collective proposals submitted by the Board of the South Indian Railway Company in their telegram of July 1897 to their Agent (a copy of which was received with the latter's letter No. 753, dated 22nd July 1897), for dealing *en bloc* with the three lines.—

Palghat-Dindigul. | Madura-Pamban. | Tinnevely-Quilon.

11. *Palghat-Dindigul*.—The Government of India, while disposed to favour the construction of a metre gauge rather than a standard gauge railway through that district, are unable at present to pass any orders in regard to this scheme which requires careful consideration in many aspects and in the light of information not yet available.

12. *Madura-Pamban*.—As already explained and reiterated in paragraph 9 above, unless the South Indian Railway Company definitely accept some such arrangement as that proposed by Messrs. Best & Co., the construction of this line, in the immediate or even near future, is entirely out of the question and it must therefore wait for a place in the general programme for all India, which so far as can be foreseen may not be found for many years to come, a result which the Government of India would view with much regret.

13. *Tinnevely-Quilon*.—As also explained in the foregoing paragraph 8 the Government of India still prefer the arrangements previously proposed by them that the Tinnevely-Quilon Railway should be constructed upon the branch line terms. As, however, those arrangements do not appear to meet with the approval of the Board of the South Indian Railway Company, and as their alternative proposal for the construction of the British portion of this line as an integral part of the South Indian Railway, even though that course may involve some delay in commencing the work, has the support of the Government of Madras, I am to say that, recognizing the necessity for meeting the legitimate wishes of the Travancore Durbar for the development of their country, and with the desire to meet so far as possible the views of the Government of Madras and of the South Indian Railway Company, the Government of India are willing to see this line undertaken on the following modified conditions, provided that the Travancore Durbar assent to them and that the South Indian Railway Company also accept them.

The Government of India are prepared to recommend to the Secretary of State that the South Indian Railway Company should raise the whole of the money required for the construction of the entire line from Tinnevely to Quilon at 2½ per cent. in sterling under the guarantee of the Government of India, the Travancore Durbar underwriting that guarantee to the extent of the cost of the line in their own territory, and that the South Indian Railway Company should construct the whole line including the rolling-stock at cost price and then work it on completion as a portion of their existing system at the same rate of working expenses as obtains on their whole line including the branch railway and other branches which may hereafter be added to it, the cost of maintenance for two years after opening being debited to capital.

Any surplus profits obtained by working the branch on the above conditions would, after deducting the share payable to the South Indian Railway Company, be divided as originally proposed between the Government of India and the Travancore Durbar in proportion to the lengths of the sections of the line in their respective territories. Under these arrangements assuming that, including rolling-stock and maintenance for two years, the British section will cost Rs. 28½ lakhs for 45 miles, the Travancore section Rs. 83½ lakhs for 58½ miles, the capital will be raised by the South Indian Railway Company at 2½ per cent. and the working expenses of the South Indian Railway will remain nearly stationary, the results to the Government of India, the Travancore State, and the South Indian Railway, may be expected to show a loss in the third year after the opening of the line, as explained in Case I below, to be superseded a few years later according to the moderate estimate contained in Case II, by surplus profits divisible between all parties:—

	Per mile per week.	
	Case I.	Case II.
	RS.	RS.
Estimated gross earnings, Travancore State section ...	50	100
Do. do. British ...	115	175
Do. gross receipts of the whole branch line ...	4,21,000	7,14,000
Do. net do. do. ...	1,85,000	3,14,000
Deduct interest charges ...	2,80,000	2,90,000
Estimated surplus profit of the whole branch line ...	— 95,000	+ 24,000
Do. share, Travancore State ...	— 71,000	+ 11,000
Do. do. Government of India ...	— 20,000	+ 9,000
Do. do. South Indian Railway about ½ sur- plus or deficit ...	— 4,000	+ 4,000

These results, which are worked out on the supposition, that Rs. 4 lakhs of extra capital for the rolling-stock will be required in Case II, and that the South Indian Railway will share the net deficit as against Government and the total surplus profit in the usual proportions, show that the possibility of the South Indian Railway incurring serious loss will be very small indeed whilst the liabilities incurred by the Travancore Durbar will not be unduly burdensome to that State which will still obtain a large share of the high traffic returns expected from the British section of the line.

It will also be noticed that in the calculations no account is taken of the incremental traffic brought into the main line of the South Indian Railway the earnings from which it has not been found possible to estimate.

14. I am also to say that the Government of India in agreeing to the modified conditions proposed in the last paragraph for the Tinnevely-Quilon Branch wish it to be clearly understood that the arrangements made for the construction of this and the Madura-Pamban Railway must stand or fall together; they are not disposed to consider any proposals for the construction of the latter which do not contemplate that the former should also be put in hand almost simultaneously.

15. The Government of India regard themselves as pledged by the proposals made in their letter, No. 1304 R.C., dated 2nd September 1896, and accepted by the Travancore Durbar, to use their best endeavours to carry the scheme for the construction of the Tinnevely-Quilon Railway through at as early a date as possible, upon terms that will not be inequitable either to the South Indian Railway Company or to the Durbar, and they are therefore prepared, with a view to ensure this, to admit the cost of the British portion of the scheme within their general programme of railway construction, and will endeavour to find the funds for it within the next two years. It must, however, be understood that the concessions now made are final and the largest that the Government of India are prepared to make, and I am to express the hope of His Excellency the Governor-General in Council that they will meet with the support of His Excellency the Governor of Madras in Council, and will also be acceptable to the Travancore Durbar and to the South Indian Railway Company.

16. In conclusion, I am to request that the further views of the Government of Madras, the Travancore Durbar, and the South Indian Railway Company, may be communicated to the Government of India as soon as possible.

Order—No. 1117 R., dated 10th December 1897.

The Government of India will be addressed with regard to the Madura-Pamban Railway.

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—Madras, 10th December 1897, No. 1118 R.

I am directed to acknowledge the receipt of your letter, No. 1746 R.C., dated the 22nd October 1897, and with reference to those parts of it relating to the Madura-Pamban Railway to communicate the following remarks.

2. In my letter, No. 1034 R., dated the 25th November 1897, I explained the reasons which have induced this Government to defer for the moment their acceptance or refusal of the terms proposed in paragraph 13 of your letter under reply for the financing of the Tinnevely-Quilon Railway. A perusal of these reasons will sufficiently explain why it is not possible to agree to that line being put in hand almost simultaneously with the Madura-Pamban as stipulated in paragraph 14 of your letter under reply. If the Travancore Durbar should be so ill-advised as to hold out in their determination not to adopt the southern route, a full season of survey work must be carried out before any construction work can be begun on the hill section of the northern route; and as the present season is rather far advanced, and as no arrangements of any sort have been made, it seems as if work could scarcely be begun, on the hill section at least, before the end of the rains of 1899. If on the other hand the Durbar should happily agree to the adoption of the southern route, the country to be traversed is so comparatively easy, that very little delay need occur before work is begun. There is reason to hope that this question of the selection of route may shortly be settled. But meanwhile no useful object is served in deferring action for the financing of the Madura-Pamban line pending the settlement of the route of the Tinnevely-Quilon line with which it has no geographical or traffic connection.

3. As regards the proposed method of financing the Madura-Pamban line, I am directed to say that while still adhering to the opinion already expressed in my letter, No. 530 R., of the 5th August 1897, viz., that it would be far preferable, were it possible, that this important link in the through route between India and Ceylon should form an integral part of the South Indian Railway, His Excellency the Governor in Council recognizes the limitations imposed by present financial conditions, and will no longer oppose the intervention of a Branch Line Company for the raising of the necessary capital; and this the more readily inasmuch as a careful perusal of the Secretary of State's agreements about the Ahmedabad-Parantej Railway, with that Company and with the Bombay, Baroda and Central India Company, respectively, seems to make it plain that the non-intervention of the capital-raising Company in the management of the working of their property by the working Company can be sufficiently safeguarded.

4. The Agent, South Indian Railway Company, will now be asked whether his Board consent to endeavour to at once make arrangement with a Branch Line Company for the raising of the capital required for the Madura-Pamban line on the basis of the rebate clauses of the branch line terms. The Agent's reply, when received, shall at once be communicated to the Government of India.

From—The Consulting Engineer for Railways, Madras.
To—The Agent, South Indian Railway.
Dated—10th December 1897, No. 3777.

I have the honour to acknowledge the receipt of your letter, No. 753, dated the 22nd July 1897, submitting an important proposal from your Board of Directors that the South Indian Railway Company should undertake *en bloc* the construction and working of the Madura-Pamban, Tinnevely-Quilon, and Palghat-Dindigul Railways.

2. These proposals were forwarded to the Government of India early in August with the comments of the Government of Madras, and were duly considered at the Railway Conference which was held this year in Simla. The reply of the Government of India, No. 1746 R.C., dated the 22nd October 1897, has now been received, and I have the honour, under the orders of Government, to forward a copy of it for your and your Board's information.

3. All consideration of the Palghat-Dindigul line must for the present be laid aside. Enough is not known as yet as to what would be the most suitable agency for its construction and working or as to the most favourable alignment. It is hoped that inquiries now on foot may lead to a settlement of all doubts on these important points.

4. Certain paragraphs of the Government of India's letter contain proposals for the financing and terms of working of the Tinnevely-Quilon Railway. But I must inform you that the old question of the superior advantages of the southern route over the northern has lately again been re-opened, and that there appears some prospect of the former being agreed to by the Durbar. Should this hope be justified I need scarcely say that the whole question of the financing of the Travancore line will assume a different aspect, and will be very much easier of solution. Meanwhile I shall be glad to be furnished with any opinion which you and your officers may be in a position to give expression to, as regards the relative advantages of the two routes, the southern route being for the present supposed to end on the extensive backwater navigation system.

5. It now remains to deal with the Government of India's decision in regard to the method of financing the Madura-Pamban line, and in this connection I invite your careful perusal of the pair of agreements about the Ahmedabad-Parantej line, between the Secretary of State, and that Company, and the Bombay Baroda and Central India Company, respectively. It seems to me that under some such terms of agreement as those referred to, which will be found in the Director-General of Railways' Administration report for the year 1895-96, Part II, it will be possible to ensure the non-interference of a Branch Line Company with the working of the branch by the parent line. Such being the case, the intervention of such a Company, even as a link in so important a chain of through communication as that connecting India with Ceylon, becomes of less account than would be the case had they power of interference in details, and the more so if the Branch Line Company are, in their Board of Direction, intimately connected with the parent Company.

6. I am informed now by the Government of Madras, and am instructed to convey the information to you for communication to your Board, that His Excellency the Governor in Council will be prepared to support any suitable arrangement which your Board may come to, on the basis of the Ahmedabad-Parantej terms, for the raising of the capital required for the Madura-Pamban line through the agency of a Branch Line Company.

7. I shall be glad to receive as early as possible an expression of your Board's views in regard to these the latest proposals for the financing of the Madura-Pamban line. Further action in regard to the Tinnevely-Quilon line must for the present be deferred, and all idea of doing anything just at present to promote the Dindigul-Palghat line will have to be definitely set aside.

Extract from letter from—The Agent, South Indian Railway.
To—The Board of Directors.
Dated—15th December 1897, No. 564.

Railway Extensions.

With reference to the paragraph under this heading in my letter, No. 545, dated 3rd August 1897, I have placed in the packet copies of letter, No. 3777, dated 10th December 1897, from the Consulting Engineer for Railways, and of letter, No. 1746 R. C., dated 22nd October 1897, from the Government of India. Reading these

two letters together it will be seen that, pending settlement of the route to be adopted for the Tinnevely-Quilon Railway, the Board is not asked to decide on the modified propositions formulated by the Government of India in paragraph 13 of its letter above referred to. In the meantime, however, the Government of Madras is desirous of receiving the Board's views on its proposals for so financing the Madura-Pamban Railway as to prevent the working agency being unduly interfered with by the Subsidiary Company. The situation of this line as a link in the through connection between India and Ceylon renders it very necessary that it should be controlled by the same authorities as control the South Indian Railway. As pointed out by the Consulting Engineer the insertion of the following clause extracted from the Contract, dated 13th March 1896, between the Secretary of State and the Ahmedabad-Parantej Railway Company (Limited) should efficiently guard the interests of the through route:—

"21. All the business connected with the management and maintenance of the said railway and conducting traffic thereon, including police and telegraphs and telegraphic appliances, shall in all respects, as far as practicable, be carried on in the same manner and subject to the same regulations and control by the Secretary of State as the like business on the Rajputana-Malwa Railway, and the Company shall not interfere or be concerned with such business."

Non-interference would be further assured by a close connection between the Working and Subsidiary Companies, a policy which, I hope, may commend itself to the Board.

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—Calcutta, 17th January 1898, No. 90 R.C.

I am directed to acknowledge the receipt of your letter, No. 1118 R., dated 10th December 1897, on the subject of the financing by a Branch Line Company, under the auspices of the South Indian Railway, upon the rebate terms of Government of India Resolution, No. 514 R.C., dated 17th April 1896, of the proposed Madura-Pamban Railway independently of the scheme for the construction of the proposed Tinnevely-Quilon Railway.

2. In reply I am to say that the Government of India will await the views of the Board of the South Indian Railway Company on the proposed financing of the Madura-Pamban Railway by a Branch Line Company, but that they are of opinion that before work is commenced on this line the South Indian Railway Company should give an undertaking to construct a railway from Tinnevely to the neighbourhood of either Quilon or Trivandrum, or other suitable terminus, either by the northern or southern route as may be decided by the Government of India, whenever called upon to do so, upon the terms and conditions stated in paragraph 13 of Public Works Department letter, No. 1746 R.C., dated 22nd October 1897.

Order—No. 167 R., dated 31st January 1898.

The terms for the construction and working of the Tinnevely-Travancore Railway have long formed the subject of correspondence by this Government with the Travancore Durbar through the Resident, and with the South Indian Railway Company through their Agent. The correspondence with the Travancore Durbar culminated in the acceptance by the Durbar, as communicated in letter from the Resident, No. 3105, of the 12th October 1896, of the terms offered in Government of India letter, No. 1304 R.C., dated the 2nd September 1896. To validate this acceptance, however, it was essential that the concurrence of the third party, viz., of the South Indian Railway Company, should be secured; but this concurrence it has not so far been found possible to obtain. Negotiations have however progressed, and in connection with the Company's desire to obtain

Extract from Government of India letter, No. 1746 R.C., dated 22nd October 1897.

"The Government of India found possible to estimate."

a concession for another branch railway in which they are interested, certain new terms have been put forward by the Government of India and these are now communicated *verbatim* (as per margin) to the Resident.

2. The Resident will understand that the acceptance by the Durbar of these new terms, which are very much more favourable than those already accepted by them, and which are only rendered possible by the greater facility with which at the present time money can be raised by Railway Companies on the security of a State guarantee, can lead to practical action only in the event of their acceptance also by the South Indian Railway Company whose Agent has been asked to communicate his Board's decision if possible by telegraph.

3. The Resident is also informed that in offering the above conditions for the acceptance of the Railway Company the Government of India define the Travancore line as "a railway from Tinnevely to the neighbourhood of either Quilon or Trivandrum or other suitable terminus either by the northern or southern route as may be decided by the Government of India." As regards this question of choice of routes this Government will be glad to receive an early expression of the wishes of the Travancore Durbar.

4. The Government of India will also 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—Madras, 31st January 1898, No. 168 R.

I am directed to acknowledge the receipt of your letter, No. 90 R. C., dated the 17th January 1898, in which you communicate the opinion of the Government of India that before work is commenced on the Madura-Pamban line an undertaking should be obtained from the South Indian Railway Company to construct and to work a railway from Tinnevely to a suitable terminus in Travancore, to be later selected, whenever called upon to do so, upon the terms and conditions stated in paragraph 13 of your letter, No. 1746 R. C., of the 22nd October 1897.

2. In reply I am desired to inform you that the conditions have been laid before the Travancore Durbar, and the South Indian Railway Company, for consideration and acceptance, and that the result shall in due course be communicated to the Government of India.

3. I am instructed to say that the Government of India's suggestion that the opportunity of the South Indian Railway Company's desire to obtain the working of the Madura-Pamban line should be availed of in order to secure their acceptance of fair terms for the working of the less promising Tinnevely-Quilon line, has the entire approval and concurrence of His Excellency the Governor in Council.

4. The question of route for access to Travancore is still under the Durbar's consideration, and when a decision has been arrived at the Government of India shall be fully informed.

From—The Consulting Engineer for Railways, Madras.
To—The Agent, South Indian Railway Company.
Dated—31st January 1898, No. 302.

In continuation of my letter, No. 3777, dated the 10th December 1897, and with reference to the paragraph headed "Railway extension" in your letter to your Board of Directors, No. 564, dated the 15th December 1897, I have the honour to inform you that Government has decided that before work can be allowed to begin on the Madura-Pamban Railway your Company must give an undertaking to construct a railway, whenever called upon to do so, from Tinnevely to the neighbourhood of either Quilon or Trivandrum or other suitable terminus, either by the northern or the southern route as Government may decide, upon the following terms and conditions, as expressed by the Government of India.

"The Government of India are prepared to recommend to the Secretary of State that the South Indian Railway Company should raise the whole of the money required for the construction of the entire line from Tinnevely to Quilon at 2½ per cent in sterling under the guarantee of the Government of India, the Travancore Durbar underwriting that guarantee to the extent of the cost of the line in their own territory, and that the South Indian Railway Company should construct the whole

line including the rolling-stock at cost price and then work it on completion as a portion of their existing system at the same rate of working expenses as obtains on their whole line including the branch Railway and other branches which may hereafter be added to it, the cost of maintenance for two years after opening being debited to capital.

"Any surplus profits obtained by working the branch on the above conditions would, after deducting the share payable to the South Indian Railway Company, be divided as originally proposed between the Government of India and the Travancore Durbar in proportion to the lengths of the sections of the line in their respective territories. Under these arrangements assuming that, including rolling-stock and maintenance for two years, the British section will cost Rs. 28½ lakhs for 45 miles, the Travancore section Rs. 83½ lakhs for 58½ miles, the capital will be raised by the South Indian Railway Company at 2½ per cent. and the working expenses of the South Indian Railway will remain nearly stationary, the results to the Government of India, the Travancore State, and the South Indian Railway, may be expected to show a loss in the third year after the opening of the line, as explained in Case I below, to be superseded a few years later according to the moderate estimate contained in Case II, by surplus profits divisible between all parties:—

	Per mile per week.	
	Case I.	Case II.
	Rs.	Rs.
Estimated gross earnings, Travancore State section.	50	100
Do. do. British	115	175
Do. gross receipts of the whole branch line.	4,21,000	7,14,000
Do. net do.	1,83,000	3,14,000
Deduct interest charges	2,80,000	2,90,000
Estimated surplus profit of the whole branch line...	95,000	+ 24,000
Do. share, Travancore State	71,000	+ 11,000
Do. share, Government of India	20,000	+ 9,000
Do. share, South Indian Railway about ½ surplus or deficit	4,000	+ 4,000

"These results, which are worked out on the supposition, that Rs. 4 lakhs of extra capital for the rolling-stock will be required in Case II, and that the South Indian Railway will share the net deficit as against Government and the total surplus profit in the usual proportions, show that the possibility of the South Indian Railway incurring serious loss will be very small indeed whilst the liabilities incurred by the Travancore Durbar will not be unduly burdensome to that State which will still obtain a large share of the high traffic returns expected from the British section of the line.

"It will also be noticed that in the calculations no account is taken of the incremental traffic brought into the main line of the South Indian Railway the earnings from which it has not been found possible to estimate."

2. I have the honour to request that I may be favoured with a very early expression of your Board's views in regard to this proposal. It would be very desirable that, if they accept it, they should telegraph to that effect, in order that by the time of the receipt of their reply to your No. 564 of the 15th December 1897, I may be in a position to acquaint Government with the conclusions arrived at.

Extract from letter from—The Agent, South Indian Railway.
To—The Board of Directors.
Dated—2nd February 1898, No. 571.

Madura-Pamban and Tinnevelly-Quilon Railways.

Adverting to the paragraph under this heading in my letter, No. 564, of 15th December 1897, I forward among the enclosures to this letter a copy of letter, No. 302, dated 31st January 1898, from the Consulting Engineer for Railways to the Government of Madras, in which he asks to be favoured with an early expression (by telegram if possible) of the Board's views in regard to the proposals of the Government of India as expressed in paragraph 13 of their letter No. 1746 R.C., dated 22nd October 1897, of which a copy was sent to you with my letter above quoted.

Extract from letter from—The Board of Directors.
To—The Agent, South Indian Railway
Dated—11th February 1898, No. 204.

Your letters, No. 545, of 3rd August 1897, and No. 564, of 15th December 1897, together with the letter, dated 10th December, from the Consulting Engineer for Railways, and Government of India letter No. 1746 R.C., of 22nd October 1897, have been considered by the Board.

It is observed that the Board are requested not to decide on the modified propositions formulated by the Government of India in paragraph 13 of their letter above quoted, pending the settlement of the route to be adopted for the proposed extension into Travancore territory. In the anticipation that some decision has already been, or may soon be, arrived at with regard to this route, and with the view of placing the Board in a position to deal with the matter without delay, you are desired to give your own views fully upon the whole subject.

In reply to the question of the Madras Government, and assuming the Madura-Pamban line to be constructed by a subsidiary company, it is not thought that there will be any difficulty in financing the company upon such lines as will prevent the working agency being unduly interfered with by the subsidiary company, and a clause similar to that (No. 21) in the Ahmedabad-Parantj Contract will probably be sufficient to meet the object in view.

Extract from letter from—The Agent, South Indian Railway.
To—The Board of Directors.
Dated—9th March 1898, No. 576.

Madura-Pamban and Tinnevelly-Quilon Railways.—In continuation of the paragraph under this heading in my letter, No. 571, dated 2nd February 1898, and with reference to your telegram of 3rd March 1898, "Board's 204 Seedsman (send without delay) report extensions," I beg to offer the following remarks on the proposals embodied in paragraphs 12, 13, 14 and 15 of letter No. 1746 R.C., dated 22nd October 1897, from the Government of India.

Madura-Pamban Railway.—There are, I believe, no serious obstacles to the acceptance of the proposals of the Government of India in respect to this branch, though it is to be regretted that its construction as an integral portion of the South Indian Railway undertaking is discouraged.

Tinnevelly-Quilon Railway.—As regards the proposals for working this line, it will be observed that any insufficiency of net earnings to meet the guaranteed interest will in the first place be divided between the Imperial and Travancore Governments proportionately to the cost of the lengths of line in their respective territories, and, in the second place, that the South Indian Railway is required to bear such share of the deficit chargeable to the Government of India as is represented by the ratio of the Company's capital to that of the Government of India in the South Indian Railway. In other words, the Company is asked to assist in paying interest on the Tinnevelly-Quilon Railway capital due to itself under a Government guarantee from its share of the surplus profits of the Undertaking. This contribution, however, is never likely to be large and is therefore comparatively of small financial importance. The proposals of the Government of India for the division of surplus profits, should they be ever realized, are favourable to the Company, which takes its share before the division is made between the Imperial and Travancore Governments. The Government of India mentions in its proposals that no account has been taken of the value of the extra traffic produced on the parent line by the Tinnevelly-Quilon Railway, but I have to point out that the loss, which may arise from the insufficiency of the percentage payment for working to cover actual working expenses, has also been neglected. Government has doubtless assumed that 55 per cent. of the gross earnings of a line should fairly meet the expenditure on working it, and in most cases the assumption would be accurate. The Tinnevelly-Quilon Railway being an administrative rather than a traffic line, I do not think this assumption will prove correct for many years to come,

if ever. In my letter to you, No. 528, dated 7th April 1897, I estimated that it would cost Rs. 80 per mile per week to work the line, and on this assumption the Chief Auditor has prepared the accompanying statements, (based on the actual figures for the half-year ended 30th June 1897) to show the effect to the Company of working the Tinnevelly-Quilon Railway on the terms now offered by the Government of India. Briefly the following results are anticipated:—

Gross earnings of the Tinnevelly-Quilon Railway—

Per mile per week Rs. 78.	Half-yearly; loss to Company ...	Rs. 28,212
" " " 94.	" " " " " " " " " " " "	" 23,393
" " " 132.	" " " " " " " " " " " "	" 8,088

The first and third cases correspond to cases I and II of the tabular statement embodied in paragraph 13 of Government of India letter No. 1746 R.C., dated 22nd October 1897, and case II is that anticipated by me in my letters Nos. 497 and 528, dated 1st September 1896 and 7th April 1897, respectively. The incremental traffic from the Tinnevelly-Quilon Railway will be a set-off against this loss, but it is quite impossible to frame any forecast of what this reduction is likely to be. To compensate for a loss to the Company of Rs. 25,000 per half-year the gross value of the derived traffic must be about Rs. 2,80,000 half-yearly or, say, one-sixteenth of the whole gross receipts of the undertaking, and I think it may be confidently assumed that the incremental traffic will not have this value. It might be possible by the most rigid economy to reduce working expenses below Rs. 80 per mile per week, but as each rupee per mile per week only represents about Rs. 500 per half-year to the company, it is obvious that a very considerable reduction would be necessary to bring the Company's loss to a reasonable figure. It must also be remembered that the Tinnevelly-Quilon Railway cannot be worked without increasing our outlay on "stores" and other suspense balances. To meet this further loss no compensation is suggested by Government, and I therefore specially refer to the point as the Board desired it should not be lost sight of when dealing with Working Agreements.

Though the terms now offered by the Government of India are decidedly more liberal than those formulated previously, they bear much heavier on Government and the Company than on the Travancore State. Taking everything into consideration, I cannot see how the Company could fail to lose heavily by accepting the proposals now under consideration, and were it not that the Tinnevelly-Quilon Railway is to be considered as financially connected with the Madura-Pamban line, no other course would seem open but to decline the terms now offered. The complexion of affairs, however, will be very materially changed if the latter railway is worked by a Company closely connected with the South Indian Railway Company, and though perhaps a somewhat over-sanguine view has been taken of the traffic prospects of the Madura-Pamban line, I am inclined to think that the derived traffic from it and the Tinnevelly-Quilon Railway taken together would secure the Company against loss. This opinion is of course pure surmise on my part, as no data in respect to this derived traffic can be obtained, and will, I hope, be accepted with the hesitation with which it is tendered. Should the Board agree to the terms of the Government of India I would suggest that a clause should be inserted in the Agreement to secure for the Provident Institution the calculation of its additional contribution on the net earnings of these worked lines as well as on those of the Undertaking.

I have placed in the packet a copy of a letter, dated 5th February 1898, from the Chief Auditor, together with printed copies of its four accompanying statements.

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, 1st April 1898, No. 17 R.P.

With reference to your letter, No. 168 R., dated the 31st January 1898, I am directed to enquire what progress has been made in the negotiations for the construction of the proposed Madura-Pamban and Tinnevelly-Quilon Railways.

Telegram from—The Joint Secy. to the Govt. of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—11th April 1898, No. 1 A.

Your 17 R.P., April 1st. Agent, South Indian, has received wire from Board. Begins. Accept Government proposals but hope Pamban may be integral part of undertaking. Message ends. Negotiations with Travancore Durbar now nearly completed. Will reply fully when copy received of Board's letter to Agent and when Travancore's official proposals made.

Read the following:—

G.O., No. 650 Ry., dated 28th April 1898.

From—The Agent, South Indian Railway.
To—The Consulting Engineer for Railways, Madras.
Dated—26th April 1898, No. 371.

With reference to your telegram No. 15 C., of the 21st April 1898, I have the honour to forward herewith two copies of the Managing Director's letter, No. 209, dated 7th April 1898, containing the acceptance, by the Board of Directors of the South Indian Railway Company, of the modified proposals of Government regarding the Madura-Pamban and Tinnevelly-Quilon Extensions, and beg to invite attention to the concluding paragraph thereof.

ENCLOSURE.

From—The Managing Director, South Indian Railway Company, Ltd.
To—The Agent, South Indian Railway.
Dated—London, 7th April 1898, No. 209.

In reply to Board's letter No. 204, dated 11th February 1898, and to their telegram of 3rd March 1898—

"Board's 204, send without delay report extensions." The Board have now had before them your views, as expressed in your No. 576 of 9th March 1898, upon the proposals of the Government of India contained in their letter No. 1746 R.C., of 22nd October 1897.

2. After full consideration of the whole subject the Board have decided to accept the modified proposals of the Government, formulated in that letter, as regards the Madura-Pamban and Tinnevelly-Quilon Extensions. These are shortly—

(a) That the Company should construct the Tinnevelly-Quilon Railway, including rolling stock, at cost price, the money required being raised under a sterling guarantee of the Government of India at the rate of 2½ per cent. per annum.

(b) That the Company should work the line as a portion of their existing system at the same rate of working expenses as obtains on their whole line, including the branch railway and other branches which may hereafter be added to it.

The Board consider that the contract should contain a clause to the effect that in the event of its hereafter being proved by the officers of the South Indian Railway Company, to the satisfaction of the Government, that there is an actual loss on working the branch at that rate, the rate shall be raised to such a point as may be calculated to cover working expenses.

(c) That the cost of maintenance of the line for two years after opening shall be debited to Capital.

(d) The net deficit as against Government and the total surplus profit, to be divided between the Government and the Company in the usual proportions as stated—excepting, for the purposes of such division, the Capital provided for this branch. The proposal as to the Travancore Government underwriting a proportion of the guarantee affects the Government of India and the Travancore State only, and, therefore, need not be imported into any Agreement between the Government and the Company.

(c) That the Company should assist the formation of an independent subsidiary Company for providing funds for the construction of the Madura-Pamban Extension, which would be worked by the South Indian Railway Company upon branch line terms.

3. While accepting, as stated, the proposals of the Government of India, the Board think it desirable to place on record that the Southern route into Travancore would be looked upon by them with more favour than the Northern route *via* Shencotta. They are still of opinion that, whether looked upon in the light of comparative cost of construction, or of probable revenue, or of advantage to the State of Travancore, the suggested route *via* Nagercoil to Trivandrum is the superior of the two. The Board's acceptance of the proposals, as regards the Northern route, may be taken to apply to the Southern route, if adopted.

4. With reference to the Madura-Pamban Branch, there can be no doubt, as a glance at the map will show, that a considerable portion of its revenue will be derived from traffic diverted from the South Indian Company's existing Madura-Puticorin line, upon which a reduction in earning power must be looked for after the Pamban line is opened. It would appear, therefore, to be only equitable that any compensating advantage which may accrue from the construction of the branch should belong to the South Indian Company, and not become the property of the separate Company, as will be the case under the proposals of the Government.

The extension will, as it seems to the Board, be a portion of the Company's main line, and will, in effect, be the neck of the bottle to which the system in general will contribute traffic, and more especially will this be the case should the Indo-Ceylon Railway be constructed, when the Madura-Pamban Section would form an important link in the line of through communication between the two countries.

The necessity for the line is admitted on all sides, and it would be with regret that the Directors would see it pass into the hands of another Company, however intimately that Company might be connected with the South Indian Railway. They would greatly prefer that it should be constructed as an integral part of the Undertaking, with money raised in a way similar to that proposed for the Travancore Railway, and they still hope that the Government, on further consideration, may be able to agree to the adoption of this course.

While expressing these views, and fully assured that the branch would be more cheaply financed and constructed by the direct agency of the South Indian Company, the Board accept the proposals of the Government for the construction of the line now by a branch line company as preferable to an indefinite postponement of the work.

5. With regard to both branches, the Board agree with your suggestion, but they do not propose it as a condition, that a clause should be inserted in the Agreement to secure for the Provident Institution the calculation of its additional contribution on the net earnings. It is also desirable, as you further suggest, that, if the Government of India see fit, each line should bear some share of the interest upon stores, of which, of necessity, larger quantities would be kept in stock, and so the stores balances increased.

6. You will be good enough to lose no time in placing before Government this acceptance of their proposals, with the expression of the Board's earnest hope that the matter will, without delay, be brought before the Secretary of State in Council, with a view to the early preparation of the necessary contracts.

Order—No. 650 Ry., dated 28th April 1898.

The Government of India will be addressed.

From—The Joint Secretary to the Government of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—Madras, 28th April 1898, No. 651 Ry.

I am instructed to forward, in continuation of my telegram No. 1-A., dated the 11th April 1898, a copy of a letter from the Board of Directors of the South Indian Railway Company to their Agent, No. 209, dated the 7th April 1898.

2. This Government is in daily expectation of receiving definite proposals from the Travancore Durbar, and these, when received, shall, in due course, be forwarded to the Government of India with such comments as His Excellency the Governor in Council may have to offer.

From—The Agent, South Indian Railway.
To—The Consulting Engineer for Railways, Madras.
Dated—7th May 1898, No. 442.

Referring to G.O., No. 624 R., dated 6th September 1897, sanctioning a traffic

* Separately printed.

F. J. E. S.

survey being made of the proposed Trichinopoly-Thondi, and Madura-Pamban Railways, I have the honour to forward herewith twelve copies of the report * made on each line by Assistant Traffic Manager, Mr. S. J. Mercer.

From—The Agent, South Indian Railway.
To—The Consulting Engineer for Railways, Madras.
Dated—24th May 1898, No. 506.

With reference to our conversation on May 20th 1898, regarding the alignment of the proposed Madura-Pamban Railway, I have the honour to request that the Government may be moved to reconsider its decision in favour of a route passing through the town of Sivaganga and traversing the north bank of the Vaigai between Madura and Paramagudi and to sanction instead the adoption of Mr. Geoghegan's alignment between Madura and Paramagudi, Mr. Shadbolt's between Paramagudi and Toni Torai, and a branch line from Mutanantal to Sivaganga. My reasons for making this request are briefly:—(a) To protect the Madura-Pamban Railway against diversion of the Indo-Ceylon traffic east of Manamadurai. (b) To avoid unnecessary mileage on Indo-Ceylon traffic passing through Madura station. (c) To give railway facilities on both sides of the Vaigai to the country east of Madura.

2. In support of these statements, I would explain that the Madura-Pamban Railway will be deprived of Indo-Ceylon traffic if any connection is made between it and an extension through Devakottai from the north. The further east such connection is made the more serious will be the loss in traffic, and I fear that with the contingency of a junction at or to the east of Paramagudi there may be a difficulty in forming a subsidiary company to finance the Madura-Pamban Railway. It is therefore desirable to locate the junction as near Madura as can be arranged for without unduly prejudicing local interests. Although at this early stage I quite recognise the impossibility of definitely ensuring the future adoption of this stipulation, a programme can be devised which should result in the future junction being made at the selected station. With this object, I suggest that Sivaganga should be the terminus of a short branch line taking off the Madura-Pamban Railway at Mutanantal or at a station immediately adjacent. The fixation of the junction will be further aided by keeping the Madura-Pamban Railway entirely on the south bank of the Vaigai, so that any connection other than that, viz., Sivaganga, will necessitate a second bridge over the Vaigai.

3. There is no need to enlarge on the advantage of working traffic over the shorter mileage possible by the avoidance of Sivaganga as a main line station, but it is perhaps advisable to offer a few remarks on the desirability of serving both sides of the Vaigai. From the information at my disposal it appears that the local traffic to be expected from the northern route is about equal to that anticipated from the southern alignment, but that this equality entirely depends on the importance of Sivaganga as a trade centre. The suggested project of a southern route and a branch to this town should, therefore, tap the maximum traffic which can be reached without increasing the mileage of the extension.

4. I do not anticipate that the scheme I have advanced will prove appreciably more costly in construction than the northern route surveyed by Mr. Shadbolt. With both alignments the Vaigai must be crossed, and I have no reason to suppose that a bridge at Mutanantal or Manamadurai will be more costly than one at Paramagudi. In both cases the length of the lines to be made will be about the same, but it is not improbable that land will prove more expensive on the southern than on the northern side of the Vaigai.

5. I have not so far touched on the difficulties which obtain with a northern entry into the South Indian Railway station yard at Madura, because at the expense of re-bridging the Vaigai east of this town a southern junction could be combined with a northern alignment of the line to Pamban. Whether this alternative to Mr. Shadbolt's proposals for a junction north of the Vaigai would be adopted, depends on the comparative cost of the two schemes, but as the southern arrangement would render working simpler and safer, it would most likely be preferred even at a moderate increase of expenditure. If, however, the southern alignment of the railway be permitted, a cheap as well as a satisfactory junction can be obtained. I enclose, for your information, a plan of the present Madura yard, and in connection with it, would point out that it is hemmed in on both sides by expensive land difficult of acquisition. At the south of the station land can be obtained, and any difficulty in connection with the public road met by diverting it or taking it across the yard on an overbridge. It will be noticed from the tracing now sent of the northern and southern surveyed alignments of the Madura-Pamban Railway, that immediately to the north of the Vaigai the main line traverses an extensive tank. Any junction therefore in the immediate neighbourhood of the bridge must be restricted to a small signalling and interlocking block station. If anything on a more extensive scale is required, the junction must be made on the high ground beyond the tank and about a mile and a half from Madura.

6. Pending decision on the alignment of the Madura-Pamban Railway, no designs have been drawn up of the junction arrangements at Madura, and as other matters are depending on a settlement of the latter, I hope it may be possible to issue early orders on the subject.

From—The Joint Secretary to Government of Madras, P.W. Dept., Ry. Branch.
To—The Secretary to the Government of India, Public Works Department.
Dated—Ootacamund, 4th June 1898, No. 774 Ry.

With reference to the correspondence on the subject of the Madura-Pamban Railway, ending with my letter No. 551 Ry., dated the 23rd April 1898, with which was enclosed a copy of the Board of Directors' South Indian Railway letter No. 209, dated the 7th April 1898, I now am directed to forward for the information of the Government of India, a copy of a report on the traffic prospects of the line by Mr. S. J. Mercer, a Traffic officer of the South Indian Railway.

2. Mr. Mercer's report re-opens the question of route, viz., whether it would be best to start from the south end of Madura station and follow the south bank of the Vaigai river to the coast, a distance of 91 miles, or to follow the route through Sivaganga adopted by Mr. Shadbolt, to the same point on the coast, a distance of 100 miles. This question of choice of route has already been carefully thought out by this Government, but it is understood that, as a consequence of the projected extension southwards of the Mayavaram-Mutapet Railway, and the possibility of a through connection, probably to Sivaganga, being sooner or later demanded in the interests of through traffic with Ceylon, the Agent, South Indian Railway Company, is in correspondence with his Board on the subject of how, when this inevitable connection comes, his main line may not be hopelessly short-circuited. I am therefore desirous to say that you shall be separately addressed on the subject of the choice of routes when this Government shall have completed some enquiries which are now in hand.

3. All that it is thought necessary to say, has already been said, in regard to the superior advantages of an arrangement whereby the Madura Pamban line should be an integral part of the South Indian Railway rather than that it should be owned by a separate Company however intimately connected with the parent Company. But you were informed in paragraph 3 of my letter, No. 1118 Railway, dated the 10th December 1897, that, fully recognising the reasons which prohibit the adoption of the desired method of financing the extension, His Excellency in Council accepts the Government of India's decision that the intervention of a branch line Company must be utilized.

4. A perusal of the South Indian Railway Company's letter to their Agent, No. 209, dated the 7th April 1898, will show that, while still expressing a hope that the financing of the Pamban extension may yet be directly entrusted to them, the Board have accepted the proposals of Government for its being financed by a branch line Company rather than that it should be indefinitely postponed.

5. As no further obstacle appears now to stand in the way of the South Indian Railway Company being encouraged to enter into the necessary negotiations with promoters for the financing of the extension on branch line terms, I am directed to express a hope that they may at once be permitted to do so, and that meanwhile, as was done in the case of the Calicut-Cannanore, it may be found possible to authorize them to arrange at once the many preliminaries which, as soon as the question of route is settled, must be put in hand if work is to go on energetically in the coming working season, and that a small allotment, of which an estimate can be submitted if desired, may be advanced for the purpose.

NOTE BY THE CONSULTING ENGINEER FOR RAILWAYS, MADRAS.

Madura-Pamban Railway.

The question of choice of its route.

In his letter No. 506, dated the 24th May 1898, the Agent, South Indian Railway, re-opens the question, which, when Mr. Shadbolt was sent to survey the line, was settled by order of Government, namely, whether, starting from Madura, the alignment ought, for the first few miles, to run north or south of the Vaigai river.

2. Mr. Shadbolt's alignment starts from a point on the South Indian Railway north of the Vaigai bridge near Madura, and passing thence by a long 10-mile detour, through Sivaganga and Manamadurai, crosses the Vaigai at Paramagudi, and after that follows the south bank of the Vaigai to Ramnad and Toni Torai. Total length 100 miles.

3. The Agent, South Indian Railway, now proposes that the line should start from the south end of Madura station, and should adhere to the south bank of the Vaigai throughout its entire course to Ramnad and Toni Torai, a total length of 90 miles. He also proposes that the town of Sivaganga should be accommodated by means of a branch railway from Mutanantai to Sivaganga, 10 miles long, with a bridge over the Vaigai. Thus the Agent's proposals are that the same length of railway should be made as in Mr. Shadbolt's scheme, viz., 100 miles, but that through traffic between Madura and the sea should in perpetuity have 10 miles less of railway to traverse.

4. The route now recommended by the Agent, South Indian Railway, was surveyed in 1886 by Mr. Geoghegan, who showed that the population of the principal towns served by the north Vaigai route was about 17 per cent. greater than that of the principal towns served by the south Vaigai route. Four towns containing about 20,000 people were shown as common to both routes; but while the south route could show an extra town of 3,000 inhabitants, the north route was able to show two towns aggregating 8,000 inhabitants. Thus the census was about 5,000 in favour of the north route and there was the advantage that the town of Sivaganga, which, by the way, is only one-twelfth the size of Madura, would thereby be served.

5. I can find no record of a comparison having been made between the interest on the cost of 10 extra miles of railway, say Rs. 15,000 per annum, and the probable profits to be derived from carrying the traffic ascribable to 5,000 extra people. Neither can I find any record of a comparison of the benefits proposed to be conferred on these 5,000 potential customers with the handicapping effect of 10 miles extra haulage on every ton of goods and every passenger carried between the sea and Madura in perpetuity.

6. Captain Shelley gives three reasons for his proposal. The first (a) involves very complicated considerations, and assumes the possibility of contingencies which may perhaps never be realized, and which anyhow in all probability are in the distant future. His second reason (b) is a distinctly tangible one, and it is one which not only is of interest to the through traffic of the future between Ceylon and South India, but is also of local interest. His third reason (c) is one of considerable local importance.

7. The following are his three reasons for proposing that the Madura-Pamban line should start from the south end of Madura station and follow the south bank of the Vaigai through Ramnad to Toni Torai, with a 10-mile branch from Mutanantal to Sivaganga:—

- (a) To protect the Madura-Pamban Railway against diversion of the Indo-Ceylon traffic east of Manamadurai.
- (b) To avoid unnecessary mileage on Indo-Ceylon traffic passing *via* Madura.
- (c) To give railway facilities on both sides of the Vaigai between Madura and Paramagudi.

8. The Agent's first reason (a) involves complicated issues contingent upon all sorts of possibilities which may never come to anything, and I think that at this very early stage it would be unwise to decide the question of the best alignment for the local railway between Madura and Pamban upon the basis of any such remote and indefinite considerations. These considerations, however, have been carefully gone into here, and memoranda have been placed in the record which, when the time comes, if ever it comes, for considering them, will doubtless receive the attention to which they are entitled.

9. His second reason (b) amounts to this, that to take a long circuit of 10 extra miles, for the sake of serving the fairly important village of Sivaganga, seems scarcely worth while when it is considered that the result to all the through traffic will be that it will be hampered in perpetuity with the charge for 10 extra miles of haulage—in other words, that it will pay forever one-ninth more than it would otherwise have to pay. The advantage of putting a minor town like Sivaganga on a branch instead of on the main line is that the branch can be cheaply worked by a mixed train daily, any old engine and rolling stock being used. Captain Shelley proposes to give Sivaganga a great deal more than it may fairly expect, because all over India there are towns of seven or eight thousand inhabitants within ten miles of a railway which it is never proposed to serve by a branch. But the object of his proposal is (amongst others) that the branch, by bridging the Vaigai, will bring a lot of country north of that river in touch with the railway which, but for the branch, would be cut off therefrom.

10. This brings us to his third reason (c), that the south Vaigai line will, by means of the Sivaganga branch, give railway facilities at both sides of the river. For if the main line were taken away in a curve to Sivaganga direct from Madura, the parts situated south of the river between Madura and Paramagudi would be quite cut off from the railway.

11. In his fifth paragraph the Agent refers to the advantages, from a railway working point of view, of coming in at the south end of the present Madura station instead of to a separate junction north of the river. There is no doubt that the latter would be a most cumbersome and expensive arrangement in perpetuity, and that the plan of bringing in the Pamban branch at the south end of the Madura junction is, for junction working reasons, and apart from the general alignment issues, the right one.

12. Attention is invited to Appendix C, pages 45-46, of the Traffic Survey of the Madura-Pamban country, recently made in very great detail by a traffic officer of the South Indian Railway Company. In this survey Mr. Mercer shows that the population of the towns and villages which may be considered as being in touch with the railway on the south route is very considerably in excess of that on the north route, between the two points Madura and Paramagudi common to both. He shows a population on the north route of 23,000 and on the south route of 50,000. Mr. Mercer has given the census figures of about 140 villages, so that he has had opportunity of going very much more carefully into the matter than Mr. Geoghagan did twelve years ago.

Order—No. 869 Ry., dated 27th June 1898.

Copies of the papers read above will be forwarded to Mr. J. Twigg, Collector of Tanjore, for an expression of his personal opinion as to the relative merits, from the point of view of the interests of the district as well as of trade between Madura, Ramnad, and Toni Torai, of the two routes referred to, for the Madura-Pamban Railway, viz., that to the north of and that south of the Vaigai river.

2. Mr. Twigg's reply should reach Government within one month of the date of this order.

From—The Collector, Tanjore.

To—The Joint Secretary to Government, P.W. Dept., Railway Branch.

Dated—13th July 1898, No. 3052
Rev.

As desired in G.O., No. 869 Ry., dated 27th June 1898, I have the honour to give my opinion as to the relative merits of the routes north and south of the Vaigai for the Madura-Pamban Railway as follows:—

2. It appears to me that the interests of the district will be best served by the adoption of the southern route with a branch at Mutanandal to Sivaganga.

3. In the first place, the country south of the river is far worse off for roads and in greater need of opening up than the country to the north where the difficulties with regard to road material are not so great. The Vaigai is now a much more formidable obstacle to communication than it was before the opening of the Periyar works, and if the railway takes the northern route, I fear that any improvement in communication on the south will be very slow. On the other hand, with the railway running on the south bank, and carrying gravel at favourable rates, the construction of feeder roads would be stimulated; and this, I think, gives the only chance of opening up that blank tract of country lying between the Madura-Ramnad road on the north and the Madura-Tiruchuli-Kamuti road on the south.

4. Sivaganga would be sufficiently served by a branch line from Mutanandal, and the bridge, which should be made available for cart traffic and linked up with the roads north and south of the river, would be more useful at Mutanandal than at Paramagudi where the northern route would place it.

5. The through traffic from Toni Torai and probably Ramnad would be better served by the line I was anxious to see made for protective purposes turning northwards from Paramagudi through Devicotta to join the Mayavaram-Mutupet extension; but the Agent, South Indian Railway, explains to me that such a line is out of the question, and indeed has frankly stated in his letter, No. 506, dated 24th May 1898, that the mere prospect of it would probably be fatal to the Madura-Pamban line, as, between the two alternative routes for this last line, the southern offers the advantage of a shorter run for through traffic.

6. There is, I think, little to choose between the country north and south of the Vaigai in respect of capabilities for supplying passenger and goods traffic, but I should be disposed on the whole to give the preference to the south as Mr. Mercer does.

7. I believe the southern route will be best for railway interests, and am decidedly of opinion that it will be best in the interests of the district.

ORDER—No. 968 Ry., dated 28th July 1898.

The Government of India will be addressed.

2. The Agent, South Indian Railway Company, will be informed with reference to his letter to the Consulting Engineer, No. 506, dated 24th May 1898, that the adoption of the South Vaigai route with a branch to Sivaganga has been recommended to the Government of India.

3. The Agent should without delay make proposals for, and submit an estimate of the cost of, staking out the South Vaigai route and the branch from Mutanandal to Sivaganga, in order that, if money should be allotted, it may be practicable to start work at the earliest possible moment.

4. With reference to his proposals for prejudicing the short-circuiting question by coming to an early and authoritative decision in regard to the alignment of the Pattukota and Mayavaram-Mutupet Railways, the Agent will be informed that this Government declines at this early stage to commit itself to any definite course of action.

[Here enter No. 969 Ry., dated 28th July 1898.]

(True Extract.)

Staley
Under Secretary.

To the Agent, South Indian Railway.
" Consulting Engineer for Railways.
" Revenue Department.
" Local and Municipal Department.

Ed. C. Parthasarathy.

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READ AGAIN G.O., No.
189

DATED

CURRENT No.

ENCLOSURES to G. No.

ORDER OF GOVERNMENT

LETTER OF GOVERNMENT

STATEMENT WITH DIET

PAPERS NOT SENT UP, BEING WANT FOR DESPATCH
IN ORIGINAL.

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