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HISTORY OF RAILWAYS IN TRAVANCORE: AN ECONOMIC REINTERPRETATION

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Railways are considered to be another contribution of British rule toward the development of modern economic infrastructure. India became a nation with its local centres linked by rail to each other and to the world.”¹ Yet, the very way the railways were constructed makes it clear that its main purpose was to serve the interests of the empire, rather than the needs of the Indian economy. The implications of the railways, both far-reaching and ambiguous, extended far beyond the economy, along with improved roads, steamships, and the post and telegraph service (and, in the twentieth century, telephones and the radio), the late-colonial revolution in communications was motivated in large part by and contributed enormously too, the tightening of British politico-material controls.²

The construction and operation of the Railway were governed by the terms of an agreement between the Government of Travancore and the British-controlled Railway companies. The terms of the agreement were not financially beneficial to the Government. In 1853, Lord Dalhousie took the decision to construct railways in India mainly to facilitate army movements. Gradually there arose another need to integrate the Indian market to open it to British imports, i.e., to connect the port cities to the internal markets and sources of raw materials. So British capital investments were invited with 5 percent guaranteed interests to be paid, if necessary, from Indian revenues. The companies were given free land with a ninety-nine years lease, after the expiry of which the line would become government property. But any time before that—even a few months before the expiry of the lease—the companies could return the lines to the government and claim full compensation for all capital expended. In other words, they could enjoy

a five percent guaranteed profit for ninety-eight years and then get back all their capital. This made the railways projects, as Sabyasachi Bhattacharya described them, “an instance of private enterprise at public risk.”³ As Dadabhai Naoroji put it: “We do pray to our British rulers, let us have railways and all other kinds of beneficial public works by all means, but let us have their natural benefits or talk not to a starving man of the pleasures of a fine dinner.”⁴

The question of having Railway communication with Travancore has been under discussion since the year 1873 when the matter appears to have been brought forward by the Madras government in a letter to the Travancore Durbar.⁵ The subject of the introduction of the Railway in Travancore became a matter of serious concern and discussions about it were held in 1876. On March 3, 1876, the Chief Engineer of Travancore State, Barton submitted a Memorandum to the Government dealing with the need of introducing a Railway in Travancore,⁶ showing the necessity of introducing a Railway in the state. The Travancore Branch, otherwise known as Tinnevely - Quilon Railway is a line that is being built to connect Tinnevely, a terminus of the South Indian Railway and the headquarters of the Tinnevely District, with the port of Quilon on the West Coast in Travancore territory. The reconnaissance and partial survey of an extension of the South Indian Railway from Tinnevely to Quilon on the west coast had been completed and the project was still under consideration.⁷ In 1895, the route was finally decided.⁸

The proposal for the Northern route was accepted by the Madras Government and S.I.R Company was asked to submit and concrete proposal for the consideration of both Governments. A comprehensive survey was conducted and the total various route was estimated as a crore of rupees for a distance of 106 miles. The Executive Engineer of the Quilon division was asked by the Government of Travancore to prepare a feasibility study for a train service from Quilon and Shencotta. The Executive Engineer made changes in the proposed line and cut down the estimate to six lakhs. The Dewan favored a northern route

to further trade interests whereas the Engineer forwarded a Southern route and prepared the plan and estimate accordingly.

The main advocates of the Southern route including William Logan claim superiority for the Southern route⁹ over the Northern one what he describes as “a political and humane standpoint”, and he remarks in this connection that “Trivandrum, the capital of the state would not long remain outside the pale of railway communication.”

Dewan Ramiengar (1880-1887) was sturdily in support of the northern route from Koilpatti to Quilon through Shencottah, which would be one of the most advantageous to Travancore. To strengthen his argument he pointed out that “a railway through the comparatively small extent of territory known as southern Travancore would not benefit to any considerable extent, the trade of the country North of Quilon, where all our staples are grown, where our emporiums of trade, such as they are, exist in which our chief trade routes East and West coverage, and where the bulk of our export and import trade is carried on”¹⁰ Puckle, the then collector of Tinnevely also concurred with him in this view. There was a conflict of interest between the Government of India and the Secretary of State who favoured the southern route and the Travancore Government and SIR Company opposed it and through the contract was given to SIR Company it would not start construction as Travancore Government refused to provide the necessary capital.

The matter came up for recommendation in 1895 and in 1898 practical measures were taken towards the construction of the new line. A survey of the ghat section was ordered by Madras Government as sanctioned Rs. 13,000/- and entrusted. Theodre Mitchell, Executive Engineer SIR Company, with the task of survey and construction,¹¹ and the Government of India sanctioned Rs. 7 lakhs for this Work. The SIR Company issued debentures on the guarantee of the Government of India for raising funds for the new line.

The total length of the line under construction is 103.33, 46.75 miles on the British side and the remainder within the state. Lands required for 23 miles 19.6 chains of the line and 13 sites were acquired and handed over to the railway authorities during the year and the compensation for the lands acquired amounted to Rs.6,101. Special arrangements were also made for acquiring the lands required for the portion of the Cochin Railway passing through Travancore territory. A considerable portion of the land required was already acquired and handed over to the railway authorities.¹²

The acquisition and handing over of lands for the Quilon Railway having been mostly completed during the year, the special establishment provided for the purpose was established. The total area handed over was 1898:42 acres, out of which, compensation was paid for 510:62 acres: the rest being *sirkar* lands were handed over free. A sum of Rs.58,013 was paid on account of guaranteed interest for the debentures issued by S.I.R. company.¹³

The first train of Travancore started its trip from Quilon. The first railway line in the State was Quilon - Shencottah. Though it was decided to start the journey from Shencotta to Kollam due to the monsoon rains, and landslide many parts of the railway line were covered with earth. Sree Mulam Thirunal, the King of Travancore was very particular that the train should start running at the time and day already decided. So the parts of the train were dismantled and brought to Kollam beach by small ships from Thoothukkudi by sea. The parts were loaded in Bullock carts were reassembled at the Railway ground. As desired by the king the train started running on the date and time already decided. Thus, the first train in Travancore started its historical journey from Quilon to Punalur on June 1, 1904. That same year from Shenchottah - Punalur line was opened on November 26, 1904.¹⁴ It is said that the villagers were frightened to see the first train running. The people on seeing the train ran away in fear. The villagers who saw it running at a great speed with a terrible sound and bitter smoke thought it was a monster's creature and called it "Dhooma Sakutasuran" or "Demon cart of smoke."¹⁵

The center of the station building of the present terminus of the South Indian Railway at Tinnevely, is taken as the zero point from which the mileage is reckoned. The total length of the line from the zero at Tinnevely station to the end of the Quilon station yard is 108.27 miles. The entire length of the line 50.33 miles was in British territory and 57.94 in Travancore.¹⁶ The original estimate for the line was Rs.1,01,62,018 for 103.33 miles but this had increased considerably, the actual amount spent being Rs.1,57,71,766 for 108.27 miles, Rs. 45,06,129 for the British section and Rs.1,12,65,637 for the state section.¹⁷

The railway was another field of investment for British capital in the state. The Secretary of State for India availed of a loan to finance the railway line from Shencottah to Quilon. The Government of Travancore guaranteed two and a half percent to five percent interest for the amount spent on the construction of the line.¹⁸ The government of Travancore financed the extension of the Railway line from Quilon to Trivandrum by availing a loan and partly from the surplus revenue of the state.¹⁹ The Government of Travancore borrowed 14.2 million rupees from the Secretary of State for the construction of the Shencottah - Quilon line and the amount spent on the construction of the Quilon - Trivandrum line was 5.5 million rupees.²⁰ The total length of the Railway line was 110.5 miles. The South Indian Railway Company operated and managed the line. The net receipts of the entire line were not sufficient for the payment of the guaranteed interest. As per the agreement, if the company did not obtain a minimum rate of return it has to the right receive compensation from the Government of Travancore.²¹ The guaranteed interest that the State Government had to pay debenture holders of Shencottah - Quilon Railway for the first five years (1902-1907) alone amounted to Rs.86,297. Between 1902 and 1913 the government of Travancore remitted Rs.2271956 as interest to the South Indian Railway Company in fulfillment of the terms of the agreement between them for twelve years. To cross over the financial liabilities, Travancore started a 'Sinking Fund'²² for the payment of the

debenture loan used for the construction of the Tinnevely –Quilon railway and it had ever been setting apart a sum of two lakh rupees every year to the credit of the fund.

The interest system guaranteed by the government was advantageous to the company because the Government had the least participation in the profit and the greatest risk in railway construction. In short, the whole profit went to the companies and the whole loss to the Government. The Government was bound to pay the interest on the investment. Since the companies were not liable to bear the losses of the railways, they were not concerned about how the system worked.

Table 1

Statement of Guaranteed interest paid to the S.I.R Co. by the Travancore state.²³

Year	Guaranteed interest paid to the S.I.R.Co. at the rate of 3.5 per cent
1901-02	Br.Rs.5,80,13
1902-03	2,34,122
1903-04	2,41,505
1904-05	2,78,158
1905-06	2,18,787
1906-07	2,38,269
1907-08	1,78,121
1908-09	1,88,054
1909-10	1,70,971
1910-11	1,65,566
1911-12	1,46,093
1912-13	1,19,551
1913-14	1,03,121

1914-15	2,99,652
1915-16	2,29,70(for 6 months)
1916-17	3,61,038(for 3 years)

Source: *Travancore Administration Reports* from 1901-02 to 1916-

17

The Administrative Reports of Travancore from 1901 to 1917 shows the guaranteed interest to the S.I.R. (South Indian Railway Company) at the rate of 3.5 percent.

The Travancore Government had no control over the working cost of the railways. The burden of the huge interest on the investments in railways was harmful to the interests of the state. In 1921-22 the rate was raised to 6%.²⁴ The working expenses of the railway also increased considerably and together it resulted in a considerable fall in the state's revenues. In 1923-24 (M.E. 1099) the major part of the loan i.e., 2, 87,000 out of 3, 65,000 fell for renewal. If renew it had only a 4.5% interest rate.

Table 1.1

Statement of Income from Railway to the Travancore State.²⁵

Year	Profit or loss from Quilon- Shencotta Railway
1924-25	2,51,694 profits
1925-26	1,65,817 profits
1926-27	2,19,055 profits
1927-28	9,38,90 profit
1928-29	5,44,85 profit
1929-30	1,07,96 loss
1930-31	2,64,98 profit

1931-32	7,38,67 loss
1932-33	5,21,24 loss
1933-34	5,013 profits
1934-35	5,77,59 profit
1935-36	8,51,82 loss
1936-37	7,03,95 loss
1937-38	2,83,18 loss
1938-39	3,97,94 loss
1939-40	3,77,62 loss
1940-41	1,40,398 profits
1941-42	3,64,686 profits

Source: *Travancore Administration Reports* from 1924-25 to 1941-42

The British Government found that in comparison with other states to return on capital investment for Railways in Travancore was unsatisfactory. For instance, the percentage of profits made was 7.8 in Hyderabad in Hyderabad (1939) the percentage of net earnings to capital was 7.8. In Baroda (1939-40) the net earnings of the State railway system were 3.87 percent on the capital outlay of 45.558 lakhs exclusive of the 1.25 percent of the capital set apart for depreciation fund. In Mysore on the very first year of the opening of the Mysore Arsikera Railway (1917-18), the net earning was 8.39 percent of the capital outlay.²⁶ There was never a deficit in the Cochin State railway and the net income variance from 1.34 percent to 8.28 percent on capital invested. In 1939-40 it was 4.41 percent. In 1932 the government of India refused the contention of the Travancore government that the interest on the capital raised by the Secretary of State was to be only 3½ percent but this request was conceded in 1939 and the financial gain therefrom was ½ a lakh of rupees. In the same year the request of the Travancore government that in the apportioning of the loss between the two governments, the capital outlay on the extension to Trivandrum from Quilon should not be taken into account was granted. The Indian government also

permitted the association of an officer of the Travancore government with the Examiner of Accounts at Trichinopoly for the auditing of the accounts relating to the Travancore railway.²⁷

The introduction of the railway was a shot in the arm for the colonial administration of Travancore. It provided the occasion for satisfying their aim of exploiting the wealth of the colonies. The primary aim of establishing the railways in the state was to provide facilities for moving the raw materials, from their source to the manufacturing centres, from where the finished goods could be re-transported to the interior markets for sale. So that huge profits would be made to the European companies. In 1904 the railways were introduced between Quilon and Shencotta, and later it was extended to Trivandrum. Always the basic intention of the colonial Government was to make their administration profitable to them. They also wanted to perpetuate and enlarge their imperial intentions in the colony. The basic intentions of colonial rule everywhere in the world were the extension of political and cultural authority, expansion of economic hegemony, achievement of commercial objectives such as monopoly, and investment expansion of European capital. All developmental activities undertaken by the colonial powers were based on these fundamental objectives which was true in the case of Travancore also.

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