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MADRAS RECORD OFFICE.

Government of Madras.

Public works **DEPARTMENT.**

G.O. No. 181 Press / Mis.

285-47

Dated 15 - 1 1870.

Not to be folded or roughly handled

No. 348. Read the following Circular from the Government of India, Public Works Department, (Railway,) dated Fort William, 6th December 1869, No. 40.—

Review and Scrutiny of Expenditure on Guaranteed Railways, in view to reductions where possible.

RESOLUTION.—The necessity for exercising the most rigid economy in all departments of the State, especially under the existing financial pressure, has been already emphatically affirmed by the Government of India. The Governor-General in Council now further wishes to point out that this economy should be practised, not only in the disbursements made directly by the officers of Government, but in all matters that lead to charges being placed on the revenues of the country.

2. So far as regards the finances of India, the expenditure on account of Guaranteed Railways operates in precisely the same manner as that for any of the departments of State, and to secure a due regard to public economy, it is essential that all outlay on these undertakings should be subjected to the same check and review as is applied to other State expenditure.

3. The Governor-General in Council accordingly requests that, in furtherance of the measures of economy forced on the Government by the present state of the finances, as well as in the interests of sound administration generally, the Local Governments charged with the administration of Railways will at once, in concert with the Railway Companies' officials, enter upon a review of the various charges of each Railway, both Capital and Revenue, but especially the latter; in view to making such reduction as may be any way possible, consistent with due progress and true economy, and reasonable attention to the purposes which the railways are designed to serve, namely, the convenience of the public and the interests of trade and commerce. The Governor-General in Council would particularly indicate the establishments as presenting a field for immediate action. It is only by a periodical scrutiny with the distinct object of lopping off all superfluities that the natural tendency to growth exhibited by all establishments can be checked. The most rigid economy, compatible with efficiency, should be enforced as respects this class of outlay, as well as all other outgoings, including the consumption of stores and materials Important as it is to encourage the growth of railway revenue, it is of even more importance to keep down to the lowest limits the working expenses, and this can only be ensured by a frequent detailed review and scrutiny of every item of charge of every department.

4. On those lines on which the net profits do not cover the guaranteed interest on Capital, special attention should be given to these subjects. In these cases the traffic is probably light, and the most careful economy should be enforced in all the arrangements of the Traffic Department, whether by suppressing trains that do not fill, reducing the number of vehicles or even of stations, and insisting on the goods waggons being properly filled The traffic arrangements should be adjusted to the real wants of the traffic in an intelligent and flexible manner, and systems which are suitable for thickly-peopled and rich districts may often with much advantage be modified where these conditions are not found.

5. In regard to Capital outlay, it should be understood that it is not the desire or intention of the Government to check the progress of any works positively required, or of any unfinished line towards completion, but there are probably many works which, though technically admissible, are not really essential, or may be postponed for a time at least without detriment to the lines, or their working.

6 In inviting the officers of the Railway Companies to co-operate with the Local Governments in giving effect to the wishes of the Government of India, the Governor-General in Council is confident, that, if they enter on the task with determination and energy, the results will be as satisfactory to the Railway Companies as to the Government.

ORDER.—Ordered that this Resolution be forwarded to the Governments and Administrations noted in the margin, for information and guidance. Also to the Government of the North-Western Provinces, and the Resident at Hyderabad, for information. Also to the Financial Department for information. Also that it be published in the Supplement to the *Gazette of India*.

Madras. Bombay. Bengal — Punjab. Oudh.

(Signed) R. STRACHEY, Colonel, R.E.,
Offg. Secy. to the Govt. of India.

To the Secretary to the Government of Madras, Public Works Department, (Railway).

No. 349. ORDER THEREON, 15th January 1870, No. 181.

RAILWAY, No. 42.

COMMUNICATED to the Consulting Engineer for Railways for information and guidance.

(True Extract.)

Colonel, R.E.,
Secretary to Government.

To the Consulting Engineer for Railways.

Exd. E. C. Shunker.

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All replies should be addressed to the Secretary

CIRCULAR No 40 RAILWAY.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY

FORT WILLIAM, DECEMBER 6, 1869.

Review and scrutiny of expenditure on Guaranteed Railways in view to reductions where possible.

RESOLUTION.—The necessity for exercising the most rigid economy in all Departments of the State, especially under the existing financial pressure, has been already emphatically affirmed by the Government of India. The Governor General in Council now further wishes to point out that this economy should be practised not only in the disbursements made directly by the Officers of Government, but in all matters that lead to charges being placed on the revenues of the country.

2. So far as regards the finances of India, the expenditure on account of Guaranteed Railways operates in precisely the same manner as that for any of the Departments of State, and to secure a due regard to public economy, it is essential that all outlay on these undertakings should be subjected to the same check and review as is applied to other State expenditure

3 The Governor General in Council accordingly requests that, in furtherance of the measures of economy forced on the Government by the present state of the finances, as well as in the interests of sound administration generally, the Local Governments charged with the administration of Railways will at once, in concert with the Railway Companies' officials, enter upon a review of the various charges of each Railway, both Capital and Revenue, but especially the latter; in view to making such reduction as may be any way possible, consistent with due progress and true economy, and reasonable attention to the purposes which the Railways are designed to serve, *viz*, the convenience of the public and the interests of trade and commerce The Governor General in Council would particularly indicate the establishments as presenting a field for immediate action. It is only by a periodical scrutiny with the distinct object of lopping off all superfluities that the natural tendency to growth exhibited by all establishments can be checked. The most rigid economy, compatible with efficiency, should be enforced as respects this

class of outlay, as well as all other outgoings, including the consumption of stores and materials. Important as it is to encourage the growth of Railway revenue, it is of even more importance to keep down to the lowest limits the working expenses, and this can only be ensured by a frequent detailed review and scrutiny of every item of charge of every department.

4. On those lines on which the net profits do not cover the guaranteed interest on Capital, special attention should be given to these subjects. In these cases the traffic is probably light, and the most careful economy should be enforced in all the arrangements of the Traffic Department, whether by suppressing trains that do not fill, reducing the number of vehicles or even of stations, and insisting on the goods wagons being properly filled. The traffic arrangements should be adjusted to the real wants of the traffic in an intelligent and flexible manner, and systems which are suitable for thickly peopled and rich districts may often with much advantage be modified where these conditions are not found.

5. In regard to Capital outlay, it should be understood that it is not the desire or intention of the Government to check the progress of any works positively required, or of any unfinished line towards completion, but there are probably many works which, though technically admissible, are not really essential, or may be postponed for a time at least without detriment to the lines, or their working.

6. In inviting the Officers of the Railway Companies to co-operate with the Local Governments in giving effect to the wishes of the Government of India, the Governor General in Council is confident that if they enter on the task with determination and energy, the results will be as satisfactory to the Railway Companies as to the Government.

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Madras
Bombay
Bengal
Punjab
Oudh

Colonel, R. E.
Offg. Secy. to the Govt. of India.

To The Secy: to the Govt: of Madras
P.W. Dept: (Railway)

(10) No. 5286.

GOVERNMENT OF INDIA

PUBLIC WORKS DEPARTMENT

RAILWAY

To

CIRCULAR No. 40 RAILWAY.

Dated December 6, 1869

Received 16th

No 181 - 15th Jany 1870

Review and scrutiny of expenditure on Guaranteed Railways in view to reductions where possible

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P W D Press—6 12 69—202

Circular on Rules

circulate

No 181

Communicated to the Consulting Engineer
A/A. for Railways for information and guidance

The Consulting Engr for Railways

Fort St George
15th June 1870

Recd 17/6/70

Cuc 5286

Govt. of [1869] Madras.

PUBLIC WORKS

To The Consulting Engineer for Railways

Dated

Read

Ans 15th January No 181

Nos. 348-349

Expenditure (By) Circular from the Govt of India regarding the necessity for entering upon a review & scrutiny of Expenditure on guaranteed Railways in view to making any possible reductions. and Govt Officers concerned