

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No. 1403-1404	Press
392-394	Mis.
Dated 5-2-37	1871

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
22nd May 1871.*

No. 392. Read the following Endorsement of the Acting Consulting Engineer for Railways, dated Madras, 3rd May 1871, No. 195 :—

From the Agent and Manager of the Madras Railway Company, to the Acting Consulting Engineer for Railways, dated Madras, 30th March 1871, No. 193.

In continuation of my letter, No. 740, of the 21st of December 1870, I have the honour to direct your attention to the enclosed copy of paragraph 1 of a letter from the Secretary, No. 469, of the 24th ultimo, containing the instructions of my Board as to the manner in which the "materials lost" account is to be adjusted.

2. I have also to ask your attention to paragraph 2 of the same letter, a copy of which is also enclosed. It has reference to the account in our books called "suspense account for general average," which was alluded to in Captain Filgate's

* Sent to me with your letter, No. 291, 10th June 1870. report upon the accounts of this Company, dated the 6th March 1870.*

3. In accordance with the instructions of my Directors, and under the circumstances explained in their letter, I have the honour to request that Government will authorize the sum of Rupees 35,506-5-1, standing at the debit of this account, to be written off as a charge to Capital.

Extract from a letter from the Secretary, Madras Railway Company, dated London, the 24th February 1871, No. 469.

Paragraph 2.—The amount at the debit of the other account to which you allude is the uncovered portion of the payment made in Madras in 1861 for general average per *Fury*. Captain Filgate, in his report on the accounts of the Company, enclosed in your No. 901, refers to this outstanding balance also, and suggests, in the event of its being irrecoverable, that it should be finally disposed of. You are aware that the *Fury* had on board a large quantity of permanent way materials, the value of which was fully insured, and that, in consequence of damage sustained on the voyage, she had to put into Rio de Janeiro, and that her cargo was finally transhipped at the Mauritius for Madras. In paragraph 12 of 326, it was explained that the greater portion of our average claim was upon the owner of the vessel, and that it had been found necessary to place the same in the hands of the Company's Solicitors for recovery. Messrs. Freshfields subsequently stated that to support the claim it would be necessary to send out commissions to Rio, Mauritius, and Madras, which would be attended with very considerable expense, and added that they had heard that the defendant would not be able to meet the claim of the Company should they succeed. The further inquiries made by the Board tending to confirm the information obtained by the Solicitors, it was decided, under the circumstances, not to incur further expense in prosecuting the suit. The attempt afterwards made to obtain from the owner, by way of compromise, some portion of the amount on condition of the withdrawal of the action unfortunately proved unsuccessful. As there is now no likelihood of any part of the balance in question (£3,254-14-11) being recovered, I am instructed to direct you to apply to Government for sanction to write off the amount to the debit of Capital.

(True Extract.)

(Signed) R. B. ELWIN,
Agent and Manager.

*Proceedings of the Madras Government, Public Works Department,
22nd May 1871.*

From the Acting Agent and Manager of the Madras Railway Company, to the Acting Consulting Engineer for Railways, dated Madras, 27th April 1871, No. 257.

In acknowledging the receipt of your letter No. 252, dated the 21st instant, I have the honour to observe that after a careful consideration of the letter* from the Government of India, published in G. O., No. 794, of the 16th ultimo, I am unable to come to the conclusion that His Excellency the Governor-General in Council would object to the sum† now standing in our books at the debit of the suspense account for general average being written off as a charge to Capital.

* No. 133-A. B.

† Rupees 35,506-5-1.

2. The observations contained in the letter have reference only to "loss upon stores damaged while in stock," and do not seem to me to be applicable in any way to the case in point.

3. With reference to the suggestion you make that the loss should be borne by the surplus stock of "general stores," I have the honour to point out that in the letter from which you quote, it is laid down in paragraph 2 that the stores which the Government had in view when issuing their orders are "general stores" kept for general purposes, and that losses on such stores are to be borne by Revenue. It follows, therefore, that a "surplus" in such stores should be a credit to Revenue, that is, it should be applied in the reduction of the prices of general stores which it is contemplated will ultimately be issued for Revenue purposes.

4. If therefore we adopt your suggestion in regard to the stores consigned in the ship *Fury*, the charge would eventually fall upon Revenue, whereas as the stores were purchased on Capital Account and as the loss was one over which the Company had no control, being an accident of the seas, it properly belongs, I think, to Capital.

5. I have the honour to request that you will be good enough to submit the matter to His Excellency the Governor in Council, and communicate the result to me at your early convenience.

The Agent of the Madras Railway Company requests that the Government will authorize the sum of Rupees 35,506-5-1, standing to the "suspense account for general average," to be written off as a charge to Capital, on the instructions of the Board of Directors, dated 24th February 1871. The material shipped from England on board the *Fury* sustained much damage, and though the value was insured the expenses of a suit were likely to be great with little prospect of recovering the amount claimed.

2. I informed the Agent, in reply, that by the recent ruling of the Government of India published in G. O., No. 794, dated 16th March 1871, large items of loss should ordinarily be written off to Profit and Loss (Revenue) under the orders of Government; thus preventing the value of stock being unduly enhanced. I added that the Government would not authorize the amount, Rupees 35,506-5-1, to be written off to Capital; but that as there was a considerable surplus shown by the recent valuation, "stores" could easily bear a debt of this sum without any necessity for the prices of the articles on hand being raised, and that this method of adjustment would be authorized.

3. The Agent, in his second letter of the 27th April, considers that the observations of the Government of India have reference to loss upon stores damaged while in stock not previous to arrival in this country, and thinks that the charge to Capital will not be objected to by the Government of India.

*Proceedings of the Madras Government, Public Works Department,
22nd May 1871.*

4. It appears to me that there is no reason for a different course being adopted in the case of the loss by the ship *Fury* from that proposed by the Directors and admitted by the Government of India in paragraph 6 of their letter, No. 133, dated 4th March 1871, quoted above.

5. The Agent under instructions from the Board charged to stores the sums of Rupees 347 and Rupees 389, which were irrecoverable from accidents at sea, and in reply to the reference made by this Government, No. 221, of 28th January 1871; the Government of India allowed small losses of this nature which will not materially affect the value of the stores in hand, being distributed over the stock. Although the sum now in question is not merely a small loss, still from the surplus shown by the last valuation of stores much exceeding Rupees 35,000, this sum may be distributed over the stock without affecting the value of the stores in hand.

6. The Government of India allow in paragraph 4 of the same letter that exceptional cases of loss from deterioration of stores in stock may be referred for orders to write off the amount to Capital, when the loss cannot be conveniently dealt with by an adjustment of the book values. The deficit of Rupees 35,506-5-1 occurs from very exceptional circumstances, but it can be adjusted without inconvenience. There is the precedent of two sums just now dealt with by the Board of Directors, and under the subsequent approval of the Government of India; and I think altogether that the amount should rather be distributed over the stock than carried direct to Capital.

(Signed) H. L. PRENDERGAST, Major, R.E.,
Actg. Consulting Engineer for Railways.

No. 393. ORDER THEREON, 22nd May 1871, No. 1,403.

RAILWAY, No. 50.

ORDERED that the Government of India be addressed on the subject of these papers:—

(Here enter No. 1,404, dated 22nd May 1871.)

(True Extract.)

Colonel, R.E.,

Secretary to Government.

To the Acting Consulting Engineer for Railways.

Exd. E. C. Shunker.

PUBLIC WORKS DEPARTMENT,
FORT ST. GEORGE, 22nd May 1871.

No. 394.

No. 1,404.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,

PUBLIC WORKS DEPARTMENT.

RAILWAY, No. 51.

SIR,—I am directed to forward the accompanying papers in which the Acting Agent and Manager of the

Madras Railway requests, under instructions from the Home Board, that the sum of Rupees 35,506-5-1 representing the irrecoverable balance of the value of stores lost in transit between England and India and now standing in the Company's books to the debit of the "suspense account of general average," may be written off to Capital.

2. The Consulting Engineer proposes to adjust the amount by charging it off to "stores," and in this course he con-

Letter No. 133-A. R., dated 4th March 1871. sider he is borne out by a recent ruling of the Government of India which provides for small losses of the character under notice, when they do not materially affect the value of the stores on hand, being distributed over the stock as is done in the Public Works Department. It is, however, doubtful whether the losses in question, being exceptionally heavy, can properly be considered as falling within the scope of the ruling referred to, and bearing in mind the circumstance that the losses are attributable to causes which the Company were powerless to control, the Government of India may probably be disposed to treat the case as a special one and to authorize the amount being written off to Capital. I am accordingly directed to submit the correspondence on the subject for such orders as the Right Honourable the Governor-General in Council may consider necessary.

I have the honour to be,

Sir,

Your most obedient servant,

Colonel, R.E.,

Secretary to Government.

Exd. E. C. Shunker.

No. 193.

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE.

Madras, 30th March 1871.

From

R. D. Chinn Esq.,

Agent and Manager of the M.R.B.

To

Mayer H. C. Prendergast Esq.

Acting Consulting Engineer for Railways.

SIR,

In continuation of my letter
cto 740 of the 21st of December 1870,
I have the honor to direct your
attention to the enclosed copy of
paragraph 1 of a letter from the
Secretary cto 469 of the 24th ultimo
containing the instructions of my
Board as to the manner in which
the "Materials lost" account is
to be adjusted.

2. I have also to ask your
attention to paragraph 2 of the
same letter a copy of which is
also enclosed. It has reference
to the account in our Books
called "Suspense account for
general average" which was
alluded to in Captain Filgate's
Report upon the accounts of this

* Sent to me
with your letter
No 291-10 June
1870.

9
Company dated the 6th March 1870

3. In accordance with the instructions of my Directors and under the circumstances explained in their letter, I have the honour to request that Government will authorise the sum of Rs 35,506-5-1 standing at the debit of this account to be written off as a charge to "Capital".

I have the honour to be
Your most obedient servant

W. J. Smith
Agent and Manager

570-113

Extract from a letter from the Secretary
Madras Railway Company, No. 469,
dated London the 24th February 1871

Para 2. The amount at the debit
of the other account to which you
allude is the unrecovered portion of
the payment made in Madras, in 1861,
for general average for "Levy"
Captain Filgate, in his report on the
accounts of the Company, enclosed
in your No 901, refers to this outstand-
ing balance also, and suggests, in the
event of its being irrecoverable, that it
should be finally disposed of. You
are aware that the "Levy" had on board
a large quantity of permanent way
materials, the value of which was
fully insured; and that in consequence
of damage sustained on the voyage
she had to put into Rio de Janeiro,
and that her cargo was finally
transhipped at the Mauritius for
Madras. In para 12 of 326, it was
explained that the greater portion of
our average claim was upon the
owner of the vessel, and that it had
been found necessary to place the
same in the hands of the Company's
Solicitors for recovery. Messrs
Greenfield's subsequently stated
that to support the claim it would
be necessary to send out Commissioners

See Letter to Secy. 1/11/71

Extracting attention to the
unrecovered portion of the
payment made in 1861, for
general average for "Levy"
Captain Filgate, in his report
on the accounts of the Com-
pany, enclosed in your No 901,
refers to this outstand-
ing balance also, and suggests,
in the event of its being irre-
recoverable, that it should be
finally disposed of. You are
aware that the "Levy" had on
board a large quantity of per-
manent way materials, the
value of which was fully in-
sured; and that in consequence
of damage sustained on the
voyage she had to put into
Rio de Janeiro, and that her
cargo was finally transhipped
at the Mauritius for Madras.

Date: 21st Feb 1871
Recd: 21st Feb 1871

No. 193.

to
The Consulting Engineer
for Railways.
The Agent and Manager,
MADRAS RAILWAY.

J. W. 20/15/71

to Rio, Mauritius and Madras, which would be attended with very considerable expense, and added that they had heard that the defendant would not be able to meet the claim of the Company should they succeed. The further enquiries made by the Board, tending to confirm the information obtained by the Solicitors, it was decided under the circumstances not to incur further expense in prosecuting the suit. The attempt afterwards made to obtain from the owner, by way of compromise, some portion of the amount on condition of the withdrawal of the action unfortunately proved unsuccessful. As there is now no likelihood of any part of the balance in question, Rs 3,254-14-11d being recovered, I am instructed to direct you to apply to Government for sanction to write off the amount to the debit of Capital.

Yours Obediently

[Signature]
Agent & Manager -

Compromised

10th 2015/71

No 257.

MADRAS RAILWAY.

AGENT AND MANAGERS OFFICE.

Madras, 27th April 1871.

From

Reverend Anderson Esq.
Ag. Agent and Manager. M. R. Co.

To

Major H. L. Pendergast, R.E.
Ag. Consulting Engineer for Railways.

Sir,

133 A.R.

Rs 35,506. 5.1

I acknowledge the receipt of your letter of 252 dated the 21st instant, I have the honor to observe that after a careful consideration of the letter from the Government of India published in G. O. No 794 of the 16th ultimo. I am unable to come to the conclusion that His Excellency the Governor General in Council would object to the sum now standing in our Books at the debit of the Surplus Account for general average being written off as a charge to Capital.

2. The observations contained in the letter have reference only to loss upon stores damaged while in stock; and do not seem to me to be applicable in any way to the case in point.

3. With reference to the suggestion you make that the loss should be borne by the surplus stock of general stores I have the honor to point out that in the

15 5
letter from which you quote it is laid down
in paragraph 2 that the stores which the
Government had in view when issuing their
orders were "general stores" kept for general
purposes, and that losses on such stores
were to be borne by Revenue. It follows
therefore that a surplus in such stores
should be a credit to Revenue, that is,
it should be applied in the reduction of the
prices of general stores which it is contemplated
will ultimately be issued for Revenue
purposes.

4. If therefore we adopt your
suggestion in regard to the stores consigned
in the ship "Hewy" the charge would devolve
fully upon Revenue whereas as the
stores were purchased on Capital account
and as the loss was one over which the
Company had no control, being an
accident of the seas, it properly belongs
I think to Capital.

5. I have the honor to request
that you will be good enough to submit
the matter to His Excellency the Governor
in Council, and communicate the result
to me at your early convenience.

I have the honor to be
Sir

Your most Obedient Servant.
Wm. Fraser & Neave -

Acting Agent & Manager.

No 195

17

The Agent of the
Madras Railway Company, requests
that the Government will authorize
the sum of Rs 55,506-5-1, standing
to the "Suspense" account for general
average to be written off as a
charge to capital, on the in-
struction of the Board of Directors
dated 24 February 1871. The
material shipped from England
on board the ship, sustained much
damage, and though the value
was insured, the expenses of a
suit were likely to be great,
with little prospect of recovering
the amount claimed.

MADRAS RAILWAY.

From

The Agent and Manager,

The Consulting Engineer

for Railways.

Date

Recd

27 April 1871

No. 297

During the year in
reference to the
sum of Rs 55,506-5-1
now standing in the
Company's books at
the credit of the
Account for General
Average.

P.M. 20/5/71

2 I informed the Agent
in reply, that by the recent
feeling of the Government of India
published in L. O. No 794, dated
16th March 1871, large items of loss
should ordinarily be written off
to Profit and Loss (Revenue)
under the orders of Government,
thereby preventing the value of stock
being unduly enhanced. I added
that the Government would not
authorize the amount Rs. 25546-5-1
to be written off to Capital, but
that as there was a considerable
surplus shown by the recent
valuation, "stones" could easily bear
a debt of this sum without any
necessity for the price of the
articles on hand being raised;
and

19
and that this method of adjust-
ment would be authorized.
The Agent in his second
letter of the 27th April, considers
that the observations of the
Government of India have reference
to loss upon stores damaged or
wrecked in stock, not previous to
arrival in the country; and
thinks that the charge to
Capital will not be objected to,
by the Government of India.
It appears to me,
that there is no reason for a
different course being adopted
in the case of the loss by the
ship Grey, from that proposed
by the Directors and admitted
by the Government of India,
in

in para 6 of letter No 133
dated 4th March 1871, quoted above.
The Agent under instructions
from the Board, changed to stores
the sum of Rs 347 and Rs 389,
which were irrecoverable, from
accidents at sea, and in reply
to the reference made by the
Government, No 22 of 28 January
1871, the Government of India
allowed small losses of this
nature which will not materially
affect the value of the stores
in hand, being distributed
over the stock. Although the
sum now in question is not merely
a small loss, still from the
surplus shown by the last
valuation of stores, much exceeding
Rs:

21 8
Rs 35,000; this sum may be distrib-
uted over the stock without
affecting the value of the stores
in hand.

The Government of India
allow in para 6 of the same letter
that exceptional cases of loss
from deterioration of stores in stock
may be referred for orders to write
off the amount to Capital, when
the loss cannot be conveniently
dealt with by an adjustment
of the book values. The deficit
of Rs 35506-5-8 occurs from very
exceptional circumstances, but
it can be adjusted without
inconvenience. There is the
precedent of 2 sums just now
dealt with by the Board of
Directors

in Directors, and under the subsequent approval of the Government of India; and I think altogether that the amount should rather be distributed over the stock than carried as a reserve to capital.

Madras, 30 May 1851. Henderson Esq Major R.E.

My dear Sir, Enclosed for you

are the Secretary to Government Public Works Department Fort Saint George.

Received by the Secretary to Government Public Works Department Fort Saint George 30 May 1851

2015-
Public Works Department
No. 14 d3
25
Proceedings of the Madras Government
Under date the 22nd May 1871
Read the following

From The Asy Cons. Engrs for
Railways. } H.E. No. 195 of 3rd May 1871

Ordered that the
Govt of India be ad-
dressed on the subject
of these papers.

32

To The Asy Cons. Engrs
for Railways.
Desp. 23/5/71.

No. 14 04.

To The Secretary to the
Govt of India.

Sir, I am directed to
forward the accompanying
papers

Rs 25 January 11 30 00
- 16 March 468
Rs 200 1/2 in Dec 27 16
May 11 08 294 - 295

Rs 11 3/4 1/2 1/2 1/2 1/2
of 1/2 1/2 1/2 1/2 1/2
May 11 08 294 - 295

To The Secretary to Govt.
P.W.D.
For 1st Class
Date 3rd May 1871
Received 4 3 May 1871

No. 195.
Enc. 3. A
Soliciting the
orders of Government
that the Laps on stores
Rs 35506.5.1, be dis-
tributed over the
stock, then carried
direct to Capital
No. 1405-1404-22 May 71

to 10 June 1871

papers in which the
Acting Agent and Ma-
-nager of the Madras
Railway requests, under
instructions from the Home
Board, that the sum of
Rupees 35,506-5-1 repre-
-senting the irrecoverable
balance of the value of
stores lost in transit
between England and
India and now standing
in the Company's books
to the debit of the "sus-
-pense account of general
average", may be written
off to Capital.

The Consulting
Engineer proposes to
adjust

27 #
adjust the amount by
charging it off to Stores,
and in this course the
consideration is borne
out by a recent ruling
Letter No. 133 A.R. of 4th March
1871
of the Govt. of India
which provides for small
losses of the character
under notice, where
they do not materially
affect the value of the
stores on hand, being
distributed over the
stock as is done in
the Public Works Dept.
It is however doubtful
whether the losses in
question, being exception-
-ally heavy, can
properly

properly be considered as
falling within the scope
of the ruling referred to
and bearing in mind
the circumstances that
the losses are attributable
to causes which the
Company were powerless
to control, the Govt. of
India may probably
be disposed to treat the
case as a special one
and to authorize the
amount being written
off to Capital. I am
accordingly directed
to submit the corres-
pondence on the sub-
ject for such orders
as

29 12
as the Right Honora-
ble the Governor
General in Council
may consider necessary.

J. Gray Esq.

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Decr 23/57 in a copy of
L. No 1403 of 1871

Govt of 1871 Madras.

PUBLIC WORKS.

1. The Ag Consulting Engr
for Railways
and
2. The Secretary to the Govt
of India

Dated

Recd.

End

G. 022 May 1871, No 14039/404.

Nos. 292-293/294

The Court advised the Comptroller
that, as directed by the Comptroller,
the Comptroller will be subject of
the Court's review. The review of
the Court's Comptroller will be
made & known.

The Committee on Orders
has received information in
regard to the same, and the
Committee on Spirituals the
same has been transmitted
and is under consideration.