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(2) Date of repair 8.7.64

3. Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public works **DEPARTMENT.**

G.O. No. 3011-12... Press / Mis.

508-509-10

Dated 29-11- 1871.

Not to be folded or roughly handled

No. 508.

Read the following:—

No. 451.

APPLICATION from the Agent and Manager of the Madras Railway Company, requesting the sanction of Government to the following estimate:—

Madras Central Station.

	RS.	A.	P.
Revised estimate of the cost of altering platform walls at the new Central Station...	21,858	12	10

2. The Agent and Manager of the Madras Railway, in submitting the revised estimate, quotes as follows from the Acting Chief Engineer's communication:—

"It was found, on opening out the old work which had failed, that the increased "thickness of two feet above formation level, proposed for the wall as rebuilt, had "to be carried down to a lower level; the quantity of brick-work has thus been "increased beyond that shown in the estimate previously submitted;" and again with regard to the plan, "The dotted lines show the outlines of the walls as "originally built. Sanction was subsequently obtained for pulling them down to "formation level, and increasing the thickness above this level to two feet, with a "stone corbel built in, to give a better base for the new work.

"In carrying out this alteration, however, it was found desirable to increase the "thickness of the wall below formation level also, as shown on the accompanying "drawing, and hence the necessity for a revised estimate.

"The figures in the revised estimate are arrived at thus, namely.

	RS.
"Above formation with stock bricks, cubic yards 934, at 8 Rs.	7,472
"Below do. country bricks, cubic yards 1,452, "at 4-5-5 $\frac{71}{121}$	6,304
"(equivalent to 788 cubic yards, at 8 Rs. = 6,304 Rs.) ...	13,776"

3. In letter No. 1,348-R., dated 1st August 1870, the Government of India sanctioned an expenditure of Rupees 11,975 for altering these platform walls, and directed that the cost be charged against revenue.

4. On this subject the Agent has forwarded copies of correspondence between the Secretary of State and the Board of Directors relating to the allocation of expenditure on several works as ordered by the Government of India; but the orders thus given have not been rescinded, and the additional expenditure for which sanction is now asked must still be charged to the Revenue Account. The necessity for the extra work should have been foreseen when the first revised estimate for the platform walls was prepared; for, though there appeared then to be economy in reducing the thickness of the masonry, it is not surprising that application should afterwards be made to allow the lower part of the walls a thickness not less than that given to the upper part.

5. I recommend that the sanction of the Government of India be obtained to the estimate of Rupees 21,858-12-10, out of which the sum of Rupees 9,883-12-10 is debitable to Capital and the balance Rupees 11,975 to the Revenue Account.

MADRAS,
18*th October* 1871.

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

From the Acting Agent and Manager of the Madras Railway Company, to the Acting Consulting Engineer for Railways, dated Madras, 28th June 1871, No. 388.

I HAVE the honour to enclose you copy of paragraph 16 of the Secretary's letter No. 472, dated the 28th of April 1871, with the correspondence referred to therein, whereby I am informed that in reply to a letter addressed by my Directors to the Secretary of State, His Grace has decided that certain amounts, which the Government of India has ordered to be allocated to revenue, are properly chargeable to Capital under Sir Charles Wood's Despatch No. 17 of the 9th of March 1864.

2. I have the honour to request that you will obtain and communicate to me, as early as possible, the necessary authority for the sums in question, which have been allocated to revenue to be transferred to the capital account.

From the Secretary of the Madras Railway Company, to the Under-Secretary of State for India, dated London, 10th February 1871, No. 2,665.

THE Board regret to be under the necessity of requesting the attention of the Secretary of State to certain late rulings and orders of the Government of India in regard to the charging of expenditure upon this railway, which appear to them, as they trust they will to the Secretary of State, to be clearly at variance with the rules laid down for our guidance in Sir Charles Wood's Despatch of the 9th of March 1864. The representations to this effect by the Board and their Agent, addressed to the Indian authorities, having produced no effect, and the Company's servants having been accordingly obliged to carry charges to account in a manner at variance with what the Board conceive to be the principles laid down, and with the instructions under which their servants were accordingly acting, it has become necessary in order to put an end to this state of things to arrive at a clear understanding as to the construction to be put on the provisions of Sir Charles Wood's Despatch, and the obligation of the Indian authorities to be guided by them.

With this view the Board proceed to submit for the consideration of the Secretary of State the particulars of several cases to which their observations apply, and to solicit an expression of his opinion on them. As these have all been the subject of correspondence with the Agent, and the Board's printed letters to him contain the most readable summary of the particulars of each case, extracts from the several letters are appended.

The first case to which attention is requested is to be found clearly stated in letter No. 444 to the Agent, paragraphs 17 to 20, and was as follows:—

The old temporary roof of the timber shed at Royapoorum having, with the sanction of Government, been replaced by one of a permanent description, the difference between the first cost of the two roofs, namely, Rupees 15,679, was proposed, with the approval of the Local Government, to be charged to Capital, and the balance of the outlay to Revenue, in accordance with past precedents. The Government of India, however, disapproved and disallowed the charge of any part of the expenditure to Capital, on the ground that the temporary roof having lasted so long its renewal with permanent materials was not to be regarded as coming under the provisions of Sir Charles Wood's Despatch. The Board's reply to this is given in the letter above quoted, and, pursuant to their directions, a reconsideration of the case was requested by the Agent; but he was informed that His Excellency in Council saw no reason to alter his previous decision, and the whole amount has been charged to Revenue in the Company's accounts accordingly.

The second case is that of a temporary boiler shed required by the Locomotive Department at Perambore, the cost of which, Rupees 8,483, the Government of India directed to be charged to Revenue, and not to Capital. The case is explained in the letter to the Agent No. 448, paragraph 7, which directs a reconsideration to be requested, but no effect appears to have followed.

The third and fourth cases may be found stated in the letter to the Agent No. 449, paragraphs 10 and 11. In the former the Company, with the sanction of the Government, erected a sort of

Proceedings of the Madras Government, Public Works Department, 29th November 1871.

temporary station of an inexpensive character at a small village, in order to test the traffic before incurring the expense of a permanent station. The Government of India refused to allow the cost to be charged to Capital, on the ground of its small amount. On the Agent requesting that the case might be reconsidered, he was told, by the Consulting Engineer's letter of the 15th of February last, that "the Governor-General in Council has ruled that the charge should be "against Revenue as for a work of a temporary description."

In the latter of these two cases a shed having been erected at Salem station, at the desire of the Government, for the accommodation of passengers at a cost of Rupees 1,626, the Government, under the orders of the Government of India above referred to, directed the cost to be charged to Revenue.

Those several amounts have been charged accordingly in opposition to the representations of the Board and their officers, and as appears to them clearly in opposition to Sir Charles Wood's Despatch, paragraph 8, which says, "There can be no doubt that the expense of the original "construction of any work, including that of those intended to be only temporary, as well as of all "additions to existing works, ought to be charged to Capital Account."

To avoid increasing the Capital by frequent charges of small amount the Board, in their letter No. 449, proposed, if it met with the approval of the Government of India, that the cost of any addition or improvement, which did not exceed Rupees 400, should be charged to Revenue. But this proposal does not appear to have elicited any response.

The fifth case is that of the cost of a platform wall of the Madras Terminal station now building. This wall, as first put up, proving insufficient for its purpose had to be rebuilt more strongly, and the cost was treated as part of the cost of the building, and chargeable accordingly to Capital. But the Government of India, by letter dated 1st August last, ruled that the defective design of the platform wall "must not cause the Capital Account to be unjustly bur-"dened," and that the expenditure for the new wall should be met by Revenue. The Board do not see how the cost of the wall of this unfinished building, however much to be regretted, can be justly charged to any other account than Capital, nor on what ground it is to be made a charge on Revenue.

The foregoing five cases are all of a somewhat analogous nature, and have been foreseen and provided for in Sir Charles Wood's Despatch. The sixth and last case which the Board will bring forward is one to be judged more on general principles of accounting and of allocating charges, to which the ruling of the Government of India thereon seems to them to be entirely opposed.

The case is that of a loss by sale of stores at Ghooty, and is fully gone into in the Board's letter to the Agent No. 457, paragraphs 13 to 16, hereto appended. It was proposed to charge this loss, amounting to Rupees 12,522, to Capital, on whose account it was incurred; but this was disallowed, and the Agent, in answer to his request under the Board's instructions for a reconsideration of the case, was informed that the orders of the Government of India precluded the Madras Government from authorizing the loss upon those stores to be charged to Capital, and desired it to be charged to Revenue.

The Board have no wish to add to the explanation given of this case in their letter to the Agent above quoted; they can discover no intelligible principle on which that decision has proceeded.

The Board object to the proceedings of the Indian Governments in these cases, not only in ignoring and contravening the provisions of Sir Charles Wood's Despatch, but in proceeding to require the accounts of the Company to be kept in a manner which does not properly represent the revenue earnings and charges of the line.

In cases of such a nature as those in question the proper course in the Board's opinion would have been to leave the allocation of the sums in suspense until an understanding on the subject could be arrived at between the Secretary of State and the Directors of the Company.

The Board propose to await the reply to this letter before addressing their Agent further on these matters.

Extracts from the Board's letters to their Agent, above referred to.

No. 444.

Case No. 1.

21th December 1869.

17. The Board have considered the question referred to them in paragraph 14 of 863, as to the account to which the difference of Rupees 15,679 between the cost of the original temporary roof of the timber-shed at Perambore, and that of the permanent roof which has replaced it should be charged. Your proposal that, under the provisions of Sir Charles Wood's Despatch No. 17 of 1864, this difference should be charged to Capital, as an improvement, appears to have been concurred in and supported by the Madras Government, but disapproved by the Government of India, who have finally desired the entire cost of the new roof to be charged to Revenue.

18. This decision has proceeded, we find, on the ground that the original roof having lasted so long, though of confessedly temporary materials, its renewal with more durable materials can scarcely be regarded as coming under the provisions of Sir Charles Wood's Despatch. To this you have correctly replied that the Despatch lays down no limit as to time, and that the mere fact of a temporary roof having proved more lasting than might be expected, cannot affect its ruling. On referring to our Locomotive Superintendent we find that, in point of fact, the roof has long been unsafe; that he has had to pile the timber under it so as to protect his men in case of the roof falling in on them, and that, but for the desire to avoid additional expense as long as possible, the removal of the old roof would not have been delayed till now.

19. The Board share equally in the desire of the Government of India to keep down the capital cost of the railway, but being of opinion that the charge in question is, under the provisions of Sir Charles Wood's Despatch, clearly one to be charged to Capital, they cannot acquiesce in its being charged to Revenue. The new roof being avowedly a permanent one can never again become, as seems to have been apprehended, a charge on Capital.

20. You will be pleased to lay these observations before the Government, with a request that the case may again be referred to the Government of India for consideration.

No. 448.

Case No. 2.

4th February 1870.

7. Your letter No. 865, paragraph 9, brings before the Board the opinion expressed by the Government of India, in a Despatch of the 2nd September last to the Madras Government, that the cost of the temporary boiler shed, sanctioned at Perambore, should be charged to Revenue. The Despatch of the Secretary of State of the 9th March 1864 distinctly lays down in paragraph 8 that the expense of any work intended to be only temporary, which this is, ought to be charged to Capital Account, and, unless these instructions are to be set aside altogether, the Board do not see how the cost of this erection can be charged otherwise than to Capital. You will be pleased to request the reconsideration of the case by the Government.

No. 449.

Case No. 3.

18th February 1870.

10. Your letter No. 869, paragraphs 6 to 9, refers to the cost of a ticket or sentry-box erected at Veerinjeepoorum as a cheap substitute for larger station buildings there, until the development of traffic should render such necessary, and to the withholding by the Government of India of their sanction to the cost of it being charged to Capital. The Board hope that the representations you have made on the subject will procure for the question a favourable reconsideration.

Proceedings of the Madras Government, Public Works Department, 29th November 1871.

No. 449.

Case No. 4.

18th February 1870.

11. Paragraph 10 of your letter refers to a similar case, that of the shed to be erected at Salem, at the desire of the Government, for the accommodation of third-class passengers, at an estimated cost of Rupees 1,626, which you have been informed by the orders of Government must be charged to Revenue. Under the established rules it is distinctly provided that new erections and additions of the nature in question in both of these cases are to be a charge on Capital, and so long as these rules remain they must be followed.

No. 457.

Case No. 5.—*No. Extract.*

Case No. 6.

22nd July 1870.

13. The Board have had under consideration the Acting Chief Engineer's letter to you of the 31st May last, and the correspondence therein referred to, as to the mode of dealing in the accounts with a loss sustained on the sale of stores at Ghooty. We learn from Mr. Going's letter of the 25th March 1870, that when the North-West Line, as originally proposed, was surveyed, viâ Bellary to Moodgul, a large quantity of tools and stores to meet the requirements of construction were sent up and kept in stock in the local workshops then established at the above and other places, and that on the original project being abandoned, and a deviation of the line, viâ Raichore, adopted, the stores in question were collected and kept together at Ghooty, pending an arrangement as to the best method of disposing of them.

14. On the work being undertaken under the contract system, it was found that these stores could not be made available for the Company's use, and it was thought desirable, considering the expense that would be entailed in taking them down to Madras, to accept the offer made by the contractor, and dispose of the stores at a valuation agreed upon between the then Deputy Chief Engineer and the Contractor's Agent. The net loss resulting from the transaction, amounting to Rupees 12,532-13-2, the Acting Chief Engineer very properly proposed to charge off to "Contingencies" of the several districts beyond Ghooty in equal proportions.

15. The Chief Accountant, replying to the above letter, states that, under the Orders of the Government of India marginally noted, he is unable to charge the loss in question to Capital. The second rule embodied in the former of these orders enjoins that "the loss on sale of stores damaged while in stock shall be debited to the "Revenue Account under the departmental head for which such stores are kept, and not charged "off to Profit and Loss in the stock account;" and, in commenting on this regulation, the Government of India state that "it has been ruled that the loss incurred on all stores that have not "been issued to a definite head is to be borne solely by Revenue," and that "this is simply an "application of the principle that capital should not be called upon to bear more than the prime "cost of original construction." The Board are of opinion that the loss in question does form part of the prime cost of construction. The stores were provided for the purposes of construction, and such loss as may arise thereon is therefore fairly chargeable to Capital. There will doubtless be instances in which revenue may, with propriety, be called upon to bear the loss sustained on the sale of stores, but the case under consideration is certainly not one of them, and the Board cannot suppose that the Government of India will desire to make the rule referred to applicable to it.

No. 3696, dated 19th November 1869.
" 554, " 17th February 1870.

16. It is observed that you have called the attention of Government to the correspondence on the subject, and the Board trust they will, on consideration, authorize the amount being charged to Capital as requested.

(True Copy.)

(Signed) B. ANDERSON,
Acting Agent and Manager.

Proceedings of the Madras Government, Public Works Department, 29th November 1871.

From M. E. GRANT-DUFF, Esq., to JULIAN-BYRNE, Esq., dated India Office, S.-W., 31st March 1871.

I AM directed by the Duke of Argyll to acknowledge receipt of your letter of the 10th ultimo, No. 2,665, relative to certain items of expenditure which the Government of India have decided shall be charged to Revenue instead of to Capital, as proposed by the Company's representative in India.

In reply, I am to acquaint you that His Grace agrees with the Railway Board that, under the terms of Sir Charles Wood's Despatch of 9th March 1864, No. 17, the charges in question should be borne by Capital, and will inform the Government accordingly.

No. 509. ORDER THEREON, 29th November 1871, No. 3,011.

RAILWAY, No. 68.

ORDERED that these papers be forwarded to the Government of India.

(Here enter, No. 3,012, dated 29th November 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, 29*th November* 1871.

No. 510.

No. 3,012.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY, No. 69.

One Plan.
Two Estimates.

SIR.—I am directed by His Excellency the Governor in Council to submit, for the sanction of the Government of India, a revised estimate of Rupees 21,859, for altering the platform walls of the Central Station now under construction at Madras.

2. From the explanation of the Acting Chief Engineer quoted in the Consulting Engineer's application it will be seen that the necessity for the revised estimate is due chiefly to the insufficiency of the depth and thickness of the retaining walls as provided in the original estimate.

3. As the orders of the Government of India conveyed to this Government in letter No. 1,348-R., dated 1st August 1870, disallowed the charge to Capital Account of the cost of altering the platform walls, I am directed to state that the sum of Rupees 11,975 of the revised estimate will be debited to Revenue and the balance Rupees 9,884 to Capital.

I have the honour to be,
Sir,
Your most obedient servant,

Colonel, R.E.,
Secretary to Government.

Exd. E. C. Shunker.

No. 388.

MADRAS RAILWAY.

AGENT AND MANAGER'S OFFICE

Madras, 28th June 1871

From

Beresford Anderson Esq
Acting Agent and Manager. of the M.R.

To

Major H.L. Prendergast R.E.
Acting Consulting Engineer for Railways.

Sir,

I have the honour to enclose for copy of Paragraph 16 of the Secretary's letter No 472 dated the 28th of April 1871 with the Correspondence referred to therein whereby I am informed that in reply to a letter addressed by my Directors to the Secretary of State, His Grace has decided that certain Amounts which the Government of India has ordered to be allocated to Revenue, are properly chargeable to Capital under Sir Charles Wood's Despatch No 17, of the 4th of March 1864.

2. I have the honour to request that you will obtain and communicate to me as early as possible the necessary authority for the sums in question which have been allocated to Revenue to be transferred to the

Capitals Account

I have the honour to be,
Sir,
Your most obedt Servt
Bloomfield Auckland
Acting Agent & Manager

MADRAS RAILWAY.

From

The Agent and Manager.

To

The Consulting Engineer

for Railways.

Dated 28th June 1871.

Rec'd. 29th —

P. W. 4965/No 388.

Enclosing a Copy of Para 16 of the Secretary's letter No 492 — with the Correspondence referred to therein and requesting the Sanction of Govt. to the transfer to the Capital Account of Overtown Siding which were ordered by the Govt of India to be charged to Revenue —

Chennai Railway Company
33 New Broad Street
London 10th February 1871.

Sir,

We have received and carefully considered the letter of the Secretary of State for India in Council dated 16th December 1870 No 492 and the Minute of Council thereon, and we beg to submit for the consideration of the Secretary of State the following observations upon the subject matter of the same.

We observe that the Secretary of State has been advised by the Government of India that the Overtown Siding was constructed by the Company at their own cost and that the Company are under no obligation to allow the Siding to be used by other persons without the consent of the Company.

We are not aware that any such agreement has been entered into between the Company and the Government of India, but we have always understood that the Siding was constructed by the Company at their own cost, and that the Company have been allowed the use of it by the Government of India, and we have not hitherto made any charge for the use of the Siding by other persons.

We have always considered that the Siding was the property of the Company, and we have not hitherto made any charge for the use of it by other persons, because we have not thought it desirable to do so, and not because we have considered that we were not entitled to make such charge.

We have not hitherto made any charge for the use of the Siding by the Government of India, because we have not thought it desirable to do so, and not because we have considered that we were not entitled to make such charge.

We have not hitherto made any charge for the use of the Siding by the Government of India, because we have not thought it desirable to do so, and not because we have considered that we were not entitled to make such charge.

expression of his opinion on them. As these have all been the subject of correspondence with the Agent, and the Board's printed letter will contain the most readable summary of the particulars of each case, extracts from the several letters are appended:

The first case to which attention is requested is to be found clearly stated in letter No. 444 to the Agent, paras 17 to 20, and runs as follows:—

"The old temporary roof of the timber shed at Raya Ponds having given with the construction of Government been replaced by one of permanent description, the difference between the first cost of the temporary roof, viz. Rupees 1,650 was proposed, with the approval of the Local Government, to be charged to Capital, and the balance of the outlay to Revenue, in accordance with past precedents. The Government of India, however, disapproved and disallowed the charge of any portion of the expenditure to Capital, on the ground that the temporary roof having failed in every respect to remain intact was not to be regarded as coming under the provisions of Sir Charles Wood's despatch. The Board's reply to this question will be found quoted, and pursuant to the above directions reconsideration of the case was requested by the Agent; but the Government of His Excellency in Council was pleased to adhere to His previous decision; and the whole amount has been charged to Revenue in the Company's accounts accordingly.

The second case is that of a temporary shed erected by the Locomotive department at Perambur, the cost of which, Rs. 8483, the Government of India directed to be charged to Revenue and not to Capital. The case is explained in the letter to the Agent at p. 448, para 7, which directs a reconsideration to be requested, but in effect appears to have followed:

The third and fourth cases may be found stated in the letter to the Agent at p. 449 paras 10 and 11. In the former the Company, with the sanction of the Government, erected at a small village in order to test the character of a small expenditure of temporary station of an inexpensive traffic before incurring the expense of a permanent station. The Government of India refused to allow the cost to be charged to Capital, on the ground of its small amount. On the Agent requesting that the case might be reconsidered, he was told by the Consulting Engineer's letter of the 15th of February last that "the Governor General in Council has ruled that the charge should be against Revenue as for a work of a temporary description".

In the latter of these two cases a shed having been erected at Salem station at the desire of the Government for the accommodation of passengers at a cost of Rupees 1626, the

Government, under the orders of the Government of India above referred to, directed the cost to be charged to Revenue.

These several amounts have been charged accordingly in opposition to the representations of the Board and their Officers, and as appears to them clear, in opposition to Sir Charles Wood's Despatch, para 8, which says, "There can be no doubt that the "expense of the original construction of any "work including that of those intended to be "only temporary, as well as of all additions to "existing works ought to be charged to Capital "Account."

To avoid increasing the Capital by frequent charges of small amount the Board, in their letter No. 449 proposed, if it met with the approval of the Government of India, that the cost of any addition or improvement which did not exceed Rupees 1000 should be charged to Revenue. But this proposal does not appear to have elicited any response.

The fifth case is that of the cost of a platform wall of the Madras Terminus Station new building. This wall as first put up proving insufficient for its purpose had to be rebuilt, and the cost was treated as part of the cost of the building, and chargeable accordingly to Capital. But the Government of India,

by letter dated 1st August last, ruled that the defective design of the platform wall "must "not cause the Capital Account to be unjustly "burdened", and that the expenditure for the new wall should be met by Revenue. The Board do not see how the cost of the wall of this unfinished building, however much to be regretted, can be justly charged to any other account than Capital; nor do we know what provision is to be made to charge on Revenue.

The foregoing five cases are all of a somewhat analogous nature, and have been foreseen and provided for in Sir Charles Wood's Despatch. The sixth and last case which the Board will bring forward is one which does not fall under any of the above general principles of accounting and of allocating charges, to which the ruling of the Government of India thereon is to be judged more or less applicable, but is one which they consider to be entirely opposed to them.

The case is that of a loss by sale of stones at Gooty, and is fully gone into in the Board's letter to the Agent, No. 457, paras 13 to 16, hereto appended. It was proposed to charge this loss, amounting to Rupees 12,522 to Capital, on whose account it was incurred, but this was disallowed, and the Agent in answer to his request under the Board's instructions for reconsideration of the case, was informed that the orders of the Government of India precluded the Madras Government from authorizing the loss

upon these taxes to be charged to Capital, and desired it to be charged to Revenue.

The Board have now to add to their explanation given of this case in their letter to the Agent above quoted; they can discover no intelligible principle on which that decision has proceeded.

The Board object to the proceedings of the Indian Government in these cases, not only in ignoring and contravening the provisions of Sir Charles Wood's Despatch, but in proceeding to require the accounts of the Company to be kept in a manner which does not properly represent the Revenue earnings and charges of the Line.

In cases of such a nature as those in question, the proper course in the Board's opinion would have been to ensure that a portion of the sums in suspense until an understanding on the subject could be arrived at between the Secretary of State and the Directors of the Company.

The Board propose to await the reply to this letter before addressing their Agent further on these matters.

I am, Sir,
Your obedient Servant
[illegible] Julian Pauncefote
Secretary

To
The Under Secretary of State for India,
India Office.

Extracts from the Board's Letters to their Agent, above referred to.

Case No. 1.

24th December 1869.

C 444.

17. The Board have considered the question referred to them in para 14 of 863, as to the account to which the difference of Rs. 15,679 between the cost of the original temporary roof of the timber shed at Perambore, and that of the permanent roof which has replaced it, should be charged. Your proposal that, under the provisions of Sir Charles Wood's Despatch, C 17 of 1864, this difference should be charged to Capital, as an improvement, appears to have been concurred in and supported by the Madras Government, but disapproved by the Government of India, who have finally decided the entire cost of the new roof to be charged to Revenue.

18. This decision has proceeded, we find, on the ground that the original roof having lasted so long, though of confessedly temporary materials, it is removal with more durable materials can scarcely be regarded as coming under the provisions of Sir Charles Wood's Despatch. To this you have correctly replied that the Despatch lays down no limit as to time, and that the mere fact of a temporary roof having proved more lasting than might be expected, cannot affect

No 10

it to pending. On referring to Paramatta Superintendent I was fully able to form a judgment of the case having been unusual; that he had had to fill the timber under it was to protect his men in case of the roof falling in on them, and that both for this reason, to avoid additional expense as far as possible, the removal of the old roof would not have been delayed till now.

19. The Board have equally in the desire of the Government of India to reduce the capital account of the railway, but being of opinion that the charge in question is, under the provisions of Sir Charles Wood's despatch, clearly one to be charged to capital, they cannot acquiesce in it's being charged to revenue. The new roof being required by a permanent one removed again because, as seems to have been apprehended, a charge on Capital.

20. You will be pleased to lay these observations before the Government, with a request that the case may again be represented to the Government of India for consideration.

Case No 2.

No 448. 4th February 1870.

Your letter 86 forwards for the Board the opinion expressed by the Government of India in a Despatch of the 2d September last to the Under Secretary of State that the cost of the temporary platforms,

sanctioned at Perambore, should be charged to Revenue. The Despatch of the Secretary of State of the 9th March, 1864 distinctly lays down in para 8 that the expense of any work intended to be only temporary, which this is, ought to be charged to Capital Account, and under these instructions are to be set aside altogether the Board do not see how the cost of this erection can be charged otherwise than to Capital. You will be pleased to request the reconsideration of the case by the Government.

Case No 3.

18th February 1870.

No 449

1. Your letter 86 para 6 refers to the cost of tickets or entry boxes erected at Veerinjeepooram as a cheap substitute for larger station buildings there, until the development of traffic should render such necessary, and to the withholding by the Government of India of their sanction to the cost of it being charged to capital. The Board hope that the representations now made on the subject will procure for the question a favourable reconsideration.

Case No 4.

18th February 1870.

No 449

11. Para 10 of your letter refers to a similar case, that of the shed to be erected at Salem at the desire of the Government for the accommodation of 3d class passengers, at an

estimated cost of Rs. 1626, which you have been informed by the orders of Government must be charged to revenue. Under the established rules this distinctly provided that new erections and additions of the nature in question in both of these cases must be a charge on capital, and so long as these rules remain they must be followed.

Case No. 5 to Circle.

Case No. 6.

No. 457. 22nd July 1870.

13. The Board have had under consideration the acting Chief Engineer's letter to you of the 31st May last and the correspondence therein referred to as to the mode of dealing in the accounts with a loss sustained on the sale of stores at Guty. The Board find from Mr Lowis's letter of the 25th March 1870, that when the N. W. line was originally proposed max surveyed via Bellary, Moodgul, a large quantity of rails and stores to meet the requirements of construction were sent up and kept in stock in the local workshops then established at that above and other places, and that on the original project being abandoned, and the deviation of the line via Raichore adopted, the stores in question were collected and kept together at Guty, pending an arrangement as to the best method of disposing of them.

11. On the work being undertaken under the contract system, it was found that these stores could not be made available for the Company's use, and it was thought desirable, considering the expense that would be entailed in taking them down to the docks, to accept the offer made by the Contractor, and dispose of the stores at a valuation. agreed upon between the then Deputy Chief Engineer and the Contractor's Agent. The net loss resulting from the transaction, amounting to Rs. 12532. 13. 2, the acting Chief Engineer very properly proposed to charge off to "Contingencies" of the General Abstract beyond Gooty in equal proportions.

15. The Chief Accountant, replying to the above letter, states that under the Orders of the Government of India; marginally noted, he is unable to charge the loss in question to capital. The second rule embodied in the former of these Orders enjoins that "the loss on sale of stores damaged while in stock shall be debited to the revenue account, under the departmental head for which such stores are kept, and not charged off to profit and loss in the stock account", and in commenting on this regulation the Government of India state that "it has been ruled that the loss incurred on all stores that have not been issued to a definite head

No 3696 dated 19th November 1869.
No 504 dated 17th February 1870

"is to be borne rateably by revenue", and that
c "this is simply an application of the principle
b "that capital should not be called upon
r "to bear more than the prime cost of original
e "construction." The Board are of opinion
ti that the loss in question does form part
n of the prime cost of construction. The rates
a were framed for the purpose of construction,
f and such loss already incurred therein is
therefore fairly chargeable to capital.
There will doubtless be instances in which
c revenue may with propriety be called upon
to bear the loss sustained on the sales of
a stores, but the case under consideration
i is certainly not one of them, and the Board
1 cannot suppose that the Government
of India will desire to make the rule
referred to applicable to it.

16. It is observed that you have
called the attention of Government to
the correspondence on the subject, and the
Board trust they will on consideration
authorise the amount being changed
to capital as requested.

/True Copy/
Bluefield Andrews.
Ag. Agent & Manager.

India Office S. W.
31st March 1871.

Sir,

I am directed by the Duke of Argyll
to acknowledge receipt of your letter of the 10th
ultimo No. 2665 relating to certain items of
expenditure which the Government of India
have decided shall be charged to Revenue
instead of to Capital as proposed by the
Company's representative in India.

In reply I am to acquaint you that
His Grace agrees with the Railway Board
that under the terms of Sir C. Wood's despatch
of 9th March 1864 No. 17 the charges in question
should be borne by Capital and will inform
the Government accordingly.

I am &c.
(Sd) M. E. Grant Duff.

Julian Byrne Esqre.

/True Copy/
Bluefield Andrews.
Ag. Agent & Manager.

Compare

13

No. 451- Madras, 18th October 1871

Application from the Agent and Manager of the Madras Railway Company, requesting the sanction of Government to the following Estimate:—

Madras Central Station

Revised estimate of the cost of altering platform walls at the new Central Station —— Rs: 21,858-12-10

2 The Agent and Manager of the Madras Railway, in submitting the revised estimate quotes as follows from the Acting Chief Engineer's communication:—

"It was found on opening out the old work which had failed, that the increased thickness of two feet above formation level proposed for the wall as rebuilt had to be carried down to a lower level. The quantity of brick work has thus been increased beyond that shown in the estimate previously submitted

submitted" and again with re-
gard to the plan. The dotted
"lines show the outlines of the
"walls as originally built. Sanction
"was subsequently obtained for
"pulling them down to formation
"level, and increasing the thickness
"above that level to two feet, with
"a stone corbel built in, to give
"a better base for the new work."

"In carrying out this
"alteration however it was found
"desirable to increase the thickness
"of the wall below formation level
"also, as shown on the accompanying
"drawing and hence the necessity
"for a revised estimate".

"The figures in the re-
"vised estimate are arrived at
"thus, Viz;"

"above

No:

"above formation with slopes
"Brickwork: yds: 934 @ 8/ — 7,472

"below — Do — country Brickwork
"in: yds: 1452 @ 4-5-5 7/12 — 6,304
"(equivalent to 788 in: yds:
"at 8/ 6304 16) —

No: 13,776

The Letter No: 1348 C.
dated 1st August 1870, the Govern-
ment of India sanctioned an
excess Estimate of No: 11,975 for
altering these Palsforts walls,
and directed that the cost be
charged against Revenue.

On this subject the
Civil has forwarded copies of
correspondence between the Secretary
of State and the Board of
Directors relating to the al-
location of expenditure on General
not to be ordered by the Government

J

of India: but the orders thus given have not been recorded and the additional expenditure for which sanction is now asked must still be charged to the Revenue account. The necessity for the extra work should have been foreseen when the revised estimate for the plat form walls was prepared; for though there appeared then to be economy in reducing the thickness of the masonry; it is not surprising that application should afterwards be made to allow the lower part of the walls a thickness not less than that given to the upper part.

5 I recommend that the

the sanction of the Government of India be obtained to the estimate of Rs: 21,858-12-10, net of which the sum of Rs: 9,883-12-10 is debitable to Capital, and the balance Rs: 11,975 to the Revenue Account.

Alex Brendrigett, Major R.E.
Sy: Bom: Engr: for Railways

To
The Secretary to Government
Public Works Depart.
Fort Saint George.

Pub 23rd Aug 1871 Rl 388-355

P.W. 1871 Report
Govt of India for Madras

1871.

No 4965.

From

The Consulting Engineer
for Railways,

To

The Secretary to Govt
P.W. Dept

Dated 16th October 1871.
Received 20

No. 451.
Forwarding Estimate
Application from
the Agent & Manager of the
the Govt. Railway requesting the
Sanction of Govt to the
Revised Estimate of the
cost of altering platform
walls at the new central
station.
No 3011-3012-29 Nov 71

No 508
29th Nov 71.

P.W. Dept

No 3011.

Proceedings of the Madras Government
Under date the 29th October 1871.
Read the following

From the Consg Engineer
for Railways

(Secretariat No 451 18th October 1871)

Ordered that these
papers be forwarded to the
Government of India

To the Consg Engr for Railways
Dated 30th 71.

(Secretariat No 3012 29 Nov 71)

To

The Secretary to the
Govt of India.

Sir

I am directed by
His Excellency the Governor
in Council to submit
for the consideration of the
Govt

One Plan
Two Estimates

Govt of India a revised
Estimate of Rupees 21,859,
for altering the Platform
walls of the Central
Shelland now under con-
struction at Madras,

From the explana-
tion of the Acting Chief
Engineer quoted in the
Consulting Engineer's
application it will be seen
that the necessity for the
revised Estimate is due
chiefly to the insufficiency
of the depth and thick-
ness of the retaining
walls as provided in
original
the Estimate.

To the orders of
the Governments of India
conveyed

conveyed to the Govt
in ~~Deputy Secretary~~ letter,
No 1318 R, dated 1st August
1870, disallowed the
charge to Capital Account
of the cost of altering
the platform walls Jaun
directed to state that the
sum of Rupees 11975, of
the revised Estimate will
be debited to Revenue
and the balance Rupees
9884 to Capital.

J. T. D.

Copy of application
Map, 2 extra tracings
Est: 2 cpl. 5/71

For altering the Plaintiffs
walls of the Central Station
under construction and
trade &c.

C - &c - 49 65 -

Rept of {1871} Madras.

PUBLIC WORKS.

Hindy Consulting Engrs.
for Aldershaw
and
the Secretary to the Govt
of India.

Encl. 2

29 Nov. No 3011-3012

No. 5124 5994 511

Annual Progress
Annual Budgets
Plans and Estimates
Sequestering
Fee received
Walls