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MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 906	Press
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Dated 27. 3.	1871.

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No 106 A—R.

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
ACCOUNT.
Railway.

FORT WILLIAM, FEBRUARY 27, 1871.

Orders on the Madras Railway Budget-Estimate for 1871-72.

Read the following papers :—

Letter from the Secretary to Government, Madras, No. 2735, dated 15th November 1870.
" " " " " 134, " 17th January 1871.

STATE EXPENDITURE.

RESOLUTION.—In the estimate for State expenditure on Establishment, amounting to Rs. 80,467, provision is made for the full salary of the Consulting Engineer, but as the permanent incumbent of the appointment is at present on leave, and is not expected to re-join before the end of the ensuing official year, it will suffice to provide for the allowances of the Officer officiating in the post:

* Provision made in Budget for permanent incumbent	Rs. 24,000
* Allowances to be drawn by Officer officiating in post, including Presidency house-rent	16,440
Amount disallowed	7,560

the estimate is accordingly reduced by Rs. 7,560,* and after the addition of Rs. 850 for official postage, which does not appear to have been provided for, passed for an even sum of Rs. 73,700,

subject to such further orders as may be issued on the question of the salary to be drawn by the Examiner of Railway Accounts now under the consideration of the Government of India.

2. The provision of Rs. 60,000 for land for the Carnatic Railway seems excessive, and is reduced to Rs. 40,000. The total estimate for purchase of land during 1871-72 will thus stand at Rs. 1,71,600; of this sum Rs. 49,895 is for the land required for the Neilgherry Branch of the Madras Railway. The amount appears high, but it is passed on the understanding that the entry is based on sanctioned estimates. It may be added that details should have been given in the estimate of the items making up the demand of Rs. 10,000 for land in the Bellary District.

3. The Regular-Estimate of State expenditure during 1870-71 may be accepted for Rs. 2,40,000 as

	Regular-Estimate.	Budget-Estimate.
	Rs.	Rs.
Establishment	66,400	66,400
Purchase of land	1,73,600	1,38,300
	2,40,000	2,04,700

shown in the margin, but, with reference to the excess charge of Rs. 35,300 in the estimate for purchase of land, it should be explained to what causes this is

due, there being no authority for incurring expenditure above the grant assigned for the purpose.

ADVANCES ON CAPITAL ACCOUNT.

Regular-Estimate, 1870-71.

4. The probable advances on construction account during 1870-71 are entered at Rs. 31,01,055, but, with reference to the actual advances up to end of December 1870, as compared with the actuals of 1869-70, the Governor General in Council considers that the Regular-Estimate may be modified as shown in the following table:—

	MADRAS RAILWAY.		GREAT SOUTHERN OF INDIA RAILWAY.		CARNATIC RAILWAY.		TOTAL.	
	ALTERED		ALTERED		ALTERED		ALTERED	
	From	To	From	To	From	To	From	To
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Gross advances ...	33,16,000	33,16,000	4,43,191	4,25,000	38,236	65,000	42,97,427	43,06,000
Refunds ...	10,03,852	13,16,000	1,74,041	2,00,000	18,479	20,000	11,96,372	15,36,000
Net advances ...	23,12,148	25,00,000	2,69,150	2,25,000	19,757	45,000	31,01,055	27,70,000
Budget-Estimate ...	...	29,00,000	...	50,000	...	...	...	29,50,000

5. It is observed that the Regular-Estimate for the Great Southern of India Railway is in excess of the Budget grant by Rs. 1,75,000. The additional grant was applied for in letter No. 134, dated 17th January 1871, and is hereby sanctioned, but the application should have been made as soon as the necessity for it became apparent, as sanction to an estimate does not include sanction to an additional grant of money.

Budget Estimate, 1870-71.

6. For the Madras Railway, the estimate of gross advances, amounting to Rs. 27,04,000, is reduced as follows:—

	Rs.
Minor Works ...	...
Reserve ...	...
	1,40,561
	1,19,000
	<u>2,59,561</u>
Provision, as per margin, for minor works and reserve on lines open for two years being excessive, is reduced to Rs. 50,000 each. This will cause a reduction of ...	1,59,561
Provision of Rs. 5,90,000 for stores being high, is passed for Rs. 4 lakhs only, making a reduction of ...	1,90,000
Total ...	<u>3,49,561</u>

The estimate as thus reduced amounts to Rs. 23,54,439. Of this amount the sum of Rs. 3,22,000 is for Establishment. This is admitted provisionally, pending submission of a statement showing the details on which the estimate is based, as looking to the reduced cash outlay, it would appear to be possible to diminish the charges for establishment considerably.

7. The estimate of refunds, amounting to Rs. 13,20,000 for the Madras Railway, is accepted at Rs. 13,20,439: the estimate of net advances may thus be stated at Rs. 23,54,439—Rs. 13,20,439=Rs. 10,34,000.

8. The estimate of advances and refunds for the Great Southern of India Railway, as noted in the margin, may stand, as the expenditure on the Southern Extension may easily reach 10 lakhs, if works be vigorously pushed on during 1871-72. But a statement should be furnished showing the details making up the provision of Rs. 4,20,000 for Establishment, which appears excessive for a cash expenditure of only Rs. 15½ lakhs, including four lakhs for stores.

9. For the Carnatic Railway the estimate is as follows:—

	Rs.
Gross advances ...	9,03,000
Refunds ...	2,59,000
Net advances ...	<u>6,44,000</u>

which may be accepted. But it may be observed, with reference to the provision of Rs. 53,000 for widening the existing line to Conjeveram from the 3 feet 6 inches to the 5 feet 6 inches gauge, that the time for doing this work, if the broad gauge be finally adopted, is a matter for special consideration.

ESTIMATE OF TRAFFIC EARNINGS.

Madras Railway.

10. The Regular-Estimate for 1870-71 is modified as follows, with reference to the actual earnings of the period for which returns have been received:—

	BUDGET-ESTIMATE, 1870-71.	REGULAR-ESTIMATE.	
		As submitted.	As altered.
	Rs.	Rs.	Rs.
Gross earnings ...	68,00,000	53,50,000	52,00,000
Working expenses ...	29,00,000	31,43,624	29,25,000
Net revenue ...	39,00,000	22,06,376	22,75,000

11. As regards the estimate for 1871-72, there is much room for uncertainty. In 1869-70 the gross earnings of the Madras Railway were close upon 60 lakhs. With the increased open mileage, the receipts for 1870-71 were estimated to amount to 68 lakhs, which has been reduced in the Regular-Estimate submitted by the Government of Madras to Rs. 53½ lakhs, but it is probable that only 52 lakhs will be received, or 8 lakhs less than in 1869-70. There will be through communication to Bombay almost immediately, and it may happen that the traffic on the North-West Line will diminish in consequence thereof rather than increase with the increased open mileage. The Madras estimate of receipts during 1871-72 is for 61 lakhs, but there is really no reliable guide for checking the amount. There is a tendency to improve shewn in the traffic returns recently received, so that, on the whole, the estimate of 61 lakhs may be accepted, although it is possible that the receipts of next year may be no better than they have been this year.

12. For working expenses during 1871-72, the estimate amounts to Rs. 32,52,400, and is low compared with the Regular-Estimate for 1870-71. But the expenses of that year have been unduly high, so that the estimate of Rs. 32,52,400 may be accepted, but it may be remarked that the financial results of the working of the current official year suggest doubts whether the administration of the Madras Railway has been as good as usual. It is feared that the train service has not been adapted to the reduced traffic, and that there has been too much rigidity in the management.

13. The estimate for 1871-72 for the Madras Railway will accordingly stand as follows:—

			Rs.
Gross earnings	...	...	61,00,000
Working expenses	...	...	32,52,400
Net Revenue	...	...	28,47,600

Great Southern of India.

14. The Regular-Estimate for 1870-71 may be modified as follows :—

	BUDGET-ESTIMATE.	REGULAR-ESTIMATE.	
		As submitted.	As altered.
	Ra.	Ra.	Ra.
Gross earnings	8,50,000	8,00,000	7,58,500
Working expenses	4,55,000	5,30,674	5,06,500
Net revenue	4,55,000	2,69,326	2,50,000

15. For 1871-72 the gross earnings are estimated to amount to Rs. 8,63,000, but there is no reason to anticipate that the ordinary earnings will be higher than in 1869-70 when they were Rs. 7,71,000. During 1870-71 the receipts are estimated to yield Rs. 7,58,500, but during 1871-72 there will be some profit from carrying stores for Capital on account of the extension. On the whole the year's earnings should not be taken at more than Rs. 8,25,000, of which Rs. 5,00,000 (60 per cent.) may be reserved for working expenses, leaving the net revenue at Rs. 3,25,000.

Carnatic Railway.

16. The Regular-Estimate for 1870-71 should be reduced as shown in the margin from Rs. 11,473 to Rs. 7,500, while the Budget-Estimate for 1871-72 may be accepted as submitted, viz. :—

	Rs.		Rs.
Earnings from ...	40,427	to	3,000
Working expenses from ...	28,954	to	265,00
Net revenue from ...	11,473	to	7,500

	Rs.		Rs.
Gross earnings from ...	40,127	to	31,000
Working expenses from ...	23,954	to	255,00
Net revenue from ...	<u>11,473</u>	to	<u>7,500</u>

Gross earnings	...	...	...	...	Rs.
Working expenses	...	...	...	...	42,000
					30,000
Net revenue			...	...	<u>12,000</u>

If, however, the line is converted during the year to the broader gauge, the result may be less favourable than the estimate.

SUMMARY.

17. The following is an Abstract of the Madras Railway Budget-Estimate for 1871-72 as modified by these orders, and as compared with the Regular and Budget-Estimates of the current year :—

						BUDGET- ESTIMATE, 1871-72.	REGULAR- ESTIMATE, 1870-71.	BUDGET- ESTIMATE, 1870-71.
						Rs.	Rs.	Rs.
STATE EXPENDITURE.								
Establishment ...	...	...	...	...	...	73,700	66,400	66,400
Purchase of land	...	...	...	...	...	1,71,600	1,73,600	1,38,300
					Total	2,45,300	2,40,000	2,04,700
Loss by exchange	...	...	...	...	...	2,42,800	2,27,100	2,45,800
Payments on account of guaranteed interest					{ India			
					{ England			
TOTAL STATE EXPENDITURE								
STATE REVENUE.								
Net traffic receipts	...	...	...	...	...	29,20,200	23,22,100	39,76,500
Gain by exchange	...	...	...	...	...	2,64,400	2,10,400	3,60,500
TOTAL STATE REVENUE								
ADVANCES ON CONSTRUCTION ACCOUNT.								
MADRAS RAILWAY								
					Gross advances	23,54,439	38,16,000	42,00,000
					Refunds	13,20,439	13,16,000	13,00,000
					Net advances	10,34,000	25,00,000	29,00,000
					Deduct loss by exchange	86,100	2,08,350	2,41,600
					Balance to be debited to Capital Account	9,47,900	22,91,650	26,58,400
GREAT SOUTHERN OF INDIA RAILWAY								
					Gross advances	20,70,300	4,25,000	2,35,000
					Refunds	1,90,000	2,00,000	1,85,000
					Net advances	18,80,300	2,25,000	50,000
					Deduct loss by exchange	1,56,700	18,750	4,200
					Balance	17,23,600	2,06,250	45,800
CARNATIC RAILWAY								
					Gross advances	9,03,000	65,000	
					Refunds	2,59,000	20,000	
					Net advances	6,44,000	45,000	
TOTAL ADVANCES ON CONSTRUCTION ACCOUNT								
					Gross advances	53,27,739	43,06,000	41,35,000
					Refunds	17,69,439	15,36,000	14,85,000
					Net advances	35,58,300	27,70,000	29,50,000
					Deduct loss by exchange	2,42,800	2,27,100	2,45,800
					Balance	33,15,500	25,42,900	27,04,200
REVENUE ACCOUNT.								
MADRAS RAILWAY								
					Gross revenue	61,00,000	52,00,000	68,00,000
					Working expenses	32,52,400	29,25,000	29,00,000
					Net revenue	28,47,600	22,75,000	39,00,000
					Deduct gain by exchange	2,37,300	1,89,600	3,25,000
					Balance	26,10,300	20,85,400	35,75,000
GREAT SOUTHERN OF INDIA RAILWAY								
					Gross revenue	8,25,000	7,58,500	8,50,000
					Working expenses	5,00,000	5,08,500	4,25,000
					Net revenue	3,25,000	2,50,000	4,25,000
					Deduct gain by exchange	27,100	20,800	35,500
					Balance	2,97,900	2,29,200	3,89,500
CARNATIC RAILWAY								
					Gross revenue	42,000	31,000	55,000
					Working expenses	30,000	26,500	43,000
					Net revenue	12,000	7,500	12,000
TOTAL REVENUE ACCOUNT								
					Gross revenue	69,67,000	59,92,500	77,05,000
					Working expenses	37,82,400	34,60,000	33,68,000

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17/12/2018 - 10/12/2018

No 15 November 1871 N 261 C 263
17 January 1871 — 272 C 274

Public Works 1871 Department
GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT.
Railway.

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To

No. 106 A—R.

Dated February 27, 1871.

Received March 1871

No 906-27 March 1871

Orders on the Madras Railway Budget-
Estimate for 1871-72.

P. W. D. Press—27-2-71—92.

Up 638

P. W. D. 90
No 90
Proceedings of the Madras Government
Under date the 27 March 1871
Read the following

From

The Govt. of India - (H. E. Secy 106 A. R. 827)
Feb 27/71

Communicated to
the Consulting Engineer
for Railways with reference
to H. E. Secy 2734 dated
15 November 1870.

Major Pendergast
will furnish the expla-
nation called for in
para 3 regarding the
causes of the excess charge
of Rs 35,300 in the regular
estimate of the current year
on account of compensation
for the purchase of land
taken up for Railways.

Lf.

1/72/38

Govt of 1871 Madras.

PUBLIC WORKS.

To The Consulting Engineer
for Railways

Dated

Re. J.

G. O. 27th March 1871 No. 916

Nos.

6381629

Budget Estimates for 1871/72.

Orders from the Govt of India
on the Budget Estimates of
the Madras Railways for
1871/72, Comd to The Engineer
for Rys with instructions.