

MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No.	946	Press Mis.
710-11		
Dated	30-3-	1971

Not to be folded or roughly handled

YH
10/10/71

No. 710. Read the following letter from the Officiating Secretary to the Government of India, Public Works Department, (Account—Railway,) to the Secretary to the Government of Madras, Public Works Department, dated Fort William, 15th March 1871, No. 193-A. R:—

I AM directed to acknowledge the receipt of your No. 939, dated 4th April 1870, on the incidence of charge for a temporary boiler-shed at Perambore, the Railway authorities being of opinion that it should be against Capital, under the ruling contained in paragraph 8 of Sir Charles Wood's despatch of the 9th March 1864.

2. In reply, I am desired to observe as follows:—

A temporary building erected for purposes subsidiary to any work properly chargeable to Capital, or the cost of re-erecting a building or work that may fail during construction would rightly be carried against Capital. When, as in the particular case under reference, a temporary structure is only required to permit of the continuance of the working of the Railway, during the construction of some additional convenience of a permanent nature, the charge for the temporary arrangement should plainly be met from Revenue; for the temporary structure is only needed because the Railway is in operation, and is not intended to be a portion of the permanent block, nor to be in substitution of a permanent erection. The fact that the additional works are to be charged to Capital has no influence on the question at issue.

3. As to the ruling of the Secretary of State in his despatch of March 1864, the Governor-General in Council does not interpret it in the manner done by the Madras Company Directors. The apparent intention of the Secretary of State was to say that if for the purpose of opening a Railway or of obtaining some needful or useful end in connection with its operation, it is found to be expedient to construct a temporary work or building in preference to a permanent one, then such temporary work or building may be properly charged to *Capital*. But the necessary consequence would be, that when occasion arose for the provision of the permanent structure, the difference of cost between the permanent and temporary building would alone be passed to Capital, the residue being a debit to Revenue as it would in fact represent the cost of the renewal of the structure which of course falls on Revenue.

4. The principle in all cases to be kept in mind is that the Capital Account shall represent as closely as may be the actual cost of the permanent works and stock of the Railway for the time being in existence, and that Revenue is bound to maintain or restore all such works or stock. Strictly speaking if any work is abandoned it should be written off from Capital against Revenue, and the value of stock worn out and not replaced should be treated in like manner. It is believed that attention to this principle will admit of the easy solution of all questions that arise on such points as that now under discussion.

to Capital, or the cost of re-erecting a building

or

*Proceedings of the Madras Government, Public Works Department,
30th March 1871.*

No. 711. ORDER THEREON, 30th March 1871, No. 946.

RAILWAY, No. 72.

COMMUNICATED to the Consulting
Engineer for Railways with reference
to his letter recorded in G. O., No. 938,
dated 4th April 1870.

2. Major Prendergast will communicate the remarks of the Government of India to the Agents of the Railways in this Presidency with a view to the incidence of the cost of works of the nature referred to, being regulated in accordance with the principles explained by that Government.

(True Extract.)

Colonel, R.E.,

Secretary to Government.

To the Acting Consulting Engineer for Railways

Exd. S. T. Augustin.

All communications
should be addressed to
the Secretary.

No. 193 A. R.
GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.
ACCOUNT.

To *Railway*
The Secretary to the Government of Madras
Public Works Department
Fort William 15th March 1871.

Sir,

I am directed to acknowledge the receipt of your No. 939 dated 4th April 1870 on the incidence of charge for a temporary boiler shed at Perambore, the Railway authorities being of opinion that it should be against capital, under the ruling contained in para. 8 of Sir Charles Wood's despatch of the 9th March 1864.

2. In reply I am desired to observe as follows-

A temporary building erected for purposes subsidiary to any work properly chargeable to capital, or the cost of re-erecting a building

or work that may fail during Construction would rightly be carried against Capital. When, as in the particular case under reference, a temporary structure is only required to permit of the continuance of the working of the Railway, during the construction of some additional convenience of a permanent nature, the charge for the temporary arrangement should plainly be met from Revenue; for the temporary structure is only needed because the Railway is in operation, and is not intended to be a portion of the permanent block, nor to be in substitution of a permanent erection. The fact that the additional works are to be charged to Capital has no influence on the question at issue.

3. As to the ruling of the Secretary of State in his Despatch of March 1864, the Governor General in Council does not interpret it in the manner done by the Madras Company Directors. The apparent intention of the Secretary of State was to say that if
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for the purpose of opening a Railway or of obtaining some needful or useful end in connection with its operation, it is found to be expedient to construct a temporary work or building in preference to a permanent one, then such temporary work or building may be properly charged to Capital. But the necessary consequence would be, that when occasion arose for the provision of the permanent structure, the difference of cost between the permanent and temporary building would alone be passed to Capital, the residue being a debit to Revenue as it would in fact represent the cost of the renewal of the structure which of course falls on Revenue.

4. The principle in all cases to be kept in mind is that the Capital Account shall represent as closely as may be the actual cost of the permanent works and stock of the Railway for the time being in existence, and that Revenue is bound
to

to maintain or restore all such works or stock.
Strictly speaking if any work is abandoned
it should be written off from Capital against
Revenue, and the value of stock worn out
and not replaced should be treated in like
manner. It is believed that attention to this
principle will admit of the easy solution
of all questions that arise on such points
as that now under discussion.

Have the honour to be
Sir
Your most obedt Servt

W. H. Smith C. B. R. B.

Offg Secy to the Govt of India

77

+ 12. 12. 28.

to maintain or restore all such works or stock.
Strictly speaking if any work is abandoned
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W. H. H. C. R. B.

Offg Secy to the Govt of India

77

+ 12. 12. 28.

Public Works Department

No. 946
Proceedings of the Madras Government
Under date the 30 March 1871

Read the following

From The Government of India / F. E. No. 193. A. R. 25 15th March 1871

Communicated
to the Local Engineer for
Railways with reference
to his letter recorded in
L. O. No. 938 dated 1st
April 1870.

Major Pendergast
will communicate the
remarks of the Govt. of
India to the Agents of
the Railways in this
Presidency with a view
to the incidence of the
cost of works of the
nature referred to, being
regulated

Pro 15 April / 64 No 73-74 Railw
in 21 - 170 - 36238 -

1871 Sept.
13/17

From
The Govt. of India

Dated 15th March 71
Recd 22nd March 71
No. 193. A. R.

Papring orders
on the subject of the
incidence of charge for
a temporary boiler shed
at Verambore, & offering
observations as to the
course to be adopted
in dealing with such
questions.

No. 946-30 March 71

12/10

regulated in accordance
with the principles ex-
plained by that Gov

W.H.

Further Proc 1185 of 28.4.71
1302 of 12.5.71
1727-28.6.71

The Cong. for
Railways ✓
Desp 31/3/71

0/17317

Govt of 1871 Madras.

PUBLIC WORKS.

The Ag. Consulting Engr
for Railways

Printed

at

G. 30 March 1871. No. 946

Nos. 7/1 & 7/11

Boiler Shed at Perambore. Letter
from the Govt of India regarding
orders on the subject of the in-
cidence of charge for a temporary
boiler shed at Perambore &
offering observations as to the
course to be adopted in
dealing with such questions.
And to the Engineer for Ry.
with instructions.