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MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No.	1317	Press
419-420		Mis.
Dated	14 5	1872.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
14th May 1872.*

No. 419. Read the following Proceedings of the Government of India, Public Works Department (Account—General), dated Fort William, 22nd April 1872, No. 388 A.—G. :—

Reserve Stock.

Read the following :—

Endorsement of the Financial Department, No. 1,794, dated the 5th July 1870, forwarding, for consideration of the Public Works Department, copy of the following Despatch of the Secretary of State on the above subject :—

From the Secretary of State for India, to the Government of India, dated 31st May 1870, No. 189.

My attention having been drawn to the probability of impending changes in the conveyance of light stores to India by the Suez Canal, and to the possibility which may result from this more rapid mode of communication of diminishing the reserve stocks of Military and other stores in India, the quantities of which were fixed at a time when these facilities did not exist, I request that your Excellency's Government will consider this important subject, so that advantage may be taken of the opportunities which may be afforded, so soon as the arrangements understood to be in progress by the ship owners interested in the Indian carrying trade shall have been matured.

2. I have also, in connection with this subject, to invite your Excellency's attention to the propriety of disposing of any accumulation of surplus or obsolete stores in the various Arsenals and Depôts throughout India, which from the returns which from time to time have reached this Office, would seem to be by no means inconsiderable in quantity and value.

3. In regard to the conveyance of stores by the Suez Canal route, I am informed that the quantity of stores sent from England by that route bears as yet a very trifling proportion to that sent *via* the Cape, and that such as have been so despatched are almost exclusively for Bombay. Nor is it probable that heavy goods, such as machinery, iron girders, and the like, can, for some considerable time, be sent by ships passing through the canal, so long at least as they may be subject to being taken out of the ship for the purpose of lightening her. It is expected that the charge for freight will always exceed that *via* the Cape of Good Hope, so that it is probable that the stores for which the canal route will be immediately available will be such as have hitherto been sent by the Peninsular and Oriental Company's vessels, and the rates of freight will have to be compared with those charged by that Company rather than with those charged by owners of sailing ships by the long sea route.

4. On considering the whole subject, however, it appears to me that there can be little doubt that the effect of this great work must be to accelerate the conveyance of stores between the two countries. And I shall therefore be glad to receive your Excellency's views on the subjects indicated in this Despatch.

Endorsement by Financial Department, dated 5th July 1870, No. 1,794.

ORDERED that a copy of the foregoing Despatch be sent to the Military and Public Works Departments for consideration.

*Proceedings of the Madras Government, Public Works Department,
14th May 1872.*

Read also:—

Note by COLONEL P. P. L. O'CONNELL, R. E., *Officiating Accountant-General, Public Works Department, embodying the result of the inquiries instituted in connection with the questions raised in the above Despatch.*

In his Financial Despatch No. 189, dated the 31st May 1870, the Secretary of State drew attention to the expediency of diminishing the reserve stock of Military and other stores in India in consequence of the conveyance of stores between the two countries having been greatly accelerated by the opening of the Suez Canal route, and by which increased facilities were afforded for obtaining light stores from England to replenish the reserve stock of the department.

2. With reference to this Despatch, the necessary inquiries were at once instituted in respect to ascertaining precisely the actual state of the Public Works stock balances throughout India as compared with the current requirements of the department generally. The collection of this information, and the question affecting the separation of Provincial from Imperial stock will explain the delay that has occurred in disposing of this matter.

3. The following Tabular Statement exhibits the results of the entire stock transactions of the department for the last six years:—

Years.	Opening Balance	Gross Receipts.	Gross Issues.	Closing Balance.
	RS.	RS.	RS.	RS.
1865-66	89,62,677	92,38,384	91,65,830	90,35,241
1866-67	90,35,231	1,03,50,885	1,09,85,940	84,00,196
1867-68	84,00,196	1,27,49,178	1,23,03,521	88,45,853
1868-69	88,45,853	1,48,79,074	1,38,34,764	98,90,163
1869-70	98,90,163	1,22,78,960	1,22,91,821	98,77,303
1870-71	98,77,303	81,66,910	87,02,153	93,42,060

From the figures recorded in this statement, it will be observed that with the exception of 1870-71, when the opening balance was slightly in excess of the expenditure of stock of that year, the opening balance of each year has always been less than the consumption of the year. As explained in a subsequent paragraph of this note, the actual stock balance of the department on the 31st December last, as ascertained from adjusted and audited accounts, amounted to Rupees 90,60,996, and it is highly probable, judging from the average of the receipts and issue transactions of the year up to that date, that the opening balance of the year has been still further reduced by the current date, so that it may safely be assumed that the value of the stock at present on hand is very little if anything in excess of what it was at the commencement of 1865-66. Taking the balance of December last as compared with the latter, it will be observed that the increase amounts only to the mere nominal sum of £3,800.

4. It is therefore quite clear that, with this one trifling exception, the value of Public

1	2	3	4
Years.	Annual Expenditure.	Stock closing balance of each year.	Proportion Item 3 bears to Item 2.
	RS.	RS.	RS.
1865-66	4,67,79,680	90,35,231	19 per cent.
1866-67	5,41,27,730	84,00,196	15 "
1867-68	6,39,59,410	88,45,853	14 "
1868-69	7,50,52,150	98,90,163	13 "
1869-70	6,50,47,310	98,77,303	15 "
1870-71	4,52,33,220	93,42,060	20 "

* This was an exceptional year.

larger amount than what was absolutely necessary to meet the legitimate requirements of the department.

*Proceedings of the Madras Government, Public Works Department,
14th May 1872.*

5. In order to judge of the value and importance of these results, it is necessary to explain that the figures used apply to the *total* stock balance of the department, a large proportion of which consists of special stock manufactured or purchased for specific works, but which for want of estimate or for sundry other reasons, cannot be charged off against those individual works.

6. It is submitted that stock of this description cannot be considered as belonging to the *reserve* stock of the department, which would appear to be what is particularly referred to in the inquiries ordered to be instituted by the Secretary of State, and should therefore be entirely excluded from the estimate as to what, compatible with efficiency, is a reasonable limit to place on the reserve stock of the department.

It is to be regretted that the exact proportion the special stock bears to the total stock balance of the department cannot, from the information at present available, be determined for *each* of the years in the period under consideration. At the close of 1869-70 the value of the special stock on hand was, as near as can be ascertained, about 60 per cent. of the total stock balance of the department, which then amounted to Rupees 98,77,303, and as many large important works necessitating manufacturing operations being carried on, on a large scale, have been commenced upon since that date, it is reasonable to suppose that this percentage has not, up to the present time, been diminished. From this estimate it is possible to deduce with some degree of accuracy what the present actual value of the reserve stock of the department really is—

At the end of December last the total value of the stock in balance	rs.
amounted to	90,00,996
From this 60 per cent. of the total balance should be deducted on account of special stock	54,00,597
Difference...	36,00,399
This balance should be further reduced by the amount made over to Provincial Services	12,19,036
And the balance...	23,81,363

may be said to constitute the balance of the department's reserve stock, and which may be estimated as considerably less than a year's supply. A large proportion of this balance consists of timber which in almost all the districts in which the operations of the department are conducted has to be brought green and kept in store until seasoned, in consequence of seasoned timber not being procurable.

It is, perhaps, unnecessary to explain that the full value of the Public Works stock in balance has been finally charged off against the Budget grant, and that any additions made to the balance year by year are in like manner charged off against the grant.

On this principle, and in conformity with existing Code Rules, all sales of surplus or obsolete stores which would necessarily go to reduce the stock balance, would not be brought to account as revenue, but would be equivalent to an increase to the Budget grant of the year in which the sales were effected, *i. e.*, the spending power of the department would be increased by the amount thus realized.

It is considered desirable to mention this point in reference to the subject under consideration, as in paragraph 2 of the Secretary of State's Despatch the attention of the Government of India is invited to the propriety of disposing "of any accumulation of surplus or obsolete stores."

It should be observed that the Code Rules and Regulations of the department are very stringent and binding in respect to the power that can be exercised in increasing the reserve stock of the department. The lowest possible limit consistent with efficiency, and with due consideration to the current requirements of the department, is fixed for each division, and any action in regard to the purchase or manufacture of stock in excess of this limit cannot, unless under special circumstances, be taken without special and distinct authority. It is further to be noticed that rules for the more efficient check and control over the transactions relating to the *special stock* of the department are at present under consideration, and will be introduced as early as possible.

*Proceedings of the Madras Government, Public Works Department,
14th May 1872.*

ORDER.—Ordered that a copy of the foregoing papers be forwarded to the

To Governments of Madras, Bombay, Bengal
the North-Western Provinces, and the Punjab.
Chief Commissioners of the Central Provinces,
Oudh, British Burmah and Mysore.
Resident at Hyderabad.
Agents to the Governor-General for Central India
and Rajpootana.

Superintendent of Port Blair.
Consulting Engineer for Railways, Calcutta.
" " Lahore.
" " Lucknow.

Chief Engineer, Punjab Northern (State) Rail-
way.

Engineer-in-Chief, Indus Valley (State) Railway.

Superintending Engineer, Delhi District, Rajpoo-
tana (State) Railway.

Superintending Engineer, Agra District, Rajpoo-
tana (State) Railway.

Superintending Engineer, Holkar (State) Rail-
way.

" " Neemuch (") "

reference to endorsement of that department, No. 1,794, dated the 5th
July 1870.

(Signed) P. P. O'CONNELL, Colonel, R.E.,
Offg. Depy. Secy. to the Govt. of India.

No. 420.

ORDER THEREON, 14th May 1872, No. 1,317.

ACCOUNT, No. 38.

COMMUNICATED for the information
of the under-mentioned officers:—

Chief Engineer for Irrigation.
Consulting Engineer for Railways.
Superintending Engineers.
Controller of Public Works Accounts.
General Superintendent of Public Works Stores.
Major R. B. Kennedy.

(True Extract.)

Colonel, R.E.,

Officiating Secretary to Government.

To the Chief Engineer for Irrigation.

" Consulting Engineer for Railways.

To Superintending Engineers.

To the Controller of Public Works Accounts.

" General Superintendent of Public Works Stores.

To Major R. B. Kennedy.

Exd. E. C. Shunker.

GOVERNMENT OF INDIA
PUBLIC WORKS DEPARTMENT.

ACCOUNT.
General.

To

No. 388A—G.

Dated April 22, 1872.

Received 6th May/72.

multinational
offices:-

Communicated for the information of the

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Reserve stock.

P. W. D. Press—23.4.72—110.

No 1317 - 18 May 1904

Chief Engineer for Washington
 Co. Engineer for Railways
 130 days long is
 13 Comptroller of our assets
 1 Agent Agent of our assets
 13 days money
 Dec 12 1915

Dec 29/5/12

Wing

C/2273

Govt. of 1872 Madras.
PUBLIC WORKS.

To the Chief Eng. for Irrigation

Dated

Recd.

Encl.

G. O. 14th May 1872. No. 1317.

No. 4198420

Reserve Stock of Stores.

Per. of the Govt. of India
forwarding copy of papers
relative to the reduction
of the Reserve Stock of
Stores in India, to the
the Officers concerned.