M.R.O. 1—77,006—8-6-37.

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MADRAS RECORD OFFICE.

Government of Madras.

Public works **DEPARTMENT.**

G.O. No. 2752 Press
366-367 Mis.

Dated 22- 11- 1872.

Not to be folded or roughly handled

No. 366. Read the following Proceedings of the Government of India, Public Works Department, (Railway,) dated Simla, 22nd October 1872, Nos. 1,688—92 G. R.:—

Utilization of Surplus Stock and Stores of Guaranteed Railway Companies.

Read—

From Government of Bombay, No. 579, dated the 21st May 1872, with enclosures.
To Government of Bombay, Public Works Department, No. 988 G. R., dated the 3rd July 1872.

Read also—

From the Secretary of State for India, to the Government of India, dated India Office, London, 16th September 1872, No. 115.

In reply to your Excellency's Despatch of the 3rd July last, No. 115, I may observe that I not only agree fully as to the inexpediency of a Railway Company's indenting on this country for new stock when its requirements can be met from the surplus quantities possessed by other Companies in India, but consider that the same principle, instead of being restricted to "Stock," should be extended to all materials and stores of whatever description.

2. From the enclosed copies of letters* from the East Indian and Bombay Baroda and Central India Boards, to which, as well as to the other Boards, I had caused communications to be made on receipt of a letter on the same subject from the Government of Bombay, it will be seen that they are quite prepared to adopt the course proposed, though they desire that the actual market value of the goods, rather than the price shown by the books of the selling Company, should be the basis on which the transfer price should be negotiated. I myself am of the same opinion.

* Letter from East Indian Railway Company, dated 17th August 1872, No. 4,051, and enclosure.
Letter from Bombay Baroda and Central India Railway Company, dated 9th August 1872, No. 424, and enclosure.

From D. I. NOAD, Esq., Managing Director, East Indian Railway Company in London, to the Under Secretary of State for India, dated London, 17th August 1872, No. 4,051.

The Ex-officio Director has brought to the notice of the Board a Despatch dated Railway Department, Bombay Castle, No. 10 of 1872, from the Government of Bombay, to the Secretary of State, on the subject of increasing the stock of locomotive engines of the Great Indian and Bombay Baroda and Central India Railway Companies, suggesting that, as this Company has a surplus, the wants of the other two might, with advantage, be supplied from it; and adding that, as regards the question of price, it is considered that the fairest plan on the whole would be to charge the full price according to the books in all cases when the stock is new and in good order, and in no way deteriorated.

In handing you copy of a report upon the question by Mr. Rendel, the Board of Directors desire me to inform you that they coincide generally with the views therein expressed, and that they will be quite prepared to assist in carrying out, as far as the interests of the Company will permit, the views of the Government of Bombay.

Proceedings of the Madras Government, Public Works Department, 22nd November 1872.

From A. M. RENDEL, Esq., to the Managing Director, East Indian Railway Company, London, dated Westminster, 3rd August 1872, No. 8,172.

I AM in receipt of your's of the 31st ultimo, forwarding Despatch No. 10 of 1872, Railway Department, dated Bombay Castle, 30th May 1872, on the subject of the sale of spare locomotives, and requesting my views on the subject.

There is no doubt that the stock of the East Indian Railway is largely in excess of present requirements. For this, I should remark, the Board are not responsible.

At the end of last year the Locomotive Superintendent returned 75 engines as "spare," and 43 more as "waiting construction," and the work done by those employed in earning the traffic represented barely 12,000 train miles per engine per annum. In fact, we have a stock equal to nearly double the train mileage we have been lately running, and to more than double the effective work done.

The transfer of a portion of the stock to some other line would, therefore, seem desirable, if it can be effected on reasonable terms.

The engines we could best spare are some of our passenger stock, of which we have in all 80, and some of our four-coupled goods stock, of which we seem to have in all 365. The engines I should be sorry to see parted with are our six-coupled stock, because they are very valuable on the heavy gradients of the Chord and Jubbulpore lines. Of these we have 75; but I fear that they are the class for which we should most readily find a purchaser, the more especially as nearly the whole of the 43 engines "awaiting construction," *i.e.*, not yet used, belong, I believe, to this class.

I think we should not sell any of this six-coupled stock, unless we can sell with them a larger number of one or other of the two other classes.

In regard to the principle by which the price of the engines which may be sold should be regulated, labour and materials have lately advanced so largely in value that I do not see why the Board should not look for an advance upon the price at which the engines were bought. Depreciation from use might be provided for in the case of nearly new engines, such as we should probably offer, by allowing so much a mile for every mile run by the engines, with such a sum in addition towards new tubes and fireboxes, as the condition of these parts seemed to justify. The sum to be allowed per mile would be arrived at by dividing the value of the engine when new, less the value of its materials when worn out, by the number of miles which might be considered as the working capacity of an engine in India during its life.

The views, however, of the purchaser must so largely govern the action of the Board, that it would seem undesirable to do more at present than indicate a general course.

I return the despatch.

From J. A. BAYNES, Esq., Secretary Bombay Baroda and Central India Railway Company, London, to the Under Secretary of State for India, dated London, 9th August 1872, No. 724.

IN regard to the question of the supply of the additional engines required by this Company, and referred to in the Bombay Government Despatch No. 10 of 1872, I am desired to forward the enclosed extract (being paragraph 5) from the Board's letter to the Agent, No. 579, dated the 28th June last, in which the views of the Directors on this matter are clearly and fully expressed.

As regards the question of *price* referred to in the 4th paragraph of the Bombay Government Despatch under notice, the Board think (assuming that all stores are included in the arrangement) that it should be settled in India by arbitration in case of difference among the selling and buying Companies, the market value of the article in India at the time being the basis of the arrangement.

Proceedings of the Madras Government, Public Works Department, 22nd November 1872.

Extract from Board's letter to Agent, No. 579, dated 28th June 1872.

PARAGRAPH 5, Nos. 2,593 and 2,627. In regard to the supply of the additional engines required by this Company, the Directors agree with you that the best and most satisfactory course, as far as the Company is concerned, would be to have them made here, so that they might include the latest improvements and be exactly adapted to our purpose; but they are not insensible to the force of the argument, from a Government point of view that, while three Companies have nearly 70 engines unerected, they see a difficulty in sanctioning an indent for fresh engines for another Guaranteed Company. It is no doubt probable that the Companies referred to will require many of these engines themselves, and it would be obviously unfair, for example, to press our taking from the Great Indian Peninsula Company inferior and ill-adapted engines, while that Company is permitted to obtain a fresh supply from home, or get more satisfactory engines from the Scinde Company. The importance also of not increasing our types of engines must be borne in mind. If the necessity of our traffic presses, the Directors will not object to the required engines being obtained from the surplus stock of other Companies in India at a fair price, our Locomotive Superintendent being satisfied with such engines as to quality and value, and their adaptability, as far as may be under the circumstances, to our requirements.

ORDER.—Ordered that a copy of the Despatch and enclosures, now read, be forwarded to the Governments and Officers noted in the margin, for information and guidance.

Governments of Madras and Bombay.
Consulting Engineers to the Government of India for Guaranteed Railways at Calcutta, Lahore, and Lucknow.

(Signed) H. DRUMMOND, Colonel, R.E.,
Officiating Deputy Secretary.

No. 367. ORDER THEREON, 22nd November 1872, No. 2,752.

RAILWAY, No. 65.

COMMUNICATED to the Consulting Engineer for Railways, whose attention is requested to G. O., No. 2,382, dated 10th October 1872.

(True Extract.)

Colonel, R.E.,
Secretary to Government.

To the Consulting Engineer for Railways.

Exd. E. C. Shunker.

P. W. D. Railway Department
No. 5425.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

RAILWAY.

To

Nos. 1688—92 G—R.

Dated SIMLA, 22*nd October* 1872.

Received 7 November 72.

Utilization of Surplus Stock and Stores of Guaranteed Railway Companies.

Forwarded for information & necessary action to the Agents of Guaranteed Railways.

No. 2382 dated 23rd Oct 1872.

Recd 23/10/72.

Copy sent to Govt. of Bengal

Ofc 5425

Govt. of [1872] Madras.

PUBLIC WORKS.

To the Consulting Engr for Railways

Dated

Read. Read.

G. O. 22 Nov. No. 2752.

Nos. 36 & 37

Surplus Rock & Stores. Pur.

Of the proceedings noted in margin
Copy of papers regarding
the obligation of surplus
Rock & Stores of guaranteed
Railways, Comd to date
Inspr.

2752 22 Nov