M.R.O. No. 4,92 : 15 2-48.

(1) Number of pages ——————————

(2) Date of repair ——————————

(3) Initials of the Reformator ——————————

# MADRAS RECORD OFFICE

## Government of Madras

Public Works DEPARTMENT

G.O. No. 1593-94 Press Mis.
~~B.P. No.~~
246 to 248

Dated 18 6 1873.

***Not to be folded or roughly handled***

No. 246. Read the following letter from Lieutenant-Colonel J. H. M. SHAW-STEWART, R.E., Consulting Engineer for Railways, to Colonel G. W. WALKER, R.E., Secretary to Government, Public Works Department, dated Madras, 20th May 1873, No. 279:—

With reference to the Proceedings of Government, dated the 13th December 1872, No. 2,949, and in continuation of my letter* No. 172, dated the 20th March 1873, I have the honour to enclose letters† from the Agent of the Great Southern of India Railway and from the Examiner of Railway Accounts upon the subject of the division between Capital and Revenue of the general charges upon that line.

* *Vide* G. O., 8th April 1873, No. 1,081.
† From Agent, Great Southern of India Railway, No. 1,304, 7th February 1873.
From Examiner of Railway Accounts, No. 338, 13th May 1873.

2. Mr. Williams has gone into the question at considerable length. He proposes to charge, as the Revenue share of the general charges, 13¼ per cent upon the Revenue cash outlay, which he shows to have been the ratio borne by Revenue general charges to Revenue cash expenditure, and he recommends that it be allocated in the following proportions:—

Indian Direction, including Agency Department, Audit, Accounts, and Stores, but excluding Traffic Audit, which is charged solely to Revenue, 9¼ per cent. Home Establishment charges 4 per cent.

3. For the reasons given by Mr. Williams, I consider his proposals fair, and recommend them for approval.

---

From W. S. BETTS, Esq., Agent of the Great Southern of India Railway, to Lieutenant-Colonel J. H. M. SHAW-STEWART, R.E., Consulting Engineer for Railways, dated Negapatam, 7th February 1873, No. 4,008.

Agreeably I forward copy of a Report from the Chief Auditor regarding the percentage cost of agency upon Capital cash outlay in this country. I trust this letter contains the information called for in your No. 960 of the 18th December last.

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GREAT SOUTHERN OF INDIA RAILWAY.

*Letter from the Chief Auditor, to the Agent, dated 4th February* 1873, *No.* 78.

In compliance with your endorsement upon G. O., No. 2,949, dated 13th December last, I have the pleasure to enclose you two statements showing the amount expended in India from Capital Funds to 30th June 1872, the one marked A including the sum expended upon stores purchased, and the other excluding this amount. From these it will be seen that the actual proportion of Establishment charges borne by Capital to Capital cash outlay is, in the first case, about 4·4 per cent., and in the latter 5·6 per cent. The exclusion of the amount expended for purchases on account of General Stores has been made at the suggestion of the Government Examiner.

2. The amount shown as the cost of Establishment represents salaries or allowances only, as a percentage rate applied in the manner desired by the Government of India is found to be inconvenient, when stores, etc., issued to the offices are included, and it is therefore desirable that these should be left to be debited month by month in the same proportion in which the application of the percentage rate divides the establishment for the same period.

3. In the letter from the Government of India, upon which the Government Order referred to was passed, occurs the following sentence:—"Considering the amount of work done by Mr. Betts and his office for Revenue it appears that a percentage in excess of this should be debited to Revenue for the work done on that account." This has evidently been penned under a misapprehension of the facts of the case, as the following will show. At present the Agency Establishment comprises the undermentioned departments at the monthly cost given against each.

| | | | | | |
|---|---|---|---|---|---|
| Agent's Office (excluding Agent's own salary) ... ... | | | | 500 | 5 4 |
| Audit and Accounts (excluding Chief Auditor's salary)... | | | | 1,020 | 4 8 |
| General (chiefly engaged on Capital work in connection with the Southern Extension) ... | 720 | 4 | 8 | | |
| Traffic (charged wholly to Revenue) ... ... | 900 | 0 | 0 | | |
| Stores Department ... ... ... ... ... ... | | | | 1,102 | 12 8 |
| Medical do ... ... ... ... ... ... | | | | 356 | 0 0 |

4. With a greater portion of line under construction than open for traffic it necessarily follows that the capital work performed, more particularly in the Accounts and Stores Departments, considerably exceeds that done for Revenue, the accounting for which is performed in a separate branch, whose cost is entirely borne by the Revenue Account.

5. It appears to me that if the plan of dividing the general charges, based upon the principle of taking the whole expenditure, both on Capital and Revenue, to find the proportion due to each account has been pronounced unfair, it can scarcely be anticipated that a method which ignores the expenditure on the one account will attain greater accuracy, more particularly when, as in the case of this line, increased Revenue cash expenditure will not entail any additional cost, on account of fixed establishments, however larger the portion debited thereto may be.

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## GREAT SOUTHERN OF INDIA RAILWAY.

*Statements showing amounts expended in India from Capital Funds to 30th June 1872.*

A.

| | Rs. | A. | P. |
|---|---|---|---|
| Total Cash Expenditure to 30th June 1872 ... ... ... | 101,06,793 | 11 | 9 |
| *Deduct*— | | | |
| Cost of Agency Establishment, exclusive of Contingent and Stores expenditure ... ... ... ... ... | 4,27,840 | 4 | 2 |
| | 97,38,953 | 7 | 7 |

Per-centage of Establishment cost on 97,38,953-7-7 — 4·39, say, 4 4.

B.

| | | | |
|---|---|---|---|
| Total Cash Expenditure to 30th June 1872, less cost of Establishment (Agency) as above ... ... ... | 97,38,953 | 7 | 7 |
| *Deduct*— | | | |
| Amount expended to 30th June in India on account of Purchases of stores ... ... ... ... ... | 20,66,552 | 10 | 9 |
| | 76,72,400 | 12 | 10 |

Per-centage of Establishment cost on Rupees 76,72,400-12-10 — 5·57, say, 5 6.

(Signed) JAMES SMITH,
*Chief Auditor.*

Correct.
(Signed) S. M. JOHNSON,
*Assistant Examiner.*

---

From R. K. WILLIAMS, Esq., Officiating Examiner of Railway Accounts, to Lieutenant-Colonel J. H. M. SHAW-STEWART, R.E., Consulting Engineer for Railways, dated Madras, 13th May 1873, No 358.

With reference to your memorandum No. 148 of the 17th February, and No. 263 of the 21st March, and in substitution of this office letter No. 170 of the 6th March, I have the honour to offer the following observations regarding the per-centage rate to be charged on the Revenue cash expenditure of the Great Southern of India Railway, as representing the Revenue proportion of the Indian Agency and Home charges.

2. In the Agent's first letter on the subject, No. 4,675 of the 9th September last, the total past expenditure to the 30th June 1872 was stated as Rupees 1,71,46,616-14-4, and the General charges as Rupees 12,05,005-5-11, or 6·9 per cent. on the expenditure, and a rate of 7 per cent. was accordingly proposed.

3. But the Government of India in their letter No. 1,581 A R., communicated with Government Order No. 2,919 of the 3rd December, pointed out that as the per-centage when determined is to be charged only upon the cash outlay, the expenditure of stores should be excluded when taking the past as a guide to the rate now to be charged, and requested that the per-centage of the amount debited to Capital on account of Establishment to the Indian Capital cash outlay might be stated.

4. With reference to this the revised proposals now under consideration were submitted with the Agent's No. 4,905 of the 7th February. In preparing these it appears to have been arranged between Captain Molesly and the Company's Auditor, that the Home charges, the Indian Agency salaries, and the office stores, etc., should, for the sake of convenience in accounting, be separately charged.

5. In Statement A, attached to the Auditor's Report, the Indian Agency salaries are compared with the total Capital cash outlay, and in Statement B, the same comparison has been made, excluding the amount expended in the purchase of stores from the cash outlay. As a per-centage found from its inclusion in the expenditure would have the effect of throwing upon Capital final charges, the cost of supervision in purchasing stores for Revenue purposes, the cash expended in the purchase of stores would be properly excluded in determining the rate.

6. The Auditor in the 2nd paragraph of his Report proposes that the office stores and contingencies should be divided month by month in the same proportion in which the application of the per-centage rate divides the establishment for the same period. This does not seem unfair, and so long as these charges continue in the same ratio to the salaries would be the same as a fixed per centage for them.

7. The Home charges, however, appear to have been altogether lost sight of in the Auditor's Report, but it is perhaps intended that the proposals in regard to office stores and contingencies should also apply to these. It would, however, perhaps be more in consonance with the new rules for the apportionment of general charges if a per-centage were in this case determined, and a rate separate from that for the Indian salaries would meet all that is desired in the matter of accounting.

8. I therefore submit herewith copy of a statement which I have had prepared, showing separately the final cash expenditure on Capital and on Revenue Account from the commencement to the 30th June last, and the general charges debited to each account for the same period. The results deduced from this Statement are as follows :—

*Capital.*

Cash expenditure, exclusive of cash expended in purchase of stores and general charges, Rupees 77,38,294.

| | Rs. | |
|---|---|---|
| Indian Agency salaries ... ... ... ... | 4,27,840 — | 5 53 per cent. |
| Do Contingencies ... ... ... ... | 45,031 — | ·58 ,, |
| Home Establishment ... ... ... ... | 3,43,707 — | 4 44 ,, |
| Total... | 8,16,578 — | 10 55 per cent. |

*Revenue.*

Cash expenditure, exclusive of general charges and payments to Capital for stores, Rupees 17,66,013.

| | | Rs. | |
|---|---|---|---|
| Indian Agency and Contingencies | ... | 1,6[illegible] | — 9·42 per cent. |
| Home charges | ... ... ... ... | 67,865 | — 3·84 ,, |
| Total | | 2,51,195 | — 13·26 per cent. |

*Capital and Revenue*

| | | Rs. | |
|---|---|---|---|
| Total Cash expenditure as above | ... ... | 95,01,597 | |
| Total of General charges as above | ... | 10,50,774 | — 11·05 per cent |

9 The amount now given as Capital cash expenditure differs slightly from that in the Auditor's Statement marked B, but not sufficiently to perceptibly affect the per centage. The accounts also shown as general charges are somewhat less than those reported in the papers published with Government Order, No. 2,118, of the 17th October last, owing to some items having been twice included in the latter. It was intended to analyse the Statements and show the details of the differences, but it was found that to do so would involve great additional labour and lead to considerable further delay. The preparation of the Statements has taken much time, and it bears the signature of the Company's Chief Auditor as being correct.

10 It will be observed that while the percentage of general charges under Capital is only 10·55, under Revenue it is 13·26. This arises from the expenditure in connection with the traffic audit, which is now wholly charged to Revenue and which it was found could not be conveniently separated for past years, being included in the general charges shown against Revenue. The amount of this expenditure is now, it is stated in the Auditor's Report, between the Rupees 900 and 1,000 per month, but against this, as covering it in part, if not in full, may, I think, fairly be set off the work which Mr Bette performs for Revenue in his capacity as Traffic Manager, and for which it would appear no direct charge is made.

11. It may be noticed that the proportion of the Direction Charges borne by the Revenue Account of the Great Southern of India Railway for the year from the 1st July 1871 to the 30th June 1872 amounted to 20 per cent on its cash expenditure, and that the total cost of the Home and Agency Establishments for the half-year ended the 30th June 1872, compared with the Capital and Revenue cash expenditure for the same period, gives a rate of about 26 per cent, but against this it may be urged, perhaps, that the Capital expenditure was low; that the Direction Establishments had not been working up to their full power, and that, with so much additional to their cost, they would be able to supervise the large capital expenditure now in progress which would have the effect of materially diminishing the per-centage rate.

12. From what I have been able to observe on Indian Railways, I am led to the opinion that, as a rule, Revenue expenditure involves a larger share of general supervision than the same amount of Capital expenditure, especially if much of the latter be incurred as is frequently the case under contracts; the supervision to which has to be extended to the arrangements in connection with the earnings of the railway should also, it appears to me, not be lost sight of.

13 It seems to me, therefore, that the 11·23 per cent, which has been worked out above as the proportion of Revenue General charges to Revenue Cash expenditure in the past, might, even though the combined Capital and Revenue 10·55 per cent is shown to be only 11·05 per cent, be adopted without burdening Revenue with more than its fair share, and so far as I am able to judge, I think this will approximate very closely to the result of the present working of the Madras Railway.

14. The Capital per-centage shows the Home charges in the past to have been nearly as large as the Indian, but they are now about as one to two, and in the event of the adoption of the rate mentioned in the preceding paragraph, I would propose that it be allocated in similar proportion, as follows:—

| | |
|---|---|
| For, say, Indian Direction including Agency Department, Audit, Accounts and Stores, but excluding traffic audit, which is charged solely to Revenue ... | 9¼ per cent |
| Home Establishment charges ... ... ... ... ... ... | 4 ,, |
| Total to be charged on the Revenue Cash outlay ... | 13¼ per cent. |

15 The office stores and contingencies after debiting solely to either account the items which appertain solely to them, might be left to be divided as proposed by the Company, and for this the quarter per cent. might be omitted from the per-centage rate.

16. The papers received with your memorandum No. 263 are returned herewith.

| | Rs. | A. | P. |
|---|---|---|---|
| Capital cash expenditure to 30th June 1872 ... ... | 100,29,148 | 4 | 7 |
| Stores purchased in India from commencement to 30th June 1872 ... ... ... ... ... ... | 20,33,514 | 13 | 2 |
| Agency Establishment from commencement to 30th June 1872 ... ... ... ... ... ... | 4,27,840 | 4 | 2 |
| Agency Contingencies from commencement to 30th June 1872 ... ... ... ... ... ... ... | 45,031 | 4 | 6 |
| Home Establishment expenditure from commencement to 30th June 1872, Capital ... ... ... ... | 3,43,707 | 14 | 1 |
| Revenue cash expenditure to 30th June 1872 ... ... | 17,66,013 | 7 | 6 |
| Revenue Agency salaries (Indian) from commencement to 30th June 1872 ... ... ... ... ... | 1,66,330 | 11 | 1 |
| Home Establishment expenditure from commencement to 30th June 1872, Revenue ... ... ... ... | 67,864 | 13 | 10 |

(Signed) S. M JOHNSON,
*Assistant Examiner.*

NEGAPATAM,
29th April 1873.

(Signed) JAMES SMITH,
*Chief Auditor, Great Southern of India Railway*

*Memorandum by the Examiner.*

| | | Rs. | A. | P. |
|---|---|---|---|---|
| Total Capital Cash outlay in India as above ... ... | | 100,29,148 | 4 | 7 |
| Final Cash outlay on Capital Account in England ... | | 5,59,240 | 2 | 6 |
| | | 105,88,388 | 7 | 1 |
| *Deduct* included in above— | | | | |
| Cash outlay in India for purchase of stores ... ... ... ... | 20,33,514 13 2 | | | |
| Indian Agency charges ... ... | 4,27,840 4 2 | | | |
| Do. Contingencies ... ... | 45,031 4 6 | | | |
| Home charges ... ... ... ... | 3,43,707 14 1 | | | |
| | | 28,50,094 | 3 | 11 |
| Capital Cash outlay on final heads, exclusive of Agency and Home charges ... ... ... ... ... | | 77,38,294 | 3 | 2 |

(Signed) R. K. WILLIAMS,
*Offg. Examiner, Railway Accounts, Madras.*

No. 247. ORDER THEREON, 18th June 1873, No. 1,593.

RAILWAY, No. 16.

ORDERED that these proposals be forwarded for the approval of the Government of India.

(Here enter No. 1,594, dated 18th June 1873.)
(True Extract.)

Colonel, R.E.,
*Secretary to Government.*

To the Consulting Engineer for Railways.
,, Examiner of Railway Accounts.
Rd. S. T. Austin.

PUBLIC WORKS DEPARTMENT,
OOTACAMUND, 18*th June* 1873.

No. 218.

No. 1,594.

FROM

COLONEL G. W. WALKER, R.E.,
*Secretary to the Government of Madras,*
*Public Works Department.*

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
*Public Works Department.*

RAILWAY, No. 17.

SIR,—Adverting to your letter No. 1,554 A. R., dated 25th November 1872, I am directed by His Excellency the Governor in Council to forward the accompanying papers which afford the required information on the subject of the apportionment between Capital and Revenue of the general charges on the Great Southern of India Railway, and, for the reasons explained, I am to recommend for approval the per-centages worked out by the Examiner of Railway Accounts.

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

Colonel, R.E.,
*Secretary to Government.*

Ed. S. T. Austin

Spare Copies.

Railway Department. CONSULTING ENGINEER'S OFFICE,

No. 277

From

LIEUT.-COLONEL J. H. M. SHAW STEWART, R.E.,

*Consulting Engineer for Railways,*

To

COLONEL G. W. WALKER, R.E.,

*Secretary to Government,*

*Public Works Department,*

*Fort Saint George.*

SIR,

With reference to the Proceedings of Government dated the 13th December 1871 N° 2949 and in continuation of my letter N° 172 dated the 20th March 1873 I have the honour to enclose letters* from the Agent of the Great Southern of India Railway and from the Examiner of Railway Accounts upon the subject of the division between Capital and Revenue of the general charges

upon

* vide G.O. 8th April 1873 N° 1081.

* From Agent G. S. of I. R. N° 1908. 7th February 1873.

From Exr. of R. A. N° 350 13th May 1873.

upon that line.

2. Mr Williams has gone into the question at considerable length. He proposes to charge, as the Revenue share of the general charges, 13¼ per cent upon the Revenue cash outlay, which he shows to have been the ratio borne by Revenue general charges to Revenue cash expenditure: and he recommends that it be allocated in the following proportions:-

Indian Direction, including Agency Department, Audit, Accounts, and Stores, but excluding Traffic Audit, which is charged solely to Revenue. 9¼ per cent
Home Establishment charges. 4 —·—

3. For the reasons given by Mr Williams, I consider his proposals fair, and recommend them for approval.

I have the honour to be
Sir
Your most obedient servt.

Madras
20th May 1873

Sd/ Mauritius Lt-Col RE,
Chief Engineer for Railways

Sd/ R Str

No. [illegible] GREAT SOUTHERN OF INDIA RAILWAY.

AGENTS OFFICE.

NEGAPATAM, [illegible] 1878

From

THE AGENT,

*Great Southern of India Railway.*

To

*The Consulting Engineer*
*for Railways.*

SIR,

[illegible]

RAILWAY DEPARTMENT.

Public Works 1878 Department
From [illegible] No. 3056

The Consulting Engineer
for Railways.

To

The Secretary to Government,
P. W. Department,
Fort Saint George.

Dated 20th May 1878.
Rec'd 23rd
Answered
No. 240.

Regarding the subject of the division between Capital and Revenue of the general charges on G. S. of I. Railway

C/No 1593-1594-1878

[illegible]

No 11925

To

The Chief Engr
Ll & Hull

&c

The Consulting Engr
for Waterways

Canal Office
Hull 10th } Feby 1873

O. W. 3050/73

Forwarded by request
from the Chief Engr for
Hull for Carriage &c
of Library which Carried
each alteration

Schlussbilanz der Stadtkasse Wiesbaden

Schlussbilanz der Stadtkasse Wiesbaden per 31. Dezember 1872.

A

Stadt-Bank-Conto-Corrente per 31 Dezember 1872
Mk - 101 66 798 . 11 . 9
Credit.

Per Einlagen der Stadtkasse
Per Stadtkasse-Conto-Corrente
Per Cassa Bestand _____ 127 410 - 4 - 2.

97 058 953 - 7 - 7

Per Einlagen der Stadtkasse Conto-Corrente 97 058 953 . 7 - 7
= 4 . 39 Tage Mk 6

B

Stadtkasse Conto-Corrente per 31 Dezember 1872
Per Cassa Bestand der Stadtkasse 97 058 953 . 7 - 7
Debet.

Per Einlagen
Per Stadt-Bank-Conto-Corrente
Per Cassa Bestand _____ 2 666 052 . 10 . 9

76 724 001 . 12 . 10

Per Einlagen der Stadtkasse Conto-Corrente Mk 76 724 001 . 12 . 10
= 6 . 57 Tage Mk 6

Wiesbaden, den 31 Dezember 1872.

Geprüft und richtig befunden.

Stadtkasse

Stadt-Bank

Wiesbaden, den 31 Dezember 1872.

EXAMINER RAILWAY ACCOUNTS' OFFICE

No. [illegible]

Madras, 13th March 1872.

From

[illegible]

To

The EXAMINER RAILWAY ACCOUNTS,

Madras.

Sir,

[illegible]

S. W. S. 66/78

rate of 7 per cent was accordingly proposed.

But the Government of India in their Letter No 1581 A.R. communicated with Government Order No 2949 of the 3rd December pointed out that as the percentage when determined is to be charged only upon the cash outlay, the expenditure of Stores should be excluded when taking the first item as a guide to the rate now to be charged, and suggested that the percentage of the amount debited to Capital on account of Establishment to the Indian Capital Cash outlay might be stated.

With reference to this the proposed proposals now under consideration were submitted with the Agents letter of the 9th February. In preparing these charges we have been arranged Lieutenant Captain Moberly and the Compiler Auditor, that the Home charges, the Indian agency salaries and the Office Stores &c., should, for the sake of convenience in accounting be separately charged.

In Statement A. attached to the Auditor's Report, the Indian Agency Salaries are compared with the total Indian and Capital Cash outlay, and in Statement B the same comparison has been made excluding the amount expended in the purchase of Stores from the Cash outlay as a percentage found from its inclusion in the expenditure would have the effect of throwing upon Capital final charges the cost of expenditure on purchasing Stores which for Remittance purposes the cash is expended in the purchase of Stores would be properly excluded in determining the rate.

The Auditor in the 2nd paragraph of his Report proposes that the Office of Stores and Contingencies should be charged month by month in the same proportion in which the application of the percentage rate divides the establishment for the same period. This does not appear fair and so long as these charges continue on the same ratio to

the salaries would be the same) as a general percentage for them.

It is to be observed, however, respecting the Home Establishment, that it is for the purpose intended that the proportion required by the Office whether the contingencies should also be subject to the above rule. It would however perhaps be more in consonance with the new rules for the apportionment of general charges if a percentage were in this case determined and a rate separate from that for the Indian salaries would meet all that is charged in the million account. ——

I therefore submit herewith a copy of a statement which I have had prepared showing separately the final cash expenditure on Capital and on Revenue Account from the commencement to the 30th June last, and the General Charges debitable to each account for the same period ——

The results declared from this Statement are as follows ——

Capital

Cash expenditure exclusive of cash estimate in purchase of Stores and general charges
Rs 77.38.296 ——
Indian Agency salaries &c. proper 5.539%
Do Contingencies 0.031 .558%
Home Establishment 0.43707 = 4.616%
Total 8.16.578 = 10.55%

Revenue

Cash expenditure exclusive of general charges and payments to Capital for stores ——
Rs 17.66.013
Indian Agency & Contingencies
Rs 1.66.300 = 9.42%
Home charges 1.26.5 = 3.84%
Total 2.30.195 = 13.26%

Capital and Revenue

Total cash expenditure as above Rs 95.04.307
Total of General charges as above Rs 10.50.773
= 11.055% ——

The amount now given as Capital Cash expenditure differs slightly from that in the Auditor's Statement ——

13 but not sufficiently to perceptibly affect the percentage. The amounts also shown as General charges were somewhat less than those reported in the papers published with Government Order No. 1005 of the 17th October last owing to some items having been included in the latter. It was intended to analyse the statements and show the details of the differences, but it was found that to do so would involve great additional labor and lead to considerable further delay -- The preparation of the Statement now submitted has taken much time and it bears the signature of the Company's Chief Auditor as being correct.

It will be observed that while the percentage of general charges under Capital is only 10.75 under Revenue it is 13.26. This arises from the expenditure in connection with the Insufficient which is now wholly charged to Revenue and which it was found could not be conveniently separated for past years, being included in the general charges shown against Revenue. The amount of the expenditure is now, it is stated in the Auditor's Report, between Rs 500 and 900 per month, but against this, as covering it in part, if not in full, may I think, fairly be set off the work which Mr Bell performs for Revenue and for which it would appear no direct charge is made.

It may be noted that the proportion of the Direction charges borne by the Revenue Account of the Great Southern of India Railway for the year from the 1st July 1871 to the 30th June 72 amounted to 20 per cent on the cash expenditure and that the total cost of the Home & Agency establishments for the half year ended the 30th June 1872

Compared with the Capital and Revenue
Cash expenditure for the same period
gives a ratio of about 26 per cent, but
against this it may be urged, perhaps,
that the Capital expenditure was
low, that the Directors established
works had not been working up to
their full power and that without
much addition to their cost they would
be able to supervise the large Capital
expenditure now in progress which
would have the effect of materially
diminishing the percentage ratio.

How much of these views can
be admitted as Indian Railways
I am loth to the opinion that as
a rule Revenue expenditure involves a
larger share of general supervision
than the same amount of Capital
expenditure, especially of much of the
latter is incurred as is frequently the
case under contracts, the supervision
for which has to be extended to the



arrangements in connection with the
working of the Railway should
also be supposed to and not the last
right of

It seems to me, therefore, that
the 10.26 per cent which has been
worked out above as the proportion
of Revenue general charges to Revenue
Cash expenditure in the past, might,
even though the combined Capital
and Revenue proportion is shown to
be only 11.65 per cent, be adopted
without hesitancy (Revenue withdrawn
than as far as I can, and so far as
I am able to judge, I think this
will approximate very closely to the
result of the present working on the
Indian Railways.

The Capital proportion
shows the Home charges in the past to
have increased as large as the Indian
and they may therefore be taken as
in the event of the adoption of the rule
mentioned in the preceding paragraphs,

I would propose that it be allocated on similar proportions, as follows —

Home Charges — Indian Direction including Agency Departments, audit, accounts and Stores Establishments excluding Buffer credit which is charged solely to Revenue ——— 9 ½ %

Home Establishment Charges 4 — %

Total to be charged on the Revenue Establishments 13 ½ %

The Offices stores and contingencies after deducting solely to either account the items which appertain solely to them might be left to be divided as proposed by the Company and for this the Home Establishment might be omitted from the percentage scale

The papers received with your Memorandum No 263 are returned herewith —

I have the honor to be
Sir
your most obedient servant —

R Williams

Offg Examiner Bombay Accounts, Madras

Comp Rec'd

Capital Cost of undertaking to 31st March 1870 ——— [illegible]

Home Establishment Charges from commencement to 31st March 1870 ——— [illegible]

Agency Establishment Charges from commencement to 31st March 1870 ——— [illegible]

Home Establishment Charges from commencement to 31st March 1870 ——— [illegible]

Home Establishment Debentures from commencement to 31st March 1870 Capital ——— [illegible]

Interest on such Debentures to 31st March 1870 ——— [illegible]

Revenue Charges (Indian) from commencement to 31st March 1870 ——— [illegible]

Home Establishment Debentures from commencement to 31st March 1870 Revenue ——— [illegible]

(Sgd) [illegible]
Secretary

(Sgd) James Smith
Chief Cashier
Bombay

(True Copy)

Examined

1870

From

The Examiner,

Railway Accounts,

Madras.

To The Consulting Engineers,

for Railways

Dated 16 Oct

Recd 14 } May 1873.

No. 355

Submitting statement
showing the Proportion
to be charged to Revenue
on Construction and
Capital Accounts
of the Madras Railway

R No 0050/73
M. S. Comptroller's Off.
24 May

---

Memorandum of the Examiner's

Total Capital Cash outlay on Undertaking
shown ... £ 1,00,29,148 4 7

Cash Outlay on Capital Accounts
in Eng Cash'ts ... £ 50,260 — 6

£ 1,05,79,385 7 1

Total included in above
Cash Outlay in London
viz purchase of Shares — 20.33.514 | 13 | 2
Ordinary charges — 4.27.940 | 4 | 2
Do Contingencies — 45.031 | 4 | 6
Home charges — 3 43 707 | 14 | 1

£ 28 50 094 3 11

Capital Cash outlay on Land & Surveys
except Salary and Home Charges — 77 38 204 3 2

W. Williams
Offg Examiner Railway Accounts
Madras

R No 3055/73

P. W. D.

No. 1593

Proceedings of the Madras Government,

Under date the 187

Read the following :—

From Superintending Engr. Rep. 14th No. 279 of 20 Augt/93

Ordered that

these proposals be forwarded for the approval of the Government of India.

To The Chief Engineer for Irrigation & Examiner Acts

No. 1594 A & Co 94

The Secretary to the Government of India

Sir,

In reference to

your

your letter No 1584 of 25
dated 25th November 1873
I am directed by His
Excellency the Governor
in Council to forward
the accompanying papers
which afford the required
information on the sub-
-ject of the apportion-
-ment between Capital
and Revenue of the
general Charges and
the Receipts & Earnings of
Indian Railways, and,
for the reasons explained
I am to recommend
for approval the per-
-centages worked out
by the Examiner of
Railway Accounts.
I: 246.48. Guard
Govt 25/11/73 & Rly 1873

C/23050.

Govt. of {1873} Madras.

PUBLIC WORKS.

To The Commanding Officer
For Records
&
To The Secretary to the
Govt of India

Dated

Read. Ref. /—

G. O. 18 June 1873 No. 593-183.

No. 241-23050

G. S. & R. Railways

Orders on letter from the Engineer in the Nilgiris on the proposed Hospital & Revenue Offices at Ootacamund in the G. S. & R. Ry.

Forwarded for correspondence in the Public Department between Hospital and Revenue Offices at Ootacamund in the G. S. & R. Ry.