

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public Works **DEPARTMENT.**

G.O. No.	197	Press
407, 408,		Mis.
Dated	21-1-1873.	

Not to be folded or roughly handled

No. 407. Read the following letter from the Officiating Deputy Secretary to the Government of India, Public Works Department, (Railway,) to the Secretary to the Government of Madras, Public Works Department, (Railway,) dated Fort William, 2nd January 1873, No. 18-G.R. :—

5. I AM directed to acknowledge the receipt of your letter No. 2,811, dated 2nd December 1872, covering a letter from the Consulting Engineer, on the proper way of dealing with sundry railway earnings from miscellaneous sources in analysing the cost of carrying traffic.

2. There can be no doubt that the present system of taking the whole revenue expenditure (except that on steam boat service) as the sum to be divided off, and compared with the receipts from passengers and goods, makes the cost of carriage appear too high; for this expenditure includes outlay on certain objects which yield a return that cannot be shown on the other side of the account.

3. But, on the other hand, if the whole of the sundry receipts be deducted from the gross expenditure, as proposed by the Consulting Engineer, the resulting sum will be less than the true outlay in carrying passengers and goods.

4. The "interest on the revenue balances," which is allowed by the Government, cannot be considered as causing an equal increase of the working expenditure. The rents of dwelling houses cover not only the cost of maintenance which is included in the debit side of the Revenue Account, but also a charge to cover the interest on the capital expended in their construction. The hire of locomotives is calculated at varying rates, and is not the same as the revenue expenditure on them, and this is also the case with the mileage of vehicles over foreign lines.

5. It is possible that Colonel Shaw-Stewart's knowledge of the circumstances of the railways for which he is the Consulting Engineer makes him confident that the error in the adjustment which he proposes would be less than that involved in maintaining the present system. So far, however, as can at present be judged, this would not be the case on other Indian Railways, and whether this be so or not, it seems to the Government of India that it is better for the present to maintain the system in force and to analyse the whole of the expenditure shown in the Revenue Account, instead of allowing variable deductions to be made; and as it is of some importance that one uniform system should be observed until the statistical record of all the Railways in India has been reduced to such a shape as to enable one general return to be compiled and circulated, I am to request that this plan may be followed on the Railways in the Madras Presidency.

6. So long as this is done, the expenditure shown in Table MV must be considered as earning not only the receipts there shown but also a certain miscellaneous receipt. This might perhaps with advantage be explained as briefly as possible in a foot-note, as is done in the statistical returns of many of the Continental Railways in order to prevent misconception.

Proceedings of the Madras Government, Public Works Department,
21st January 1873.

No. 408.

ORDER THEREON, 21st January 1873, No. 197.

RAILWAY, No. 44.

COMMUNICATED to the Consulting
Engineer for Railways for guidance
with reference to G. O. No. 2,810,
dated 2nd December 1872.

(True Extract.)

Colonel, R.E.,

Secretary to Government.

To the Consulting Engineer for Railways.
„ Examiner of Railway Accounts.

2nd December/72 N^o 305

Public Works 1873 N^o 11

28-11-11

From
The Government of Madras

Dated 2nd January 1873
Received 10th January 1873

28-18 J.P.B.

Issuing
instructions re-
garding the
analysing of
the expenditure
shown in the
Revenue Accounts
of the Madras
Railways -
With orders

Communicated to the Consulting
Engineer for Railways for guidance with reference
to G. O. No. 2810 of 2nd Decr. 1872

C.E. for R.R.
24.12.72

Recd 23/1/73

28-11-11

Cp. 144

Govt. of 1873 Madras

PUBLIC WORKS.

To
The Consulting Engineer
for Railway

Dated

Recd.

Encl.

G. O. 21st Jan. 1873. N^o 997.

Nos. 407 & 408

Revenue Accounts.

Letter from the Govt. of
India issuing instructions
regarding the analysing
of the expenditure shown
in the Rev. Accts. of the
Madras Railway, Com^d
to the Comptroller.