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MADRAS RECORD OFFICE

Government of Madras

Public works DEPARTMENT

G.O. No.	866	Press
B.P. No.		Mis.
443-444		
Dated	19-3-	1873.

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Public Works Department,
19th March 1873.*

No. 472. Read the following letter from the Consulting Engineer for Railways, to the Secretary to Government, Public Works Department, dated Madras, 24th February 1873, No. 120:—

REFERRING to my letter No. 629, dated 16th November 1872, I have the honour to submit two letters* from the Agent of the Great Southern of India Railway on the subject of the adjustment of the differences between the actual and book

G. O., No. 2,828, 3rd December 1872.
• Nos. 4,914 and 4,924, dated 12th and 19th February 1873.

value of certain items in the general store accounts of that Company.

2. With the first of these letters the Agent encloses an extract from a letter from the Board of Directors, in which they express an opinion that the Revenue Account should not be charged with the loss on stores kept in stock for capital purposes.

† Letter No. 779-A. R., 10th June 1872.
G. O. No. 1,573, 28th June 1872.

The amounts which, in the opinion† of the Government of India, should be so charged are the following:—

Item.	Amount.	PORTION CHARGEABLE TO REVENUE ACCORDING TO LETTER FROM GOVERNMENT OF INDIA.	
		Per-centage.	Amount.
	RS. A. P.		RS. A. P.
Miscellaneous expenditure unaccounted for...	5,740 7 11	The whole.	5,740 7 11
Unserviceable fencing	12,603 10 9	25 per cent.	3,150 14 8
Do. sleepers	24,853 8 10	Do.	6,213 6 3
Wastage on timber	57,404 1 5	The whole.	57,404 1 5
Miscellaneous expenditure unaccounted for...	4,861 14 7	Do.	4,861 14 7
Total...	1,05,463 11 6	Total...	77,370 12 10

3. The Directors suggest that the uncleared stores items should be adjusted by charging off the amount to the Capital and Revenue Accounts, in proportion to the value of stores issued to the two accounts from the commencement of the period during which the loss or wastage in question has arisen, to the date up to which the adjustments are brought.

4. I asked the Agent to furnish me with a statement showing what the respective amounts would be if this course were followed, and the second of the letters herewith enclosed is Mr. Betts' reply. He suggests that the orders of the Government of India be first obtained on the Board's proposals, inasmuch as, in the event of a refusal, the time bestowed on getting out the information will have been needlessly spent.

5. I beg that the question may be submitted for the consideration of His Excellency the Governor General in Council.

From the Agent of the Great Southern of India Railway, to the Consulting Engineer for Railways, dated Negapatam, 12th February 1873, No. 4,914.

Your letter No. 511 of the 16th November last, and the papers connected therewith, having

*Proceedings of the Madras Government, Public Works Department,
19th March 1873.*

been forwarded to my Directors, I now beg to submit, for the consideration of Government, the attached extract from Secretary's letter No. 76 of the 17th ultimo.

2. My Directors suggest that the uncleared stores items should be adjusted by charging off the amount to the Capital and Revenue Accounts in proportion to the value of stores issued to the two accounts from the commencement of the period during which the loss or wastage in question has arisen to the date up to which the adjustments are brought.

*Extract of a letter from the Secretary, to the Agent, dated London, 17th January 1873,
No. 76.*

Clearance of Stores Accounts.

THE Directors regret that they are unable to acquiesce in the views of the Government of India as to the mode in which it is proposed to deal with the unadjusted items in the General Stores Accounts. They are still of opinion, as expressed to you in my letter of 21st May 1870, that the Revenue Account should not be charged with the loss on stores kept in stock for Capital purposes.

2. The Government of India desire that a certain proportion of the total value of unserviceable fencing (Rupees 12,603-10-9) and unserviceable sleepers (Rupees 24,853-8-10) should be charged to Revenue on account of renewals and loss on the articles while in stock, and estimate this proportion at 25 per cent.

3. They further direct that the whole amount arising from "wastage on timber," Rupees 57,404-1-5 (namely, Rupees 68,719-1-5, less deducted for surplus on coal and wood, Rupees 11,315) should be written off to Revenue. It may be remarked that this item represents the wastage on stock in hand prior to 1st January 1865, and that as the wastage from that date to 31st December 1868 has been debited to Capital Account under orders from the Government of Madras, it might be fairly argued that stronger grounds exist why the loss arising previously should also be debited to Capital, the more so perhaps that the deficiency now under consideration (Rupees 68,719-1-5) represents about 24½ per cent. upon the value of timber credited up to 1st January 1865, prior to which no allowance was made to general stores for wastage, while the allowance now made is 25 per cent. or very nearly the same per-centage. It may be said that under the proposal made by the Government to debit the amounts referred to to Revenue, the Company will not be the sufferers, but that the real loss will fall on the Government, inasmuch as the net balance of traffic remaining to be credited in reduction of the amount paid to the Company for guaranteed interest will by so much be lessened, but the Directors are of opinion that upon principle the loss or wastage on stores should, as you suggest, be debited to Capital and Revenue, respectively, in proportion to the value of the stores issued to the two accounts from the commencement of the period during which the loss or wastage in question has arisen to the date up to which the adjustments are brought. They would apply this principle in the present instance to the whole of the unadjusted items now reported upon, amounting to Rupees 1,05,463-11-6.

From the Agent of the Great Southern of India Railway, to the Consulting Engineer for Railways, dated Negapatam, 19th February 1873, No. 4,924.

Your letter No. 71 of the 17th instant. It will take a long time to get out the information for which you call, as the accounts for many years will have to be waded through. Have you any objection to ask Government if they will accept the principle sought to be established by my Directors. If the principle be not accepted, the time bestowed on getting out the information before referred to will have been needlessly spent. If it be accepted, then, the labour must of necessity be performed.

*Proceedings of the Madras Government, Public Works Department,
19th March 1873.*

No. 473. ORDER THEREON, 19th March 1873, No. 866.

RAILWAY, No. 42.

RESOLVED that these papers be forwarded for the consideration and orders of the Government of India with reference to the following correspondence:—

From Government of India, 10th June 1872, No. 779-A.R.

To do. of do., 19th September 1872, No. 2,226.

From do. of do., 25th October " " 1,483-A.R.

(True Extract.)

(Signed) G. W. WALKER, Colonel, R.E.,

Secretary to Government.

No. 474. (DOCKET No. 867, dated 19th March 1873.)

COPY of the above forwarded to the Government of India.

(True Extract.)

Colonel, R.E.,

Secretary to Government.

Exd. E. C. Shunker.

Railway Department.

CONSULTING ENGINEER'S OFFICE,

No. 120.

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,

Referring to my letter No. 2828-3rd Dec/72. 629 dated 16th November 1872. I have the honour to submit two letters* from the Agent of the Great Southern of India Railway on the subject of the adjustment of the differences between the actual and book value of certain items in the general store accounts of that company.

No. 4914 & 4924
dated 12th and 19th
February 1873.

2. With the first of these letters the Agent encloses an extract from a

a letter from the Board of Directors, in which they express an opinion that the Revenue account should not be charged with the loss on stores kept in stock for Capital purposes.

The amounts which, in the opinion* of the Government of India, should be so charged are the following:—

* Letter No. 779 A. R. 10th June 1872.
G.O. No. 1573 28 June 1872.

Item.	Amount		Portion Chargeable to Revenue according to letter from Government of India.	
	Amount	Percentage	Amount	
Miscellaneous expenditure unaccounted for	5740 7	" The whole	5740 7	"
Unserviceable fencing	12603 10	9 25 percent	3150 14	8
do do elephants	24853 8	10. 2%	6213 6	3
Wastage on timber.	57404 1	5 The whole	57404 1	5
Miscellaneous expenditure unaccounted for	4861 14	7. 2%	4861 14	7
	105463 11	6	77370 12	10

3. The Directors suggest that the uncharged stores items should be adjusted

by

by charging off the amount to the Capital and Revenue accounts, in proportion to the value of stores issued to the two accounts from the commencement of the period during which the loss or wastage in question has arisen, to the date up to which the adjustments are brought.

4. I asked the Agent to furnish me with a statement showing what the respective amounts would be if this course were followed, and the second of the letters herewith enclosed is Mr. Pettes reply. He suggests that the Orders of the Government of India be first obtained on the Board's proposals, inasmuch as, in the event of a refusal, the time bestowed on getting out the information will have been needlessly spent.

5. B

I have the honour to be

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Your most obedient servant

Madras
24th February
1873.

Wm. Brewster Secy. S. O. B.

Asst. Engineer for Railways

[illegible]

RAILWAY DEPARTMENT

1873

From

The Consulting Engineer
for Railways

To

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

Dated 24th 8th Mo 1872

Recd. 25

Env: 3.

Sabourin will
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 from the front of the
 G. & O. R. on the subject
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 the other.

William Ocker.