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MADRAS RECORD OFFICE

Government of Madras

Public Works. DEPARTMENT

G.O. No.	2579	Press
B.P. No.		Mis.
222-223		
Dated	10-9-1874	195.

Not to be folded or roughly handled

18

*Proceedings of the Madras Government, Public Works Department,
10th September 1874.*

No. 222. Read the following letter from Colonel C. H. DICKENS, R.A., Secretary to the Government of India, Public Works Department, (Account—Guaranteed Railways,) to Colonel G. W. WALKER, R.E., Secretary to the Government of Madras, Public Works Department, (Railway,) dated Fort William, 13th August 1874, No. 400 A.—G. R.:—

IN forwarding, for the information of the Government of Madras, a copy of a despatch, (with extract from the enclosures,) recently received from the Secretary of State on the subject of fixing a limit to the amount of capital to be locked up in stores for the Guaranteed Railways, I am directed to say that the sum of 22½ lakhs may, as a tentative arrangement, be assumed as the limit for the reserve of stores required to be kept up on the Madras Railway.

From the Secretary of State for India, to the Government of India, dated 30th April 1874, No. 60-R.

WITH reference to your Excellency's letters of the 22nd of August 1872, No. 146, and 26th

* Letter to the East Indian Railway Company, dated 23rd October 1873.
Letter from ditto, dated 14th November 1873, No. 4,333.
Circular letter to the Eastern Bengal, the Great Indian Peninsula, the Bombay, Baroda and Central India, and the Madras Railway Companies, dated 28th October 1873.
Letter from the Eastern Bengal Railway Company, dated 20th November 1873, No. 1,235.
Ditto from the Great Indian Peninsula Railway Company, dated 5th November 1873, No. 135.
Ditto from the Bombay, Baroda and Central India Railway Company, dated 14th November 1873, No. 972.
Ditto from the Madras Railway Company, dated 21st November 1873, No. 2,951.
Circular letter to the Carnatic and the Ondh and Rohilkhand Railway Companies, dated 28th October 1873.
Letter from the Carnatic Railway Company, dated 13th November 1873, No. 57.
Ditto from the Ondh and Rohilkhand Railway Company, dated 5th November 1873, No. 127.
Ditto to the Great Southern of India Railway Company, dated 28th October 1873.
Ditto from ditto, dated 7th November 1873, No. 646.
Ditto to Scinde, Punjab and Delhi Railway Company, dated 28th October 1873.
Ditto from ditto (and enclosure), dated 20th March 1874.

of August 1873, No. 175, I transmit herewith, for your consideration, copies of correspondence* with the several Guaranteed Railway Boards on the subject of the proposal to fix a limit to the amount of capital to be locked up in stores.

2. In the last-mentioned letter you propose that the limit in the case of the Madras Railway should be fixed at 22½ lakhs, and the Board have no objection to the adoption of that limit, should experience prove that it is sufficient, on which point, however, they entertain doubts. You also propose as a tentative arrangement, subject to revision at the end of five years, to give effect to the suggestion of the Bombay Government, that the limit in the case of the Great Indian Peninsula Railway Company should be fixed at 63 lakhs, and in that of the Bombay, Baroda and Central India Company at 21½ lakhs. It will be seen that the former Company agree to the proposal, but that the latter consider that it will probably be necessary to fix the limit at from 25 to 30 lakhs. They would prefer, however, that no decision should be arrived at until the Dakore Extension and the works at Colaba are completed.

3. The limit proposed by your Government for the Eastern Bengal Railway Company is five lakhs, but the Board state that they are not at present in a position to express an opinion on the subject.

4. The other Companies agree generally that a limit should some time be fixed, but either from want of sufficient information, or because in their opinion—an opinion shared by your Excellency in most cases—the time has not yet arrived for deciding the question, they are unable to form a judgment as to what that limit should be.

5. There is one point, however, to which I desire to call your Excellency's particular attention. In the second of the letters under reply you recommend that in future all stores should be purchased from "Revenue Advance Funds alone," but it will be observed that several of the

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10th September 1874.*

Boards have expressed themselves as ignorant of the existence of any such fund, and as I am not clear as to what is meant by the expression, I request to be furnished with further information in regard thereto.

No. 3.

From H. MERIVALE, Esq., to JULIAN BYRNE, Esq., dated India Office, 28th October 1873.

I AM directed by the Secretary of State for India in Council to transmit, for the information of the Directors of the Madras Railway Company, a copy of two letters, dated the 25th of March 1871, No. 30, and the 26th of August 1873, No. 175, relating to the propriety of fixing a limit to the amount of capital required to be locked up in stores for the Guaranteed Railways.

2. An examination of the stocks now in hand has shown that, on all the lines to which the inquiry has so far extended, there is in India a considerable excess of stores above the amount which it is considered necessary to maintain for the requirements of those Railways, and the Government of India recommend that, as the Madras Railway is "now for the most part complete all stores required for" it "should in future be purchased from Revenue Advance Funds alone."

3. The Duke of Argyll understands it to be the intention of the Government of India that the amount of capital which shall be required to be locked up in stores, in other words the floating capital, shall be fixed in the case of the Madras Railway at 22½ lakhs of rupees, as will be seen from the accompanying extracts of correspondence forwarded by that Government, and that the stocks now in hand should be gradually reduced to that limit.

4. I am desired to request that the Secretary of State in Council may be favored with the opinion of the Board of Directors on these proposals, as well as the best mode of carrying out the object in view.

No. 7.

From JULIAN BYRNE, Esq., Secretary, Madras Railway Company, to the Under Secretary of State for India, dated 33, New Broad Street, London, E.C., 21st November 1873.
No. 2,951.

I HAVE the honor to acknowledge the receipt of Mr. Merivale's letter of the 28th ultimo, transmitting a copy of two letters from the Government of India relative to the propriety of fixing a limit to the amount of capital required to be locked up in stores for the Guaranteed Railways, stating that the Duke of Argyll understands it to be the intention of the Government of India that the floating capital for the above purpose shall, in the case of the Madras Railway, be fixed at 22½ lakhs of rupees, and requesting to be favored with the opinion of the Board on these proposals, as well as on the best mode of carrying out the object in view.

2. In reply, I am directed to inform you that the Board would have no objection to fix the amount of floating capital to be ultimately set apart for the purchase of stores at 22½ lakhs of rupees if experience should prove that this amount is sufficient. They are inclined, however, to think that that sum is too small, and that it will probably be found necessary to fix the limit at a higher sum.

3. The accounts recently received from Madras show that the value of stores on hand on the 30th June last was Rupees 43,24,330-5-1. This amount the Agent and Manager will be instructed to reduce as far as practicable and with the greatest possible despatch to the prescribed limit. There will remain, however, in all probability, after the completion of the works of construction, a certain quantity of stores not applicable to revenue purposes, and until these have been disposed of, the proposed limit of 22½ or 30 lakhs of rupees must be increased by the book value of these stores.

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4. With reference to the recommendation of the Government of India, that all stores required "should in future be purchased from Revenue Advance Funds alone," the Board trust that the floating capital they propose may prove sufficient, and thus avoid the necessity of any advance from Government on Revenue Account.

No. 8.

From H. MERIVALE, Esq., to M. R. SCOTT, Esq., dated India Office, 28th October 1873.

I AM directed by the Secretary of State for India in Council to transmit, for the information of the Directors of the Carnatic Railway Company, a copy of two letters, dated the 25th of March 1871, No. 30, and the 26th of August 1873, No. 175, relating to the propriety of fixing a limit to the amount of capital required to be locked up in stores for the Guaranteed Railways.

2. An examination of the stocks now in hand has shown that, on all the lines to which the inquiry has so far extended, there is in India a considerable excess of stores above the amount which it is considered necessary to maintain for the requirements of those Railways.

3. The Duke of Argyll understands it to be the intention of the Government of India that the amount of capital which shall be required to be locked up in stores, in other words, the floating capital, shall be fixed in the case of the Carnatic Railway at a limit to be hereafter fixed, and that the stocks now in hand should be gradually reduced to that limit. I am desired to request that the Secretary of State in Council may be favored with the opinion of the Board of Directors on these proposals, as well as on the best mode of carrying out the object in view.

No. 9.

From M. R. SCOTT, Esq., Secretary of the Carnatic Railway Company (Limited), to the Under Secretary of State for India, dated 62, Moorgate Street, London, E.C., 13th November 1873, No. 57.

I HAVE the honor of acknowledging receipt of the printed Circular of 28th October 1873, upon the subject of "fixing a limit to the amount of capital required to be locked up in stores." In reply, I am desired to state that the position of the Carnatic Railway precludes the Board at present from giving any definite views, but the matter shall be considered when the time arrives, which will enable the Board to comply with the request of His Grace the Secretary of State, and when the arrangements with the other Companies will probably have been settled.

No. 11.

From H. MERIVALE, Esq., to H. W. NOTMAN, Esq., dated India Office, 28th October 1873.

I AM directed by the Secretary of State for India in Council to transmit, for the information of the Directors of the Great Southern of India Railway Company, a copy of two letters, dated the 25th of March 1871, No. 30, and the 26th of August 1873, No. 175, relating to the propriety of fixing a limit to the amount of Capital required to be locked up in stores for the Guaranteed Railways.

2. An examination of the stocks now in hand has shown that, on all the lines to which the inquiry has so far extended, there is in India a considerable excess of stores above the amount which it is considered necessary to maintain for the requirements of those Railways.

3. The Duke of Argyll understands it to be the intention of the Government of India that the amount of Capital which shall be required to be locked up in stores in other words, the floating capital, shall be fixed, in the case of the Great Southern of India Railway, at a limit to be hereafter fixed (as will be seen from the accompanying extracts of the correspondence forwarded by that Government), and that the stocks now in hand should be gradually reduced to that limit.

I am desired to request that the Secretary of State in Council may be favored with the opinion of the Board of Directors on these proposals, as well as on the best mode of carrying out the object in view.

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10th September 1874.

No. 12.

From H. W. NOTMAN, Esq., Secretary, Great Southern of India Railway Company, to the Under Secretary of State for India, dated 2, Leadenhall Street, London, E.C., 7th November 1873, No. 616.

I AM directed to acknowledge the receipt of your letter, dated 28th October, transmitting a copy of two letters* from the Government of India, relating to the propriety of fixing a limit to the amount of capital required to be locked up in stores for the Guaranteed Railways.

* 25th March 1871, No. 30.
26th August 1873, " 175.

2. As it is not considered advisable, having regard to the present transition state of this Railway, to lay down any limit for the stock of stores to be maintained, the Directors defer making any observations on the proposals in question.

No. 223. ORDER THEREON, 10th September 1874, No. 2,579.

RAILWAY, No. 27.

COMMUNICATED to the Consulting Engineer for Railways for information and guidance.

(True Extract.)

Colonel, R.E.,

Secretary to Government.

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

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
ACCOUNT.
Guaranteed Railways.

To
THE SECY. TO GOVT. OF MADRAS,
IN THE P. W. DEPT. (RAILWAY.)

No. 400 ^A/_{G-E}.

Dated August 13, 1874.

Received — 21/10

Enc. 4.

Ele. No. 2579. 16-9-74

States that a sum of 22½ lakhs may, as a tentative arrangement, be assumed as the limit for the reserve of stores on the Madras Railway.

P. W. D. Press—13-8-74—15.

222-223.

Recd 1/11/74

1st 25/10/74

Communicated to the Consulting Engineer for Railways for information and guidance.

*For Copy
Sd/- Secy. to Govt. of India
19/11/74.*

W. 1874

*W. 1874 Defunct
Am. of for kept
No. 5313.*

State Order

53/51

Govt. of 1874 Madras.

PUBLIC WORKS.

^{2o} The Comptroller for Mys

Date

Recd.

Encl.

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G. O. 10 Sept 1874, No. 2579

222223.

Stores (Madras Pz)

Letter from the Govt
of India stating that a
sum of ~~22~~ 22 $\frac{1}{2}$
lakhs may, as a
tentative arrangement,
be assumed as the limit
for the reserve of stores
on the Madras Pz,
Comd to the Comdant for Pz