

- (1) Number of pages _____
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MADRAS RECORD OFFICE

Government of Madras

Public Works

DEPARTMENT

G.O. No.	1258	(w) Press
B.P. No.		Mis.
Dated	19-5	1875.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
19th May 1876.*

No. 342. Read the following letter from Captain L. CONWAY-GORDON, R.E., Examiner of Public Works Accounts, to Major-General G. W. WALKER, R.E., Secretary to Government, Public Works Department, dated Fort St. George, 5th May 1876, No. 40 W. :—

I HAVE the honor to acknowledge the receipt of the Proceedings of Government, No. 770, dated 27th March 1876, passing orders on a revised estimate of the expenditure of the Dowlaishweram Workshop for 1875-76, and, with reference thereto, to respectfully point out that the matter has apparently been laid before Government under a partial misapprehension of the facts of the case.

2. The Government Workshops have no working capital in the ordinary commercial acceptation of the term. The working capital of a commercial company is merely a small fund provided at the commencement of operations to meet the cost of raw material and of labor, and to defray other incidental expenses until some of the out-turn can be sold or some receipts otherwise realized. The funds thus obtained recoup the working capital, and the Company thereafter proceeds paying its own way.

3. The Government Workshops work on a different system. Receipts realized are not available for expenditure, receipts and expenditure being carefully kept distinct in separate accounts. The expenditure is met from credit orders granted on the treasury up to a fixed limit approved of by Government. The receipts, whatever they may be, are credited to the Civil Department, and in no way affect the amount available for working expenses. The system is exactly the same as that of the Guaranteed Railway Companies, who obtain funds for their working expenses by credit orders granted on the treasury, while the whole of their traffic receipts are made over without diminution to Government.

4. Major Beatty in his letter, No. 3,457, dated 26th February 1876, asked Government to increase the funds available for working expenses. This is a question altogether independent of receipts; the receipts when collected being placed, as I said before, to an entirely different account. The funds at Major Beatty's disposal for working expenses are no more affected by the prompt payment of bills than the balance of the Madras Railway Company's drawing account at the Bank of Madras is affected by their paying in traffic receipts to the credit of Government.

5. The money Major Beatty requires is for the whole of the working expenses of the shops during the year; it is neither more than the transactions, nor is it less, it represents the transactions themselves. The money he requires is not the capital of the workshops; it has no more to do with the capital than the annual working expenses of the Madras Railway have to do with the amount of money sunk in the construction of the line. The funds he requires have nothing to do with the Budget; the charge against the Budget having reference to the net profits, *i.e.*, to the working expenses, less the gross receipts, or the contrary.

6. If I have succeeded in making myself intelligible, it will be seen that the matter dealt with in the Government order has been slightly misunderstood. I regret that in accordance with the views expressed by Government in their Proceedings No. 831, dated 31st March 1876, and in previous papers on the same subject, I had not an opportunity of seeing this financial order previous to its issue.

[Gr. Wks. Form No. 2.]

No. 40/W.

From THE CONTROLLER,
PUBLIC WORKS ACCOUNTS,

To The Secretary to Government.
Public Works Department.
FORT SAINT GEORGE, 5th May 1876.

Proceedings of the Madras Government, Public Works Department,
19th May 1876.

No. 343. ORDER THEREON, 19th May 1876, No. 1,258.

ACCOUNT, No. 15.

In the foregoing letter the Examiner of Accounts points out that the estimate of funds required by the Dowlaishweram Workshop was incorrectly termed, in G.O., No. 770, of the 27th March 1876, the working capital. His remarks will be communicated to the Chief Engineer for Irrigation for future guidance.

2. G.O., of the 31st March 1876, No. 831, was not, it is observed, passed at the time the papers on which the Order of the 27th March, No. 770, was issued were passing through the hands of the Chief Engineer for Irrigation. The latter officer will, in accordance with the former order and the resolution of the Government of India referred to, avail himself in future of the assistance of the Examiner in disposing of papers of this kind.

(True Extract.)

Colonel,
Offg. Under Secy. to Govt., P.W.D.

To the Examiner of Public Works Accounts.
" Chief Engineer for Irrigation.

Ed. S. T. Austin.
Spare Copies

Sir,
I have the honor to acknowledge the receipt of the proceedings of Government, No. 770, dated March 27th 1876, passing orders on a revised estimate of the expenditure of the Dowlaishweram Workshop for 1875/76 and with reference thereto, respectfully point out that the matter has apparently been laid before Government under a partial misapprehension of the facts of the case. -
2. The Government Workshops have no working Capital in the ordinary commercial acceptation of the term - The working Capital of

of a Commercial Company is merely a small fund provided at the commencement of operations to meet the cost of raw material, and of labor, and to defray other incidental expenses until some of the out-turn can be sold or some receipts otherwise realized. The funds thus obtained recoup the working capital and the Company thereafter proceeds paying its own way.

3. The Government Workshops work on a different system. - Receipts realized are not available for expenditure, receipts and expenditure being carefully kept distinct in separate accounts. - The expenditure is met from credit orders granted on the Treasury up to a fixed limit approved of by Government. The receipts, whatever

5
whatever they may be, are credited to the Civil Department, and in no way affect the amount available for working expenses. The system is exactly the same as that of the Guaranteed Railway Companies, who obtain funds for their working expenses by credit orders granted on the Treasury while the whole of their traffic receipts are made over without diminution to Government.

4. Mr. Beatty in his letter No 3457, dated 26th February 1876, asked Government to increase the funds available for working expenses. This is a question altogether independent of receipts, the receipts when collected being placed as

I said before to a further
different account. The funds
at Major Beatty's disposal
for working expenses are
no more affected by the
prompt payment of bills than
the balance of the Madras
Railway Company's drawing
account at the Bank of
Madras is affected by their
paying in traffic receipts
to the credit of Government.

5. The money Major
Beatty requires is for the
whole of the working expenses
of the shops during the year.
It is neither more than the
transactions, nor is it less,
it represents the transactions
themselves. - The money he
requires is not the Capital
of the Workshops; it has
no more to do with the
Capital than the annual
working

7
working expenses of the Madras
Railway have to do with the
amount of money sunk in
the construction of the line. -
The funds he requires have
nothing to do with the Budget,
the charge against the Budget
having reference to the net
profits, i.e., to the working
expenses, less the gross re-
ceipts, - or the contrary. -

6. If I have succeeded
in making myself intelligible,
it will be seen that the matter
dealt with in the Government
order has been slightly mis-
understood. I repeat that in
accordance with the views
expressed by Government in
their Proceedings No. 831 dated
31st March 1876, and in
previous papers on the same
subject, I had not an op-
portunity of seeing this
financial

Financial order previous to
its issue.

I have the honor to be,
Sir,
Yours most obed^t Serv^t:

Lowry Gordon
Barrister at Law

469
5/5/76

C.H.M.

1/1/76
1/2/76

3. 31 Mar 76 - 887.
27 - 76 770

P. W. 1876 Department

From ~~8~~ 3298

The Examiner

P.W. Accounts

To The Secretary to Govt.
P.W. Department

N^o 4010.

Dated 5
Recd 10 May 1876.

Furnishing certain
information about the
revised Estimate of Expenditure
of the Dowlaishwaram Work-
shops for 1875-76.

N^o 342

Cin. 19/5/76 Date 19/5/76
Despatched 6-5-76

L. Form No. 22.

No 1258

Public Works Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

UNDER date the 19 May 76

READ the following:-

From the Examiner,

P. W. Accounts

3 H.E. No. 75 May 76

was read out in the
Council 7/2 1876

In the foregoing

letter the Examiner

of Accounts points

out that the estimate

of funds required

by the Dowlaishwaram

Workshop was in-

correctly termed,

in G. O. No. 770 of the

27th March 1876, the

working capital. His

remarks will be

communicated to
the Chief Engineer
for Irrigation for

future guidance.
2 G.O. of the
31st March 1876, No.
831, was not, it is
observed, passed at
the time the papers
on which the order
of the 24th March
no. 740 was issued
were passing through
the hands of the
Chief Engineer for
Irrigation. The latter
officer will, in
accordance with
the former order
and the resolution
of the Government
of India referred
to, avail himself
in future of the
assistance of the
Examiner in dis-

13
- passing of papers
of this kind.

Wm. 16/5

E. P. L. W. ✓
C. E. for I. ✓
Dec 23/5/76

3298/11
Govt. of 1870 Madras.

PUBLIC WORKS.

To

The Examiners of P. W. & A.

Dated

Issued

Recd.

Encl.

G. O., 19 May 1870, No. 1258

Nos. 342/3

Don laishwaram Workshops

Passing orders on
letter from the E. & P. W.
Accts furnishing cer-
tain information re-
garding the revised Es-
timate of expenditure
of the ——— for 1875/76