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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENTG.O. No. 1268 (Ry) Press
-B.P.-No.- Mis.Dated 13-4 1877.

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12

*Proceedings of the Madras Government, Public Works Department,
13th April 1877. No. 1,268.*

No. 317. Read the following Proceedings of the Government of India in the Public Works Department, (Railway,) dated Fort William, 2nd April 1877, Nos. 1,032—6 R:—

Utilization of the Surplus Stores of Guaranteed Railway Companies.

Read again—

Public Works Department Resolution Nos. 543—52 R of the 23rd February 1876.

RESOLUTION.—The reduction of the superfluous stock of the Guaranteed Railways is a matter of considerable importance to the Indian Government, and it is the duty of the Government to continue to press for such reduction in every possible way.

2. The position of the Indian Guaranteed Railway Companies is peculiar. They receive a fixed rate of interest from the State on all capital subscribed and paid into the Government Treasury, and whether that capital be available in the Treasury, or be laid out on works, or on working stock, or on stock in excess of requirements or of a kind never likely to be used, the interest under the guarantee is equally payable.

3. A Company thus supported has not the same direct interest in disposing of redundant or useless stock as a Company conducting its business without such a guarantee, and this difference should not be lost sight of. Unquestionably, an efficiently conducted private enterprise would not neglect the interests of its shareholders by allowing funds to remain locked up in redundant or useless stock, even though such funds had been subscribed in excess of actual requirements.

4. It is fully recognized that there are difficulties in the matter. In one case the stores may be of an obsolete pattern, and in another they may be too highly priced. But allowing for these difficulties, the Government of India is not satisfied with the response to the Resolution on this subject issued in February 1876.

5. In again inviting the co-operation of the several railway managements, the Governor-General in Council is pleased to desire that the certificate which it was ordered should be sent up with store indents to be dealt with by the Government of India, shall be prepared in the form attached, with a declaration by the Agent of the Railway Company requiring the stores, to the effect that all available surplus store lists of Guaranteed Lines in India have been scrutinized before the submission of the indent. This declaration will be countersigned by the Government Consulting Engineer.

6. With loyal endeavours on the part of the several railway managements to help one another in this matter, some reduction of the stocks may be looked for, but the Governor-General in Council is satisfied of the need for further measures to effect the object in view as fully as is desirable. His Excellency in Council is unable to see that any possible good can be gained by maintaining stocks which are not used, to whatever cause this may be attributable; they simply cumber the store yards and magazines, and their care and custody are a source of constant expense. It is far better that such stock should be got rid of even at a sacrifice—for this course must be adopted later if not sooner.

7. And there is an additional reason for renewed attention to this matter at the present moment. Several of the Companies are now making proposals for additional capital outlay in excess of their subscribed capital. It behoves the Government of India to see that funds which are thus required and can be usefully appropriated, and on which the State is paying interest, shall no longer remain unavailable for the legitimate use of the undertakings for which they have been subscribed.

8. The Governor-General in Council therefore desires that the Railway Companies may be invited to review their stock lists closely, and to indicate distinctly what stores should be sold off unreservedly as of obsolete pattern, or as unlikely to be brought into use, or as surplus and involving expense in their up-keep. Also that, they should exhibit separately such as are in use but in excess of demands and are likely to remain so for more than two years unless the prices at which they are now borne on the books be reduced. With the last list should be submitted recommendations for the reduction of the prices to such extent as would command a sale.

9. The review should be conducted in the first instance by the Railway Companies themselves, and subsequently the Government Controlling Officers should satisfy themselves that the objects of the Government of India have been fairly met.

10. As soon as the lists shall have been prepared, copies should be submitted; but it is the desire of the Government of India that the railway managements should at once proceed to take action by disposing of the stores thus classified, with the consent of the authorities responsible for the control of the several lines; short realizations due to reduction of price, or to other causes, being written off, and the amounts both written off and realized being reported from time to time for the information of the Government.

ORDER.—Ordered, that this Resolution be communicated to the Governments of Madras and Bombay in the Public Works Department (Railway), and to the Consulting Engineers to the Government of India for Guaranteed Railway Companies at Calcutta, Lahore and Lucknow, for information and guidance, and for communication to Railway Agents.

Ordered also, that a copy of this Resolution be sent to the Secretary of State for communication to the Boards of Directors of the several Railway Companies.

(Signed) W. A. CROMMELIN, Major-Genl., R.E.,
Secy. to the Govt. of India.

Indent for Stores to be obtained from England.

[illegible]

18

Examined with the Railway Companies' books, and certified that store stocks available from other Railway Companies are not suitable for the purpose required by reason of — *(none being available, or too high prices, or obsolete pattern, &c. &c.; the reason to be stated.)*

Agent

Govt. Examiner of R. Accounts

Certified that the above stores are not obtainable from the surplus stores stock of any of the other Railway Companies, and recommended for sanction.

Consulting Engineer to Government

No. 318.

ORDER THEREON, 13th April 1877, No. 1,268.

RAILWAY, No. 51.

COMMUNICATED to the Consulting Engineer for Railways in continuation of G.O., No. 587, of the 4th March 1876.

(True Extract.)

(Signed) J. H. M. SHAW-STEWART, Lieut.-Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

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

Exd. S T. Austin.
Spare Copies

G.O. 4-3-76 No 587

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
RAILWAY.

To 104877
3728

Nos. 1032—6 R.

Dated April 2, 1877.

Received

By
No 12607/13 apt 77
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the Consulting Engineer
for Railways in continuation
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4th March 1876.

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Ch. for Rep. Mr.
By Mr. Acclis
By Acclis's order
on 5 sent 13/4/77 26-477

Utilization of the surplus stores of Guaranteed
Railway Companies.

No. 390, P. W. D. Press—2-4-77—84.

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Govt. of 1877 India.
PUBLIC WORKS.

To

Mr. C. S. B. & Co. 14/5

Dated

Issued

Recd.

Encl.

G. O., 18 April 1877, No. 1268

III.

No. 317-318

Utilization of surplus
stores of guaranteed
Railway Companies

Resolution of the Govt.
of India regarding the
Committee to the Comptroller
Genl. &c.

Genl. &c.