

(1) Number of pages 16

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 222	(Ry)	Press ~~Mis.~~
Dated 23.	1-	1877.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
23rd January 1877. No. 222.*

No. 431. . Read the following Despatch from the Most Honorable the Secretary of State for India :—

Railway,
No. 6.

INDIA OFFICE, LONDON,
14th December 1876.

MY LORD DUKE,—I have received a letter from the South Indian Railway Board relative to a temporary bridge over the Palar, constructed solely, as your Consulting Engineer remarks, "to enable the line to be opened the sooner and the revenue receipts to be increased." The cost of this work the Board consider is properly a charge against Capital, but your Government has directed that it shall be borne by Revenue.

2. With reference to this case I transmit herewith, for your Grace's information, a copy of my Railway Despatch to the Government of India, No. 121, dated 9th ultimo, from the 5th paragraph of which it will be seen that the cost of certain works, such as that of a temporary diversion made to secure revenue which would otherwise have been lost during the construction of a new work, is, in my opinion, a legitimate portion of the cost of the new work, and therefore properly chargeable against Capital. The temporary bridge, which forms the subject of the Board's reference, is a work of the nature of those contemplated by the above example, and I consider therefore that its cost should be charged to Capital.

I have, &c.,

CARNARVON.

His Excellency the Right Honorable
The Governor in Council, Fort St. George.

Despatch from the Most Honorable the Secretary of State for India, to His Excellency the Right Honorable the Governor-General of India in Council, dated India Office, London, 9th November 1876, No. 121 (Railway).

I HAVE had under consideration in Council the letter, No. 153 of 19th August last, wherein your Excellency recommends some modification of the rules regarding the incidence of Railway expenditure on Capital or Revenue laid down in Sir Charles Wood's Despatch, No. 17 of 9th March 1864. On this important subject I desire to make the following observations.

2. The main principles to be regarded in regulating the incidence in question are obviously that the cost of original construction should devolve upon Capital, that of restoration and repair upon Revenue, and these principles appear to have been kept steadily in view throughout the greater part of Sir Charles Wood's Despatch.

3. The particular portions of that document to which your Government take exception are paragraphs 8 and 13, with respect to which it is argued that the expense of the original construction, not "of any work, and of all additions to existing works," but only of "any important new permanent work, as well as of all important permanent additions to existing work, ought to be charged to Capital account," and also that the original cost, not of any work intended to be temporary, but only of such temporary works as may be necessary in connection with important new permanent works, or important permanent additions to existing works, ought to be similarly charged. It is, at the same time, suggested that the importance or unimportance of any new work, or of any addition to existing work, shall be made to depend upon its cost exceeding or not exceeding Rupees 500; and, apparently as an example of unimportant

addition, the case is cited of a station at which lighting by gas was substituted for the previous plan of lighting with oil.

4. Readily admitting that the changes thus indicated, would be improvements upon the present rules, I may yet remark that their effect would be to narrow the application of a principle for which the Railway Companies would believe themselves to be fully warranted in claiming unrestricted play. It should be remembered, too, that the question brought forward is not now raised for the first time, and that when, five or six years ago, it was discussed with the Companies, the latter only very reluctantly yielded so far as to agree that the cost of small works, otherwise chargeable to Capital, should be charged to Revenue, provided the total transfer made in consequence did not exceed Rupees 5,000 in any one half-year. On the part of two of the Companies even this trifling concession was fettered by additional conditions, and there is no reason to hope that any of the Companies could now be persuaded to concede anything more in the same direction. It may also here be observed that the cost of the buildings, machinery, and plant requisite for lighting a station with gas could scarcely fail to exceed by much more than Rupees 500 the expense of the corresponding provision for lighting the same station with oil.

5. With regard to temporary works, I have little doubt that Sir Charles Wood had, as your Excellency supposes, no others in his mind than such as should be "made in connection with permanent works, either to aid in their construction or as temporary substitutes for them," and there can, I think, be no difficulty in dealing with them if the rule respecting them be invariably construed in this sense. The cost, for instance, of a temporary diversion, made to secure revenue which would otherwise have been lost during the construction of a new work, is, in my opinion, a legitimate portion of the cost of the new work, and therefore properly chargeable against Capital, but I quite agree with your Excellency that the cost of "temporary diversions made in connection with repairs is unquestionably a proper charge to Revenue," and ought never to have been otherwise charged. I may add that, where temporary diversions are made in connection with works debitable partly to Capital and partly to Revenue, their cost should likewise be divided between the two in ratable proportions.

6. Still, in regard to all cases of the kind, the language of Sir Charles Wood's Despatch seems to me sufficiently distinct. All that appears requisite is that the principles embodied in his wording should be more strictly adhered to hereafter than they have hitherto been.

No. 432.

ORDER THEREON, 23rd January 1877, No. 222.

RAILWAY, No. 35-A.

RECORDED and communicated to the
Consulting Engineer for Railways for
information and guidance with reference

to G.O., No. 2,564, dated 26th September 1876.

(True Extract.)

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

Exd. S. T. Austin.

Spare Copies

Lieut. Colonel, R.E.,
Secretary to Government.

India Office,

London, 9th November 1876.

Railway,

No. 121

To His Excellency the Right Honourable The Governor
General of India in Council.

MY LORD,

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3. The particular portions of that document to which your Government take exception are paras. 8 and 13, with respect to which it is argued that the expense of the original construction, not "of any work, and of all additions to existing works," but only of "any important new permanent work, as well as of all important permanent additions to existing work, ought to be charged to Capital account," and also that the original cost, not of any work intended to be temporary, but only of such temporary works as may be necessary in connection with important new permanent works, or important permanent additions to existing works, ought to be similarly charged. It is, at the same time, suggested that the importance or unimportance of any new work, or of any addition to existing work, shall be made to depend upon its cost exceeding or not exceeding Rs. 500; and, apparently as an example of unimportant addition, the case is cited of a station at which lighting by gas was substituted for the previous plan of lighting with oil.

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"questionably a proper charge to Revenue," and ought never to have been otherwise charged. I may add that, where temporary diversions are made in connection with works debitable partly to Capital and partly to Revenue, their cost should likewise be divided between the two in rateable proportions.

6. Still, in regard to all cases of the kind, the language of Sir Charles Wood's Despatch seems to me sufficiently distinct. All that appears requisite is that the principles embodied in his wording should be more strictly adhered to hereafter than they have hitherto been.

I have the honour to be,

My Lord,

Your Lordship's most obedient humble Servant,

(Signed) SALISBURY.

No 15 2445

Copy Railway Despatch to the
Govt of India No 121, dated
9th Novr 1876.

P.W.D.
16 JAN 77
NO 389

Referred to in Railway Letter to
Madras, No 6, dated 11th Dec 1876.

Railway
No 6.

India Office, London.
14th December, 1876.

My Lord Duke,

I have received
a letter from the South
Indian Railway Board,
relative to a temporary
Bridge over the Palar,
"constructed solely," as
your Consulting Engineer
remarks, "to enable the
line to be opened the
sooner, and the revenue
receipts to be increased.
The cost of this work
the Board consider
is properly a charge
against

His Excellency,
The Right Honorable,
The Governor in Council
Fort St George.

against Capital, but your Government has directed that it shall be borne by Revenue.

2. With reference to this case, I transmit herewith, for your Grace's information, a copy of my Railway Despatch to the Government of India, No. 121, dated 9th ultimo, from the 5th paragraph of which it will be seen that the cost of certain works, such as that of a temporary diversion made to secure revenue which would otherwise have been lost during the construction of a new work, is, in my opinion, a legitimate portion of the

the cost of the new work, and therefore properly chargeable against Capital. The temporary Bridge, which forms the subject of the Board's reference, is a work of the nature of those contemplated by the above example, and I consider, therefore, that its cost should be charged to Capital.

I have the honor to be,
My Lord Duke,
Your Grace's most obedient
humble servant,

Cameron

No 18.

Railway
14th Decr 1876.
The
Letter to Fort St George
No 6.

CH 389

Railway
no 6.

India Office.

London. 14th December 1876

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a letter from the South
Indian Railway Board,
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constructed solely, as
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line to be opened the
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receipts to be increased".
The cost of this work the
Board consider is

His Excellency
The Right Honorable
The Governor in Council

Fort St. George

properly

22/11/1881

My dear Sir,

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against Capital, but
your Government has
directed that it shall
be borne by Revenue.

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for your Lordship's information
a copy of my Railway

Despatch to the Government
of India, No 121, dated
9th ultimo, from the 5th

paragraph of which it
will be seen that the
cost of certain works

such as that of a
temporary diversion
made to secure revenue

which

Mr. H. H. H.

which would otherwise
have been lost during
the construction of a
new work, is, in my
opinion, a legitimate
portion of the cost of
the new work, and
therefore properly
chargeable against
Capital. — The temporary
Bridge, which forms the
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reference is a work of
the nature of those
contemplated by the above
example, and I consider
therefore that its cost
should be charged to
Capital.

I have etc.
(C) Carnarvon

No 114.

✓ Railway
14th Dec-1876.

Copy
Letter to Mr St George
No 6.

P.W.D.

16 JAN 77

NR. 389

No. 222 of 23 Jan 77
Recorded and
Communicated to
the Consulting Engineer
for Railways for inform-
ation and guidance
with reference to G.O.
No. 2564 dated 26th September
1876.

24-15-64 to 233
- 24-15-70 - 938 & 939
- 30-3-71 - 946
- 26-9-76 - 2564.

Considers that the
cost of the temporary
bridge constructed over
the Palar by the S.L. Railway
should be charged to
Capital.

(Sd/-) Mr. H. B. ...
2 bridges in ...

CE for Mys ✓
By Mr. Acety ✓
19-11-77 Date 9-2-77

With over

384

Gobt. of 1877 Madras.
PUBLIC WORKS.

To *The Commr Eng for M^{rs}*

Dated

Issued

Recd.

Encl.

G. O. 23rd Jan 1877, No. 222

Nos. 431-432

*Temporary bridge across
the Palay, S. I. Ry.*

*Despatch from Secy of
State stating that the cost
of the construction of a —
should be debited to Capital
Records and Com-
municated to the Commr
Eng for Ry.*

But no Reg.

*By Ry Accts
C. 19-11-77*

Decd 9-2-77

With over