

(1) Number of pages 8

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No.

776

(24)

Press

M.R.

Dated

7

3

18

77

Not to be folded or roughly handled

No. 151. Read the following Proceedings of the Government of India in the Public Works Department, Account—Guaranteed Railways, dated Fort William, 21st January 1877, Nos. 54—59 A—GR:—

Discontinuance of the grant of interest on Revenue balances to the Guaranteed Railway Companies.

Read again—

Endorsement by Financial Department, No. 2,536 of 1876.

Read also—

From the Secretary of State for India, to the Government of India, dated 21st December 1876, No. 135 R.

UPON receipt of your Financial letter of the 14th August last, No. 275, again urging the discontinuance of the grant of interest on Revenue balances of the Guranteed Railways, I caused a Circular letter to be addressed to the several Boards, in which it was stated that I proposed to authorize the discontinuance of these payments from the 31st instant.

2. A copy of the Circular is transmitted herewith for your Excellency's information.

3. In the case of the Oude and Rohilkund Railway Company, the payment is provided for in the contract, and must continue to be made.

4. The Directors of the other Companies, while expressing regret at the decision arrived at, have all acquiesced in it. You will issue the necessary instructions accordingly.

Circular from Sir LOUIS MALLET, Under Secretary of State for India, to all the Guaranteed Railway Companies, dated 27th October 1876.

For some years past it has been customary, under directions issued originally by Sir Charles Wood, to allow interest, at the rate of 5 per cent. per annum, on specified portions of the net earnings of the several Railway Companies, while lying in the Government Treasury previously to final appropriation at the end of the half-year.

Inasmuch as, under specific terms of the contracts, the earnings are lodged in the Treasury in the gross as received, it is plain that, so far as they are eventually applicable to repayment of the guaranteed interest of the half-year, or serve to constitute one moiety of any surplus profits that may accrue, they belong to Government from the moment of their realization, and the grant of interest upon them is therefore purely gratuitous. The Government of India has, in consequence, repeatedly urged the discontinuance of the grant, and in a recent Despatch, in which the recommendation is renewed, they give, as a reason for again pressing their views upon the Secretary of State, that, in the present state of the finances, it is incumbent upon them to put a stop to every kind of expenditure the continuance of which is not unavoidable.

Lord Salisbury feels that it is not possible to resist an application made on such grounds, and he accordingly proposes to authorize the Government of India to discontinue payment of interest on Railway earnings after 31st December next.

His Lordship trusts that this intimation of an intention arrived at with considerable reluctance will be received with the less dissatisfaction by the

Railway Company, on their considering that, except in half-years in which surplus profits are earned, the payment of the interest in question would be of little, if any, substantial advantage to them.

*Proceedings of the Madras Government, Public Works Department,
7th March 1877. No. 776.*

ORDER.—Ordered, that a copy of the foregoing Despatch and enclosure be communicated to the Governments and Consulting Engineers noted in the margin for information and guidance, and to the Financial Department for information.

(Signed) W. A. CROMMELIN, Major-General, R.E.,
Secretary to the Government of India.

No. 152. ORDER THEREON, 7th March 1877, No. 776.

RAILWAY, No. 23.

COMMUNICATED to the Consulting Engineer for Railways.

(True Extract.)

Lieut.-Colonel, R.E.,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

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

Nos. 54—59 A—GR.
GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
ACCOUNT.
Guaranteed Railways.

Fort William, January 21, 1877.

Discontinuance of the grant of interest on Revenue balances to the Guaranteed Railway Companies.

Read again—

Endorsement by Financial Department, No. 2536 of 1876.

Read also—

No. 135 R, dated 21st December 1876.
From—The Secretary of State for India,
To—The Government of India.

Upon receipt of your Financial letter of the 14th August last, No. 275, again urging the discontinuance of the grant of interest on Revenue balances of the Guaranteed Railways, I caused a Circular letter to be addressed to the several Boards, in which it was stated that I proposed to authorize the discontinuance of these payments from the 31st instant.

2. A copy of the Circular is transmitted herewith for your Excellency's information.

3. In the case of the Oude and Rohilkund Railway Company, the payment is provided for in the contract, and must continue to be made.

4. The Directors of the other Companies, while expressing regret at the decision arrived at, have all acquiesced in it. You will issue the necessary instructions accordingly.

Circular dated 27th October 1876.
From—SIR LOUIS MALLET, Under Secy. of State for India,
To—All the Guaranteed Railway Companies.

For some years past it has been customary, under directions issued originally by Sir Charles Wood, to allow interest, at the rate of 5 per cent. per annum, on specified portions of the net earnings of the several Railway Companies, while lying in the Government Treasury previously to final appropriation at the end of the half-year.

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Lord Salisbury feels that it is not possible to resist an application made on such grounds, and he accordingly proposes to authorize the Government of India to discontinue payment of interest on Railway earnings after 31st December next.

His Lordship trusts that this intimation of an intention arrived at with considerable reluctance will be received with the less dissatisfaction by the

Railway Company, on their considering that, except in half-years in which surplus profits are earned, the payment of the interest in question would be of little, if any, substantial advantage to them.

ORDER.—Ordered, that a copy of the foregoing Despatch and enclosure be communicated to the Governments of Madras and Bombay, Public Works Department, Railway Branch. The Consulting Engineers for Guaranteed Railways, Calcutta, Lahore and Lucknow. Governments and Consulting Engineers noted in the margin for information and guidance, and to the Financial Department for information.

Mumtaz Major General, R. E.,
Secy. to the Govt. of India.

*No. 54 a
G.R.*

To

*The Secretary to the Govt of Madras
P. W. Department
Railway Branch*

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT *P.W.D.*

Guaranteed Railways. *85/1877*

2368

To.

The Governments of Madras and Bombay,
Public Works Department, Railway Branch.
The Consulting Engineers for Guaranteed Railways,
Calcutta, Lahore and Lucknow.
The Financial Department.

Nos. 54—59 A—GR.

Dated January 21, 1877.

Received

*Let No. 54 of 77 be
communicated to
the Secy. for G.R.*

U.

*C. L. for G.R.
L. G. R. Accts.*

Depd 22 - 3-77

Communicates orders of the Secretary of State for the discontinuance of the grant of interest on Revenue balances to the Guaranteed Railway Companies.

No. 110, P. W. D. Press—21-2-77—175.

Chubb

Obt. of 1877 Madras.

PUBLIC WORKS.

To *The Comr. Engrs. & Supts. of P.W.*

Dated

Issued

Recd.

Encl.

G. O. *7th March 1877*, No. 776

Nos. 151-152

Guaranteed Railway
Companies Order of the
Govt of India Commis order
of the Secy of State for
the discontinuance of the
grant of interest in Revenue
balances to the —,
Comm'd to the Comrs for
Phys.

Wm. B. B. B.