No of Pages - 124
Date of Expiry 6/88
bound

G.O. NO 3415 - P.W.D
dt 15-12-1887

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

General.
Account.

READ—the following papers:—

Office note from the Examiner, Public Works Accounts, dated 10th October 1887, No. 687.
Office note from the General Superintendent, Public Works Stores, dated 22nd October 1887.
From the Superintending Engineer, VI Circle, dated 21st October 1887, No. 700 M.D.
Office note from the Consulting Engineer for Railways, dated 8th November 1887, No. 1744.
From the Superintending Engineer, VI Circle, dated 16th November 1887, No. 808 M.D.
" " " VI " " 29th " 1887 " 837 "

ORDER—dated 15th December 1887, No. 3415 W., Public Works.

The above correspondence relates to the question of the adoption of the "credit note" system of payment for the conveyance of stone by the South Indian Railway Company for the Vaigai bridge works in Madura. Considerable misapprehension exists as to what the system really is, and pending settlement of the points in dispute delay and inconvenience to the works have arisen. The Agent of the company expresses* himself willing that the orders of the Government of India and the Secretary of State, under which the system has been introduced, should be given effect to; but his views as to the procedure to be followed differ from those of the local Public Works officers.

* Letter No. 10791/1567, dated 8th October 1887, to the Executive Engineer, Vaigai bridge works.

2. The orders in question will now accordingly be recapitulated for the information and guidance of all concerned.

3. The system of credit notes in payment of claims of Guaranteed Railways for the carriage of Government troops and stores was brought into operation from the 1st September 1872, by General Order in the Military Department of the Government of India, No. 807† of 1872. The form of "Railway warrant" in support of charges is laid down in this order. The form contains—

† Public Works G.O., No. 2262, dated 24th September 1872.

(1) Particulars of carriage provided and charges made by the Railway Company.

(2) A certificate by the forwarding officer that such carriage "has been provided."

(3) An order to pay to the Railway Company or order, the sum particularised above.

4. It is in regard to item (3) that difficulties have arisen in the present connection. The South Indian Railway Company regard this order as so much cash. The Chief Auditor, writing to the Examiner, Public Works Accounts, on the 8th October 1887, No. 33902-1449, says:—"All credit notes received by the company are paid into the Government treasury as part of the traffic earnings, and are treated *as cash, i.e.*, the amount of such notes is upon receipt credited to the company." It is evident from the orders of the Government of India quoted below that this view of the credit note is a mistaken one.

5. In paragraph 2 of their resolution,* No. 1366-71 A.R., dated 5th October 1872, the Government of India remark as follows:—

* G.O., No. 2566, dated 18th November 1872.

"It should be explained to the Railway Companies that the object of the attachment of the credit note to forms *B* and *C* being solely to ensure the prompt adjustment of the claims against Government, this end will be much facilitated in the cases referred to if the companies will cause their booking clerks to fill up the details of the note according to the warrants furnished to them, in which case the Assistant Quartermaster-General or other authorised officer will then sign them *and thus make them available as an order for payment.*"

And in a subsequent letter, † No. 182-A. G.R., dated 4th April 1873, the Government of India explained the system as follows:—

† G.O., No. 1161, dated 22nd April 1873.

"The object of the credit note system is to do away with the necessity for ledger accounts and to ensure prompt settlement of claims, and if payments are now made to the Railway Companies in Madras *on the precedents of their bills*, little, if any, inconvenience can be caused by the adoption of the credit note system, which it is believed would be of decided advantage to the Railway Companies themselves."

6. In accepting the system on behalf of the Great Southern of India Railway, Mr. Betts, the present Agent, wrote‡ as follows:—

‡ Letter, No. 5035, dated 15th May 1873, to the Consulting Engineer for Railways, recorded with G.O., No. 1795, dated 12th July 1873.

"Practically the system at present followed on this railway of payment for carriage of troops, &c., is a credit note system. Upon the production of a Railway warrant at a booking office the clerk issues tickets in exchange for it. The warrants are sent from the stations to headquarters, where they are collected and *presented to the Commissariat officer at Trichinopoly, who at once pays the amount due.*"

7. These extracts clearly show that neither the Government of India nor the company's officials have hitherto regarded the credit note as so much cash which could be paid into the Government treasury "as part of the traffic earnings." It is simply an order on the officer who signs it to pay on presentation of the note, the amount entered therein. This is explained by the Government of India in their resolution,§ No. 318-300-A. G.R., dated 9th July 1873, in the following terms:—

§ G.O., No. 1952, dated 6th August 1873.

"According to this system the claims of the Railway Companies are entered in a statement which is signed by the proper officer at the time of carriage being furnished and the amount paid on demand without any deductions, disputed items being subsequently taken up and disposed of in correspondence with the Railway officials."

8. Applying this system to the conveyance of stone to the Vaigai bridge works, all that will be necessary will be for the Public Works Department maistry at the quarries to hand over to the Railway booking clerk a credit note in duplicate previously signed by the Executive Engineer. The booking clerk would fill in the particulars, retain the original of the note and hand the duplicate to the maistry, who will at once send it to the Executive Engineer. The original could subsequently be presented by the Railway Company to the Executive Engineer, who would issue a cheque for the amount, which he would verify by the duplicate credit note received from the maistry. There can be no fear of fraud under this arrangement. No money passes between the Public Works Department subordinate and the booking clerk. The payment is made to the company directly by the Executive Engineer, who would of course satisfy himself that the number of train loads charged for actually arrive at the bridge works.

9. The Government trust that the matter has now been clearly explained, and that no further difficulty will be experienced in giving effect to the credit note system.

(True Extract.)

Captain, R.E.,
Under Secy. to Govt., P.W.D.

To the Consulting Engineer for Railways.
" Superintending Engineer, VI Circle.
" Examiner, Public Works Accounts.

Exd. P. L. Pereira,
Spare Copies

GENERAL ACCOUNT.

Govt. of {1887} Madras.

PUBLIC WORKS.

Dated December, 15th.

Encl. *Encl.*

C.O., 15th Dec. 1887, No. 3415 W.

DECEMBER.

Vaigai bridge works, Madura District

Orders on correspondence relating to the credit note system of payment for the conveyance of stone by the South Indian Railway Company for the —.

3415/3

[C. No. 8.]

GOVT. OF MADRAS. } 188 . { P. W. DEPT.

EXAMINER, P. W. ACCOUNTS.

Madras, 10th October 188

OFFICE NOTE No. 637

Encl — 15

To W.

Please see the accompanying file of correspondence (original to be returned) regarding the system of paying the S.I.R. Company for freight of stone for Vaigai Bridge. In G.O.No.160 D. of 27th. May 1887 Government ordered that these charges should be adjusted on the "credit note" system, and directed me to explain the system to the Executive Engineer, which I did.

2. It now appears that the S.I.R. Authorities take a totally different view of the system, and have stopped running the stone train because the charges are not adjusted in accordance with their view of the system.

3. The S.I.R. Authorities look upon the credit note as practically

KEEP WITH Genl. No. *ad today*

dated 188 .

1000—12-5-87.

a cheque payable at,or adjustable by transfer entry at,a Government Treasury; whereas it is stated in the Code to be,and I have always known it to be,a cheque drawn on the party authorized to make use of the credit note system,and payable by him only on presentation. The Examiner of Guaranteed Railway Accounts,whom I have consulted, concurs with me as to the proper procedure; namely that the credit note should be presented to the party concerned — in this case the Executive Engineer Valsad Bridge Division — who should at once pay it either in cash,or by a cheque drawn on the treasury (preferably the latter); and the same view was taken in Examiner's Circular No.14 B. of 1860(copy enclosed).

4. At the same time if the Accountant General Madras is prepared to allow credit notes to be received at the treasury and adjusted to debit of the P.W.D. through the Exchange Account, and if Government are prepared to allow this course to be adopted,I see no objection to it,provided there is no difficulty in the subsequent adjustment of over-charges.

5. It appears to me that the action of the S.I.R.Company in stopping the train,was altogether uncalled for and unjustifiable,as they must have been well aware that there could be no doubt about their being paid their dues in one way or another,and no any delay in payment could not affect them prejudicially, unless it extended beyond the end of the half year following that in which the charge accrued,and even such a gross delay as this would not affect their interests if the line does not earn more than the guarantee.

C.

22nd October 1887

A Credit note in duplicate with the blank cheque signed (form accompanying) is forwarded to the Goods Agent Salt Cotaurs or to the Central Station with the Goods. The articles are received and the office copy returned with railway receipt. The cheque is filled up by the railway office and sent to the Madras Bank for realization. The Bank presents the Credit note, the payment is made for the amount entered therein, and handed to the bearer of the Credit note.

(Sd) A. Joyce.
General Supt. P.W. Stores.

Dear Mr Gray.

Is there not some mistake in the last sentence of the above? The

word "precents" is not understood. Should it not be accepts? If not, please explain the procedure more fully.

The General Supt signs a blank Cheque at the bottom of the credit note form, leaving the amount to be filled in by the Railway booking Clerk. Please say whether there is any possibility of fraud under this arrangement.

Yrs truly
A. Larson S.

Remr. The Bank accepts the Credit Note, with the Cheque filled up by the Railway & forwards it to this Office for payment. If the amount is above $25 it is paid by Cheque, if under the Agent is supplied with Cash by me to the Bank's Messenger, & has therefore to endorse on the Note. The Credit Note is afterwards attached to the Cash for Salaries, &c, & forwarded to the Dept. as Bankers Receipt. No Cheque or exchange by the Railways.

Yours truly
[illegible]
20 Oct 87

To D.W.
The instructions to the C.E. have been framed on the General Supt's note
[illegible]

Encls: 8

No 709 Ins 9

Office of the Chief Engineer & Surveyor
Montreal 21st October 1887.
" 25th

From The Superintending Engineer
Moncton
New Brunswick

To The Chief Engineer
Public Works Department
Ottawa.

Sir,

I have the honor to submit for your consideration and the orders of Government a letter (No 596 of 11th Instant) from the Executive Engineer in charge of the Gaspé Railway with copies of correspondence between himself and the officials of the I. C. Railway on the subject of the manner of preparing for the carriage of stone from the Quarries at Percé for the Gaspé Bridge &c.

2 As I am being obliged to forward the whole of this lengthy & voluminous correspondence, but it is impossible to explain it properly by an abstract

3 It will be seen that from the first there was considerable difficulty in understanding the proper working of the Credit Note system, and that the Executive Engineer had more than once to apply to the Examiner for explanation.

4 In the meantime the payments were made on a kind of Ledger account, which

which worked perfectly smoothly until
August when the railway officials
suddenly demanded that payment
must be made for each truck load at
the forwarding or delivering stations,
and on the 1st of October they went beyond
this and insisted that payment should
be made in advance at the forwarding
stations, dropping their previous al-
-ternative of payment on arrival.

5 As to the proposed agreement
he said it simply out of the question
for the first of the three reasons
given in Mr Clark's letter to the agent
viz: 576 of 2nd instant, and therefore
that Government would not tolerate it
for a moment - but for Clark suspects
to avoid a dispute offered a considerable
inducement to himself to adopt the
plan of payment on arrival, but this
appears to have been refused in the face of
the Agent's own proposal offer to accept
it - and the trains have actually stop-
-ped running.

6 I have written to the Agent
urging him to continue the previous
arrangements under the orders of Govt
are received upon the whole question,
but if this be refused there will be no
alternative but to get the steam en
by Carl, in which case I hope that

Govt

Government will sanction the proceed-
-ings of the Company for the extra cost
thus incurred.

7 A more unwarrantable breach
of Contract can scarcely be conceived
we have been induced to pay for the cost
of constructing a siding and branch line
on the supposition that it would be
used for the conveyance of all stone that
was required for the bridge, and the Railway
Officials now take upon themselves
to repudiate their Contract upon a mere
technical detail of account as to the
manner in which payment is to be made.

8 Apart from legal considerations
it might have been supposed that
ordinary official courtesy would
have induced the Agent to wait until
a reply had been received to the reference
which he knew by Clark had made
upon the subject and I trust that
Government will take some notice
of the former Conduct in this

It will be seen that he demands
not only the adoption of the Credit
note system, but of the Credit note
system as interpreted by himself
this I regret to say is typical of the
Conduct of the officials of this Railway
throughout the whole of their dealings
with this Department in the matter

of

of the Vaigai Bridge, they take it for
Granted that they are to be the sole
interpreters of every point in the agree-
-ment and that in every difference
of opinion their decision is to be ac-
-cepted as final.

10 Mr Clerk has done everything
in his power to work in harmony with
the Railway Officials and has displayed
an amount of tact and good temper
for which he deserves the highest credit,
but the limit of concessions appears
now to have been reached.

11 It will be noticed that Mr Clerk
wrote to the Examiner for explanation
on the 8th September and again urgently
on the 1st August, but that up to the
14th he had received no reply; the reason
of the delay is presumably that the
Examiner had to refer to the Government
of Madras or of India, but if not
it seems to require explanation.

12 I would suggest that pending
final orders on the question now
submitted the Agent be directed
to continue the arrangements
which were in force and which
worked perfectly well, up to
the end of September.

I have the honor to be,
Sir
Your most obedient Servant,
J. B. Luard Lieut. R.E.
Superintending Engineer Circle

From

The Supdg: Engineer
W. Circle

To.

The Chief Engineer
P. W. D.

No. 709 Rec'd

Dated 21st October 1887.

Encls: 8

Forwards for orders letter from the Ex. Engr: Vaigai Bridge works with Copies of Correspondence between himself and Railway officials in connection with the payment for Conveyance of stones from the Tirukkuram Quarries to the Vaigai Bridge.

circ. 13-12-87

Form No. 2.

P. W. D., RAILWAY BRANCH.

CONSULTING ENGINEER'S OFFICE.

8th November 1887.

Office Note, No. 1964.

Copies of letter from the Agent, South Indian Railway No. 964 dated 7th November 1887 and two enclosures forwarded to the Chief Engineer General Branch, with the suggestion that the Executive Engineer in charge of the Vaigai bridge works be asked to state the grounds on which he telegraphed that the running of stone trains had been stopped pending the introduction of the Credit note system.

Sd.
for E. R.

To
E. W.

Letter from H.E Clerk Esqr Executive Engineer
Vaigai Bridge works, Madura to the
Superintending Engineer, 6th Circle dated
Madura 7th November 1887. No 669.

In returning the Chief Engineers
memo No 3758 C bearing your Endt
No 741 M D dated 2nd Nov/87 I have the
honor to report that I have no one
I can appoint to issue the credit
notes as ordered by the Chief Engineer.

2. The account to be paid for
each train will be between Rs 60 and
Rs 70 and I do not know what class
of man should be appointed to do
this work - If it were possible to
combine the post of Maistry and
issuer of credit notes, it would be
a saving but I do not know whether
it will be considered right to make
a Maistry responsible for such large
payments as each, as my suggestion

Ex. 40 19 C of 11th Novr 87
Referred to the
Superintending Engineer VI Circle
for report

for actual Lt. Col. RE
Chief Engr. & Secy.

WCM
10.11.87
To The Superintending Engineer VI Circle
in original to be returned

Circ 13-12-87

have not had the approval of Government, I would ask for definite instructions on the subject, especially on the following points -

(1) Where are the payments made to be brought into any Cash books?

(2) What Vouchers are I to show in support of the payment made? —

No. 808 Md

Submitted to the Chief Engineer P.W.D. for orders with reference to his No. 3758 E. of 27 October 87.

2. The accompaniments to the memo under reply explaining the practice if the P.W. Stores are of no value in this case, as there is no analogy whatever between the despatch of stores from Madras by an establishment specially trained and employed for the purpose and the despatch of a whole train load of goods from a roadside station four miles from the head quarters of a responsible Officer, by a Sepoy or coolie boy. —

3. The question is not as to the case of the credit note system but as to the agent by whom and the place at which the notes are to be handed over -

4. To adopt the practice followed in the P.W. Stores would involve the issue by the Executive Engineer of a blank cheque to be handed over to the Railway Authorities at an uncertain date, but at least one day after its issue; a course so opposed to the practice and regulations of the Department that I am still doubtful whether this really intended that it should be followed.

5. If it is the two questions asked at the end of the Executive

Engineers letter still remains
to be answered, and I would forgive
myself unable to say such a reply
6. In a letter received a day
or two ago the Agent S. S Railway
expressed himself willing to adopt
payment at Bradura, and I have
also been to understand why this
course cannot be followed; though
less convenient than the simple
process of keeping a ledger account
which has worked quite smoothly
for months past, it would be
much more so than that of
paying by blank cheques to be
filled up at the quarries -

Grand Trieste
16 November 1887
6/17"

Lt Colonel
Supt Engineer, Fields.

(23)

P.W.C. 24.9.87

From

The Supt. Engineer
W. Circle

To.

The Chief Engineer
P.W.D.

No. 808 Md

Dated 16th November 1887
Recd 21-11-87

Credit Note System.

Conforming
That the — will not work well and the system of paying at Vandiwa will work smoothly—

Circ. 13-12-87

No. 857/Md. Supt. Engr's Office b. Circle
Kodaikanal 27th Nov. 87

354 VI
13

Letter from the executive engineer, Vaigai Bridge works Headquarters, No. 727 dated 21st November 1887.

Enclos: 9
1 original letter with 4 enclosures.
1 b. engr's memo No. 4019C 11-11-87 3 enclosures.

Submitted to the Chief Engineer, P.W.D. with reference to his No. 4019C of 11th Instant, (Herewith returned)

2. The correspondence enclosed shows conclusively that his original telegram was completely in accordance with the facts, but as the agent has now consented to receive payment at madura pending final orders on the petitioners in my endorsement No. 808 Md. of 16th Instant, no further action appears necessary.

Lieut. Col. R.E.
Supt. Engineer b. circle

30th November 1887
Despd 1-12

S.O. 2763 W dy 17-10-87
No. 379 B dy 22-7-87
" 1619 " 27-5-87
" 1608 " 27-5-87
" 792 W " 1-4-87
S.O. 3457 " 9-12-74
" 2898 " 5-9-74
" 1118 " 29-4-74
" 1952 " 6-8-73
" 1796 " 12-7-73
" 1795 " 12-7-73
" 1161 " 22-4-73
" 2566 " 1-11-72
" 2262 " 24-9-72

Sirs,

To,
The Superintending
Circle
Trichinopoly

To, The Chief Engineer
P.W.D.
Madras

Dated 30th Nov/87
Received 1-Dec/87

No. 857/110

Encls-9

Forwarding copies of certain letters and informing that the Govt. has not consented to receive payment at Madura pending final orders on the subject of stopping of running checks &c.

South Indian Railway 345

CIRCULAR No. 14-B of 1880.

From

MAJOR D. H. TRAIL, R.E.,
Officiating Examiner of P. W. Accounts,
Madras.

To

ALL EXECUTIVE ENGINEERS.

Madras, 24th September 1880.

1. As it appears that the credit note system of making payments for goods conveyed by Railway, introduced in this Presidency under Government Order, No. 3457, dated 9th December 1874, is not properly understood, the undersigned has been directed to explain that it is not the system of book adjustments it apparently has heretofore been considered, but essentially one of cash payments.

2. Neither the Treasury Officer, the Civil Accountant General, nor the Public Works Examiner ought to have any concern whatever with the payment of credit notes, which are simply promissory notes payable on demand by the Officer who issues them or his deputed Agent, and consequently, when presented, there should be no delay whatever in liquidating the debt by prompt payment either by cash or cheque.

3. When goods have to be sent by Railway, they should be described in the credit note which should be completed at the Railway Station by the entry of the particulars of the charges and the signature of the Public Works Employé, who is sent to the Station to despatch the goods, and the Station Clerk after both have satisfied themselves of the correctness of all the entries. This signed note is accepted by the Railway Company as payment and the goods are duly conveyed and delivered as directed.

Wdsp 17-10-87
2-87X

4. When the Company wishes the note converted into cash, it is presented to the Issuing Officer, or to his Agent as previously arranged, when there should be no hesitation or delay in making payment of the amount in cash or by cheque.

5. By this system the risk of sending money to the Railway Station is saved, and since the correct freight is not known until the station is reached, it obviates the necessity for sending an approximate sum, which would probably involve troublesome adjustments in the Accounts. It also ensures prompt payment to the Railway Companies and saves them the opening of Ledger Accounts.

6. Officers of those divisions not directly on the line of Railway may also take advantage of the system by sending the stores on to the Division nearest to the Railway Station, where the payment of freight by credit notes may be arranged for and the adjustment to the debit of the Division on account of which the stores were sent effected through the transfer Account.

D. H. TRAIL, Major, R.E.,
Offg. Examiner, F. W. Accounts.

22
1

INDIAN TELEGRAPH. Number Code 96

Class XS

From Mhow Road | Station Indore

Words.	Day.	Hour.	Minute.	Official Instructions
22	9	13	55	urgent 3 XS

To (Delivery) | From (Service)

Examiner P.T.O. Agra 9th Sept Jaipur Bridge
Marshalls Road Mhow
Express
Shamrock gear received
And fifty spare discs
Crane also gear field
Cheque posted Agra
Unobtainable

Ether Avi

Recd. from	L. N.	Sent to	L. N.
At	Hrs. Mts. By	At	Hrs. Mts. By

MOUNT ROAD 9-10-87 Postmaster.

G.O. 2763 dtd 17-10-87

RATES OF CHARGE FOR INLAND TELEGRAMS.

The address (including name of sender, and town and address of destination) is charged for.

	First 8 words.	Each additional word.
Deferred Telegrams	... 8 Annas	... 1 Anna.
Ordinary "	... 1 Rupee	... 2 Annas.
Urgent "	... 2 Rupees	... 4 Annas.

A group of 5 or less figures is reckoned as one word.

No charge for delivery within a distance of 3 Miles.

Cost of Paper
Printing
Total
1,000 Forms

B. Ellis, G P G 1888—No. 117—17-9-88—2,0000

Copy

No. M 33902 / 1449 Pulichintapad

South Indian Railway.

CHIEF AUDITOR'S OFFICE,

EGAPATAM, 8 October 1887.

From

The CHIEF AUDITOR,
SOUTH INDIAN RAILWAY.

To

The Executive Engineer of Public Works Section
Nerkaw.

Sir,

In reply to the enquiry contained in the first paragraph of your letter Dated 2nd of the current Month, I have the honor to inform you that the Statement issued by the Executive Engineer Vizagapatam Bridge Works Section is not quite accurate as Cash is not always found in exchange for Credit Notes. All Credit Notes received by the Company are paid into the Government Treasury as part of the traffic earnings and are treated as Cash in the account of such works in spite of receipt credited to the Company. This procedure has been followed since the introduction in this Presidency of the Credit Note system about two years ago.

With reference to the second paragraph of your letter I beg to state that since the Company transacts with the departments of Government only at the request of Government, adjusted by accounts of Credit Notes, and that this system has been ordered to be adopted in the case of the Vizagapatam Bridge Works

ENCLOSURES.

traffic

Transfer by the Government of Madras in their Proceedings P. W. D. Sth 160 D. dated 27th May last.

3/15/17

I have the honor to be,
Sir,
Your most obedient Servant,

Chief Auditor

Kaiapoi Bridge Works
Christchurch 3rd October 87

No 342

Engineer

3415/8

From

The Executive Engineer
N. S. Works
Christchurch

To

The Accountant P.W.D. Accounts
Chespark Christchurch

Sir

I have the honor to call your attention to this office No 489 of 8th Inst. asking for further explanation of the credit note system in the Agents of S. I. R. Co: Threatens to stop running the trains of Stone for the Bridge works unless adopt the Credit note system —

I have the honor to be
Sir
Your Most Obedient Servant
H. Clerk
Executive Engineer
Mail

R.M.

3/10

References to former Cases.

R No. 22421/87 dated 3-10-1887

No. " 188

No. " 188

DRAFT FORM.

1887.

EXR., P. W. ACCTS.

R. General No. 3211 87 & file

From E E Thorpe Bridgetown

Dated 8 9 1887, No. 459

Issues.

Issue No.	Date of Letter.	Date of Despatch.
269 X	4-10-1887	4-10-1887
	188	188
	188	188
	188	188
	188	188
	188	188

References to later Cases.

R No. 4058 dated 10/10/1887

No. " 188

No. " 188

Reminders Issued.

No. 1, dated 188

No. 2, " 188

No. 3, " 188

Keep-withs.

C	Audit Branch.
I. D. C.	B. and B. Sec.
D. D. C.	Ex. Acct. Sec.
A. C.	C. and R. Sec.
Chief Acct.	Corr. Branch.
Est. Branch.	Code "

To The Chief Auditor

P.W.D.

Subject. Enclos. 1

Forwards copy of letter No. 459 of 8.9.87 from the E.E. Thorpe Bridge dist. for certain particulars.

I have the honor to forward herewith a copy of letter No 459 of 8th Sept 87 received from the Exr. Engr.

Exr

No 459.

Vaigai Bridge Sub-Office
Madura 8th September 87
Dear Sir

From

The Executive Engineer
V. B. Works Madura

To

The Examiner S. R. Accounts
Chepauk Madras

Sir

With reference to your No 89 & 2.6. dated 17th June 1887 enclosing Circular No 14 B of 1880 I have the honor to inform you that I have had some Correspondence with the S. I. R. Co: on the subject of Credit Notes and they appear to treat them in a different manner from that described in the Circular above quoted

It is the practice of the S. I. R. Co: to present a credit note at the Srivilliputty Treasury and

EXAMINED
No. 22852
12 SEP 1887
S. R. ACCOUNTS

RECEIVED
SEP 1887
S. R. ACCOUNTS

on change of the Vaigai
bridge work, whereupon
the engineer submits the
statement now in front
a & the new thing
Oplain letter, and the
Parbury authorities
& the principle
of credit notes
of the S. I. Railway
for payment in connection
of Co, for
the authority for
enclosed Mr Evans
accepted
2. I
with
know of any lawful
objection to the freight
charges being expended
with
monthly by transfer
advices, or by monthly
charges paid by the
E E on the Srivilliputty
If you have any
Treasury,
and if so
for the expedient
thereof
week
1/10

Suitable one and which the S.I.R. Co: could be
prevailed on to continue the practice.

Special order of Government to allow it
could no doubt be obtained.

I have the honor to be
Sir
Your most obedient Servant
H Allen
Executive Engineer
3 Districts

and obtain cash for it and I request therefore
you will give the further instructions as to the
Method of paying on the bags as there is un-
doubtly a Misunderstanding somewhere.

I beg Leave to state that I consider the
System of Credit Notes unsuited to the nature
of transactions now taking place between the
and the Railway Company.

Trains are coming every days and this
onward and inconvenient that a daily pay-
-ment should be made and the necessary funds
obtained from the Head Clerk who has his
Office at Some distance.

At present pending a Settlement of the
question, I am paying periodical bills by
Cheque on the Treasury of Treasury. This
Arrangement is in My opinion Inconvenient

Suitable

in charge of the Ha

References to former Cases.

No. 116. SE. 6 dated 13. 6. 1887.
No. " 188 .
No. " 188 .

Issues.

Issue No.	Date of Letter.	Date of Despatch.
89886	13. 6. 1887.	17-6- 1887
	188 .	188 .
	188 .	188 .
	188 .	188 .
	188 .	188 .
	188 .	188 .

References to later Cases.

No. 22186 dated 12. 9. 1887.
No. " 188 .
No. " 188 .

Reminders Issued.

No. 1, dated 188 .
No. 2, " 188 .
No. 3, " 188 .

Keep-withs.

(C. No. 5)

3417 6 17/6

DRAFT FORM.

188 .

EXR., P. W. ACCTS.

R. General No. 116. SE. 6[A].
From E. E Vagai Bridge works.
Dated 10. 6. 1886, No. 114.

C.		Audit Branch.
I. D. C.		B. and B. Sec.
B. D. C.		Ex. Acct. Sec.
A. C.		C. and R. Sec.
Chief Acctt.		Corr. Branch.
Est. Branch.		Code "

To
E. E. Vagai Bridge works.
Manamadura.

today

Subject. Enclos. 2

Acct of hole bgts. Imp of Contl hole. Forwards copy of C. on hold replying &c &c

Sir
In reply to your letter No 114 of 10. Inst. I have the honour to inform you that I have already completed the E.E. Madura Division with the Copy of this office Circular No 19

If 1887 or after the Credit
note system was followed
Another Ord. of this Circle
is herein enclosed for your
information also
2. A form of Credit note
provided for use in any of
the P. W. Offs. herewith. Each
Credit will form the subject
of a separate letter from that
form the numbered
Cuttack Cdd & the Station
No. thereof the Station
of the ~~Station~~ of which
it is the consignee.
3. To save all trouble,
I would suggest your claiming
the outstanding accounts
with S. S. Ry Co. on account
of freight charges ~~not~~
referred to in part
of our letter of 2 ult. on
the cheque payment - future
charges on account of freight
may be paid by you either
by Credit Note or by Cash
whichever may be most
convenient to you -

H.R. 17. 6.

H. 17/6 P.R. 18/6

(C. No. 8)

DRAFT FORM.

1887.

EXR., P. W. ACCTS.

R. General No. 123. SE 6

From E.S. Vagai Bridge Contr. Madura

Dated 21. 6. 1887, No. 217.

C.	Audit Branch.
I. D. C.	B. and B. Sec.
B. D. C.	Ex. Acct. Sec.
A. C.	C. and R. Sec.
Chief Acctt.	Corr. Branch.
Est. Branch.	Code ,,

To E. S. Vagai Bridge Contr. Madura

Subject.	Enclos.

With reference to your
Letter No 217. of 18. 6. 87
I have the honour to
inform you that the

References to former Cases.

No. 123. SE 6 dated 21. 6. 1887

No. ,, 188 .

No. ,, 188 .

Issues.

Issue No.	Date of Letter.	Date of Despatch.
93 SE 6	188 .	188 .
94 SE 6	21. 6. 1887.	188 .
	188 .	188 .
	188 .	188 .
	188 .	188 .
	188 .	188 .

References to later Cases.

No. dated 188 .

No. ,, 188 .

No. ,, 188 .

Reminders Issued.

No. 1, dated 188 .

No. 2, ,, 188 .

No. 3, ,, 188 .

Keep-withs.

amount of the Credit bills should be paid to you by cheque on presentation.

2. If the Railway Company desire that payment should be made at Trichinopoly, you should at once apply to this office, through the Exec Engr Madura Dn, by wire if necessary, for a credit at the Treasury there, and it will be granted.

Ch

24/6 Copy with Madura

Ch 24/6

S/C D. P. D.
Trichy Burma Rail Extension office,
Form,
The Executive Engineer,
P. B. works,
Madura.
No,
The Examiner,
P. W. Accounts,
Madras.

No: 217.

Dated 18th
Read
Issued
} June 1887.

Sir,

In continuation of my No: 184 dated 10.6.87 I have the honor to acknowledge the receipt of your Circular No: 14 W. of 1880.

I have however to ask for further instructions regarding the mode of procedure to be adopted in issuing credit notes. I have today received a letter from the Agent of the S. I. R. Co. giving me a complete forecast

(Enclosed)

EXAMINED
No. 12858
21 JUN 1887
2

of Credit note. and it will be seen that it is necessary to the Conveyance exercise equivalent to a Cheque and not to a promissory Note. I should like to know the whole system clearly explained with instructions as to the form in which vouchers are to be obtained.

The following point requires explanation. I presume from the Agents letter that he obtains cash for the Credit Notes when he pays them into the Treasury or at any rate obtains credit for the amount. I do not understand how the Treasury Officer at Tuticorin can recover any Credit Notes until he sends proceeds to my credit in that Treasury.

I request you will let me know at your earliest Convenience which is the right way of working this system.

I have the honor to be,
Sir,
Your Most Obed. Svt.

A Allen
Executive Engineer,
P. W. works.

Tue
18/6

No 342
Conveyance Credit Note.

Madras Office
Fort St. George
11th June 1887.

For Conveyance of Stores from Madras to Tuticorin by

Consignee address	No of Cases	Description	Weight	Amount
Pioneer Tuticorin	1	Accountants	1 2 6	1 8 0

Pay to the South Indian Railway Company or Order the Sum of Rupees one and eight Annas Rs 1-8-0 for Conveyance of above Stores

Signature
Asst Accountant

Asst Accountant
Madras Office

True Copy

A Allen
Executive Engineer

18-6-87.

Tue 18/6

No 6139
839

Treasury Department
Office of the Assistant Treasurer
Philadelphia, 17th June 1887

Sir,

The Assistant Treasurer
of the United States
Philadelphia.

To

The Executive Register
Register's Office
Washington.

Sir,

Upon letter No 201 of the 15th instant
I attached is a copy of the form of Credit Note. After
Credit Notes are issued by the Commissioner of the Government
Treasury at Washington they are sent to this office
with them. They are sent by the officer in charge of
the Treasury to Madras for realization. Probably
you can arrange with him for your Credit Note to be sent
to Madras for realization. As actual transfer of Cash
is necessary etc. I shall think a book entry could
adjust such transactions

I am
Sir
Your obt Servt
Walter F. Morse
for Asst Treas

18.6.87

A. Fleet
Executive Register

Copied

Public Works Department.

3 VI 58 ½

№ 1600 Ootacamund 27th May 1887.

Memorandum.

Letter from the Supt. Engineer VI Circle № 134 M. dated 3rd May 87

Requesting orders of Government as to how the freight charges in connection with the Vaigai Bridge works should be adjusted.

End. Letter of the Examiner, P.W. Accts. № 6056 dated 18th May 87.

The Examiner's endorsement will be communicated to the Superintending Engineer VI Circle for information and guidance.

2. The Examiner will explain the credit note system to the Executive Engineer.

By order,
Colonel R.E.
Secretary to Government P.W.D.

To
The Examiner, P.W. Accts.

End. D.S. 27-5-87

3288
MAY 21

Vengai Bridge Sub Div office,
Nº 184 - 3/16 - Coorlaur 10th June 1857.

From,

The Executive Engineer,
V. B. works
Madura

To,

The Secretaries
of P. W. Accounts,
Madras

Refer Chief Engineers Doc: 160 D (Copy enclosed)

Sir,

I have the honor to inform you that the S. I. Rep. Co: are preparing for adjustment of my outstanding accounts with Credit and I request that you will kindly explain to me as soon as possible the credit note system of payment of freight charges.

Enclo: 1.

Please give me a sample form in which the credit note should be granted. The reply to this should be ordinary course but sent through Executive Engineer Madura Division but I request you will reply direct to me and I will forward the letter to him and this pass Accts.

I have the honor to be,
Sir,
Your Most obedt Svt

A. Clerk
Executive Engineer,
V B works

To
The

RECEIVED
18 JUN 1887
RECORDS
SACRAMENTO

Public Works

Public Works Department

No 1602. Sacramento, May 27, 1887.

Memorandum

From the Deputy Engineer at work No. 10 to 28 of May 1887

Re: Water by the Executive D. No. 10 to 28 dated

18th May 1887.

Forwarded to the Chief Engineer,
Public Works Department.

"Under working rules finally adopted
"should be adjusted on the graded scale
"system, such changes being considered
"exceptions to the ordinary rule of transfer
"effected".

The Executive Instructions should be
communicated to the Deputy Engineer in charge
for information and guidance.

2. The Inspector will explain the exact
rule spoken to the Executive Engineer.

Signed J. A. Austed, Cal. Pilot
Secy. to Govt. Pilot

Chief Deputy

A. Allen

10. 6 87 Executive Engineer
Sacramento.

No. 3635 C.

Government of Madras.

PUBLIC WORKS DEPARTMENT,

Chepák, 21 st October 1887.

OFFICE NOTE.

From The Deputy Chief Engr

To The General Supt.
Public works Stores.

Please submit, as soon as possible, a note describing the procedure adopted under the Credit Note system in paying for carriage freight of Stores by Railway. The further details are required.

Capt. R.E.
Dy. Chief Engr
P.W.D.

RECD 22 OCT 87

22nd October 1887.

A Credit note in duplicate with the blank cheque signed (form accompanying it) is forwarded to the Agent to the Govt. of India to be sent on to the Central Station with the Govt. The letter are received and the office copy returned with the way receipt. The cheque is filled up by the Treasury Officer once sent to the Madras Bank for realization. The Bank presents the Credit note* the payment is made for the amount entered therein, and handed to the bearer of the Credit note.

A Forbes
General Supte P.W. Store.

* to the first instt.
L.F.

Circular No 14 B of 1880.

From

Major D. G. Trail, R.E.,
Officiating Examiner of W. Accounts
Madras,

To

All Executive Engineers
Madras, 24th September 1880.

1. So it appears that the Credit note System of making payments for goods Conveyed by Railway, introduced in this Presidency under Government Order, No 3457, dated 9th December 1874, is not properly understood. The undersigned has been directed to explain that it is not the System of book adjustments it apparently has hitherto been Considered, but essentially one of Cash payments.

2 Neither the Treasury Officer, the Civil Accountant General, nor the Public Works Examiner might have any Concern whatever with the payment of Credit Notes, which are simply promissory Notes payable on demand by the Officer who issues them or his deputed Agent and Consequently, when presented, there should be delay whatever in liquidating the debt by prompt payment either by Cash or Cheque

3. When goods have been sent by Railway they should be described in the Sudet Note which should be completed at the Railway Station by the entry of the particulars of the charge and the Signature of the Station Works Engineer, who is sent to the Station to despatch the goods, and the Station Clerk after both have satisfied themselves of the Correctness of all the entries in the Signed Note it is accepted by the Railway Company as a fragment and the goods are duly conveyed and delivered as directed.

4. When the Company receive the Works Converted into Cash, it is proposed by the Issuing Officer or by his Deputy as previously arranged, when there should be no hesitation or delay in making fragment of the amount in Cash or by Cheque.

5 By this System the risk of sending money to the Railway Station is saved, and since the Correct freight is not known until the Station is reached, it obviates the necessity for sending an approximate sum, which would involve subsequent adjustments in the accounts.

It also ensures prompt payment to the Railway Companies and saves them the opening of Ledger Accounts

6

6. Offices of those Divisions not directly on the line of Railway may also take advantage of the System by sending the Stores on to the Division nearest to the Railway Station, where the payment of freight by Cash Notes may be arranged for and the adjustment to the debit of the Division on account of which the Stores were sent effected through the transfer account.

Signed D. H. Trail, Major R.E.
Offg. Examiner Ph. Accounts

(True Copy)

Ede
15/6.

H. Clerk
23 Dec
76

No 342

Consignee's Credit Note →

Arsenal Office Madras
Fort St. George.
11th June 1887.

Form Consignment of Stores from Madras to Trichinopoly

Consignee's Address	No of Case.	Description →	Weight	Amount		
Revenue Trichinopoly	1	Accoutrements	2-4	1	8	0

Per S.R. Southern Railway Company's Goods Train of Rs one and annas Eight only as particularised above

Signature
Ordnance Officer

Rec'd. Rs

No 6139
839

South Indian Railway
Agency
Trichinopoly 17th June 1857

Sir

The Agent

Madras Railway Co

To

The Secretary

Revenue

Fort St George

Sir

Your letter No 201 of the 16th June 1857 —

Attached is a copy of the Form of credit

Note after credit bills are paid by them to

the Government Treasury at Trichinopoly

I have nothing further to do with them. My

Cash Book & Ledger is closed & the Treasury

& Madras for realizations. Probably your

Cash arrangements with them for your credit notes

& the Govt & Madras for realizations. As no

Actual transfer of Cash is necessary, I

Should think, a Cash Entry could adjust

such transaction

I am Sir

Your Most obt Servant

Jos Walter Master

for Agent

Lt Spaccorpg

No 1908
10738

South Indian Railway.
The Traffic Superintendent's Office,
Madura, 29 Aug: 87.

From

The District Traffic Superintendent

S. I. R.

Madura.

To

The Executive Engineer,

Saiyad Abdul Karim,

Madura.

Sir

I am requested by your letter no 3 61 of the 10 Instant, to inform you that the arrangement for Station dues at Ruettigudi which the Government had in view when the credit note system was introduced, is still pending for opening the ledger accounts and disbursements of bills.

Cheques on the Triedenopoly Bazaar of the South Indian Railway Company can be accepted instead of Credit Notes, but payment of the Company's must be made at Forwarding Station or when Each Consignment delivered at Siding, and I shall be glad to have early proposal from you to the Conversion of pay for

Ice ells

South Eastern Railway

D.L. Traffic Superintendent's Office

Ashford 1st October 87

A° 1908
12161

34/16
37

To
The D.L. Traffic Superintendent,
S.E.R.
Ashford.

Sir,

The Locomotive Engineer
Yard,
Ashford

With reference to your letter No 583 dated September 28th 87, I have the honor to request you will order instructions from the Agents that the Company cannot longer continue Daily Contract Orders. You must therefore please take notice that at the expiration of a week from this date, no slips will be forwarded under a credit note for the freight due thereon accompanied the forwarding Orders handed to the Station Master at Stations where no Station for such consignments Must when ready for despatch.

I am &c
pro Secretary
H. Fleet
Locomotive Engineer Yard

14.10.87.

No 2661 Vaigai Bridge Section 7.10.87.

To
Hon
The Executive Engineer,
V. B. Dt.
Madura.

Sir,
Re Agent Smith Section No
Peraiyur Jn.

Sir,

Encls: 1. I have the honor & request your attention & the subject of payment of freight charges for Stone for the Vaigai Bridge work.

For how many hundred load, round each that I paid for by Credit Note at Thirupparangundram before the train is despatched. I have written to the District Traffic Superintendent and explained to him that paying at Thirupparangundram is quite out of the question as I have no where to get the payments, but I am offered Rs for each train on its arrival at the Vaigai

Jaigar Bridge being by chance omitted
the receipt & Inspection of Bridges
Superstructure from the Examiner of Accounts
Office, the Dr. & Cr. thereof Excepted. A
Copy of this letter is herewith enclosed.

The Office Copy for Each Bridge should
be sent immediately on delivery in Parcels to
the Comptroller General & Inspector, addressed
& the Letter of Dry Books and the Bills of
Dry Accounts and Invoice Books herewith
Concerning. I request you will inform the
Agents whether you will accept Dry Invoice
by Cheques on the Delivery of each load of
Stone & not Stores the Authority of
the Superintending Engineer & Inspector
Arrangements for bringing the Dry Stone
by other Means and will hold the Company
Responsible for any Extra Cost that Dry
Lee Entailed by so doing.

I have &c

Copy sent to Dep. Ag. E. Clarke
Ag. E. Bhd
H. Allen

Executive Engineer Agra

No 1791
1567.

South Indian Railway
Agents Office,
Trichinopoly, 8th October 1857.

From
The Agent South Indian Railway,

To
The Executive Engineer,
Jaigar Bridge Work,
Cudna.

Sir,

I am Letter No 5645 of the 7th Instant Agent
Stores Bill Stone & Lee Some Discussion Standing
regarding the introduction of the Credit Note
System in Clearing this Company's Freight Charges
for the carriage of Stone. The Jaigar Bridge
Work had for the Service of the Dry Dock
Responsible.

The adoption of the Credit Note System
was not Sanctioned by the South Indian Railway
Company, it was ordered & Introduced by the
Secretary of State for India and the Secretary
of Government Instructions Issued from the Government
of India and of Madras

In seeking to carry out the orders
of Government I do not think, I have
in the case of your charge acted with precipi-
tancy. So long also as the 25 April last
I suppose you that if you had any doubt
Letter

Sir

Herewith I transmit for your information a Copy of a Letter from the Executive Engineer Kadma to the Superintending Engineer Southern Division Coimbatore, on the subject of the Tenders for the supply of Stone required for the Kadma Bridge.

2. I request that you will be pleased to call for Tenders for the supply of the Stone required for the Kadma Bridge, in accordance with the Specification and Estimate which have been prepared by the Executive Engineer Kadma, and to forward the Tenders received to this office for consideration.

3. The Tenders should be called for in the usual manner, and should state the rate per Cubic Foot at which the Stone will be delivered at the Bridge.

4. The Tenders should be received by the 15th July 1887.

I have &c

Sd/ W. Bell
Secy to Govt

To
The Superintending Engineer
Southern Division
Coimbatore

No. 576. Saigai Bridge Subdr Office
Kadma 9th 10. 87.

From
The Executive Engineer
Kadma

To
The Superintending Engineer
Southern Division
Coimbatore

Sir

I have the honor to forward herewith the receipt of your No. 10791 dated 3rd instant regarding freight Charges for Stone required for the Saigai Bridge work.

2. I regret that I disappear to have failed to make clear to you the position of my accepting the contract by which at present and that I am not to blame.

3. The 3rd and 4th paras of your letter under reference state, this case perfectly as the 15th of June.

4. The receipt of your letter No. 6137/839 dated 17. 6. 87. forwarding a Sample of a

Contract

Credit Note, I presume that the Credit Note
System as practised by you and explained by
the Examiners were totally different. The
Examiner explains the Credit Note by stating
as one of promissory Notes. He accordingly
the insider then proceeds and sums forwards
a Copy of his Circular No 118 of 1880 for your
information. You proceed to treat the
Credit Note as Equivalent of Cheque.
I immediately applied to the Examiner
for an Explanation of this - and having received
his reply Could have reminded you
explained that Your Company's Credit Notes
are Dry Rs 1/3 Rate 3 p. 8% also Your
District Traffic Sec

I have the Credit and Examiners finish
Considerable difficulty in obtaining such
a Complete Memorandum as appears
I have made on the subject of Credit Notes.

I am Credit aware that all the
Issues, Final payments are to be
made by Credit Notes but as long as the
Whole System is entirely different

long

long as this Company Refuses to accept
Credit Notes in payment of Cheques
I cannot see my way clear to issue
Credit Notes to Passengers.

I am Sir
Your obedient Servant
[illegible]

Traffic Manager

The Secretary
Bengal Central Railway Co
Calcutta

Copy to Mr Sharp for information
Copy to Mr Sharp for information

Mr Sharp has just given us particulars
of the form of the case of Credit Notes issued
Calcutta by Bengal Central Railway Co
amount of Credit Notes issued during
By despatch of Cheque
Mr Shadbolt wrote a cheque for the
probable number of tickets the day before
they were booked - If many Passengers
Any other Cases are on or Some tickets
were not booked By Cheque and the Passengers
Shadbolt have - Counted difficulty in adjusting
By accounts.
(2) Shadbolt opposed a Special Company
to Company the Cheque System and
to bring the receipts back to Calcutta by
limited establishment Can we able to do.
(3) In the case of any Misunderstanding or
dispute regarding the accuracy of the payments
between the Station Masters and the Company
By representation and refusal a Breach of Rule

Leo

No. 596.

Vizagapatam Bridge Establishment
Madras 11th October 1887.

From

The Executive Engineer,
Madras,

To

The Superintending Engineer,
Nth Circle,
Trichinopoly.

Sir,

I have the honor to report that the Agent of the South Indian Railway Co. has refused to renew the Contract for the Bridge work and introduce the Credit Note System, which I am unable to do.

The history of the case is as follows:-

In February 1886 an informal Agreement was made between the S.I.R. and the President Ex. Engr. Board regarding the Carriage of Stores from the Quarries & the Bridge Siding, the rate for freight charged is therein fixed (not noting is said regarding the Method of payment. The document is in the form of a letter and not a Contract

Encls: 7.

Executive Engineer
Madras

Executive Engineer
Madras

Executive Engineer
Madras

be Valueless as a Contract as a Cond of Land. A
Copy of it has already been Sent D you.

The Method of payment adopted by the E. I.
Board was one of Imprest or payment in advance.
This System under the rules of the Department
being an inadmissible one a reference was made
D Government and it was ordered that payments
Should be made on the Credit Note System. The
Examiner was asked D explain this System D this
Effect.

The Examiner's Explanation of this System
is Contained in Circular No 18 of 1880. This clearly
Explains Credit Notes as Promissory Notes Ble endorsed
by the Owner on back or by Cheque Bleu presented
Inorder D the Agent informing him that Said amount
for; Explanation and asked him D send Rec a Sample
form of Credit Note. This he did but also informed
Rec that he Sent Credit Note D the Treasury in
Preliminary for realization. He feel the Company
treat the Credit Notes as Cheques. Shall therefore
again D refer the Matter D the Examiner pointing
out the difference between his Explanation and the
practice of the South Indian Railway Company.

In the Interim D received a reply from the
Examiner repeating the Explanation already given
above.

In the Meantime the Railway Company's
a Ledger Account and presented the bills periodical
bills which I paid promptly by Cheque on the
Treasury Officer Erroneously.

This worked Very Smoothly until August, when
I was told, that the Ledger System could not be en-
tirely and that each Item Loaded, must be paid
for: advance. The District Traffic Superintendent
Says "Cheques on the Treasury payable
D the South Indian Railway Company" Can be accepted
instead of credit Notes, but Payment D the Company
must be made at the forwarding Station or where
Goods Items is delivered at the Siding."

I then wrote D the Company's Auditor pointing
out that in daily payment work Credit Notes
Trouble or Due and Suggested that the Ledger Account
System Should be continued. He the Auditor
Objected D.

I had again D write D the Examiner pointing
out the practice of the Company as regard
Credit Notes and explaining the Objection I had
D that Method. I also Suggested that the Ledger
Account System was the Simplest. To this I have
had no reply.

In the Meantime the Railway Company
proceed

proceed for the introduction of the Credit note System
and on the 1st of October I received warning that I should
still be forwarded unless a Credit Note for the freight due
accompanied the forwarding Note issued by the Station
Master at Shiraspurmungadroad Station for each
Consignment then ready for dispatch.

I immediately sent an urgent Remonstrance to
the Examiner asking for Special Explanation of the
Credit Note System.

I also wrote to the D.T.S. telling him that
I could not pay by Credit Note as Shiraspurmungadroad
Station could undertake to pay for every train on its arrival
here by Cheque as I explained to Mr. Wilson that (A.) D.T.S. No 1005
the Agents ruling prices above must be strictly adhered to.

I therefore wrote to the Agent and requested by
Letter to pay for Cash trains loads of Stone with annual
by Cheque although this was inconsistent Time
I again told him that I could not introduce Credit
Notes until they were properly explained by the
Examiner of Accounts and added that if the
Goods Dept ran the trains, I had given authority
to bring in My Stone by Cash and should look
the Company responsible for the Prices of
the Agents answer to this, is, that the
Credit Note System was ordered by the
Government

Government of India. He ignores the fact of
there being a difference of opinion as to what
Credit Notes are.

I again wrote to the Agent explaining more
fully my difficulties in introducing the Credit
Note System and urged him to consider the
advisability of Continuing the Ledger Account
System to this Station received no reply and
the trains have stopped running. I have
not as yet had to cart any Stone but will
have to do so in a few days if the Company
do not Contract from this time.

As I have got no further reply either from the
Examiner or the Agent to the Company I am obliged
to look upon the case for ordr.

It is to be noticed with regard to the delay
of the Company that they have at one time expressed
a readiness to accept a cheque at Madras for the freight
charges and have since refused to do so.

I have very little doubt that legally they
Cannot Claim prepayment for Stone carried
(vide their time table) but as the Company is a
guaranteed one and has not yet succeeded in
paying its guarantee, I think that the

legal

From
The Secretary to Govt
Madras
To
The Superintending Engineer
Trichinopoly

Dated 4th October 1887
Received 7th
No. 576

Reports on the S.I.R Company stopping the running of stone trains on account of bad embankment.

South Indian Railways.

Letter from the Agent, to the Executive Engineer, Vaigai bridge works, Madura dated Trichinopoly 4th October 1887 No 10899/1610.

I have in Madras to-day your letter No. 576 dated the 9th instant, reached my office, otherwise an earlier reply would have been sent to you.

The company has no establishment stationed at the Vaigai bridge works, and therefore no payment for the carriage of stone can be made there. To save you inconvenience I am willing pending the adoption of the Credit note system, to accept payment at the Madura station either in cash or by an order on the Trichinopoly treasury. The payments to be made before each stone train leaves Madura for the Vaigai bridge works. The District Traffic Superintendent shall be so informed.

Agents Office,
Trichinopoly.
7th November 1887.

(True copy)
(Sd) A. Sooriyanarayana Ayyar
Chief Clerk

(True copy)
Illegible
Asst Executive Engineer for Agent.

3415/87

Letter from the Executive Engineer, Vaigai bridge Madura,

To The Agent S. I. Railway Company Trichinopoly No. 607 of 19th October 1887

With reference to your No. 10889/610 of 14th October 1887, I have the honour to inform you that I have referred the whole matters of payment of freight charges for the orders of Government.

Pending the receipt of these orders I wish to run as few trains as possible as the arrangement you propose is both a convenient one to me.

In case I require a train of stone I will arrange to pay for it in the manner proposed by you.

(Sd) K. C. Clerk.

Agents office
Trichinopoly
7th December 87.

(True Copy)
(Sd) S. Coopooswami Iyengar
Chief Clerk.

(True Copy)

Moziz Doyle
Asst Manager for Ry.

Form No. 60.

Copy of a communication from the Agent

South Indian Railway.

To the Consulting Engineer for Railways, Madras,

No. 954, dated 7th November 1887.

On the 29th ultimo, I received
from you a telegram thus worded. "Have
arranged with Chief Engineer for introduction
of credit note system on Vaigai bridge works.
Please return terms as usual."

"In conversation with you on Mon-
"day last I was surprised to learn that no
"threatening had been made to the effect
"that I had stopped the running of Mr
"Stone's train because the Engineer in charge
"of the works had not introduced the credit
"note system of payment.

Attached you will find copy
of my letter No. 1089/610 of the 4th ultimo to the
Executive Engineer Vaigai bridge works
and a copy of his reply thereto. I trust you
will let it be known that my action has
not been fully reported.

(Sd) Walter F. Cooper.
for Agent.

(True copy)
Illegible
Asst to the Agent

No 1908
12384

Southern Indian Railway
District Traffic Superintendent's Office
Madura 6th October 87.

To
The Chief
Do

The District Traffic Superintendent,
Southern Indian Railway,
Madura.

To
The Executive Engineer,
Railway Bridge work,
Madura.

Sir

In connection with my No 1908 of 6th inst. I
87 have the honor to inform you that the Agents
ruling is given in By No 12661 of 20th inst.
1887. and that he adheres to—

The Station Master at Aruppukottai
Paid into the Treasury on account of Bridge Credit for
Rs 1 in Cheque paid this day, I am therefore
Sir
Your
Obt Servt
C.V. Thomas
Dist Traffic Supdt.

Received

Rs 1

22-11-87.

Executive Engineer
Madura

No 10791
1567

Secretary Railway
Agents office
Dublin 8th October 1887.

Dear Sir

Re Agent
South Indian Railway Co.

Re Receivers Engagement
Virgin Islands Contract
Madras

I send letter No 564 of 8th ult. herewith
to be
from Mr Lee Secretary Some Misunderstanding regarding
the introduction of the Credit Note System in clearing
the Coupon freight charges for Rly. Carriage of Stores
& the Virgin Islands, but for these Services I
hold Myself responsible.

The adoption of the Credit Note System
South Indian
was first suggested by the Railway Company, it was
adopted & introduced by the Secretary of State for
India and the necessary instructions issued
from the Government of India and I had no
discretion to carry out the orders of Govt.
I do not think, I am in the case of Gross Charges
acted with precipitancy. So long ago as the 25th
to you
April last, I suggested that if you had any doubts
with regard to my acceptance of the Credit Note
system

Ry Store a reference should be made to the Secretary to Government P. W.D. on the subject. The reference was made, and on the Examiner's Statements stating that under existing rules freight charged should be adjusted on the credit side by Store, the Superintending Engineer, Madras, had the papers sent to him for guidance.

Then on the 26th June following, you told the Examiner had explained to you the system and you asked him to send you a complete form of Credit Note. What you wrote by of the form adopted by the Madras Department.

Upon this 3 months have passed by and you have not yet adopted the system ordered. Please understand by Government, that not much the Company can be held responsible for any inconvenience which may have caused by your submitting the returns which must be considered the District Traffic Superintendent's duty to see that the instructions & introduced strictly complied with, that if any excess claim is made is made by you, it will be a concession made not by the Company but by Government.

Yours truly
for Secretary to Govt
Traffic

Copy forwarded for information and necessary action to the Executive Engineer

22-11-89. Executive Engineer

South Indian Railway
District Traffic Supdt's office
Madura 11th October 1889

No 1908
12576

To
The District Traffic Superintendent
South Indian Railway
Madura.

To
The Executive Engineer
Vaigai Bridge works
Madura.

Sir,

I have the honor to return herewith the Cheque for Rupees 69 received with your Lr No 582 of 3rd inst and have to refer you to my Lr No 12161 of the 1st instant.

Encl 2.

I may point out that each debit note returned with freight charges to this office.

I have the honor to be
Sir
Your most obedient servant
for District Traffic Superintendent

Received copy

22-11-89 Executive Engineer

South Indian Railway.

No. 1908
12161

District Traffic Superintendent's office
Madras 1-10-87

From

The District Traffic Superintendent
South Indian Railway

Madras.

To

The Executive Engineer
Erode Bridge Works

Madras.

Sir,

With reference to your Ltr No 533 dated the September 28th 87, I have the honor to inform you under instructions from the Agent, that the Engineering Department please take notice, that at the Expiration of a week from this date, no Plate will be forwarded unless a credit note for the freight due thereon accompanies the forwarding Note, handed to this Station Master at Erumapperumapudur Down Station for each Consignment is then ready for despatch.

I have &c

Sd/ J. H. Simson,
District Traffic Superintendent

True Copy

A. Clerk
Executive Engineer

22-11-87

By telegram the Examiner from Hendon the time
trains stopped running and on the 10th Instant
a train was loaded with Stone which should not go
a train was necessary to obtain the
Stone in that train, I forwarded a charge sufficient
of the freight Charge to the District Traffic Superintendent
at Bushire requesting him to cancel the train,
a Copy of this reply is enclosed.

The train load of Stone above alluded to
was not delivered until the 14th Instant after
I had sent out a charge to Shiraz for payment
Unit.

The above clearly shows that the delay
did deliberately stopping the Stone train
pending the introduction of the Credit Note
in spite of my pointing out that it need not
possible to adopt that at the time. This I
explained to the Agent, to the Chief Auditor
and to the District Traffic Superintendent.

The Agent's letter to me accepting pay-
ment at Bushire was despatched from
Shiraz by 6 days after the trains had
stopped running and 5 days after the
telegram

Telegram complained of was sent but the
trains were stopped for 4 working days at a
time when Stone was required and
I was almost obliged to cart Stone for the
Construction work.

Yours truly
Tom Hunt of the Secretary

H. Hall
Executive Engineer
Bord.

(83) 1871

R Planet to extend R
respect the Existing Company
& convey not the Canal Tunnel
Appliances or Lands - and
the Lt reserved accordingly.

To consider & pre Clerks
Fees pertaining me

(1) when the Surveyor is paid
& the Lt R

(2) R Application Cadet
Inst is a Member, if
can be employed with
Their knowledge by the
Rly and if any Clerk from
the Office of Works
Rly and if any Clerk from the
Office of Works

Offer to allow Lord
Lean Leaving Holm office March
4019. 11th Inst. 87. Letter read
& ordered

Jou
20/11/87

23.11.87

Genl Dept.

PUBLIC WORKS DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

UNDER date the

READ the following

Office note from the Examiner P.W. Accts. No. 637 dated 10th October 1907
Office note from the Asst. Supt. P.W. Store " No ____ dated 22nd October 1907
From the Superintending Engr. VI Circle " No. 709 M.D. of 24th October 1907
Office note from the Executive Engr. for Engr. " No. 1746 dated 8th November 1907
From the Supg Engr. VI Circle " No. 808 M.D. dated 16th November 1907
From do ____ do ____ No. 857 M.D. dated 30th November 1907

The above correspondence relates to the question of the adoption of the "Credit note" system of payment for the conveyance done by the South Indian Railway Company for the Vaigai bridge works in Madura. Considerable misapprehension exists to

as

as to what the system really is, and pending settlement of the points in dispute delay and inconvenience to the works have arisen. The Agent of the Company expresses himself willing that the orders of the Government of India and the Secretary of State, under which the system has been introduced should be given effect to, but his views as to the procedure to be followed differ from those of the local Public Works officers.

The orders in question will now accordingly be recapitulated for the information and guidance of all concerned.

The system of credit notes in payment of claims of Guaranteed Railways for the carriage of Government troops and stores was brought into

* Letter no 1071 dated 8th Oct 1872 to the Executive Engineer Vaigai Bridge works.

* Public works No. 2262 of 24th Sept 1872

into operation from the 1st September 1872 by general order in the Military Department of the Government of India no 807 of 1872. The form of "Railway warrant" in exhibit of charges in respect thereof is now contained in this order. The form contains (1) particulars of carriage provided and to be provided by the Railway Company (2) A certificate by the forwarding officer that the carriage has been provided (3) An order to pay to the Railway Company or order, the sums particularised above.

Now in regard to item (3) that difficulties have arisen in the present connection. The S. I. Ry. Company regard this order as no much cash. Now Chief Auditor writing to the Examiner Public Works Accts on the 8th October 1857 No 3302/1449 says-

says— "all credit notes received by the Companies are paid into the Government Treasuries as part of the traffic earnings and are treated as Cash, i.e. the amount of each note is credited to the Company's Station Accounts the orders of Government of India [illegible] that this credit note is a note to bearer.

In para 2 of their Resolution No 1366-71 AR dated 5th October 1872, the Government of India remark as follows— "It should be explained to the Railway Companies that the object of the attachment of the credit note to forms B and C being solely to ensure the prompt appointment of the claims against Government this end will be much facilitated in the cases referred to

& G.O. 2566 of 14 Nov. 1872

* G.O. 1163 of 2nd April 1873

if the Companies will cause their booking clerks to fill up the details of the note according to the warrants furnished to them, in which case the Assistant Quarter Master General or other authorised officer will then sign them and thus make them available as an order for payment". And in a subsequent letter No 182 A-R dated 4th April 1873, the Government of India explained the system as follows— "The object of the Credit note system is to do away with the necessity for ledger accounts and to ensure prompt settlement of claims, and if payments are now made to the Railway Companies in Madras on the presentation of their bills, & the if any inconveniences can be caused by the adoption of the credit note system which it is believed would be

tee of decided advantage to the Railway Companies themselves."

In accepting the exception on behalf of the great Southern of India Railway, Mr. Betts, the present Agent, wrote as follows:- "Practically the exception at present followed on this Railway of payment for carriage of troops &c. is a credit note exception - upon the production of a Railway warrant at a Booking office, the clerk issues tickets in exchange for it - the warrants are sent from the stations to headquarters, where they are collected and presented to the Commissariat officer at Trichinopoly, who at once pays the amount due"

These extracts clearly show that neither the Government of India nor the

* Letter no 5035 dy 15th May 1873 to the Surveyor Engineer for Railways recorded with G.O. 1795 dy 12th July 1873

Sh

Rly 60

the Company's officials have hitherto regarded the Credit note as so much cash which could be paid into the Government Treasury "as part of the Traffic earnings". It is simply an order on the officer who signs it to pay on presentation of the note, the amount entered therein - This is explained by the Govt of India in their Resolutions no 348-360 A. G. R dated 9th July 1873 in the following terms - "Accordingly the exception the claims of the Railway Companies are entered in a statement which is signed by the proper officers at the time of carriage being furnished and the amount paid on demand without

† G.O. 1952 dy 6th August 1873.

without any deduction, disputed items being subsequently taken up and disposed of in correspondence with the Railway officials.

Applying this system to the Conveyance of stone to the repair bridge works, all that will be necessary will be for the D.P.W. Railway staff at the quarries to check over, to the Railway booking clerk, a credit note in duplicate, previously signed by the Executive Engineer. The booking clerk would fill in the particulars, retain the original & the note and hand the duplicate to the Railway subordinate on one form of the Contractor. The original would subsequently be presented by the Railway Company to the Executive Engineer, who would issue a cheque for

for the amount, which he would verify by the duplicate credit note received from ~~Contractor~~ the Railway. There can be little or no fear of fraud under the arrangement. No money passes between the D.P.W subordinate and the booking clerk. The payment is made to the Company directly by the Executive Engineer, who would of course satisfy himself that the number of train loads charged for actually arrive at the bridge works.

The Govt trust that the matter has now been clearly explained, and that no further difficulty will be experienced in giving effect to the Credit note System.

Govt
6.12.87

d/a
11/12/87.

To
The Secy: Govt for Railways
D.O.
Impg: Sanction VI Circle.
" Ex Engr D.
(R for favor of countermichals)

D.O. 7/11/88

R.S.

9 FEB 1889

PUBLIC WORKS.

Virginia Bridge Works
Parkersburg W. Va.
Orders on contractors
Liability of the contractors
for the performance of
their bridges for
the [illegible]