(1) பக்கங்களின் எண்ணிக்கை 50

(2) புதுக்கித் திருப்பிய நாள் 10/80

(3) ஆதாரங்குறிப்பவர் சுருக்கொப்பம்

தமிழ்நாடு ஆவணக் காப்பகம்.

தமிழ்நாடு அரசு

88

P. W. D. துறை

அரசாணை எண்.
மு. கோப்புத் தாள் எண். 2892

அச்சகம்
பலவகை

நாள் : 29-10-1891 198

மடிக்கவோ கண்டபடி கையாளவோ கூடாது

25-Sheets

ஆவண. கா-1—18,000—15-6-87.

2892/1

29th October 1891, No. 2892 W., Public Works.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

General.
Account.

Read—the following papers :—

From the Superintending Engineer, I Circle, dated 12th September 1891, No. 1114 G.D.
Office-note from the Examiner of Public Works Accounts, dated 15th Sept. 1891, No. 5588.
From the Chief Engineer for Irrigation, dated 30th September 1891, No. 25 E.W.
Office-note from the Examiner of Public Works Accounts, dated 8th Oct. 1891, No. 6089.

Order—dated 29th October 1891, No. 2892 W., Public Works.

On further consideration the Government is of opinion that 20 per cent., instead of 25 per cent. as directed in G.O., No. 2092 W., of 23rd August 1891, should be charged on work done in sub-divisional workshops for Imperial Irrigation. No percentage will be charged on work done for Public Works Provincial.

2. On all other work 25 per cent. will be charged.

3. Charges made in the accounts for 1890–91 will not be disturbed.

(True Extract.)

Major, R.E.,
Under-Secy. to Govt., P. W. D.

To Superintending Engineers.
To the Superintendent of Works, Periyár Project.
" Consulting Architect to Government.
" Chief Engineer for Irrigation.
" Examiner, Public Works Accounts.
" Mily Deptt

Exd. C. M. Brisson.
Spare Copies

GENERAL.
ACCOUNT.

Govt. of {1891} Madras.

PUBLIC WORKS.

Dated October, 29th.

Recd. *Encl.*

G.O., 29th Oct. 1891, No. 2892 W.

OCTOBER.

Sub-divisional Workshops

Directing that 20 per cent., instead of 25 per cent., should be charged on work done in — for Imperial Irrigation, that no percentage be charged for work done for Public Works Provincial, and that for all other work 25 per cent. will be charged.

2892/2

(C. No. 1201/8.)

Keep-with Current No.

dated 189 .

GOVT. OF MADRAS. } 189/ . { P. W. DEPT.

EXAMINER, P. W. ACCOUNTS.

Madras, 15 September 189/.

Office Note No. 5888.

To

W.

With reference to G.O.No.2092 W. of 3rd.August 1891, I beg to point out that the effect of the present order directing a charge of 25 per cent to be made on value of work done by Workshop for Imperial Local etc. funds would be that a charge of Rs.55 $\frac{5}{6}$ per cent in all would be levied on the original outlay as a percentage of 24½ (23 on account of establishment and 1½ on account of tools and plant) is already calculated and charged on the total outlay under the above funds, vide code para 1994.

2. The ruling in the present G. O. will further clash with the orders of Government contained in G.O.No.431 W.of 16th.February 1891, now embodied in Madras Code para 1812 note (standing order No.1497).

15/9

Offg.C.

15/9

Fr. Ans 408W d 20.2.85 ✓✓
" " " 371W d 25.5.86 ✓✓
" " " 1678 d 6.3.88 ✓✓
" " " 2141 d 7.5.89 ✓✓
" " " 1529 W d 8-6.89 ✓✓
" " " 2671 W d 24.9.89 ✓✓
" " " 1931 W d 17.7.90 ✓✓
" " " 2838 W d 27.10.90 ✓✓
" " " 1139 W d 24-4.91 ✓✓
Memo No. 2912 C d 15.6.91 ✓✓
Fr. Ans 2092W d 3.8.91 ✓✓
431W " 16.2.91 ✓✓
858W " 30.3.86

Memo No. 4286 C d 30.9.91.

0/79

Rd 16-9-91

5701

2892/3

No. 4286C

Government of Madras.

PUBLIC WORKS DEPARTMENT.

Madras, 30th September 1891

OFFICE NOTE.

From

W

To

C

Your office note No. 5588 d/ 15.9.91, regarding workshop Centages.

Please favour me with a definite statement of the effect of the procedure

(a) before the issue of G.O. No. 2838W d/ 27.10.90,

(b) between the date of that order and of No. 2092W d/ 3-8-91, and

(c) under the latter order.

OCB
29.9.91

DW

Cr

No. 6089 d/ 8. 10-91.

To W.

I. The effect of the procedure under the different orders quoted by you was as follows:-

a. Before the issue of G.O.No.2838W, dated 27th.October 1890, the procedure in the Presidency Workshops differed from that of the Workshops at Dowlaishwaram, the practice of the former having been to charge cost price only for all work done for the P.W.D, while the Dowlaishwaram Workshops charged 25 per cent over and above the cost price for all work done for other than the Godavari Delta Works, work done for the Delta being charged cost price only.

i. The effect of this arrangement was that, in the case of work turned out by the Presidency Workshops, the different funds, Imperial, Provincial, Local etc., paid their share of establishment and tools and plant charges once only, i.e. on the final distribution of these charges; while, for work done at the Dowlaishwaram Workshops, the different funds (with the exception only of the Godavari Delta Imperial funds) were charged centages twice over, i.e. once on the shop cost of the work, and again on the final distribution of general establishment and tools & plant charges.

b. Between the issue of G.O.No. 2838 W. dated 27th.October 1890 ~~above~~ and of G.O.No.2092 W.dated 3rd. August 1891, the anomaly referred to in para 3 would have disappeared, and all funds would have paid their contribution towards general establishment and tools and plant, once, and once only, for work turned out by either of the workshops was ordered to be charged at cost price to all funds alike. But on the representation of the General Superintendent P.W.Workshops that great inconvenience would be caused by writing-back in the accounts of 1890-91 the percentages that had already been charged, the orders conveyed in G.O.No.2838 W.dated 27th.October 1890 were allowed to be held in abeyance until 1st.April 1891.

c. Since the issue of G.O.No.2092 W dated 3rd.August 1891 the anomaly has been continued, with this difference, viz; that previously the double charge was made against all but Godavari Delta Imperial funds, whereas, now, Provincial Funds are ordered to be the only funds exempted from the double charge.

2. Having replied categorically to the points raised in your office note, I venture to add some remarks on the general subject, partly with reference to the Honorable Member's memorandum of 24th.September 1891.

3. The centages referred to in para I of that memorandum are made up -

i. of a percentage of the general & contingent charges of manufacture (para 7 of Examiner's note No.125

dated 25th. February I886 published with G.O.No.858 W. dated 30th. March I886).

I would here emphasize the fact that these "general charges" have nothing to do with establishment, but are restricted to items which during the progress of a job cannot be accurately charged off to individual jobs, as for instance (a) the wages of a maistry supervising several jobs, (b) oil, cotton-waste etc. consumed on more than one job. Such expenses are debited to a head "General Charges" until the end of the month, when they are distributed by means of a percentage on the direct charges for labour and material, such percentage being fixed from time to time by the General Superintendent P.W. Workshops, over the outturn of the month.

ii. of 25 per cent above the cost arrived at as above, viz the cost of outturn, to cover the following indirect charges, viz;

a. Interest on capital 5 per cent
b. Depreciation....... 2 ,,
c. Establishment......IO ,,
d. Tools and Plant.... I ,,
e. Profit............. 7 ,,

(vide para 8 of Examiner's note quoted above in para 3.i.)

4. It is thus clear that the price of an article is made up of three different sets of charges, viz;

2892/5

4 P

a. direct charges for labour & material, that is to say charges of either kind which can, without difficulty, be allocated to specific jobs.

b. a share of general charges of manufacture, that is to say of charges which cannot thus be allocated to specific jobs.

These charges may, for convenience be termed "Workshop centages".

c. indirect charges, that is to say charges which find no place in, and are therefore extraneous to, the detailed cost of manufacture of any article.

5. The total of a + b represents what is technically known as the cost of outturn, and it is on this total that indirect charges (c) are levied for interest on capital, wear and tear of machinery, general establishment, tools and plant, and profit.

6. The total of a + b + c is the price of an article.

7. Under c, as shown above, in para 3.ii, the following percentages (among others) are charged, viz;

IO per cent for Establishment, and
I per cent for Tools and Plant;

and it is on this point that the Honorable Member is under a wrong impression. In para 5 of his note it is said -

> "The 25 per cent added to cost of materials, stores and labour, on account of general Workshop charges . . . is an entirely different charge from the 24½ per cent on the cost of works for general establishment and ~~for~~ tools & plant, and there is no double charge involved . . . ".

From this it would appear that the Honorable Member is of opinion that the charge of 25 per cent represents what has been described above, under b, as "Workshop centages": but this is not the case, as here shown.

8. The additional charge of 24½ per cent on the full price of an article is intended to cover charges for-

General Establishment at 23 per cent,
Tools and Plant at I½ per cent;

but as shown above provision for these charges has already been included in that price at the rates of I0 per cent and I per cent respectively.

9. The following illustration of the cost ~~of~~ to Imperial, under the present orders, of work done in the shops, will show clearly the effect of those orders;-

a. Direct charges, say Rs.	94
b. Workshop centages ,,	6
A. Cost of outturn.......	I00
c. Indirect charges at 25%...	25
B. Price................	I25
Add for Establishement and Tools & Plant at 24½ %	$30\frac{5}{8}$
Total	$155\frac{5}{8}$

2892/6

5 P

That is to say, Imperial will be charged $55\frac{5}{8}$ per cent above the cost (A), and ~~$30\frac{5}{8}$~~ 24½% beyond the price (B), of work done in the shops, notwithstanding the fact that such price includes percentages for general establishment, tools & plant, and all other indirect charges.

I0. I confidently submit that this cannot be intended.

II. Moreover, I would give prominence to the fact that the transfer of the Dowlaishwaram Workshops from Imperial to Provincial has been only nominal. The capital was provided by Imperial, and although Provincial has assumed the proprietorship of the shops, Imperial has not been reimbursed for its outlay on block and plant; and Provincial is decidedly reaping where it has not sown. But although Provincial is enjoying the free use of block and plant which was purchased with Imperial funds, it makes a charge to Imperial, on the cost of outturn of all work done for Imperial, of 5 per cent for interest on capital - that is the capital provided by Imperial -. 2 per cent for depreciation of the plant also provided by Imperial, I per cent for the tools and plant also furnished by Imperial, and 7 per cent for profit on work which could not have been undertaken without the capital provided by ~~capital~~ Imperial. These items aggregate I5 per cent out of the 25 per cent included in the Workshop accounts in the price of every article of outturn, and in my opinion they cannot be justified unless Provincial either recoups Imperial for the capital expended on the shops, or pays interest to Imperial on the full amount of such capital outlay.

I2. As I understand the case, however, Provincial does not want the shops, and from the papers published with G.O. No.267I W. dated 24th. September I889 it is clear that the primary object of the shops is to keep irrigation works in repair, in consideration of which the Executive Engineer stated that "the delta was willing and able to cover, say the indirect charges". I am not sure that the Executive Engineer understood the expression "indirect charges" in the sense in which it is used in this Note, but considering that Imperial has actually paid for the equipment of the shops I do not consider it equitable that it should be called upon to make any contribution towards interest on capital, depreciation, or profit. It pays for establishment and tools and plant in the 24½ per cent that is charged under the orders of the Government of India on all work done by one fund for another, and it should not therefore be required to pay twice for these charges. Imperial should, on these grounds, be exempted altogether from the 25 per cent charge for interest on capital, depreciation, profit, establishment, and tools and plant.

I3. As regards the share of indirect charges that should be paid by Provincial, it should be borne in mind that, although this service has not paid for the plant and machinery, the cost of repairing and renewing that plant & machinery, together with the cost of the establishment employed in maintaining the shops, is nevertheless borne by Provincial funds. Those funds should I submit be therefore exempted from contribution towards depreciation, establishment, and tools and plant. Whether they should also be exempted from percentages for interest and profit, is a question for decision by Government.

I4. In connection with this point I would urge that the circumstances of the case appear to claim some concession in favour of Provincial. As stated in the preceding para, the shops are kept up for the convenience, primarily, of Imperial, but that notwithstanding this Provincial bears the entire cost of maintaining the shops and moreover accepts the loss (and possible profit) on working. In consideration of this I would propose that Provincial, like Imperial, be exempted entirely from the 25 percentage ~~charge~~ for indirect charges.

I5. On all expenditure passing through the accounts of the P.W.D. on account of Local and other funds, 24½ per cent is charged, as in the case of Imperial, for Establishment and Tools & Plant, and it would therefore be unfair to make a second charge for these items. And unless Government is willing to make a concession in favour of these funds and exempt them altogether from the 25 per cent, I would restrict their share of indirect charges to 7 per cent, viz; interest on capital (5 per cent) and depreciation (2 per cent), foregoing profit. ~~[illegible]~~.

I6. If however an Engineer, or other officer, belonging to any of these funds should have work done in the shops the cost of which does not pass through the accounts of the P.W.D., such work should be treated as done for the public (see para 20). Cases of this kind may not be frequent, but it is just as well to provide for them.

I7. But I see no valid reason for the order in Code para I8I2, notes under which State Railways and the Military Works Department are required to pay only I0 per cent towards indirect charges. Neither of these two Branches of the service pays any portion of the 24½ per cent which is compulsory in other cases, and I am clearly of opinion that both these Departments should pay the full 25 per cent for indirect charges.

I8. In this connection I would draw attention to the fact that if an open line of a State Railway did any work in its shops for the P.W.D. it

2892/8

would charge 25 per cent, whereas if the work was done in the workshop of a State Railway under construction the charge would be 35 per cent against our 25 thus -

I0 per cent on the book value of the stores used on the work (Government of India Code, volume III, chapter VI para 40 and chapter VII, para 4)

I0 per cent on labour and stores (Government of India Code, volume III, chapter VII, para 4).

2 per cent on actual cost of outturn to meet heavy repairs and renewals of machinery (Government of India Code, volume III, chapter VII, para 5)

5 per cent on actual cost of outturn for interest on capital (Government of India Code, volume III, chapter VII, para 5).

8 per cent on actual cost of outturn for profit (Government of India Code volume III, chapter VII, para 5).

Why then should we let State Railways off with a charge of only I0 per cent, which merely represents Establishment charges?

I9. I would remark in passing that from the correspondence published with G.O.No.43I W. dated I6th. February I89I, on which code para I8I2, notes is apparently based, it is evident that the objection raised by Mr. Spring was to a charge of 25 per cent on the value of stores sold to him, and not on work done for him in our shops. For this he expressed his readiness to pay the full 25 per cent. There is nothing in the correspondence to show how it led to the decision to reduce the charge for work done for State Railways and the Military Works Department to 10 per cent.

20. For the same reasons that are given above in reference to State Railways and the Military Works Department, the full 25 per cent should be charged to all other Departments of Government and the public,--"the public" including Local and other funds Officers as explained in para 16.

21. Summarized, my proposals are that the following percentages be charged to cover indirect charges:

i. For Imperial or Provincial Services............... nil
ii. ,, Local & other Funds.. 7 %
iii. ,, State and Guaranteed Railways.............. 25 %
iv. ,, the Military Works Department............ 25 %
v. ,, all other Government Departments........... 25 %
vi. ,, the public............ 25 %;

but they are subject to the opinion of the General Superintendent P.W. Workshops as to whether the rates recommended are likely to have the effect of depriving the shops of work at ~~fines~~ times when they are comparatively idle in

---

2892/9

reference to departmental work.

8/10/91
Offg. C.

10852

Recd: 8.10.91

10/10

From W. Jopp Esqr. Executive Engineer, Kistna Eastern Division, to the Superintending Engineer, 2nd Circle, dated 25th August 1891

No. 2613.

2842/10

I have the honor to draw your attention to G.O. No. 2092 W of 3-8-91, in which it is directed that 25% be charged on all works carried out in the Workshops under whatever head of account except Province

2. Until this order, it was the approved custom to charge 25% on works carried out for other Departments & private parties only. Now it will be obligatory to charge 25% on irrigation works also & as the delta irrigation project estimates do not provide for any such charge, it will be necessary to revise them.

3. To the estimates for irrigation works of this Delta, which still remain incomplete, a charge of

23% has already been added on account of Establishment tools & plant, and there would appear no good ground for charging once more on account of the Provincial Establishment engaged on workshop operations as will be the case under the G.O. referred to.

4. From the wording of the Government order "twenty five per cent will continue to be charged" it would seem that it was understood that irrigation works have hitherto been charged with 25%, but this has not been the case. If such charge is now insisted upon, it will result in practically closing the shops to irrigation works, the very works for which they were originally instituted.

No. 1334 K.S. dated 8th September 91

Forwarded to the ~

Chief Engineer, Public Work
thro' the Chief Engineer for Irrig
for orders, with the remark th
if the G.O. to which the Division Of
takes exception is to be applied to th
Bezwada shops, Capital works executed in these shops will have to bear a charge of 48 per cent for Establishment, which does not appear to be necessary or advisable.

2892/11

J Hamer

Supdg. Engineer,
K. 2nd Circle
4-9-91.

The Superintending Engineer
II Circle.

To

The Chief Engineer
P.W. Department.

Through The Chief Engineer
For Irrigation,
Madras.

Dated 8th September 1891.

No. 1334 K.S.

E.I.
P.W. No. 564/91

Workshops at Bezwada – Forwards for orders Copy of letter from Ex: Engr Kistna Eastern Dn for percentage charge for works executed in the —

CHIEF ENGINEER
FOR IRRIGATION
11 SEP 91
No.

CHIEF ENGINEER
FOR IRRIGATION

No 226 d/16 Septr 1891

To "C".

For favor of remarks.

D.E.I.

16. 9. 91

No. 5792 d/ 24-9-91

To E.I.

Herewith a copy of my office note No.5588 of 15th.September 1891 remarking on the orders of Government (G.O No.2092 W.of 3rd.August 1891) relating to centages charged on value of work done by Sub-division Workshops.

2. The representation of the Executive Engineer Kistna Eastern Division now received might also be submitted to Government for orders in connection with the above office note.

24/9

Offg.C.

24/9

24/9
(Enclosure)

2892/12

Copy of office note from the Examiner P.W. Accounts Madras to the Secretary to Government P.W. Department No. 5588 dated 15th September 1891.

With reference to G.O. No. 2092 W dated 3rd August 1891, I beg to point out that the effect of the present order directing a charge of 25 per cent to be made on value of work done by Workshop for Imperial, Local &ca. funds would be that a charge of 55 5/8 per cent in all would be levied on the original outlay as a percentage of 24½ (23 on account of Establishment and 1½ on account of Tools & Plant) is already calculated and charged on the total outlay under the above funds, *vide* code para 1994.

2. The ruling in the present G.O will further clash with the orders of Government contained in G.O. No. 431 W dated 16th February 1891, now embodied in Madras Code para 1812 note (Standing Order No. 1497)

(True Copy)

Mahomed Yacob
for Supt. Correspondence Branch

24/9

24/9

E.2
PW/10569/91

2892/13

Letter from the Superintending Engineer 2nd Circle No. 1334 K.S. dated 8th September 1891.—

No. 25. E.W.

11 P

Forwarded to the Chief Engineer P.W.D. with the remark that, on consideration of the enclosure of the Superintending Engineer's letter and of the Examiner's Office note No. 5588 dated 15th September 1891, the undersigned agrees with the Supdg. Engineer in considering that irrigation Works should not be required to pay the separate workshops percentage charge, which would raise the total percentage charge to them to no less than 55 5/8 per cent, and thus make it impossible for the works already sanctioned to use the shops, the very object of which is to be of use to the irrigation Works

Geo. Walch

Chief Engineer for Irrign.

Ootacamund
30th Septr 1891

To

The Chief Engineer P.W.D.

3.10.91

1

P. W. CURRENT No. 10569

From,

The Chief Engineer
for Irrigation

To. The Chief Engineer
P. W. D.

No 25 Exh.
Dated 30-9-91.
Rd 6. 10. 91

Enclos. 2

No. 2092 W d/ 3-8-91
1139 W d/ 24-4-91
431 W d/ 16-2-91
2838 W d/ 27-10-90
2671 W d/ 24-9-89

1529 W d/ 8-6-89
214 I d/ 7-8-89
167 I d/ 6-3-88
371 I d/ 25-5-86
858 W d/ 30-3-86
408 W d/ 20-2-85

Subject.

Forwarding letter from the Supg Engr 1st Circle with the remark that irrigation works should not be required to pay two separate percentage charges for works executed in the workshops at Bezwada.

P/10/10

No. 395 S.

Godavari Eastern Dn Office
Dowlaishweram 5th Septr 1891

2892/14

From

C. Mitford-Smith Esquire
Executive Engineer
Godavari Eastern Division

To

The Superintending Engineer
First Circle

Sir

G. O. No. 2092 W of 3rd August 1891 directing that 25 per cent be charged on all works done for the Public works other than Provincial as well as for other Departments and private parties is I believe intended to cancel such portion of G. O. No. 431 W of 16th February 1891 as relates to centage chargeable for work done for the Military works and State Railways, the ten per cent referred to therein being limited to centage on value of stores or raw materials issued from P. W. Stock agreeably to para 1851 of P. W. Code (G. O. No. 935 of 14th October 1889 concluding part).

2. As the intention is not, however, explicit, I have the honor to request that

that you will ascertain from the Chief Engineer as to whether the interpretation in para 1 is correct.

I have &c &c

Sd/ C. Mitford Smith
Executive Engineer
Godavari Eastern Dn

No. 1114 G. D.

Copy submitted to the Chief Engineer P. W. Department for favour of instructions in the matter referred to by the Executive Engin in the above letter

12th September 1891
Despd 14th

Offg: Supg: Engineer I Circle

EH

2892/15

G. O. No. 1139 W d/ 24.4.91
" " 2092 W d/ 3.8.91

FROM C. Mitford Sm

Offg: SUPERINTENDING ENGINEER

FIRST CIRCLE.

TO,

THE CHIEF ENGINEER

PUBLIC WORKS DEPARTMENT.

MADRAS.

DATED 12th
DESPATCHED 14th } September 1891
RECEIVED

No. 1114 G. D.

ENCLOSURES.

SUBJECT.

Centage charges subm
copy of Godavari Easte
Division Officer's letter
No. 395 S d/5th Septr 1891
for favour of instructions
as regards certain —

2892/16

PUBLIC WORKS

PROCEEDINGS OF THE MADRAS GOVERNMENT.

READ the following

Office Note from the Examiner P.W. Accts: } (H. E. No. 5588 d/ 15.IX.91)

The orders contained in G.O. No. 2092 W d/ 3rd Aug: 91 were issued after full consideration of the circumstances, and the Government sees no occasion for altering them.

2. The express intention of the orders was to overrule those contained in G.O. No. 431 W d/ 16th Feby 91.

15.9

Ex. P.W. Accts:—

Hm

P. W. Department.

2892/17

Read the following:—

Office note from the Exr. P.W. Accounts No. 5588 dated 15th September 1891.

For orders with a draft order.

The order referred to was framed on the instructions of the Hon'ble Member who is aware that the undersigned did not take the same view as himself.

2. There is nothing in the Examiner's note to justify a reopening of the question.

W.
19.9

There is, if Estabt. &c centages are charged twice over, as the Examiner says.. Is he correct? I understood the former order to be that no centages at all were to be charged. My intentn was that one set of centages should be, not that two shd be added.

20 Sep

Ohs86.A
Hm19.18

Hm

Ob086.14 Mr24.14
HBn19.14

2892/18

P. W. DEPARTMENT.

READ the following :—

From the Supt'g Engineer I Circle No. 1114 G.D.
dated 12.IX.91

FOR ORDERS.

Submitted in connection with C No. 9842 (linked file) - The 10 per cent charge for stores and raw materials issued from the shops should not apparently be affected in any case.

W
22.9

Hm

FOR ORDERS.

Orders Not passed by Hm
24.4.92

Obs 90.1t
Hm 22.1t M 24.1t

C. No 9842

2892/29

Note for Hon: Member

The undersigned regrets that he finds it impossible to reconcile the Hon. Member's instructions on which G.O. No. 2092 W of 3rd Augt 1891 was based with the principle that only one set of percentages is to be charged.

x Yes - Please see p. 2 of G.O. 858 W. of 30th March 86

2. The cost of articles issued from the workshops is included in the expenditure on the works on which they are used, and on this expenditure a charge of 24 1/2 per cent for establishment and Tools and Plant is made to funds other than Provincial, so that if the workshops

1. This cost includes a lot of +centages, I believe. Does it & if so what are they.

2. I understood the former question to have referred to workshop centages not charge for general estab^t & tools & plant, & the order in respect to have been that workshop centages were not to be charged to ~~any depts~~ the P.W.D. for Imperial &c. funds.

3. The state of the case as I understand it is that the arrangements sanctioned in G.O. 21 May 85 No. 571 I. have been altered by placing provincial funds in the position assigned in that order to Imperial funds, which

price includes any extra percentage the double charge is unavoidable.

3. This double charge was avoided by the procedure laid down in G.O. No. 2838W of 27th October 1890 which was cancelled by the instructions of the Hon. Member who overruled the strong objections of the undersigned.

4. If as now appears to be the case, these instructions were given in forgetfulness of the fact that percentage for establishment is of necessity charged on the workshop prices which are included in the expenditure on works, it is suggested

2892/20

that the best way out of the difficulty is to cancel G.O. No. 2092W of 30th August 1891 and allow No. 2838W of 27th October 1890 to stand.

W
22.9

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paid the actual cost of materials & labour only, for projects works (para 3 of the G.O.); for were debited with workshop estabt. & tools & plant, & charged to all other funds a percentage, or set of percentages aggregating 25% per cent, to cover all workshop charges other than raw materials stores & labour.

4. These arrangements were perfectly sensible & intelligible. The 25% went into what W. calls the cost of articles issued from the workshop, to all other than delta funds. When provincial took the place of delta or project funds as responsible for the workshops, the only change called for was to free provincial from the workshop percentages, & subject imperial funds to them. But the order to which I objected was that provincial should bear the workshop charges & profit & loss, & that imperial & other funds should nevertheless not be charged workshop percentages on work done for or through the P.W.D. This was a grossly inequitable arrangement for provincial funds, & I opposed it.

5. The 25% added to cost of materials stores & labour, on account of general workshop charges, may or may not correctly represent these charges; but it is an entirely different charge from the 24½ % ~~from~~ D.P.W. the cost of works for general establishment & tools & plant, and there is no double charge involved by making Impl. pay it.

6. I should yield at once to objections of the Chief Engineer in profl. matters, but this is not such. If the Secy. can point out how the view I have explained above is wrong, I shall be glad. But it is not enough for him merely to say that he objects to it. I may be wrong but I must be satisfied that I am so before I change my view.

WS
24 Sep

Hm

24-7-91

2892/21

P.W.D

Read the folly:—

Office note from the Examiner P. W. Accounts, Madras No. 6089 d/8. x. 91.

For orders

On receipt of the Hm's note of 24. 7. 91 the undersigned being about to proceed on a tour of inspection requested the Under Secretary to discuss the matter with the Examiner and submit a note shewing exactly the effect of the various orders which had been passed upon the subject of the percentages to be charged by P. W. Workshops.

2. This note is now submitted.

3. In the opinion of the undersigned the Examiner has shewn

The Examiner's note throws a good deal of light on the matter, and is ingenious.

Taking the divisions of the percentages under heads a b c in §4. there is of course no doubt about a. The head b includes I presume the charges distributed at the end of each month over all the jobs done & alluded to in §1. These are also all right, but the maistries, foremen & higher officers, if any, who are entertained for and employed solely in the workshops are charged I understand at present to Estabt. Provl.; ~~are~~ The 10% included under head c is I understand a charge for general PWD Estabt. Jobs and above the percentage for workshop estabt. proper included under head b. & does not cover workshop estabt. proper. The Examiner contends that this item involves double charge as 24½% on the cost of the whole work, which includes the cost of the articles made in the workshop.

Obs 86·ff
Hm 22·ff

"good grounds" for the exemption of Provincial and Imperial Funds from all percentages; and also for charging to "Military Works" and "State and Guaranteed Railways" the full amount of 25 per cent charged to all other Government Depts and the public; so far as concerns items 1, 3, 4, 5 & 6 of para 21 of the Examiner's note, the undersigned concurs in his views.

4. With regard to item 2 "Local and other (? unclassified) Funds" the case is different. The undersigned thinks that the charge to these funds should in principle depend on whether the work done in the workshop is in connection with an estimate being carried out by the Public Works Dept establishment or not. If it is, nothing should be charged. If not, there seems no reason for charging less to Local Funds than to other Government Depts.

5. The undersigned does not consider that the point raised in the last part of para 21 of the Examiner's note should be allowed to affect the question; in his opinion anything that tends to keep work other than Departmental out of the Departmental Workshop is in itself an advantage.

6. In this connection attention is invited to the note of the Chief Engineer for Irrigation No. 25 Ed of 30th Septr 1891 received while the discussion was in progress.

7. The undersigned desires to offer a word

is also charged. It is of course clear that there is additional charge of 10% + 24½% of this 10%. But is this wrong? The 24½% would be charged just the same ~~whether~~ if the articles were got from private factories, and not from the workshops; and the question therefore is whether the whole workshop price including this 10% is greater than would be the price at a private firm. I fancy the D.P.W. at any rate is bound to answer this question in the negative. For the 10% services are rendered by General Estabt. in excess of those which would be rendered were the articles got from private manufacturers.

These arguments also apply to the 1% included under head C. for general tools & plant. This does not represent workshop tools & plant "furnished" as the Examiner says in §11.4 ~~[illegible]~~ by imperial. ~~[illegible]~~ ~~idea~~ Seeing that special services over & above what is rendered when the articles are got from private firms are rendered for the 10% + 1%, I cannot see that the charges are wrong in principle. The rates may be too high, or too low; I can have no opinion on that point; if wrong let them be revised; but the charges are sound in principle.

He appears to extend it to all Imperial funds but this is hardly consistent with his proposal to charge State Ry & Mil. works the full 25%.

As regards interest 5% depreciation 2% and profit 7% the Examiner now takes up a new ground viz. that the workshop block & plant having been made over by ~~[illegible]~~ Irrigation, Imperial gratis, these percentages ought not to be raised against works done for those funds.

The argument must be admitted as regards interest, in full in the first year on the capital value of the block & plant, & in succeeding years on such value diminished by depreciation (which would accrue even if the block & plant were not used). It does not apply to depreciation at all as the cost of depreciation is made good since the transfer of the workshops from provincial funds. Nor does it apply to profit which is the result of management and of the application of capital in a particular way, with which management and application Imperial has now nothing to do. It might as well be said that the holders of debenture debt on a factory were entitled to the whole profit made therein by the employment of their capital in it.

Even as regards interest, the claim on behalf of Imperial Irrigation ought to have been made of explanation on a point on which his meaning appears to have been misunderstood; he had no intention of questioning or cavilling at the Hle's decision; on the contrary the decision conveyed in G.O. No. 2092W of 3d August 1891, though directly opposed to his own opinion, was accepted at once and the necessary orders issued. When an alter~~native~~ation in this order was suggested the undersigned (note of 17th September 1891) said distinctly that he saw no reason for reopening the question. It was only when it appeared from the Hle's remark on this note that the latter had misunderstood

the block & plant were handed over as a free gift to provincial. However I won't urge that but consent to the 5% being remitted on work done for Imperial Agency. None of the 25% should be charged on work done for provincial funds.

But I don't see that any remission of these charges should be made against any other funds, ~~any~~ or against the public.

HLS
24 Oct.

I did not intend to charge the Lad. with any cavilling at or an unwillingness to carry out my orders.

2892/23

the position that he suggested a reversion to the former practice as the best means of carrying out what he believed to be the Hle's views.

W

Camp.
Kallandry
October 20. 1891

For Orders

Am: 23/10.
R 26/10.

No 2892 W d/ 29th Oct /91

Public Works Department.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

2892/24

Read the following

Office note from the Examiner P.W. Accounts (H.E. No 5588 d/ 15.IX.91
do from do (" " 6089 d/ 8.X.91)
From the Chief Engr. for I. " " 25 Ew d/ 30.IX.91
do S.E. I Circle " " 1114 G.D. d/ 12.IX.91

On further consideration the Govt. is of opinion that 20 per cent, instead of 25 per cent as directed in G.O. No 2092 W of 28th August 1891 should be charged on work done in subdivisional workshops for Imperial Irrigation. No percentage will be charged on work done for Public Works Provincial.

Hs 28 Oct.

2. On all other work 25 per cent will be charged.

3. Charges made in the accounts for 1890-1 will not be disturbed.

S 26.10

Supdg Engineers
S. W. P. Project
C.A. to Govt.
C.E. Br I.
Ex. P.W. Ac.

Desptd 13/11/91

~~Mily. Deptt~~ Dell'd 2/12/91

2892/25

C.N. 10504

Govt. of 1891 Madras.

PUBLIC WORKS.

29. X 91 2892 W

Sub-Dist Workshop
~~Percentages to be~~
~~charged by P.W.~~
~~Workshops.~~

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Directing that 20 per cent, instead of 25 per cent, should be charged on work done in — for Indep't Depts; that no percentage be charged for work done for P.W. Dept; and that for all other work 25 % will be charged

2 20/12

(25)

9.c. 30.4

2 30/10