

MADRAS RECORD OFFICE.

Government of Madras.

Public **DEPARTMENT.**

G.O. No. *382*

Press
~~Mis.~~

Dated

4-4-1870

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Department,
4th April 1870.*

No. 25. Read the following letter from the Supervisor of the Government Press, to the Chief Secretary to Government, Fort Saint George; dated 15th March 1870, No. 293.

I have the honour to forward a report from the Superintendent of the Government Press showing the result of the Stock taking, carried out under the orders of Government, Public Department, No. 1230, dated 1st September 1869. It was commenced on 1st November and finished on 11th December last, and was done department by department so as to cause the least possible interruption to current work. It has been a very laborious operation, and has been carried out by Mr. Morgan with great care and commendable expedition.

2. Stock was last taken in 1861, when an estimated value of the type (being cost price less depreciation) was entered, and the total value of the stock was taken to be Rupees 1,15,025-12-3. Mr. Morgan has taken every article purchased since 1861 at its full cost price, and estimates the cost price of the stock now in the press (including stationery stores) at Rupees 2,15,178. The cost price in 1861 was Rupees 1,31,110-12-3.

3. The present stock taking is of great value as showing exactly what is in the press; but, as the values entered are cost prices, it does not furnish any basis on which to found calculations of the depreciation, which is to be allowed for when the cost of work executed is being made out, at the end of each official year.

4. This has hitherto been done in a very arbitrary and erroneous way. In 1864-65, when a commencement was made, the plant was assumed to be worth Rupees 80,000, and the depreciation on all of it taken together having been assumed

The value of plant, on the data now furnished by Mr. Morgan, is shown by the table which forms enclosure 1 to have been, at the end of 1864-65, Rupees 90,089, and the mean rate of depreciation 12.58, not fourteen per cent.

to be at the rate of fourteen per cent., an allowance of Rupees 11,200 for depreciation was added to the other expenses to make up the whole cost of the work done. For 1865-66 allowance was made at the same amount.

In 1866-67, the value purchases of 1865-66 (Rupees 25,791) was added to the value assumed at the end of 1864-65 (Rupees 80,000), and the allowance struck on the total, Rupees 1,05,791. For 1867-68 the plant was taken to be worth Rupees 1,10,518, and for 1868-69 the value assumed was Rupees 1,02,416-8-8, figures which I cannot at all explain. The purchases of plant in 1866-67, 1867-68, and 1868-69 were respectively 13,999, 28,695, and 20,286 rupees. The assumed rate of depreciation was throughout fourteen per cent.

5. Mr. Morgan has shown in his report now submitted that the rates of depreciation of plant of different kinds are very different; thus type material depreciates at seventeen per cent., machines at eight, presses at four, and miscellaneous furniture at ten per cent. He adduces, it seems to me, sufficient evidence in support of these conclusions, and his opinion as that of a practical printer, who has had long experience of the special conditions to which printing material is exposed in the Government Press, is entitled to great weight. The circumstances that particular presses (for instance) have lasted longer than they ought on his assumption must be taken as exceptional, and ought not to invalidate his conclusions. I recommend that his rates, which err, if at all, obviously on the safe side, may be accepted.

*Proceedings of the Madras Government, Public Department,
4th April 1870.*

6. Mr. Morgan having laid down the separate rates of depreciation proposes that the aggregate depreciation shall be taken at thirteen per cent. in future, (paragraphs 24 to 29.) He apparently arrives at this rate as shown in the margin. But it is obvious that it is unsafe to adopt a uniform rate of this kind; as an alteration in the relative proportion of the several kinds of plant will produce a considerable variation in the mean rate of depreciation, which rate must be determined for each year with reference to the composition of the plant at the time (see column 6, enclosure.)

7. The value of stock at the end of each year is equal to the value at the commencement, less depreciation, plus the purchases of the year. Of course, if thought fit, shorter periods than a year may be taken; but I think that, for practical purposes, it will be sufficient to strike the depreciation once a year. Starting from the value of the stock as found towards the close of 1861, and using Mr. Morgan's rates, I find that the value of the plant on the 1st April 1870. will be (omitting fractions) as follows:—Type material, Rupees 75,830; Miscellaneous furniture, Rupees 30,662; Machines, Rupees 17,522·87; and Presses, Rupees 15,663; total Rupees 1,39,679, (*vide* enclosure.)

8. I ask sanction for the adoption of this sum as that on which the depreciation shall be calculated for the official year 1869-70.

Statement showing the Value and Depreciation of the Plant in the Government Press, from 1861-62 to 1869-70.

	Type material, 17 per cent.	Miscellaneous furniture, 10 per cent.	Machines, 8 per cent.	Presses, 4 per cent.	Total.	Mean rate of depreciation for each year.
	RS.	RS.	RS.	RS.	RS.	Per cent.
<i>Value in Stock Account of September 1861</i> ...	39,715·00	24,031·00	17,390·00	12,020·00	93,156·00	11·83
<i>Depreciation 1861-62, (7 months)</i> ...	3,938·40	1,401·80	811·53	280·47	6,432·20	
<i>Additions after stock taking 1861-62</i> ...	35,776·60	22,629·20	16,578·47	11,739·53	86,723·80	11·76
<i>Value on 1st May 1862</i> ...	37,679·60	24,665·20	16,578·47	11,739·53	90,662·80	
<i>Depreciation 1862-63</i> ...	6,405·53	2,466·52	1,326·28	469·58	10,667·91	11·76
<i>Additions 1862-63</i> ...	31,274·07	22,198·68	15,252·19	11,269·95	79,994·89	
<i>Value on 1st May 1863</i> ...	35,414·07	23,081·68	15,252·19	11,269·95	85,017·89	11·76
<i>Depreciation 1863-64</i> ...	6,020·39	2,308·17	1,220·18	450·80	9,999·54	
<i>Additions 1863-64</i> ...	29,393·68	20,773·51	14,032·01	10,819·15	75,018·35	12·87
<i>Value on 1st April 1870</i> ...	12,335·00	2,051·00			14,386·00	

*Proceedings of the Madras Government, Public Department,
4th April 1870.*

Statement showing the Value and Depreciation of the Plant in the Government Press, from 1861-62 to 1869-70.—(Continued.)

	Type material, 17 per cent.	Miscellaneous furniture, 10 per cent.	Machines, 8 per cent.	Presses, 4 per cent.	Total.	Mean rate of depreciation for each year.
	RS.	RS.	RS.	RS.	RS.	Per cent.
<i>Value on 1st May 1864</i> ...	41,728·68	22,824·51	14,032·01	10,819·15	89,404·35	12·22
<i>Depreciation 1864-65</i> ...	7,093·87	2,282·45	1,122·56	432·77	10,931·65	
<i>Additions 1864-65</i> ...	34,634·81	20,542·06	12,909·45	10,386·38	78,472·70	12·58
<i>Value on 1st May 1865</i> ...	11,223·00	391·00			11,614·00	
<i>Depreciation 1865-66</i> ...	45,857·81	20,933·06	12,909·45	10,386·38	90,086·70	13·15
<i>Additions 1865-66</i> ...	7,795·83	2,093·31	1,032·76	415·46	11,337·36	
<i>Value on 1st May 1866</i> ...	38,061·98	18,839·75	11,876·69	9,970·92	78,749·34	13·02
<i>Depreciation 1866-67, (11 months)</i> ...	21,213·00	4,578·00	450·00		26,241·00	
<i>Additions 1866-67</i> ...	59,274·98	23,417·75	12,326·69	9,970·92	1,04,990·34	13·17
<i>Value on 1st April 1867</i> ...	9,237·02	2,146·62	903·96	365·60	12,653·20	
<i>Depreciation 1867-68</i> ...	50,037·96	21,271·13	11,422·73	9,605·32	92,337·14	13·19
<i>Additions 1867-68</i> ...	13,128·00	4,446·00	6,000·00		23,574·00	
<i>Value on 1st April 1868</i> ...	63,165·96	25,717·13	17,422·73	9,605·32	1,15,911·14	12·87
<i>Depreciation 1868-69</i> ...	10,738·21	2,571·71	1,393·82	384·21	15,087·95	
<i>Additions 1868-69</i> ...	52,427·75	23,145·42	16,028·91	9,221·11	1,00,823·19	13·19
<i>Value on 1st April 1869</i> ...	12,008·00	1,981·00			13,989·00	
<i>Depreciation 1869-70</i> ...	64,435·75	25,126·42	16,028·91	9,221·11	1,14,812·19	12·87
<i>Additions 1869-70</i> ...	10,954·08	2,512·64	1,282·31	368·84	15,117·87	
<i>Value on 1st April 1870</i> ...	53,481·67	22,613·78	14,746·60	8,852·27	99,694·32	12·87
<i>Depreciation 1870-71</i> ...	23,214·00	4,084·00	4,300·00	2,850·00	34,348·00	
<i>Value on 1st April 1871</i> ...	76,695·67	26,697·78	19,046·60	11,702·27	1,34,142·32	12·87
<i>Depreciation 1871-72</i> ...	13,038·26	2,669·78	1,523·73	468·09	17,699·86	
<i>Additions 1871-72</i> ...	63,657·41	24,028·00	17,522·87	11,234·18	1,16,442·46	12·87
<i>Value on 1st April 1872</i> ...	12,173·00	6,634·00		4,429·00	23,236·00	
<i>Value on 1st April 1870</i> ...	75,830·41	30,662·00	17,522·87	15,663·18	1,39,678·46	12·87

No. 26. ORDER THEREON, 4th April 1870, No. 382.

The Government approve of the sum of Rupees 1,39,679 being taken as that on which the depreciation of the Government Press Stock shall be calculated for 1869-70, and of the rates of depreciation for each description of Stock proposed in paragraph 5.

(True Extract.)

Chief Secretary.

To the Supervisor of the Government Press.

Ed. J. Wright.

FROM THE SUPERVISOR OF THE GOVERNMENT PRESS.
To THE CHIEF SECRETARY TO GOVERNMENT,
FORT SAINT GEORGE.

SIR,

I have the honour to forward a report from the Superintendent of the Government Press showing the result of the Stock taking, carried out under the orders of Government, Public Department, No. 1230, dated 1st September 1869. It was commenced on 1st November and finished on 11th December last, and was done department by department so as to cause the least possible interruption to current work. It has been a very laborious operation, and has been carried out by Mr. Morgan with great care and commendable expedition.

2. Stock was last taken in 1861, when an estimated value of the type (being cost price less depreciation) was entered, and the total value of the stock was taken to be Rupees 1,15,025-12-3. Mr. Morgan has taken every article purchased since 1861 at its full cost price, and estimates the cost price of the stock now in the press (including stationery stores) at Rupees 2,15,178. The cost price in 1861 was Rupees 1,31,110-12-3.

3. The present stock taking is of great value as showing exactly what is in the press; but, as the values entered are cost prices, it does not furnish any basis on which to found calculations of the depreciation, which is to be allowed for when the cost of work executed is being made out, at the end of each official year.

4. This has hitherto been done in a very arbitrary and erroneous way. In 1864-65, when a commencement was made, the plant was assumed to be worth Rupees 80,000, and the depreciation on all of it taken together having been assumed to be at the rate of fourteen per cent., an allowance of Rupees 11,200 for depreciation was added to the other

The value of plant, on the data now furnished by Mr. Morgan, is shown by the table which is enclosed to have 1864-65, Rupees 80,000, and the mean rate of depreciation 12.58, not fourteen per cent.

expenses to make up the whole cost of the work done. For 1865-66 allowance was made at the same amount.

In 1866-67, the value purchases of 1865-66 (Rupees 25,791) was added to the value assumed at the end of 1864-65 (Rupees 80,000), and the allowance struck on the total, Rupees 1,05,791. For 1867-68 the plant was taken to be worth Rupees 1,10,518, and for 1868-69 the value assumed was Rupees 1,02,416-8-8, figures which I cannot at all explain. The purchases of plant in 1866-67, 1867-68, and 1868-69 were respectively 13,999, 28,695, and 20,286 rupees. The assumed rate of depreciation was throughout fourteen per cent.

5. Mr. Morgan has shown in his report now submitted that the rates of depreciation of plant of different kinds are very different; thus type material depreciates at seventeen per cent., machines at eight, presses at four, and miscellaneous furniture at ten per cent. He adduces, it seems to me, sufficient evidence in support of these conclusions, and his opinion as that of a practical printer, who has had long experience of the special conditions to which printing material is exposed in the

Subt. of 1870} ~~34~~ 34

PUBLIC.

THE SUPERVISOR OF THE
GOVERNMENT PRESS

ated April, 4th.

ced.

Encl.

G. O., 4th April 1870. No. 382.

APRIL

Nos. 25-26.

Approving of the sum of Rupees 1,39,673
ken as that on which the depreciation c
overnment Press Stock shall be calculate
69-70, and of the proposed rates of deprec
each description of Stock.

Government Press, is entitled to great weight. The circumstances that particular presses (for instance) have lasted longer than they ought on his assumption must be taken as exceptional, and ought not to invalidate his conclusions. I recommend that his rates, which err, if at all, obviously on the safe side, may be accepted.

6. Mr. Morgan having laid down the separate rates of depreciation proposes that the aggregate depreciation shall be taken at thirteen per cent. in future, (paragraphs 24 to 29.) He apparently arrives at this rate as shown in the margin. But it is obvious that it is unsafe to adopt a uniform rate of this kind; as an alteration in the relative proportion of the several kinds of plant will produce a considerable variation in the mean rate of depreciation, which rate must be determined for each year with reference to the composition of the plant at the time (see column 6, enclosure.)

7. The value of stock at the end of each year is equal to the value at the commencement, less depreciation, plus the purchases of the year. Of course, if thought fit, shorter periods than a year may be taken; but I think that, for practical purposes, it will be sufficient to strike the depreciation once a year. Starting from the value of the stock as found towards the close of 1861, and using Mr. Morgan's rates, I find that the value of the plant on the 1st April 1870 will be (omitting fractions) as follows:—Type material, Rupees 75,830; Miscellaneous furniture, Rupees 30,662; Machines, Rupees 17,522-87; and Presses, Rupees 15,663; total Rupees 1,39,679, (vide enclosure.)

8. I ask sanction for the adoption of this sum as that on which the depreciation shall be calculated for the official year 1869-70.

FORT SAINT GEORGE,
15th March 1870.

I have the honour to be,

Sir,

Your most obedient servant,

A. E. Morgan

Supervisor of the Government Press.

Statement showing the Value and Depreciation of the Plant in the Government Press, from 1861-62 to 1869-70.

	Type material, 17 per cent.	Miscellaneous furniture, 10 per cent.	Machines, 8 per cent.	Presses, 4 per cent.	Total.	Mean rate of depreciation for each year.
	RS.	RS.	RS.	RS.	RS.	Per cent.
Value in Stock Account of September 1861	39,715-00	24,031-00	17,390-00	12,020-00	93,156-00	11-83
Depreciation 1861-62, (7 months)	3,938-40	1,401-80	811-53	280-47	6,432-20	
	35,776-60	22,629-20	16,578-47	11,739-53	86,723-80	
Additions after stock taking 1861-62	1,903-00	2,036-00			3,939-00	
Value on 1st May 1862	37,679-60	24,665-20	16,578-47	11,739-53	90,662-80	11-76
Depreciation 1862-63	6,405-53	2,466-52	1,326-28	469-58	10,667-91	
	31,274-07	22,198-68	15,252-19	11,269-95	79,994-89	
Additions 1862-63	4,140-00	883-00			5,023-00	
Value on 1st May 1863	35,414-07	23,081-68	15,252-19	11,269-95	85,017-89	11-76
Depreciation 1863-64	6,020-39	2,308-17	1,220-18	450-80	9,999-54	
	29,393-68	20,773-51	14,032-01	10,819-15	75,018-35	
Additions 1863-64	12,335-00	2,051-00			14,386-00	
Value on 1st May 1864	41,728-68	22,824-51	14,032-01	10,819-15	88,404-35	12-22
Depreciation 1864-65	7,002-67	2,282-45	1,122-59		10,407-71	
	34,634-81	20,542-06	12,909-45	10,386-38	78,472-70	
Additions 1864-65	11,223-00	391-00			11,614-00	
Value on 1st May 1865	45,857-81	20,933-06	12,909-45	10,386-38	90,086-70	12-58
Depreciation 1865-66	7,795-83	2,093-31	1,032-76	415-46	11,337-36	
	38,061-98	18,839-75	11,876-69	9,970-92	78,749-34	
Additions 1865-66	21,213-00	4,578-00	450-00		26,241-00	
Value on 1st May 1866	59,274-98	23,417-75	12,326-69	9,970-92	1,04,990-34	13-15
Depreciation 1866-67 (7 months)	5,237-02	2,146-62	903-96	365-60	8,653-20	
	50,037-96	21,271-13	11,422-73	9,605-32	92,337-14	
Additions 1866-67	13,128-00	4,446-00	6,000-00		23,574-00	
Value on 1st April 1867	63,165-96	25,717-13	17,422-73	9,605-32	1,15,911-14	13-02
Depreciation 1867-68	10,738-21	2,571-71	1,393-82	384-21	15,087-95	
	52,427-75	23,145-42	16,028-91	9,221-11	1,00,823-19	
Additions 1867-68	12,008-00	1,981-00			13,989-00	
Value on 1st April 1868	64,435-75	25,126-42	16,028-91	9,221-11	1,14,812-19	13-17
Depreciation 1868-69	10,954-08	2,512-64	1,282-31	368-84	15,117-87	
	53,481-67	22,613-78	14,746-60	8,852-27	99,694-32	
Additions 1868-69	23,214-00	4,084-00	4,300-00	2,850-00	34,348-00	
Value on 1st April 1869	76,695-67	26,697-78	19,046-60	11,702-27	1,34,142-32	13-19
Depreciation 1869-70	13,038-26	2,669-78	1,523-73	468-09	17,699-86	
	63,657-41	24,028-00	17,522-87	11,234-18	1,16,442-46	
Additions 1869-70	12,173-00	6,634-00		4,429-00	23,236-00	
Value on 1st April 1870	75,830-41	30,662-00	17,522-87	15,663-18	1,39,678-46	12-87

Public School
Farm
Concession, Fort Ross
293

8/15-
8/19 } back

Dec 20 4.21.

Refuted on the following
He took in the Zou's
Hoop in two last.

With our Order

201/3-
R. 1/4/70

+ 2 of the 2. nd collection for exact description of stock report in book 5.

Copy for Press. August 1/72

N^o 382. 4 April 170.

The 1st account of the sum
of R. 1. 39. 679 being taken as that
in which the depreciation of the
Pup Stock shall be calculated to
1869. 70 +

Handwritten signature

25-11-12

Govt. of 1870 Madras.

Public

To The Supervisor Govt. Press.

Dated April 4.

Govt.

End.

G. O. 4 April 1870, No. 102.

Nos. 25. 26.

Approving of the sum of Rs.
139,679 being taken as that
on which the depreciation of
the Govt. Press stock shall be
calculated for 1869-70, and
of the proposed rates of depre-
ciation for each description of
stock.