Marine (1897) Department.

G.O., No. 261-2 Mar

DATED 19 March 1897

[Despatch Abstract.]

... Fund Accounts. Directing that the suggestions made in the memorandum received with 341 Mar 9/15 Mar 1896 for regrouping the ports ... simplifying the system of — as slightly modified by the Accountant General be carried into effect as soon as possible, and in the manner indicated.

... Fund Accounts. Forwarding copy of the ... proposing a regrouping of the ports and the simplification of the system of — and requesting sanction to a revision of the rules for dealing with the expenditure debitable to the — of the groups.

Government {1897} of Madras.

MARINE.

ecd. } 1897. Enclosures
gd. Spare copies

Letter, No. 262, 19th March 1897.

MARCH.

Port Fund Accounts

FORWARDING copy of the Proceedings ordering a regrouping of the ports and the simplification of the system of —, and requesting sanction to a revision of the rules for dealing with the expenditure debitable to the — of the new groups.

No. 262, Marine, 19th March 1897.

MARINE DEPARTMENT.

Letter—from

The Honourable Colonel D. McNEIL CAMPBELL, R.E.,
Secretary to the Government of Madras,
Marine Department,

To

The SECRETARY to the GOVERNMENT of INDIA,
Financial Department.

Sir,

I am directed to forward, for the information of the Government of India, the accompanying copy of the Proceedings of this Government, No. 261, Marine, dated 19th March 1897, and for the reasons therein set forth, to request the sanction of His Excellency the Governor-General in Council to the issue, under section 37 (2) (*a*) of Act X of 1889, the Indian Ports Act, of the notification shown as C in appendix No. 1. The existing rules were sanctioned by the Government of India in Financial Department letter No. 223, dated 14th January 1890.

I have the honour to be,
Sir,
Your most obedient servant,

Colonel, R.E.,
Secretary to Government.

Fort St. George,
19th March 1897.

Exd. T. K. Narayana Aiyangar.

Government {1897} of Madras.

MARINE.

Recd. } 1897. Enclosures

Regd. } Spare copies

G.O., No. 261, 19th March 1897.

MARCH.

Port Fund Accounts

Directing that the suggestions made in the memorandum recorded with G.O., No. 341, Marine, dated 15th May 1896, for regrouping the ports and simplifying the system of —, as slightly modified by the Accountant-General, be carried into effect as soon as possible, and in the manner indicated.

GOVERNMENT OF MADRAS.

MARINE DEPARTMENT.

Read—the following papers:—

From Commander H. A. STREET, R.I.M., Presidency Port Officer, Madras, to the Secretary to Government, Marine Department, dated 13th June 1896, No. 1819/200 G.

With reference to G.O., No. 341, Marine, dated 15th May 1896, I have the honour to submit, for the consideration of Government, the following remarks on the proposals to alter the existing system of distribution of Port and Pilotage funds, which accompanied the order above quoted, viz.:—

(1) The effect on the ports of the Eastern group (Madras excepted) would be, to drain the resources of districts having surplus balances to meet the deficit of Ganjám and leave but a small balance (Rs. 85,532) to meet the requirements of important ports, such as Vizagapatam and Cocanada. As this would be extremely detrimental to the interests of these ports and no doubt lead to a strong protest from mercantile firms interested in the development of the trade at each of these ports, I submit that the Ganjám debt should be either wiped off once for all by a contribution from Provincial funds so that the existing Port fund balances of the Eastern group may remain intact, or met by raising the port dues of the Eastern group to maximum limit (4½ annas) until a sufficient sum has been collected to pay off the Ganjám debt.

(2) The Western group ports being in a solvent state will not be affected by the proposed arrangement, but the special rate of 3 annas on foreign vessels introduced in the South Canara district in 1890, in consideration of the fact that this district had an annual deficit, could be reduced to 2 annas; and this reduction would be some compensation for vessels proceeding to Eastern group should the dues of that group be increased as proposed by me.

(3) On the apportionment of receipts and charges in the manner proposed, I have no remarks to offer, but for administrative purposes a record of the tonnage of all vessels will have to be maintained in the Presidency Port Office as hitherto.

(4) Instead of distributing the charges on account of the dredger *Wenlock* in the manner proposed—that is, in proportion to the opening balances of the several groups which would have the effect of throwing a heavy share on Madras and reducing considerably the share of the Eastern and Western groups—I would recommend that the charges should be distributed by tonnage as hitherto, as follows:—

Madras	One-sixth.
Eastern group	One-half.
Western group	One-third.

as this proportion is very approximate to the tonnage of vessels.

Taking, for example, the balance on the 31st March 1895 of the several groups as shown under—

	Rs.		
Madras	2,78,375	or	2·78
Eastern group	85,532	or	·85
Western group	3,68,749	or	3·68
	7,32,656	or	7·32

the proportion which these group funds bear to the whole balance is respectively $\frac{3}{8}$, $\frac{1}{8}$, and $\frac{1}{2}$, whereas division by tonnage would be $\frac{1}{6}$, $\frac{1}{2}$, and $\frac{1}{3}$, respectively.

(5) Should the respective Pilotage funds be amalgamated as proposed into one fund and contributions made from the fund to meet general charges, the several ports at which pilotage is collected would contribute towards general charges twice over, viz., once as a port of the group and again as a pilotage port. I would recommend that, as is done in the case of the Madras Pilotage fund (G.O., No. 340 A., Financial, dated 1st April 1893), the annual surpluses at Pámban, Cochin and Mangalore after meeting all necessary demands be credited to the group in which these ports are, and any deficit met by a contribution from Port funds of the group. If this suggestion is adopted, the debiting of general charges twice in the case of ports where Pilotage funds also exist will be avoided. There is nothing in the Act requiring the separate maintenance of these accounts for each port.

From F. C. HARRISON, Esq., Officiating Accountant-General, Madras, to the Secretary to Government, Marine Department, dated 18th June 1896, No. I.B.F./162.

With reference to G.O., No. 341, Marine, dated the 15th May 1896, calling for my remarks on certain proposals for the simplification of the Port fund accounts, I have the honour to make the following observations.

It is stated in paragraph 21 of the Government Order that it is desirable to amalgamate all the Pilotage funds into one fund and to show separately only the receipts and charges for each station. But notification B which proposes to give effect to the latter part of this change runs thus: "Separate accounts being, however, kept of the receipts and charges of each station." The phrase "separate accounts" is liable to be read as denoting that separate *balances* should also be maintained. I would therefore propose that the word "details" be substituted for "accounts."

The proposed notifications B and C, moreover, indicate only the proportions in which the general receipts and charges of Port fund should be distributed, and not under what fund "Madras" or "Eastern group" or "Western group," they should be recorded in the first instance pending distribution. It will be preferable to record them in the first instance under Marine in the General Accounts, and then to transfer them at the end of the month to the three funds in the proportions stated. I would therefore propose that—

For

"shall be debited as follows" in clause 2 of notification B "will be credited as shown below" in clause 2 of notification C.

Read

"shall be entered in the general accounts of the Presidency in the first instance and be afterwards distributed as follows."

In conclusion I beg to observe that the shares of general administration charges shown under Eastern and Western groups in appendix E are not $\frac{1}{2}$ and $\frac{1}{3}$ of the whole charge of ·73.

G.O., No. 52, Financial, dated 20th January 1897.

Order—No. 261, Marine, dated 19th March 1897.

His Excellency the Governor in Council has had under consideration the question of utilizing to the best advantage the available resources under Port funds to meet urgent needs for the purposes of harbour improvements, of the provision of new coast and port lights, and of the improvement of existing lights so as to afford increased facilities and protection to navigation.

2. The present opportunity will also be taken to simplify the existing system of keeping the Port fund accounts, which has been found unnecessarily complex, and inconvenient from an administrative point of view.

3. The memorandum recorded with G.O., No. 341, Marine, dated 15th May 1896, recites the circumstances under which the existing system of account was introduced, the resulting inconveniences, and the proposed remedies. His Excellency the Governor in Council now directs that these suggestions as slightly modified by the Accountant-General in his letter of the 18th June 1896 printed above, be carried into effect as soon as possible, and in the manner following.

4. The ports of the Presidency will consist of three main groups as provided in schedule I, Part II, of Act X of 1889, the Indian Ports Act, viz. :—

I. Madras.
II. Eastern group.
III. Western group.

The new grouping will be notified in the Fort St. George and Maritime District Gazettes; and in exercise of the powers conferred by section 37 (1) of the Act, rules* for the maintenance of the accounts of the ports, as regrouped, will be made and published.

* *Vide* draft notification A, appendix No. 1.

5. Rules† will be similarly issued under section 36 (4) of the Act for dealing with general receipts under the altered conditions.

† *Vide* draft notification B, appendix No. 1.

6. The amalgamation of ports ordered above involves the revision of the rules promulgated in G.O., No. 24, Marine, dated 27th January 1890, for dealing with the expenditure debitable to the Port fund accounts of the new groups, and to this revision the previous sanction of the Government of India will be necessary under section 37 (2) (*a*) of the Indian Ports Act. The proposed modifications are shown in draft notification C, appendix No. 1. Sanction will be applied for accordingly.

7. It is proposed that separate accounts and balances shall be maintained for each group, the *district* port funds being abolished. The receipts and charges of each port will appear in the accounts of the group within which it is situated. General administration receipts and charges will be divided amongst the three groups as follows :—

Madras	one-sixth.
Eastern group	one-half.
Western group	one-third.

This is approximately the existing proportion.

8. Lighthouse charges will be debited to the group to which the lights belong, with the exception that all charges connected with the lights at Armegon, Pulicat and Seven Pagodas will be debited to Madras. Although these lights are not in Madras, they lead up to it, and are used only by vessels making for Madras.

9. All Pilotage funds will be kept distinct, and separate accounts of the receipts and charges of each fund will be maintained. Any surplus after meeting legitimate charges will be credited to the general Port fund of the group in which the port concerned is placed, and any deficit will be met by a contribution from the group funds.

10. The apportionment of receipts and charges as thus indicated will not prevent a record of the tonnage of all vessels being maintained as at present, and this record should be kept in the Presidency Port Office, as proposed in paragraph 3 of the Presidency Port Officer's letter of the 13th June 1896.

11. The debt of Rs. 2,00,400 due to the port of Madras by the three ports of Ganjám, Kistna and Tanjore has, under G.O., No. 52, Financial, dated 20th January 1897, been liquidated by a cash contribution from Provincial funds of Rs. 1,00,000, and the transfer of the dredger *Wenlock* at a valuation of Rs. 1,00,400. These three ports will thus be relieved at the expense of Provincial funds from the hopeless condition of insolvency into which they have fallen under the system of separate district funds, and the Eastern group of ports will have a fair start under the new system of grouping, together with a credit balance at the end of the current year which will probably amount to about Rs. 2,35,000. But this sum is no more than sufficient for current requirements and to meet expenditure on works already in progress. There are, in addition, as stated above, many works of harbour improvement, and others, such as lights and lighthouses, urgently demanded in the interests of trade and safe navigation, which can no longer be postponed without inconvenience and danger. Provincial funds which have now, as well as in the past, largely contributed towards port requirements, will, it is feared, be no longer in a position to come to the aid of Port funds. His Excellency the Governor in Council has therefore no alternative but to direct the enhancement of port dues in the Eastern group to the maximum rates allowed by the Act. Steps will be taken accordingly. An additional sum of Rs. 11,000 a year will probably thus be raised. This will not, it is thought, prove an excessive burden on the trade of the ports forming the Eastern group.

[Here enter No. 262, Marine, dated 19th March 1897.]

(True Extract.)

(Signed) D. McNEIL CAMPBELL, Colonel, R.E.,
Secretary to Government.

To the Presidency Port Officer.
" the Chairman, Harbour Trust Board.
" the Accountant-General.
" the Financial Department.
" Collectors of Maritime Districts.

Erd. T. K. Narayana Aiyangar.

Appendix No. 1 to G.O., No. 261, Marine, dated 19th March 1897.

PROPOSED NOTIFICATIONS.

Notification A.

In exercise of the powers conferred by section 37 (1) of the Indian Ports Act (X of 1889) and in supersession of all previous orders existing on the subject, His Excellency the Governor in Council is pleased to direct that the following rules be observed in respect to the maintenance of the accounts of the ports of this Presidency:—

1. For the purposes of section 37 (1) of the said Act, the ports situated within the limits of each group, as specified below, shall be regarded as constituting a single port, and all monies credited to the Port fund accounts of these individual ports shall form a common Port fund for the whole group, and shall be available for the payment of all expenses incurred for the sake of any of the ports within the group.

Note.—Receipts creditable to any port will therefore be credited to the group of which such port forms a part.

I. Madras.

II. Eastern Group.

1. Gopálpur.
2. Sonnapuram.
3. Báruva.
4. Calingapatam.
5. Konada.
6. Bimlipatam.
7. Vizagapatam.
8. Pudimadaka.
9. Pentakota.
10. Uppada.
11. Cocanada.
12. Coringa.
13. Bendamurulanka.
14. Narsápur.
15. Perupalem.
16. Masulipatam.
17. Penumudi.
18. Morutota.
19. Nagayalanka.
20. Kottapalem.
21. Gangadipalem.
22. Nizampatnam.
23. Ipurupálem.
24. Bodduvanipalem.
25. Motupalle.
26. Kanuparti.
27. Kottapatnam.
28. Itamukkala.
29. Pákala.
30. Karedu.
31. Ramayapatnam.
32. Chennayapalem.
33. Tummalapenta.
34. Juvaladinne.
35. Iskapalle.
36. Ponnapudi.
37. Maipadu.
38. Kistnapatam.
39. Pamanji.
40. Tupili.
41. Dugarázpatnam.
42. Pádi.
43. Pulicat.
44. Ennore.
45. Covelong.
46. Cuddalore.
47. Porto Novo.
48. Tirumalavasal.
49. Kodiyampalayam.
50. Tranquebar.
51. Nagore.
52. Negapatam.
53. Velankani.
54. Toputurai
55. Point Calimere.
56. Matupet.
57. Adirámpatnam.
58. Gopalapatnam.
59. Kattumavadi.
60. Krishnajipatnam.
61. Ammapatnam.
62. Kotaipatnam.
63. Sundarapandiyapatnam.
64. Pasipatnam.
65. Damodarapatnam.
66. Tondi.
67. Nambitalai.
68. Pudupatnam.
69. Karangadu.
70. Tiruppalankudi.
71. Devipatnam.
72. Mudiyanpatnam.
73. Attankarai.
74. Emanangundu.
75. Pillaimadum.
76. Pámban.
77. Rámesvaram.
78. Mandapam.
79. Vedalai.
80. Marakkáyapatnam.
81. Muttupettai.
82. Kilakarai.
83. Eyvadi.
84. Valinokkam.
85. Vembar
86. Vaippar.
87. Pattanamaradur
88. Tuticorin.
89. Kávalpatnam.
90. Kulasekharapatnam.

III. Western Group.

91. Cochin.
92. Arrupuram.
93. Kukkuyi.
94. Madayi.
95. Attakuri.
96. Chávakád.
97. Veliyangod.
98. Ponáni.
99. Kuttavi.
100. Parapanna.
101. Tanúr.
102. Parapanangadi.
103. Kadálvandi.
104. Feroke.
105. Beypore.
106. Molakkadava.

Western Group—cont.

107. Calicut.
108. Pudiyangadi.
109. Elaturn.
110. Kappatta.
111. Quilandi.
112. Kollam.
113. Kadalura.
114. Trikodi.
115. Kottakal
116. Badagara.
117. Muttankal.
118. Chompayi.
119. Kallayi.
120. Talayi.
121. Tellicherry.
122. Dharmapatnam.
123. Ezhara.
124. Cannanore.
125. Pudiyangadi
126. Palapatnam (Baliapatam).
127. Ettikulam.
128. Kavvayi.
129. Hosdrug.
130. Baikal.
131. Kásaragód.
132. Kumbalo.
133. Manjesvara.
134. Mangalore.
135. Mulki.
136. Padubidri.
137. Ermala.
138. Uchhila.
139. Kaph.
140. Udiyavara.
141. Malpé.
142. Hangarkatta (or Barkur).
143. Coondapoor.
144. Nyakinakatte (Nayakankottai).
145. Baindur.
146. Siruru.

NOTIFICATION B.

His Excellency the Governor in Council resolves to issue the following instructions with reference to section 36 (4) of the Indian Ports Act X of 1889 :—

1. After deducting amounts paid on account of refunds, the total net group dues levied during each official year in the Eastern and Western groups with reference to Schedule I, Part II of the Act, shall be credited to those groups constituted by the Governor in Council under section 37 (1).

2. All general receipts to which the ports in the Presidency have a common claim, such as receipts of the Administrative Department, general store receipts, and such other receipts as do not appertain to any particular group will be entered in the general accounts of the Presidency in the first instance and be afterwards distributed as follows :—

(i) Madras ... ... $\frac{1}{6}$
(ii) Eastern group ... ... $\frac{1}{2}$
(iii) Western group ... ... $\frac{1}{3}$

3. In case of doubt as to the group to which any item of receipts should belong, or in cases in which, owing to the nature of any particular receipt, there may be difficulty in decid whether such should be treated as a general receipt or as appertaining to a particular group, it shall be in the power of His Excellency the Governor in Council to decide how such receipt shall be credited.

NOTIFICATION C.

In exercise of the powers conferred by section 37 (2*a*) of the Indian Ports Act X of 1889 and in supersession of all previous orders existing on the subject, His Excellency the Governor in Council is pleased to direct, with the previous sanction of His Excellency the Governor-General of India in Council, that the following rules be observed in respect to the expenditure debitable to the Port fund accounts of the groups constituted by the Governor in Council under section 37 (1) of the Act :—

1. Charges debitable to any port under the rules following shall be debited to the group of which such port forms a part.

2. The cost of the Presidency Port Officer's establishment and contingencies, pensionary charges, charges on account of gratuities, charges for general stores and such other charges as cannot be properly debited to any particular port or ports, shall be entered in the general accounts of the Presidency in the first instance and be afterwards distributed as follows :—

(i) Madras ... ... $\frac{1}{6}$
(ii) Eastern group ... ... $\frac{1}{2}$
(iii) Western group ... ... $\frac{1}{3}$

3. Lighthouse charges shall be debited to the group in which the lighthouses are situated ; but all charges connected with the lights at Armegon, Pulicat and Seven Pagodas will be debited to Madras.

4. In case of doubt as to the group to which any item of charge should belong, or in cases in which, owing to the nature of any particular charge, there may be difficulty in deciding whether such should be treated as a general charge or as appertaining to a particular group, it shall be in the power of His Excellency the Governor in Council to decide how such charges shall be debited.

5. All Pilotage funds will be kept distinct and separate accounts of the receipts and charges of each fund will be maintained. Any surplus after meeting legitimate charges will be credited to the general Port fund of the group in which the port concerned is placed, and any deficit will be met by a contribution from the group funds.

APPENDIX No. 2 to G.O., No. 261, Marine, dated 19th March 1897.

G.O., No. 341, Marine, dated 15th May 1896.

Memorandum.

No. 261 E., dated 15th May 1896.

The present system of Port Fund accounts was introduced in 1889–90. It is a complex system, and it seems desirable to simplify it. The position before and after its introduction, as well as the alterations now proposed, are shown in parallel columns below :—

Former system.	Present system.	Proposed system.
I.—Grouping of Ports. Under Madras Act VII of 1867 there were only two groups, and this grouping was supposed to continue to hold good under India Act XII of 1875: I. The *Eastern group*, with 12 ports *including Madras*; and II. The *Western group*, with 6 ports. All the 18 ports were regarded as a *single port* and the revenue formed a single fund called the *Madras General Port fund.* In 1889–90 this was declared to be illegal under Act XII of 1875.	**I.—Grouping of Ports.** Under Act X of 1889, two groupings were instituted: (*a*) For levy of Port dues... { I. Madras; II. Eastern group; III. Western group } Schedule I, Part II of the Act. (*b*) For maintaining Port Funds accounts. { I. Madras; II. Twelve District Port funds—10 on the East and 2 on West Coast. } There are thus 13 distinct Port funds which give rise to complications in accounts, by way of loans, adjustments and maintenance of separate balances.	**I.—Grouping of Ports.** (*a*) Retention of the three main groups as in Schedule I, Part II of the Act, viz.: I. Madras. II. Eastern group. III. Western group. (*b*) Abolition of the 12 district funds. There would then be only three Port funds with separate balances. The Eastern and Western groups could, if required, be amalgamated; but there is as yet no necessity to deviate from the grouping of Part II of Schedule I of the Act.
II.—Classification of Receipts and Charges. (*a*) The main transactions were recorded in the accounts of each port, exactly as they occurred, the totals being treated as the revenue expenditure and balance of the *General Port fund.* (*b*) Forty per cent. of the cost of the administrative branch and other *general charges* was debited to the port of Madras, and the remainder was divided equally among 17 of the principal ports. This was a simple arrangement, and the Government was at liberty to utilize the balance just as it wished anywhere in the Presidency. The total balances amounted to 9 lakhs and there was no occasion to distribute this comparatively small amount among the 18 ports.	**II.—Classification of Receipts and Charges.** *Receipts.* 1. After deducting amounts paid on account of refunds, the total net group dues levied during each official year in the Eastern and Western groups on coasting steamers with reference to Schedule I, Part II of the Act, shall be distributed among the various district groups constituted by the Governor in Council under section 37 (1) in proportion to the total tonnage of coasting steamers entering the ports in each group during the year, instead of being credited in full at the port of levy. 2. In the case of *foreign vessels* calling at more than one port within the Eastern or Western group, the difference between the dues actually levied and the dues which would have been levied if such vessel had touched at one port only, shall be deemed to be levied on account of the second port of call, and shall be credited accordingly in the Port Fund accounts. 3. Receipts on account of port dues on other vessels and other receipts collected at the various ports, shall be credited in full to the port at which they are collected, provided such receipts are not expressly collected on account of other ports. 4. All general receipts to which the ports in the Presidency have a common claim, such as receipts of the Administrative department, general store receipts, and such other receipts as do not appertain to any particular port or ports, will be distributed among all the ports in the Presidency, including the port of Madras, in proportion to the total tonnage of all vessels entering each port during the official year in which such monies were received. *Charges.* 1. Charges debitable to any port under the rules shall be debited to the district group of which such port forms a part. 2. The cost of the Presidency Port Officer's establishment and contingencies, pensionary charges, charges on account of gratuities, charges for general stores, and such other charges as cannot be properly debited to any particular port or ports shall be distributed among all the ports in the Presidency, including the port of Madras, in proportion to the total tonnage of vessels entering each port during the official year in which such charges are incurred. 3. Lighthouse charges shall be divided into two heads—(*a*) Charges connected with lighthouses belonging to the Eastern group of ports and to Madras; (*b*) charges connected with lighthouses belonging to the Western group of ports. Charges falling under head (*a*) shall be distributed among the ports of the Eastern group and the port of Madras in proportion to the total tonnage of vessels entering each port during the official year in which such charges are incurred. Charges falling under head (*b*) shall be distributed in the same manner among the ports of the Western group. 4. All charges incurred at one port on account of another port shall be debited to the port on whose behalf such charges are incurred. 5. All charges incurred at any port which are not covered by the two preceding rules shall be debited to such port. *Plus* and *minus* entries are framed for each account and elaborate calculations are made to arrive at what is imagined to be the correct apportionment of the items. Government is unable to order a transfer from one district to another. *Note.*—There seems no more reason for localizing these small amounts, now aggregating six lakhs, than for attempting a district distribution for Provincial revenues which come to over 300 lakhs.	**II.—Classification of Receipts and Charges.** The receipts and charges of each port will be treated as belonging to the Port Fund account of the group within which it is situated. General administration receipts and charges will be divided among the three groups according to the proportion now obtaining; which works out approximately to, Madras ⅛, Eastern group ⅛, Western group ¼. Lighthouse charges will be debited to the group to which they belong. (Re-apportionment according to tonnage of vessels is only one way of distribution. Cargo loaded and shipped by each vessel is another, but this was not considered to be so good as the other and rejected.) The best plan is to have no distribution at all, and not to tie the hands of Government ... any way.
III.—Investment of Balances. No investments were made; the Act authorizes only a temporary investment, and as the funds were treated as purely Government money, it was not considered desirable to invest them.	**III.—Investment of Balances.** The balances of surplus districts have been invested in Government securities since 1890–91, and the interest has added considerably to the balances. In the case of Madras, a certain portion is treated as loans to deficit funds, and interest is credited to Madras by debit to those funds.	**III.—Investment of Balances.** Loan transactions will be avoided as far as possible; requirements in one group will be met, if necessary, from the balance of another, by means of contributions, recoverable in due course, as in the case of transfers between *Provincial* and *Local*,

2. It will be seen that what is proposed is, to some extent, a reversion to the former system, but in greater conformity to the grouping adopted in the Act as it now stands. It is not proposed to revise past transactions or in any way to disturb the arrangements in force between 1889–90 and 1895–96, but to make a fresh start on the new lines.

3. The present complication in accounts arose in the following way :—

The Madras Harbour Trust Act (II of 1886) came into operation* in the beginning of 1886–87, and the Government of India suggested that the conservancy of the port of Madras should be made over to the Board, as had already been done at the ports of Calcutta, Bombay and Rangoon. After some hesitation this was agreed to, and the Board was appointed Conservator on 1st June 1888. It then became necessary to transfer to the Board the surplus revenues of the port in each year, together with all the balances which had previously accumulated. For this purpose the correct amount standing to the credit of the port on the date of transfer had to be ascertained.

4. On a review of the Marine Administration report for 1886, it was observed that numerous irregularities had occurred in the working of the Indian Ports Act (XII of 1875) and the maintenance of the Port Fund accounts in regard to—

(i) the grouping of ports and amalgamation of Port Fund accounts;
(ii) the classification of receipts and charges; and
(iii) the utilization of the balances of one port for the benefit of another.

A thorough re-organization of the Marine Department was instituted and the Port Fund accounts were recast from 1875–76 to 1887–88 on an elaborate scale, the balance at the credit of each port being worked out afresh from the beginning of this period.

5. The principal changes then introduced are summarized below :—

I. Grouping of Ports.—Accounts had all along been maintained for each individual port, in accordance with the provisions of the law noted in the margin.† The Madras Port Dues Act (VII of 1867) constituted two groups ‡ of ports, viz., the *Eastern group with* 12 *ports including Madras*, and *the Western group with* 6 *ports*. Section 11 of this Act provided that, as regards port dues, all the 18 ports should be regarded as one port and the revenue realized should form a single fund to be called the *Madras General Port fund*. Section 12 provided that the money thus realized could be utilized for the requirements of any port within the Presidency. But this local Act was repealed by the Indian Ports Act (XII of 1875), and in the latter Act an additional clause was inserted (section 47) under which the Local Government was empowered to *direct* that any number of ports should be regarded as constituting a single port. The Government of the day made no specific declaration on this point, apparently because what was required had already been in force for years under the operation of a legislative enactment. It was, however, in some quarters held that as the *General Port fund* had been established by the Repealed Act (Madras Act VII of 1867) itself, and not by any declaration or rule under it, it was not saved by section 3 (2) of Act XII of 1875, and that it ceased to exist when Act XII of 1875 came into force. Another authority went further and declared that, as individual Port Fund accounts had all along been maintained, the *General Port fund* was a myth. As a result, it was first ruled that only *individual Port funds* should be maintained, and that the *General Port fund* should not be re-established. When, however, the revision of the accounts was completed, it was found more convenient to group the ports (146 in number) by *revenue districts* and a notification was issued constituting 12 § District Port funds. Madras was excluded, as under the proviso to section 37 (1) of Act X of 1889 (which had meanwhile, on the 1st April 1889, come into force and repealed Act XII of 1875), it had to retain its individuality like Calcutta, Bombay, &c.

* Parts I and II on 1st May 1886; remainder on 1st June 1886.

G.O., No. 43, Marine, dated 2nd February 1887.

G.O., No. 161, Marine, dated 27th April 1888; also paragraph 4 of G.O., No. 15, dated 17th January 1888.

Paragraph 5 of G.O., No. 15, Marine, dated 17th January 1888.

Paragraph 16 of G.O., No. 15, Marine, dated 17th January 1888, page 54.

† Section 44 of Act XXII of 1855.
,, 47 of ,, XII of 1875.
,, 36 of ,, X of 1889.

‡ *Eastern Group.*
1. Ganjám.
2. Munsurcottah.
3. Calingapatam.
4. Bimlipatam.
5. Vizagapatam.
6. Cocanada.
7. Masulipatam.
8. Madras.
9. Cuddalore.
10. Tranquebar.
11. Negapatam.
12. Tuticorin.

Western Group.
1. Mangalore.
2. Cannanore.
3. Tellicherry.
4. Calicut.
5. Beypore.
6. Cochin.

Paragraph 7 of G.O., No. 15, dated 17th January 1888.

Paragraph 8, G.O., No. 15, dated 17th January 1888.

§ Ganjám.
Vizagapatam.
Gódávari.
Kistna.
Nellore.
Chingleput.
South Arcot.
Tanjore.
Madura
Tinnevelly.
Malabar.
South Canara.

Captain Street suggested that it would be more equitable to have five divisions, by limiting a group to six principal ports, each with a Port officer; thus :—

Letter No. 88 G., dated 29th February 1888.

(1) Madras.
(2) Masulipatam and all ports to the north } Eastern group.
(3) South of Masulipatam to Tuticorin }
(4) Cochin to Mangalore } Western group.
(5) Mangalore northwards }

This proposal was not, however, approved.

II. Classification of Receipts and Charges.—Various changes under this were effected in the revised accounts.

(1) The most important of these will be best gathered from the following extracts of G.O., No. 15, dated 17th January 1888, reproduced below :—

"As regards distribution of receipts, the present practice is to credit to each port all the dues received thereat. This is correct, of course, as regards vessels which pay afresh at each port they enter; but in the case of coasting steamers which pay group dues freeing them at other ports also, the practice is most unfair inasmuch as such dues may be held to be paid (in the language of Act XII of 1875) on account of the ports subsequently entered free, as well as of the port at which they are levied. The present practice unduly favours the terminal ports of each group, which are first approached by the steamers going round the coast. The only fair way of distributing the dues on coasting steamers in the Eastern and Western groups would be in proportion to the tonnage of such vessels entered at each port; Madras, of course, receiving in full the dues levied there in excess of the group rate, as well as her share of the group dues. The marginal statement shows the proper distribution so calculated on the figures for 1886–87. From this it will be seen that, under the existing system, Cochin and Tuticorin, the terminal ports to the south have benefited enormously at the expense of other ports, while Bimlipatam, Vizagapatam, Cocanada, Beypore, Tellicherry and Cannanore have especially suffered.

	Coasting steamer tonnage.	Dues as credited at present.	Dues correctly distributed.
		Rs.	Rs.
Madras	309,069	35,615	28,975 * / 7,904 †
Total ..	..	..	36,879
Gopalpur ..	162,887	5,785	4,165
Calingapatam ..	125,444	1,316	3,208
Bimlipatam ..	280,883	3,378	7,183
Vizagapatam ..	251,679	1,969	6,436
Cocanada ..	328,285	5,947	8,395
Masulipatam ..	253,808	6,244	6,491
Cuddalore ..	113,271	1,413	2,897
Porto Nove ..	38,372	..	981
Negapatam ..	319,311	9,612	8,166
Tuticorin ..	197,017	18,255	5,038
Total ..	2,380,036	54,224	52,960
Cochin	198,992	25,466	7,338
Calicut	238,009	7,103	8,777
Beypore	79,501	484	2,932
Tellicherry ..	233,689	2,363	8,618
Cannanore ..	167,078	601	6,161
Mangalore ..	108,560	1,812	4,003
Total ..	1,025,829	37,829	37,829
Grand Total ..	3,405,865	1,27,668	1,27,668

* At 1½ annas per ton. † Group share.

which appear to exist as regards the rates of dues now levied. At certain ports, mainly those specified in the margin of the last paragraph, the rate on ships—not coasters—is 3 annas, and the half-rate for coasters—not steamers—1½ annas, the rates at other ports being 2 annas and 1 anna, respectively. Act XII of 1875 provides that coasting steamers shall pay the highest rate of the group *plus* one-half of such rate; and therefore, as long as 3 annas are levied at any port, the due on coasting steamers within the same group cannot be less than 4½ annas. But by notification, dated 21st February 1885, coasting steamers were made liable to 3 annas only on entry, and this rate frees them at all ports in the group. The rates on other vessels were left intact, and an illegal state of things was thus established. To remedy this, either the old rate on coasting steamers in the Eastern group must be restored by notification, or the rates on other vessels at 3-anna ports in that group must be reduced to 2 annas. Again by G.O., No. 211, dated 21st May 1885, it was declared that coasting steamers, which on entry at Madras had to pay the difference between the rate levied at out-ports and 6 annas, the rate fixed for Madras under Act IV of 1881, should continue to pay 1½ annas, which was the difference when the out-port group rate was 4½ annas. The Government cannot concur with the reasoning of the Government Solicitor in the opinion on which the G.O., dated 21st May 1885 was based; and they consider that, on the notifications as they then stood, either the Madras rate should have been lowered, or the full difference (3 annas) should have been levied."

Note.—In accordance with this view, the rates of port dues were reduced both at Madras and at out-ports, with effect from 1st June 1888.

Paragraph 4 of G.O., No. 161, Marine, dated 24th April 1888.

When the accounts were revised, the group dues levied in the Eastern and Western groups on coasting steamers were distributed, among the various ports at which those steamers called, *in proportion to* the total coasting steamer *tonnage* entering such ports, instead of being credited in full at the port of levy. The distribution was, however, made after excluding the 1½ annas per ton levied since 1881–82, over and above the group due at the port of Madras; this latter amount was credited in full to Madras.

Paragraph 2 of G.O., No. 171, Marine, dated 24th April 1889.

(2) The cost of the Presidency Port Officer's administrative establishment and pensionary charges were made general charges common to all ports, and distributed in proportion to the total tonnage entering them, instead of being debited to only a few of the major ports as formerly.

(3) The cost of the S.S. *Madras*, amounting to 2·25 lakhs, originally charged to Madras alone, was distributed on the above principle with the result that only about one-seventh of the amount became chargeable to the Presidency port. This charge led to a large increase in the Madras balance.

(4) The charges for light-houses, instead of being debited to the nearest port, as formerly, were made a group charge and distributed in proportion to the tonnage entering each port.

III. Investment of funds and Mutual loans among ports.—It was held that, though the law admitted of each port being debited with a fair share of any expenditure incurred on account of ports generally, the surplus of one port could not be legally diverted for the benefit of another, as had been done in the past for the Gopalpur pier, Cocanada improvements, and so forth.

It was accordingly decided that the only way in which deficits or special expenditure at one port could be met from the surplus of another was by means of *loans* advanced from surplus funds *invested* temporarily under local arrangements as provided by the Act. This investment was held to include *mutual loans between ports.*

Paragraph 8 of G.O., No. 15, dated 17th January 1888.

Section 47 of Act XII of 1875.
" 36 (6) of Act X of 1889.

6. The *result* of the revision showed that the port of Madras had been enormously overcharged in the past as appears below:—

Paragraph 4 of G.O., No. 171, dated 24th April 1889.

Madras Port.	Old classification. LAKHS.	New classification. LAKHS.
Opening balance	— ·14	— ·14
Receipts.		
Coasting Steamer dues	1·95 } 1·53 }	2·39
Dues on other vessels and country crafts	11·30 }	15·97
Sundry receipts	4·67 }	
Total Receipts ...	19·45	18·36
Charges.		
General charges	4·05 }	1·02
S.S. *Madras*	2·25 }	
Light-house charges	·65	·61
Establishments	9·91	9·91
Contingencies		
Public Works Department charges		
Total Charges ...	16·86	11·54
Closing Balance ...	2·45	6·68

The balance to its credit on the 31st March 1888, as revised, amounted to 6·68 lakhs, besides ·72 lakh pilotage fees, while under the whole old system of accounts these amounts would have been only 2·45 and ·13, respectively. Out-ports suffered correspondingly, the balances to their credit being reduced from 6·62 to 1·81.

The surpluses in some districts* were invested† in Government securities, while the deficits in others were made good either by contributions‡ from Provincial revenues, or by loans§ advanced from the Madras surplus.

It was decided‖ that the Madras port should eventually get its full share of the revised balances, and that the out-ports, to cover whose deficit balances a portion of the sum due to it was retained, were to pay interest to Madras on the sums thus borrowed at 4 *per cent. per annum* and, in addition, to make such annual payments as might be possible towards liquidating the principal of the debts.

These arrangements took effect from 1st April 1889.

7. It was at first expected that, on the completion of the revision¶ of the accounts, "all ports would be found solvent," and that "no ports would show deficits either now or in any former year . . . if any port is found unable to meet the ordinary charges, either the rate of dues must be raised, or the charges reduced, or the port must be grouped with a solvent port." The above expectations were not, however, realized. Even after grouping a number of ports together by districts, it was found that several District funds remained in a hopeless state of insolvency. It was also shown that the northern and western ports had benefited at the expense of the southern and that the largest deficits occurred where the greatest improvements were required. A large amount of revenue was lost to Government as a direct consequence of the re-organization introduced, but this was accepted as inevitable.

Paragraph 11 of G.O., No. 15, dated 17th January 1888.

Paragraph 4 of G.O., No. 161, dated 27th April 1888.

8. After a trial of several years, it is now found that some districts have not only been unable to meet current expenses, but have not even been able to pay the annual interest to the Madras port. In these cases, Provincial revenues have been drawn on for the interest (as in Ganjám) or the Madras port has advanced the interest to itself as an addition to the loan (as in Kistna, Tanjore, &c.). The working of these loan transactions leads to endless complications in accounts, and has been felt to be a most confusing, harrassing and difficult arrangement, not only in the Presidency Port office and in the Financial Department of the Secretariat, but also in the Accountant-General's office. The abolition of the loan system would, therefore, be a source of relief to all concerned.

Paragraphs 3 and 6 of G.O., No. 211, dated 26th March 1891.

Malabar, Tinnevelly, Pámban, Kilakarai, &c.

9. As regards the *grouping* of the ports, it is to be noted that when the revised arrangements were communicated to the Government of India, that authority called for a formal set of rules for regulating the accounts as required by section 37 (2) of the Act (X of 1889). On receipt of these rules, the Government of India observed *inter alia*:

"The Act intends to provide for only one grouping and for the direct distribution among the ports of each group of the proceeds of the common Port fund of that group. The Government of Madras, however, appears to desire a double grouping—one great division of all the ports into two groups, and twelve smaller groups within these. This arrangement cannot be adopted under the Act, and it will be necessary for the Government of Madras to adhere to only one system of grouping—either the larger or the smaller, whichever it may prefer—and the draft rules should be revised accordingly."

Letter, dated 12th December 1889, No. 514.

The Madras Government demurred and advocated the retention of the district grouping on the following grounds:—

"The division of the out-ports of the Madras Presidency into two main groups—the Eastern and the Western—for the purpose of collection of port dues, is made by the Act itself (Schedule I, Part II), and any smaller divisions effected under section 37 (1) must in one sense involve a "double grouping." But since in the draft rules under correspondence, the larger grouping is recognized only with reference to the distribution of dues on coasting steamers and foreign vessels calling at more than one port within the Eastern or Western group, and of lighthouse charges, while the other general charges are distributed over all the ports in the Presidency, His Excellency in Council would advance the opinion that there is in reality no double grouping of the ports for financial administration as alleged by the Government of India.

* * * *

* Paragraphs 9 to 12 of G.O., No. 171, dated 24th April 1889.

	1890-91.
† Vizagapatam	·90
Gódávari	...
Nellore	·06
Chinglepat	·04
South Arcot	·20
Madura	·20
Tinnevelly	1·20
Malabar	1·00
South Canara	·22
	2·82
	1890.
‡ Gódávari	·63
Kistna	·01
Tanjore	·09
	·73
§ Ganjám	1·89

‡ Paragraph 5 of G.O., No. 171, dated 24th April 1889.
‖ Paragraph 5 of G.O., No. 15, dated 17th January 1888.
¶ Paragraph 16 of G.O., No. 15, dated 17th January 1888.

"I am to remind the Government of India that the circumstances of this Presidency in regard to Port fund administration are peculiar. It has a more extensive seaboard than any two other provinces, an enormous number of very small ports, a considerable number of ports of the second rank under specially-appointed Port officers, and a number of lighthouses, so that a central administrative head, with a large office, is an absolute necessity. The whole of the marine charges are met from Port funds, and as the maintenance of lighthouses and of the central establishment cannot be thrown on single ports, the cost must be distributed either in the way proposed in the rules, or by requiring contributions to a separate fund or to Provincial funds. The number of ports (145) is such that it is quite impossible to work a system of individual Port funds, and to equate the receipts and charges of individual ports; and, on the other hand, to divide for financial administration all the out-ports into two groups—as is done in the Act for the purpose of levy of dues—would not be a sufficient concession to the principle of localization, while it would still require the distribution of the central office charges between these two groups and the port of Madras. The proposal of this Government to form District Port funds is a compromise between localization and the requirements of efficient administration, and will, in the opinion of His Excellency in Council, prove a satisfactory one, since each of the proposed divisions contains one, or at most two, principal ports requiring the services of a Port officer, with a number of petty ones grouped round it. It will, it is hoped, be found possible to bring district receipts and charges into equilibrium, and to keep them so; thus making financial localization a reality, instead of, as has hitherto been the case in this Presidency, a pure fiction. Hitherto, accounts have been drawn up year after year in which the balances of individual Port funds have been exhibited; but in the case of many ports, a deficit has gone on in a chronic state of increase, and the aggregate receipts and charges have been managed practically as a single fund in a way entirely contrary to the principles of the law. The Government has made strenuous efforts, in the recent revision of port fund accounts, to remedy this state of affairs, and has carried out the reform it considered necessary at a heavy cost to Provincial funds.* What has been done cannot now be undone, as a retransfer of the payments already made to the Harbour Trust Board † is impracticable. The whole question has been before the Government of India for some time without objection being raised, ‡ but if the contention in the letter now under reply is correct, the procedure adopted was illegal. If it is not allowed to stand, there must, in the opinion of His Excellency in Council, be fresh legislation. There must be either individual port dues, without any grouping, or there must be at least three independent groups on the East Coast exclusive of the port of Madras. Even then, there must be distribution of central office receipts and charges.

* *Vide* paragraph 9, G.O., No. 171, dated 24th April 1889.

† *Vide* the same order, paragraph 13.

‡ *Vide* Mr. Stokes' letter, dated 21st May 1888, No. 205, and connected therewith, and my endorsement No. 172, dated 24th April 1889.

"His Excellency in Council is, however, still of opinion that there is nothing in the system which has been put forward by this Government in any way incompatible with the present Act, and I am therefore to invite the attention of the Government of India to the papers noted in the margin, and, with reference to the considerations above stated, to request that the rules in their original form, or as now modified, may be allowed to stand. It will be observed that the suggestions made in paragraphs 6 and 7 of Mr. O'Conor's letter under reply have been adopted in the revised rules."

G.O., No. 15, dated 17th January 1888.
" " 161 " 27th April " 1889.
" " 171 " 24th " "
" " 248 " 10th June "
" " 372 " 23rd August "

The objection urged in the above appeal against having only three groups as in the Act, is based on the fact that *it would not be a sufficient concession to localization*. But the question is whether any localization is specially called for where the revenues concerned are less than 7 lakhs on the whole. No such localization by districts is insisted on in the case of general revenues—Imperial and Provincial. Local and Municipal funds are on a different footing, as private bodies are in charge of the funds; this is not the case with Port funds which are managed by Government exclusively. Statement A appended shows that, on the completion of the revision of accounts, Provincial revenues had to contribute ·73 lakh to meet initial deficits in Gódávari, Kistna and Tanjore, and that since then ·43 lakh has had to be paid to extinguish the annually recurring deficits in Ganjám (total 1·16 lakhs). If the attempt at localization had succeeded in restoring equilibrium all round, as was originally anticipated, it would have been effectual; but some District funds are hopelessly in deficit and Provincial revenues cannot be expected to continue contributions for an indefinite period.

10. Under the circumstances detailed above, it becomes necessary to reconsider the question of grouping, and, in this connection, it is to be noted that the Government is always at liberty to *direct* the grouping of ports in any way it deems fit, *Madras alone* being kept distinct.

Section 37 (1) of Act X of 1889.

11. Statement B shows the financial position of the several Port and Marine Funds according to the Presidency Port Officer's budget estimate for 1896–97. Statement C shows the balances of each fund under the old system and as worked out on the re-organization, transactions since that date, and the position at the end of 1896–97 if the present proposals are adopted. An abstract of the total closing balances is given below:—

A batract of Port Fund balances.		Old classification, 1888–89.	Revised accounts, 1888–89.	Total up to the end of 1893–94.	1894–95.	1895–96.	1896–97.
I. Madras.	Working balance	2·45	6·68	8·28	8·71	9·10	9·48
	Amount transferred to Harbour Trust Board	..		— 6·52	— 8·27	— 8·71	— 9·10
	Amount lent to other ports	..		2·00	2·00	2·00	2·00
	Total	2·45	6·68	3·76	2·44	2·39	2·38
II. Eastern Group.	Balance of ports in debt	..	— 2·21	— 2·05	— 2·07	— 2·14	— 2·15
	Balance of ports with cash balance on hand	2·86	2·51	3·44	2·93	2·51	2·93
	Net Balance	2·86	·30	1·39	·86	·37	·78
III. Western Group		3·76	1·51	3·25	3·68	3·97	3·99
	Grand Total	9·07	8·49	8·40	6·98	6·73	7·15

It will be seen that the Harbour Trust Board will have appropriated 9·10 lakhs in all out of the Madras balances.

12. Excluding adjustments on account of loan transactions and interest, the ordinary receipts and charges of most of the District funds would have resulted in surpluses as shown in the margin. But owing to these complicated adjustments, several funds are in deficit. The most important of these is Ganjám; its large deficit (1·89) was mainly owing to the outlay on the Gopalpur pier, which has proved useless. This fund began with a debt of 1·75, which was raised to 1·89 in the following year. Since then its position has remained irretrievable. Provincial revenues are now paying its interest year after year. There is absolutely no prospect of its capital debt being ever repaid, and to continue to treat it as a loan from the Madras port is merely to protract the difficulty and to perpetuate the liability on Provincial revenues to make good its annual deficits.

		Ganjám.	Kistna.	Tanjore.
Original debt		— 1·89	— ·03	— ·51
Annual surpluses.	1890–91	·01	·01	·10
	1891–92	·02	·01	·11
	1892–93	·06	·03	·04
	1893–94	·02	·03	·06
	1894–95	·05	— ·06	·03
Balance on 1st April 1897 under present system.		— 1·87	— ·17	+ ·02

13. As it is necessary under the Act that Madras should be kept distinct, and as it is not permissible to amalgamate Pilotage or other funds with Port funds, while further provincial contributions cannot reasonably be expected, the only course now open to Government is to abolish the district grouping which has been tried and found to be a failure, and to adopt for all purposes the grouping under Schedule I, Part II of the Act, viz.:—

Section 36 (4) of Act X of 1889.

(i) Madras. (ii) Eastern group. (iii) Western group.

amalgamating all the ports in the Eastern and Western coasts, respectively, into single groups, both for levy of dues and for keeping accounts. A single *direction* of the Local Government would be enough for this purpose, but as the district grouping was notified in the gazette, another notification will be necessary to set it aside.

14. In order to liquidate the Ganjám debt, it would be necessary to amalgamate all the ports of the Eastern group, as was more or less the case under Madras Act VII of 1867. The Government securities and cash balances of the Eastern group would, as shown in statement C and in the table in paragraph 11 *supra*, be almost entirely appropriated for paying up the Madras loan, leaving a balance of ·78 lakh standing to the credit of this group at the end of 1896–97, after meeting all the expenses on account of the Tuticorin pier, for which full provision has been made in the estimates of 1894–95 and 1895–96. As to the equity of this arrangement, it might *primâ facie* appear unfair that what properly belonged to Vizagapatam and Tinnevelly should be diverted for the benefit of all the ports in the Eastern group; but the manner in which the dues are at present distributed is itself open to question, and was actually challenged at the time of the original apportionment by the mercantile community who contended that the share to be credited to each port should be determined *not by the tonnage of vessels*, but by the amount *of cargo landed and shipped* or by both.

Paragraphs 2 and 3 of G.O., No. 161, dated 27th April 1888.

15. It would thus seem better to abandon the present practice of distributing the transactions among the various sub-divisions in proportion to the *tonnage* of vessels, to drop attempts at apportioning dues, which only multiply work without corresponding advantage, and to treat the whole of the dues collected in the Eastern and Western groups, respectively, as common to all the ports of those groups.

16. If this amalgamation is effected, the following consequences will ensue [*vide* section 37 (2) of the Act] :—

(1) The rules promulgated in G.O., No. 24, Marine, dated 27th January 1890, will have to be revised with the previous sanction of the *Government of India*. A rough draft is appended showing what the changes are likely to be. Distribution of receipts and charges in proportion to tonnage, &c., will be done away with entirely, and numerous complications in accounts will be avoided.

(2) The debt * due to Madras by the Ganjám and other deficit ports in the Eastern group will be repaid by the transfer of the Government securities and other balances of this group to the Madras port.

* 1·03 lakhs on 1st April 1895.

17. *Pilotage Funds.*—Receipts on account of *pilotage* ought to have been kept separate from the *Port fund* accounts, under section 44 of the Act XII of 1855 [section 36 of Act X of 1889]. This, however, was not done and the defect was remedied only after the revision of the accounts was completed. It was then discovered that, up to the end of 1880–81, the receipts and charges under *pilotage* in Pámban had been erroneously recorded in the *Provincial accounts*, instead of being kept separate under *Port funds*, as required by the Act. The surpluses absorbed by Provincial revenues between 1875–76 and 1880–81 amounted to Rs. 87,894. In the following years (1881–82 to 1887–88), the transactions continued to appear in the *Provincial accounts*, but the annual surpluses (aggregating Rs. 70,910) were transferred to the Pámban *Port fund*. On the revision of the Port fund accounts, all pilotage transactions were excluded from Provincial and kept separate from even Port funds as required by the Act.

Paragraph 16 of G.O., No. 171, dated 24th April 1889.

18. *Dredger Wenlock—Initial cost.*—In 1890 the urgent need for dredging the Pámban channel, which had become quite impassable owing to an accumulation of 227,000 tons of silt, was pressed upon Government both by the mercantile community and the Administration of Ceylon, and it was decided to indent for a dredger from Europe. The above erroneous credit of Rs. 87,894 to Provincial was taken as the main source from which the initial cost of the dredger should be met. The actual cost of the vessel, however, came to 1·99 lakhs and the Provincial contribution was raised to 1·00. The Madura Port fund and the pilotage balance at Pámban contributed ·29, and the Tinnevelly port lent ·70. Subsequently the Tinnevelly Port fund required the last amount for the Tuticorin pier and Provincial funds had to advance this ·70 also. Consequently 1·70 has been paid against ·88 originally credited out of pilotage surpluses. This leaves ·82 to be recovered from Pilotage funds and recredited to Provincial.

G.O., No. 197, Marine, dated 12th May 1891.
" " 392, " " 31st Aug. "
" " 778, Fin., " 15th " 1893.

19. *Working expenses.*—It was arranged that the vessel should be considered as belonging to the Pámban and Kilakarai Pilotage fund; the entire expenditure was to be debited to this fund and recoveries from other ports were to be credited to it, including interest and depreciation. In 1891–92 the dredger worked at Pámban itself; in 1892–93 she worked at Cocanada and Tuticorin, and Pámban recovered ·21 and ·01, respectively, from those ports. There is now a deficit of ·30 to be met and Provincial revenues have been called upon to pay it. This was not agreed to, but the amount was allowed to be provisionally entered in the revised Provincial estimates for 1894–95.

G.O., No. 1067, Financial, dated 5th December 1894.

20. It is proposed that—

(i) the sum of ·82 due to Provincial revenues;

(ii) the debt of ·30 on account of expenses already incurred; and

(iii) all future expenses, should the vessel be * retained, should be distributed in proportion to *total assets* (say, opening balance of each year) among—

I. Madras port.	III. Western group.
II. Eastern group.	IV. Pilotage funds (including Madras).

* *Note.*—The sale of the vessel to the Madras Harbour Trust Board is being negotiated.

The largest share will thus fall on the Western group which is the richest and where dredging operations are the most difficult to carry on. Every group will have its turn, and will be entitled to the services of the vessel without special payment.

The *Wenlock* will then be a charge on Marine funds, as she properly ought to be.

21. For this purpose, as well as for other general purposes, it is desirable to amalgamate all the Pilotage funds into one fund—there are at present four * distinct funds and the number is liable to increase. There is nothing in the Act requiring the separate maintenance of these accounts for each station. The receipts and charges will of course appear for each station, but Government may treat the whole as one Pilotage fund, and a general clause may be added to this effect in the revised rules to be submitted to the Government of India.

* Madras, Pámban and Kílakarai, Cochin and Mangalore.

22. Statement E exhibits the transactions of Port and Pilotage funds for 1896–97 if the proposals as to grouping are accepted.

23. *Landing and Shipping dues.*—These stand on a different footing, being levied under a different Act, and partake of the nature of a voluntary cess. They are administered by local bodies subject to the control of Government, and need not be interfered with at present. It is open to Government to utilize the money raised under Act III of 1885 for the benefit of the port at which it is raised. It will be seen that four of the funds (Vizagapatam, Cocanada, Mangalore and Negapatam)—*vide* statement B—have large balances.

Madras Act III of 1885.

(Signed) D. McNEIL CAMPBELL, Colonel, R.E.,
Joint Secy. to Government.

ORDER—No. 341, Marine, dated 15th May 1896.

His Excellency the Governor in Council concurs in the recommendations contained in the memorandum printed above, but before passing final orders desires to be furnished with any remarks which the Accountant-General and the Presidency Port Officer may have to offer. It is requested that the matter may be dealt with at an early date.

(True Extract.)

(Signed) D. McNEIL CAMPBELL, Colonel, R.E.,
Joint Secretary to Government.

Appendix A to G.O., No. 341, Marine, dated 15th May 1896.

CONTRIBUTIONS from Provincial funds to cover deficits in Port funds since 1889–90.

	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.	1895–96.	1896–97.	Total.
To Port Funds.									
Ganjám	..	·12	·06	·06	·14	·05	..	..	·43
Gódávari	·63	..	..	..	..	..	..	..	·63
Kistna	·01	..	..	..	..	..	..	..	·01
Tanjore	·09	..	..	..	..	..	..	..	·09
Total ..	·73	·12	·06	·06	·14	·05	..	..	1·16
To Pilotage Funds.									
Pámban Pilotage Fund	..	..	1·00	..	·70	..	..	..	1·70
Total ..	·73	·12	1·06	·06	·84	·05	..	..	2·86

Appendix C to G.O., No. 341, Marine, dated 15th May 1896.

STATEMENT of Port and Marine funds showing the SURPLUS and DEFICIT of each year with loan transactions from 1888–89 to 1896–97.

Provincial contributions are shown in Antique figures, *e.g.*, 12.
Loan transactions are shown in Clarendon figures, *e.g.*, **1·75**.
Transfers between Port and Pilotage are shown in Italic figures, *e.g.*, *·09*.

Port Funds Act X of 1889.	Balance under the old classification, 1st April 1888.	Revised opening balance, 1st April 1888.	Surplus + / Deficit — 1888–89.	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.	Balance. 1st April 1895.	Revised estimate. 1895–96.	Budget estimate. 1896–97.	Balance. 1st April 1897.
I. Madras—													
Working balance	+ 2·45	+ 4·93	+ ·09	+ ·43	+ ·64	+ ·68	+ ·53	+ ·28	+ ·43	+ 8·71	+ ·39	+ ·38	+ 9·48
Loans to other ports	..	+ **1·75**	+ **·46**	+ **·13**	— **·14**	— **·11**	— **·01**	— **·08**	..	+ **2·00**	..	..	+ **2·00**
Payments to the Harbour Trust Board	..	..	..	— 2·75	— 2·62	— *·50*	— *·65*	..	— 1·75	— 8·27	— *·44*	— *·29*	— 9·10
Total	+ 2·45	+ 6·68	+ *·55*	— 2·19	— 2·12	+ *·07*	— *·13*	+ *·90*	— 1·32	+ 2·44	— *·05*	— *·01*	• + 2·38
II. Eastern Group—													
Deficit Ports.													
Ganjám	— *·95*	— **1·75**	— **·14**	— *·12* + **·12**	— *·06* + *·06*	— *·06* + **·06**	— *·14* ..	— *·05* — *·14* + **·03**	+ *·05*	— 1·89	+ *·01*	+ *·01*	— 1·87
Kistna	— *·09*	— *·01*	— **·03**	+ *·01* — **·02**	..	+ **·01**	— *·03*	— *·02*	— *·06*	— *·10*	— *·05*	— *·01*	— *·17*
Madura	+ *·51*	+ *·23*	— *·03*	— *·06* + *·09*	..	— *·23*	+ *·08*	+ *·10*	— *·08*	— *·08*	— *·02*	— *·01*	— *·11*
Total, *Deficit Ports*	— *·53*	— 1·58	— *·20*	+ *·02*	..	— *·22*	— *·15*	+ *·10*	— *·09*	— 2·07	— *·07*	— *·01*	— 2·15
Surplus Ports.													
Vizagapatam	+ *·05*	+ *·95*	— *·04*	— *·03*	+ *·01*	+ *·10*	— *·07*	+ *·11*	+ *·09*	+ 1·12	+ *·08*	+ *·09*	+ 1·29
Gódávari	— *·86*	— *·63*	— **·06**	+ *·63* + *·01*	+ *·01* + **·05**	+ *·07* + *·01*	+ *·05*	+ *·07* + *·01*	+ *·06* + *·02*	+ *·26* + *·12*	+ *·05* + *·01*	+ *·05* + *·01*	+ *·36* + *·14*
Nellore	— *·06*	+ *·06*	+ *·01*	..	..	..	+ *·01*	+ *·01*	+ *·08*	+ *·27*	..	..	+ *·08*
Chingleput	— *·07*	+ *·04*	..	+ *·01*	..	..	+ *·01*	+ *·05*	+ *·08*	— *·04*	+ *·02*	+ *·04*	+ *·33*
South Arcot	+ *·23*	+ *·23*	+ *·03*	+ *·11*	— *·10*	+ *·10*	+ *·05*	+ *·19*	} — *·70*	+ 1·12	— *·60*	+ *·19*	+ *·02*
Tanjore	+ *·94*	— *·09*	— **·23**	— *·11* + *·09*	+ **·09**	+ *·21* — **·70**	+ *·04*	+ *·70*					+ *·71*
Tinnevelly	+ 3·16	+ 1·27	— *·03*	+ *·06*	+ *·08*								
Total, *Surplus Ports*	+ 3·39	+ 1·83	— *·32*	+ *·69*	+ *·14*	— *·21*	+ *·08*	+ 1·16	— *·44*	+ 2·93	— *·42*	+ *·42*	+ 2·93
Total, Eastern Group	+ 2·86	+ *·39*	— *·52*	+ *·71*	+ *·14*	— *·43*	— *·07*	+ 1·24	— *·53*	+ *·86*	— *·49*	+ *·41*	+ *·78*
III. Western Group—													
Malabar	+ 3·38	+ 1·25	+ *·26*	+ *·16* — *·13*	+ **·25**	+ *·26* + *·03*	+ *·39* + *·05*	+ *·17* + *·16* + *·07*	+ *·36* + *·07*	+ 2·97 + **·16** + *·55*	+ *·26* + *·03*	— *·03* + *·05*	+ 3·20 + **·16** + *·63*
South Canara	+ *·38*	+ *·26*	+ *·02*	+ *·03*	+ *·02*								
Total, Western Group	+ 3·76	+ 1·51	+ *·28*	+ *·06*	+ *·27*	+ *·29*	+ *·44*	+ *·40*	+ *·43*	+ 3·68	+ *·29*	+ *·02*	+ 3·99
Grand Total	+ 9·07	+ 8·49	+ *·31*	— 1·42	— 1·71	— *·07*	+ *·24*	+ 2·56	— 1·42	+ 6·98	— *·25*	+ *·42*	+ 7·15
Pilotage Funds Act X of 1889.													
Madras		+ *·72*	+ *·11*	+ *·10*	+ *·06*	+ *·01* + *·22*	— *·09* — *·07*	— *·43* — *·26* — **·70**	+ *·02* + *·28* — *·04*	+ *·60* — *·05* + *·14*	— *·04* + *·03*	— *·04* + *·18* + *·01*	+ *·16* + *·15* + *·01*
Pámban and Kilakarai			+ *·10*	+ *·12* — *·09*	+ **·09**	+ **·70**	+ *·01*						+ *·74*
Cochin			+ *·14*	+ *·01*	+ *·01*								
Mangalore													
Total		+ *·72*	+ *·35*	+ *·14*	+ *·16*	+ *·50*	— *·15*	— 1·39	+ *·26*	+ *·59*	..	+ *·16*	+ *·74*
Landing and Shipping Dues Act III of 1885.													
Vizagapatam						+ *·02*	+ *·03*	+ *·06* + *·54*	+ *·06*	+ *·17*	+ *·04*	+ *·06*	+ *·29*
Cocanada		+ *·08*	+ *·05*	— *·07* — *·05*	+ *·10*	— *·01*	+ *·09*	+ **·16**	+ *·07*	+ *·60* — **·16**	+ *·01*	— *·19*	+ *·42* — **·16**
Masulipatam							+ *·03*	— *·44*			+ *·02*	+ *·02*	+ *·15*
Negapatam							+ *·13*	+ *·07*	+ *·03*	+ *·09*	— *·05*	— *·22*	+ *·24*
Mangalore													
Total		+ *·08*	+ *·05*	— *·03*	+ *·18*	+ *·07*	+ *·06*	+ *·07*	+ *·07*	+ *·48*	+ *·07*	+ *·08*	+ *·31*
									+ *·02*	+ *·16*			
								+ *·41*	+ *·25*	+ 1·34	+ *·19*	— *·32*	+ 1·21

Appendix D to G.O., No. 341, Marine, dated 15th May 1896.

BUDGET ESTIMATE FOR 1896-97.

(Proposed system.)

	I Madras.	II Eastern Group.	III Western Group.	Total.
Port Funds Act X of 1889.				
Opening balance	2·39	·37	3·97	6·73
Receipts—				
Coasting steamer's dues	·40	·26	·59	1·25
Other dues	·72	·41	·26	1·42
General Administration receipts	..	..	..	..
Miscellaneous receipts	·03	·20	·01	·24
Public Works receipts	..	·01	..	·01
Fees	·04	·16	·05	·25
Interest on Government securities	..	·07	·10	·17
Total	1·19	1·84	1·01	4·04
Charges—				
General Administration charges	·12	·37	·24	·73
Lighthouse charges	·08	·24	·06	·38
Port Officer's establishment and Conservators	·11	·28	·20	·59
Personal allowance	..	·06	·02	·07
Other establishments	·15	·14	·08	·37
Contingencies and miscellaneous	·33	·21	·06	·60
Public Works charges	..	·06	·34	·40
Fees	·01	·06	·02	·09
Total	·80	1·41	1·02	3·23
Contribution to Harbour Trust Board	·39	..	..	·39
Total Expenditure	1·19	1·41	1·02	3·62
Surplus or deficit	..	·43	— ·01	·42
Closing balance	2·39	·80	3·06	7·15

	Opening balance.	Receipts.	Charges.	Closing balance.
Pilotage Funds	·59	·57	·42	·74
Landing and Shipping dues	1·63	·77	1·09	1·21

Appendix No. 3 to G.O., No. 261, Marine, dated 19th March 1897.

G.O., No. 52, Financial, dated 20th January 1897.

Read—the following paper:—

Extract from G.O., No. 35, Marine, dated 11th January 1897.

Read—the following letter from W. AUSTIN, Esq., I.C.S., Chairman, Harbour Trust Board, to the Secretary to Government, Marine Department, dated Madras, 4th December 1896, No. 3771:—

* * * * * *

18. (iv) *Outstanding Balances due by Coast Ports to the Madras Port Fund.*—At the end of 1894-95 the port of Ganjám was indebted to Madras by way of loan to the extent of Rs. 1,89,051, and this has been regarded by the Trust as anything but a satisfactory liquid asset. Should Government approve the proposals for harbour improvements made in my letter, No. 3284, dated 6th November, it would be to the interest of the Board if a portion of this amount in cash—say, one lakh of rupees—were paid within the financial year 1897-98, and the Dredger *Wenlock* transferred to the Trust, as proposed some little time since, but without cash payment by the Board, in liquidation of the outstanding balances due by Ganjám, together with the small items due by other ports to Madras, amounting in all, in round figures, to about two lakhs of rupees.

19. In making this suggestion the Trustees have taken into consideration that, while sacrificing to some extent a book asset, cash within a reasonable period is of more importance.

They have also borne in mind that Government has treated the port liberally in the matter of harbour construction, and that they must still look to Government to assist the future development of trade by affording facilities for the construction of improvements by the transfer of the necessary site to the Trust.

Order—No. 35, Marine, dated 11th January 1897.

* * * * * *

4. The adjustments proposed in paragraph 18 (iv) will be considered in the Financial Department.

(True Extract.)

(Signed) D. McNEILL CAMPBELL, Col., R.E.,
Secretary.

ORDER—No. 52, Financial, dated 20th January 1897.

The Harbour Trust Board is prepared to accept—in lieu of the sum of Rs. 2,00,400 * due by the undermentioned ports of the Eastern group, viz:—

	Rs.
Ganjám	1,89,400
Kistna	4,000
Tanjore	7,000
	2,00,400

* Column 17, Appendix C (page 24) of G.O., No. 848, Marine, dated 8th December 1896.

a payment of Rs. 1,00,000 in cash and the transfer of the Dredger *Wenlock* in satisfaction of all claims.

2. His Excellency the Governor in Council considers this proposal to be reasonable and resolves to contribute a sum of Rs. 1,00,000 from Provincial revenues towards meeting the first portion of the demand.

3. As regards the Dredger *Wenlock*, the proposal of the Harbour Trust Board is tantamount to the offer of a nominal price of Rs. 1,00,400, and this will be accepted.

4. The following adjustments will accordingly be made in the accounts of March 1897:—

(i) A sum of one lakh will be paid from Provincial revenues and debited to *21. Marine—Miscellaneous* by transfer from savings under *3. Land Revenue* and *19-A. Law and Justice.*

(ii) The Dredger *Wenlock*, now belonging to Port Funds, will be considered as sold to the Madras Harbour Trust Board for a nominal sum of Rs. 1,00,400.

(iii) The two amounts above named will then be credited to the deficit ports of the Eastern group and distributed as shown in paragraph 1, cancelling their individual liabilities and adding Rs. 2,00,400 to the cash balance of the Madras port.

(iv) The latter sum will then be transferred to the Harbour Trust Board and credited in its accounts as receipts, a sum of Rs. 1,00,400 being at the same time debited as expenditure on account of the purchase of the Dredger *Wenlock*.

5. The Marine Department should now proceed with the amalgamation of the Eastern and Western groups and the simplification of Port Fund accounts.

(True Extract.)

(Signed) A. R. KNAPP,
for *Chief Secretary.*

~~The Hon Mr Bliss~~
~~The Hon Mr Grose~~
~~His Excellency the Governor~~

16

No 268 Marine 19.3.97

Marine ~~Public Works~~ DEPARTMENT.

Re grouping of Ports. & Port Fund Accounts.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

READ ~~the following~~ again

G. O. No 341. Marine dated 15 May 1896.

Read also

Letter from the Presidency Port officer No. 1819/200 G d/ 13 June/

-do- from the Accountant General " I.B.F/162 d/ 18 -do-

Read again

G. O. No 52 Financial dated 20 January /97

9 P

Please clear up the points raised by me below & correct ~~the draft notification~~ as necessary, & then return to me. Had better see all right before circ. to the other members of Govt.

19/2/97

Note for the Hon Mr Bliss

Instructions attended to, and papers resubmitted

22/2/97

The draft as now corrected seems all right

23/2/97

Opportunity will also be taken to simplify the existing

24/2/97 H. E. the Governor-in-Council has had under consideration the question of utilising to the best advantage the available resources under Port Funds ~~which are~~ to meet urgent needs for the purposes of ~~improvement~~ of harbour, improvements, of the provision of new Coast & port lights, and of the improvement of existing lights so as to afford increased facilities and protection to navigation.

2. The present system of keeping the Port Funds Accounts, which has ~~also~~ been found unnecess-

(40—1,000—21-4-94.)

unnecessarily complex, and inconvenient from an administrative point of view. The present opportunity will be taken to simplify it.

3. The memorandum recorded with G.O. 341. marine d/ 15 may /96 recites the circumstances under which the existing system of account was introduced, the resulting inconveniences, and the proposed remedies. His excellency the Governor-in-Council now directs that these suggestions as slightly modified by the Accountant General in his letter of the 8 June /96 printed above be carried into effect as soon as possible, and in the manner following.

4. The ports of the Presidency will consist of three main groups as provided in schedule I, Part II of act X of 1889, the Indian Ports act - viz -

I. Madras
II. Eastern group.
III. Western group.

Draft notfn: A appendix No 1 of G.O. 341. marine d/ 15-5-96.

Under Draft notfn: B Appendix D No 1 of G.O. 341 Marine d/ 15th May 96

The new groupings will be notified in the Fort St. George and maritime district Gazettes; and, in exercise of the powers conferred by Section 37 (1) of the act, rules for the maintenance of the accounts of the ports, as re-grouped, will be made and published.

5. Rules will be similarly issued under section 36 (4) of the act for dealing with general receipts under the altered conditions.

6. The amalgamation of ports ordered above involves the revision of the rules promulgated in G.O. 24. marine d/ 27 January /90 for dealing with the expenditure debitable to the Port Fund accounts of the new groups, and to this revision the previous sanction of the Govt: of India will be necessary under section 37(2)(a) of the Indian Ports act. The proposed modifications are shown in draft notification B, appendix No 1 to G.O. 341 marine d/ 15 May /96

Sanct

Sanction will be applied for accordingly.

7. It is proposed that separate accounts and balances shall be maintained for each group, the district port funds being abolished. The receipts and charges of each port ~~would~~ will appear in the accounts of the group within which it is situated. General administration receipts and charges ~~would~~ will be divided amongst the three groups as follows:—

Madras . 1/6

Eastern group 1/2

Western group 1/3

This is approximately the existing proportion. P 8. Light house charges ~~would~~ will be debited to the group to which the lights belong, P 9. Will Pilotage funds ~~would~~ will be ~~amalgamated into one Pilotage fund, separate details being however kept of the receipts and charges of each station. It is not intended that the Pilotage Fund should contribute as such towards general charges of ports~~ kept distinct and separate accounts of the receipts and charges of each fund will be maintained. Any surplus after meeting legitimate charges will be credited to the general port fund of the ... as such, group in which the ports concerned is placed and any deficit might be ... by a contribution from the ... group fund ... The

< with the exception that ~~but~~ all charges connected with the lights at Armegaon, Pulicat and Seven Pagodas will be debited to Madras. Although these lights are not in Madras, they lead up to it and are used only by vessels making for Madras.

As regards lighthouse charges I think we should debit to Madras all charges at Armegaon, Pulicat and Seven Pagodas. Although these three lights are not in Madras, they lead up to it and are used only by vessels making for Madras. Am I right, by the way, in naming these three only as subsidiary to Madras? (1) I have a sort of idea that there is a fourth light — is it Sadras?

[illegible]

(2) As to this, has any inconvenience been found to result from there being separate Pilotage funds? If not, perhaps better not make any change.

[illegible]

(1) There is no fourth light, and there is no light at Sadras.

(2) No inconvenience has resulted, and there is no need to amalgamate the Pilotage Funds.

11 18

10. ~~8.~~ The apportionment of receipts and charges as thus indicated will not prevent a record of the tonnage of all vessels being maintained, as at present, and this record should be kept in the Presidency Port office as proposed in para 3 of the Presidency Port officer's letter of the 13th June /96.

11 ~~9.~~ The debt of Rs 200,400 due to the port of Madras by the three ports of Ganjam, Kistna and Tanjore has, under G.O. 52 Finl: d/20th January /97, been liquidated by a cash contribution from Provincial Funds of Rs 100,000 and the transfer of the dredger "Wenlock" at a valuation of Rs 100,400. These three ports will thus be relieved at the expense of Provincial Funds from the hopeless condition of insolvency into which they have fallen under the system of separate district funds, and the Eastern group of ports will have a fair start under the new system of grouping

together

gether with a credit balance at the end of the current year which will probably amount to about Rs 2,35,000. But this sum is no more than sufficient for current requirements and to meet expenditure on works already in progress. There are, in addition, as stated above, many works of harbour improvement, and others, such as lights & light houses, urgently demanded in the interests of trade and safe navigation, which can no longer be postponed without inconvenience and danger. Provincial Funds which have now, as well as in the past, largely contributed towards port requirements will, it is feared, be no longer in a position to come to the aid of Port Funds. His Excellency the Governor in Council has therefore no alternative but to direct the enhancement of port dues in the Eastern group to the maximum

Is this approximately correct? The budget I was looking at later today will show — [signature] 19/2/97

The revised budget makes it approximately Rs 2,35,000
R.S.

19

The P. S. O.
" Ch: H. T. Bd
" Acctt: Genl:
" Finl: Dept:
" ~~Supt: Govt: Press with ... A & B~~
" Collectors of maritime Dts:

Despatch
File B.C. a.i.d after issue
[initials] 2/6/3/97
[initials] 18/3/97

12

maximum rates allowed by the Act. Steps will be taken accordingly. An additional sum of Rs 11,000 a year will probably thus be raised. This will not, it is thought, prove an excessive burden on the trade of the ports forming the Eastern group.

(N.E. No. 262 Marine d/ 19th March /97)

To

The Secretary to the
Government of India
Financial Dept.

Sir,

I am directed to forward for the information of the Govt: of India, the accompanying copy of the Proceedings of this Government No. 261 Marine d/ 19th March 97 and for the reasons therein set forth to request the sanction of His Excellency the Governor-General in Council to the issue, under Section 37(2)(a) of Act X of 1889, to

Indian Ports act, of the
notification shown as B C
in appendix (No. 1. ~~D to G~~
~~3rd material dt 15 May 96.~~
The existing rules were sanc-
tioned by the Govt: of India
in Financial Dept: Letter
No 223 dt 16 January 1890.

I have &c.

17/2/97
M.

17/3/97

Reading

Accounts.

No 1819/200 G

Presidency Port Office,
Madras, 13 June, 1896.

From

Commdr. H. A. Street, R.I.M.,
Presidency Port Officer,
Madras.

To

The Secretary to Government,
Marine Department,
Chepak.

Sir,

With reference to G.O. No.341 Marine dated 15th May 1896, I have the honor to submit for the consideration of Government, the following remarks on the proposals to alter the existing system of distribution of Port and Pilotage Funds, which accompanied the order above quoted, viz:

(1) The effect on the ports of the Eastern group (Madras excepted) would be to drain the resources of districts having surplus balances to meet the deficit of Ganjam and leave but a small balance (Rs85,532)to meet the requirements of importanb ports such as Vizagapatam, and Coconada. As this would be extremely detrimental to the interests of these ports and no doubt lead to a strong protest from mercantile firms interested in the development of the trade at each of these ports, I submit that the Ganjam debt should be either wiped off once for all by a contribution from Provincial Funds so that the existing Port Fund balances of the Eastern Group may remain intact, or met by raising the port dues of the Eastern Group to maximum limit (4½ annas) until a sufficient sum has been collected to pay off the Ganjam debt.

(2). The Western Group ports being in a solvent

state will not be affected by the proposed arrangement, but the special rate of 3 annas on Foreign vessels introduced in the South Canara District in 1890, in consideration of the fact that this District had an annual deficit, could be reduced to 2 annas, and this reduction would be some compensation for vessels proceeding to Eastern Group should the dues of that group be increased as proposed by me.

(3) On the apportionment of receipts and charges in the manner proposed, I have no remarks to offer, but for administrative purposes a record of the tonnage of all vessels will have to be maintained in the Presidency Port Office as hitherto.

(4) Instead of distributing the charges on account of the dredger "Wenlock" in the manner proposed--that is, in proportion to the opening balances of the several groups which would have the effect of throwing a heavy share on Madras and reducing considerably the share of the Eastern and Western Groups- I would recommend that the charges should be distributed by tonnage as hitherto as follows-

Madras. 1/6

E.Group.1/2

W.Group.1/3

as this proportion is very approximate to the tonnage of vessels.

Taking for example, the balance on the 31st March 1895 of the several groups as shewn under,

Madras....Rs.	2,78,375	or 2.78
E.Group...Rs.	85,532	or .85
W.Group...Rs.	3,68,749	or 3.68
	7,32,656	7.32

the proportion which these group funds bear to the whole balance is respectively 3/8, 1/8, and 1/2, whereas division by tonnage would be 1/6, 1/2, and 1/3 respectively.

(5) Should the respective Pilotage funds be amalgamated as proposed into one fund and contributions made from the fund to meet general charges, the several ports at which pilotage is collected would contribute towards General Charges twice over- viz: once as a port of the group and again as a pilotage port. I would recommend, that as is done in the case of the Madras Pilotage Fund (G.O. No.340-A Financial, dated 1st April 1893) the annual surpluses at Pamban, Cochin and Mangalore after meeting all necessary demands be credited to the group in which these ports are, and any deficit met by a contribution from Port Funds of the group. If this suggestion is adopted the debiting of general charges twice in the case of ports where Pilotage Funds also exist will be avoided. There is nothing in the Act requiring the separate maintenance of these accounts for each port.

I have the honor to be,

Sir,

Your Obedient Servant,

Commander,R.I.M.,

Presidency Port Officer.

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Marine (1896) Department.

From

The Presidency Port Officer,

Madras,

To

The Secretary to Government,

~~Public Works~~ (Marine) Department,

Madras.

No. 1819/200 G

Dated 13 June 1896.
Received

No.

Subject.

Submitting remarks on the proposals to alter the existing system of distribution of Port and Pilotage Funds.

No. 341 / 15-5-96
" 24 - 27-1-90
" 91 - 2-2-97
" 35 - 11-1-97
" 18 - 6-1-97
" 17 - 6-1-97
" 834 - 1-12-96
" 5395 - 3-11-96
" 582 - 27-8-96
" 503 - 16-7-96
" 2982 - 5-6-96
" 341 - 15-5-96
" 311 - 6-5-91
" 1585 W - 23-5-96
" 1530 W - 16-5-96
" 1334 W - 28-4-96
2.3.93.84 " 1171 W - 2-4-96
26.4.93.64 " 115-120 - 26-2-96
" 297 - 8-10-95
" 190 - 1-7-95
" 47 - 9-2-95
" 1178 W - 28-4-93
" 347 - 4-8-91
" 4 - 8-1-91
" 273 - 4-12-90
" 213 - 7-10-90
" 351 - 8-10-90
" 71 - 2-4-90
" 698 - 18-12-89
" 601 - 28-10-86
" 496 - 8-9-86
" 276 - 1-6-86
" 1818 - 25-1-86
" 39 - 23-1-85
" 2512 W - 24-10-85
No. 2721 W 3-11-81 " 1838 W - 15-8-85
" 20 423-5-76 Legis " 233 - 6-6-
" 3128 W - 19-
" 3304 W - 20
" 9 - 1

Book

Department.

B

5P

Fort St. George,

Accountant-General's Office,

18th June 1896.

No. J.B.F. / 162

From F. C. Harrison Esquire,

Offg

Accountant-General to the

Government of Madras,

To

The Secretary to Government,

Public Works Department,

(Marine Branch)

Sir,

With reference to Government Order No. 341 Marine, dated the [illegible] calling for my remarks on certain proposals for the simplification of the Port Fund Accounts, I have the honour to make the following observations.

It is stated in paragraph 21 of the Government Order that it is desirable to amalgamate all the Pilotage Funds into one fund and

to show separately only the receipts and charges for each station. But Notification B which proposes to give effect to the latter part of this change runs thus:- "separate accounts being however kept of the receipts and charges of each station" The phrase "separate accounts" is liable to be read as denoting that separate balances should also be maintained. I would therefore propose that the word 'details' be substituted for 'accounts'

The proposed notifications B & C moreover indicate only the proportions in which the general receipts and charges of that Fund should be [illegible]tributed and not in what

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fund "Madras" or "Eastern Group" or "Western Group", they should be recorded in the first instance pending distribution. It will be preferable to record them in the first instance under Marine in the General Accounts and then to transfer them at the end of the month to the three funds in the proportions stated. I would therefore propose that

For

"shall be debited as follows" in Clause 2 of Notif.n B "will be credited as shown below" in Clause 2 of Notification C.

Read

"shall be entered in the general

acct

accounts of the Presidency in the
first instance and be afterwards
distributed as follows

In conclusion I beg to observe
that the shares of General adminis
tration charges shown under Eastern
and Western groups in Appendix E
are not 1/2 and 1/3 of the whole charge.

2f :73.

I have the honor to be,
Sir
Your most obdt. Servant,

J Harrison
Offg Accountant General.

PR 1716

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(189) DEPARTMENT.

From

THE ACCOUNTANT-GENERAL,

MADRAS,

To

THE Secy to Govt. P. W. D. Marine Branch

No. 184/162

Dated 18 June 96
Received

No.

Subject.

Offering remarks on certain proposals for the simplification of the Port Fund accounts

Cor.—1,000—18-5-95.

686

Recd 20 [illegible] 96

Marine File

No. 425 of 13-6-96 marine ✓
" 341 " 15-5-96 " ✓
" 245-6 " 8-4-96 "
" 334 " 14-11-95 "
" 41R " 9-4-95 " ✓
" 52 " 13-2-94 " ✓
" R. 64 " 26-4-93 " ✓
" 89 " 2-3-93 " ✓
" 372-3 " 23-8-89 " ✓
" 243-44 " 10-6-89 " ✓
" 158 " 15-4-89 ✓
" 161 " 27-4-88 ✓
" 15 " 17-1-88 ✓
" 211 " 21-5-85 ✓
" 287 " 18-6-81 ✓
" 141 " 16-3-81 ✓
" 418 " 24-8-80
" 417 " 24-8-80 ✓
" 94 " 12-3-80 ✓
" 413 " 31-7-79 ✓
" 227 " 24-8-79 ✓
" 291 " 29-5-78 ✓
" 192 " 26-3-78 ✓
" 189 " 25-3-78 ✓

Act No IV of 1881.
Indian Ports Act 1875
Indian Port Bill

Financial File

No 2156 W of 27-7-96 (F.C. No 1934) ✓ Fin.
" 461 " 24-6-96 marine (" 1654) & C. No 1957
D.O. No 463. ✓
G.O. 4153 of 13-5-96. ✓
" R No 631 - 9-6-96 Fin. ✓
" " 642 - 27-4-96 " ✓
" 425 " 13-6-96 marine ✓
" 245-6 " 8-4-96 " (once) ✓
" 349 " 21-5-96 Fin. ✓
" 60 " 1-2-96 marine ✓
" 1037 " 20-12-95 ✓
Indian Ports Act 1889 ✓
" 285 " 30-3-93 Fin. ✓

No. 341, MARINE, 15TH MAY 1896.

1SP

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~~GOVERNMENT OF MADRAS.~~

~~MARINE DEPARTMENT.~~

Appendix No 2 to G.O. 261 marine of 19 March (97)

G.O. No 341. marine of 15 May/96.

MEMORANDUM.

No. 261 E., dated 15th May 1896.

The present system of Port Fund accounts was introduced in 1889-90. It is a complex system, and it seems desirable to simplify it. The position before and after its introduction, as well as the alterations now proposed, are shown in parallel columns below:—

Former system.	Present system.	Proposed system.
I.—Grouping of Ports. Under Madras Act VII of 1867 there were only two groups, and this grouping was supposed to continue to hold good under India Act XII of 1875: I. The *Eastern group*, with 12 ports *including Madras*; and II. The *Western group*, with 6 ports. All the 18 ports were regarded as a *single port* and the revenue formed a single fund called the *Madras General Port fund*. In 1889–90 this was declared to be illegal under Act XII of 1875.	I.—Grouping of Ports. Under Act X of 1889, two groupings were instituted: (*a*) For levy of Port dues ... { I. Madras; II. Eastern group; III. Western group } Schedule I, Part II of the Act. (*b*) For maintaining Port Funds accounts. { I. Madras. II. Twelve District Port funds—10 on the East and 2 on West Coast. There are thus 13 distinct Port funds which give rise to complications in accounts, by way of loans, adjustments and maintenance of separate balances.	I.—Grouping of Ports. (*a*) Retention of the three main groups as in Schedule I, Part II of the Act, viz.: I. Mdras. II. Eastern Group. III. Western Group. (*b*) Abolition of the 12 district funds. There would then be only three Port funds with separate balances. The Eastern and Western groups could, if required, be amalgamated; but there is as yet no necessity to deviate from the grouping of Part II of Schedule I of the Act.
II.—Classification of Receipts and Charges. (*a*) The main transactions were recorded in the accounts of each port, exactly as they occurred, the totals being treated as the revenue expenditure and balance of the *General Port fund*. (*b*) Forty per cent. of the cost of the administrative branch and other *general charges* was debited to the port of Madras, and the remainder was divided equally among 17 of the principal ports. This was a simple arrangement, and the Government was at liberty to utilize the balance just as it wished anywhere in the Presidency. The total balances amounted to 9 lakhs and there was no occasion to distribute this comparatively small amount among the 18 ports.	II.—Classification of Receipts and Charges. *Receipts.* 1. After deducting amounts paid on account of refunds, the total net group dues levied during each official year in the Eastern and Western groups on coasting steamers with reference to Schedule I, Part II of the Act, shall be distributed among the various district groups constituted by the Governor in Council under section 37 (1) in proportion to the total tonnage of coasting steamers entering the ports in each group during the year, instead of being credited in full at the port of levy. 2. In the case of *foreign vessels* calling at more than one port within the Eastern or Western group, the difference between the dues actually levied and the dues which would have been levied if such vessel had touched at one port only, shall be deemed to be levied on account of the second port of call, and shall be credited accordingly in the Port Fund accounts. 3. Receipts on account of port dues on other vessels and other receipts collected at the various ports, shall be credited in full to the port at which they are collected, provided such receipts are not expressly collected on account of other ports. 4. All general receipts to which the ports in the Presidency have a common claim, such as receipts of the Administrative department, general store receipts, and such other receipts as do not appertain to any particular port or ports, will be distributed among all the ports in the Presidency, including the port of Madras, in proportion to the total tonnage of all vessels entering each port during the official year in which such monies were received. *Charges.* 1. Charges debitable to any port under the rules shall be debited to the district group of which such port forms a part. 2. The cost of the Presidency Port Officer's establishment and contingencies, pensionary charges, charges on account of gratuities, charges for general stores, and such other charges as cannot be properly debited to any particular port or ports shall be distributed among all the ports in the Presidency, including the port of Madras, in proportion to the total tonnage of vessels entering each port during the official year in which such charges are incurred. 3. Lighthouse charges shall be divided into two heads—(*a*) Charges connected with lighthouses belonging to the Eastern group of ports and to Madras; (*b*) charges connected with lighthouses belonging to the Western group of ports. Charges falling under head (*a*) shall be distributed among the ports of the Eastern group and the port of Madras in proportion to the total tonnage of vessels entering each port during the official year in which such charges are incurred. Charges falling under head (*b*) shall be distributed in the same manner among the ports of the Western group. 4. All charges incurred at one port on account of another port shall be debited to the port on whose behalf such charges are incurred. 5. All charges incurred at any port which are not covered by the two preceding rules shall be debited to such port. *Plus* and *minus* entries are framed for each account and elaborate calculations are made to arrive at what is imagined to be the correct apportionment of the items. Government is unable to order a transfer from one district to another. *Note.*—There seems no more reason for localizing these small amounts, now aggregating six lakhs, than for attempting a district distribution for Provincial revenues which come to over 300 lakhs.	II.—Classification of Receipts and Charges. The receipts and charges of each port will be treated as belonging to the Port Fund account of the group within which it is situated. General administration receipts and charges will be divided among the three groups according to the proportion now obtaining; which works out approximately to, Madras $\frac{1}{3}$, Eastern group $\frac{1}{3}$, Western group $\frac{1}{3}$. Lighthouse charges will be debited to the group to which they belong. (Re-apportionment according to tonnage of vessels is only one way of distribution. Cargo loaded and shipped by each vessel is another, but this was not considered to be so good as the other and rejected.) The best plan is to have no distribution at all, and not to tie the hands of Government in any way.
III.—Investment of Balances. No investments were made; the Act authorizes only a temporary investment, and as the funds were treated as purely Government money, it was not considered desirable to invest them.	III.—Investment of Balances. The balances of surplus districts have been invested in Government securities since 1890–91, and the interest has added considerably to the balances. In the case of Madras, a certain portion is treated as loans to deficit funds, and interest is credited to Madras by debit to those funds.	III.—Investment of Balances. Loan transactions will be avoided as far as possible; requirements in one group will be met, if necessary, from the balance of another, by means of contributions, recoverable in due course, as in the case of transfers between *Provincial* and *Local*.

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2. It will be seen that what is proposed is, to some extent, a reversion to the former system, but in greater conformity to the grouping adopted in the Act as it now stands. It is not proposed to revise past transactions or in any way to disturb the arrangements in force between 1889–90 and 1895–96, but to make a fresh start on the new lines.

3. The present complication in accounts arose in the following way:—

The Madras Harbour Trust Act (II of 1886) came into operation * in the beginning of 1886–87, and the Government of India suggested that the conservancy of the port of Madras should be made over to the Board, as had already been done at the ports of Calcutta, Bombay and Rangoon. After some hesitation this was agreed to, and the Board was appointed Conservator on 1st June 1888. It then became necessary to transfer to the Board the surplus revenues of the port in each year, together with all the balances which had previously accumulated. For this purpose the correct amount standing to the credit of the port on the date of transfer had to be ascertained.

* Parts I and II on 1st May 1886; remainder on 1st June 1886.

G.O. No. 43, Marine, dated 2nd February 1887.

G.O. No. 161, Marine, dated 27th April 1888; also paragraph 4 of G.O. No. 15, dated 17th January 1888.

Paragraph 5 of G.O. No. 15, Marine, dated 17th January 1888.

Paragraph 16 of G.O. No. 15, Marine, dated 17th January 1888, page 54.

4. On a review of the Marine Administration report for 1886, it was observed that numerous irregularities had occurred in the working of the Indian Ports Act (XII of 1875) and the maintenance of the Port Fund accounts, in regard to—

(i) the grouping of ports, and amalgamation of Port Fund accounts;
(ii) the classification of receipts and charges; and
(iii) the utilization of the balances of one port for the benefit of another.

A thorough re-organization of the Marine Department was instituted and the Port Fund accounts were recast from 1875–76 to 1887–88 on an elaborate scale, the balance at the credit of each port being worked out afresh from the beginning of this period.

5. The principal changes then introduced are summarized below:—

I. Grouping of Ports.—Accounts had all along been maintained for each individual port, in accordance with the provisions of the law noted in the margin.† The Madras Port Dues Act (VII of 1867) constituted two groups ‡ of ports, viz., the *Eastern group with* 12 *ports including Madras*, and *the Western group with* 6 *ports*. Section 11 of this Act provided that, as regards port dues, all the 18 ports should be regarded as one port and the revenue realized should form a single fund to be called the *Madras General Port fund*. Section 12 provided that the money thus realized could be utilized for the requirements of any port within the Presidency. But this local Act was repealed by the Indian Ports Act (XII of 1875), and in the latter Act an additional clause was inserted (section 47) under which the Local Government was empowered to *direct* that any number of ports should be regarded as constituting a single port. The Government of the day made no specific declaration on this point, apparently because what was required had already been in force for years under the operation of a legislative enactment. It was, however, in some quarters held that as the *General Port fund* had been established by the Repealed Act (Madras Act VII of

† Section 44 of Act XXII of 1855.
" 47 of " XII of 1875.
" 36 of " X of 1889.

‡ *Eastern Group.*

1. Ganjám.
2. Munsurcottah.
3. Calingapatam.
4. Bimlipatam.
5. Vizagapatam.
6. Cocanada.
7. Masulipatam.
8. Madras.
9. Cuddalore.
10. Tranquebar.
11. Negapatam.
12. Tuticorin.

Western Group.

1. Mangalore.
2. Cannanore.
3. Tellicherry.
4. Calicut.
5. Beypore.
6. Cochin.

1867) itself, and not by any declaration or rule under it, it was not saved by section 3 (2) of Act XII of 1875, and that it ceased to exist when Act XII of 1875 came into force. Another authority went further and declared that, as individual Port Fund accounts had all along been maintained, the *General Port fund* was a myth. As a result, it was first ruled that only *individual Port funds* should be maintained, and that the *General Port fund* should not be re-established. When, however, the revision of the accounts was completed, it was found more convenient to group the ports (146 in number) by *revenue districts* and a notification was issued constituting 12 * District Port funds. Madras was excluded, as under the proviso to section 37 (1) of Act X of 1889 (which had meanwhile, on the 1st April 1889, come into force and repealed Act XII of 1875), it had to retain its individuality like Calcutta, Bombay, &c.

Paragraph 7 of G.O. No. 15, dated 17th January 1888.

Paragraph 8, G.O. No. 15, dated 17th January 1888.

* Ganjám.
Vizagapatam.
Gódávari.
Kistna.
Nellore.
Chingleput.
South Arcot.
Tanjore.
Madura.
Tinnevelly.
Malabar.
South Canara.

Captain Street suggested that it would be more equitable to have five divisions, by limiting a group to six principal ports, each with a Port officer; thus:—

(1) Madras.
(2) Masulipatam and all ports to the north } Eastern group.
(3) South of Masulipatam to Tuticorin }
(4) Cochin to Mangalore } Western group.
(5) Mangalore northwards }

Letter No. 88 G., dated 29th February 1888.

This proposal was not, however, approved.

II. Classification of Receipts and Charges.—Various changes under this were effected in the revised accounts:

(1) The most important of these will be best gathered from the following extracts of G.O. No. 15, dated 17th January 1888, reproduced below:—

"As regards distribution of receipts, the present practice is to credit to each port all the dues received thereat. This is correct, of course, as regards vessels which pay afresh at each port they enter; but in the case of coasting steamers which pay group dues freeing them at other ports also, the practice is most unfair inasmuch as such dues may be held to be paid (in the language of Act XII of 1875) on account of the ports subsequently entered free, as well as of the port at which they are levied. The present practice unduly favours the terminal ports of each group, which are first approached by the steamers going round the coast. The only fair way of distributing the dues on coasting steamers in the Eastern and Western groups would be in proportion to the tonnage of such vessels entered at each port; Madras, of course, receiving in full the dues levied there in excess of the group rate, as well as her share of the group dues. The marginal statement shows the proper distribution so calculated on the figures for 1886–87. From this it will be seen that, under the existing system, Cochin and

	Coasting steamer tonnage.	Dues as credited at present.	Dues correctly distributed.
		rs.	rs.
Madras	309,069	35,615	28,975 *
			7,904 †
Total	..	..	36,879
Gopálpur	162,887	5,755	4,166
Calingapatam ..	125,444	1,316	3,208
Bimlipatam ..	280,883	3,378	7,183
Vizagapatam ..	251,379	1,969	6,436
Cocanada	328,285	5,947	8,395
Masulipatam ..	253,803	6,244	6,481
Cuddalore ..	113,271	1,418	2,897
Porto Novo ..	38,372	..	981
Negapatam ..	319,311	9,912	8,166
Tuticorin	197,017	18,255	5,038
Total ..	2,380,036	54,224	52,960
Cochin	198,992	25,466	7,338
Calicut	238,009	7,102	8,777
Beypore	79,501	484	2,932
Tellicherry ..	233,689	2,363	8,618
Cannanore ..	167,078	601	6,151
Mangalore ..	108,560	1,812	4,093
Total ..	1,025,829	37,829	37,829
Grand Total ..	3,405,865	1,27,668	1,27,668

* At 1½ annas per ton. † Group share.

e terminal ports to the south, have benefited

2 exper

of other ports, while Bimlipatam, Vizagapatam, Cocanada, Beypore, Tellicherry and Cannanore have especially suffered.

"Before proceeding to notice the way in which charges are incorrectly debited, it will be convenient to deal here with certain errors which appear to exist as regards the rates of dues now levied. At certain ports, mainly those specified in the margin of the last paragraph, the rate on ships—not coasters—is 3 annas, and the half-rate for coasters—not steamers—1½ annas, the rates at other ports being 2 annas and 1 anna, respectively. Act XII of 1875 provides that coasting steamers shall pay the highest rate of the group *plus* one-half of such rate; and therefore, as long as 3 annas are levied at any port, the due on coasting steamers within the same group cannot be less than 4½ annas. But by notification, dated 21st February 1885, coasting steamers were made liable to 3 annas only on entry, and this rate frees them at all ports in the group. The rates on other vessels were left intact, and an illegal state of things was thus established. To remedy this, either the old rate on coasting steamers in the Eastern group must be restored by notification, or the rates on other vessels at 3-anna ports in that group must be reduced to 2 annas. Again by G.O. No. 211, dated 21st May 18 it was declared that coasting steamers, which on entry at Madras had to pay difference between the rate levied at out-ports and 6 annas, the rate fixed for Mad under Act IV of 1881, should continue to pay 1½ annas, which was the difference whe the out-port group rate was 4½ annas. The Government cannot concur with th reasoning of the Government Solicitor in the opinion on which the G.O., dated 21st May 1885, was based; and they consider that, on the notifications as they then stood, either the Madras rate should have been lowered, or the full difference (3 annas) should have been levied."

Note.—In accordance with this view, the rates of port dues were reduced both at Madras and at out-ports, with effect from 1st June 1888.

Para. 4 of G.O. No. 161, Marine, 24th April 1888.

When the accounts were revised, the group dues levied in the Eastern and Western groups on coasting steamers were distributed, among the various ports at which those steamers called, *in proportion*

Paragraph 2 of G.O. No. 171, Marine, dated 24th April 1889.

to the total coasting steamer *tonnage* entering such ports, instead of being credited in full at the port of levy. The distribution was, however, made after excluding the 1½ annas per ton levied since 1881–82, over and above the group due, at the port of Madras; this latter amount was credited in full to Madras.

(2) The cost of the Presidency Port Officer's administrative establishment and pensionary charges were made general charges common to all ports, and distributed in proportion to the total tonnage entering them, instead of being debited to only a few of the major ports as formerly.

(3) The cost of the S.S. *Mádras*, amounting to 2·25 lakhs, originally charged to Madras alone, was distributed on the above principle with the result that only about one-seventh of the amount became chargeable to the Presidency port. This charge led to a large increase in the Madras balance.

(4) The charges for light-houses, instead of being debited to the nearest port as formerly, were made a group charge and distributed in proportion to the tonnage entering each port.

III. Investment of funds and Mutual loans among ports.—It was held that, though the law admitted of each port being debited with a fair share of any expenditure incurred on account of ports generally, the surplus of one port could not be legally diverted for the benefit of another, as had been done in the past for the Gopalpier, Cocanada improvements, and so forth.

It was accordingly decided that the only way in which deficits or specific expenditure at one port could be met from the surplus of another was by means of *loans* advanced from surplus funds *invested* temporarily under local arrangements as provided by the Act. This investment was held to include *loans between ports*.

Paragraph 8 of G.O. No. 15, dated 17th January 1888.

Section 47 of Act XII of 1875.
36 (6) of Act X of 1889.

Paragraph 4 of G.O. No. 171, dated 24th April 1889.

6. The *result* of the revision showed that the port of Madras had been enormously overcharged in the past as appears below:—

Madras Port.	Old classification. Lakhs.	New classification. Lakhs.
Opening balance	—·14	—·14
Receipts.		
Coasting Steamer dues	1·95	2·39
Dues on other vessels and country crafts	1·53	
Sundry receipts	11·30 4·67	15·97
Total Receipts ...	19·45	18·36
Charges.		
General charges	4·05	1·02
S.S. *Madras*	2·25	
Lighthouse charges	·65	·61
Establishments		
Contingencies	9·91	9·91
Public Works Department charges		
Total Charges ...	16·86	11·54
Closing Balance ...	2·45	6·68

The balance to its credit on the 31st March 1888, as revised, amounted to 6·68 lakhs, besides ·72 lakh pilotage fees, while under the old system of accounts these amounts would have been only 2·45 and ·13, respectively. Out-ports sufferred correspondingly, the balances to their credit being reduced from 6·62 to 1·81.

* Paragraphs 9 to 12 of G.O. No. 171, dated 24th April 1889.

The surpluses in some districts * were invested † in Government securities, while the deficits in others were made good either by contributions ‡ from Provincial revenues, or by loans § advanced from the Madras surplus.

It was decided ‖ that the Madras port should eventually get its full share of the revised balances, and that the out-ports, to cover whose deficit balances a portion of the sum due to it was retained, were to pay interest to Madras on the sums thus borrowed at 4 *per cent. per annum* and, in addition, to make such annual payments as might be possible towards liquidating the principal of the debts.

	1890-91.
† Vizagapatam	·90
Gódávari	...
Nellore	·06
Chingleput	·04
South Arcot	·20
Madura	·20
Tinnevelly	1·20
Malabar	1·00
South Canara	·22
	3·82
	1890.
‡ Gódávari	·63
Kistna	·01
Tanjore	·09
	·73
§ Ganjám	1·89

‖ Paragraph 5 of G.O. No. 171, dated 24th April 1889.

These arrangements took effect from 1st April 1889.

7. It was at first expected that, on the completion of the revision ¶ of the accounts, "all ports would be found solvent," and that "no ports would show deficits either now or in any former year . . . , if any port is found unable to meet the ordinary charges, either the rate of dues must be raised, or the charges reduced, or the port must be grouped with a solvent port." The above expectations were not, however, realized. Even after

¶ Paragraph 16 of G.O. No. 15, dated 17th January 1888.

grouping a number of ports together by districts, it was found that several District funds remained in a hopeless state of insolvency. It was also shown that the northern and western ports had benefited at the expense of the southern and that the largest deficits occurred where the greatest improvements were required. A large amount of revenue was lost to Government as a direct consequence of the re-organization introduced, but this was accepted as inevitable.

Paragraph 11 of G.O. No. 15, dated 17th January 1888.

Paragraph 4 of G.O. No. 161, dated 27th April 1888.

8. After a trial of several years it is now found that some districts have not only been unable to meet current expenses, but have not even been able to pay the annual interest to the Madras port. In these cases, Provincial revenues have been drawn on for the interest (as in Ganjám) or the Madras port has advanced the interest to itself as an addition to the loan (as in Kistna, Tanjore, &c.). The working of these loan transactions leads to endless complications in accounts, and has been felt to be a most confusing, harrassing and difficult arrangement, not only in the Presidency Port office and in the Financial Department of the Secretariat, but also in the Accountant-General's office. The abolition of the loan system would, therefore, be a source of relief to all concerned.

Paragraphs 3 and 6 of G.O. No. 211, dated 26th March 1891.

Malabar, Tinnevelly, Pámban, Kilakarai, &c.

9. As regards the *grouping* of the ports, it is to be noted that when the revised arrangements were communicated to the Government of India, that authority called for a formal set of rules for regulating the accounts as required by section 37 (2) of the Act (X of 1889). On receipt of these rules, the Government of India observed *inter alia*:

"The Act intends to provide for only one grouping and for the direct distribution among the ports of each group of the proceeds of the common Port fund of that group. The Government of Madras, however, appears to desire a double grouping—one great division of all the ports into two groups, and twelve smaller groups within these. This arrangement cannot be adopted under the Act, and it will be necessary for the Government of Madras to adhere to only one system of grouping—either the larger or the smaller, whichever it may prefer—and the draft rules should be revised accordingly."

Letter, dated 12th December 1889, No. 514.

The Madras Government demurred and advocated the retention of the district grouping on the following grounds:—

"The division of the out-ports of the Madras Presidency into two main groups—the Eastern and the Western—for the purpose of collection of port dues, is made by the Act itself (Schedule I, Part II), and any smaller divisions effected under section 37 (1) must in one sense involve a "double grouping." But since in the draft rules under correspondence, the larger grouping is recognized only with reference to the distribution of dues on coasting steamers and foreign vessels calling at more than one port within the Eastern or Western group, and of lighthouse charges, while the other general charges are distributed over all the ports in the Presidency, His Excellency in Council would advance the opinion that there is in reality no double grouping of the ports for financial administration as alleged by the Government of India.

* * * * *

"I am to remind the Government of India that the circumstances of this Presidency in regard to Port fund administration are peculiar. It has a more extensive seaboard than any two other provinces, an enormous number of very small ports, a considerable number of ports of the second rank under specially-appointed Port officers, and a number of lighthouses, so that a central administrative head, with a large office, is an absolute necessity. The whole of the marine charges are met from Port funds, and as the maintenance of lighthouses and of the central establishment cannot be thrown on single ports, the cost must be distributed either in the way proposed in the rules, or by requiring contributions to a separate fund or to Provincial

funds. The number of ports (145) is such that it is quite impossible to work a system of individual Port funds, and to equate the receipts and charges of individual ports; and, on the other hand, to divide for financial administration all the out-ports into two groups—as is done in the Act for the purpose of levy of dues—would not be a sufficient concession to the principle of localization, while it would still require the distribution of the central office charges between these two groups and the port of Madras. The proposal of this Government to form District Port funds is a compromise between localization and the requirements of efficient administration, and will, in the opinion of His Excellency in Council, prove a satisfactory one, since each of the proposed divisions contains one, or at most two, principal ports supplying the services of a Port officer, with a number of petty ones grouped round it. It will, it is hoped, be found possible to bring district receipts and charges into equilibrium, and to keep them so; thus making financial localization a reality, instead of, as has hitherto been the case in this Presidency, a pure fiction. Hitherto, accounts have been exhibited; but in after year in which the balances of individual Port funds have been exhibited; but in the case of many ports, a deficit has gone on in a chronic state of increase, and the aggregate receipts and charges have been managed practically as a single fund in a way entirely contrary to the principles of the law. The Government has made strenuous efforts, in the recent revision of port fund accounts, to remedy this state of affairs, and has carried out the reform it considered necessary at a heavy cost to Provincial funds.* What has been done cannot now be undone, as a retransfer of the payments already made to the Harbour Trust Board† is impracticable. The whole question has been before the Government of India for some time without objection being raised,‡ but if the contention in the letter now under reply is correct, the procedure adopted was illegal. If it is not allowed to stand, there must, in the opinion of His Excellency in Council, be fresh legislation. There must be either individual port dues, without any grouping, or there must be at least three independent groups on the East Coast exclusive of the port of Madras. Even then, there must be distribution of central office receipts and charges.

* *Vide* paragraph 9, G.O. No. 171, 24th April 1889.

† *Vide* the same order, paragraph 13.

‡ *Vide* Mr. Stokes' letter, dated 21st May 1888, No. 205, and papers forwarded therewith, and my endorsement No. 172, dated 24th April 1889.

"His Excellency in Council is, however, still of opinion that there is nothing in the system which has been put forward by this Government in any way incompatible with the present Act, and I am therefore to invite the attention of the Government of India to the papers noted in the margin, and, with reference to the considerations above stated, to request that the rules in their original form, or as now modified, may be allowed to stand. It will be observed that the suggestions made in paragraphs 6 and 7 of Mr. O'Conor's letter under reply have been adopted in the revised rules."

G.O. No. 15, dated 17th January 1888.
" " 161 " 27th April "
" " 171 " 24th " 1889.
" " 243 " 10th June "
" " 372 " 23rd August "

The objection urged in the above appeal against having only three groups as in the Act, is based on the fact that *it would not be a sufficient concession to localization.* But the question is whether any localization is specially called for where the revenues concerned are less than 7 lakhs on the whole. No such localization by districts is insisted on in the case of general revenues—Imperial and Provincial. Local and Municipal funds are on a different footing, as private bodies are in charge of the funds; this is not the case with Port funds which are managed by Government exclusively. Statement A appended shows that, on the completion of the revision of accounts, Provincial revenues had to contribute ·73 lakh to meet initial deficits in Gódávari, Kistna and Tanjore, and that since then ·43 lakh has had to be paid to extinguish the annually recurring deficits in Ganjám (total 1·16 lakhs). If the attempt at localization had succeeded in restoring equilibrium all round, as was originally anticipated, it would have been effectual; but some District funds are hopelessly

in deficit and Provincial revenues cannot be expected to continue contributions for an indefinite period.

10. Under the circumstances detailed above it becomes necessary to reconsider the question of grouping, and, in this connection, it is to be noted that the Government is always at liberty to *direct* the grouping of ports in any way it deems fit, *Madras alone* being kept distinct.

Section 37 (1) of Act X of 1889.

11. Statement E shows the financial position of the several Port and Marine Funds according to the President's Port Officer's budget estimate for 1896–97. Statement C shows the balances of each fund under the old system and as worked out on the re-organization, transactions since that date, and the position at the end of 1896–97 if the present proposals are adopted. An abstract of the total closing balances is given below :—

Abstract of Port Fund balances.	Old classification, 1888–89.	Revised accounts, 1888–89.	Total up to the end of 1893–94.	1894–95.	1895–96.	1896–97.
I. Madras. Working balance	2·45	6·68	8·28	8·71	9·10	9·48
I. Madras. Amount transferred to Harbour Trust Board	..		— 6·52	— 8·27	— 8·71	— 9·10
I. Madras. Amount lent to other ports	..		2·00	2·00	2·00	2·00
Total	2·45	6·68	3·76	2·44	2·39	2·38
II. Eastern Group. Balance of ports in debt	..	— 2·21	— 2·05	— 2·07	— 2·14	— 2·15
II. Eastern Group. Balance of ports with cash balance on hand	2·86	2·51	3·44	2·93	2·51	2·93
III. Western Group	·76	1·51	1·39	·86	·37	·78
Grand Total	3·67	3·49	3·40	1·72	1·12	1·56

It will be seen that the Harbour Trust Board will have appropriated 9·10 lakhs in all out of the Madras balances.

12. Excluding adjustments on account of loan transactions and interest, the ordinary receipts and charges of most of the District funds would have resulted in surpluses as shown in the margin. But owing to these complicated adjustments, several funds are in deficit. The most important of these is Ganjám; its large deficit (1·89) was mainly owing to the outlay on the Gopalpur pier, which has proved useless. This fund began with a debt of 1·75, which was raised to 1·89 in the following year. Since then its position has remained irretrievable. Provincial revenues are now paying its interest year after year. There is absolutely no prospect of its capital debt being ever repaid and to continue to treat it as a loan from the Madras port, is merely to protract the difficulty and to perpetuate the liability on Provincial revenues to make good its annual deficits.

		Ganjám.	Kistna.	Tanjore.
Original debt	..	— 1·89	— ·03	— ·31
Annual surpluses.	1890–91 ..	·01	·01	·10
	1891–92 ..	·02	·01	·11
	1892–93 ..	·06	·03	·04
	1893–94 ..	·02	·03	·06
	1894–95 ..	·06	— ·06	·03
Balance on 1st April 1897 under present system.		— 1·87	— ·17	+ ·02

13. As it is necessary under the Act that Madras should be kept distinct, and as it is not permissible to amalgamate Pilotage or other funds with Port funds, while further provincial contributions cannot reasonably be expected, the only course now open to Government is to abolish the district grouping which has been tried and

Section 36 (4) of Act X of 1889.

found to be a failure, and to adopt for all purposes the grouping under Schedule I, Part II of the Act, viz. :—

(i) Madras. (ii) Eastern group. (iii) Western group.

amalgamating all the ports in the Eastern and Western coasts, respectively, into single groups, both for levy of dues and for keeping accounts. A single *direction* of the Local Government would be enough for this purpose, but as the district grouping was notified in the gazette, another notification will be necessary to set it aside.

14. In order to liquidate the Ganjám debt, it would be necessary to amalgamate all the ports of the Eastern group, as was more clearly laid down under Madras Act VII of 1867. The Government securities and other balances of the Eastern group would, as shown in statement C and in the table in paragraph 13 *supra*, be almost entirely appropriated for paying up the Madras loan, leaving a balance of ·78 lakh standing to the credit of this group at the end of 1896–97, after meeting all the expenses on account of the Tuticorin pier, for which full provision has been made in the estimates of 1894–95 and 1895–96. As to the equity of this arrangement, it might *prima facie* appear unfair that what properly belonged to Vizagapatam and Tinnevelly should be diverted for the benefit of all the ports in the Eastern group; but the manner in which the dues are at present distributed is itself open to question, and was actually challenged at the time of the original apportionment by the mercantile community who contended that the share to be credited to each port should be determined *not by the tonnage of vessels*, but by the amount *of cargo landed and shipped* or by both.

Paragraphs 2 and 3 of G.O. No. 161, dated 27th April 1888.

15. It would thus seem better to abandon the present practice of distributing the transactions among the various sub-divisions in proportion to the *tonnage* of vessels, to drop attempts at apportioning dues, which only multiply work without corresponding advantage, and to treat the whole of the dues collected in the Eastern and Western groups, respectively, as common to all the ports of those groups.

16. If this amalgamation is effected, the following consequences will ensue [*vide* section 37 (2) of the Act] :—

(1) The rules promulgated in G.O. No. 24, Marine, dated 27th January 1890, will have to be revised with the previous sanction of the *Government of India*. A rough draft is appended showing what the changes are likely to be. Distribution of receipts and charges in proportion to tonnage, &c., will be done away with entirely, and numerous complications in accounts will be avoided.

(2) The debt* due to Madras by the Ganjám and other deficit ports in the Eastern group will be repaid by the transfer of the Government securities and other balances of this group to the Madras port.

* 1·93 lakhs on 1st April 1895.

17. *Pilotage Funds.*—Receipts on account of *pilotage* ought to have been kept separate from the *Port Fund* accounts, under section 44 of the Act XII of 1855 [section 36 of Act X of 1889]. This, however, was not done and the defect was remedied only after the revision of the accounts was completed. It was then discovered that, up to the end of 1880–81, the receipts and charges under *pilotage* in Pámban had been erroneously recorded in the *Provincial accounts*, instead of being kept separate under *Port funds*, as required by the Act. The surpluses absorbed by Provincial revenues between 1875–76 and 1880–81 amounted to Rs. 87,894. In the following years (1881–82 to 1887–88), the transactions continued to appear in the *Provincial accounts*, but the annual surpluses (aggregating Rs. 70,910) were transferred to the Pámban *Port fund*. On the revision of the Port fund accounts, all pilotage transactions were excluded from Provincial and kept separate from even Port funds as required by the Act.

Paragraph 16 of G.O. No. 171, dated 24th April 1889.

18. *Dredger Wenlock—Initial cost.*—In 1890 the urgent need for dredging the Pámban channel, which had become quite impassable owing to an accumulation of 227,000 tons of silt, was pressed upon Government both by the mercantile community

and the administration of Ceylon, and it was decided to indent for a dredger from Europe. The above erroneous credit of Rs. 87,894 to Provincial was taken as the main source from which the initial cost of the dredger should be met. The actual cost of the vessel, however, came to 1·99 lakhs and the Provincial contribution was raised to 1·00. The Madura Port fund and the pilotage balance at Pámban contributed ·29, and the Tinnevelly port lent ·70. Subsequently the Tinnevelly Port fund required the last amount for the Tuticorin pier and Provincial funds had to advance this ·70 also. Consequently 1·70 has been paid against ·88 originally credited out of pilotage surpluses. This leaves ·82 to be recovered from Pilotage funds and recredited to Provincial.

G.O. No. 197, Marine, dated 12th May 1891.
" " 392, " " 31st Aug. "
" " 778, Finl., " 15th " 1893.

19. *Working expenses.*—It was arranged that the vessel should be considered as belonging to the Pámban and Kílakarai Pilotage fund; the entire expenditure was to be debited to this fund and recoveries from other ports were to be credited to it, including interest and depreciation. In 1891–92 the dredger worked at Pámban itself; in 1892-93 she worked at Cocanada and Tuticorin, and Pámban recovered ·21 and ·01, respectively, from those ports. There is now a deficit of ·30 to be met and Provincial revenues have been called upon to pay it. This was not agreed to, but the amount was allowed to be provisionally entered in the revised Provincial estimates for 1894–95.

G.O. No. 1067, Financial, dated 5th December 1894.

20. It is proposed that—

(i) the sum of ·82 due to Provincial revenues;
(ii) the debt of ·30 on account of expenses already incurred; and
(iii) all future expenses, should the vessel be * retained, should be distributed in proportion to *total assets* (say, opening balance of each year) among—

I. Madras port.
II. Eastern group.
III. Western group.
IV. Pilotage funds (including Madras).

* *Note.*—The sale of the vessel to the Madras Harbour Trust Board is being negotiated.

The largest share will thus fall on the Western group which is the richest and where dredging operations are the most difficult to carry on. Every group will have its turn, and will be entitled to the services of the vessel without special payment. The *Wenlock* will then be a charge on Marine funds, as she properly ought to be.

21. For this purpose, as well as for other general purposes, it is desirable to amalgamate all the Pilotage funds into one fund—there are at present four† distinct funds and the number is liable to increase. There is nothing in the Act requiring the separate maintenance of these accounts for each station. The receipts and charges will of course appear for each station, but Government may treat the whole as one Pilotage fund, and a general clause may be added to this effect in the revised rules to be submitted to the Government of India.

† Madras, Pámban and Kilakarai, Cochin and Mangalore.

22. Statement E exhibits the transactions of Port and Pilotage funds for 1896–97 if the proposals as to grouping are accepted.

23. *Landing and Shipping dues.*—These stand on a different footing, being levied under a different Act, and partake of the nature of a voluntary cess. They are administered by local bodies subject to the control of Government, and need not be interfered with at present. It is open to Government to utilize the money raised under Act III of 1885 for the benefit of the port at which it is raised. It will be seen that four of the funds (Vizagapatam, Cocanada, Mangalore and Negapatam)—*vide* statement B—have large balances.

Madras Act III of 1885.

(Signed) D. McNEIL CAMPBELL, Colonel, R.E.,
Joint Secy. to Government.

Order—No. 341, Marine, dated 15th May 1896.

His Excellency the Governor in Council concurs in the recommendations contained in the memorandum printed above, but before passing final orders desires to be furnished with any remarks which the Accountant-General and the Presidency Port Officer may have to offer. It is requested that the matter may be dealt with at an early date.

(True Extract.)

(Signed) D. McNEIL CAMPBELL, Colonel, R.E.,
Joint Secretary to Government.

Govt. of {1896} Madras.

MARINE.

Copy containing draft notification as revised - 17 Feb 97

Dated May, 15th.

Read.

Encl.

G.O. No. 341, 15th May 1896.

MAY.

Port Fund Accounts

Concurring in certain recommendations regarding the simplification of —, and desiring to be furnished with any remarks which the Accountant-General and the Presidency Port Officer may have to offer.

33

G.O. No. 341. Marine dy 15

APPENDIX A.

CONTRIBUTIONS from Provincial funds to cover deficits in Port funds since 1889-90.

—	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	Total.
To Port Funds.									
Ganjám	..	·12	·05	·06	·14	·05	..	..	·43
Gódávari	·63	..	..	..	..	..	..	..	·63
Kistna	·01	..	..	..	..	..	..	..	·01
Tanjore	·09	..	..	..	..	..	..	..	·09
Total ..	·73	·12	·05	·06	·14	·05	..	..	1·16
To Pilotage Funds.									
Pámban Pilotage Fund ..	..	..	1·00	..	·70	..	..	..	1·70
Total ..	·73	·12	1·06	·06	·84	·05	..	..	2·86

STATEMENT showing the Finan[illegible] position of the several Port and Marine Funds of the Madras Presidency for the four years 1893–94 to 1896–97 including adjustments on account of Loan, Interest, Contribution, &c.

APPENDIX B. to G.O. 341 marine dy 15 may 98.

Funds.	Actuals, 1893–94. Opening balance. Government securities and sums lent + sums borrowed —.	Actuals, 1893–94. Opening balance. Cash balance surplus + deficit —.	Actuals, 1893–94. Opening balance. Total.	Actuals, 1893–94. Surplus or deficit.	Actuals, 1893–94. Adjustments.	Actuals, 1894–95. Opening balance. Government securities purchased and sums lent + securities sold —.	Actuals, 1894–95. Opening balance. Government securities and sums lent + sums borrowed —.	Actuals, 1894–95. Opening balance. Cash balance surplus + deficit —.	Actuals, 1894–95. Opening balance. Total.	Actuals, 1894–95. Surplus or deficit.	Actuals, 1894–95. Adjustments.	Actuals, 1894–95. Closing balance. Government securities purchased + securities sold —.	Revised estimate, 1895–96. Opening balance. Government securities and sums lent + sums borrowed —.	Revised estimate, 1895–96. Opening balance. Cash balance surplus + deficit —.	Revised estimate, 1895–96. Opening balance. Total.	Revised estimate, 1895–96. Surplus or deficit.	Revised estimate, 1895–96. Adjustments.	Revised estimate, 1895–96. Closing balance. Government securities purchased and sums lent + securities sold —.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Port Funds—Act X of 1869.	Rs.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	−1,89,400	− 16,015 12 1	−2,05,415 12 1	+ 16,863 3 2	− 7,576	..	−1,89,400	− 4,728	− 1,94,128	+ 5,077	..	..	−1,89,400	+ 349	− 1,89,051	+ 909	..	..
Vizagapatam	+ 90,000	+ 1,793 12 7	+ 91,793 12 7	+ 1,683 12 7	..	+ 8,000	+ 98,000	+ 5,201	+ 1,03,201	+ 3,705	..	..	+ 1,03,000	+ 8,996	+ 1,11,996	+ 7,853	..	..
Gódávari	+ 4,000	+ 9,449 15 7	+ 13,449 15 7	+ 3,407 13 11	..	+ 6,000	+ 10,000	+ 10,499	+ 20,499	− 1,350	..	+ 5,000	+ 17,000	+ 9,149	+ 26,149	+ 5,424	..	..
Kistna	+ 8,000	− 34 13 2	− 6,534 13 2	+ 2,857 11 11	..	+ 2,500	− 4,000	+ 43	− 3,957	− 6,148	..	+ 7,000	− 4,000	− 6,165	− 10,165	+ 5,890	..	..
Nellore	+ 6,000	+ 1,048 8 10	+ 7,048 8 10	+ 1,242 7 9	..	..	+ 8,000	+ 2,433	+ 10,433	− 668	..	..	+ 10,000	+ 1,765	+ 11,765	− 559	..	..
Chinglepat	+ 8,000	+ 1,190 4 5	+ 9,190 4 5	+ 766 2 8	..	+ 2,000	+ 6,000	+ 1,361	+ 7,361	− 476	..	+ 2,000	+ 7,000	+ 875	+ 7,875	+ 245	..	..
South Arcot	+ 3,000	+ 5,595 0 4	+ 8,595 0 4	+ 1,701 2 2	..	+ 2,000	+ 19,000	+ 3,274	+ 22,274	+ 2,398	..	+ 1,000	+ 21,000	+ 5,272	+ 26,272	+ 2,333	..	..
Tanjore	+ 17,000	+ 20,364 10 5	+ 20,364 10 5	+ 1,701 2 2	..	+ 2,000	− 7,000	+ 47	− 6,953	+ 2,863	..	..	+ 21,000	− 5,672	+ 2,913	− 4,090	..	..
Madura	− 12,100	− 36 7 10	− 12,063 8 2	− 1,335 0 6	..	..	..	+ 366	+ 366	− 8,372	..	..	+ 7,000	− 2,913	− 8,006	+ 3,123	..	..
	..	+ 1,701 2 2	+ 1,701 2 2	+ 1,335 0 6	..	..	..	..	..	..	..	..	..	− 8,006	− 8,006	− 4,793	..	..
Tinnevelly—Amount lent	+ 70,200	..	..	..	..	+ 70,000	+ 200	..	..	..	..	− 200	..	..	..	..	..	..
Government Securities	+ 55,000	..	+ 70,200 0 0	..	..	..	+ 55,000	..	+ 55,000	..	..	− 12,000	..	..	..	..	..	..
Working balance	..	..	+ 55,000 0 0	..	..	..	..	..	..	..	..	..	+ 43,000	..	+ 43,000	..	..	..
	..	+ 38,255 2 8	+ 38,255 2 8	+ 38,255 2 8	..	..	..	..	..	..	..	..	..	+ 69,417	+ 69,417	− 60,684	..	..
Total, Tinnevelly District	+1,25,200	+ 38,255 2 8	+1,63,456 2 8	+ 38,255 2 8	+ 5	+ 70,000	+ 55,200	+ 1,27,706	+ 1,82,906	− 58,289	..	− 12,200	+ 43,000	+ 69,417	+ 1,12,417	− 60,684	..	..
Total, Eastern Group	+ 42,200	+ 43,325 14 9	+ 84,525 14 9	+ 84,525 14 9	− 5,576	+ 93,600 + 77,000 + 16,000	− 4,200	+ 1,46,192	+ 1,41,992	− 61,260	..	+ 4,800	+ 600	+ 84,932	+ 85,532	− 48,826	..	..
Malabar—Amount lent	+1,90,000	..	..	..	..	..	+ 16,500	..	+ 16,500	..	..	..	..	..	..	..	..	..
Government Securities	..	..	+1,90,000 0 0	..	..	+ 30,000	+ 2,20,000	..	+ 2,50,000	..	..	..	+ 16,500	..	+ 16,500	..	..	..
Working balance	..	+ 53,576 15 0	+ 53,576 15 0	..	..	..	..	..	..	..	..	+ 20,000	+ 2,40,000	..	+ 2,40,000	..	..	..
Total, Malabar District	+1,90,000	+ 53,576 15 0	+2,43,576 15 0	− 12,052 14 10	..	..	..	+ 40,644	+ 40,644	+ 16,153	..	..	..	+ 56,797	+ 56,797	+ 26,334	..	..
South Canara	+ 35,000	+ 6,816 14 0	+ 41,816 14 0	− 12,052 14 10	..	+ 30,000	+ 2,36,500	+ 40,644	+ 2,77,144	+ 16,153	..	+ 20,000	+ 2,56,500	+ 56,797	+ 3,13,297	+ 26,334	..	..
				+ 3,913 8 4		+ 3,000	+ 38,000	+ 10,389	+ 48,389	+ 1,121	..	+ 6,000	+ 44,000	+ 11,451	+ 55,451	+ 2,714	..	..
Total, Western Group	+2,25,000	+ 60,393 13 0	+2,85,393 13 0	{ − 9,419 6 6 + 16,566 6 0 + 7,080 9 6	+ 5,320	+ 33,000	+2,74,500	+ 50,974	+ 3,25,474	+ 17,274	..	+ 26,000	+3,00,500	+ 68,248	+ 3,68,749	+ 29,048	..	..
Madras—Amount lent	+ 2,08,000	..	..	..	..	− 7,800	+ 2,00,400	..	+ 2,00,400	..	..	+ 2,00,400	..	..	..	..	..	..
Government Securities	+ 20,000	..	+ 2,28,000 0 0	..	..	+ 33,900	+ 33,900	..	+ 33,900	..	..	− 33,900	..	..	..	..	..	..
Working balance	..	+ 57,607 5 6	+ 57,607 5 6	..	..	..	..	+ 1,40,962	+ 1,40,962	− 96,887	..	..	..	..	..	..	..	..
Deduct—						..	..	..	..	..	..	..	+ 44,075	+ 44,075	+ 88,740	..	..	..
Contribution to Harbour Trust Board.	..	..	..	+ 37,434 11 4	+ 8,320													
Total, Madras	+ 2,28,000	+ 57,607 5 6	+2,85,607 5 6	+ 37,434 11 4	− 2,680	+ 33,900	+2,34,300	+1,40,962	+ 3,75,262	− 96,887	..	− 33,900	+2,00,400	+ 44,075	+2,44,475	+ 88,740	− 4,680	..
Grand Total	+ 4,95,200	+1,03,327 1 3	+6,55,527 1 3	+ 1,24,301 4 10	− 5,256	+ 52,900	+ 5,04,800	+3,38,128	+ 8,42,728	−1,40,873	..	− 5,100	+5,01,500	+1,97,255	+ 6,98,756	+ 18,262	− 4,680	..

Funds.	Budget estimate, 1896–97. Opening balance. Government securities purchased and sums lent + securities sold —.	Budget estimate, 1896–97. Opening balance. Government securities and sums lent + sums borrowed —.	Budget estimate, 1896–97. Opening balance. Cash balance surplus + deficit —.	Budget estimate, 1896–97. Opening balance. Total.	Budget estimate, 1896–97. Surplus or deficit.	Budget estimate, 1896–97. Adjustments.	Budget estimate, 1896–97. Closing balance. Government securities purchased and sums lent + securities sold —.	Budget estimate, 1896–97. Closing balance. Government securities and sums lent + sums borrowed —.	Budget estimate, 1896–97. Closing balance. Cash balance surplus + deficit —.	Budget estimate, 1896–97. Closing balance. Total.
	19	20	21	22	23	24	25	26	27	28
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	..	−1,89,400	+ 1,258	−1,88,142	+ 522	..	..	−1,89,400	+ 1,730	−1,87,670
	..	+ 1,03,000	+ 16,769	+ 1,19,769	+ 8,495	..	..	+ 1,03,000	+ 25,265	+ 1,28,265
	..	+ 17,000	+ 14,643	+ 31,643	+ 19,197	..	..	+ 17,000	+ 19,897	+ 36,897
	..	− 4,000	+ 11,995	+ 15,995	+ 6,194	..	..	− 4,000	+ 12,954	+ 18,954
	..	+ 10,000	+ 2,824	+ 12,824	+ 345	..	..	+ 10,000	+ 3,182	+ 13,182
	..	+ 7,000	+ 1,120	+ 8,120	+ 4,177	..	..	+ 7,000	+ 1,468	+ 8,468
	..	+ 21,000	+ 8,025	+ 29,025	+ 4,373	..	..	+ 21,000	+ 12,202	+ 33,202
	..	+ 7,000	+ 5,038	+ 12,038	− 1,662	..	..	− 7,000	+ 5,411	+ 2,411
	..	..	+ 9,799	+ 9,799	− 1,164	..	..	..	− 10,963	− 10,963
	..	..	..	..	..	..	..	..	..	..
	..	+ 43,000	..	+ 43,000	..	..	..	+ 43,000	..	+ 43,000
	..	..	+ 8,733	+ 8,733	+ 18,615	..	..	..	+ 27,348	+ 27,348
	..	+ 43,000	+ 8,733	+ 51,733	+ 18,615	..	..	+ 43,000	+ 27,348	+ 70,348
	..	+ 600	+ 36,106	+ 36,706	+ 40,457	..	..	+ 600	+ 76,563	+ 77,163
	..	..	..	..	..	..	..	..	..	..
	..	+ 16,500	..	+ 16,500	..	..	..	+ 16,500	..	+ 16,500
	..	+ 2,40,000	..	+ 2,40,000	..	..	..	+ 2,40,000	..	+ 2,40,000
	..	..	+ 83,131	+ 83,131	− 3,199	..	..	..	+ 79,932	+ 79,932
	..	+ 2,56,500	+ 83,131	+ 3,39,631	− 3,199	..	..	+ 2,56,500	+ 79,932	+ 3,36,432
	..	+ 44,000	+ 14,165	+ 58,165	+ 5,250	..	..	+ 44,000	+ 19,415	+ 63,415
	..	..	..	..	..	..	..	..	..	..
	..	+ 3,00,500	+ 97,296	+ 3,97,796	+ 2,051	..	..	+ 3,00,500	+ 99,347	+ 3,99,847
	..	..	..	..	..	..	..	..	..	..
	..	..	..	..	..	..	..	+ 2,00,400	..	..
	..	..	..	..	..	..	..	..	..	..
	..	..	..	..	..	..	..	..	+ 1,21,269	+ 1,21,269
	..	..	+ 82,815	+ 82,815	+ 38,454	..	..	..	− 82,815	− 82,815
	..	..	− 44,075	− 44,075	..	− 38,740	..	+ 2,00,400	+ 38,454	+ 2,38,854
	..	+ 2,00,400	+ 38,740	+ 2,39,140	+ 38,454	− 38,740	..	+ 5,01,500	+ 2,14,364	+ 7,15,864
	..	+ 5,01,500	+ 1,72,142	+ 6,73,642	+ 80,969	− 38,740	..	+ 5,01,500	+ 2,14,364	+ 7,15,864

Funds.	Actuals, 1893–94. Opening balance credit + debit —.	Actuals, 1893–94. Surplus of the year + deficit —.	Actuals, 1893–94. Adjustments.	Actuals, 1893–94. Government securities purchased and sums lent + Government securities sold and sums borrowed —.	Actuals, 1893–94. Opening balance credit + debit —.	Revised estimate, 1895–96. Opening balance. Government securities and sums lent + sums borrowed —.	Revised estimate, 1895–96. Opening balance. Cash balance surplus + deficit —.	Revised estimate, 1895–96. Opening balance. Total.	Revised estimate, 1895–96. Surplus of the year + deficit —.	Revised estimate, 1895–96. Adjustments.	Revised estimate, 1895–96. Government securities purchased and sums lent + sums borrowed —.	Revised estimate, 1895–96. Opening balance. Government securities and sums lent + sums borrowed —.	Revised estimate, 1895–96. Opening balance. Cash balance surplus + deficit —.	Budget estimate, 1896–97. Total.	Budget estimate, 1896–97. Surplus of the year + deficit —.	Budget estimate, 1896–97. Adjustments.	Budget estimate, 1896–97. Closing balance. Government securities and sums lent + sums borrowed —.	Budget estimate, 1896–97. Closing balance. Cash balance, surplus + deficit —.	Budget estimate, 1896–97. Closing balance. Total.
Pilotage Funds—Act X of 1869.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras	+ 83,900 + 6,548	− 9,280	..	− 33,900	− 2,422	+ 50,000	+ 213	+ 50,213	− 4,100	..	..	+ 50,000	− 3,587	46,113	− 4,100	..	..	+ 50,000	− 7,987	+ 42,013
Ports and Kilakarai	− 70,200 − 6,207	− 26,695	− 8	+ 70,000	+ 200 − 37,831	+ 200	− 5,410	− 5,210	+ 3,000	..	..	..	− 2,410	2,410	+ 18,000	..	..	+ 15,590	+ 15,590	+ 17,590
	+ 18,029	− 12,512	..	+ 12,000	+ 5,517	+ 12,000	+ 1,607	+ 13,607	+ 500	..	..	+ 12,000	+ 500	13,107	+ 500	..	..			
	4	− 93	..	..	− 25	..	− 16	− 16	+ 1,000	..	..	..	+ 1,000	984						
		.246	..	..	+ 52,798														
		6,925	..	..	+ 5,956														
	+ 7,591	..	..	..	+ 40,693														
					+ 13,620														
						+ 16,500	+ 59,622	+ 43,22	+ 1,600	..	..	− 16,500	+	44,122	− 13,000	..	..			
						+ 5,000	+ 3,334	+ 8,34	+ 2,000	..	..	+ 5,000	+	16,384	+ 25,000	..	..			
						..	+ 48,059	+ 48,05	+ 5,000	..	..	..	+	52,059	− 8,000	..	..			
						..	+ 16,928	+ 16,928	+ 7,000	..	..	..	+	22,928						

Appendix C.

Statement of Port and Marine funds showing the Surplus and Deficit of each year with transactions from 1888–89 to 1896–97.

Provincial contributions are shown in Antique figures, e.g. 1·75.
Loan transactions are shown in Clarendon figures, e.g. 1·75.
Transfers between Ports and Pilotage are shown in Italics, e.g. *1·75*.

Funds Act X of 1889.	Balance under the old classification, 1st April 1888.	Revised opening balance, 1st April 1888.	Surplus + / Deficit − 1888–89.	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.	Balance. 1st April 1895.	Revised estimate. 1895–96.	Budget estimate. 1896–97.	Balance. 1st April 1897.
Balance	+ 2·45	+ 4·93	+ ·09	+ ·45	+ ·33	+ ·68	+ ·11	+ ·98	+ ·45	+ 9·48	− ·39	+ ·38	+ 9·48
Other Ports	..	+ 1·75	+ 1·46	+ 1·13	− 1·14	− ·11	± 1	− ·08	..	+ 2·00	..	..	+ 2·00
ds to the Harbour Trust	..	..	..	− 2·75	− 2·52	− ·60	− 6	..	− 1·75	− 8·27	− ·44	− ·39	− 9·10
Total ..	+ 2·45	+ 6·68	+ ·55	− 2·19	− 2·12	+ ·07	− 13	+ ·90	− 1·32	+ 2·44	− ·05	− ·01	+ 2·38
Deficit ports.													
.. ..	− ·95	− 1·75	− ·14	− ·12	− ·06	− ·06	− 14	− ·05	+ ·05	− 1·89	+ ·01	+ ·01	− 1·87
.. .. ..	− ·09	− ·01	− ·03	+ ·12 − ·01	+ ·06	+ ·01	− 03	+ ·14 + ·03					
.. .. ..	+ ·51	+ ·23	− ·08	− ·02 − ·06	..	− ·25	+ 02	− ·06	− ·10	− ·06	− ·01	− ·17	
.. .. ..				+ ·09	..			− ·02	− ·08	− ·08	− ·02	− ·01	− 11
Total, *Deficit ports* ..	− ·53	− 1·53	− ·20	+ ·02	..	− ·22	− 16	+ ·10	− ·02	− 2·07	− ·07	− ·01	− 2·15
Surplus ports.													
gapatam	+ ·05	+ ·95	− ·04	− ·03	+ ·01	+ ·10	− 07	+ ·11	+ ·09	+ 1·12	+ ·08	+ ·09	+ 1·29
avari	− ·86	− ·63	− ·06	+ ·63 − ·01	+ ·01	+ ·07	− 05	+ ·07	+ ·06	+ ·26	+ ·05	+ ·05	+ ·36
llore	− ·05	+ ·05	+ ·01	..	+ ·05	+ ·01	− 01	+ ·01	+ ·02	+ ·12	+ ·01	+ ·01	+ ·14
anglepat	− ·07	+ ·04	..	+ ·01	..	..	− 01	+ ·01	+ ·01	+ ·08	..	..	+ ·08
ath Arcot	+ ·23	+ ·23	+ ·03	+ ·03	− ·10	..	− 01	+ ·02	+ ·05	+ ·27	+ ·02	+ ·04	+ ·33
jore	+ ·94	− ·09	− ·23	− ·11 + ·09	+ ·09	+ ·10	+ 03	+ ·05	+ ·03	− ·04	+ ·02	+ ·04	+ ·02
nevelly	+ 3·16	+ 1·27	− ·03	+ ·06	+ ·08	− ·70	+ 04	− ·19 − ·70	− ·70	+ 1·12	− ·60	+ ·19	+ ·71
Total, *Surplus ports* ..	+ 3·39	+ 1·83	− ·32	+ ·69	+ ·14	− ·21	− 07	+ 1·26	− ·58	+ ·86	− ·47	+ ·41	+ ·78
Total, Eastern group ..	+ 2·86	+ ·30	− ·52	+ ·71	+ ·14	− 43	− 39	+ ·17	+ ·36	+ 2·97	+ ·26	− ·03	+ 3·20
Western group—								− ·16		− ·16			− ·16
Malabar	+ 3·38	+ 1·25	+ ·26	+ ·16 − ·13	+ ·26	+ ·25	− 05	+ ·07	+ ·36	+ ·55	+ ·03	+ ·05	+ ·68
Canara	+ ·38	+ ·26	+ ·02	+ ·03	+ ·02	+ ·03	− 44	+ ·40	+ ·43	+ 3·68	+ ·29	+ ·02	+ 3·99
Total, Western group ..	+ 3·76	+ 1·51	+ ·28	+ ·06	+ ·27	+ ·29	+ 24	+ 2·56	− 1·42	+ 6·03	− ·25	+ ·42	+ 7·15
Grand Total ..	+ 9·07	+ 8·49	+ ·31	− 1·42	− 1·71	− ·07							
Funds Act X of 1889.													
.. .. ..		+ ·72	+ ·11	+ ·10	+ ·06	+ ·01	− 09	− ·43	+ ·02	+ ·50	− ·04	− ·04	+ ·42
.. .. ..		..	+ ·10	+ ·12 − ·09	+ ·09	− ·22	− 07	− ·26	+ ·28	− ·05	+ ·03	+ ·18	+ ·16
pan and Kilakarai		..	+ ·14	+ ·01	+ ·01	+ ·01	+ 01	− ·70	− ·04	+ ·14	..	+ ·01	+ ·15
n		..	..	..	..	..	..	..	..	..	+ ·01	..	+ ·01
dore													
Total ..		+ ·72	+ ·35	+ ·14	+ ·16	+ ·80	− 07	+ ·89	+ ·26	+ ·59	..	+ ·15	+ ·74
Landing and Shipping Dues Act III of 1885.													
Vizagapatam		..	..	..	..	..	+ 02	+ ·06	+ ·06	+ ·17	+ ·04	+ ·06	+ ·29
Cocanada		+ ·08	+ ·05	− ·07 − ·05	+ ·10	− ·01	+ 02	+ ·34	+ ·07	+ ·60	+ ·01	− ·19	+ ·42
Masulipatam		..	..	..	..	..	..	− ·16		− ·16			− ·16
Negapatam		..	..	+ ·09	+ ·08	+ ·06	+ 03	+ ·03	+ ·03	+ ·09	+ ·02	+ ·02	+ ·13
Mangalore		..	..	..	..	..	+ 07	+ ·07	+ ·07	+ ·48	+ ·05	− ·20	+ ·24
Total ..		+ ·08	+ ·05	− ·03	+ ·18	+ ·07	+ 11	+ ·07	+ ·02	+ ·18	+ ·07	+ ·08	+ ·31
								+ ·41	+ ·25	+ 1·34	+ ·19	− ·32	+ 1·21

APPENDIX D.

PROPOSED NOTIFICATIONS.

NOTIFICATION A.

In exercise of the powers conferred by section 37 (1) of the Indian Ports and in supersession of all previous orders existing on the subject, His Excellency th Council is pleased to direct that the following rules be observed in respect to the m the accounts of the ports of this Presidency :—

1. For the purposes of section 37 (1) of the said Act, the ports situated withi each group, as specified below, shall be regarded as constituting a single port, a credited to the Port Fund accounts of these individual ports shall form a common the whole group, and shall be available for the payment of all expenses incurred f any of the ports within the group.

NOTE.—Receipts creditable to any port will therefore be credited to the group which such port fo

Eastern Group.

1. Gopálpur.
2. Sonnapuram.
3. Báruva.
4. Púndi.
5. Calingapatam.
6. Konada.
7. Bimlipatam.
8. Vizagapatam.
9. Pudimadaka.
10. Pentakota.
11. Uppada.
12. Cocanada.
13. Coringa.
14. Bendamurulanka.
15. Narsápur.
16. Perupalem.
17. Masulipatam.
18. Penumudi.
19. Morutota.
20. Nagayalanka.
21. Kottapalem.
22. Gangadipalem.
23. Nizampatnam.
24. Ipurupálem.
25. Bodduvanipalem.
26. Motupalle.
27. Kanuparti.
28. Kottapatnam.
29. Itamukkala.
30. Pákala.
31. Karedu.
32. Ramayapatnam.
33. Chennayapalem.
34. Tummalapenta.
35. Juvaladinne.
36. Iskapalle.
37. Ponnapudi.
38. Maipadu.
39. Kistnapatam.
40. Pamanji.
41. Tupili.
42. Dugarázpatnam.
43. Púdi.
44. Pulicat.
45. Ennore.
46. Cove r.
47. Mara am.
48. Cuddalore.
49. Porto Novo.
50. Tirumalavasal.
51. Kodiyampalayam.
52. Tranquebar.
53. Nagore.
54. Negapatam.
55. Velankani.
56. Toputurai.
57. Point Calimere.
58. Mutupet.
59. Adirámpatnam.
60. Gopalapatnam.
61. Kattumavadi.
62. Krishnajipatnam.
63. Ammapatnam.
64. Kotaipatnam.
65. Sundarapandiyapatnam.
66. Pasipatnam.
67. Damodarapatnam.
68. Tondi.
69. Nambitalai.
70. Pudupatnam.
71. Karangadu.
72. Tiruppalankudi.
73. Devipatnam.
74. Mudiyanpatnam.
75. Attankarai.
76. Emanangundu.
77. Pillaimadum.
78. Pámban.
79. Rámesvaram.
80. Mandapam.
81. Vedalai.
82. Marakkáyapatnam.
83. Muttupettai.
84. Kilakarai.
85. Ervadi.
86. Valinokkam.
87. Vaippar.
88. Tuticorin.
89. Káyalpatnam.
90. Kulasekharapatnam.

Western Group.

91. Cochin.
92. Arrupuram.
93. Kukkuyi.
94. Madayi.
95. Attakuri.
96. Chávakád.
97. Veliyangod.
98. Ponáni.
99. Kuttayi.
100. Parapanna.

Western Group—cont.

101. Tanúr.
102. Parapanangadi.
103. Kadalvandi.
104. Beypore.
105. Mo...kkadava.
106. Calicut.
107. Pudiyangadi.
108. Elaturu.
109. Kappatta.
110. Quilandi.
111. Kollam.
112. Kadalura.
113. Trikodi.
114. Kottakal.
115. Badagara.
116. Muttankal.
117. Chompayi.
118. Kallayi.
119. Talayi.
120. Tellicherry.
121. Dharmapatnam.
122. E...ara.
123. Cannanore.
124. Pudiyangadi.
125. Palapatnam (Baliapatam).
126. Ettikulam.
127. Kavvayi.
128. Hosdrug.
129. Baikal.
130. Kásaragód.
131. Kumbale.
132. Manjesvara.
133. Mangalore.
134. Mulki.
135. Padubidri.
136. Ermala.
137. Uchhila.
138. Kaph.
139. Udiyavara.
140. Malpé.
141. Barkur or Hangarkatta.
142. Coondapoor.
143. Nyakinakatte (Nayakankottai).
144. Baindur.
145. Siruru.

NOTIFICATION B.

In exercise of the powers conferred by section 37 (2*a*) of the Indian Ports Act X of 1889 and supersession of all previous orders existing on the subject, His Excellency the Governor in uncil is pleased to direct, with the previous sanction of His Excellency the Governor-General India in Council, that the following rules be observed in respect to the expenditure debitable the Port fund accounts of the groups constituted by the Governor in Council under section 37) of the Act :—

1. Charges debitable to any port under the rules following shall be debited to the group of which such port forms a part.

2. The cost of the Presidency Port Officer's establishment and contingencies, pensionary charges, charges on account of gratuities, charges for general stores and such other charges as cannot be properly debited to any particular port or ports, shall be ~~debited as follows :—~~

(i) Madras	... ...	⅙
(ii) Eastern group	... ...	½
(iii) Western group	... ...	⅓

3. Lighthouse charges shall be debited to the group in which the lighthouses are situated.

4. In case of doubt as to the group to which any item of charge should belong, or in cases in which, owing to the nature of any particular charge, there may be difficulty in deciding whether such should be treated as a general charge or as appertaining to a particular group, it shall be in the power of His Excellency the Governor in Council to decide how such charges shall be debited.

5. All Pilotage funds will be amalgamated into one General fund—to be called the *Pilotage Fund*, separate accounts being however kept of the receipts and charges of each station.

NOTIFICATION C.

His Excellency the Governor in Council resolves to issue the following instructions with reference to section 36 (4) of the Indian Ports Act X of 1889 :—

1. After deducting amounts paid on account of refunds, the total net group dues levied during each official year in the Eastern and Western groups with reference to Schedule I, Part II of the Act, shall be credited to those groups constituted by the Governor in Council under section 37 (1).

2. All general receipts to which the ports in the Presidency have a common claim, such as receipts of the Administrative Department, general store receipts, and such other receipts as do not appertain to any particular group will be credited as shown below :—

(i) Madras	... ...	⅙
(ii) Eastern group	... ...	½
(iii) Western group	... ...	⅓

3. In case of doubt as to the group to which any item of receipts should belong, ... there may be difficu ... nature ... particular receipt ...

6

APPENDIX 4 D to G.O. 341. Mar 15 M

BUDGET ESTIMATE FOR 1890–97.

(Proposed system.)

—	I Madras.	II Eastern Group.	III Western Group.	
Port Funds, Act X of 1889.				
Opening balance	2·39	·37	3·97	6·73
Receipts—				
Coasting steamer's dues	·40	·96	·59	1·95
Other dues	·72	·44	·26	1·42
General Administration receipts	..	..	..	..
Miscellaneous receipts	·03	·20	·01	·24
Public Works receipts	..	·01	..	·01
Fees	·04	·16	·05	·25
Interest on Government securities	..	·07	·10	·17
Total	1·19	1·84	1·01	[illegible]
Charges—				
General Administration charges	·12	·89 ·37	·22	
Lighthouse charges	·08	·24	·06	
Port Officer's establishment and Conservators	·11	·28	·22	
Personal allowance	..	·05	·02	
Other establishments	·15	·14	·08	
Contingencies and miscellaneous	·33	·21	·06	
Public Works charges	..	·06	·34	3·78
Fees	·01	·06	·02	·39
Total	·80	1·48	1·09	3·6[illegible]
Contribution to Harbour Trust Board	·39	..	..	
Total Expenditure	1·19	1·48	1·00	·42
Surplus or deficit	..	·41	·01	7·15
Closing balance	2·39	·78	3·98	

	Opening balance.	Receipts.	Charges.	Closing balance.
Pilotage Funds	·59	·57	·42	·74
Landing and Shipping dues	1·53	·77	1·09	1·21

Marine 1897 Department.

Government (1897) of Madras.

FINANCIAL.

Current D. 135

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Appendix No. 3 to G.O. Marine Dy

Recd. 1-2-97 } 1897.

Enclosures

Spare copies 5

G.O., No. 52, 20th January 1897.

JANUARY.

Ports and Port Fund Accounts.

Ordering certain adjustments in the accounts of March 1897 with reference to the Harbour Trust Board's proposal to accept, in lieu of Rs. 2,00,400 due by the ports of Ganjám, Kistna and Tanjore, a payment of a lakh of rupees in cash and the transfer to that corporation of [illegible] ... g the Marine Department to proceed with the amalgam[illegible] ... s of ports and the si[illegible]plification of Port Fund accou[illegible]

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

Read—the following paper:—

Extract from G.O., No. 35, Marine, dated 11th January 1897.

Read—the following letter from W. AUSTIN, Esq., I.C.S., Chairman, Harbour Trust Board, to the Secretary to Government, Marine Department, dated Madras, 4th December 1896, No. 3771:—

18. (iv) *Outstanding Balances due by Coast Ports to the Madras Port Fund.*—At the end of 1894–95 the port of Ganjám was indebted to Madras by way of loan to the extent of Rs. 1,89,051, and this has been regarded by the Trust as anything but a satisfactory liquid asset. Should Government approve the proposals for harbour improvements made in my letter, No. 3284, dated 6th November, it would be to the interest of the Board if a portion of this amount in cash—say, one lakh of rupees—were paid within the financial year 1897–98, and the Dredger *Wenlock* transferred to the Trust, as proposed some little time since, but without cash payment by the Board, in liquidation of the outstanding balances due by Ganjám, together with the small items due by other ports to Madras, amounting in all, in round figures, to about two lakhs of rupees.

19. In making this suggestion the Trustees have taken into consideration that, while sacrificing to some extent a book asset, cash within a reasonable period is of more importance.

They have also borne in mind that Government has treated the port liberally in the matter of harbour construction, and that they must still look to Government to assist the future development of trade by affording facilities for the construction of improvements by the transfer of the necessary site to the Trust.

Order—No. 35, Marine, dated 11th January 1897.

* * * * *

4. The adjustments proposed in paragraph 18 (iv) will be considered in the Financial Department.

(True Extract.)

(Signed) D. McNEILL

ADER—No. 52, Financial, dated 20th January 1897.

..ne Harbour Trust Board is prepared to accept—in lieu of the sum of Rupees ..,00,400 due by the undermentioned ports of the Eastern group, viz.—

	Rs.
Ganjám	1,89,400
Kistna	4,000
Tanjore	7,000
	2,00,400

* Column 17, Appendix C (page 24) of G.O., No. 848, Marine, dated 8th December 1896.

a payment of Rs. 1,00,000 in cash and the transfer of the Dredger *Wenlock* in satisfaction of all claims.

2. His Excellency the Governor in Council considers this proposal to be reasonable and resolves to contribute a sum of Rs. 1,00,000 from Provincial revenues towards meeting the first portion of the demand.

3. As regards the Dredger *Wenlock*, the proposal of the Harbour Trust Board is tantamount to the offer of a nominal price of Rs. 1,00,400, and this will be accepted.

4. The following adjustments will accordingly be made in the accounts of ..897:—

(i) A sum of one lakh will be paid from Provincial revenues and debited to *Marine—Miscellaneous* by transfer from savings under *3. Land Revenue* and *19-A. ..e and Justice.*

(ii) The Dredger *Wenlock*, now belonging to Port Funds, will be considered as ..ld to the Madras Harbour Trust Board for a nominal sum of Rs. 1,00,400.

(iii) The two amounts above named will then be credited to the deficit ports ..f the Eastern group and distributed as shown in paragraph 1, cancelling their individual liabilities and adding Rs. 2,00,400 to the cash balance of the Madras port.

(iv) The latter sum will then be transferred to the Harbour Trust Board and credited in its accounts as receipts, a sum of Rs. 1,00,400 being at the same time debited as expenditure on account of the purchase of the Dredger *Wenlock*.

5. The Marine Department should now proceed with the amalgamation of the Eastern and Western groups and the simplification of Port Fund accounts.

(True Extract.)

A. D. Ruthven
for *Chief Secretary.*

To the Marine Department.
" Accountant-General.

Recd: 21.10.96

No. 3616 / I

Government of Madras.

~~PUBLIC WORKS~~ Marine DEPARTMENT.

To

The Chief Secretary to Govt. Financial Dept.

Subject.

[...]nals of G.O. 461 Marine 24th June 1896 and 245 Marine 8th April 1896, furnished 18th July 1896, for Financial Current No. 1654

funds for the general scheme of lighthouse illumination not [illegible]

Recd.

not recd

~~Madras,~~ Ootacamund 12th October 1896.

The undersigned has the honor to request the favor of early ~~submission~~ return of the papers noted on the margin.

[signature] Colonel

~~Under~~ Secretary to Government, ~~P.W.~~

Reply No. 2110 / 16-10

It is unde[...]

17—500—21-3-95.

Read 13/10/96

Regd 13.10.96

Simplification of Port Fund Accounts.

With reference to the draft Notifications A & B, vide paras 4 & 5 of the order, it would perhaps be well to defer their publication till the Govt of India sanction the publication of Notification C vide para 6. The three Notifications can then appear together. There will be no time lost, as practically the amalgamation cannot be carried out till Notification C appears.

Separate action will, in due course, be taken in regard to the enhancement of the port dues of the Eastern Group. The Notification in this case also cannot, it is thought, precede Notification C.

The S. P. O. has not yet replied to [illegible] No 113 C of 8 Feb 97. A reminder is submitted for signature.

R. S.
17 Mar 97

Approved
[illegible]
18/3/97