Marine (1896) Department.

G.O., No. 341 Marine

Dated 15th May 1896

[Despatch Abstract.]

Post Final Accounts: Concurring in certain
communication regarding the simplification
— and desiring to be furnished with
remarks which the Accountant General
and the Presidency Post Offices may have
to offer.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

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G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Govt. of {1896} Madras.

MARINE.

Dated May, 15th.

Recd. *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.

Read Ext: No 261 E 2/15-5-96

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.)

Under Secy. to Government.

To the Presidency Port Officer.
" Accountant-General.
" Financial Department.

Exd. T. K. Narayana Aiyangar.
Spare Copies

GOVERNMENT OF MADRAS.

MARINE DEPARTMENT.

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 ... { 1. 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.	**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 $\frac{1}{6}$, Eastern group $\frac{1}{3}$, Western group $\frac{1}{2}$. 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.	*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. **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.

* 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 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.

† 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

—	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	5,785	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	1,418	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	7,103	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 anna per ton. † Group share.

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—$1\frac{1}{2}$ 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 $4\frac{1}{2}$ 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 $1\frac{1}{2}$ annas, which was the difference when the out-port group rate was $4\frac{1}{2}$ 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.

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 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 $1\frac{1}{2}$ 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	
Sundry receipts	4·67	15·97
Total Receipts ...	19·45	18·36
Charges.		
General charges	4·05	
S.S. *Madras*	2·25	1·02
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.

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

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

	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.

¶ 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, Kílakarai, &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 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, 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 [illegible], 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 :—

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
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·[illegible] 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	·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

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 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.

* 1·93 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 Kílakarai, Cochin and Mangalore.

22. Statement E exhibits the transactions of Port and Pilotage funds for 1889–97 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.

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	·06	·06	·14	·05	..	..	·43
Godávari	·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 B.

STATEMENT showing the Financial 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.

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, 1893–94. 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. 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. 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. Government securities purchased and sums lent + and 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.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Port Funds—Act X of 1889.	Rs.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	—1,89,400	— 14,015 12 1	—2,03,415 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	..	..	— 1,89,400	+ 1,258	— 1,88,142	+ 522	..	..	— 1,89,400	+ 1,760	— 1,87,640
Vizagapatam	+ 90,000	+ 1,793 12 7	+ 91,793 12 7	+ 3,407 10 11	..	+ 8,000	+ 98,000	+ 5,201	+ 1,03,201	+ 3,705	..	+ 5,000	+ 1,03,000	+ 8,906	+ 1,11,906	+ 7,853	..	..	+ 1,03,000	+ 16,759	+ 1,19,759	+ 8,496	..	..	+ 1,03,000	+ 25,255	+ 1,28,255
Gódávari	+ 4,000	+ 9,449 15 7	+ 13,449 15 7	+ 1,048 8 10	..	+ 6,000	+ 10,000	+ 10,499	+ 20,499	— 1,350	..	+ 7,000	+ 17,000	+ 9,149	+ 26,149	+ 5,494	..	..	+ 17,000	+ 14,643	+ 31,643	+ 5,194	..	..	+ 17,000	+ 19,837	+ 36,837
Kistna	— 6,500	— 34 13 2	— 6,534 13 2	+ 2,837 11 11	— 260	+ 2,500	— 4,000	— 43	— 5,957	— 6,148	..	..	— 4,000	— 6,105	— 10,105	— 559	..	..	— 4,000	— 11,995	— 15,995	— 969	..	..	— 4,000	— 12,964	— 16,964
Nellore	+ 8,000	+ 1,190 4 5	+ 9,190 4 5	+ 1,242 7 9	..	..	+ 8,000	+ 2,433	+ 10,433	— 668	..	+ 2,000	+ 10,000	+ 1,765	+ 11,765	+ 245	..	..	+ 10,000	+ 2,324	+ 12,324	+ 858	..	..	+ 10,000	+ 3,182	+ 13,182
Chingleput	+ 6,000	+ 585 0 4	+ 6,585 0 4	— 766 2 8	..	..	+ 6,000	+ 1,351	+ 7,351	— 476	..	+ 1,000	+ 7,000	+ 875	+ 7,875	+ 2,353	..	..	+ 7,000	+ 1,120	+ 8,120	+ 345	..	..	+ 7,000	+ 1,465	+ 8,465
South Arcot	+ 17,000	+ 3,364 10 5	+ 20,364 10 5	— 90 9 0	..	+ 2,000	+ 19,000	+ 3,274	+ 22,274	+ 2,398	..	+ 2,000	+ 21,000	+ 5,672	+ 26,672	+ 2,128	..	..	+ 21,000	+ 8,025	+ 29,025	+ 4,177	..	..	+ 21,000	+ 9,411	+ 30,411
Tanjore	— 12,100	+ 36 7 10	— 12,063 8 2	+ 5,595 0 3	— 484	+ 5,100	— 7,000	+ 47	— 6,953	+ 2,863	..	..	+ 7,000	+ 2,910	— 4,090	+ 1,793	..	..	— 7,000	+ 5,038	— 1,962	+ 4,373	..	..	— 7,000	+ 10,953	+ 3,953
Madura	..	+ 1,701 2 2	+ 1,701 2 2	— 1,335 0 6	..	..	..	+ 366	+ 366	— 8,372	..	..	..	— 8,006	— 8,006	— 1,793	..	..	..	— 9,799	— 9,799	— 1,154	..	..	..	..	..
Tinnevelly—Amount lent	+ 70,200	..	+ 70,200 0 0	..	..	+ 70,000	+ 200	..	+ 200	..	..	— 200	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Government Securities	+ 55,000	..	+ 55,000 0 0	..	..	..	+ 55,000	..	+ 55,000	..	..	— 12,000	+ 43,000	..	+ 43,000	..	..	..	..	+ 8,733	+ 8,733	+ 18,615	..	..	+ 43,000	+ 27,348	+ 70,348
Working balance	..	+ 38,255 2 8	+ 38,255 2 8	+ 89,450 12 0	+ 8	..	..	+ 1,27,706	+ 1,27,706	— 58,289	..	..	..	+ 69,417	+ 69,417	— 60,684	..	..	+ 43,000	+ 8,733	+ 51,733	+ 18,615	..	..	+ 43,000	+ 27,348	+ 70,348
Total, Tinnevelly District	+1,25,200	+ 38,255 2 8	+1,63,455 2 8	+ 89,450 12 0	+ 8	+ 70,000	+ 55,200	+ 1,27,706	+ 1,82,906	— 58,289	..	— 12,200	+ 43,000	+ 69,417	+ 1,12,417	— 60,684	..	..	+ 43,000	+ 8,733	+ 51,733	+ 18,615	..	..	+ 43,000	+ 27,348	+ 70,348
Total, Eastern Group	+ 42,200	+ 42,325 14 9	+ 84,525 14 9	{ +1,19,786 0 0 / — 70,000 0 0 / + 49,786 0 0 }	— 8,312	{ + 93,600 / + 77,600 / + 16,000 } — 4,200	+ 1,46,192	+ 1,41,992	— 61,260	..	+ 4,800	+ 600	+ 84,932	+ 85,532	— 48,826	..	..	+ 600	+ 36,106	+ 36,706	+ 40,457	..	..	+ 600	+ 76,563	+ 77,163
Malabar—Amount lent	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Government Securities	+1,90,000	..	+1,90,000 0 0	..	..	+ 30,000	+ 16,500 +2,20,000	..	+ 16,500 + 2,20,000	..	..	+ 20,000	+ 16,500 + 2,40,000	..	+ 16,500 + 2,40,000	..	..	..	+ 16,500 + 2,40,000	..	+ 16,500 + 2,40,000	..	..	..	+ 16,500 + 2,40,000	..	+ 16,500 + 2,40,000
Working balance	..	+ 53,576 15 0	+ 53,576 15 0	— 12,932 14 10	..	..	..	+ 40,644	+ 40,644	+ 16,153	..	..	..	— 56,797	+ 56,797	+ 26,334	..	..	+ 2,56,500	+ 83,131	+ 3,39,631	— 3,199	..	..	+ 2,56,500	+ 79,932	+ 3,36,432
Total, Malabar District	+1,90,000	+ 53,576 15 0	+2,43,576 15 0	— 12,932 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	..	..	+ 2,56,500	+ 83,131	+ 3,39,631	— 3,199	..	..	+ 2,56,500	+ 79,932	+ 3,36,432
South Canara	+ 35,000	+ 6,816 14 0	+ 41,816 14 0	+ 3,513 8 4	..	+ 3,000	+ 38,000	+ 10,330	+ 48,330	+ 1,121	..	+ 6,000	+ 44,000	+ 11,451	+ 55,452	+ 2,714	..	..	+ 44,000	+ 14,165	+ 58,165	+ 5,250	..	..	+ 44,000	+ 19,415	+ 63,415
Total, Western Group	+2,25,000	+ 60,393 13 0	+2,85,393 13 0	{ — 9,419 6 6 / + 16,506 0 0 / + 7,080 9 6 }	..	+ 33,000	+2,74,500	+ 50,974	+ 3,25,474	+ 17,274	..	+ 26,000	+ 3,00,500	+ 68,248	+ 3,68,749	+ 29,048	..	..	+ 3,00,500	+ 97,296	+ 3,97,796	+ 2,051	..	..	+ 3,00,500	+ 99,347	+ 3,99,847
Madras—Amount lent	+ 2,08,000	..	+ 2,08,000 0 0	..	..	{ — 20,000 / — 7,600 }	+ 2,00,400	..	+ 2,00,400	..	..	..	+ 2,00,400	..	+ 2,00,400	..	..	..	+ 2,00,400	..	+ 2,00,400	..	..	..	+ 2,00,400	..	+ 2,00,400
Government Securities	+ 20,000	..	+ 20,000 0 0	..	..	+ 33,900	+ 33,900	..	+ 33,900	..	..	— 33,900	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Working balance	..	+ 57,607 5 6	+ 57,607 5 6	+ 67,434 11 4	+ 8,320	..	..	+ 1,40,962	+ 1,40,962	— 96,887	..	..	..	+ 44,075	+ 44,075	+ 38,740	..	..	..	+ 82,815	+ 82,815	+ 38,454	..	..	..	+ 1,21,269	+ 1,21,269
Deduct—Contribution to Harbour Trust Board.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	— 44,075	..	..	— 44,075	— 44,075	..	— 38,740	..	..	— 82,815	— 83,815
Total, Madras	+ 2,28,000	+ 57,607 5 6	+2,85,607 5 6	+ 67,434 11 4	+ 8,320	+ 33,900	+2,34,300	+ 1,40,962	+ 3,75,262	— 96,887	..	— 33,900	+ 2,00,400	+ 44,075	+ 2,44,475	+ 38,740	— 44,075	..	+ 2,00,400	+ 38,740	+ 2,39,140	+ 38,454	— 38,740	..	+ 2,00,400	+ 38,454	+ 2,38,854
Grand Total	+ 4,95,200	+1,60,327 1 3	+6,55,527 1 3	+ 1,24,301 4 10	+ 8	+ 62,900	+5,04,600	+ 3,38,128	+ 8,42,728	—1,40,873	..	— 3,100	+ 5,01,500	+1,97,255	+ 6,98,756	+ 18,962	— 44,075	..	+ 5,01,500	+ 1,72,142	+ 6,73,642	+ 80,962	— 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, 1894–95. Opening balance. Opening balance credit + debit —.	Actuals, 1894–95. Opening balance. Surplus of the year + deficit —.	Actuals, 1894–95. Opening balance. Adjustments.	Actuals, 1894–95. Government securities purchased and sums lent + Government securities sold and 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 —.	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 —.	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 of the year + deficit —.	Budget estimate, 1896–97. Adjustments.	Budget estimate, 1896–97. Government securities purchased and sums lent + sums borrowed —.	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 1889.	Rs.	Rs.	Rs.	Rs.	Rs.	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	— 2,432	+ 2,645	..	+ 50,000	50,000	+ 213	+ 50,213	— 4,100	..	..	+ 50,000	— 3,887	+ 46,113	— 4,100	..	..	+ 50,000	— 7,987	+ 42,013
															..	— 2,410	+ 2,410	+ 18,000	..	..	..	+ 15,590	+ 17,590
Pámban and Kilakarai	{ — 70,200 / — 6,207 }	— 26,645	— 8	+ 70,000	{ — 200 / — 32,851 }	+ 27,441	..	..	200	— 5,410	— 5,210	+ 3,000	..	..	+ 12,000	+ 2,107	+ 14,107	+ 500	..	..	+ 12,000	+ 2,607	+ 14,607
Cochin	+ 18,029	— 12,512	..	+ 12,000	+ 5,517	— 3,910	..	+ 12,000	12,000	+ 1,607	+ 13,607	+ 500	..	..	..	+ 984	+ 984	..	..	..	..	+ 984	+ 984
Mangalore	— 4	— 24	..	..	— 28	+ 12	..	..	..	— 16	— 16	+ 1,000	..	..	..	..	..	..	..	..	..	..	..
Landing and Shipping Dues—Act III of 1885.															..	+ 21,107	+ 21,107	+ 6,000	..	..	..	+ 27,107	+ 27,107
Vizagapatam	+ 4,941	+ 5,637	..	..	+ 10,578	+ 6,029	..	..	..	+ 16,607	+ 16,607	+ 4,500	..	..	— 16,500	+ 60,622	+ 44,122	— 19,000	..	..	— 16,500	+ 41,622	+ 25,122
Cocanada	+ 18,439	+ 34,359	..	..	{ — 16,500 / + 52,798 }	+ 6,824	..	..	16,500	+ 59,622	+ 43,122	+ 1,000	..	..	+ 5,000	+ 5,334	+ 10,334	+ 2,000	..	..	+ 5,000	+ 7,334	+ 12,334
Masulipatam	+ 2,716	+ 3,340	..	..	+ 5,956	— 2,622	..	+ 5,000	5,000	+ 3,334	+ 8,334	+ 2,000	..	..	..	+ 53,059	+ 53,059	— 29,500	..	..	..	+ 23,559	+ 23,559
Negapatam	+ 33,702	+ 6,966	..	..	+ 40,668	+ 7,391	..	..	..	+ 48,059	+ 48,059	+ 5,000	..	..	..	+ 22,928	+ 22,928	+ 8,000	..	..	..	+ 30,928	+ 30,928
Mangalore	+ 5,929	+ 7,591	..	..	+ 13,520	+ 2,408	..	..	..	+ 15,928	+ 15,928	+ 7,000	..	..	..	..	..	..	..	..	..	..	..

APP

CONTRIBUTIONS from Provincial funds

—	1889-90.	1890-91.
To Port Funds.		
Ganjám	..	·12
Gódávari	·63	..
Kistna	·01	..
Tanjore	·09	..
Total ..	·73	·12
To Pilotage Funds.		
Pámban Pilotage Fund ..	..	..
Total ..	·73	·12

APPENDIX C.

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	+ ·08	+ ·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	− ·39	− 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	− ·14 / ..	− ·05 / + ·14	+ ·05	− 1·89	+ ·01	+ ·01	− 1·87
Kistna	− ·09	− ·01	− **·03**	+ ·01 / − **·02**	..	+ **·01**	− **·03**	+ **·03**	− ·06	− ·10	− ·06	− ·01	− ·17
Madura	+ ·51	+ ·23	− ·03	− ·06 / + *·09*	..	− *·23*	+ *·02*	− ·02	− ·08	− ·08	− ·02	− ·01	− ·11
Total, *Deficit ports* ..	− ·53	− 1·53	− ·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	+ ·07	+ ·05	+ ·07	+ ·06	+ ·26	+ ·05	+ ·05	+ ·36
Nellore	− ·06	+ ·06	+ ·01	..	..	+ ·01	+ ·01	+ ·01	+ ·02	+ ·12	+ ·01	+ ·01	+ ·14
Chingleput	− ·07	+ ·04	..	+ ·01	..	..	+ ·01	+ ·01	+ ·01	+ ·08	..	..	+ ·08
South Arcot	+ ·23	+ ·23	+ ·03	+ ·03	− ·10	..	+ ·01	+ ·02	+ ·05	+ ·27	+ ·02	+ ·04	+ ·33
Tanjore	+ ·94	− ·09	− **·23**	− **·11** / + **·09**	+ **·10**	+ **·03**	+ **·05**	+ ·03	− ·04	+ ·02	+ ·04	+ ·02	
Tinnevelly	+ 3·16	+ 1·27	− ·03	+ ·06	+ ·08	+ ·21 / − **·70**	+ ·04	+ ·19 / + **·70**	− ·70	+ 1·12	− ·60	+ ·19	+ ·71
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	+ ·30	− ·52	+ ·71	+ ·14	− ·43	− ·07	+ 1·26	− ·53	+ ·86	− ·49	+ ·41	+ ·78
III. Western group—													
Malabar	+ 3·38	+ 1·25	+ ·26	+ ·16 / − ·13	+ ·25	+ ·26	+ ·39	+ ·17 / + **·16**	+ ·36	+ 2·97 / − **·16**	+ ·26	− ·03	+ 3·20 / + **·16**
South Canara	+ ·38	+ ·26	+ ·02	+ ·03	+ ·02	+ ·03	+ ·05	+ ·07	+ ·07	+ ·55	+ ·03	+ ·05	+ ·63
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	− ·09	− ·43	+ ·02	+ ·50	− ·04	− ·04	+ ·42
Pámban and Kilakarai		..	+ ·10	+ ·12 / − *·09*	+ ·09	− ·22 / + **·70**	− ·07	− ·26 / − **·70**	+ ·28	− ·05	+ ·03	+ ·18	+ ·16
Cochin		..	+ ·14	+ ·01	+ ·01	+ ·01	+ ·01	..	− ·04	+ ·14	..	+ ·01	+ ·15
Mangalore		..	..	..	..	..	..	..	..	..	+ ·01	..	+ ·01
Total ..		+ ·72	+ ·35	+ ·14	+ ·16	+ ·50	− ·15	− 1·39	+ ·26	+ ·59	..	+ ·15	+ ·74
Landing and Shipping Dues Act III of 1885.													
Vizagaptam		..	..	..	..	+ ·02	+ ·03	+ ·06	+ ·06	+ ·17	+ ·04	+ ·06	+ ·29
Cocanada		+ ·08	+ ·05	− ·07 / − ·05	+ ·10	− ·01	+ ·09	+ ·34 / − **·16**	+ ·07	+ ·60 / − **·16**	+ ·01	− ·19	+ ·42 / − **·16**
Masulipatam		..	..	..	..	..	+ ·03	+ ·03	+ ·03	+ ·09	+ ·02	+ ·02	+ ·13
Negapatam		..	..	+ ·09	+ ·08	+ ·06	+ ·11	+ ·07	+ ·07	+ ·48	+ ·05	− ·29	+ ·24
Mangalore		..	..	..	..	..	+ ·06	+ ·07	+ ·02	+ ·16	+ ·07	+ ·08	+ ·31
Total ..		+ ·08	+ ·05	− ·03	+ ·18	+ ·07	+ ·32	+ ·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 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.

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. Covelong.
47. Marakanam.
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. Molakkadava.
106. Calicut.
107. Pudiyangadi.
108. Elaturu.
109. Kappatta.
110. Quilandi.
111. Kollam.
112. Kadalura.
113. Trikodi.
114. Kottákal.
115. Badagara.
116. Muttankal.
117. Chompayi.
118. Kallayi.
119. Talayi.
120. Tellicherry.
121. Dharmapatnam.
122. Ezhara.
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 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 debited 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.

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 ... ... $\frac{1}{6}$
(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 deciding 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.

APPENDIX E.

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	·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	4·04
Charges—				
General Administration charges	·12	·39	·22	·73
Lighthouse charges	·08	·24	·06	·38
Port Officer's establishment and Conservators	·11	·28	·20	·59
Personal allowance	..	·05	·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	1·43	1·00	3·23
Contribution to Harbour Trust Board	·39	..	..	·39
Total Expenditure	1·19	1·43	1·00	3·62
Surplus or deficit	..	·41	·01	·42
Closing balance	2·39	·78	3·98	7·15

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

NOTES CONNECTED WITH G.O., No. 341, MARINE, DATED 15th MAY 1896.

[Subject.—*Simplification of Port Funds Accounts.*]

Honourable Member—

The note on the simplification of Port fund accounts has been completely re-written, with the additional information required by the Honourable Member. In the note endeavours have been made to show how Provincial revenues could be relieved of the payment of the Ganjám * deficit from 1894–95 and the "Wenlock" † charges from the time that it was constructed. A draft on the Port fund budget for 1895–96 is also submitted. The draft is based on the assumption that the simplified system proposed in the note will be adopted. The orders on the budget should be passed before the 1st April.

Rs.	
* 7,000	for 1894–95.
7,000	for 1895–96.
† 82,000	on account of initial cost.
33,000	on account of past expenses.
20,000	or more for 1894–95 and 1895–96.
1,49,000	

C. M. Schmidt—14–3–95.

J. F. Price—18–3–95.

I don't see the least prospect of my being able to take up the question of the simplification of Port fund accounts for some weeks, or perhaps months. An order should be prepared on the budget which will tide over the interval and give the Port people authority to go on after 1st April.

H. W. B[liss]—22–3–95.

Financial Department.

Hon'ble Mr. H. W. Bliss—

Will the Honourable Member please say whether the paper regarding revision of Port fund accounts which he directed at Madras should be sent up to him here, may be submitted to him.

C.S.—6–5–95. J.F.P.—7–5–95.

I couldn't take it at present, I am afraid.

H.W.B.—8–5–95.

Resubmitted to the Honourable Member for orders.

C.S.—5–7–95.

For the Second Assistant—

I am afraid that its of no use at present. Honourable Member has, I know, a lot of big things on hand and as soon as I am relieved a bit he will get a good many more from me.

J.F.P.—6–7–95.

Public Department.

Office-note from the Chief Secretary to Government, to the Secretary, Marine department, dated 8th November 1895, *No.* 2679.

The accompanying note on the simplification of Port fund accounts was prepared in the early part of this year under the instructions of the Hon'ble Mr. Bliss, C.I.E., who considered the existing system very cumbersome and unnecessarily elaborate.

The Honourable Member had not the time to take up the question when the estimates for 1895-96 were passed last April, and they were accordingly accepted provisionally. The matter has been lying over since.

The note throws some light on the past history of Marine funds, and is transferred to you for disposal.

MARINE DEPARTMENT.

Secretary—

This does not seem particularly pressing.

J. PENNYCUICK.

Submitted for information. The question will be taken up as soon as possible.

Mr. Ashpitel's report on the subject of lighthouses, lights and establishments, which has been under consideration in the Marine department since July, has also been transferred for disposal. The papers are now with the Hon'ble Mr. Grose. I am reading up the history of these subjects meanwhile.

R. PARSONS—11-11-95.

Secretary—

The accompanying note, prepared in the Chief Secretary's office in March last, reviews the present system of Port fund accounts, and contains proposals for their simplification. It is therein suggested that if the changes proposed are approved (generally) by the Hon'ble Mr. Bliss, they might be printed in the form of a G.O. and communicated for the opinion of the Presidency Port officer and the Accountant-General.

The Honourable Member has not hitherto taken up the question for want of time, but if it is explained to him that no final decision is now wanted, only permission to call for further opinions from the officers named above, he may perhaps be induced to look into the papers, and allow the matter to be advanced a stage.

The G.O. could be so worded that the Government does not commit itself to a decided opinion. The final decision can be given on receipt of the opinions which it is proposed to call for.

R.P.—12-11-95.

I have read the papers and I don't think the matter is of sufficient importance to render it worthwhile to worry the Honourable Member about it. Let it lie over till he asks for it.

J. PENNYCUICK—12-11-95.

Lie over till called for by the Honourable Member.

C. H. B. BURLTON—12-11-95.

Secretary—

Resubmitted for orders as to whether the action proposed by me on the 12th November last may now be taken. The Honourable Member will never call for the papers unless the matter is brought to his notice.

R.P.—11-1-96.

A G.O. might issue worded in the manner suggested by Chief Assistant. The proposed changes will simplify matters much, and they seem to be quite in accordance with paragraph 37 of the Indian Ports Act, 1889.

D.M.C.—15-1-96.

There seems to be a slight discrepancy in paragraph 16 of the note prepared in the Chief Secretary's office; it is said "receipts on account of pilotage ought to have been kept *separate* from the Port fund accounts" and later on it is said "pilotage in Pámban has been erroneously recorded in the Provincial accounts instead of being kept *separate under Port* funds."

D.M.C.—15-1-96.

Secretary—

There is no real discrepancy. The pilotage fees should appear in the Port fund accounts under the Act, *but under a separate head*, so as to be distinctly shown. This, however, was not done. The pilotage receipts and charges were mixed up with ordinary Port funds, and, in the case of Pámban, with Provincial funds.

R.P.—18-1-96.

Secretary—

The note has now been converted into a draft order, and is submitted for initials.

Yes.

D.M.C.—18-1-96.

It is proposed to put the papers into type before circulation to Honourable Members.

R.P.—18-1-96.

The note prepared in the Financial department on the simplification of the Port fund accounts has been transferred by the Chief Secretary for disposal in the Marine department. The note has accordingly been recast in this department where necessary, the information brought up to date, and the papers thrown into the shape of a draft order (in type) in which form it is submitted for approval.

D.M.C.—25-3-96.

This draft accurately expresses my views. I can see no reason at all why, when the general sea-borne trade of the Presidency is easily able to bear all the charges imposed on it for the upkeep of ports and lighthouses with their establishments, the arrangements for the collection of port dues should be such that, while some ports have to their credit more money than they need, others are in a chronic state of poverty and have to be periodically assisted by Provincial funds in order to save them from bankruptcy. I am not arguing that, in cases of emergency, Provincial should not come to the assistance of Port funds. I am quite willing that in such cases Provincial funds should be drawn upon. For instance, we have now under consideration a comprehensive scheme for the improvement of the lighthouses which will cost more money than Port funds will be able to supply for a considerable time to come. In this case, Provincial may well, *if it can without stinting objects which have more direct claims on it*, come to the aid of Port funds. But the Port funds must first so be worked as to do the most they can for the purposes of the ports; and in my opinion they are not so worked when disposed in the manner above objected to as in the case at present. I consider therefore that the proposed reform is essentially necessary. It involves, however, a complete reversal of the policy on which Sir H. Stokes spent much time and labour and which I have been given to understand he regarded as the *magnum opus* of his time in Council (in salt schemes perhaps excepted). The papers should therefore be circulated.

H. W. B[LISS]—21-4-96.

1. Could not the form of this draft order be improved? At present it has rather the form of an office-note than of a Government resolution.

2. It would seem that it was not intended to send this paper to me until Mr. Bliss noted it for circulation. It should have come to me in any case.

3. When the order has been re-cast let it be circulated again.

A. E. H[AVELOCK]—30-4-96.

This proposed change seems to be very desirable.

J. G[ROSE]—2-5-96.

MARINE DEPARTMENT.

Secretary—

His Excellency's remarks, dated 30th April 1896.

1. We are not altogether responsible for the form of this resolution. It is based on an office-note drawn up in the Financial department. The Financial Member says "This draft accurately expresses my views." Personally, I think it is far too long, and if authorised will condense it considerably.

2. It was all along intended to circulate the papers to all Members of Government. It is really a Financial, and not a Marine, matter, and as such was sent to the Financial Member first, especially as the resolution is based on the personal instructions of that Honourable Member.

3. This will be noted.

R.P.—2-5-96.

Perhaps it will be best to treat the draft order as a note in Marine department and write a condensed G.O. on it.

D.M.C.—2-5-96.

Secretary—

The note in the Marine department would be a note by the *Government* in the Marine department. His Excellency's objection would thus, apparently, still apply, but if His Excellency would prefer this course, it might be adopted. It would, perhaps, be a pity to remove from the record any of this information which has been collected at the cost of much time and labour, and writing a condensed G.O., simply would eliminate important matter probably.

R.P.—4-5-96.

Note for His Excellency the Governor to accompany the revised draft order on the simplification of Port Fund Accounts.

With reference to His Excellency's remarks, dated 30th April 1896, on this subject, the draft order previously submitted has now been recast. The previous history and the proposed alterations of system are now shown in the form of a memorandum, and the draft order is confined to an expression of concurrence in the recommendations made and a direction calling for remarks from the Administrative and Accounts officers concerned.

2. It is hoped that this revision will meet with His Excellency's approval. It would, the undersigned considers, be a pity to eliminate from the record any of the information contained in the memorandum. It has not been put together without the expenditure of much time and labour, and it will be useful for future reference.

3. It is further explained that the intention was to circulate the papers to all Members of Government after they had been seen by the Hon'ble Mr. Bliss. They were sent to this Honourable Member in the *first* instance, because the document had been drawn up under his express directions, and it was more a financial than a marine matter. In fact the paper emanated from the Financial department.

D.M.C.—6-5-96.

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

Marine Dept.

Proceedings of Govt. under date the

~~Simplification of Port Fund Accounts.~~

~~Note.~~ H.E. the Governor in Council proposes to revise the present system of Port Fund accounts and to consider in what respects it can be simplified

~~The object of this note is to show in what manner the present complicated system of Port Fund Accounts can be simplified.~~

This system was introduced in 1889-90 and the position before and after its introduction as well as the alterations now proposed are shown in parellel columns below ~~overleaf~~

P.T.O

Former System.

i. GROUPING OF PORTS.

Under Madras Act VII of 1867 there were only two groups, and this grouping 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.

ii. CLASSIFICATION OF RECEIPTS & CHARGES.

(a) The main transactions were recorded in the accounts of each port, exactl they occurred, the totals being treated as the revenue expenditure and balance of the General Port Fund.

(b) 40 per cent of the cost of the administrative branch and other general was debited to the port of Madras, and the remainder was divided equall among 17 of the principal ports.
This was a simple arrangement, and the Government was at liberty to lise the balance just as it wished anywhere in the Presidency. The to balances amounted to 9 lakhs and there was no occasion to distribute th comparatively small amount among the 18 ports.

iii. INVESTMENT OF BALANCES.

No investments were made; the Act authorises only a temporary investment, and as the funds were treated as purely Government money, it was not considered desirable to invest them.

1 8 4

Present System.

i. GROUPING OF PORTS.

Under Act X of 1889, two groupings were instituted.

(a) for levy of Port dues — Schedule I Part II of the Act.
- I. Madras.
- II. Eastern group [redacted].
- III. Western group [redacted].

(b) For maintaining Port Funds Accounts.
- I. Madras.
- II. Twelve district Port Funds, 10 on the East and 2 on the West coast.

There are thus 13 district Port Funds which give rise to complications in accounts, by way of loans, adjustments and maintenance of separate balances.

ii. CLASSIFICATION OF RECEIPTS & 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 following 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 calcula - tions 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. There is no more reason for localising these small amounts, now aggregating 6 lakhs, than for attempting a district distribution for provincial revenues which come to over 800 lakhs.

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.

3 7 4

Proposed System.

i. GROUPING OF PORTS.

(a) Retention of the 3 main groups as in part II Schedule I of the Act viz., I. Madras, II. Eastern group and III. Western group, and

(b) Abolition of the 13 district Funds.

There would then be only 3 Port Funds with separate balances. The Eastern and Western groups could 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 & CHARGES.

The receipts and charges of each port will be treated as belonging to the ct Fund account of the group within which it is situated. General administration receipts and charges will be divided among the 3 groups according to e proportion now obtaining; which works out approximately to Madras 1/2, Eastern group 1/2, Western group 1/2.

ght-house charges will be debited to the group to which they belong. (Reapportion according to tonnage of vessels is only one way of distribution. Cargo aded and shipped by each vessel is another, but this was not considered to be good as the other and rejected). The best plan is to have no distribution at , and not to tie the hands of Government in any way.

iii. INVESTMENT OF BALANCES.

Loan transactions will be avoided as far as possible, requirements in one oup 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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Parts I & II on 1st May 1886
Remainder on 1st June 1886.

~~Page 1 of file book~~ G.O. 48,
Marine, dated 2-2-87.

~~Page 118 of file book (3rd. Notifn.)~~ G.O 161 Marine. d/27. April 88
also para. 4 of G.O. 15, dated 17th
January 1888, ~~on page 51 of file book.~~

Para 5---Do. G.O 18 Marine d/17 Jany 88.

Para 16---Do.---------Do.---Page 54

~~Page 38 of file book.~~
~~Sir Henry Stokes'~~ # ~~note.~~

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 1894-95, but to make a fresh start ~~from 1st April 1895~~ on the new lines.

3. The present complication in accounts arose in the following ways:-

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 that year, together with all the balances which had previously accumulated ways and for this purpose the correct amounts in the Act to the credit of the port or group transfer had to be ascertained.

4. On a review of the Administration report for 1886-87 and later years it was found that numerous irregularities in Section

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 clubbing of port fund accounts.

(ii). the classification of receipts and charges. and

(iii) the utilisation of the balances of one port for the benefit of another.

A thorough reorganisation of the Marine department was ~~set afoot~~ inaugurated and the Port Fund accounts were recast from 1875-76 to 1887-88 on an ~~most~~ elaborate scale, the balance at the credit of each port being worked out afresh from the ~~very~~ beginning of this period.

5. The principal CHANGES then introduced are summarised below

I GROUPING OF PORTS.

Accounts have all long been maintained for each individual port, in accordance with the provisions of the law noted in the margin.⊗ The Madras port dues (vii of 1867), constituted two groups of ports, viz. the *Eastern group with 12 ports, including Madras, the Western group with 6 ports.

Section 11 of this Act provided that,

as

⊗ Section 44 of Act XXII of ~~1835~~ 1855.
,, 47 ,, XII of 1875.
,, 36 ,, X of 1889.

* Eastern group
1. Ganjam.
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.

~~Page 29 of file book.~~

~~Page 30 of file book~~
Para. 7 of G.O. d/17-1-88, No. 15.
~~(file book page ...)~~

as regards port dues, all the eighteen ports should be regarded as one port and the revenue realised should form a single fund to be called the "Madras General Port Fund". Section 12 provided that the money thus realised could be utilised for the requirements of any port within the Presidency. But this local Act was entirely 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. ~~Sir Philip Hutchins however~~ 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, ~~Sir Henry Stokes~~ Another authority went further and declared that as individual port fund accounts had all along been maintained, the general Port Fund was a myth or a shadowy entity. As a result, it

was

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 13 District Port Funds. MADRAS was excluded as, under the proviso to Section 87 (1) of Act X of 1889 (which had meanwhile, on the 1st April 1889, came into force, and repealed Act XII of 1875), it had to retain its individuality like Calcutta, Bombay &c.

Page 51 of file-book
Para. 8, G.O. d/17-1-88, No. 15

Page 309 of file-book.

Captain Street suggested that it would be more equitable to have 5 divisions, by limiting a group to 6 principal ports, each with a Port Officer, thus

1. Madras.
2. Masulipatam and all Ports to the North. } Eastern
3. South of Masulipatam to Tuticorin. } group.
4. Cochin to Mangalore. } Western
5. Mangalore Northwards. } group.

This proposal was not however approved.

* Ganjam. South Arcot.
Vizagapatam. Tanjore.
Godavary. Madura.
Kistna. Tinnevelly.
Nellore. Malabar.
Chingleput. South Canara.

Page 310 of file-book.

Page 66 of file-book letter No. 88
d/29-Feb-88.

II CLASSIFICATION OF RECEIPTS AND CHARGES.

Various changes under this category were effected in the revised accounts.

(i) The most important of these will be best gathered from paragraphs 9 and 10 of G.O. dated 17th January 1888, No. 15, reproduced below:—

9. 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 favors 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
Gopálpur	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	1,418	2,897
Porto Novo ..	38,372	..	981
Negapatam ..	319,321	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	7,103	8,777
Beypore	79,501	484	2,932
Tellicherry ..	233,689	2,363	8,618
Cannanore ..	167,678	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	127,668

* At 1½ anna per ton. | † Group share.

10. 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 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., dated 21st May 1885, No. 211, 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.

(Brings with the margin)

Page 115 of file-book
Para 4 of G.O. 27-4-88 - No. 161 Marine,
Page 115 of file-book

Note
In accordance with this view, the rates of port dues were reduced both at Madras and at out-ports, with effect from 1 June 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 1881-1882, 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. "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 change led to a large increase in the Madras balance.

(4) The charges for light-houses, instead

{Para. 2 of G.O. 171, dated 24-
~~Page 215 of file book.~~

~~Page 89 of file book.~~

~~Page 88 of file book.~~

Para. 8 of G.O. 15, dated 17-1-88.
~~(Page 49-52 of file book.)~~

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

Para. 4 of G.O. d/24-4-89, No. 171.
~~Page 215 of file book.~~

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 and this investment was held to include mutual loans between ports.

6. The RESULT of the revision showed that the Port of Madras had been enormously over charged in the past as shown below

P.T.O.

Madras Port.

	Old Classification	New Classification
	Lakhs.	Lakhs.
Opening Balance	- ·14	- ·14
RECEIPTS.		
Coasting steamer Dues	1·95	
	1·58	3·39
Dues on other vessels & country crafts.	11·30	
Sundry Receipts.	4·67	15·97
Total Receipts.	19·45	18·36
CHARGES.		
General Charges.	4·05	
S.S. Madras.	2·25	1·03
Light House charges.	·65	·61
Establishments. Contingencies. Public Works Dept. charges.	9·91	9·91
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 ·18, 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

Paras. 9 to 12 of G.O. 171, d/34-4-89.
~~Pages 216-217 of file book.~~

	1890-91
Vizagapatam.....	·90
Godavari.....	,,
Nellore.....	·06
Chingleput.....	·04
South Arcot.....	·30
Madura.....	·30
Tinnevelly.....	1·30
Malabar.....	1·00
South Canara....	·22
	5·82

	1890
Godavari.....	·63
Kistna.....	·01
Tanjore.....	·09
	·73

Ganjam..... 1-89

Para. 5 of G.O. 171, dated 24-4-89.
~~(Page 216 of file book)~~

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

~~Page 42 of file book.~~
Para. 16 of G.O. 15, dated 17-1-88.
~~(Page 54 of file book.)~~

state

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.

~~The Government accounts were therefore accepted accordingly~~. A large amount of revenue was lost to Government as a direct consequence of the reorganisation introduced ~~set afoot~~, but this was accepted as inevitable.

8. After a trial of 6 years it is now found that some districts have not only been unable to meet current expenses but have not even been able ~~in a position to afford~~ to pay the annual interest to the Madras port. In these cases, Provincial revenues have been drawn on for ~~made to pay~~ the interest, (as in Ganjam) or the Madras Port has ~~had to~~ advanced the interest to itself as an addition to the loan (as in Kistna, Tanjore, &c.) The working of these loan transactions, which have since been extended to several Port and Pilotage funds, leads to endless complications in accounts and has all along been felt to be a most confusing, harrassing and difficult arrangement, ~~and~~ not only in the Presidency Port Office, and in the Financial Department of the Secretariat ~~here~~, but also in the

~~Pages 191 & 336 & 339 of file Book~~

~~" 192 " "~~

Para. 11 of G.O. dated 17-1-88 (~~Page 63 of file book.~~)
Para. 4 of G.O. dated 27-4-88, (~~Page 116 of file book.~~)

~~Para. 8 of G.O. dated 26-8-91~~
~~Page 359 of file book~~

Paras. 5 & 6 of G.O.d/26-8-91, No ~~Pages 365 & 366 of file book~~.

Malabar, Tinnevelly
Pamban, Karaikarai etc.

the Accountant General's office.

The abolition of the loan system would, therefore, be a source of relief to all concerned.

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, it 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.

~~Page 336 (a) of file book.~~
~~" 242 (f) " "~~

5. Further, 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.

~~On this a very strong protest was forwarded, insisting on~~ The Madras Govt demurred, and advocated the retention of the District grouping on the following grounds.-

Letter dated 10-12-89 No 514
~~(Page 247 (f) of file book)~~

2. 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.

× × × × × ×

5. 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* para. 9, G.O., 24th April 1889, No. 171.

† *Vide* the same order, para. 13.

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

6. 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 3 groups as in the Act, is based on the fact that ~~that~~ it would not be a sufficient concession to localisation. But the question is whether any ~~It is submitted that no~~ localisation is specially called for where the revenues concerned are ~~[illegible]~~ less than ~~[illegible]~~ and

7 lakhs on the whole. No such localisation 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 ~~to this note~~ shows that on the completion of the revision of accounts, Provincial revenues had to contribute ·78 lakh to meet initial deficits in Godavari, Kistna, and Tanjore & that since then ·48 lakh has had to be paid to extinguish ~~wipe off~~ the annually recurring deficits in Ganjam. (Total 1·16 lakh). If the attempt at localisation had succeeded in restoring equilibrium all round, as was originally anticipated, it would have been effectual ~~all right~~; but some district funds are hopelessly in deficit and Provincial revenues cannot ~~afford~~ be expected to continue contributions for ~~ever~~ an indefinite period.

10. Under the circumstances detailed above it ~~It therefore~~ 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. (§ 37(1) of Act X of 1889.)

11.

11. Statement B ~~appended to this note~~ is the Presidency Port Officer's budget estimate for 1895-96. Statement C shows the balances of each fund ~~over~~ under the old system and as worked out on the reorganization, transactions since that date, and the position ~~is~~ at the end of 1895-96 if the proposals present adopted ~~in this note~~ are ~~accepted~~. An abstract of this statement is given below.

Abstract of Port Fund Balances.		Old classification 1888-89.	Revised accounts 1888-89	Total up to the e		
				1893-94	1894-95	18
I MADRAS.	Working balance	2·45			6·71	
	Amount transferred to Harbour Trust Board.			8·28	8·69	
	Amount lent to other ports.	,,	6·68	-6·52	-8·24	
	TOTAL.	,,			2·00	
II EASTERN GROUP.	Balance of ports in debt.	2·45	6·68	3·00	1·93	
	Balance of ports with cash balance on hand.	,,	-3·21	-2·05	-3·05	
	Net balance.	2·86	3·51	3·44	2·93	
III WESTERN GROUP...		3·86	·30	1·39	·86 ~~·05~~	
	GRAND TOTAL.	8·76	1·51	3·25	3·68	
		9·07	8·49	8·40	6·88	

It will be seen that the Harbour Trust will have appropriated 8·71 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

Original debt		Ganjam -1·89	Kistna -·05	
Annual surpluses.	1890-91	·01	·01	·10
	1891-92	·03	·01	·11
	1892-93	·06	·03	·04
	1893-94	·03	·05	·06
Balance on 1-4-94 under present system		1·94	-·04	-·01

Section 86 (4) of Act X of 1889.

funds are in deficit. The most important of these is Ganjam; its large deficit (1·89) was mainly owing to the outlay on the Gopalpur pier, which has proved useless ~~had to be dismantled as utterly 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 ~~ad infinitum~~ and to perpetuate the liability on Provincial revenues to make good its annual deficits.

13. As it is necessary that Madras should be kept distinct under the Act, and as it is not permissible to amalgamate Pilotage or other funds with Port funds, while further Provincial contributions can reasonably be expected ~~are quite out of the question~~, the only course now open to Government is to abolish ~~give up~~ the District grouping, which has been tried and found to be a failure ~~wanting~~, 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

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.

In order to liquidate the Ganjam debt ~~deficit~~, 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 be almost entirely appropriated for paying up the Madras loan, leaving a balance of .37 lakh standing to the credit of this group at the end of 1895.6, 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 appointment 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.

~~Page 80 of file book.~~
~~Sir Philip Hutchins note.~~

~~ıs. 3 & 3 of G.O.d/37-1-88, No.161.~~
~~to 115 of file book.~~

~~Page 443 of file book.~~

B

D

14. 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 ~~giving real satisfaction to any one~~, 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.

15. If this amalgamation is effected, the following consequences will ensue [vide Sec. 37(3) of the Act]:-

(i) The rules promulgated in G.O. 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 ~~submitted with correction~~ showing what the changes are likely to be. ~~The Marine department will, of course, take the necessary steps to set them right~~. Distribution of receipts and charges in proportion to tonnage, &c., will be done away with entirely, and numerous ~~numberless~~

~~numberless~~ numerous complications in accounts will be avoided.

(2) The debt* due to Madras by the Ganjam 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, but the money will ~~have to~~ probably be made over to the Harbour Trust Board eventually. This has been the ~~explicit~~ understanding all along and although Government has intimated that there was no prospect of the Board obtaining possession of the funds in the immediate future, the Board has nevertheless treated the amount as capital invested by itself and included it in all its forecasts and harbour completion estimates. [It may be noted here that the Harbour Trust Board is not a Port Trust proper (vide paragraph 6 of G.O. dated 27th April 1888, No. 161 Marine] ~~on page 116 of the file book.~~] Should there be any doubt as to the solvency of the Eastern group, even after amalgamation, there appears to be no reason why the ~~Madras debt should not be liquidated~~ by annual instalments of, say, 1/2 a lakh.

* 1·93 lakhs. on 1-4-96

Note to be brought into the margin.

amount recovered should not be ret[illegible] at the credit of the Madras port, p[illegible] to the Harbour Trust Board being [illegible]

~~15. The statement in appendix [illegible] the [illegible] of the groups under the proposed system, for 1895-96. [illegible] [illegible] Presidency Port [illegible] Budget marked B and the printed [illegible]~~

PILOTAGE FUNDS.

16. 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.

Para. 16 of G.O.d/24-4-89, No.171. ~~(Page 218 of file book)~~

It was then discovered that, up to the end of 1880-81, the receipts and charges under Pilotage in Pamban 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 Pamban Port fund. On the revision of the Port fund accounts, all pilotage transactions were

~~Pages 308 & 340 of filebook~~

were excluded from Provincial, and kept separate from even Port funds as required by the Act.

DREDGER WENLOCK.

~~18~~ 17. **INITIAL COST**. In 1890 the urgent need for dredging the Pamban channel, which had become quite impassable owing to an accumulation of 227000 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 [redacted] 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 lakh and the Provincial contribution was raised to 1·00. The Madura Port Fund and the pilotage balance at Pamban contributed ·39, 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

~~Note in G.O. 162 Marine, d/ 30-4-9~~ — Wenlock f

G.O. d/ 12.5.91. No 197. Marine

G.O. d/ 31.8.91, No 392 Marine

G.O. d/ 15.8.93, No 778 Financial

~~Page 431 of book file.~~

G.O. Finl. d/5-12-94, No.1067. (~~Wenlock file~~)

~~The Accts [illegible] has however actually adjusted the amount against Provl in the accts of 1894-95.~~

Note The sale of the vessel to the Madras [illegible] Board is being negotiated.

leaves ·82 to be recovered from ~~the~~ Pilotage funds and recredited to Provincial.

130

18. **WORKING EXPENSES**. It was arranged that the vessel should be considered as belonging to the Pamban 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 Pamban itself; in 1892-93 she worked at Cocanada and Tuticorin, and Pamban recovered ·31 and ·01 respectively from those ports. There ~~was however~~ is now a deficit of ·30 to be met and Provincial revenues have been called upon to pay it. ~~The~~ This ~~H.M. did~~ was not agreed to ~~this~~, but ~~allowed~~ the amount was allowed to be provisionally entered in the Revised Provincial estimates for 1894-95.

19. 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

total assets, among

I. Madras Port.

II. Eastern Group.

III. Western Group, and

IV. Pilotage funds(including Madras)

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 on charge on Marine funds, as she properly ought to be.

The total liabilities up to the end of 1895-96 amount to about 1·35 and the charge, which falls lightly on the several funds, is shown in statement E to be

(i) Madras...	·42
(ii) Eastern Group.. ...	·17
(iii) Western Group.. ...	·64
(iv) Pilotage funds. ...	·12
	1·35

23. Statement E exhibits the transactions of Port & Pilotage funds for 1895-6 & the proposals as to grouping and cost of the Wenlock are accepted

Madras Act III of 1885.

H.E. the Governor in Council desires that the Presidency Port Officer and the Accountant General will submit such remarks as they may have to offer on the proposals contained in these Proceedings

25. 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 4 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 India.

LANDING AND SHIPPING DUES.

24. 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 Govt. and need not be interfered with at present. It is open to Government to utilise the money raised under Act III of 1885 for the benefit of the Port at which it is raised. It will be seen that three of the funds (Cocanada, Mangalore and Negapatam)- vide Statement B ~~430 of file book~~-have large balances.

~~If the changes proposed are approved the substance of this note might be printed in the form of a G.O. and communicated for~~ very early the opinion of the Presidency Port Officer and the

~~the Accountant General~~ [redacted] The Govt of India

C.S.
14.3.95

18/3/95

dings – On receipt of these reports further steps in the matter will be taken –

18 Jany 96

18/1/96

The S.S.O.
" Acctt Genl.
" Fin. Dept.

13/3/1895.

Marine Ev 5
885/95

A

Contributions from Provincial funds to cover deficits

in Port funds since 1889-90.

18P
15

	1889-90	1890-91	1891-92	1892-93	1893-94	1894-95	TOTAL
<u>TO PORT FUNDS</u>							
GANJAM...	,,	·12	·06	·06	·14	·05	·43
GODAVARI.	·63	,,	,,	,,	,,	,,	·63
KISTNA...	·01	,,	,,	,,	,,	,,	·01
TANJORE..	·09	,,	,,	,,	,,	,,	·09
TOTAL.	·73	·12	·06	·06	·14	·05	1·16
<u>TO PILOTAGE FUNDS</u>							
PAMBAN PILOTAGE FUND	,,	,,	1·00	,,	·70	,,	1·70
TOTAL.	·73	·12	1·06	·06	·84	·05	2·86

Government of Madras.

Port Fund budget for 1895–96.

Part I.

ABSTRACT of the estimated charges for works to be executed from Port funds for the years from April 1895 to 31st March 1896.

Classification.	Estimate for 1895–96.		Estimate for 1894–95.		Total.	
	Public Works Department.	Port Department.	Public Works Department.	Port Department.	1895–96.	1894–95.
Original Works.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Miscellaneous Public Improvements—						
Light-houses	..	..	12,050	..	..	12,050
Districts	83,642	..	1,74,242	55	83,642	1,74,297
Repairs.						
Miscellaneous Public Improvements—						
Light-houses	1,500	960	3,100	1,410	2,460	4,510
Districts	400	8,032	1,121	3,604	8,432	4,725
Presidency port office	..	..	..	..	..	..
Total ..	85,542	8,992	1,90,513	5,069	94,534	1,95,582

Government of Madras.

Part II.

DETAIL of estimate for original works for 1895–96 to be executed from Port funds.

Executive Division.	Projects. No.	Locality.	Description.	Amount of estimate.	Completed expenditure up to 31st March 1895.	Estimate for 1895–96.	No.	Remarks.
			Light-houses.	Rs.	Rs.	Rs.		
			Nil.					
			Districts.					
Kistna ..	1	Masulipatam.	Residence for the Port officer, Masulipatam, at Bunder fort.	6,400	..	6,400	1	By Public Works Department.
Tinnevelly .	2	Tuticorin ..	Pier at Tuticorin ..	1,52,242	75,000	77,242	2	By Public Works Department, G.O., No. 1007 of 21st November 1894.
			Grand Total ..	1,58,642		83,642		

ABSTRACT of Part II.

Main heads.	By Public Works Department.	By Port Department.	Total.
	Rs.		Rs.
Miscellaneous Public Improvements	83,642	..	83,642

Marine Ex 4/885/95

Marine Ex 3/885/95

STATEMENT showing the Financial position of the several Port and

Funds.	Actuals, 1893–94. Opening balance. Government securities and sums lent + sums borrowed —.	Opening balance. Cash balance surplus + deficit —.	Opening balance. Total.	Surplus or deficit.	Adjustments.	Closing balance.
1	2	3	4	5	6	
Port Funds—Act X of 1889.	Rs.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs.	
Ganjám	—1,89,400	— 14,015 12 1	—2,03,415 12 1	+ 16,863 3 2	— 7,476	
Vizagapatam	+ 90,000	+ 1,793 12 7	+ 91,793 12 7	+ 3,407 10 11	..	
Gódávari	+ 4,000	+ 9,449 15 7	+ 13,449 15 7	+ 1,048 8 10	..	
Kistna	— 6,500	— 34 13 2	— 6,534 13 2	+ 2,837 11 11	— 260	
Nellore	+ 8,000	+ 1,190 4 5	+ 9,190 4 5	+ 1,242 7 9	..	
Chingleput	+ 6,000	+ 585 0 4	+ 6,585 0 4	+ 766 2 8	..	
South Arcot	+ 17,000	+ 3,364 10 5	+ 20,364 10 5	— 90 9 0	..	
Tanjore	— 12,100	+ 36 7 10	— 12,063 8 2	+ 5,595 0 3	— 484	
Madura	..	+ 1,701 2 2	+ 1,701 2 2	— 1,335 0 6	..	
Tinnevelly—						
Amount lent ..	+ 70,200	..	+ 70,200 0 0	..	..	
Government Securities	+ 55,000	..	+ 55,000 0 0	..	..	
Working balance	..	+ 38,255 2 8	+ 38,255 2 8	+ 89,450 12 0	+ 8	
Total, Tinnevelly District ..	+1,25,200	+ 38,255 2 8	+1,63,455 2 8	+ 89,450 12 0	+ 8	
Total, Eastern Group ..	+ 42,200	+ 42,325 14 9	+ 84,525 14 9	{ +1,19,786 0 0 — 70,000 0 0 + 49,786 0 0 }	— 8,312	
Malabar—						
Amount lent ..	..	..	..	..	..	
Government Securities	+1,90,000	..	+1,90,000 0 0	..	..	
Working balance	..	+ 53,576 15 0	+ 53,576 15 0	..	..	
Total, Malabar District ..	+1,90,000	+ 53,576 15 0	+2,43,576 15 0	— 12,932 14 10	..	
South Canara	+ 35,000	+ 6,816 14 0	+ 41,816 14 0	— 12,932 14 10	..	
Total, Western Group ..	+2,25,000	+ 60,393 13 0	+2,85,393 13 0	+ 3,513 8 4	..	
Madras—				{ — 9,419 6 6 + 16,566 0 0 + 7,089 9 6 }	..	
Amount lent ..	+ 2,08,000	..	+ 2,08,000 0 0	..	..	
Government Securities	+ 20,000	..	+ 20,000 0 0	..	..	
Working balance	..	+ 57,607 5 6	+ 57,607 5 6	+ 67,434 11 4	+ 8,320	
Deduct—						
Contribution to Harbour Trust Board	..	..	..	..	..	
Total, Madras ..	+ 2,28,000	+ 57,607 5 6	+ 2,85,607 5 6	+ 67,434 11 4	+ 8,320	
Grand Total ..	+ 4,95,200	+ 1,60,327 1 3	+ 6,55,527 1 3	+ 1,24,301 4 10	+ 8	

(a) Provincial contribution.

(b) Interest on loan.

(c) Madura surplus.

ncy for the three years 1893–94 to 1895–96 including adjustments on account of n, interest, Contribution, &c.

Revised estimate, 1894–95. nce. Total.	Surplus or deficit.	Adjustments.	Government securities purchased + securities sold —.	Budget estimate, 1895–96. Opening balance. Government securities and sums lent + sums borrowed —.	Opening balance. Cash balance surplus + deficit —.	Opening balance. Total	Surplus or deficit.	Adjustments.	Government securities purchased and sums lent + securities sold —.	Closing balance. Government securities and sums lent + sums borrowed —.	Closing balance. Cash bal. sur def.
10	11	12	13	14	15	16	17	18	19	20	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
4,728 — 1,94,123	— 824	{ + (a)4,728 — (b)6,629 }	..	— 1,89,400	— 7,453	— 1,96	+ 899	{ +(a)7,453 —(b)6,629 }	..	— 1,89,400	— 130
6,201 + 1,03,201	+ 6,635	..	+ 5,000	+ 1,03,000	+ 6,836	+ 1,09	+ 8,636	..	+ 6,000	+ 1,09,000	+ 91
10,499 + 20,499	+ 3,667	..	+ 7,000	+ 17,000	+ 7,166	+ 245	+ 5,425	..	+ 6,000	+ 23,000	+ 013
43 — 3,957	+ 976	— (b) 140	..	— 4,000	+ 879	— 31	— 4,752	— (b) 140	..	— 8,000	— 455
2,433 + 10,433	+ 533	..	+ 2,000	+ 10,000	+ 966	+ 103	+ 489	..	..	+ 10,000	+ 801
1,351 + 7,351	+ 240	..	+ 1,000	+ 7,000	+ 591	+ 71	+ 210	..	..	+ 7,000	+ 7
3,274 + 22,274	+ 1,720	..	+ 2,000	+ 21,000	+ 2,994	+ 234	+ 2,163	..	+ 2,000	+ 23,000	+ 5
47 — 6,953	+ 8,592	— (b) 245	..	..	+ 1,394	+ ..	+ 2,322	..	..	..	+ 4
366 + 366	— 7,078	— (c) 366	..	..	— 7,078	— 73	— 1,664	+ (c) 7,078	..	..	—
.. + 200	..	— (d) 200	..	+ 55,000	..	+ 55,0	..	..	..	+ 55,000	
.. + 55,000	..	..	..	..	+ 68,347	+ 68,7	— 60,015	..	..	..	+
1,27,714 + 1,27,714	— 59,567	+ (d) 200	..	+ 55,000	+ 68,347	+ 1,23,7	— 60,015	..	..	+ 55,000	+
1,27,714 + 1,82,914	— 59,567	..	..	..	..	..	..	..	..	..	
1,46,200 + 1,42,000	— 45,106	— 2,652	+ 17,000	+ 19,600	+ 74,642	+ 9412	— 46,287	+ 7,762	+ 14,000	+ 29,600	+ 2
.. + 16,500	..	..	..	+ 16,500	..	+ 1600	..	..	..	+ 16,500	..
.. + 2,20,000	..	..	+ 20,000	+ 2,40,000	..	+ 2,4000	..	..	+ 30,000	+ 2,70,000	..
+ 40,644 + 40,644	+ 31,152	+ (b) 578	..	..	+ 52,374	+ 5274	+ 28,412	+ (b) 578	..	..	+ 51
+ 40,644 + 2,77,144	+ 31,152	+ 578	..	+ 2,56,500	+ 52,374	+ 3,0874	+ 28,412	+ 578	+ 30,000	+ 2,86,500	+ 51
+ 10,330 + 48,330	+ 1,342	..	+ 6,000	+ 44,000	+ 5,672	+ 4972	+ 2,737	..	+ 3,000	+ 47,000	+ 5
+ 50,974 + 3,25,474	+ 32,494	+ 578	+ 26,000	+ 3,00,500	+ 58,046	+ 3,5	+ 31,149	+ 578	+ 33,000	+ 3,33,500	+ 56
.. + 2,00,400	..	— (d) 7,000	..	+ 1,93,400	..	+ 1,9310	..	+ (g) 4,000	..	+ 1,97,400	..
.. + 33,900	..	..	— 33,900	..	..	..	..	..	..	..	..
dn 40,962 + 1,40,962	+ 33,204	{ — (c) 2,432 + (b) 7,014 + (d) 7,000 }	..	..	+ 47,218	+ 47218	+ 36,714	{ —(g) 4,000 +(b) 6,769 }	..	..	+ 39
.. ..	..	{ —(f) 1,38,530 —(f) 33,900 }	..	..	..	..	..	—(f) 47,218	..	..	..
r 1,40,962 + 3,75,262	+ 33,204	— 1,67,848	— 33,900	+ 1,93,400	+ 47,218	+ 2,46,618	+ 36,714	— 40,449	..	+ 1,97,400	+ 39
+ 3,38,136 + 8 ,42,736	+ 20,592	— 1,69,922	+ 9,100	+ 5,13,500	+ 1,79,906	+ 6,93,406	+ 21,576	— 32,109	+ 47,000	+ 5,60,500	+ 1,22

(d) Contribution to Madras Pilotage Funds.

(f) Contribution to Harbour Trust Board.

(g) Amount lent to District Port Funds.

Funds.	Actuals, 1893–94. Opening Balance credit + debit —.	Surplus of the year + deficit —.	Adjustments.	Government Securities purchased and sums lent and Government	Revised estimate, 1894–95. Opening balance. Government	Opening balance. Cash balance	Opening balance. Total.	Budget estimate, 1895–96. Surplus of the year + deficit —.	Adjustments.	Government securities purchased and sums lent + sums borrowed —.	Closing balance. Government securities and sums lent + sums borrow—	Closing balance. Cash balance surplus + deficit —.

C 19

STATEMENT of Port and Marine funds showing the SURPLUS and DEFICIT of each year with loan transactions from 1888-89 to 1895-96.

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.	Balance. 1st April 1894.	Revised estimate. 1894-95.	Budget estimate. 1895-96.	Balance. 1st April 1896.
I. Madras—												
Working balance	+ 2·45	+ 4·93	+ ·09	+ ·43	+ ·4	+ ·68	+ ·53	+ ·98	+ 8·28	+ ·41	+ ·42	+ 9·11
Loans to other Ports	..	+ **1·75**	+ ·46	+ **·13**	— **·1**	— ·11	— **·01**	— **·08**	+ **2·00**	— **·07**	..	+ **1·93**
Payments to the Harbour Trust Board.	..	..	..	— 2·75	— 2·6	— ·50	— ·65	..	— 6·52	— 1·72	— ·47	— 8·71
Total ..	+ 2·45	+ 6·68	+ ·55	— 2·19	— 2·12	+ ·07	— ·13	+ ·90	+ 3·76	— 1·38	— ·05	+ 2·33
II. Eastern group.												
Deficit ports.												
Ganjám	— ·95	— **1·75**	— ·14	— ·12	— ·06	— ·06	— ·14	— ·05	— **1·89**	— ·07	+ ·01	— 1·95
Kistna	— ·09	— ·01	— **·03**	+ **·12**	+ **·06**	+ ·06	..	+ ·14	— **·05**	+ ·05		
Madura	+ ·51	+ ·23	— ·03	+ ·01 / — **·02**	..	+ **·01**	— **·03**	+ **·03**	— ·04	+ ·01	— ·05	— ·08
				— ·06 / *·09*	..	— ·23	+ *·02*	— ·02	..	— ·07	— ·02	— ·09
Total, *Deficit ports* ..	— ·53	— 1·53	— ·20	+ ·02	..	— ·22	— ·15	+ ·10	— 1·98	— ·08	— ·06	— 2·12
Surplus ports.												
Vizagapatam	+ ·05	+ ·95	— ·01	— ·03	+ ·01	— ·10	— ·07	+ ·11	+ 1·03	+ ·07	+ ·05	+ 1·15
Gódávari	— ·86	— ·63	— **·06**	— **·63** / + ·01	+ **·05**	— ·07	+ ·05	+ ·07	+ ·20	+ ·04	+ ·04	+ ·28
Nellore	— ·06	+ ·06	+ ·01	..	..	— ·01	+ ·01	+ ·01	+ ·10	+ ·01	..	+ ·11
Chingleput	— ·07	+ ·04	..	+ ·01	..	— ·01	+ ·01	+ ·01	+ ·07	..	..	+ ·07
South Arcot	+ ·23	+ ·23	+ ·03	+ ·03	— ·10	..	+ ·01	+ ·02	+ ·22	+ ·02	+ ·01	+ ·25
Tanjore	+ ·94	— ·09	— **·23**	— **·11** / + *·09*	+ **·09**	— **·10**	+ **·03**	+ **·05**	— **·07**	+ ·01 / + **·07**	+ ·02	+ ·03
Tinnevelly	+ 3·16	+ 1·27	— ·03	+ ·06	+ ·08	— **·21** / — **·70**	+ ·04	+ ·19 / + **·70**	+ 1·82	— ·60	— ·62	+ ·60
Total, *Surplus ports* ..	+ 3·39	+ 1·83	— ·32	+ ·69	+ ·14	— ·21	+ ·08	+ 1·16	+ 3·37	— ·38	— ·50	+ 2·49
Total, Eastern group ..	+ 2·86	+ ·30	— ·52	+ ·71	+ ·14	— ·43	— ·07	+ 1·26	+ 1·39	— ·46	— ·56	+ ·37
III. Western group—												
Malabar	+ 3·38	+ 1·25	+ ·26	+ ·16 / — ·13	+ ·25	— ·26	+ ·39	+ ·17 / + **·16**	+ 2·61 / + **·16**	+ ·32	+ ·29	+ 3·22 / + **·16**
South Canara	+ ·38	+ ·26	+ ·02	+ ·03	+ ·02	— ·93	+ ·05	+ ·07	+ ·48	+ ·01	+ ·03	+ ·52
Total, Western group ..	+ 3·76	+ 1·51	+ ·28	+ ·06	+ ·27	— ·9	+ ·44	+ ·40	+ 3·25	+ ·33	+ ·32	+ 3·90
Grand Total ..	+ 9·07	+ 8·49	+ ·31	— 1·42	— 1·71	— ·0	+ ·24	+ 2·56	+ 8·40	— 1·51	— ·29	+ 6·60
Pilotage Funds Act X of 1889.												
Madras		+ ·72	+ ·11	+ ·10	+ ·06	— ·01	— ·09	— ·43	+ ·48	+ ·04	— ·02	+ ·50
Pamban and Kilakarai		..	+ ·10	+ ·12 / — *·09*	+ ·09	— ·22 / — **·70**	— ·07	— ·26 / — **·70**	— ·33	— ·16	— ·04	+ ·53
Cochin		..	+ ·14	+ ·01	+ ·01	— **·70** / — ·01	+ ·01	..	+ ·18	— ·06	+ ·01	+ / + ·13
Mangalore		..	..	..	..	..	..	..	..	+ ·01	+ ·01	+ ·02
Total ..		+ ·72	+ ·35	+ ·14	+ ·16	— ·50	— ·15	— 1·39	+ ·33	— ·17	— ·04	+ ·12
Landing and Shipping Dues Act III of 1885												
Vizagapatam		..	..	..	..	— ·02	— ·03	+ ·06	+ ·11	+ ·04	+ ·05	+ ·20
Cocanada		..	..	..	..	— ·01	— ·09	+ ·34 / — **·16**	+ ·53 / — **·16**	— ·01	+ ·01	+ ·53 / — **·16**
Masulipatam		+ ·08	+ ·05	— ·07	..	— ·06	— ·03	+ ·03	+ ·06	+ ·02	+ ·02	+ ·10
Negapatam		..	..	— ·05	..	..	+ ·11	+ ·07	+ ·41	+ ·08	— ·25	+ ·24
Mangalore		..	..	..	+ ·02	— ·07	+ ·06	+ ·07	+ ·13	+ ·01	+ ·07	+ ·21
Total ..		+ ·08	+ ·05	— ·03	+ ·08	— ·07	+ ·32	+ ·41	+ 1·08	+ ·14	— ·10	+ 1·12

Appendix b.

Statement of Port and Marine Funds showing the Surplus and Deficit of each year with loan transactions from 1888-89 to 1896-97.
Loan transactions are shown in red ink.

Port Funds. Act X of 1889	Actuals to 31st March 1895	Revised Estimate 1895-96	Budget Estimate 1896-97	Balance 1st April 1897.
I. Madras				
Working balance	+ ·43	+ 8·71	+ ·39	+ ·38	+ 9·48
Loans to other ports	"	+ 2·00	"	"	+ 2·00
Payment to the Harbour Trust Board	− 1·75	− 8·27	− ·44	− ·39	− 9·
Total:	− 1·32	+ 2·44	− ·05	− ·01	+ 2
II. Eastern Group.					
Deficit ports.					
Gopalpur	+ ·05	− 1·89	+ ·01	+ ·01	− 1·87
Kistna	− ·06	− ·10	− ·06	− ·01	− ·17
Madura	− ·08	− ·08	− ·02	− ·01	− ·11
Total Deficit ports.	− ·09	− 2·07	− ·07	− ·01	− 2·15
Surplus ports					
Vizagapatam	+ ·09	+ 1·12	+ ·08	+ ·09	+ 1·29
Coconada	+ ·06	+ ·26	+ ·05	+ ·05	+ ·36
Nellore	+ ·02	+ ·12	+ ·01	+ ·01	+ ·16
Pepingliepatt	+ ·01	+ ·08	"	"	+ ·08
South Arcot	+ ·05	+ ·27	+ ·02	+ ·04	+ ·33
Tanjore	+ ·03	− ·04	+ ·02	+ ·04	+ ·02
Tuticorin	− ·70	+ 1·12	− ·60	+ ·19	+ ·71
Total, Surplus ports.	− ·44	+ 2·93	− ·42	+ ·42	+ 2·93
Total Eastern Group.	− ·53	+ ·86	− ·49	+ ·41	+ ·78
III. Western Group.					
Malabar	+ ·36	+ 2·97	+ ·26	− ·03	+ 3·20
South Canara	+ ·07	+ ·55	+ ·03	+ ·05	+ ·63
Total Western Group.	+ ·43	+ 3·68	+ ·29	+ ·02	+ 3·99
Grand Total.	− 1·42	+ 6·98	− ·25	+ ·42	+ 7·15
Pilotage Funds. Act X of 1889					
Madras	+ ·02	+ ·50	− ·04	− ·04	+ ·42
Pamban and Kulakarai	+ ·28	− ·05	+ ·03	+ ·18	+ ·16
Cochin	− ·04	+ ·14	"	+ ·01	+ ·15
Mangalore	"	"	+ ·01	"	+ ·01
Total,	+ ·26	+ ·59	"	+ ·15	+ ·74
Landing and Shipping dues. Act III of 1885					
Vizagapatam	+ ·06	+ ·17	+ ·04	+ ·06	+ ·29
Coconada	+ ·07	+ ·60	+ ·01	− ·19	+ ·47
Masulipatam	+ ·03	+ ·09	+ ·02	+ ·02	+ ·13
Negapatam	+ ·07	+ ·48	+ ·05	− ·29	+ ·24
Mangalore	+ ·02	+ ·10	+ ·07	+ ·08	+ ·27
Total.	+ ·25	+ 1·34	+ ·19	− ·32	+ 1·21

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Presidency Port Office
Madras, 24th February 1896

Attested
Commander R. I. M.
Presidency Port Officer.

E.A.H.

GOVERNMENT OF MADRAS.

MARINE DEPARTMENT.

READ—the following paper :—

From J. E. O'CONOR, Esq., Assistant Secretary to the Government of India, Department of Finance and Commerce, to the Chief Secretary to the Government of Madras, dated Calcutta, 14th January 1890, No. 223.

I am directed to acknowledge the receipt of your letter No. 514, dated the 10th December 1889, forwarding (1) draft of a notification framed under section 37 (1) of the Indian Ports Act X of 1889, regarding the grouping of ports by districts and the constitution of the District Port Funds; (2) a draft of departmental instructions with reference to section 36 (4) of the Act; and (3) a Notification under section 37 (2*a*) of the Act on the subject of the charges debitable to the Port Fund Accounts of the district groups constituted under section 37 (1) of the Act.

2. I am to state that the Governor-General in Council approves the rules contained in the draft Notifications (Appendices A and C) and the Notifications may be issued. The Departmental Instructions (Appendix B) are also approved; but I am to point out that paragraph 5 of these should apparently refer to doubtful receipts and not to doubtful charges, which are properly dealt with in the rules in Appendix C of your letter.

ORDER—dated 27th January 1890, No. 24, Marine.

The following Notifications will be published in three successive issues of the *Fort St. George Gazette*:—

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 district, as specified below, shall be regarded as constituting a single port, and all monies hitherto credited to the Port fund accounts of these individual ports shall form a common Port fund for the whole district, and shall be available for the payment of all expenses incurred for the sake of any of the ports within the district.

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

Eastern Group.

Ganjam	1. Gopálpur. 2. Sonnapuram. 3. Báruva. 4. Pándi. 5. Calingapatam.	Godávari	11. Uppada. 12. Cocanada. 13. Coringa. 14. Bendamurulanka. 15. Narsápur. 16. Perupalem.
Vizagapatam ..	6. Konada. 7. Bimlipatam. 8. Vizagapatam. 9. Pudimadaka. 10. Pentakota.	Kistna	17. Masulipatam. 18. Penumudi. 19. Morutota. 20. Nagayalanka.

Eastern Group—cont.

Kistna—*cont.*	21. Kottapalem. 22. Gangadipalem. 23. Nizampatnam. 24. Ipurupálem. 25. Bodduvanipalem. 26. Motupalle.	Tanjore—*cont.*	56. Toputurai. 57. Point Calimere. 58. Mutupet. 59. Adirámpatnam. 60. Gopalapatnam. 61. Kattumavadi. 62. Krishnapatnam. 63. Ammapatnam. 64. Kotaipatnam. 65. Sundarapandiyapatnam.
Nellore	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.	Madura	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. Mutupettai. 84. Kilakarai. 85. Ervadi. 86. Valinokkam.
Chingleput	44. Pulicat. 45. Ennore. 46. Covelong.		
South Arcot	47. Marakanam. 48. Cuddalore. 49. Porto Novo.		
Tanjore	50. Tirumalavasal. 51. Kodiyampalayam. 52. Tranquebar. 53. Nagore. 54. Negapatam. 55. Velankani.	Tinnevelly	87. Vaippar. 88. Tuticorin. 89. Káyalpatnam. 90. Kulasekharapatnam.

Western Group.

Malabar	91. Cochin. 92. Arrupuram. 93. Kukkuyi. 94. Madayi. 95. Attakuri. 96. Chávakád. 97. Veliyangod. 98. Ponáni. 99. Kuttayi. 100. Parapanna. 101. Tanúr. 102. Parapanangadi. 103. Kadalvandi. 104. Beypore. 105. Molakkadava. 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.	Malabar—*cont.*	120. Tellicherry. 121. Dharmapatnam. 122. Ezhara. 123. Cannanore. 124. Pudiyangadi. 125. Palapatnam (Baliapatam). 126. Ettikulam. 127. Kavvayi.
		South Canara	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.

2. The grouping of ports by districts as above shown will be solely with reference to the maintenance of the Port fund accounts under section 37 of the Act, and will not in any way alter the levy of dues under section 33 or the division of ports into "Eastern" and "Western" groups for the purpose of such dues.

NOTIFICATION B.

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 district 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 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 light-houses belonging to the Eastern group of ports and to Madras; (*b*) Charges connected with light-houses 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.

6. In case of doubt as to the port 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 port or ports, it shall be in the power of His Excellency the Governor in Council to decide how such charges shall be debited.

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 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.

5. In case of doubt as to the port 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 deciding whether such should be treated as a general receipt or as appertaining to a particular port or ports, it shall be in the power of His Excellency the Governor in Council to decide how such receipt shall be credited.

(True Extract.)

J. GROSE,
Ag. Chief Secretary.

To the Presidency Port Officer.
" Superintendent, Government Press.
Gazette.

Exd. W. H. French.

Govt. of {1890} Madras.

MARINE.

Issued

Recd.

Encl.

G.O., 27th January 1890, No. 24.

JANUARY.

Indian Ports Act.

Directing that certain Notifications under sections quoted of the — X of 1889, be published in the *Fort St. George Gazette*.

Budget estimate for 1895-96. /Proposed system/

funds Act X of 1889	I Madras	II Eastern group	III Western group	Total
Opening balance	2.38	.93	3.58	6.89
ipts- Coasting steamers dues	.40	.91	.55	1.86
Other dues	.71	.45	.27	1.43
General administration receipts	,,	,,	,,	,,
Miscellaneous receipts	.08	.19	.01	.28
Public Works receipts	,,	.01	,,	.01
Fees	.04	.17	.05	.26
Interest on Government securities	.06	,,	.09	.15
	1.24	1.73	.97	3.94
harges- General administration charges	.12	.39	.21	.72
Light house charges	.08	.25	.06	.39
Establts. Port officers & conservators	.11	.27	.18	.56
Personal allowances	,,	.05	.02	.07
Other establishments	.15	.13	.08	.36
Contingencies & miscellaneous	.84	.19	.05	.58
Public Works charges	,,	.92	.03	.95
Fees	.02	.07	.02	.11
Contribution to H.T.B.	.47	,,	,,	.47
	1.29	2.27	.65	4.21
	.42	.17	.64	*1.23
Dredger Wenlock *	1.71	2.44	1.29	5.44
Total expenditure	-.47	-.71	-.32	-1.50
Surplus or deficit	1.91	.22	3.26	5.39
Closing balance				

	Opening balance	Receipts	Charges	Closing balance
Pilotage funds	.66	.37	{.37 †.12}	.54
Landing & shipping dues	1.21	.65	.74	1.12

* Initial cost repayable to Provincial .82
Deficit in 1893-94 &c .33
Further deficit in 1894-95 & 1895-96 .20
1.35
† Deduct amount payable by pilotage funds .12
* Amount divisible 1.23

Appendix E.
Budget Estimate for 1896-97
(Proposed system)

Port Funds - Act IX of 1889	I Madras	II Eastern Group.	III Western Group	Total
Opening balance.	2·39	·37	3·97	6·73
Receipts.				
(1) Steamers dues	·40	·96	·59	1·95
(2) Cranes dues	·72	·44	·26	1·42
(3) Administration Receipts	"	"	"	"
(4) Conservancy Receipts	·03	·20	·01	·24
(5) Rents Receipts	"	·01	"	·01
(6) Works Receipts	·04	·16	·05	·25
(7) Interest on Government Securities	"	·07	·10	·17
Total.	1·19	1·84	1·01	4·04
Charges				
(1) Administration Charges	·12	·39	·22	·73
(2) Rent and House Charges	·08	·24	·06	·38
(3) Establishment and Conservancy Officers	·11	·28	·20	·59
(4) Allowances	"	·05	·02	·07
(5) Establishments	·15	·14	·08	·37
(6) Contingencies and Miscellaneous	·33	·21	·06	·60
(7) Works Charges	"	·06	·34	·40
(8) Interest	·01	·06	·02	·09
Total.	·80	1·43	1·00	3·23
(9) Contribution to Harbour Trust Board	·39	"	"	·39
Total Expenditure	1·19	1·43	1·00	3·62
(10) plus or Deficit	"	·41	·01	·42
Closing balance.	2·39	·78	3·98	7·15

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

Presidency Port Office
Madras 24th February 1896

E.A.H.

A. A. Theet
Commander R. I. M.
Presidency Port Officer.

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28/2/96

No. ,|Marine, March 1896.

GOVERNMENT OF MADRAS.

MARINE DEPARTMENT.

His Excellency the Governor in Council proposes to revise the present system of Port Fund accounts and to consider in what respects it can be simplified. This system was introduced in 1889–90 and 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. 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 $\frac{1}{8}$, Eastern group $\frac{1}{2}$, Western group $\frac{1}{4}$. 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, [illegible] to the [illegible]
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*.

Note

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

—	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	5,785	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	1,418	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	7,103	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 anna per ton. † Group share.

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 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.

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* 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 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.

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 1·53	2·39
Dues on other vessels and country crafts	11·30 4·67	15·97
Sundry receipts		
Total Receipts ...	19·45	18·36
Charges.		
General charges	4·05 2·25	1·02
S.S. *Madras*	·65	·61
Lighthouse charges		
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 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.

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

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

	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.

¶ 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 transacti ons 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, Kílakarai, &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 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, 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 B is 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 this statement 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
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	— ·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	·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, but the money will probably be made over to the Harbour Trust Board eventually. This has been the understanding all along, and although Government has intimated that there was no prospect of the Board obtaining possession of the funds in the immediate future, the Board has nevertheless treated the amount as capital invested by itself and included it in all its forecasts and harbour completion estimates. Should there be any doubt as to the solvency of the Eastern group, even after amalgamation, there appears to be no reason why the amount recovered should not be retained at the credit of the Madras port, payments to the Harbour Trust Board being made by annual instalments of, say, half a lakh.

* 1·93 lakhs on 1st April 1895.

It may be noted here that the Harbour Trust Board is not a Port Trust proper (*vide* paragraph 6 of G.O. No. 161, Marine, dated 27th April 1888.

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).

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 and cost of the *Wenlock* 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 three of the funds (Vizagapatam, Cocanada, Mangalore and Negapatam)—*vide* statement B—have large balances.

Madras Act III of 1885.

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

24. His Excellency the Governor in Council desires that the Presidency Port Officer and the Accountant-General will submit such remarks as they may have to offer on the proposals contained in these Proceedings. On receipt of these reports further steps in the matter will be taken.

Colonel, R.E.,
Joint Secy. to Government.

To the Presidency Port Officer.
" Accountant-General.
" Financial Department.

Exd. T. K. Narayana Aiyangar.

Spare Copies

Port Fund Accts
Simplification of
—
Draft order
—
~~The Hon. Mr Bliss~~
6th March

Govt. of {1896} Madras.

MARINE.

Dated March, .

Recd.

Encl.

G.O. No. , March 1896.

MARCH.

attach to the original of G.O. 341 Marine of 15 May 96
3rd June 96

Superseded
15 May 96 ~~G.O.~~

Removed from G.O.
341 Mar of 15-5-96

4 May 1896

No. 341, Marine, 15 May ~~March~~ 1896.

No. 261 E. dated 15th May 1896

GOVERNMENT OF MADRAS.

MARINE DEPARTMENT.

Memorandum

~~His Excellency the Governor in Council proposes to revise~~ The present system of Port Fund accounts ~~and to consider in what respects it can be simplified. This system~~ was introduced in 1889–90 ~~and~~ the position before and after its introduction, as well as the alterations now proposed, are shown in parallel columns below:—

It is a complex system, and it seems desirable to simplify it.

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 . { 1. 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 charge* 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 tota 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.	**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.
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.	*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. 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.	**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*.
	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.	

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:—

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

—	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	5,785	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	1,418	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	7,103	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 anna per ton. † Group share.

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—$1\frac{1}{2}$ 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 $4\frac{1}{2}$ 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 $1\frac{1}{2}$ annas, which was the difference when the out-port group rate was $4\frac{1}{2}$ 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.

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* 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 $1\frac{1}{2}$ 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 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.

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 1·53	2·39
Dues on other vessels and country crafts	11·30 4·67	15·97
Sundry receipts		
Total Receipts ...	19·45	18·36
Charges.		
General charges	4·05 2·25	1·02
S.S. *Madras*	·65	·61
Lighthouse charges	9·91	9·91
Establishments		
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 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.

	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.
	·63
‡ Gódávari	·01
Kistna	·09
Tanjore	
	·73
§ Ganjám	1·89

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

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

¶ 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 transacti ons, 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, Kílakarai, &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 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, 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 B is 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 this statement 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
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 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	— ·34
Annual surpluses.	1890–91 ..	·01	·01	·10
	1891–92 ..	·02	·01	·10
	1892–93 ..	·06	·03	·11
	1893–94 ..	·02	·03	·04
	1894–95 ..	·05	— ·06	·06
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, but the money will probably be made over to the Harbour Trust Board eventually. This has been the understanding all along, and although Government has intimated that there was no prospect of the Board obtaining possession of the funds in the immediate future, the Board has nevertheless treated the amount as capital invested by itself and included it in all its forecasts and harbour completion estimates. Should there be any doubt as to the solvency of the Eastern group, even after amalgamation, there appears to be no reason why the amount recovered should not be retained at the credit of the Madras port, payments to the Harbour Trust Board being made by annual instalments of, say, half a lakh.

* 1·93 lakhs on 1st April 1895.

It may be noted here that the Harbour Trust Board is not a Port Trust proper (*vide* paragraph 6 of G.O. No. 161, Marine, dated 27th April 1888.

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

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 and cost of the *Wenlock* 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 three of the funds (Vizagapatam, Cocanada, Mangalore and Negapatam)—*vide* statement B—have large balances.

Madras Act III of 1885.

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

J. S. Cumberlege Colonel R E
Secretary to G of S
Marine Dept

APPENDIX B.

Marine Funds of the Madras Presidency for the four years 1893–94 to 1896–97 including adjustme

	Actuals, 1894–95.						Revised estimate, 1895–96.				
	Opening balance.			Surplus or deficit.	Adjustments.	Government securities purchased + securities sold —.	Opening balance.			Surplus or deficit.
	Government securities and sums lent + sums borrowed —.	Cash balance surplus + deficit —.	Total.				Government securities and sums lent + sums borrowed —.	Cash balance surplus + deficit —.	Total.	
	8	9	10	11	12	13	14	15	16	17
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
8,000	—1,89,400	— 4,728	— 1,94,128	+ 5,077	..	..	— 1,89,400	+ 349	— 1,89,051	+ 9
6,000	+ 98,000	+ 5,201	+ 1,03,201	+ 3,705	..	+ 5,000	+ 1,03,000	+ 8,906	+ 1,11,906	+ 7,8
2,500	+ 10,000	+ 10,499	+ 20,499	— 1,350	..	+ 7,000	+ 17,000	+ 9,149	+ 26,149	+ 5,4
	— 4,000	+ 43	— 3,957	— 6,148	..	..	— 4,000	— 6,105	— 10,105	— 5,8
	+ 8,000	+ 2,433	+ 10,433	— 668	..	+ 2,000	+ 10,000	— 1,765	+ 11,765	+ 5
	+ 6,000	+ 1,351	+ 7,351	— 476	..	+ 1,000	+ 7,000	+ 875	+ 7,875	+ 2
	+ 19,000	+ 3,274	+ 22,274	+ 2,398	..	+ 2,000	+ 21,000	+ 5,672	+ 26,672	+ 2,3
2,000	— 7,000	+ 47	— 6,953	+ 2,863	..	..	+ 7,000	+ 2,910	— 4,090	+ 2,1
5,100	..	+ 366	+ 366	— 8,372	..	..	..	— 8,006	— 8,006	— 1,7
70,000	+ 200	..	+ 200	..	..	— 200	..	..	..	..
	+ 55,000	..	+ 55,000	— 58,289	..	— 12,000	+ 43,000	..	+ 43,000	+ 60,6
	..	+ 1,27,706	+ 1,27,706	..	..	..	..	+ 69,417	+ 69,417	— 60,6
	+ 55,200	+ 1,27,706	+ 1,82,906	— 58,289	..	— 12,200	+ 43,000	+ 69,417	+ 1,12,417	— 60,6
70,000										
93,600	— 4,200	+ 1,46,192	+ 1,41,992	— 61,260	..	+ 4,800	+ 600	+ 84,932	+ 85,532	— 48,3
77,600										
16,000	+ 16,500	..	+ 16,500	..	..	..	+ 16,500	..	+ 16,500	..
	+2,20,000	+ 40,644	+ 2,20,000 + 40,644	+ 16,153	..	+ 20,000	+ 2,40,000	+ 56,797	+ 2,40,000 + 56,797	+ 26,
30,000	..					..	..			
	+2,36,500	+ 40,644	+ 2,77,144	+ 16,153	..	+ 20,000	+ 2,56,500	+ 56,797	+ 3,13,297	+ 26,
30,000	+ 38,000	+ 10,330	+ 48,330	+ 1,121	..	+ 6,000	+ 44,000	+ 11,451	+ 55,452	+ 2,
3,000										
	+2,74,500	+ 50,974	+ 3,25,474	+ 17,274	..	+ 26,000	+ 3,00,500	+ 68,248	+ 3,68,749	+ 29,
33,000						..	+ 2,00,400	..	+ 2,00,400	..
20,000	+ 2,00,400	..	+ 2,00,400	..	..					
7,600						— 33,900	..	..	..	..
	+ 33,900	..	+ 33,900	..	..	..	..	+ 44,075	+ 44,075	+ 38
33,900	..	+ 1,40,962	+ 1,40,962	— 96,887	..	..	..	..	..	..
	..	..	..	..	..	— 33,900	+ 2,00,400	+ 44,075	+ 2,44,475	+ 38
33,900	+ 2,34,300	+ 1,40,962	+ 3,75,262	— 96,887	..	— 3,100	+ 5,01,500	+ 11,97,255	+ 6,98,756	+ 18
62,8	+ 5,04,600	+ 3,38,128	+ 8,42,728	— 1,40,873	..					

APPENDIX B.

STATEMENT showing the F[illegible]n of the e[illegible]veral 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.

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, 1893–94. Government securities purchased + 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. 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. 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. 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.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Port Funds—Act X of 1889.	Rs.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	−1,89,400	− 14,015 12 1	−2,03,415 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	+ 96	..	..	− 1,89,400	+ 1,258	− 1,88,142	+ 522	..	..	− 1,89,40		
Vizagapatam	+ 90,000	+ 1,793 12 7	+ 91,793 12 7	+ 3,407 10 11	..	..	+ 98,000	+ 5,201	+ 1,03,201	+ 3,705	..	+ 5,000	+ 1,03,000	+ 8,906	+ 1,11,906	+ 96	..	..	+ 1,03,000	+ 16,759	+ 1,19,759	+ 8,496	..	..	+ 1,03,000		
Gódávari	+ 4,000	+ 9,449 15 7	+ 13,449 15 7	+ 1,048 8 10	..	+ 8,000	+ 10,000	+ 10,499	+ 20,499	+ 1,350	..	+ 7,000	+ 17,000	+ 9,149	+ 26,149	+ 7,8	..	..	+ 17,000	+ 14,643	+ 31,643	+ 5,194	..	..	+ 17,000		
Kistna	− 6,500	− 34 13 2	− 6,534 13 2	+ 2,837 11 11	− 260	+ 6,000	− 4,000	+ 43	− 3,957	− 6,148	..	..	− 4,000	− 6,105	− 10,105	+ 5,4	..	..	− 4,000	+ 11,995	+ 15,995	− 969	..	..	− 4,000		
Nellore	+ 5,000	+ 1,199 4 5	+ 9,199 4 5	+ 1,242 7 9	..	+ 2,500	+ 8,000	+ 2,433	+ 10,433	− 668	..	+ 2,000	+ 10,000	+ 1,766	+ 11,765	+ 6,8	..	..	+ 10,000	+ 2,324	+ 12,324	+ 858	..	..	+ 7,000	+	1,786
Chingleput	+ 17,000	+ 385 0 4	+ 6,585 0 4	+ 766 2 8	..	..	+ 6,000	+ 1,351	+ 7,351	− 476	..	+ 1,000	+ 7,000	+ 875	+ 7,875	+ 6,8	..	..	+ 21,000	+ 8,120	+ 29,025	+ 345	..	..	+ 21,000	+	25,255
South Arcot	− 12,100	+ 3,364 10 5	+ 20,364 10 5	− 90 9 0	..	..	+ 19,000	+ 3,274	+ 22,274	+ 2,398	..	+ 2,000	+ 21,000	+ 5,672	+ 26,672	+ 2,8	..	..	− 7,000	+ 1,025	+ 4,177	+ 4,373	..	..	− 7,000	−	1
Tanjore	..	+ 36 7 10	− 12,063 8 2	+ 5,595 0 3	− 484	+ 2,000	− 7,000	+ 47	+ 2,863	..	..	..	+ 7,000	+ 5,038	− 1,962	− 9,7	..	..	..	− 9,799	− 1,164	..	..	..	..		
Madura	..	+ 1,701 2 2	+ 1,701 2 2	− 1,335 0 6	..	+ 5,100	..	+ 366	+ 366	− 8,372	..	..	..	− 8,006	− 8,006	− 1,7	..	..	..	..	..	..	..	..	..		
Tinnevelly—Amount lent ..	+ 70,200	..	+ 70,200 0 0	..	..	+ 70,000	+ 200	..	+ 200	..	..	− 200	..	..	..	..	..	..	+ 43,000	..	+ 43,000	..	..	..	+ 43,000	..	
Government Securities	+ 55,000	..	+ 55,000 0 0	..	..	..	+ 55,000	..	+ 55,000	..	..	− 12,000	+ 43,000	..	+ 43,000	..	..	..	..	..	..	..	..	..	..	+	27,348
Working balance	..	+ 38,255 2 8	+ 38,255 2 8	+ 89,450 12 0	+ 8	..	..	+ 1,27,706	+ 1,27,706	− 58,289	..	..	..	+ 69,417	+ 69,417	− 60,6	..	..	+ 43,000	+ 8,733	+ 51,733	+ 18,615	..	..	+ 43,000	+	27,348
Total, Tinnevelly District ..	+1,25,200	+ 38,255 2 8	+1,63,455 2 8	+ 89,450 12 0	+ 8	+ 70,000	+ 55,200	+ 1,27,706	+ 1,82,906	− 58,289	..	− 12,200	+ 43,000	+ 69,417	+ 1,12,417	− 60,6	..	..	+ 43,000	+ 8,733	+ 51,733	+ 18,615	..	..	+ 43,000	+	27,348
Total, Eastern Group ..	+ 42,200	+ 42,325 14 9	+ 84,525 14 9	{ +1,19,786 0 0 / − 70,000 0 0 / + 49,786 0 0 }	− 8,312	{ + 93,600 / + 77,600 / + 16,000 }	− 4,200	+ 1,46,192	+ 1,41,992	− 61,260	..	+ 4,800	+ 600	+ 84,932	+ 85,532	− 48,8	..	..	+ 600	+ 36,106	+ 36,706	+ 40,457	..	..	+ 600	+	76,563
Malabar—Amount lent ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	+ 16,500	..	+ 16,500	..	..	..	+ 16,500	..	
Government Securities	+1,90,000	..	+1,90,000 0 0	..	..	..	+ 16,500	..	+ 16,500	..	..	..	+ 16,500	..	+ 16,500	..	..	..	..	..	..	..	..	..	..	+	79,932
Working balance	..	+ 53,576 15 0	+ 53,576 15 0	− 12,932 14 10	..	+ 30,000	+2,20,000	..	+ 2,20,000	..	..	+ 20,000	+2,40,000	..	+ 2,40,000	..	..	..	+ 2,40,000	+ 83,131	+ 2,40,000	− 3,199	..	..	+ 2,40,000	+	79,932
Total, Malabar District ..	+1,90,000	+ 53,576 15 0	+2,43,576 15 0	− 12,932 14 10	..	+ 30,000	+2,36,500	+ 40,644	+ 2,77,144	+ 16,153	..	+ 20,000	+2,56,500	+ 56,797	+ 3,13,297	+ 26,8	..	..	+ 2,56,500	+ 83,131	+ 3,39,631	− 3,199	..	..	+ 2,56,500	+	79,932
South Canara	+ 35,000	+ 6,816 14 0	+ 41,816 14 0	+ 3,513 8 4	..	+ 3,000	+ 38,000	+ 10,339	+ 48,339	+ 1,121	..	+ 6,000	+ 44,000	+ 11,451	+ 55,452	+ 2,7	..	..	+ 44,000	+ 14,165	+ 58,165	+ 5,250	..	..	+ 44,000	+	19,415
Total, Western Group ..	+2,25,000	+ 60,393 13 0	+2,85,393 13 0	{ − 9,419 6 6 / + 16,606 0 0 / + 7,080 9 6 }	..	+ 33,000	+2,74,500	+ 50,974	+ 3,25,474	+ 17,274	..	+ 26,000	+ 3,00,500	+ 68,248	+ 3,68,749	+ 29,0	..	..	+ 3,00,500	+ 97,296	+ 3,97,796	+ 2,051	..	..	+ 3,00,500	+	99,347
Madras—Amount lent ..	+ 2,08,000	..	+ 2,08,000 0 0	..	..	{ − 20,000 / − 7,600 }	+ 2,00,400	..	+ 2,00,400	..	..	..	+ 2,00,400	..	+ 2,00,400	..	..	..	+ 2,00,400	..	+ 2,00,400	..	..	..	+ 2,00,400	..	
Government Securities	+ 20,000	..	+ 20,000 0 0	..	..	..	+ 33,900	..	+ 33,900	..	..	− 33,900	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Working balance	..	+ 57,607 5 6	+ 57,607 5 6	+ 67,434 11 4	+ 8,320	..	..	+ 1,40,962	+ 1,40,962	− 96,887	..	..	..	+ 44,075	+ 44,075	+ 38,7	..	..	..	+ 82,815	+ 82,815	+ 38,454	..	..	..	+ 1,21,269	+ 1,21,269
Deduct— Contribution to Harbour Trust Board.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	− 44,075	..	..	− 44,075	− 44,075	..	− 38,740	..	..	− 82,815	− 82,815
Total, Madras ..	+2,28,000	+ 57,607 5 6	+2,85,607 5 6	+ 67,434 11 4	+ 8,320	+ 33,900	+2,34,300	+ 1,40,962	+ 3,75,262	− 96,887	..	− 33,900	+ 2,00,400	+ 44,075	+ 2,44,475	+ 38,7	− 44,075	..	+ 2,00,400	+ 38,740	+ 2,39,140	+ 38,454	− 38,740	..	+ 2,00,400	+ 38,454	+ 2,38,854
Grand Total ..	+ 4,95,200	+1,60,327 1 3	+ 6,55,527 1 3	+ 1,24,301 4 10	+ 8	+ 63,900	+ 5,04,600	+ 3,33,128	+ 8,42,728	−1,40,873	..	− 3,100	+ 5,01,500	+1,97,255	+ 6,98,756	+ 18,2	− 44,075	..	+ 5,01,500	+ 1,72,142	+ 6,73,642	+ 80,962	− 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, 1894–95. Opening balance. Opening balance credit + debit —.	Actuals, 1894–95. Opening balance. Surplus of the year + deficit —.	Actuals, 1894–95. Opening balance. Adjustments.	Actuals, 1894–95. Government securities purchased and sums lent + Government securities sold and 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 —.	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 —.	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 of the year + deficit —.	Budget estimate, 1896–97. Adjustments.	Budget estimate, 1896–97. Government securities purchased and sums lent + sums borrowed —.	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 1889.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras	{ + 33,900 / + 6,548 }	− 9,280	..	− 33,900	− 2,432	+ 2,645	..	+ 50,000	+ 50,000	+ 213	+ 50,213	− 4,100	..	..	+ 50,000				3,887	+ 46,113	− 4,100	..	..	+ 50,000	− 7,987	+ 42,013
Pámban and Kilakarai	{ − 70,200 / − 6,207 }	− 26,645	− 8	+ 70,000	{ − 200 / − 32,851 }	+ 27,441	..	..	+ 200	− 5,410	− 5,210	+ 8,000	..	..	..				2,410	+ 2,410	+ 18,000	..	..	..	+ 15,590	+ 17,590
Cochin	+ 18,029	− 13,512	..	+ 12,000	+ 5,517	− 3,910	..	+ 12,000	+ 12,000	+ 1,607	+ 13,607	+ 500	..	..	+ 12,000				2,107	+ 14,107	+ 500	..	..	+ 12,000	+ 2,607	+ 14,607
Mangalore	− 4	− 24	..	..	− 28	+ 12	..	..	..	− 16	− 16	+ 1,000	..	..	..				984	+ 984	..	..	..	..	+ 984	+ 984
Vizagapatam																										
Coconada																			21,107	+ 21,107	+ 6,000	..	..	..	+ 27,107	+ 27,107
Masulipatam	+ 4,941	+ 6,057				+ 6,057			+ 16,607	+ 16,607	+ 4,500								60,622	+ 44,122	− 19,000	..	..	− 16,500	+ 41,622	+ 25,122
Nogapatam	+ 18,439	+ 34,359	..	..			..	..	− 16,500	+ 59,622	+ 43,122	+ 1,000	..	..	− 16,500				5,334	+ 10,334	+ 2,000	..	..	+ 5,000	+ 7,334	+ 12,334
Mangalore	+ 2,716	+ 3,240	..	..	{ − 16,500 / + 52,798 }	+ 6,324	..	+ 5,000	+ 5,000	+ 3,334	+ 8,334	+ 2,000	..	..	+ 5,000				53,059	+ 53,059	− 29,500	..	..	..	+ 23,559	+ 23,559
	+ 33,702	+ 6,966	..	..	+ 5,956	− 2,622	..	..	..	+ 48,059	+ 48,059	+ 5,000	..	..	..				22,928	+ 22,928	+ 8,000	..	..	..	+ 30,928	+ 30,928
	+ 5,929	+ 7,991	..	..	+ 40,668	+ 7,291	..	..	..	+ 15,923	+ 15,923	+ 7,000	..	..	..											
					+ 13,520	+ 2,468	..	..																		

APPENDIX A.

everal Port and Marine Fncial funds to cover deficits in Port funds since 1889–90.

	889–90.	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.	1895–96.	1896–97.	Total.
Opening balance									
Government securities and sums lent + sums borrowed—.	..	·12	·06	·06	·14	·05	..	..	·43
Cash balance surplus + deficit—.	·63	..	..	..	..	..	..	..	·63
	·01	..	..	..	..	..	..	..	·01
	·09	..	..	..	..	..	..	..	·09
	·73	·12	·06	·06	·14	·05	..	..	1·16
	8	9							
	..	..	1·00	..	·70	..	..	..	1·70
RS. RF ..	·73	·12	1·06	·06	·84	·05	..	..	2·86

	RS.	RF ..
	—1,89,400	—
8,000	+ 98,000	+
6,000	+ 10,000	+
2,500	— 4,000	+
	+ 8,000	-
	+ 6,000	
2,000	+ 19,000	
5,100	— 7,000	
	..	
70,000	+ 2(	
	+ 55,	
	..	
70,000	+	
93,600		
77,600		
16,000		
30,(		

STATEMENT of Port and Marine funds showing t

Port Funds Act X of 1889.	Balance under the old classification, 1st April 1888.	Revised opening balance, 1st April 1888.	1888–89.	Provinc Loan tra Transfer 18 e. 7.	Balance. 1st April 1897.
I. Madras—					
Working balance	+ 2·45	+ 4·93	+ ·09	+	9·48
Loans to other Ports	..	+ 1·75	+ ·46	+	+ 2·00
Payments to the Harbour Trust Board	..	..	..	—	— 9·10
Total ..	+ 2·45	+ 6·68	+ ·55	—	+ 2 38
II. Eastern group—					
Deficit ports.				—	
Ganjám	— ·95	— 1·75	— ·14	+	— 1·87
Kistna	— ·09	— ·01	— ·03	—	— ·17
Madura	+ ·51	+ ·23	— ·03	+	— ·11
Total, *Deficit ports* ..	— ·53	— 1·53	— ·20	+	— 2·15
Surplus ports.				—	
Vizagapatam	+ ·05	+ ·95	— ·04	+	+ 1·29
Gódávari	— ·86	— ·63	— ·06	+	+ ·36
Nellore	— ·03	+ ·06	+ ·01	+	+ ·14
Chingleput	— ·07	+ ·04	..	+	+ ·08
South Arcot	+ ·23	+ ·23	+ ·03	—	+ ·33
Tanjore	+ ·94	— ·09	— ·23	+	+ ·02
Tinnevelly	+ 3·16	+ 1·27	— ·03	+	+ ·71
Total, *Surplus ports* ..	+ 3·39	+ 1·83	— ·32	+	+ 2·93
Total, Eastern group ..	+ 2·86	+ ·30	— ·52	+	+ ·78
III. Western group—				—	
Malabar	+ 3·38	+ 1·25	+ ·26	+	+ 3·20
South Canara	+ ·38	+ ·26	+ ·02	—	+ ·16
Total, Western group ..	+ 3·76	+ 1·51	+ ·28	+	+ ·63
Grand Total ..	+ 9·07	+ 8·49	+ ·31	— 1 42	+ 3·99
					+ 7·15
Pilotage Funds Act X of 1889.				+	
Madras		+ ·72	+ ·11	+	+ ·42
Pámban and Kilakarai		..	+ ·10	—	+ ·16
Cochin		..	+ ·14	+	+ ·15
Mangalore		..	..	..	+ ·01
Total ..		+ ·72	+ ·35	+ ·14	+ ·74
Landing and Shipping Dues Act III of 1885.					
Vizagapiam		..	..	—	+ ·29
Cocanada		+ ·08	+ ·05	—	+ ·42
Masulipatam		..	..	—	— ·16
Negapatam		..	..	+ ·09	+ ·13
Mangalore		..	..	..	+ ·24
Total ..		+ ·08	+ ·05	— ·03	+ ·31
					+ 1·21

APPENDIX A.

...everal Port and Marine Fincial funds to cover deficits in

			1889–90.	1890–91.	1891–92.	1892–93.	1893–9
	Opening balance		..	·12	·06	·06	·14
			·63	..	..	..	..
			·01	..	..	..	..
			·09	..	..	..	..
			·73	·12	·06	·06	·14
nd + old—.	Government securities and sums lent + sums borrowed—.	Cash balance surplus + deficit—.					
	8	9					
			..	..	1·00	..	·70
			·73	·12	1·06	·06	·84
s.	Rs.	Rs					
	—1,89,400	—					
8,000	+ 98,000	+					
6,000	+ 10,000	+					
2,500	— 4,000	+					
	+ 8,000						
	+ 6,000						
2,000	+ 19,000						
5,100	— 7,000						
	..						
70,000	+ 20						
	+ 55,						
	..						
70,000	+						
	—						
93,600							
77,600							
16,000							
	—						
30,0							
—							

Appendix C.

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	+ ·98	+ ·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	— ·39	— 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	— ·14 / ..	— ·05 / + ·14	+ ·05	— 1·89	+ ·01	+ ·01	— 1·87
Kistna	— ·09	— ·01	— ·03	+ ·01 / — **·02**	..	+ **·01**	— **·03**	+ **·03**	— ·06	— ·10	— ·06	— ·01	— ·17
Madura	+ ·51	+ ·23	— ·03	— ·06 / + *·09*	..	— *·23*	+ *·02*	— ·02	— ·08	— ·08	— ·02	— ·01	— ·11
Total, *Deficit ports* ..	— ·53	— 1·53	— ·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	+ ·05	+ ·07	+ ·06	+ ·26	+ ·05	+ ·05	+ ·36
Nellore	— ·03	+ ·06	+ ·01	..	..	+ ·01	+ ·01	+ ·01	+ ·02	+ ·12	+ ·01	+ ·01	+ ·14
Chingleput	— ·07	+ ·04	..	+ ·01	..	..	+ ·01	+ ·01	+ ·05	+ ·27	+ ·02	..	+ ·08
South Arcot	+ ·23	+ ·23	+ ·03	+ ·03	— ·10	..	+ ·01	+ ·02	+ ·03	— ·04	+ ·02	+ ·04	+ ·33
Tanjore	+ ·94	— ·09	— **·23**	— **·11** / + ·09	+ **·09**	+ **·10**	+ **·03**	+ ·19 / + **·70**	— ·70	+ 1·12	— ·60	+ ·19	+ ·71
Tinnevelly	+ 3·16	+ 1·27	— ·03	+ ·06	+ ·08	— ·21 / — **·70**	+ ·04						
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	+ ·30	— ·52	+ ·71	+ ·14	— ·43	— ·07	+ 1·26	— ·53	+ ·86	— ·49	+ ·41	+ ·78
III. Western group—													
Malabar	+ 3·38	+ 1·25	+ ·26	+ ·16 / — ·13	+ ·25	+ ·26	+ ·39	+ ·17 / + **·16** / + ·07	+ ·36 / + ·07	+ 2·97 / + **·16** / + ·55	+ ·26 / + ·03	— ·03	+ 3·20 / + **·16**
South Canara	+ ·38	+ ·26	+ ·02	+ ·03	+ ·02	+ ·03	+ ·05					+ ·05	+ ·63
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 / + ·12	+ ·06	+ ·01 / — ·22	— ·09	— ·43 / — ·26	+ ·02	+ ·50	— ·04	— ·04	+ ·42
Pámban and Kilakarai		..	+ ·10	— *·09*	+ ·09	+ **·70**	— ·07	— **·70**	+ ·28	— ·05	+ ·03	+ ·18	+ ·16
Cochin		..	+ ·14	+ ·01	+ ·01	+ ·01	+ ·01	..	— ·04	+ ·14	..	+ ·01	+ ·15
Mangalore		..	..	..	..	..	..	..	..	..	+ ·01	..	+ ·01
Total ..		+ ·72	+ ·35	+ ·14	+ ·16	+ ·50	— ·15	— 1·39	+ ·20	+ ·59	..	+ ·15	+ ·74
Landing and Shipping Dues Act III of 1885.													
Vizagapatam		..	..	— ·07	..	+ ·02	+ ·03	+ ·06 / + ·34	+ ·06	+ ·17	+ ·04	+ ·06	+ ·29
Cocanada		+ ·08	+ ·05	— ·05	+ ·10	— ·01	+ ·09	— **·16**	+ ·07	+ ·60 / — **·16**	+ ·01	— ·19	+ ·42 / — **·16**
Masulipatam		..	..	..	..	..	+ ·03	+ ·03	+ ·03	+ ·09	+ ·02	+ ·02	+ ·13
Negapatam		..	..	+ ·09	+ ·08	+ ·06	+ ·11	+ ·07	+ ·07	+ ·48	+ ·05	— ·29	+ ·24
Mangalore		..	..	..	..	..	+ ·06	+ ·07	+ ·02	+ ·16	+ ·07	+ ·08	+ ·31
Total ..		+ ·08	+ ·05	— ·03	+ ·18	+ ·07	+ ·32	+ ·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 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."

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. Covelong.
47. Marakanam.
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. Ponáui.
99. Kuttayi.
100. Parapanna.

This will be Statement (5) appended to the Note on Port Fund Accts

Financial Department.

Order

The statements appended to the budget estimates of Port and Marine funds for 1895-96 do not afford complete or accurate information. The various discrepancies of adjustments have not been adequately explained in the foot notes, and consequently the nature of the plus & minus entries remains doubtful. Most of the remarks embodied in the covering letter would have been clearer if inserted as foot-notes to the budget statements, in explanation of the figures adopted. Interest calculations at 3 ½ per cent should have been made only with effect from 1st August 1895.

2. The various transactions under Port funds under the system of accounts introduced by Marine G.Os.Nos. 15 and 171 of 1888-89 and are shown in Appendix B C to the P.P.O's letter The budget Appendix (4) to these Proceedings exhibits the transactions as modified by the proposals in G.O. No and the P.P.O. will in future adopt the form of this appendix adding full particulars under Salaries, Establishments, Allowances, Supplies and Services, Contingencies, &c as in the Civil Budget Estimates.

3.Under the revised system loans and adjustments will be reduced to a minimum, and the following entries made by the P.P.O. in the present estimates will be unnecessary-

/1/ Payment of interest to Madras on account of Ganjam debt for 1894-95 /Rs.6,629/.

/2/ Loan from the Madras Port on account of the Port officer's residence in Kistna /4000/

/3/ Contributions from the Pamban and Kilakarai Pilotage fund to the Mad### Port fund&vice versa./Rs.7078 & 366/

/4/ Contributions from Provl funds on account of the Dredger Wenlock/Rs.30,746/

/5/ Do. to cover the Ganjam deficit /Rs.7,458/.

4.Ganjam.The contribution of Rs.4728 sanctioned in G.O.Finl.d/ 5th December 1894 No.1067 will be the last payment of the kind from Provincial revenues.The further deficit in 1894-95 will be added to the principal of the debt and absorbed in the surplus balances of the eastern group.

Kistna & Madura-The same course will be adopted in regard to the deficits caused by the erections of residences for Port officers in these districts.No loan will be issued from Madras.nor will any contributions be levied from the Pamban and Kilakarai Pilotage fund.

5.The net balance of the eastern group at the close of 1895-96 will then be .37, which will further be reduced to .22,if the charges on account of the Dredger Wenlock are distributed as shown in the Appendix, in proportion to the assets of the various funds interested in her upkeep on the 1st April 1895.

6.The amount of loan returned to Madras 1.98 will be retained at the credit of that port until further orders,Government securities to that value hitherto held in the names of the district funds in the eastern group being now transferred to the credit of Madras Port Fund.

7.A sum of .40 may be invested in Government securities out of the balance of the Western group.

18/3/95

Ch. 14.3.95

To
The P.P.O.
" A.G.
" Marine Department.
" Chairman,Harbour Trust Board.

18/3/95

Port Fund
Budget.

A.40.
R.S.

E

PUBLIC WORKS DEPARTMENT.
(Marine)

Note for Pros
Please show
proof pros 18/5

PROCEEDINGS OF THE MADRAS GOVERNMENT.

READ the following

Memorandum in the Marine Department, No. 261 E, dated 15 May 1896.

No. 341 Mar of 15 May 1896

A.S.H.
10.5.96

11/5/96

14/5/96

His Excellency the Governor in Council concurs in the recommendations contained in the Memorandum printed above, but before passing final orders ~~desired~~ 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.

6/5/96

DESPATCHED
3 JUN 96

6.5.96.

The Presidency Port Officer.
,, Accountant General.
,, Financial Department.

(40—4,000—2-11-95.)

R.S.

8
583/95

C 19/2

No. 60 mar d/ 1-2-96
" 334 " d/ 14-11-95
No. 104 d/ 30-8-95
No. 41 d/ 9-4-95

~~H.E. the Governor~~
~~The Hon. Mr. Gov.~~ C. 9/
~~The Hon. Mr. Bliss~~ C. 9/

Port Fund Accounts
Simplification of

Revised draft order

B

Soon

Issue

15/5/96

NOTES.

Connected with G.O.
341 mar d/ 15-5-96

Subject = Simplification of
Port Funds Accounts.

18

NOTE FOR THE H.M.

The note on the simplification of Port Fund accounts has been completely re-written, with the additional information required by the H.M. In the note endeavours have been made to show how Provincial revenues could be relieved of the payment of the Ganjam deficit from 1894-95 and the Wenlock charges from the time that it was constructed. A draft on the Port fund Budget for 1895-96 is also submitted. The draft is based on the assumption that the simplified system proposed in the note will be adopted. The orders on the budget should be passed before the 1st April.

C.S. 18/3/95   18/3/95

A.C. 18/3/95

I don't see the least prospect my being able to take up the question of the simplification of Port Fund accounts for some weeks, or perhaps months. orders should be prepared on budget which will tide over

Rs. 7,000 for 1894-95.
Rs. 7,000 for 1895-96.

Rs. 82,000 on account of initial cost.
Rs. 33,000 on account of past expenses.
Rs. 20,000 or more for 1894-95, & 1895-96.

Rs.149,000

the interval & give the Port people authority soon after April 1

22/3/95

Port Funds Budget

& Note

~~Hao~~

Marine Dept for ~~comments, initials~~ & rem on the proposals in the Note

[G. / 25.]
00–26-11-94.

Financial DEPARTMENT

~~C. No.~~

The Hon'ble H W Bliss, C.S.

FOR ORDERS.

Will the Hon'ble Member please say whether the paper re Revision of Port Fund Accounts which he directed at Madras should be sent up to him here, may be submitted to him

CS
6.5-95

JD
7/5/95

I couldn't take it at present, I am afraid

HB
8/5/95

Resubmitted to the Hon'ble Member for orders

C.A.
5.7.95

I am afraid that it is no use at present. [illegible] I know a lot of big things [illegible] & as soon as I am relieved [illegible] a good many more [illegible]

JD
6/7.

Seen C.S.
7.7

C 8/5
R 9/5

Marine Ex 7
883/95

Marine Ex 6
883/95

[G./73] 500—21-10-95.

~~Public~~ Marine DEPARTMENT,

Fort St. George, 8th Novr 1895.

OFFICE NOTE No. 2679

From

THE CHIEF SECRETARY,

To

THE SECRETARY,

~~Public Works~~ Marine DEPARTMENT.

The accompanying note on the [si]mplification of Port fund accounts [wa]s prepared in the early part of [th]is year under the instructions of [th]e Honorable Mr. Bliss C.I.E., who ~~is~~ considered the existing system very cumbersome and unnecessarily elaborate.

The Honorable Member had not the time to take up the question when the estimates for 1895-6 were passed last April and they were accordingly accept-ed provisionally. The matter has been lying over since.

The note throws some light on the past history of Marine funds, and is transferred to you for disposal.

Frederick Price

Chief Secretary

C.S.
5. xi. 95

W

Chief Secretary's Office Note No 2679 d/8 Nov. 95

Submitted for information. The question will be taken up as soon as possible.

Mr. Ashfield's report on the subject of lighthouses, lights, & Establishments which has been under consideration in the Marine Dept since ... has also been transferred for disposal. The papers are with the Hon. Mr. Grose. I am reading up the history of these subjects meanwhile.

C.S.
11 Nov. 95

This does not seem particularly ...

W

The accompanying note, prepared in the Chief Secretary's Office in March last reviews the present system of Port fund accounts, and contains proposals for their simplification. It is

Marine Current No. 885

Recd: 12-11-95

Enc 11

(+) File con[illegible] origl: [illegible]

[illegible] [illegible] that if the changes proposed are approved (generally) by the Hon. Mr. Bliss, they might be printed in the form of a G.O. and communicated for the opinion of the Presidency Port Officer and the Accountant General.

The Hon: Member has not hitherto taken up the question for want of time, but if it is explained to him that no final decision is now wanted - only permission to call for further opinions from the officers named above, he may perhaps be induced to look into the papers, and allow the matter to be advanced a stage.

The G.O. could be so worded that the Govt. does not commit itself to a decided opinion. The final decision can be given on receipt of the opinions which it is proposed to call for.

C.S.

12 Nov 95

78

Leave over till called for by the Hon. Member

CB 1895

12/11 95 DW

W [initials]

Resubmitted for orders as to whether the action proposed by me on the 12 November last may now be taken. The Hon. Member will never call for the papers unless the matter is brought to his notice

[initials]
11 Jany 96.

68

78

... I do not object to ... being ... in the manner suggested by ... The proposed changes will simplify matters much & they seem to be quite in accordance with para 37 of the Indian Ports Act 1889.

[signature]

15/11/95

... seems to be a slight discrepancy in para 16 of the ... which is ... "Receipts on account of pilotage ought to have been kept separate from the Port Fund Accounts" & later on it is ... pilotage in Pamban has been ... in accordance with the Provision of ... accounts instead of being kept separate under Port Fund"

[signature]

There is no real discrepancy. The Pilotage fees

should appear in the Port Fund Accounts under the Act, but under a separate head, so as to be distinctly shown. This, however, was not done. The Pilotage receipts and Charges were mixed up with ordinary Port Funds, and in the case of Tanoobe with Provincial Funds.

R.S.
18th Jany 96

W

The note has now been converted into a draft order and is submitted for initial. It is proposed to put the paper into type before circulation to Hon: Members.

R.S.
18th Jany 96

[illegible]
18/1/96

HC

Send to Press, and ask for two "proof" copies.
File to be kept meanwhile.

R.S.
18th Jany 96

The G.O. need not be numbered at present.

C.A.W.

Sent to press
18/1/96

Two proofs submitted.
[illegible]
3/2/96

This draft accurately expresses my views – I can see no reason at all why, when the general sea-borne trade of the Presidency is easily able to bear all the charges imposed on it for the upkeep of ports & lighthouses with their establishments, the arrangements for the collection of port dues should be such that, while some ports have to their credit more money than they need, others are in a chronic state of poverty & have to be periodically assisted by Provl. funds in order to save them from bankruptcy. I am not arguing that, in cases of emergency, Provl. should not come to the assistance of Port Funds – I am quite willing that in such cases Provl. funds should be drawn upon. For instance, we have now under consideration a comprehensive scheme for the improvement of the lighthouses which will cost more money than Port funds will be able to supply for a considerable time to come – In this case, Provl. may well, if it can without stinting objects which have more direct claims on it, come to the aid of Port Funds. But the Port Funds must first be worked so as to do the most they can for the purposes of the ports; and in my opinion they are not so worked when disposed in the manner above objected to as in the case at present. I consider therefore that the proposed reform is essentially necessary. It involves, however, a complete reversal of the policy on which Sir [illegible] Stokes spent much time & labour & which I have been given to understand he regarded as the magnum opus of his time in Council (his pilot schemes perhaps excepted). The papers should ∴ be circ?

BS
21/4/96

Circ =

78

Note.

The note prepared in the Financial Department on the simplification of the Port Fund Accounts has been transferred by the Chief Secretary for disposal in the Marine Department. The note has accordingly been recast in this Department where necessary, the information brought up to date, and the papers thrown into the shape of a draft order (in type) in which form it is submitted for approval.

[illegible]
25/3/96

W.

1. Could not the form of this Draft Order be improved. At present it has rather the form of an Office Note than of a Govt. resolution.

2. It would seem that it was not intended to send this paper to me until Mr. Bliss noted it for circulation. It should have come to me in any case.

3. When the Order has been re-cast, let it be circulated again.

A.E.K. 30.4.96

These proposed changes seem very desirable.

J.G.
2/5/96

R.S.

File of G.Os.
The Indian Ports Act 1889
Madras Act No III of 1885
The Madras Harbour Trust Act.
No 285 d/30-3-95 Finl.
R " 104 " 30-8-95 Marine
" 334 " 14-11-95 "
" 60 " 1-2-96 "
Marine C. No 885 of 95.

Port Fund Accounts -
Simplification - of

~~The Hon Mr. Bliss C.I.E.~~
9th March 1896

To ~~His Excellency the Gov~~
The Honorable Mr. J. Grose C.S.I.
22 Ap 96

No. 341 Mar 8/5 9 P 5.96

Port Fund Accounts
of P.
H.E.'s remarks d/30-4-96

1. We are not altogether responsible for the form of this Resolution - It is based on an office note drawn up in the Financial Dept: The Financial Member says "This draft accurately expresses my views" - Personally, I think it is far too long, and if authorised will condense it considerably.

2. It was all along intended to circulate the papers to all members of Govt. It is really a Financial, and not a Marine, matter, and as such was sent to the Financial Member first, especially as the Resolution is based on the personal instructions of that Hon: Member.

3. This will be noted.

R.S.
2 May 96.

Perhaps it will be best to treat the draft over to a note in Marine Depar & write a condensed G.O. on it

2/5/96

W

The note in the Marine Dept would be a note by the Government in the Marine Dept. H.E.'s objection would thus, apparently, still apply. But if His

4 May 96

Excellency would prefer this course, it might be adopted. It would, perhaps, be a pity to remove from the record any of this information which has been collected at the cost of much time and labour, and writing a condensed G.O. simply, would eliminate important matter probably.

4 May 96.

R.O. 341 Mar 8/15.5.96 98

Note for His Excellency the - Governor to accompany the revised draft order on the simplification of Port Fund Accounts.

With reference to His Excellency's remarks dated 30th April 1896 on this subject, the draft order -- previously submitted has now been recast. The previous history and the proposed alterations of system are now shown in the form of a Memorandum, and the draft order is confined to an expression of concurrence in the recommendations made and a direction calling for remarks from -- the Administrative and Accounts -- officers concerned.

2. It is hoped that this revision will meet with His Excellency's approval. It would, the undersigned -- considers, be a pity to eliminate -- from the record any of the information contained in the Memorandum. It has not been put together without the expenditure of much time and labour, and it will be useful for -- future reference.

3. It is further explained that the intention was to circulate the --- papers to all members of Government after they had been seen by the Hon. Mr. Bliss. They were sent to this H.M in the first instance, because the

ument