Marine (1899) Department.

G.O., No. 486/487 **Marine**

DATED 31 May **1899.**

2nd [illegible]

VII

[Despatch Abstract.]

Harbour at Vizagapatam.

A. Macnab Esqr Waltair informed that it is proposed to await the final settlement of the nature of the improvements to be undertaken in connection with the

[M.-6 / 500—7-1-99.]

Indexed.

BACK PAPERS.

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

FURTHER PAPERS.

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

18

~~180~~

Vide

Extract, para 7 of Mr MacNab's letter dd 3rd May 1898

× × ×

7. Reference is made to the Lighthouse scheme for the Coast, to which presumably the individual ports must contribute in fixed or varying ratio and there should be no difficulty in arranging that the Harbour Company should, in addition to the expense of the Port Establishment, accept debits for these and other similar expenses fairly chargeable to the port. I would however submit two alternative solutions of this question of Port Dues.

i. That the Harbour Company receive the whole share of Port Dues accruing to Vizagapatam, accepting debit of the whole expenses of Port Establishment, (as originally suggested) and also of the share of general administration expenses fairly chargeable to the Port.

ii. That Govt. should retain the whole of the Eastern Group Coasting Dues, and allow the company all Port Dues other than "Group" dues, the expenses of the Vizagapatam Port Establishment and the port's proportion of general administration expenses, being borne by Govt. and the Company in equal moieties.

It is from the so-called "Foreign Dues," that increased revenue resulting from improved facilities may be expected, and it seems fitting therefore that these dues should be portion of the company creating and paying for these facilities.

× × ×

E

Vide Order+ on Mr. Meechams proposals (in circ).

+Sent to Madras for print & issue on the 8th instant 1/9

Share [illegible] received 2/9

No. 4601 E 3rd Sept 1898

Marine Department

Memorandum

28

The undersigned is directed to request that the Presidency Port officer will be so good as to furnish as early as possible information on the following points, as regards the port of Vizagapatam.

(1) The amount of Port Dues collected from "Foreign" vessels during each of the past 3 years.

(2) The cost of the upkeep of the port, including Establishment, and the share of general administrative Expenses debited thereto, for the same period.

C.S.

L.A.C.L. 2.9.98

M

The Presy. Port officer

D. [illegible] 3/9/98 15

Enclosed

7-1153/98

Marine (1898) Department.

CURRENT No. 1153

From

The Presidy Port Officer

Order

C.P.O./

Can you explain the large decrease in amt of upkeep last year [illegible] ask

P.T.O.

[illegible] 13.9.98

M/

The accounts for 1897-98 have not yet come in.

S.P. 14 Sept 98

Await the issue of the order on Mr Machado's proposals (papers being printed)

[illegible] 27/5

M/

S.P.

No. 308 G

Dated 7th September 98

Received 12-9-98

Enclosures one

Spare copies -

SUBJECT.

Forwarding a statement called for in the Memorandum of Govt. Marine Department No. 461 E dated 3d September 1898

156

BACK PAPERS.

No.	Date.
G.O. 4619 Ry	3.9.98
G.O. 980 Ry	3.12.97
G.O. 24 Ry	27.1.90
~~G.O. 519 Ry~~	~~23-7-96~~
104 Mar.	13-8-95. copy
261 ..	19-3-97

FURTHER PAPERS.

No.	Date.
7119/98	

Vizagapatam Port — This is incorrect as regards Port Dues which are given for the District and not the Port

	1895-96	1896-97	1897-98	
	R	R	R	
Port Dues levied on "Foreign" Vessels	300	..	..	
-Do- on British Vessels which were treated as semi Coasting (i.e.) both as Coasting and Foreign in the same voyage	9394	9712	* 17601	× page 13 of G.O. 980 Ry 3-12-97 * Increase due to larger number of Vessels having called in 1897-98 for Manganese than in the previous year
Cost of upkeep of the port including Establishment, L.H. Charges and share of General Admn. expenses	※ 27494	27740	18705 + 7205 25910	※ This sum is exclusive of the share of General Charges R 12773 debited to Vizagapatam Dt. Port Funds in adjustment of the Provincial Contribution of R 1.12 made on account of Dredger "Weenlock". × Para 6(iii) of G.O. 583 Mar.

Vide col. 13, page 23 of G.O. 980 Ry / 3.12.97

g/13-8-95
Page 5

J. Moes
Commander R.I.M.
Ag. Presidency Port Officer

9.M.

No. 308 G

Presidency Port Office,

Heading

Madras, 7 September 1898.

From

Commander W. Aves R.I.M.
Ag: Presidency Port Officer,
Madras,

38

To

THE SECRETARY TO GOVERNMENT,
MARINE DEPARTMENT,
CHEPAK.

Sir,

I have the honor to forward herewith a statement furnishing the information called for in the Memorandum of Government, Marine Department, No 4612 dated 3rd September 1898.

I have the honor to be
Sir
Your Obedient Servant
WAves
Commander R.I.M.
Ag: Presidency Port Officer

E.S.H.

Mar Encl
22/98
1302

E/27

PRESIDENCY PORT OFFICE
19 SEP 98

Dy No 25728

Marine Dept
No 4188, dated 14th September 1898.

To
The Presidency Port Officer
(unofficially).

SP

Your No 308 G d/ 7 Sep 98

The information furnished by you [the PO in his letter] seems to be for the district, and not the port of Vizagapatam. It will be seen from my Memo No. 461 Ed/3 Sep 1898 that particulars are required for the port. Please [he should] furnish them, and [is requested to] explain also the large decrease in the amount of [illegible] last year. There is a drop from Rs 27,740 to Rs 18,705.

→ Flag - C

C.S.

Secretary to Govt.

PRO

Little papers in original to be returned

Mar Gen 3 / ~~4~~ 1302/98

Dh 27/9/98

PRESIDENCY
3 OCT 98
PORT OFFICE

Marine (1898) Department.

No. 494 E, d/29 September 1898 **CURRENT No.** ~~1199~~ 1302/98

Memorandum

To The Presidency Port Officer (unofficially).

~~Order~~

It is very important that the information asked for as to Port dues at Vizapatam should, if possible, be obtained. It is quite understood that since 1889-90, the accounts have been made up by districts; but the ports must it is thought, be the unit for calculation; and the individual port accounts must be on hand somewhere. If so, please have those for the port of Vizagapatam carefully looked up, and the information required by port prepared.

[Please also] treat the matter as one of urgency.

R.S. L H Lushington

Secretary
Marine Dept.

with original papers. to be returned

P.P.O

M. 4.
500—14-5-97.

From The Presy: Port Officer

No. 327/G.

Dated 21-9-98

Received 23-9-98

Enclosures 3

Spare copies -

SUBJECT.

Vizagapatam Port

Stating that information re the receipts & charges on account of the — alone are not available & ~~that~~ the charges for 1897-98 may be set down as Rs 25,910

BACK PAPERS.

No.	Date.
478 Eor	14-9-98
788-9	8-9-98
C.O. 1153 / 98	
461 Eor	3-9-98
980 O	3-12-97
261 O	9-3-97
G.O. 1044 R	of 95
G.O. 85	d 5-3-90.
24	d 27-1-90

FURTHER PAPERS.

No.	Date.

Reply.

No 327 G d 21-9-98

Separate account for individual ports has not been maintained from 1889-90 but "District Port-Fund Account" has been maintained from that year. Please see para 16 of G.O. No.+ 85 Marine, dated 5th March 1890. From 1897-98 accounts are maintained for each "group" and not even for districts. Hence information of the actual receipts and charges of the "Vizagapatam port" is not available.

+ Flag-H

Rs 18705 represent charges for 1897-98 of the Vizagapatam District exclusive of the share of the moiety of General charges debited to the whole of the Eastern Group Port-Funds. The share of General charges of the Vizagapatam District in proportion to its tonnage of the year is ascertained (since the submission of my letter No. 308& G. dated 7th September 1898) to be Rs 7205 against Rs 10638 in the previous year, and the total charges may therefore be

& Flag-A

be set down as Rs 25,910 for 1897-98.

W. Aves

Commander R.I.M.
Ag Presdy Port Officer

No. 327 G

To
The Secretary to Govt
Marine Dept.

21st September 1898
Presidency Port Office

1302/98

Marine (1898) Department.

CURRENT No. 1302

N-552 E d/28 October 98

Memorandum

From The Ag: Presy: Port Officer.

No. 351 G

Dated 11th October 1898.

Received
Registered 18. 10. 98

Enclosures 6.

Spare copies

SUBJECT.

Vizagapatam Port.

Furnishing the information reqd regarding

The undersigned has the honour to request that the Presy Port Officer will be so good as to furnish a statement in the subjoined form showing the total receipts of the port of Vizagapatam during each of the past 3 years.

Heads of receipts	1895.96.	1896.97	1897.98
(1) Coasting Vessels (2) Foreign Vessels (3) Other receipts			
Total			

2. The statement submitted by the Presidency Port Officer with his No: 351 G d/ 11 Oct. 98 shows only the dues from "Semi Coasting" Vessels i.e. those vessels which were treated both as "Coasting" & "Foreign" in the same voyage.

3. The information is required as a basis for negotiation with the projectors of the Vizagapatam Harbour Scheme, and must show the dues separately under

(a) Coasting } Vessels
and
(b) Foreign }

(Signed) W. Hughes
for Ch'

To the P.P.O.

P. W. 29
1,000—23-4-98.

R d/ 18/10/98

For perusal before regarding

BACK PAPERS

No.	Date.

FURTHER PAPERS.

No.	Date.

10

Vizagapatam Port

		1895-96	1896-97	1897-98	
Port Dues					
Foreign Vessels		"	"	"	
Port dues on British Vessels which were treated as Semi Coasting (i.e.) both as "Coasting" and "Foreign" in the same voyage		7784	7638	* 15743	* Increase due to larger number of Vessels having called at Vizagapatam port in 1897-98 for Manganese than in the previous year.
Cost of upkeep of the port including Establishment, share of General Administration expenses and share of Light house charges	Port Charges	6383	(a) 7783	(b) 8735	(a) Includes Rs 810 cost of a mooring buoy and freight thereon and Rs 1432 on account of ~~contribution~~ construction of Quarters and Out houses for Port Officer debited in the accounts of the year. (b) Includes Rs 1390 amount paid to Mr. Thoroughgood for preparing plans of Vizagapatam harbour.
	Share of General Charges	4970	5910	4059	
	-do- of Light house Charges	4327	4665	(c) 12510	
		15680	18358	25304	(c) Increase due to share of Charges incurred for the Kistna and Manapad Lights

7784
7638
15743
31165

W. Aves.
Commander R.N.
Ag. Presidency Port Officer

11/10.

No. 351 G. **Reply**

P P O 96
9P

The information required regarding the
Vizagapatam port is herewith submitted.
The accounts for the year 1895-96 to 1897-98
have been examined and the share of General
charges and Light house Charges of the Vizagapatam District distributed to the Vizagapatam
port in proportion to the tonnage that entered
that port; variations in charges have been
explained and the original papers received
are returned herewith.

W Aves.
Commander R.I.M.
Ag Presidency Port Officer

Presidency Port Office
Madras 11th October 1898

F.A.H.

To
The Secretary to Govt.
Marine Dept.

Marine (1898) Department.

2nd Munshi

CURRENT No. 1401

From

The Presidency Port officer,
Madras

Order

No. 384 G

Dated 4th November 1898
Received 7-11-98
Enclosures one
Spare copies

SUBJECT.

Forwarding a statement shewing Port dues collections and other receipts of the port of Vizagapatam for the three years 1895-96 to 189

169

BACK PAPERS.

No.	Date.
~~552 E~~	~~28-10-98~~
~~694 E~~	~~29-9-98~~
~~478 E~~	~~14-5-98~~
~~400 E~~	~~3-5-98~~ ✓
126 M	7-2-98 ✓
~~630 E~~	8-12-98 ✓
946 3 mar 878-79 M	8-11-98 20-10-98 ✓
801 mar 478 E 768-69 M	17-9-98 8-5-98 (S.O.) ✓
494 E.	29-9-98 ✓
478 E	16-9-98 ✓
491 mar 4467 / 980 M	15-6-98 3-12-97 (S.O.) ✓
589 M	1-7-97 ✓
447 M	14-5-97 ✓
261-2 M	19-3-97 ✓
256 mar 341 M	17-3-97 15-5-96 ✓
104 M	7-1895 (S.O.) ✓
85 M	5-3-90 ✓
24 M	27-1-90 ✓
~~440 M~~	~~8-4-98~~
~~801 M~~	~~17-9-98~~
~~491 M~~	~~15-6-98~~
~~467 M~~	~~7-6-98 S.O.~~
~~06 M~~	~~28-1-98~~
2 plans ✓	

66 mar 4 25-1-98 ✓
688 W 4 13-3-93 ✓
689 W - 13-3-93 ✓
2103 W - 28-7-92 ✓
2787 W - 23-10-91 ✓
2982 W - 10-11-91 ✓
1939 W - 13-8-90 ✓
949 W - 22-3-80 ✓

FURTHER PAPERS.

No.	Date.

Statement shewing the receipts of the port of Vizagapatam for the 3 years from 1895-96 to 1897-98

		1895-96	1896-97	1897-98
Port Dues	Coasting Vessels	(a) 7572	3254	4373
	Foreign Vessels	"	"	"
	Semi Coasting Vessels	7784	7638	(b) 15743
	Native Crafts	8	15	33
		15364	10907	20149
	Other receipts	2767	2103	2648
	Total	18131	13010	22797

(a) The increase is due to the arrival of British Coasting Steamers of larger tonnage

(b) Increase due to larger number of vessels having called at Vizagapatam in 1897-98 for Manganese than in the previous year.

Presidency Port Office,
Madras, 4 November 1898.

A. W. Street
Commr R.I.M.
Presidency Port Offr.

Print
1405/28

No. 384 G

Presidency Port Office,

H[illegible]ing

Madras, 4th November 1898.

From

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

Print
(1)
Compliance

To

THE SECRETARY TO GOVERNMENT,
MARINE DEPARTMENT,
CHEPAK.

Sir,

I have the honor to forward herewith a statement shewing Port Dues collections and other receipts of the port of Vizagapatam for the three years 1895-96 to 1897-98 called for in the memorandum of Government Marine Department No. 552.E. dated 28 October 1898.

I have the honor to be
Sir
Your Obedient Servant
H. A. Street
Commander R.I.M.
Presidency Port Officer

L

Marine Dep.

26

No: 122 E of 3-3-99

Letter

To

A. MacNab Esqr

(Indian Address)

ter No. 879 mar of 20. Oct. 98.
Rept. Terms to be embodied in
the proposed E. of the ment for the
zagapatam Har.

Sir,

I am directed to invite your attention to the communication quoted in the margin, and to request the favour of an early reply.

I have &c.

R.S.

Sent
28/2/99
M

Fwd to Wallace 6/3/99

11 P

Marine (1899) Department.

CURRENT No. 511

Order

From A. Macnab Esquire,
Waltair.

No. ..

Dated 13th April 1899

Received Registered } 19-4-99

Enclosures

Spare copies

SUBJECT.

Harbour at Vizagapatam

—

Replying, with remarks, to letter No 879 Marine d/ 20th October 18 on the subject of the proposed ______

184

M. 4.
500—14-8-97.

BACK PAPERS.

No.	Date.
vide C No 284 + 140/98	

FURTHER PAPERS.

No.	Date.

Waltair 13th April 1899.

Print
(2)
([illegible])

To

The Secretary
to The Government of Madras,
Public Works Department (Marine).
Ootacamund.

Sir,

I have the honor to acknowledge receipt of your letter No 122 E dated 3rd March 1899, and as therein requested I now reply to your previous letter No 879 Marine, dated 20th October 1898, on the subject of the proposed Harbour at Vizagapatam.

Before doing so, however, I would ask leave to explain that your letter No 879 reached me in London shortly before my return to India, and as it contained no indication of the nature or probable cost of the --- modifications which might be recommended on Mr Thorowgood's design, and -- acceptance of which was to be made a condition of the concession, I thought it better to defer reply until my return, in the hope that Mr Mackenzie's investigations might be sufficiently advanced to admit of some idea being formed as to whether the design might have to be so far altered as -- to take it, in the matter of cost, outside the scope of the project hitherto under consideration, and of which alone the return in sight, on the -- terms so far negotiated with Government would admit.

My understanding of Mr Mackenzie's mission was that he was to investigate and report upon the Chief Engineer's suggestions as to --- whether, by the addition to Mr Thorowgood's design of a small training groyne in continuation of the retaining wall of the North side of the --

backwater, or of a system of tidal sluices at the Turner Pontoon Bridge, or of both, the bar and the approaches to it might not be scoured and a fairway maintained without actual or continuous dredging, and to the -- promoters and the possible guarantors of the Harbour scheme, it was considered that either or both of these expedients, if it should be shown -- they would give the desired result at reasonable cost, would be of the -- greatest advantage in respect of freeing the revenue from the heavy cost of maintaining a dredger.

From such information as I have obtained since arriving here -- however, I gather that Mr Mackenzie's more extended observation of the -- physical, and particularly of the tidal, conditions of the port has ---- resulted in the collection of a mass of data which will probably necessitate an entire reconsideration of, and possibly radical alterations in, Mr Thorowgood's design, and this may reopen the whole question of the --- capital outlay required. To the promoters, whether as guarantors or --- investors, it is relatively immaterial what design may prove best calculated, and most certain, to give the protection desiderated, so long as the -- capital cost bore approximately the same relation to the yearly return to be expected, as did Mr Thorowgood's estimate, upon which, accepting it as carrying with it the imprimatur of Sir Alexander Rendel's approval -- and that of the Government of India, the promoters would probably have -- been prepared to carry out the project.

If the results of Mr Mackenzie's investigation should be to -- show that the original design was not so certain, as it was believed to be, of giving the desired results, the intending supporters of the scheme will have reason to be grateful to the Government of Madras for the --- renewed and exhaustive inquiry which it has undertaken, but, until these results shall have been adjudicated upon by the Government and its --- advisers, it is obviously impossible to say whether the project will bear the same aspect commercially, and there would therefore seem to be no -- course open but to await the final results of Mr Mackenzie's mission. If, however, as I gather from that gentleman, an equally effective work --- could probably be constructed at about the same capital outlay on a --- partially or wholly reconstructed design, I see no reason to doubt that the contemplated guarantee will equally be given and the capital be --- forthcoming, and, as I said in a former letter, even apart from the question of guarantee, the scheme has merits quite worth pressing on the attention of capitalists in England.

Turning now to the remaining portions of your letter, I desire to acknowledge that your recapitulation expresses with the utmost clearness and fairness the negotiations so far as they have yet been carried.

For the rest, it is observed with satisfaction that Government will raise no objection to the formation of the Company in England, nor to the location there of its Chief Office. Neither will it insist on having a representative on the Board. The stipulation that the Company shall be bound by the same rules, in so far as they apply, as are contained in paras 8, 32 and 37 of the agreement of the Nilgiri Rigi Railway -- appears to me to be equitable, and, in regard to its representation in --- India, the Company would always have its Agents in this country fully -- empowered to deal with Government, and to comply with requisitions made -- upon it, subject only to reference to the Board in England in matters of importance.

As regards Port Dues, it is noted, also with much satisfaction, that Government is now inclined to consider the second plan of decision suggested in my letter of 3rd May 1898, as reasonable. It is suggested in your letter however, that the Company might at any rate take all dues on Foreign-going vessels in excess of the present standard of receipts from that source. The effect of this (if I correctly understand the suggestion) would be that Government would continue to receive the whole of the collections on their present scale, while being relieved of half the cost of upkeep, including general administration expenses. This I submit would not be equitable, and I would respectfully urge that my second suggestion here referred to should be accepted in its entirety, namely, that Government and the Company should receive respectively the Coasting and the Foreign-going Dues, the upkeep of the port being divided in equal moieties. Except on these clear lines, it is to be feared the division would be a fruitful source of friction and dissatisfaction. There is moreover in the existing trade of the Port one peculiar condition which on the terms proposed would render the Company's participation in Dues, to a large extent, if not entirely, nugatory. As you are aware, for years past and to come, by far the largest article of export from Vizagapatam is and will be Manganese Ore, which is taken for the most part in convenient lots for ballast or stiffening by steamers which proceed to other ports to complete loading. Port Dues are levied on the register tonnage of the vessel, irrespective of quantity of cargo shipped, and for the same payment as now made to receive a one-third or one-fourth part cargo of Manganese, the same steamers would be entitled to load full cargoes. The access of exports other than Manganese, which we look for from the construction of the Harbour, would have a natural tendency to find tonnage in these Manganese steamers already seeking the port, and the effect might, and probably would, be that the Company would in that manner be deprived of all participation in port dues. In the peculiar conditions of the trade in that respect, the only fair division, short of the whole revenue and upkeep being transferred to the Company, would be that, while accepting debit of half cost of upkeep including proportionate share of general administration expenses, the Company should receive the whole of the dues collected from Foreign-going vessels. The matter however can be much more effectively discussed when the statistics, you are now having prepared, of existing revenue and expenditure are available, and I shall be greatly obliged if you will favor me with the figures when prepared.

I shall be glad to know in due course the result of the reference made to the Revenue Authorities as to the question of reclaimed land remaining the property of the Company, even if or when the Harbour is taken over by Government, to which I observe no prima facie objection is seen at present. It is of course quite understood that in the case contemplated Government would not be called upon to pay any of the capital cost of reclamations.

The present negotiations it is also understood are subject to confirmation by the Government of India, and I again desire gratefully and cordially to acknowledge the great consideration the Government of Madras has been so good as to accord to the suggestions I have submitted to it on behalf of the supporters of the scheme.

I have the honor to be,

Sir,

Your most obedient servant,

A. MacNab.

134

P. VIII

Marine DEPARTMENT.

7

66 P

C. No. 1401

Letter from the Presidency Port officer N 3821 G of 4 Nov 9

HIS EXCELLENCY THE GOVERNOR.
The Hon Mr Arundel C.S.I.
~~THE HON'BLE SIR HENRY BLISS, K.C.I.E.~~
The Hon Mr Winterbotham
~~THE HON'BLE MR. GROSE, C.I.E.~~

SUBJECT.

~~[illegible]~~ Port receipts to be handed over to Mr MacNab's Company for improving the Vizagapatam Harbo

~~XV~~ VIII (marine)

FOR ORDERS.

I should be glad if Financial will examine & comment on the proposals.

AH 30.11.98

Mag. R

Received 2-12-98 -

Regarding the proposal, approved by H.E., in para 4 of the note I have only one crude remark to offer - Whether or no the harbour be improved, is not trade with the Port certain to develop largely from the opening-up of the interior by projected railways - notably the one to connect Vizag with Bombay? I think so - It is not clear to me how the Harbour Co. can ~~be given~~ fairly take credit for the whole of any increase that accrues -

H.W. -
3-12-98 -

1. Mr MacNab proposed two alternative concessions in respect of the Port receip to be handed over to the Compa which will undertake the improvement of the Vizagapat Harbour. They are given in para 7 of his letter of 3.8.98 printed with G.O. No 768 Mar of 8 Sept. 98, a are as follows:-

(i) "That the Harbour Company receive the whole share of por dues accruing to Vizagapatam accepting debit of the whole expenses of port establishmen (as originally suggested), and also of the share of general administration expenses fair chargeable to the port; or

[P. W. 43. / 500-27-1-98.]

CAW

170

concur with Custom

(ii) that Govt. should retain the whole of the Eastern group Coasting dues, and allow the Company all port dues other than "group" dues, the expenses of the Vizagapatam port Establishment and the port's proportion of general administration expenses being borne by the Government and the Company in equal moieties."

2. The Hon: Sir A. Bliss thought[x] the 2nd plan suggested, to be "reasonable", but before assenting to it, desired that its financial effect should be looked into. He added "The Company might fairly take all dues on foreign going vessels in excess of the present standard of receipts from that source. What is that standard, and what the cost of the upkeep of the port including share of general administrative expenses of which the Company would pay half? Figures should be given for the last

x Hag P + G

3 years."

3. The P. P. Officer has furnished information as to the receipts from port dues and other sources, and the cost of upkeep of the port. They are exhibited in Statement[x] A from which it will be seen that the average total receipts are Rs. 17,979, and the expenditure Rs. 19,781, leaving an annual deficit of Rs 1,802.

x attached

But all that Mr. MacNab is concerned with under his alternative (ii) is the amount of receipts on what he calls "Other than 'group' dues", by which he probably means dues on other than Coasting steamers i.e. on Foreign Steamers. The P. P. Officer was requested in precise terms in Memo No. 522 E dy 28. 10. 98 to afford information as to the receipts on this class of vessels. All that can be got from him is information as to receipts from what he calls "Semi Coasting Steamers", by which, he says, he means foreign steamers which after arrival, take on the character of "coasting"+ vessels. He thus calls them "semi coasting" vessels. The average receipts from this class of vessels for the 3 years 1895-96 to 1897-98 amount to Rs. 10,388.* This, therefore, is the amount which Mr. MacNab claims under his alternative (ii). It would be necessary to deduct from this, a moiety of the expenses debitable to the port, which would amounts on an average to Rs. 9,890.# Here again it will be necessary to correct the P.P. Officer's figures. There are certain charges, shown in the margin,× which Mr. MacNab is certain to object to, as being abnormal, and not directly connected with the maintenance of the port. Deducting these charges, the average will amount to Rs. 16,225.⊖ The balance, therefore, of receipts on foreign going vessels over a moiety of the expenditure of the port amounts to Rs. 2,276 per annum,π and this is the sum which Mr. MacNab apparently claims.

4. But this is not the amount which Sir H. Bliss

+ i.e. they come into foreign cargo to 2 or 3 coast ports, & load up similarly

*

	Rs.
Receipts for	
1895-96 ——	7,784
1896-97 ——	7,638
1897-98 ——	15,743
Total for 3 years ——	31,165
Average for 1 year = 31165/3 =	Rs. 10,388

#

	Rs
Average charges for 1 year as shown in statements	19,781
Moiety of the same 19781/2 =	9,890

Abnormal charges

× Rs. 1432 on account of quarters for the Port Officer

" 1390 paid to Lieut. Thorowgood for preparing plans of the Vizagapatam Harbour

" 7,845 being the port's share of the charges incurred on the Kistna and Manapad lights.

Total. 10,667 Rs.

⊖

	Rs.
Total charges for the 3 years shown in statements	59,342
Deduct charges shown as abnormal	10,667
Total normal charges for 3 years	48,675
Average for 1 year	16,225

π

	Rs
Average annual receipts from foreign vessels	10,388
Deduct moiety of expenditure chargeable to the port 16225/2	8,112
Balance Rs.	2,276

Flag R.

proposed to allot. He suggested that the Company should take all dues on foreign vessels in excess of the present standard of receipts from that source, e.g. that the Company should receive nothing until the harbour dues exceeded the present receipts, and then that it should get the excess only. It might take several years before the excess accrues, and during the whole of this period, the Company would receive nothing. ~~This is not apparently what [illegible] contemplates~~ However,

C.f. it is evident from paras 6 & 7 of Mr. MacNab's letter printed at page 6, 7 & 8 of [illegible]

768 memo of 8 Sep. 1898 that he, on behalf of the [illegible] wishes, on behalf of the Company to reap the increase in Port dues which he anticipates will result from the improved facilities for trade provided by the Company and the simplest way to do this seems to me to grant to the Company any excess

in Port dues, from whatever source, over those obtained in the year previous to that in which the Company commences its operations, it being stipulated that the Company shall also pay any charges in excess of those occurring in the same year.

5. It will be seen from the accompanying statement that if lighthouse charges are excluded, the Port of Vizagapatam well pays its way at present, and, under the arrangement above proposed, will continue to do so, whatever the fate of the Company may be. Lighthouse charges have been hitherto debited to Port funds (with the exception of those relating to Port lights as distinguished from Coast lights) contrary to law, & at. proposals are now going in for charging them to light dues. If this is sanctioned, as is probable, the figures

This seems to me a fair and simple solution.

A.G.H.
27.11.98

The volume of trade seems to fluctuate greatly – Better take an average of 3 or 5 years I shd think. But see my note on page 1.

H.S.
3-12-98

It is likely to increase annually in future on acct. of the manganese trade, that is why I have taken the previous year.

6.12.98

---

for Vizag: port
^ for the year 1897-98 will be

	Rs
Receipts	22797
Charges	12794

There seems no reason why the Company should obtain any share of the former, which are not due to any action on their part, nor why they should pay any of the existing charges. If, however, the income increases by reason of the improvements effected by the Company, and the charges also rise for additional establishment &c. owing to increase of trade, it seems fair that the Company should reap the inc., & pay the other.

6. This arrangement would probably satisfy all charges parties, but care would have to be taken that no abnormal charges were included in the amount

I concur with Custo

fixed as the receipts & charges of the year previous to the commencement of the Company's operations - e.g. the Rs 1390 paid to Mr Thornwood in 1897-98 would have to be excluded, and a stipulation would have to be made that any such abnormal charge in future would have to be dealt with on their merits -

7. ~~The system of calculating & dividing receipts between the various ports of a group is so complicated, vide G.O. 2[illegible] Marine of 27 Jan. 1890, that the Company may lose some~~ × ~~of the receipts that would otherwise accrue to them, in the operation, but there seems no help for this, unless Vizagapatam is entirely separated from the remaining ports of the group; & this would create confusion & require new legislation~~

~~Flag (last letter in file)~~

× ~~It is not easy to say whether they would or not~~

L Bell
23.11.98

Statement showing the receipts of the port of Vizagapatam, and the cost of its upkeep for the 3 years from 1895-96 to 1897-98

		1895-96	1896-97	1897-98	
		Rs.	Rs.	Rs.	
Receipts - Port Dues.	Coasting Vessels	7,572 (a)	3,254	4,373	(a) Increase due to arrival of British Coasting Steamers of large tonnage.
	Semi Coasting Vessels	7,784	7,638	15743 (b)	(b) Increase due to large number of vessels having called at Vizagapatam in 1897-98 for the same purpose than in the previous year.
	Foreign Vessels	"	"	"	
	Native Crafts	8	15	33	
	Total	15,364	10,907	20,149	
Other Receipts		2,767	2,103	2,648	
	Total Receipts	18,131	13,010	22,797	Total Receipts for 3 years. Rs. 53,938 Average Rs. 17979 per year.
Charges	(1) Upkeep of the port including Establt.	6,383	(a) 7,783 +	+ (b) 8,735	(a) Includes Cost of a mooring buoy - Rs. 810 & the debits during the year of Rs. 1,432 on account of quarters for the Port Officer (b) Includes Rs 1390 paid to Mr Thornwood for preparing plans of Vizagapatam Harbour.
	(2) Share of General Administration Charges debited to the port.	4,970	5,910	4,059	
	(3) Share of charges on account of Lighthouse Expenditure	4,327	4,665	+ (c) 12,510	(c) Increase due to share of charges incurred for the Kistna and [illegible] Lights.
	Total Charges.	15,680	18,358	25,304	Total Charges for 3 years — Rs 59,342 Average Rs. 19781 per year.

Average deficit per year - Rs. 1802.

No. 630E.

Government of Madras. 71b

Marine DEPARTMENT.

Madras, 8th December 1898.

OFFICE NOTE.

Print (2) notes

From The Secretary to Govt.

To The Financial Department,
(Unofficially)

with complete file

Letter from the Presidency Port Officer No. 384 G d/ 4th November 98. Note for Orders thereon and Notes by Honourable Members.

Forwarded to the Financial Department with reference to the note by the Honourable Mr. Arundel dated 30th November 1898.

A C Russell

Under Secretary to Government.

BC 12.12.98 C.S.

Recd from C.S. (6.30)-9/12/98

P. W. 48.
500 24.3-98.

195

To The Financial Dept U.O. With Complete file

Marine (1899) Department.

CURRENT No. 284.

~~The Hon Mr. Arundel C.S.I.~~
The Hon Mr. Winterbotham ✓
His Excellency the Governor ✓

Submitted with reference to the Hon: Member's instruction of 30-11-98 on the Marine Dept. note below -

R.G.

27/2/99

Please see my Note within.

A.E.H.
1.4.99

From The Financial Dept.

No. 467

Dated 13-2-99
Received } 24
Registered }
Enclosures
Spare copies.

SUBJECT

Regarding the proposal to carry out by means of a Company a scheme for the improvement of the Vizagapatam Harbour

E. 25/3/99.
Mr W. 17-3-99 } R. 5-4-99.

P. W. 29.
,000—29-11-98.

[illegible] 1.3.99 R 17/3.

BACK PAPERS.

G.O.	No.	Department.	D
C.No.	1401	8/98	
G.O.	126	7-2-99	
6309		8-12-98	
4949		25-5-98	

FURTHER PAPERS.

G.O	No.	Department	Date.

Note The orig note orig. put up was not full enough & this has been now recast. & the paper would have been Subd. earlier

Cml

Financial Department.

Marine C.No. 1401. 12p

Printed [illegible]

N O T E

These papers relate to a proposal to carry ont by means of a Company a scheme for the improvement of the Vizagapatam harbour. Vide G.O.No. 768, Marine, dated 8th September 1898.

2. In the negotiations with Mr. MacNab connected with the scheme certain proposals were made by him. These proposals will be found recapitulated in the letter to Mr. MacNab No.279, Marine, dated 20th October 1898, flagged J. One of these proposals was that the Harbour Company should receive the full share of port dues on vessels allotted to the port of Vizagapatam under the present system of division, the Harbour Company in turn paying the Port establishment. To this the Govt. replied that under the recently sanctioned arrangements for grouping the ports of this Presidency it had no power to assign to the new Company any of the Vizagapatam port dues as a matter of right; that it would be preferable that the dues from the

Vide para.7 of letter No.97 E, dated 16th February 1898 on page 4 of G.O.No.768, Marine, dated 8th September 1898 R port and the harbour should be kept distinct as at Madras; that no definite promise could be made to hand over to the Company surplus port dues after meeting port expenses, but that it might be possible to grant occasional subventions in the event of there being any surplus in the Eastern group as a whole, though no such surplus is ~~possible~~ probable for several years until all projected light house schemes had been provided for.

5. The recently sanctioned arrangements alluded to refer to the regrouping of ports introduced by the Notifications published under G.O.No.447, Marine, dated 14th May 1897 and appended to G.O. No. 261, Marine, dated 19th March 1897. Prior to 1890 there were only two groups under Madras Act VII of 1867 and this grouping was supposed to hold good under Act XII of 1875:-

Vide memorandum in G.O. No: 261 Marine, d. 19th March/97.

1 The Eastern group, with 12 ports including Madras; and

2. 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. The main transactions were recorded in the accounts of each port, exactly as they occurred, the totals being treated as the revenue, expenditure and ~~and~~ balance of the General Port Fund. Forty per cent of the cost of the administrative branch and other General charges were debited to the port of Madras

Madras and the remainder was divided equally among 17 of the principal ports. By this arrangement the Govt. was at liberty to utilize the balance just as it pleased anywhere in the Presidency. But in 1890 this was considered illegal and the following groupings were instituted under Act X of 1889:-

(a) For levy of Port dues

I Madras

II Eastern group

III Western group

in accordance with schedule I, Part II of the Act;

(b) For maintaining Port funds accounts

I Madras

II Twelve districts Port funds, 10 on the East and 2 on West Coast.

There were thus 15 district Port funds which gave rise to complications in accounts by way of loans, adjustments and maintenance of separate balances. Accordingly in 1897 the regrouping referred to above was introduced, viz:-

I Madras

II Eastern Group

III Western group

as in schedule I, Part II of the Act, the 12 District funds being abolished. There are therefore only three Port funds with separate balances under the present arrangement and the receipts and charges of each port are treated as belonging to the Port Fund account of the group within which it is situated in accordance with section 57 of the Act. It was therefore not in the power of Government to assign to the new company any of the Vizagapatam Port dues as a matter of right.

4. As to the arrangement in Madras the dues from the Port and the Harbour are kept distinct and since the conservancy of the Port was made over to the Harbour Trust Board in 1888 the surplus revenues of the Port in each year have been transferred to the Board. Some such arrangement is what is now suggested as regards Vizagapatam

Vide page 4 of memorandum flagged

5. Mr. MacNab then submitted two alternative proposals

Vide page 8 of G.O. No. 768 Marine, d 8th Septr/98.

(1) that the Harbour Company receive the whole share of Port dues accruing to Vizagapatam, accepting the debit of the whole expenses of the Port establishment and also of the share of the General administration expenses fairly chargeable to the port; or

(2) that Govt. should retain the whole of the Eastern group coasting dues and allow the Company all port dues other than "group" dues, the expenses of the Vizagapatam port establishment and the Port's proportion of general adminstration expenses being borne by Govt. and the Company in equal moieties.

In dealing with Mr. MacNab's proposals Sir Henry Bliss thought that the

Vide note in orgl of G.O. No 768 Marine d 8th Septr/98, flagged

---

6

14 p

the second of these alternative proposals was reasonable, but before finally assenting to it he desired to see what the financial effect would be. He thought that the company might fairly take all dues on Foreign going vessels in excess of the present standard of receipts from that source and desired that figures might be given for the last 5 years showing what that standard is and what the cost of the up-keep of the port is, including the share of general adminsitration expenses of which the company would pay half. Mr. MacNab was informed accordingly and told ~~[illegible]~~ ~~that G. [illegible] was inclined to consider~~ ~~the second plan suggested as reasonable~~ ~~that the company might at any rate~~ ~~fairly take all dues on foreign going~~ ~~vessels in excess of the present standard of receipts from that source and~~ that statistics were being obtained ~~of this standard and the cost of up-keep of the port including its share of general administration expenses~~ which would enable the Govt. to arrive at a definite decision on the point.

Letter No. 879, Marine, dated 20th October 1898. Para. 9(2)

6. These statistics have now been obtained and the question is submitted for orders in the note of the Marine Department below. The statement flagged shows the receipts of the port of Vizagapatam and the cost of its upkeep for the three years ending 1897-98. The receipts it will be observed mainly comprise port dues on coasting vessels

and

I concur with " Custom

and Semi-coasting vessels. Mr. MacNab in proposing that Govt. should retain the whole of the Eastern group coasting dues and allow the company all port dues other than group dues, added that it was from the so-called "foreign dues" that increased revenue resulting from improved facilities might be expected. Mr. MacNab apparently therefore intended that Govt. should retain all dues on coasting vessels and allow the company all dues on foreign vessels; but the statement referred to flagged shows that no dues have been levied on strictly foreign vessels in the three years for which figures are reported, while dues are shown to have been levied on semi-coasting vessels as distinguished from coasting vessels. The former are however explained to be foreign vessels which after arrival take the character of coasting vessels. The receipts from such foreign vessels, after deducting a moiety of expenditure chargeable to the port, appear to be what Mr. MacNab wishes to claim, on behalf of the company. It is not clear how dues on foreign vessels can be regarded as non-group dues, seeing that all dues levied at any port with reference to Schedule I Part II of Act X of 1889 have to be credited to the group to which the port belongs.

7. The receipts for the last three years from these foreign vessels were

G.O.No.768, Marine, dated 8th September 1898. Page 8

I do not see how ~~the~~ scheme can be made to work.

I suppose Vizag. might be excluded from the Eastern group & worked separately like Madras as far as accts go. But in regard to foreign vessels the ~~rate~~ of port-dues under (a) (c) & (d) of Schedule I are payable only once in sixty days or once for the voyage. Vizag. must therefore remain in the Eastern group & its foreign portdues cannot be separately treated from those of other group ports — unless indeed there were special legislation.

AA 15.3.99

Vide Notifn. B in G.O.No.261, Marine dated 19th March 1897, flagged

---

I don't follow this. It is a normal increase due to increased trade. Why exclude it? ~~It is~~ the receipts of the two preceding years that are likely to be erroneous & misleading.

AA

Page.5 of Marine Dept. note.

~~But~~ Suppose then that Vizag. is isolated. ~~But~~ If ~~the~~ a foreign vessel first touched at a port other than Vizag., the portdues under (a) (c) (d) would be credited to the group & not to Vizag. If it touched first at Vizag. and then at another port, Vizag. wd get the portdues & the other port wd get nothing, wh. wd not be fair. Mr. Macnab wd. not suppose care to be limited to the share of portdues from foreign vessels touching at Vizag. & nowhere else.

AA

	Rs
1895-96...	7,784
1896-97...	7,638
1897-98...	15,743

The increase in the last year is due to a large number of vessels having called at Vizagapatam on account of the Manganese trade. This increase should, it is submitted, be deducted from calculation as it is not due to the improved facilities to be provided by the company.

The ~~[illegible]~~ Marine Dept however points out that all that Mr. MacNab wishes to reap on behalf of the Company is the increase in port dues which he anticipates ~~would~~ will result from the improved facilities for trade provided by the Company, and ~~it is~~ suggests that the simplest way to meet this expectation is to grant to the Company any excess in port dues (from whatever source) over those obtained in the year previous to that in which the Company commences its operation, it being stipulated that the Company shall also pay any charge in excess of those occurring in the same year. The Hon. Mr. Winterbotham suggested that it would be better to take an average of 3 or 5 years as the volume of trade seems to fluctuate greatly, but it is explained by the Marine Dept that the previous year was taken as the trade is likely to increase annually in future on account of the manganese trade. The proposal commends

itself

I concur with your Custom

itself to ~~the~~ H.E. the Governor as a fair and simple solution, but the Hon. Mr. Winterbotham remarks that whether or no the harbour be improved, trade with the port is certain to develop largely from the opening up of the interior by projected railways - notably the one to connect Vizagapatam with Bombay. He does not see therefore how the Harbour Company can fairly take credit for the whole of any increase of trade that accrues.

Page 6 of Marine Dt. note

" 1 of -do-

Quite true - there is also the general development of trade apart from these special causes.

MA

8. There is also the increase from the Manganese trade referred to above to be taken into consideration ~~as well~~ and ~~as~~ the normal increase. The figures furnished for the last three years. however do not show any normal increase, the increase in the last year being due to the manganese trade. Taking then the increase from the opening up of the interior by projected railways and from the manganese trade on one side, and the increase from the improved facilities provided by the Company on the other, the best course appears to be to assume that the trade ~~would~~ will increase in equal proportions and to allow the company a moiety of the excess in port dues from all sources over those obtained in the year previous to that in which the Company commences its operation and to require the Company on the other hand to pay a moiety of the charges in excess of those occurring in the same year. ~~also arising from the development of trade.~~

	Rs	
1895-96...	18,151	Vide statement flagged
1896-97...	13,010	
1897-98...	22,797	

This is so on the three years figures but it would be safer for the Marine Dept to get five years' figures or even ten years and make certain that there has been no normal increase. If there has been any such increase Port. Funds will lose, ~~the whole benefit of~~ Mr. MacNab's Company will gain, the benefit of it

I don't follow this, unless it is proposed to take the average of the ten years.

MA

Cust

As

10

This wd. be ~~too vague~~ an asset for Mr. MacNab to found a company upon.

MA

clear

Marine Dept.

As pointed out by the ~~[illegible] Engineer~~, besides light house charges, all abnormal charges would have to be excluded from calculation and dealt with on their merits.

9. When Mr. MacNab first proposed that the Harbour Company should receive the full share of port dues on vessels allotted to the port of Vizagapatam, it was objected that the Govt. had no power under the recently sanctioned arrangements for grouping the ports of this Presidency to assign to the company any of the Vizagapatam port dues as a matter of right. The same objection would apply to the present proposals, but the intention apparently is to take the ~~[illegible]~~ receipts and charges of the Port merely as a basis for calculation and to ~~grant~~ treat whatever revenue it is decided to hand over to the company as a contribution from Port Funds chargeable to the group to which the Port belongs.

~~10. Applying the plan suggested above to the figures for the~~ 1897-98 ~~last year the Company would~~ apparently ~~be entitled to receive a contribution of Rs. 5,696 to begin with as shown below:-~~

~~Receipts for 1897-98-Rs.22,797~~

~~Charges (deducting lighthouse and abnormal charges) -,, 11,404~~
~~2) 11,393~~
~~5,696~~

FAH 31/1/97 10. Subject to the condition that it is clea

I concur with

Custom

that there has been no normal growth in the revenue of the Vizagapatam port (the whole of which, if it exists, should be ~~[illegible]~~ excluded from the share proposed to be given to the Company) the proposal appears to be a fair one. But it would be much safer to examine the receipts for a period of ten years before finally deciding & this might be suggested to Marine

Cwb.
4.2.88

See annexed Note.

12

MP

Note

Printed (?) under

As pointed out above the data are in my opinion too entirely insufficient to found any action on. They are confused, incomplete and defective. It is obviously impossible to distinguish except arbitrarily "group dues" from "dues paid by semi-coasting vessels" and it seems pretty clear that any lien which Government may attempt to give on the port collections will be illegal. It seems therefore better to leave all such arrangements alone and for Govt. to give Mr. Mackab an undertaking to pay from Port dues of the Eastern group a sum equal to a definite share of the total collections of the Vizagapatam Port in return for definite duties to be discharged by him. The average collections of 5 years are 17979 and the charges exclusive of Lighthouse charges 12615: the difference is 5366 which is the profit. If Govt. gives ~~one~~ at present $\frac{1}{6}$ of the receipts of the Port it would amount to a little over half the profit. If more is to be given ~~[illegible]~~ give $\frac{1}{3}$ or graduate it to any sum necessary ~~in~~ saying for example $\frac{10}{35}$. This arrangement will give Mr. Mackab a share in the increase

of

(6)

I don't see the illegality. Vide Secs. 34 & 37 (2)(a)(b)
But it wd. be awkward & confusing
M.A.

Another difficulty exists in the fact that under Sec 34 the L. Govt. can raise or lower the port dues within the maximum. The Co. wd. require an assurance against lowering without their consent.
M.A.

Why $\frac{10}{35}$? M.A.

?

18

13

of prosperity which the port may attain and his return will increase in proportion as his improvements attract vessels to load there.

No. 467, d/ 13-2-99.

To
The Marine Dept (M. O)

The Ports Act X of 1889 does not contemplate extensive harbour works such as those proposed by Mr. MacNab see Sec 36 (5) (6), and his Co. wd require to share in the authority given to Govt. by Sec 36 to appoint persons to collect dues and to expend them.

It is quite clear that special legislation would be required as foreseen by Govt. of India in para 3 of their letter in G. O. 26 d/ 7th Febry 1899.

The correspondence & notes show that the scheme is in amorphic condition & that no such "general sketch" of terms & conditions" as India desires can at present be drawn up. It is in my opinion useless to take any

---

14

78 P

further steps until Mr. MacNab returns to ~~India~~ Madras & can be asked to go further into detail & to explain how he proposes to meet the various difficulties in the way.

Generally speaking I may say I think Govt. should help forward the project when in a position to do so. It is most unlikely that India wd. advance the large capital required for the scheme, and if by a Compy. English capital can be brought to carry out the works, a new & valuable departure will have been made.

But we must have Mr. MacNab to discuss his scheme with Govt.

He is in Waltair I think

15.3.99.

I can offer no useful remarks
24-3-99

I concur with Section

Marine DEPARTMENT.

16

READ the following :—

Letter from A. MacNab Esquire dated 13th April 1899

74P

Vizagapatam Harbour Project

(promise [illegible] continuation of operations)

Circulated to

~~H.E. the Governor.~~
~~The Hon. Mr A. T. Arundel C.S.I.~~
~~The Hon. Mr H. M. Winterbotham~~
x Hay T

FOR ORDERS

1. In letter No. 879 Marine dated 2 October 1898, Mr MacNab was inform that before any definite scheme ab the Vizagapatam Harbour could be settle Sir A Rendel would have to be consulte and that the latter would be communicated wit after the results of the observations no being taken by Mr Mackenzie were known (paras 2 + 3 of letter)

2. Mr MacNab states in reply (argu of his letter of 13.4.99) that until these results have been adjudicated upon by the Government and its advisers, it obviously impossible to say whether the project will bear the same as commercially, and there would, seem to be no course open but await the final results of Mr M mission.

This matter does not seem to be ready for final orders. The plan of the Harbour awaits Sir A. Rendel's opinion; and the discussion of the details of its management awaits Mr. MacNab's presence.

A.H. 19.6.99

I agree with H.E. The subject bristles with difficulties. Until we get Sir A. Rendel's opinion we cannot say whether the estimate of ten lakhs to be raised by the Company will not be altogether inadequate.

only one [illegible]

In addition to the difficulties mentioned by the Secy. in his note others must be reckoned with in connection with the relations between the Company and the Collector of the Customs

A.H.

Car [illegible]

3. In regard to certain points raised by Mr. MacNab, the following reply was returned in letter No. 879 Marine dated 20th October 1898:-

(1) Government will raise no objection to the formation of the Company in England nor to the location there of its Chief office. Neither will it insist on having a representative on the Board. The only stipulations it desires to make are

(a) that the Company shall be bound by the same rules, in so far as they apply, as are contained in paras 8 32 and 37 of the agreement of the Nilgiri Ry: Company and

(b) that the Company shall be represented in India by some one ho will have authority to deal ith Government on behalf of the Company and to comply with such requisitions as Government may make

r. MacNab accepts these Stipu- ons, but in regard to (b) he qualifies ent with a proviso that he should llowed to refer to the Board in nd on matters of importance.

regards Port dues to be allowed ompany, it was said in the Marine Department letter "that the Company might, at any rate, fairly take all dues on Foreign Going vessels in excess of the present standard of receipts from that source."

5. In regard to this Mr. MacNab points out that this was not the request made by him, and he urges that the Company should get all dues on foreign vessels proper, as well as on those foreign vessels which call at other ports of the Eastern group in addition to Vizagapatam to complete their cargo, i.e. on the Semi-Coasting vessels (vide page 4 of his letter). The Company undertakes to pay half the ~~whole~~ expenses of the port and the proportionate charges for general administration.

6. The question of making a Contribution to the Company from Port Funds has been discussed in the notes in the file, in regard to which the Hon: Mr. Arundel x remarks as follows:—

"The correspondence and notes " show that the Scheme is in an

amorphous

---

between the Compy & private persons using the harbour &c. Govt. could allow the Compy. to get a monopoly of all the trade the port, or of all the land shipping &c. business.

All these things will have to be very carefully thought out before a workable scheme can be prepared, on which legislation can be based & for wh. the sanction of the Govt of India can be sought. There is no precedent in India to guide us so far as I know.

Flag C

~~[illegible]~~

~~[illegible]~~

~~[illegible]~~

~~[illegible]~~ From a Stock Exchange list I find there is a Harbour works Trust Compy at Buenos Ayres, and in New Zealand there are a number of Harbour corporations such as Auckland, Christchurch, Lyttelton, Timaru, Wellington, — also others in Australia &c.; but these corporations are of no help to us.

At home there are the following Companies "Alexandra" (Newport & S. Wales), Ayr Harbour, Belfast Harbour. The Secy. might the first

ssibly he may know of some her harbour made & worked a company.

AEA 25.5.99.

I find nothing useful to say at present

29-5-99.

x Flag N.

"amorphous condition and that no
"such" general sketch of terms and
"Conditions" as India desires can at
"present be drawn up. It is in my
"opinion useless to take any further
"steps until Mr MacNab returns to
"Madras and can be asked to go further
"into detail and to explain how he
"proposes to meet the various difficulties
"in the way." He also thinks that special
legislation on the subject would be
required. These remarks have been
concurred in by His Excellency.

7. Attention is invited to the linked file in which objections are raised by other merchants to the grant to any private Company of the monopoly asked for by Mr. MacNab.

R.J.

8. With regard to Hon. Mr Arundel's remark that no such general sketch of terms & conditions as India desires can at [illegible]esent be drawn up, I give [illegible]low those terms & conditions

Flag N

.............................DEPARTMENT.

READ the following:—

3

81

Circulated to

FOR ORDERS.

which have been already agreed upon by Mr MacNab on behalf of his proposed Company & by Govt, subject to the confirmation of the Govt of India – & also those which are still unsettled.

9. Terms & conditions agreed upon

(1) The Company to be formed in England & its chief office to be located there

(2) The Company to be bound by the same rules, in so far as they apply, as are contained in paras 8, 32 & 37 of the agreement of the Nilgiri Ry Co

(3) Govt to have no representative on the Board of the Co

(4) The Company to be represented in India by someone wh[illegible]

[illegible]

P. W. 43
500—14-11-98.

with Govt in its behalf, & to comply with such requisitions as Govt may make.

Note. Mr Macnab stipulates in his latest letter (13.4.98) that the Co's representative in India should be able to refer to the Board in England in matters of importance. To this there seems no objection.

(5) Govt to have the power of requiring its prior sanction to the execution of all works estimated to cost more than a fixed limit to be agreed upon, say Rs 10,000 – & of all works of a nature to affect the main works of the harbour.

(6) The Company to receive the full collection of Landing & shipping dues, at present levied at 2as per ton, including any unexpended surplus at the credit of the existing L. & S. Dues Committee) & to have liberty

CM 511

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to increase the dues to 4as per ton, with in addition, the same special dues on paddy (1 anna per bag) as are levied at Cocanada –

(7) The Company to pay rent for the land reclaimed after free occupation for a certain number of years –

(8) The Company to be permitted to carry on the business of a wharf, warehouse & shipping company with a monopoly of the right to construct wharves for landing & shipping of goods but without a monopoly for the erection of warehouses

and Stages –

(9) The contract to include a provision for the optional purchase by Govt. at certain fixed periods, of the property of the Company, the price to be paid being the actual capital expenditure as from time to time sanctioned by Govt. –

10. Terms & conditions still unsettled

(1) The share of Port dues to be received & the share of Port expenses to be paid by the Company.

(2) The proposal that the land reclaimed by the Company, excepting so much of it as may at any future time be required for strictly harbour purposes, should remain the property of the Company, even if or when the Harbour is taken over by Govt.

The latter proposal has been referred to the Rev: [illegible]

I find that this reference has not yet been made, through oversight. It will now be so

10.5.98

.......................Department.

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& Govt. has stated that it sees no primâ facie objection to the proposal provided that, in taking over the Company, it would not be called upon to pay any of the capital expenditure on reclamations – and Mr Macnab has given an assurance to this effect in his letter of 13.4.98. The Rev. Dept has sent no reply up to date –

12. The question of Port dues is beset with difficulties.

Flag G

In his letter of 3 May 98 Mr Macnab made 2 alternative proposals on this subject

(1) That the Company receive the whole share of port dues [illegible]

debit of the whole expenses of port establt., & also of the share of general administration expenses fairly chargeable to the port.

(2) That Govt. should retain the whole of the Eastern group coasting dues, & allow the Company all port dues other than 'group' dues, the expenses of the Vizag: port establt., & the port's proportion of general administration expenses being borne by Govt. & the Company in equal moieties.—

13. Of these 2 alternatives Govt. said that it was inclined to consider the second as reasonable.— The Company might at any rate fairly take all dues on foreign-going vessels in excess of the present standard of receipts from that source.—

To this proposal, however, Mr Macnab, in his letter of 13.4.98, demurs as [illegible]

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his second suggestion referred to above may be accepted in its entirety.

15. In my note for orders dated 23.11.98 on the statist of Vizag: port receipts & expenditure, I suggested that the simplest course would be to grant to the Company any excess in Port Dues, from whatever source, over those obtained in the year previous to that in which the Company commences its operations, it being stipulated that the Company shall also pay any charges in excess of those occurring in the same yea. This suggestion commend [illegible]

Flag D.

Car

& the note was sent to
Financial for examination
& comment –

16. The conclusions arrived
at are given in Financl.
Note No 467 dated 13.2.98
Briefly they are as follows
"It seems pretty clear that
" any view which Govt. may
"attempt to give in the Port
" collections will be illegal.
"It seems therefore better to
"leave all such arrangements
" alone, & for Govt. to give
" Mr Macnab an undertaking
" to pay from Port dues of
" the Eastern group a sum
" equal to a definite share
" of the total collections of the
" Gay: port, in return for
" definite duties to be dis-
-charged by him".
On this, the Hon: Mr Grundel
remarks that he is unable
to see the illegality above
referred to, and quotes
Secs 34 & 37 (2) (a) (b) of
Act X of 1889.

7agN

Continued – Link

.... DEPARTMENT.

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the latter sections, the Loca
Govt. can, with the previo
~~sanction~~ of the Govr. Genl.
in Council, make rules wit
respect to the expenditur
of port funds on the obje
authorised by the Act,
as regards all the por
in a group, or any of
them separately.
These objects are defin
in Sec: 36 (5) – Those
to works are given in
(5) (b) & include "the
of buoys, beacons, lights a
all other works maintain
chiefly for the benefit of
vessels in or entering o
leaving the port" & the

that the Act does not therefore contemplate the debit ~~of~~ to Port Funds of such extensive harbour works as those proposed by Mr MacNab; & from the fact that such minor works as buoys, beacons &c are specified, this view would seem to be correct — but, taken literally, 'all other works &c' might ~~[illegible]~~ include anything in the shape of harbour improvements.

17. Again, with regard to receipts, Sec 36(4) says that all moneys received under the Act shall be credited in the port fund account of the [illegible]-trict, so that even if the funds might be expended in the harbour works under the Act, special legislation would seem to be required to hand the fund receipts over to a Company.

....DEPARTMENT.

....DEPARTMENT.

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18. It seems to me, however, that the Port dues are not worth all this cautionary.

The nett receipts at Vizag: from such dues in 1897-98 amounted to Rs 10,000, or 1% on the proposed capital of the Company which I believe to be 10 lakhs so that the share of such receipts obtainable by the Company under landing second alternative and any proposed by Mr MacNab would be something very small, in fact infinitesimal as compared with its receipts under L & S dues

Even if my proposal, referred to in Para 15 above, was adopted, the nett receipts of 1897-98 would have to be doubled before the Company earned 1 % on its capital.

Special legislation for such paltry sums seems, therefore, hardly necessary, and if it is thought essential to allocate port funds to the Company in some shape or form, I would suggest that it might take the form of a Govt. guarantee of a small percentage on the Company's capital all the port fund receipts being credited to Govt. as at present.

But the Port dues difficulty is by no means the only one presented by this proposal.

Hon. Mr. [illegible] brings forward a very real one when he [illegible] to a company.

.... DEPARTMENT.

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"Whether or no the harbour be improved, the trade of the port is certain to develop largely from the opening up of the interior by projected railways

× × × × × × × ×

It is not clear to me how the Harbour Company can fairly take credit for the whole of any increase that accrues."

And this brings me back to the general question of the wisdom of handing over to a private Company a port with such possibilities before it - may not the new departure of attracting

There is also the question of the protection of vested interests referred to in the linked file.

8.5.99

Telephone

From the Secretary Marine Dept.
To the Hon. Mr. Arundel

May I ask you to kindly send for reference your copy of the Stock Exchange List. I cannot find elsewhere the designations and addresses of the managing officers of Harbour Companies whom I am directed to address in connection with Vizagapatam Harbour.

C.S.

2.6.99

Desp. 16/4 2.6.99

Cons

1. Inform Mr. Macneil, that Govt. proposes to await the final settlement of the nature of the harbour improvement to be undertaken at Vizag: before further discussing this matter.

2. Harbour companies of course exist in England, the land in the neighbourhood of ports being generally private, & Govt. having nothing to do with them. But you might write to the companies named or any other companies. I think

Code Class.

INDIAN TELEGRAPHS

Monthly Number.

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Words	Day	Hour.	Minute.	Official Instructions
	2	16	7	

G.P.

To (Person) Secy Marine Dept | From (Person) Hon: Mr Arundel

My stock Exchange list does not give the designations and addresses and no more information than I have already given you.

CH

64 Word Form.

F.C. 2.

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Sent to I.N. At Hrs. Mts. by

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GSP-25c. No 2 T-15 9 97-

Marine Dept.

511

524 / Letter from Mr. A. MacNab, d/ 13th April 1899.

No 486 mar'd 31 May 99.

Ordered that the following letters be despatched

R.S.

No. 487 mar'd 31 May 99

VIII

To

A MacNab Esqr.

Waltair.

Sir

I am directed to acknowledge the receipt of your letter dated, Waltair, 13 April 1899, on the subject of the proposals for the construction and working of the harbour at Vizagapatam, and to inform you in reply that the Government proposes to await the final settlement of the nature of the improvements to be undertaken before further discussing the matter.

I have &c.

R.S.

131/5

To. No. 523 [illegible] 6 June 99

(1) The manager of the Harbour Works Trust Company,
Buenos Ayres (South America)

---

(2) The manager "Alexandra" (New Port and South Wales) Harbour Company
~~United Kingdom~~. Newport (Mon) England

---

(3) The manager, Ayr Harbour Company, Scotland,
~~United Kingdom~~. Ayr, England.

---

(4) The manager, Belfast Harbour Company,
Belfast, Ireland.

Sir,

I am directed by His Excellency the Governor in Council of Madras to request that you will be so good as to furnish me with a copy of the Rules, Charter or Act under which your Company has been formed and administers the affairs of the harbour under your control. The information is required as a guide to the formation of a Similar Company in the Presidency of Madras.

R.S.

I have &c.

3-6-99

M

[illegible] 30 June [illegible]