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## MADRAS RECORD OFFICE.

Government of Madras.

*P. Subramanian* DEPARTMENT.  
*31/8/60*

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| G.O. No. <i>664</i>  | Press<br><del>Mis.</del> |
| <i>133-38</i>        |                          |
| Dated <i>31-3-18</i> | <i>60</i>                |

Not to be folded or roughly handled

7

*Proceedings of the Madras Government, Public Works Department,  
for the month of March 1860.*

Read the following papers:—

No. 133. From Captain F. H. RUNDALL, Consulting Engineer for Irrigation Company, to the Secretary to Government, dated 23rd February 1860, No. 48.

1. The Agent has requested me to forward the accompanying copy of Instructions to himself from the Board of Directors, the Secretary of State having ruled that the said Instructions are not to be considered in full force until they have received the sanction of Government.

2. I have perused them attentively and do not see that there is any point calling for particular notice with the exception of the remarks under the head of "Plans of works."

3. It would appear that authority for the actual execution is not intended to be given until the detailed Plans and Estimates relative to the section to be first constructed have been submitted to the Board after receiving the approval of Government.

4. This proceeding will, I fear, be productive of considerable delay, and must be adverse to the interests of Government as well as that of the Company. Inasmuch as the approval of the Government must in any case be the final authority for the commencement of any work, it seems superfluous formality to delay its execution until that of the Board likewise has been obtained, and in the present instance, it will involve the loss of the best part of one working season, add to the cost by the maintenance of a highly paid establishment, and by the accumulating interest of money laid out in the preliminary expenses.

5. The loss of a working season is a direct loss to Government in the postponement of increase of revenue, and a greater indirect loss in retarding the general improvement of the people.

6. The general project and even the detailed Plans having been submitted to the scrutiny of the Government, any improvement or alteration made by the Board must necessarily be confined to mere details, and if any such should be found necessary, there will be always ample time for their consideration during the progress of the works. I would, therefore, recommend that a suggestion to this effect being made to the Board, and they be requested to empower their Agent to order the execution of all Plans which have once received the sanction of Government.

From JOHN WESTWOOD, Esq., Secretary of the Madras Irrigation and Canal Company, to F. A. AGNEW, Esq., Agent and Manager, Madras Irrigation and Canal Company, dated 27 Cannon Street, E. C., London, November 18th 1859, No. 2.

The Board of Directors of the Madras Irrigation and Canal Company having by the resolution, a copy whereof is appended hereto, appointed you to be their Agent and representative at Madras, have desired me to forward for your guidance in the performance of the duties attached to that office the following General Instructions, and to inform you that you will be furnished with others of a more specific nature from time to time, as occasion may require.

In order that you may fully comprehend these Instructions as also the scheme and objects of

1. *Ex*plome of the Madras Irrigation and Canal Act 1858, and the Company's Clauses Consolidation Act 1845, incorporated therewith.
- 2 & 3. Queen's Printer's copy of each of the foregoing Acts.
4. Copy, Heads of arrangement with the Secretary of State for India.
5. Form of the Contract entered into between the Government and the Indian Guaranteed Railway Company.
6. Copy, Instructions forwarded to Lieutenant Colonel H. C. Cotton as to investigation of Toombuddra Project.
7. Copy, Report of Directors to the first ordinary general meeting of shareholders.
8. Report of proceedings at the first ordinary general meeting.

the Company, its powers and present position, and the nature of the first work selected for construction, I send you the several documents enumerated in the margin, which documents will also enable you to afford the most complete information to those Shareholders who reside in India.

*General duties.*—Subject only to such orders and directions of the Board of Directors

as may be conveyed to you from time to time, and also to that general supervision which the Government is entitled to exercise under the agreement with them the work selected for first operations and known as the Toombuddra Project will be investigated, and the preparation of the necessary Surveys and Estimates of the sections thereof to be first constructed be carried out under your guidance, directions and management, aided by the Chief Resident Engineer, and in accordance with the instructions already forwarded to him. All official correspondence with

the Government in India, with the Board of Directors in London and with the Chief Resident Engineer will devolve upon you, and all communications made by, or from such Engineer and the other local Officers of the Company will be forwarded under cover to you, in order that you may attach your signature and append thereto any remarks you may see fit to make before transmitting the same to the proper quarter.

For these purposes, you are hereby authorized to exercise complete control over all the affairs of the Company, and also over all their Officers and Servants in India with the exception of the Chief Resident Engineer, whose particular duties have been partially defined by the instructions before adverted to, and whose proceedings will be regulated from time to time by special directions from the Board forwarded through you. At the same time it is to be understood, that you are not invested with the power of dismissing any Officer from the Company's service for misconduct; but that you may suspend him from employment and from pay for a period not exceeding three months, to enable you to furnish the Board with full particulars of the case and receive their instructions thereon. It is the special desire of the Directors that, upon all matters brought under your consideration, you will exercise an independent discretion and state your own carefully matured opinion thereon, for their information.

3. *Advance of Funds by Government.*—Arrangements have been made by the Board with the Secretary of State for India in Council, in conformity with which the Government of Madras have received instructions to make all requisite advances of money to you for carrying out the works of the Company.

4. *Government control over expenditure.*—By the agreement with the Government it is, as you will observe, provided that the Secretary of State for India in Council, shall possess the same powers of supervision and control over the proceedings, preliminary expenses and future expenditure of this Company, as he possesses over those of the Guaranteed Indian Railway Companies. You will be good enough, therefore, to see that all the proceedings and expenditure of the Company in India, are regulated in conformity therewith.

5. *Communications with Government.*—You will at the earliest possible period, after the receipt of these Instructions, report to the Government at Madras the fact of your appointment as Agent of this Company there, and you will not fail to express to them your desire in harmony with the wishes of the Board of Directors to maintain in all your correspondence and intercourse with them a candid and consiliatory spirit by which mutual confidence may be secured and the great interests involved be most effectually promoted. You will also arrange with them the mode and particulars of your future official communications and procedure.

6. *Office and Establishment.*—You will proceed without loss of time to secure an Office at Madras of sufficient extent and suitable for the proper transaction of the business of the Company there; also to organize an Establishment of Clerks, &c., on the most moderate scale consistent with the proper augmentation of the work to be done, the estimated expenditure whereof, and of all subsequent augmentations thereof, you will submit to Government for approval prior to incurring any outlay.

7. *Employment of Subordinates.*—I may here state that the Board are desirous that both in regard to character and fitness for their particular duties, all their employees should be selected with great care and judgment; and it will, therefore, be advisable that you should impress this upon all who may be entrusted with the selection of Subordinate assistants.

8. *Books and Accounts.*—The Board feel that your commercial experience renders it unnecessary to particularize here the Books and forms of Accounts which it will be necessary for you to keep in respect of the affairs of the Company: but they would impress upon you that it is a matter of the greatest importance that all such accounts should be kept in the most correct and clear manner upon the system of double entry, and in order that the needful entries may be made, you will transmit to this office by the first mail of every month, a full and explicit statement of all payments, receipts and sums sanctioned for disbursement, accompanied by copies of all Contracts and Agreements made during the preceding month, and also by any other documents necessary for explanation, or to be submitted to the Board, together with the explana-

tion where any is needful. You will also vouch the accuracy of all such documents by attaching your signature thereto, in addition to that of the Company's Chief Book-keeper or Accountant.

In addition to the monthly statement just mentioned, you will balance the Company's Books on the 31st December and 30th June in each year, and as soon after that date as possible, forward to this office a balance sheet, showing the state of the accounts at that time, which balance sheet should also be accompanied by explanatory accounts and such information as you may think necessary, to enable the Board to exercise a proper and efficient control.

9. *Books and Stationery.*—The requisite Office Books and Stationery will be furnished to you from this country and you will, therefore, please transmit particulars of your requirements in this respect from time to time.

10. *Banking Accounts.*—An account should be opened with the Madras Bank, into which you will deposit all monies as received by you, and all payments on account of the Company are to be made by means of Cheques drawn by you thereon, bearing your signature and that of the Chief Book-keeper on account of the Company.

11. *Agreement with Employees.*—It will be necessary that every person entering the Company's service in India, or now employed there (the Chief Engineer excepted), should execute an agreement in the form sent herewith, and No. 10 a counterpart whereof may be signed by you in behalf of the Company.

12. *Supplies.*—Orders for supplies of every kind are to be given on a printed form similar to that now sent, and No. 11 or as near thereto, as circumstances will permit, and the particulars thereof, are to be entered on a counterfoil.

These orders as far as they relate to supplies for your Office or Head Establishment should be signed by you and countersigned by the Chief Book-keeper or Accountant, and all others must be signed by the Chief District Engineer and if possible, by the Chief Resident Engineer.

13. *Engineer's Department.*—With reference to the Instructions already in the hands of the Chief Resident Engineer, you will be good enough to make all necessary arrangements in the most consultation with the Government and with him for carrying them into effect in the most expeditious and prudent manner; also, for the despatch to such locality upon the works as he may desire of all Executive and Assistant Engineers appointed by the Board in this country immediately upon their arrival in Madras, and for furnishing them with full instructions for their guidance and for the transmission by the most expeditious and economical mode and route of all Stores, Instruments and Tools, &c., requisite for the effectual prosecution of the pending Investigation and Survey.

14. *Plans of Works.*—The works comprized in the project now entrusted to the Company, are to be constructed in strict accordance with Plans submitted to and approved by the Government of Madras, it will, therefore, be necessary that you should arrange with the Chief Resident Engineer for the regular transmission by him to you of all Plans and Estimates made during the progress of the general Investigation and Survey upon which he is now engaged, and of the working Plans and Estimates of that section of the project which he shall decide and report to be the most eligible for first construction in order that you may adopt all requisite proceedings for carrying out the agreement in that respect.

With reference to this part of the subject it is necessary that you should understand that no authority has as yet been given to the Chief Resident Engineer to commence the construction of any portion of the works, inasmuch as it is most desirable that the whole project should be first investigated, and that his Report thereon, together with detailed Plans and Estimates relating to the section to be first constructed should be submitted to and approved by the Government and by the Board. This having been done, full instructions will be despatched through you relative to the actual execution of the works.

15. *Engineers' Accounts.*—All money transactions relating to, or connected with the Engineering Department, must pass through your office books in the customary way, and all advances on account of contracts having first obtained your sanction and the approval of the Government. All accounts for payment and indents for salaries and otherwise must be signed by the Chief

Officer of the works in the District to which they may relate and be certified also by the Chief Resident Engineer and then having received the approval of the Officer appointed by the Government for that purpose, they will be countersigned by you.

16. *Cash Balance.*—It will perhaps be unavoidable that the Executive Engineers or other the District Officers in charge of the works should have a balance of funds in hand at all times to meet current disbursements for labor, &c. The necessary amount and distribution of such balances will necessarily be regulated by the Chief Resident Engineer in communication with yourself and you will, therefore, jointly adopt requisite measures for enforcing a clear and regular settlement of accounts by all under your control. It will be the special duty of the Chief Resident Engineer, to see that each and every Officer so entrusted shall render accurate and distinct accounts of his expenditure at stated periods, (once every week would appear to be most convenient), and satisfactorily account for the safe custody of the balance in his hands; these accounts, the Chief Resident Engineer will regularly transmit to you, so that you may forward particulars thereof and of the distribution, &c., of the outstanding balance at the close of every month for the information of the Board, including therein a clear statement of all sums expended.

17. *Contracts for Works.*—During the progress of the Investigation and Survey now pending, all contracts for works, for supplies and conveyance of materials and otherwise, must be settled by you in consultation with the Chief Resident Engineer, subject of course to the sanction of Government, so far as such sanction is necessary under the agreement with them, and in every case, Tenders should be invited and dealt with in the usual way. To each contract, both you and the Chief Engineer will be parties.

18. *Registration of Transfers of Shares.*—As it is not at present the intention of the Board to carry out complete Registration of Transfers of Shares in India, you will please receive there all transfers tendered to you, and immediately forward to the party named in the Transfer Deed, as the vender, a notice in the form now sent, No. 12, and after the expiration of four days from the date of such notice, if no objection is made by such vender, you will forward the Deed to this office for Registration, taking a note of the particulars thereof in a book as shown by the paper No. 13, sent herewith.

You will also carefully register full particulars of all transfers made by other means than sale, such as, by Will, Letters of Administration, Deed of Settlement, &c., and transmit the same to this office.

19. *Economy.*—The Board are most anxious that both you and the Chief Resident Engineer should practice yourselves and enforce upon all under your control the utmost economy in every respect, consistent with efficiency, and they trust you will in no instance allow unnecessary expenditure of any kind.

20. *Lastly.*—It is of the highest importance as materially affecting the successful progress of this undertaking that between the Officers of the Government and the Officers of the Company, the most complete cordiality should at all times exist, and you will not fail to impress this as forcibly as you can upon all who may be in the service of the Company, and also that it is most essential they should at all times treat the Natives of the country with kindness, forbearance and discretion, and on no account interfere with, or ridicule their habits and prejudices, any departure from this course will be directly opposed to the wishes and feelings of the Board and should be dealt with promptly and effectually.

Copy of Resolution referred to in the annexed letter of Instructions to Mr. Agnew, No. 2 of 1859.

*Resolved.*—That Mr. Frederick Andrew Agnew be, and he is hereby appointed Agent and General Manager of this Company at Madras.

(True Copies.)

(Signed) JOHN TAWSE,  
For Agent.

No. 131. MINUTE BY HIS EXCELLENCY THE COMMANDER-IN-CHIEF, DATED 4TH MARCH 1860.

I agree with the Consulting Engineer that the approval of Government ought to be considered sufficient authority for commencing any work, but as the President will be back in a day or two, these papers had better lie over until they can be submitted for the consideration of His Excellency.

(Signed) PAT. GRANT.

No. 135. MINUTE BY THE HONORABLE MR. MOREHEAD, DATED 7TH MARCH 1860.

The 14th paragraph of the Agent's Instructions, seems to me only applicable to the present state of matters. The Directors' desire to have before them, after it has received the approval of Government, the Report of their Chief Engineer on the whole project. Appended to this Report there is to be the working plans of the first section of the work—which the Chief Engineer may select for construction, and this they require to be submitted to them before they sanction the commencement of the large and difficult undertaking, which for some time past, they have been contemplating the execution of.

The Report the Directors have thus called for, is to contain a full explanation of the entire project, showing the works to be executed throughout its extent, and affording a tolerably accurate estimate of their cost.

The order of the Directors on this subject, and which is objected to by the Consulting Engineer, is clear and positive, it is moreover in my opinion a reasonable and prudent one.

The Directors at this moment, we know, are in reality ignorant of the project in question, as a practical work, no Plans have been seen by them, no Estimates examined, and the only information they possess, in regard to it has been obtained from the sketchy reports that have been laid before them. That the Directors should, therefore, have carefully reserved to themselves, the right of judging of the worth, and practicability, of this project before its actual execution was begun, was plainly an essential part of their duty, and not merely a "superfluous formality," as it is termed by the Consulting Engineer. Inasmuch as, the Directors I imagine if they are dissatisfied with the Report on the entire project can decline to begin the work should its success appear to them doubtful. The Home Authorities have guaranteed payment of interest on a fixed amount of capital, which sum the Shareholders are only pledged to advance, but this sum Captain Rundall in his Report tells us will be exceeded by 30 lacs of Rupees if the project in question be executed.

The success of the undertaking we are also informed by Captain Rundall in his Report depends upon arrangements yet to be made with the Rajah of Mysore and his Highness the Nizam. For the Government under these circumstances to act independently of the Board of Directors entrusted by the Shareholders with the management of their affairs is a measure that in my judgment cannot be too strongly deprecated. In a legal point of view the step would be a most questionable one, whilst from its very nature it must be one to excite alarm amongst the Shareholders and endanger very considerably the eventual success of the undertaking.

I believe that this Government has not received a copy of the Deed of Contract. I doubt much if one has been signed, indeed I do not well see how it can have been signed no final project having been assented to by the contracting parties.

No. 136. MINUTE BY THE HONORABLE THE PRESIDENT, DATED GINDI, 14TH MARCH 1860.

I concur in Mr. Morehead's view. If we were to adopt the Consulting Engineer's proposal, the Directors would be divested of all power of control, and the entire responsibility would be transferred to the Government.

(Signed) C. E. TREVELYAN.

No. 137. MINUTE BY THE HONORABLE MR. E. MALTBY, DATED, 14TH MARCH, 1860.

I take the same view.

Proceedings of the Madras Government, Public Works Department,  
for the month of March 1860.

No. 138.

ORDER THEREON, 31st March 1860, No. 664.

With this letter the Consulting Engineer for the Irrigation Company submits for the approval of Government a copy of the instructions furnished by the Board of Directors for the guidance of their Agent in this Company.

2. Captain Rundall concurs in the whole of the instructions with the exception of that part which refers to "Plans of Works" viz., paragraph 14. He is of opinion that instead of delaying execution until detailed Plans and Estimates of the Section to be first constructed shall have been submitted to the Board, after receiving the approval of Government, the Agent should be empowered to order the execution of all Plans which have once received the sanction of Government, and he recommends that a suggestion to this effect may be made to the Board.

3. The Government have considered Captain Rundall's objections as well as the proposed rule, but they see no reason for interfering with the intentions and orders of the Board. They understand the rule in question, so far as it requires that detailed Plans and Estimate of Works should be approved by the Board prior to execution, to be intended to be only of temporary application, and to relate only to the part of the general project to be first undertaken; respecting which the Board of Directors wish to have full information before authorizing the commencement of work. Thereafter it will be expedient in the opinion of Government that detailed Estimates of Works included in the Chief Engineer's Report of the general project, should be allowed to be executed on the approval of this Government, as in the case of Railways, without the delay of a reference to the Board in England.

4. The Government, therefore, approve the instructions in their present form, and desire that the Agent may be informed that those instructions may be regarded as in force.

(Signed) J. D. BOURDILLON,  
Secretary to Government.

N<sup>o</sup> 11

27 Cannon Street  
London E. C.

18<sup>th</sup> November 1859.

Sir,

The Directors have desired me to acknowledge the receipt of your first and second Reports dated 20<sup>th</sup> September last & 10<sup>th</sup> ultimo and also your letter of the 13<sup>th</sup> ultimo and to convey to you their great satisfaction at the promptitude & energy you have displayed in most usefully occupying the period which intervened between your arrival at Madras in July & your receipt of their Official instructions in October last.

The anticipatory investigation you have thus been enabled to make & the information you have procured are very satisfactory & will be of great service to you in your general investigation.

2. Looking to the fact that your present proceedings, are by the instructions already in your hands, confined to a general investigation of the entire scheme comprised within the Ponnalundia Project, to the preparation of a Report for submission to Government of that scheme & of the outlay of which it may safely be relied on will not be exceeded in its construction / though without detailed estimates / to this selection of the most eligible portion of the works to be first constructed and to the preparation of working plans & detailed

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3. The Government have considered Captain Rundall's objections as well as the proposed rule, but they see no reason for interfering with the intentions and orders of the Board. They understand the rule in question, so far as it requires that detailed Plans and Estimate of Works should be approved by the Board prior to execution, to be intended to be only of temporary application, and to relate only to the part of the general project to be first undertaken; respecting which the Board of Directors wish to have full information before authorizing the commencement of work. Thereafter it will be expedient in the opinion of Government that detailed Estimates of Works included in the Chief Engineer's Report of the general project, should be allowed to be executed on the approval of this Government, as in the case of Railways, without the delay of a reference to the Board in England.

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The anticipatory investigation you have thus been enabled to make & the information you have provided are very satisfactory & will be of great service to you in your general investigation.

2. Looking to the fact that your present proceedings, are by the instructions already in your hands, confined to a general investigation of the entire scheme comprised within the Ponnalundia Project, to the preparation of a Report for submission to Government of that scheme & of the outlay of which it may safely be relied on will not be exceeded in its construction / though without detailed estimates / to this selection of the most eligible portion of the works to be first constructed and to the preparation of working plans & detailed

estimates of that portion, the Directors believe it to be at present unnecessary for them to enter into a full consideration of your Report inasmuch as having been written before you were in possession of specific instructions they necessarily represent a mere sketch of your present views regarding a section of the scheme only, & may be modified when brought into connection with the investigation into the feasibility & extent of the whole undertaking. They however deem it desirable that you should be put in possession of their views regarding several of the matters to which you have adverted & also upon other points not perhaps dealt with sufficiently full in their previous instructions.

3. In the first place it is necessary that you should be informed that Mr. Frederick N. Agnew has been appointed by resolution of the Board of Directors the manager and representative of the Company in India, & that full instructions have been forwarded to him for his guidance as to the duties to be attached to such Office, & in order that you may lend your aid in carrying out those instructions as effectually as possible I send you a copy thereof. Mr. Agnew's appointment will relieve you of considerable labor & enable you to confine your attention for the future solely to the progress of the desired general investigation and survey.

4. The Board consider it most desirable that in determining the nature & extent of their intended works you should deal with the whole scheme as sketched in their letter of the 6<sup>th</sup> June 1857 previously

sent to you, & further explained in the Report of Colonel A. Cotton of the 18<sup>th</sup> May last to the Madras Government, & this irrespective of any proposed completion by the Government of the communication between Nellore & Madras, in other words they desire that direct communication with Madras should be considered by you in accordance with the views expressed by Colonel A. Cotton in the Report just mentioned as a part of the works to be undertaken by this Company, the more especially as they believe this will be in accordance with the wishes of Government.

Upon this point it is necessary to call your attention to the 10<sup>th</sup> paragraph of previous instructions & to suggest that it may be advisable you should not only consider and Report upon the expediency of making use of the Pennair River as a main water Channel or as recommended by Captain Calthrop of constructing a Canal through the Nellore District using the Pennair as a source of supply only, but that you shall in determining the course of such Canal if you should decide thereon / ascertain whether it will not be advisable to carry it from the Pennair in a South Easterly direction to that part of the Pulicat Lake from whence its navigation to Madras is free from obstruction viz. Near to Shooloorpett, but in this you will of course be guided by the character of the District which would be thus traversed & whether it contains a large area of good land requiring irrigation & therefore likely to prove remunerative.

5. You will also consider yourself at liberty in prosecuting your survey & forming your

Report to treat the Mawry Tank as belonging to, & forming part of the scheme to be constructed by this Company, if you deem it desirable to do so.

6. The Directors cannot impress upon you too forcibly the high importance of selecting for first construction, that section of the scheme which will certainly render the most prompt & satisfactory returns upon the Capital expended therein; & that if necessary the more regular order of construction may in this respect, be very properly passed over in order to secure those advantages.

7. With reference to the formation of an Engineering staff & the procuring of other necessary assistance the Board as I have already informed you by letter have appointed 5 Executive Engineers & one Assistant Engineer from this Country. The whole of these will be with you by the middle of January & it is the intention of the Directors to elect two others, & to dispatch them to Madras at the earliest opportunity. Every possible precaution has been and will be adopted in making these appointments & the Board believe that you will find the Gentlemen selected to possess very superior qualifications & well calculated to render you much efficient & scientific assistance. Adopting as your guide the salaries agreed to be paid in these cases, you will be good enough, in consultation with the Manager & with the approval of Government to procure locally such other assistance as you

may require, taking care that all appointments are carried out in conformity with the instructions forwarded to the Manager at Madras. Should you deem it necessary that further professional assistance should be forwarded to you from England you will so inform the Board.

8. The Government having already constructed an Electric Telegraph from Madras to the north by way of Bangalore, Bellary & Gooty the Directors are of opinion that it will be amply sufficient for all purposes of Communications with Madras. They consider however, that it may become necessary that this medium of communication should be continued through the immediate locality of the works of the Company & they therefore authorize you with the concurrence of their Manager and the Government to incur the requisite expense for that purpose at the proper time.

9. The Board fully approve of your proposed plan of causing all stores &c. to be conveyed to the locality of the works by sea to Cochinada & from thence by Canal to Berwarrah & they trust that the Government will authorize the repair of the Road referred to by you in the Memorandum Pass upon proper representations being made by their Manager in addition to those you have forwarded.

10. Assuming that after further investigation and bearing in mind the observations before made with regard to the production of

prompt returns, you continue of opinion that the project you have sketched for providing Irrigation & navigation to the Valley of the River - dam is the most eligible section for first construction, the Directors concur with you in the expediency of forming a Head settlement with Workshops &c. which may be used as a sanitarium for their employees but they are desirous that it should be selected at a spot as readily accessible as possible & near to the principal operations which as will, they assume, be at the locality of the proposed cutting between the points B. and C. on the Map accompanying your Report -

It will however of course be necessary that every detail should be embraced in your Report both with reference to this & the other parts of the project, and in making the required investigation you will be good enough to omit nothing which will enable the Board to judge correctly of the character of each & every portion of the entire work as laid out & recommended by you -

11. The most careful consideration will be given by the Board to any request or indent you may make, upon them for stores sanctioned by the Manager & Government, & it will be their endeavour to provide you with all necessary aid of every kind to enable you to prosecute your labours with promptitude and efficiency -

12. It is proper that I should state

for your guidance that no portion of the Capital now authorized to be raised can be applied to the construction or providing of Vessels of any kind for navigating the Rivers opened, or the Canals constructed. All monies required for this purpose will have to be raised separately & in order that the Board may properly decide upon the expediency of adopting the business of carrying on the water communication created by their works, it is most desirable that every information should be procured by you not only regarding the required amount of expenditure for Boats &c. but as to the best kind of vessel to be employed, together with every other particular connected therewith, as also, the times at which the several portions of such water communication will be in a state of completion sufficient to warrant the introduction of such Vessels thereon. This matter had better form the subject of a separate Report from you although it will necessarily be taken into consideration to some extent by you in planning the intended works & in selecting the first section thereof -

13. The Manager will adopt all proper measures for carrying out the necessary arrangements with Government regarding that part of the project which will affect the Nizams Territory -

14. Such of the other matter contained in your Report as may require <sup>future</sup> further consideration will form the subject of other commu-

indications to you.

I may however add, that the Board considers your suggestions regarding a Provision for the Company's Engineers as well worthy of consideration and they fully appreciate the sound motives which have produced them.

I am Sir,

Your most Obedient Servant.

J. D. / John Westwood

Secretary of  
The Madras Irrigation & Canal Coy.

Agent Col. Hugh Calverley Cotton  
Chief Engineer

/ True Copy /

For Agent.

20/6/60

N<sup>o</sup> 48.

Madras 23 February 1860

Sir,

Consulting Engineer  
for Irrigation Company.

To

Secretary to Government G. P. W.  
Fort Saint George.

Sir,

Enclosure -

1. The Agent has requested me to forward the accompanying copy of instructions to himself from the Board of Directors, the Secretary of State having ruled that the said instructions were not to be considered in full force until they have received the sanction of Government.
2. I have perused them attentively and do not see that there is any point calling for particular notice with the exception of the remarks under the head of "Plans of Works".
3. It would appear that authority for the actual execution is not intended to be given until the detailed Plans and Estimates relative to the sections to be first constructed have been submitted to the Board after receiving the approval of Government.
4. This proceeding will I fear be productive of considerable delay and must be adverse to the interests of Government as well as that of the Company. Inasmuch as the approval of the Government must in any case be the final authority for the commencement of any work it seems superfluous formally to delay its execution.

location, and that of the Board likewise has been  
claimed, and in the present instance, it will involve  
the loss of the best part of one working season, and  
the cost by the maintenance of a highly paid  
establishment, and by the accumulating interest of  
money laid out in the preliminary expenses.

The loss of a working season is a direct loss to  
Government in the procurement of increase of Revenue,  
and a greater indirect loss in retarding the general  
improvement of the people.

The general project and even the detailed plans  
having been submitted to the scrutiny of the Government,  
any improvement or alteration, made by the Board  
must necessarily be confined to, more details, and if  
any such should be found necessary, there will be  
always ample time for their consideration during the  
progress of the work. I would therefore recommend  
as a suggestion to this effect being made to the Board,  
and they be requested to empower this Agent to order  
the execution of all plans which have once received  
the sanction of Government.

I have the honor to be

Sir

Your most obedient servant.

J. W. Russell Esq.  
Consulting Engineer

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4<sup>th</sup> March 1860. (Signed P.H.)

~~WEST OF THE COVE~~

Dr. Muntz  
C134.116-4.282

Handwritten signature: *Handwritten signature, likely "Handwritten signature" or similar, written vertically.*

22. March  
C18.4.16

Public Works 1860 Dept  
Pro: of Govt 31<sup>st</sup> March.

No 952.

Note by His Excellency  
the Commander in Chief.  
24<sup>th</sup> March /60.

Agrees with the  
Consulting Eng<sup>r</sup> for Irrig-  
ation Company that the  
approval of Govt ought  
to be considered sufficient  
authority for commencing  
any work.

No 134.

No 664 - 31<sup>st</sup> March.

12

Minute by the Honble Mr. Morehead<sup>c</sup>

The 11<sup>th</sup> para of the Agents' instructions, seems to me only applicable to the present state of matters. The Directors desire to have before them, after it has received the approval of Government, the report of their Chief Engineer on the whole project. Appended to this report there is to be the working plans of the first section of the work - which the Chief Engineer may select for construction, and which they require to be submitted to them before they sanction the commencement of the large and difficult undertaking, which for some time past, they have been contemplating the execution of.

The report the Directors have thus called for, is to contain a full explanation of

of the entire project, showing the works to be executed throughout its extent, and affording a tolerably accurate estimate of their cost.

The order of the Directors on this subject, and which is objected to by the Consulting Engineer, is clear and positive, it is moreover in my opinion a reasonable and prudent one.

The Directors at this moment, we know, are in reality ignorant of the project in question, as a practical work, no plans have been seen by them, no estimates examined, and the only information they possess, in regard to it has been obtained from the sketchy reports that have been laid before them. That the Directors should therefore have carefully reserved to themselves, the right of judging of the worth, and practicability, of this project before its actual execution was begun, was plainly an essential part of their duty, and not merely

13  
merely a "superfluous formality" as it is termed by the Consulting Engineer. Inasmuch as, the Directors imagine if they are dissatisfied with the report on the entire project can decline to begin the work should its success appear to them doubtful. The Home Authorities have guaranteed payment of interest on a fixed amount of capital, which sum the shareholders are only pledged to advance. but this sum Captain Mandall in his report tells us will be exceeded by 30 lacs of rupees if the project in question be executed.

The success of the undertaking we are also informed by Captain Mandall in his report depends upon arrangements yet to be made with the Rajah of Mysore and His Highness the Nizam. For the Government under these circumstances to act independently of the Board of Directors

Directors intrusted by the Shareholders  
with the management of their affairs  
is a measure that in my judgment  
cannot be too strongly deprecated. In  
a legal point of view the Step would  
be a most questionable one, whilst  
from its very nature it must be one  
to excite alarm amongst the Shareholders  
and endanger very considerably the  
eventual success of the undertaking.

I believe that this Government has not received a copy of the deed of contract. I doubt much if one has been signed, indeed I do not well see how it can have been signed no final project having been ascertained to by the contracting parties.

7. March. Signed W. Morehead

The 14 pages of the Agents' instructions  
seem to me only applicable to the  
present state of matters. The Direc-  
tor desires to have before him,  
after it has received the approval  
of Government, the report of his  
Chief Engineer on the whole project.  
According to his report there is to  
be the working plans of the project,  
the work which the chief En-  
gineer selects for construction, and  
this they require to be submitted  
to him before they sanction the  
commencement of the large & difficult  
undertaking, which for some time  
past they have been contemplating.  
The execution of  
the report the Directors have thus called  
for is to contain a full & plain  
of the entire project, showing the works  
to be executed throughout it &  
the cost, & affording a tolerably accurate  
estimate of the cost —

The order of the Director as this sub-  
ject, & which is approved by the  
presenting Engineer, is clear & for-  
tune, it is now over the my opinion  
is reasonable & prudent one -

The Director at this moment, we know, are in ~~total~~ reality, ignorant of the project in question, as a practical work, no plans have been seen by them, no estimates examined, and the only information they possess in regard to it has been obtained from the Whiskey reports that have been laid before them.

that the Directors should therefore have carefully reviewed to themselves, the right of judging of the worth & practicability of this project before its actual execution was begun, was plainly an essential part of their duty, & not merely a "superfluous formality" to be used by her.

Constructing Engineers - He as much  
as the Directors ~~Executive Committee~~  
- Give ~~assurance~~ <sup>15</sup> if they are dis-  
- satisfied with the report on  
the entire project can decide  
to begin the work should it de-  
- cide appear to them doubtful -  
- The ~~Board~~ <sup>15</sup> Authorizes the Guaranty  
Trust Company of which a fixed  
amount of capital, which seems the share &  
holders are only pledged to ad-  
- vance - but this sum Capt. Mc-  
- donald in his report tells us will be  
- extended by 50 tons of surplus if  
the project in question be ex-

The success of the undertaking  
 was also informed by Cable  
 himself in his report depends  
 upon necessary details yet to be  
 made with the capital of the pro-  
 cedure. The project is the same -  
 for the purpose of the work  
 in 2

circumstances to act independently  
of the Board of Directors ~~about~~ <sup>entirely</sup>  
independently the shareholders with  
the management of their affairs  
is a measure that we may feel must  
be not be too strongly deprecated  
In a legal point of view the  
aff. would be a most questionable  
2 all one, whilst from its very nature  
it must be one to excite alarm  
amongst the shareholders & all  
2 dangers very considerably the  
essential success of the un-  
der-taking -

I believe that Mr. Gort has not  
received a copy of the deed of  
mortgage. I doubt much if we  
have been very much hindered. I do  
not think how it can have  
been so, with no final res-  
2 yet having been executed  
by the contracting parties

W. M. Gort

Public Works 1860 Sept.  
Secy of Govt. 31<sup>st</sup> March.

No 953.

Note by the Honorable  
Mr Morehead.

Dy 7<sup>th</sup> March 1860.

Observes that the instructions of the Directors of the Indian Irrigation & Canal Company to their Agent, respecting "Plans of works" seem only applicable to the present state of matters, and that they are clear and positions.

I concur in Mr Morehead's view. If we were to adopt the consulting Engineers proposal, the Directors would be divested of all power of control, and the entire responsibility would be transferred to the Government

Wm Murray

Yindi 12 March 1860.

- I take the same view

Wm

No 135.

No 614 - 31<sup>st</sup> March

Wm Murray  
mistaken

N<sup>o</sup> 664.

Proceedings of the Madras Government  
Under date the 31<sup>st</sup> March 1860 -

Read the following  
papers

From the Consulting  
Eng<sup>r</sup> for Irrigation Comp<sup>y</sup>

Forwarding copy of  
instructions issued by the  
Board to the Agent for the app<sup>ro</sup>  
val of Govt and noticing the  
remarks made regarding  
the submission of plans and  
estimates to the Board prior  
to final orders being issued  
for the execution of the works  
(Here enter 23 Feb/60 N<sup>o</sup> 48)

Note by His Excellency the  
Comd<sup>r</sup> in Chief. (Here enter 4 March/60)

Do. Do by the Honble  
Mr. Morehead. (Here enter 7 do do)

Do. Do by the Honble the  
Governor. (Here enter 14 do do)

Do. Do by the Honble.  
Mr. Maltby (Here enter do do)

LG

With this letter  
the consulting Eng<sup>r</sup> for  
the Irrigation Company  
submits for the approval  
of Govt a copy of the  
instructions

Public Works Dept.  
D<sup>y</sup> of Govt. Secy. to Govt.

1860.

Note by the Honorable  
the President.

27<sup>th</sup> March 1860.

Enclosed in Mr. Morehead's  
view respecting the in-  
structions of the Directors  
of the Madras Irrigation  
& Canal Company refer-  
ring to the plans of works

1860.

Shobbi  
Sethland

Note by the Honorable  
the Maltby.

27<sup>th</sup> March 1860.

Enclosed in Mr. Morehead's  
view respecting the in-  
structions of the Directors  
of the Madras Irrigation  
& Canal Company refer-  
ring to the plans of works

1860.

instructions furnished  
by the Board of Directors  
for the guidance of their  
Agent in this country.

2. Captain Randall  
concurs in the whole of the  
instructions with the  
exception of that part  
which refers to "Plans of works"  
viz para 14. He is of  
opinion that instead  
of delaying execution  
until detailed plans &  
estimates of the section  
to be first constructed  
shall have been sub-  
mitted to the Board after  
receiving the approval  
of Govt, the Agent should  
be empowered to order  
the execution of all plans  
which have once received  
the sanction of Govt,  
and he recommends that  
a suggestion to this effect  
may be made to the

Board

So far as it requires that detailed  
plans & estimates of works should  
be approved by the Board prior  
to execution.

(to the whole project)

of works included in  
the Chief Engr's report of the  
General project.

Board.

3. The Govt have con-  
sidered, <sup>captain</sup> Randall's objections  
as well as the proposed  
rule, but they see no  
reason for interfering  
with the intentions &  
orders of the Board.  
They understand the rule  
in question to be intend-  
ed to be only of tempora-  
ry application, and to  
relate <sup>only</sup> to the part of the  
general project to be  
first undertaken;  
respecting ~~on~~ which the Board  
of Directors wish to  
have full information  
before authorizing  
the commencement of  
work. - Thereafter  
it will be expedient  
in the opinion of Govt  
that detailed estimates  
should be allowed  
to be executed on  
the approval of  
this



Public Works 1860 Deptt.  
Secy of Govt. 31<sup>st</sup> March.

No. 664.

Pro. of the Madras Govt.  
31<sup>st</sup> March / 60.

On Captain Clundell's  
remarks with reference to the  
instructions of the Board of  
Directors of the Madras Irriga-  
tion Company regarding the  
submission of Plans and Estimates  
to them prior to final orders being  
issued for the execution of the  
works.

No 123 at 728.