M.R.O. 1—77,006—8-6-37.

(1) Number of pages 16

(2) Date of repair

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Public works **DEPARTMENT.**

G.O. No. 3048 Press Mis.

384-87

Dated 20 · 12 1862.

Not to be folded or roughly handled

Proceedings of the Madras Government, Public Works Department, 20th December 1862.

Read the following papers :—

No. 384. Despatch from the Right Honorable Sir C. WOOD, Bart., Secretary of State for India (Public Works), to His Excellency the Honorable the Governor in Council, Fort Saint George, dated India Office, London, 8th October 1862, No. 30.

SIR,

1. Since writing my Despatch of 16th September last, No. 25, I have received a reply from the Madras Irrigation Company to my communication to them of the 3rd September. From this letter, a copy of which is herewith forwarded, you will perceive that the Irrigation Company evince a desire to meet some of the objections existing to a compliance with their former demands, and they strongly urge the immediate execution of a formal contract, I have, however, stated in reply to this request that, having referred the subject to your Government, final action must be deferred until a reply to that reference has been received.

Dated 11th September 1862.

2. I have, therefore, to request that no time may be lost in making me acquainted with your views in the matter.

THE MADRAS IRRIGATION AND CANAL COMPANY,
27, CANNON STREET, E. C. LONDON,
11*th September* 1862.

No. 20, 1862,
Home.

SIR,

1. The Directors have desired me to forward to you the following as a reply to your letter of the 3rd instant.

2. Viewing your communication as evidence of a desire on the part of the Secretary of State to terminate the differences and discussions which have arisen between himself and the Company, they (the Directors) would gladly refrain from noticing the contents of its first ten paragraphs; but as silence on their part might be reasonably held to amount to a concurrence in the statements there made they feel bound so far to refer to them, as to recall attention to the various letters and despatches which have passed between the Secretary of State for India and themselves and between the former and the Governments of India and Madras believing that the contents of those documents clearly establish as facts: that a deliberate and complete concession of the entire Toombuddra project was made to the Company by the Secretary of State in Council, that it has been a duty incumbent upon them to maintain that concession and the rights of the Company thereunder, as also to assert the injustice which would have accrued to the latter and to the country, to be affected by a modification or reduction of that concession, and, that the Chief Engineer in submitting a modified project which excluded the Bellary section, in reality the main feature of the conceded and adopted scheme, acted solely in compliance with an order of the Madras Government issued to him in obedience to directions received by them from the Secretary of State peremptorily forbidding the construction of any works which might involve an expenditure by the Company of more than £1,000,000.

3. Having made these preliminary but necessary remarks in justification of the claim put forth and the proceedings hitherto adopted on behalf of the Company, I will now by their request, explain the views of the Directors regarding the matters referred to in the remaining paragraphs of your letter, but before doing so I am desired to state that it must be distinctly understood that by the present negotiation they do not relinquish any portion of the existing rights of the Company but reserve to themselves full and perfect liberty to re-assert those rights unprejudiced should it become necessary hereafter to do so by reason of the failure of such negotiation or otherwise.

4. Bearing in mind the fact, that the Company's Chief Engineer, the Madras Government, their Consulting Engineer, and others of their Engineer Officers have from the outset and throughout, asserted an absolute and imperative necessity for the construction of reservoirs to store large quantities of water to keep up the required supply for irrigation and navigation to the whole and every part of the Company's work, and seeing also that the Madras Government have repeatedly expressed and earnest wish that the District of Bellary should be supplied by

the Company with irrigation and water transit, and have recommended that the guarantee of interest by the Secretary of State should be extended to capital required to include in the Company's operations the construction of a tank in the Mysore territory and have likewise lately, in reply to their representations, received from the Government of Mysore, an expression of a willingness to concede to the Company the site of another contemplated reservoir upon the Buddra river, the Directors respectfully submit that the engrossment and execution of the formal contract according to the draft now before him, need not now be longer delayed, inasmuch as such a deed will clearly and at once effect all the objects of the Secretary of State as explained by you. For instance the Company would under that deed be at liberty only to construct works, the plans whereof had been submitted to and approved by the local Government, and, as will be seen by reference to the copy sent herewith, clauses have been added thereto, as shown in red ink, whereby the Company will be bound to recognize existing rights of irrigation and to adopt, with the approval of the Madras Government, all proper means to secure those rights from injury by their works, so that each case may be dealt with specially according to its own character and merits, and whereby also the existing interests of the Government in Nellore and the prospective irrigation from the channels in connection with the Nellore Anicut, will be protected from interference by the operations of the Company.

5. With reference to the terms under which it is proposed that the Company shall be at liberty to raise unguaranteed capital, I have to assure the Secretary of State in Council emphatically that the Directors have no other desire than to secure such conditions as will really induce the public to subscribe the necessary funds, and they are much gratified to find that the arrangement proposed in your letter differs only from that suggested in mine of the 5th June last, in the omission of one item, viz., that which stipulated that the whole of the returns from navigation shall belong to the Company, because as the retention or omission of that stipulation is of little pecuniary importance to the Government they are assured that the Secretary of State in Council will readily assent to its retention, if necessary to the raising of the required capital.

6. The Directors are convinced that it will be at least hazardous to solicit subscriptions towards unguaranteed capital upon terms which, by the omission of the stipulation in question, *would appear to the public* to be far less advantageous than those which for two precisely similar undertakings have been established by the Secretary of State in Council in contracts lately made between himself and the East India Irrigation and Canal Company, for capitalists will at once draw a comparison between the two sets of terms to the prejudice and rejection of those now under discussion.

7. It is also worthy of remark that in both of the contracts now named not only does the condition that the Company is to be entitled to all the profits arising from navigation exist, but an additional advantage over the present terms is given to the shareholders, inasmuch as the whole of the profits from irrigation up to 25 per cent. will in each case belong to them, and the surplus only after that amount will be divisible between the Government and the Company, whereas in the present instance it is contemplated that such division shall take place after the Company shall have received 12 per cent. only. The Directors are, however, willing to undertake the task of raising the required capital without the advantage here referred to, but they are confident that they cannot safely attempt to do so upon terms unequal as regards the returns from navigation, to those already before the public.

8. It has occurred to the Directors that possibly the Secretary of State in Council is in doubt whether, if the Company are entitled to the entire profits from navigation they may not be induced at times to reduce the necessary available supply to the irrigation channels constructed by them, in order to maintain unduly the navigability of the main channel, and that to prevent such an occurrence he has excluded that condition. With a view therefore to remove such doubts, they have caused a clause to be inserted in the draft contract which will effectually secure a supply of water to such irrigation channels at all times to the full available extent.

9. It is very desirable that the Directors should be in a position to state to their shareholders before the next General Meeting in November next, that a formal contract has been executed by both parties, and they therefore earnestly trust that the Secretary of State in Council will at once give the necessary directions for enabling that statement to be made, especially as the draft deed as now amended will, it is believed, satisfactorily and most effectually secure all the objects suggested or described in your letter.

I have, &c.,
(Signed.) J. WESTWOOD, *Secretary.*

The Under Secretary of State for India.

No. 385. From Lieutenant-Colonel S. O. E LUDLOW, R. E., in charge of the Office of the Consulting Engineer, Irrigation and Canal Company, to the Secretary to Government, Department Public Works, dated 11th November 1862, No. 85.

SIR,

1. With the accompanying letter,* the Agent submits for the consideration of Government, an Extract from a letter addressed to him by the Secretary to the Board of Directors, together with copies of its enclosures, and requests the early attention of Government to a Despatch from the Secretary of State in India referred to therein.

* Dated 23rd October 1862, No. 495.

2. This Despatch I am informed has already been received by Government, and I presume is under their consideration now. I shall therefore reserve any remarks which I may have to make on the subject referred to in it, and the other letters now forwarded, until the subject has been communicated to this Office in the usual course.

3. You will observe that the Agent requests to be favored with a copy of the Government's reply to the Secretary's Despatch referred to above, for transmission to the Board of Directors.

No. 386. Endorsement of the Officer in charge of the Office of Consulting Engineer for Irrigation and Canal Company, dated Chepauk, 12th November 1862, No. 86

From F. AGNEW, Esq., Agent Madras Irrigation and Canal Company, to Lieutenant-Colonel F. H. RUNDALL, Consulting Engineer Irrigation and Canal Company, dated Madras, 7th November 1862, No. 612.

SIR,

I have the honor to call your attention to my letter No. 495 of the 23rd ultimo, on the subject of this Company's contract with the Secretary of State, and to request that you will if possible obtain for me a reply from the Government in time for transmission to England by the next regular mail.

Submitted to Government in continuation of letter No. 85 of the 11th November 1862, from this Office.

(Signed.) S. O. E. LUDLOW, Lieut-Colonel, R. E.,
In charge of the Office of Cons. Engr. I. & C. Company.

No. 387. ORDER THEREON, 20th December 1862, No. 3,018.

1. The Despatch from the Secretary of State recorded above and its accompaniment, will be communicated to the Consulting Engineer for the Irrigation and Canal Company, with reference to the Proceedings of Government dated 12th November 1862, No. 2,721.

† Paragraph 3 of Colonel Ludlow's letter, dated 11th November 1862.

2. The Government are unable to comply with the request† of the Agent to be furnished with a copy of their reply to the recent Despatch from the Secretary of State relative to the Company's works.

(Signed.) W. I. BIRDWOOD, Colonel, R. E.,
Secretary to Government.

Despatch from the Right Honorable Sir C. WOOD, Bart., Secretary of State for India (Public Works), to His Excellency the Honorable the Governor in Council, Fort Saint George, dated India Office, London, 8th October 1862, No. 30:—

SIR,

1. Since writing my Despatch of 16th September last, No. 25, I have received a reply from the Madras Irrigation Company to my communication to them of the 3rd September. From this letter, a copy of which is herewith forwarded, you will perceive that the Irrigation Company evince a desire to meet some of the objections existing to a compliance with their former demands, and they strongly urge the immediate execution of a formal contract, I have, however, stated in reply to this request that, having referred the subject to your Government, final action must be deferred until a reply to that reference has been received.

Dated 11th September 1862.

2. I have, therefore, to request that no time may be lost in making me acquainted with your views in the matter.

THE MADRAS IRRIGATION AND CANAL COMPANY,
27, CANNON STREET, E. C. LONDON,
11th September 1862.

No. 29, 1862,
Home.

SIR,

1. The Directors have desired me to forward to you the following as a reply to your letter of the 3rd instant.

2. Viewing your communication as evidence of a desire on the part of the Secretary of State to terminate the differences and discussions which have arisen between himself and the Company, they (the Directors) would gladly refrain from noticing the contents of its first ten paragraphs; but as silence on their part might be reasonably held to amount to a concurrence in the statements there made they feel bound so far to refer to them, as to recall attention to the various letters and despatches which have passed between the Secretary of State for India and themselves and between the former and the Governments of India and Madras believing that the contents of those documents clearly establish as facts: that a deliberate and complete concession of the entire Toombuddra project was made to the Company by the Secretary of State in Council, that it has been a duty incumbent upon them to maintain that concession and the rights of the Company thereunder, as also to assert the injustice which would have accrued to the latter and to the country, to be affected by a modification or reduction of that concession, and, that the Chief Engineer in submitting a modified project which excluded the Bellary section, in reality the main feature of the conceded and adopted scheme, acted solely in compliance with an order of the Madras Government issued to him in obedience to directions received by them from the Secretary of State peremptorily forbidding the construction of any works which might involve an expenditure by the Company of more than £1,000,000.

3. Having made these preliminary but necessary remarks in justification of the claim put forth and the proceedings hitherto adopted on behalf of the Company, I will now by their request, explain the views of the Directors regarding the matters referred to in the remaining paragraphs of your letter, but before doing so I am desired to state that it must be distinctly understood that by the present negotiation they do not relinquish any portion of the existing rights of the Company but reserve to themselves full and perfect liberty to re-assert those rights unprejudiced should it become necessary hereafter to do so by reason of the failure of such negotiation or otherwise.

4. Bearing in mind the fact, that the Company's Chief Engineer, the Madras Government, their Consulting Engineer, and others of their Engineer Officers have from the outset and throughout, asserted an absolute and imperative necessity for the construction of reservoirs to store large quantities of water to keep up the required supply for irrigation and navigation to the whole and every part of the Company's work, and seeing also that the Madras Government have repeatedly expressed and earnest wish that the District of Bellary should be supplied by the Company with irrigation and water transit, and have recommended that the guarantee of interest by the Secretary of State should be extended to capital required to include in the Company's operations the construction of a tank in the Mysore territory and have likewise lately, in reply to their representations, received from the Government of Mysore, an expression of a willingness to concede to the Company the site of another contemplated reservoir upon the

Buddra river, the Directors respectfully submit that the engrossment and execution of the formal contract according to the draft now before him, need not now be longer delayed, inasmuch as such a deed will clearly and at once effect all the objects of the Secretary of State as explained by you. For instance the Company would under that deed be at liberty only to construct works, the plans whereof had been submitted to and approved by the local Government, and, as will be seen by reference to the copy sent herewith, clauses have been added thereto, as shown in red ink, whereby the Company will be bound to recognize existing rights of irrigation and to adopt, with the approval of the Madras Government, all proper means to secure those rights from injury by their works, so that each case may be dealt with specially according to its own character and merits, and whereby also the existing interests of the Government in Nellore and the prospective irrigation from the channels in connection with the Nellore Anicut, will be protected from interference by the operations of the Company.

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7. It is also worthy of remark that in both of the contracts now named not only does the condition that the Company is to be entitled to all the profits arising from navigation exist, but an additional advantage over the present terms is given to the shareholders, inasmuch as the whole of the profits from irrigation up to 25 per cent. will in each case belong to them, and the surplus only after that amount will be divisible between the Government and the Company, whereas in the present instance it is contemplated that such division shall take place after the Company shall have received 12 per cent. only. The Directors are, however, willing to undertake the task of raising the required capital without the advantage here referred to, but they are confident that they cannot safely attempt to do so upon terms unequal as regards the returns from navigation, to those already before the public.

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I have, &c.,

(Signed.) J. WESTWOOD, *Secretary.*

The Under Secretary of State for India.

Exd. S. T. Augustin.

Irrigation & Canal Company

11th March 1862.

No. 65.

From

Lieut.-Col. A. C. Cadell R.E.

In charge of the Office of the

Chief Engineer for I. & C. Company

To

The Secretary to Government

Public Works Department

Sir,

1. With the accompanying letter, the Agent has brought for the consideration of Government a letter addressed to him by the Secretary to the Board of Directors, together with copies of the Engineer, and requests the early attention of Government to a despatch from the Secretary of State in Council referred to therein.

2. This despatch I am informed, has already been received by Government, and I presume is under their consideration now. I shall therefore receive any remarks to which Mr. may have to make on the subject referred to in it, and the other letters now forwarded, until the subject has been communicated to this office in the usual manner.

3. You will observe, that the Agent requests &c.

c/23 Ct. & 1862 No. 495.

take favored with a copy of the Government's
reply to the Secretary's Address & referred to
above, for transmission to the Board of Mercantile

I have the honor to be,
Sir
Your most obedient Servant
J. B. Sheldon Lieut. Col.
Inspector of the Office of Commissary Gen. &c. &c.
Genl. Izard &c.

MADRAS IRRIGATION AND CANAL COMPANY,

Madras, 7 November 1862.

No. 612

From,

J. F. Agnew Esqre.
Agent Mr I & C Co

To,

Lieut-Col. F. H. Rundall
Consulting Engineer M I & C Co.

Sir,

I have the honor to call your attention to my letter No 495 of the 23d Ultimo, on the subject of this Company's Contract with the Secretary of State, and to request that you will obtain for me a refusal from the Government in time for transmission to England by the next regular Mail.

I have the honor to be
Sir
Your most obedient Servant

J. F. Agnew
Agent.

Rec'd 11th Nov. 62.
Rep'd 12th " "

Lieut Col Rundall
Consulting Engineer
Madras

Sir,

I have the honor to call your attention to my letter No 495 of the 23d Ultimo, on the subject of this Company's Contract with the Secretary of State, and to request that you will obtain for me a refusal from the Government in time for transmission to England by the next regular Mail.

I have the honor to be
Sir
Your most obedient Servant

J. F. Agnew
Agent.

No 3858. 20 Nov.

Rec'd 18th Nov. 62.

No 3014/8.

Proceedings of the Madras Govt
Under date the 20 October 1862
Rec'd the following Return

From the Hon'ble Govt
Fortwarding copy of a Letter from
the A.G. & Company to Mr. Secy Adam
& their enclosure relative to the
Quantity of Paddy required by the
Ryots in payment of Assessment
& relative to Certain Wells sunk
from the Govt Office in the Cuddapah
Collectorate

Ryots in the Cuddapah Collectorate
Subscribers for the Purchase of Seed Paddy.

Form- No 1

Statement of Number of Wells from the
Head Sirkar and the Quantity of Paddy
the Subscribers to each Well are entitled to

Name of Sirkar | No of Wells | Quantity of Paddy required
Nundalore | 11 | 12 Candies
Cuddapah | 1 | 1 Candy
Rayachoty | 1 | 1 Candy
Gandicotta | 1 | 1 Candy
Total | 14 | 15 Candies

Certified that the above Statement is correct

Cuddapah 12th Novr 1862

(Signed) [illegible]
Head Sirkar

Cuddapah 12th Novr 1862

(Signed) [illegible]
Head Sirkar

To Govt Order 12 Novr 62 No 386

P.W. Letter Despatched 18

No 612.

No 86.

Submitted to Government for confirmation of letter No 85 of the 11 November 1862 from this Office.

Consulting Engr Office
Irrigation & Canal Br
Received 12 Novr 62

(Signed) J. Thudium
Lt Colonel
In charge of the Office
of Consulting Engineer

To
The Secretary to Government
D.P.W.

1862.

Rec'd Nov 14 C.E.
Com. Irrig. Nov 14 C.E.

Orderly
Received 10 November 62

Calling attention to
Govt letter No 1095 of 23rd
Ultimo, regarding the
Conditions, Contract, and
regulations as to supply
of seed for transmission
to Ryots by the next
Season Mail—

No 386.

To Govt 12 Novr 62

Transmit Good for Deas
Thos. Q. Ad. Genl.
Lt. Col. R.E. Ludlow R.C.
Exchange of the Office
of Cons. Engr. for W.C.
To
The Secretary to Govt.
P.W.D.

Dated 12
Rec'd 18th November 1862
No. 86.

Submits a letter
from the Agent, in
continuation of one
from this Office No. 85,
regarding the Company's
Contract with the Secretary
of State in India.

No. 3048 - 20 December

Recent
d. Thro Govt to the Lieutenant
from the Secretary of State for Calcutta
to the Comptroller's works.

D.B

4 Copies

2

22 Outhome
4. The Govg Genl of C. Comptr with 4 Copies of Despatch. Desp. 22 10
Agents for Do with 4 Copies of the Scheme Do

M.R.O. 1—77

P.O. 1862 Despte
P.Sec. of Govt. for Desp.

P. 3248.
P.Sec. of the Admiralty
dd 29th December

Communicating to the Consulting Engrs. & H.C. Home Despatch forwarding copy of a letter from the Company on the subject of the Nellore works & declining to furnish the Agent with a copy of the reply of this Govt. to Home Authorities to their recent Despatch.

No. 384 @ 389

C/18 Navy A. 8 Dec 62