

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 3291	Press
331-332	Mis
Dated 16-11-1864	

Not to be folded or roughly handled

11

*Proceedings of the Madras Government, Public Works Department,
16th November 1861.*

No. 331. Read the following Proceedings of the Madras Government in the Revenue Department:—

Passing orders on the letter from the Consulting Engineer,
Irrigation and Canal Company, requesting instructions
regarding the clauses of the Company's Contract relating
to the Revenue Accounts, both Irrigation and Toll, &c. } (Here enter 11th November 1861, No. 2,067.)

No. 332. ORDER THEREON, 16th November 1861, No. 3,291.

Ordered to be recorded.

(True Extract.)

(Signed) CHARLES A. ORR, Colonel, R. E.,
Secretary to Government.

Exd. S. T. Augustin.

3 M

*Proceedings of the Madras Government, Revenue Department,
11th November 1861.*

No. 125. Read the following letter from Captain J. MULLINS, R. E., Consulting Engineer, Irrigation and Canal Company, to Colonel C. A. ORR, R. E., Secretary to Government, Department Public Works, dated Madras, 20th October 1861, No. 126:—

Sir,

1. Government having recently sanctioned the Rules under which the Madras Irrigation and Canal Company's Irrigation Revenue is to be assessed and collected, it becomes now necessary to frame, in communication with the Agent and Manager of the Company, the rules for the proper keeping of the Revenue Accounts, both Irrigation and Toll, as also to discuss the questions relating to the charges to be made for the supply of water for other than Irrigation purposes, and to determine also the maximum tolls in connection with the navigation which the Company will be allowed to levy. These two latter regulations will have to be embodied in an "Act of Parliament of the Indian Legislation."

Contract, Clause 27.

Before commencing a correspondence with the Agent on the subjects above indicated, I would request the Government to take into consideration the Clauses of the Contract which refer to these matters, and to give me such general instructions as may appear necessary, so that the rules may be prepared accordingly.

2. Clause 21 of the Contract is the first which relates to expenditure for the maintenance of works already constructed. It provides that the Company shall maintain, in proper repair and in efficient working order, all completed works, &c.; and the following Clause (22) shows that the cost of so doing is to be debited to the Irrigation Revenue Account, with the exception of such portion or percentage of the cost as may be considered to belong to the (Navigation) Tolls Revenue.

3. The first thing which it appears necessary to settle is the time from which maintenance or restoration is to cease to be paid for, directly or indirectly, out of estimates sanctioned out of Capital, and if the commencement of the debit to repairs is to date from the entire completion of each separate Section of the works, it will be advisable, with a view to the keeping of the accounts without difficulty or mistake, that each Section, when once commenced, should be finished as soon as circumstances will allow, and that the entries to Capital Account in respect of it should be closed, not however of necessity finally, because it may happen that original arrangements may prove defective or insufficient, and the cost of the additional or improved works would properly be debitable to Capital. It might be arranged however that when all the work of all descriptions of a Section cannot be completed about the same time, the earthworks, masonry works, settlements, &c., might without difficulty each be reported complete as it is finished, and thereafter its maintenance would be chargeable to Revenue. If this be the opinion of Government the Agent will be requested to arrange that the completion of the distinct descriptions of work of each Section, sanctioned on separate estimates, may be regularly reported, and the necessary separate arrangements made for their repair.

4. The Contract would seem to make no provision whatever for requiring the approval of Government to the arrangements for conducting the repair and maintenance of the Company's works. This duty will therefore, it appears, be performed by the Agent and Manager under the instructions of the Board of Directors, and on his own responsibility. The Government can

Clause 21.

interfere only in the event of continued neglect to repair for six months, after notice has been given.

5. It will however probably be the case that some portions of the permanent Engineering Establishment, the salaries of which are charged to Capital, will be required to undertake the management of the establishment maintained to supervise or carry out the repairs, and in that case it will be requisite that a proportion of the cost of the Permanent Establishment, above referred to, should be charged to Revenue. Probably the simplest plan will be to divide the charge in direct proportion to the expenditure, including special superintendence, under the heads of Capital and Revenue expenditure respectively, the adjustment to be made at the close of each half year by a

*Proceedings of the Madras Government, Revenue Department,
11th November 1861.*

G. The Irrigation Revenue Account is to be made up at the end of the calendar year, but power to pay half-yearly dividends is hereby

6. The Irrigation Revenue Account is to be made up half yearly, the date being those of the Calendar year; but power is given to the Secretary of State to alter them from time to time provided that the guaranteed interest on the loan shall be paid on the first day of the Indian calendar year, and as by Clause 2 the net irrigation profits are required to be applied in the first place in discharging the guaranteed interest, due in respect of the half year, it will probably be best, notwithstanding the want of agreement between the British and the Indian Official year, and the Revenue year, to have the account laid forth in the Contract.

7. The amount of the charge for general management as per Article 10 of the Contract will have to be adjusted to the dates of Irrigation Revenue.

7. The consideration of the sum of \$100,000.00 is not an ordinary requisite and fact rationale is not easily determined when the actual cost is ascertained.

[illegible]

not perhaps be in a position to furnish the Agent with the necessary information.

cheques passed for payment in the Office of the Accountant General. This is the simplest and most direct method of connection with the Accounting Officer, and is the only one which is simple, as, when the Cheque is returned, it is returned to the Collector's hands.

[illegible]

such use of it. It is very important to open the Canal for navigation, and can only indirectly, through the arrangements with a view to the

solely because the Government has no right to interfere with the navigation of the Canal, no power is reserved to the Government for the purpose of interfering with the navigation of the Canal by affording facilities for transportation thereon.

The Canal is navigated by the Company's boats and

*Proceedings of the Madras Government, Revenue Department,
11th November 1861.*

maintained, but it may be remarked that the cost of the navigation plant will have to be debited to the Irrigation Capital Account, and there seems to be nothing to prevent the Company from closing the navigation or ceasing to navigate directly, and disposing of the plant.

11. Under these circumstances it will be advisable, I think, to let the
 navigation be left as will ensure to the Company the power of working the navigation at a
 profit within that limit. It will probably be unnecessary to attempt more than a very simple
 classification of goods, and with regard to those and to passengers and animals also, the more
 simple the rules the better. The cost of transport as originally estimated, can have but little to
 show for a Canal which has cost up to the present time, and will have cost, when finished, more
 than twice as much as was supposed necessary, and perhaps therefore it will be prudent to make
 the maximum charges as high as about one half those of the Railway say.

RS. A. P.
 0 0 6

	R.R.	A.	P.
... ..	0	0	6
... ..	0	0	8
... ..	0	0	6
... ..	0	0	9
... ..	0	0	6
... ..	0	1	0
... ..	2	0	0
... ..	0	0	6
... ..	0	0	2

Call on each pet made ...
 Sheep and goats ...

As it is my intention of this rate will meet the ordinary rates, the Company
The benefit of the same being always on a lower scale than ordinary rates, the Company
Always to be made such arrangements as they please of this kind and nothing need be said
to the effect of the Act.

The Tail Revenue Accounts it is laid down
the meaning

12. In Clause 17 of the said contract regarding Toll Revenue Accounts it is laid down that the duty to the Government as to toll payments made in respect of such tolls (the meaning of which is not strictly defined in the collection thereof, and also such proportion or percentage of the amount of tolls received by the Company) in the repair and maintenance of all works which shall may be necessary and need for the purpose of navigation as may be fixed immediately after the signing of the said preliminary mutual agreement between the Chief Engineer of the Company and the Chief Engineer of the Madras Government, as far and proper." It will be found that the said clause does not lay down the whole cost of the repair of locks and maintenance of lock establishments to be charged to the Government, but it would not have been possible for the percentage of the tolls to be fixed at the time indicated above, and it cannot be fixed yet.

[illegible]

Investigation." Throughout the investigation service in China
being provided a guarantee to both maximum amount of loans adequate to the navigation revenue to
be the extent of the budgetary allocations. Clause 28, the
guarantee guaranteed interest, when navigation Revenue is insufficient, in fact with the
Company are left free to do as they think proper with respect to navigation. In fact with the
exception of the last paragraph the provisions in connection with navigation give no greater
security than the State would probably receive in the case of any unguaranteed Company to

*Proceedings of the Madras Government Revenue Department,
11th November 1864.*

which powers to acquire the property of private individuals had to be conceded. It is true that on the Main Canal itself the separation of charges due to Irrigation and Navigation respectively would have been difficult, and if the Contract intended any such arrangement, a separation of the rates would have been necessary. But of course the debit to distinct Capitals would have been easily managed in the case of those works which were required solely for navigation.

14. I enclose a draft form of the Account Current required by Clause 21 of the Contract to be submitted half yearly, and in connection therewith a Return, giving the particulars shown in the Abstract Statement thereto attached, will be needed to show that all collections are duly credited. These accounts will probably be all that will be required from the Agent. Information as to areas under cultivation and other details can be readily obtained from the Collectors, who might send regularly to this office an abstract for villages in the form shown in Rule V,* to which if an appendix were given, exhibiting the areas at each Irrigation rate, I should be able to afford Government information on all the points with which they would wish to be made acquainted.

15. I shall in a few days have to lay before Government the correspondence on the subject of water supply of Kurnool, and the maximum rates, with reference to Clause 27 of the Contract, which may be allowed for such, and for other extraordinary, services will then be noticed.

Referred to the Revenue Department.

CHEPPEK,
27th October 1864.

(Signed) CHARLES A. OHR, Colonel, R. E.,
Secretary to Government, P. W. D.

No. 126.

ORDER THEREON, 11th November 1864, No. 2,067.

Miscellaneous.

1. The Government consider that Captain Mullins' reading of the Clauses of the Contract, which are referred to by him, is correct. As regards paragraph 11 of his letter, they are of opinion that the Contract (Clause 20) contemplates only one Capital Account in which navigation expenditure chargeable to Capital is to be debited, as well as similar Irrigation expenditure. The revenues from Irrigation and Navigation, on the other hand, are to be kept distinct.

2. Captain Mullins will consult the Accountant General on the subject of paragraph 9 of his letter, and discuss the subjects noted in paragraph 1 with the Agent, submitting with his final report a sketch of the provisions to be embodied in the Act proposed by Clause 27 of the Contract.

(True Extract.)

Charles A. Ohr
Secretary to Government.

To the Consulting Engineer - Irrigation and Company.
.. the Public Works Department.
.. the Accountant General.

Exd. T. O'Connor.

103291

Recorded

Delapoull 9
16 Dec 1863

1854 & 1855
No. of Good from American

1854

No. of Good from British

1854

1854

1854

By the order of the
Comptroller of the Treasury
of the United States
to the Comptroller of the
United States

103291-16

Recorded

103291-16