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MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No.	1313	Press
	296-297	Mis.
Dated	15/2/52	18/6/52

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Public Works Department,
15th May 1865.*

No. 296. Read the following Proceedings of the Madras Government in the
Revenue Department :—

Passing orders on certain correspondence
submitted by the Consulting Engineer
Madras Irrigation and Canal Company,
relative to the maximum rate charge-
able by the Company for water suppli-
ed for other than irrigation purposes. } (Here enter 10th May 1865, No. 964.)

No. 297. ORDER THEREON, 15th May 1865, No. 1,313.

MISCELLANEOUS, No. 16.

Ordered to be recorded.

(True Extract.)

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

Exd. S. T. Augustin.

*Proceedings of the Madras Government, Revenue Department,
10th May 1865.*

No. 158. 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, Public Works Department, dated Nagatoor, 24th March 1865, No. 229.—

SIR,
1. With reference to the Order of Government in the Revenue Department of the 11th January last, No. 37, I have the honor to transmit a letter, No. 136 of the

1 Original letter from Agent, No 136 dated 14th instant. 14th instant, from the Agent and Manager, Irrigation and Canal Company, in which that gentleman communicates the views of the Board of Directors of the Company on the subject of the maximum rate to be fixed by the Legislature for the supply of water for purposes other than that of irrigation.

2. I am unable to concur in the opinion that this maximum rate should be a variable one dependent upon the irrigation rate for the time being, or that, as mentioned at the end of paragraph 3 of Mr. Henslowe's letter, "it should always be double the price charged for water for Irrigation."

3. In paragraph 5 of my letter, No. 129 of the 24th October last, I noticed that the Chief Engineer proposed to charge for the supply of the Town of Kurnool with 400 cubic yards of water

per hour throughout the year, Rupees 3,200, or 1 Rupee for 1,095 cubic yards, and that as probably 4,000 cubic yards would be required for an Acre of irrigated land, the rate for which was to be 4 Rupees, the charge in this case would be 1 Rupee for 1,000, cubic yards, and the charge, for the supply for a year to the town of Kurnool at an equal rate, as intended by the Chief Engineer, would be Rupees 3,504 per hour. To leave the Company however a sufficient margin for the exercise of the powers to be conferred upon them, I suggested that 1 Rupee for 500 cubic yards of water should be the maximum rate for exceptional supplies of water, and this was afterwards agreed to.

4. It appears to me that the value of water supplied for exceptional purposes is in no way dependent, as Mr. Henslowe would seem to think, on the value of water used for irrigation. The latter depends upon the price of produce. It varies for every description of produce, and it is not identical even for varieties of the same sort of produce. The value of water for exceptional purposes is dependent on the other hand on totally different causes and circumstances. Water for a town supply is of greater or less value according as the town is naturally well or ill-supplied. Its real value for Kurnool, which has a river washing the side of the town, is very different to what it would be for Madras or Bellary; and similarly examples might be taken for water used as a mechanical power; but enough has been said to shew that the rates for water for purposes other than that of irrigation are in no way influenced by the value of irrigation water.

5. Had the Board of Directors considered that 1 Rupee for 500 cubic yards of water was too low for a maximum rate, and that it might be anticipated that at a future time such a rate would not afford them the returns they might be entitled to expect, their opinion would have demanded careful consideration; and even now should the Government think that it would be better to increase the margin allowed and to enter in the Act a maximum rate of 1 Rupee for 400 cubic yards, I think there would be no objection to such an alteration.

6. I have not the previous correspondence on the subject of navigation tolls and fares with me, so that I must defer remarking in full on paragraph 5 of the Agent's letter, and I need therefore only point out here that while, in the case of the guaranteed Railways, the fares are regulated entirely under the authority of the Government, and all changes require their concurrence, the contract of the Irrigation and Canal Company requires that only a maximum shall be fixed; but it could

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10th May 1865.*

hardly have been intended that this maximum should be uninfluential, which would certainly be the case were it made as high as that suggested by the Agent. A navigation Canal would confer little or no benefit on the country through which it passed were its tolls per ton per mile at all on a par with those charged by a Railway, and leaving out of view the difference in time of transit it is evident that the more circuitous rate necessarily taken by a Canal would render it impossible to charge such rates, and an impossible maximum is not wanted, and was not intended to be fixed.

Referred to the Revenue Department.

FORT SAINT GEORGE, (Signed) CHARLES A. ORR, Colonel, R. E.,
31st March 1865. Secretary to Government, P.W.D.

From F. H. HENSLOWE, Esq., Agent and Manager, Madras Irrigation and Canal Company, to the Consulting Engineer, Madras Irrigation and Canal Company, dated Madras, 14th March 1865, No. 136.

Sir,

1. With reference to my letter, No. 2,118 of 9th December, I have the honor to inform you that having submitted to my Director the correspondence which took place between you, Colonel Cotton, and myself in reference to the proposed supply of water to the Town of Kurnool, I have now been placed in possession of their views

2. The Board are of opinion that in the Act required to be passed by the Indian Legislature the maximum charge for water so supplied should be fixed simply "as never to exceed double the maximum price that shall for the time being and from time to time be charged under the Contract," they think that this arrangement will be more likely to work fairly for all parties than if a specific price be named in the Act as a maximum charge.

3. The maximum price proposed by you and not disagreed to by Colonel Cotton was one Rupee for every 500 cubic yards of water, a standard assumed by you on the ground that water supplied for Municipal purposes may be safely taken to be worth double its value for irrigation, and if the value of water for irrigation varies whether by rising or falling (to meet which contingency power is given in the Contract to vary the prices) the value of water for Municipal and other uses will also vary; and it is but fair that its maximum price should be subject to change, being of course always regulated by the same standard, that is, that it should always be double the price charged for water for irrigation.

4. I need scarcely add that no charge will be lightly proposed or carried out in the prices charged for irrigation.

5. The Board have not yet fully considered the question of the maximum rates and tolls to be charged upon the Canal, and as no preparations are yet making for navigation, it may not be necessary to come to any decision upon that point at present, unless it should be deemed essential to include both provisions in one Act. In this latter case I think it will be admitted that all that can be required will be not the regulation of the tolls, &c., but simply the fixing of a maximum beyond which the charges would be oppressive. If this was fixed too low, it might appear to offer an unfair competition to the Railway Companies, and indeed the finest standard to take would be that fixed for the Railways. There can be no sound reason why a lower scale should be fixed for Canals than for the Railways, if the charge in the one case is not too high it cannot be considered oppressive in the other, and to this extent only can it be necessary to legislate.

No. 159.

ORDER THEREON, 10th May 1865, No. 964.

Miscellaneous.

1. This letter refers to the maximum rate chargeable by the Irrigation Company for water supplied for other than irrigation purposes

2. Clause 27 of the Contract declares, that "the Company shall be authorized and empowered to charge such rates for the supply of water generally, except the supply for the purposes of irrigation which is in these presents otherwise provided for * * * as shall not exceed the rates * * * which shall be defined and sanctioned by an Act of Parliament of the Indian Legislature."

3. In their Order of the 11th January last, No. 37, the Government, on the suggestion of the Consulting Engineer, in which Colonel Cotton concurred, accepted the rate of one Rupee for 500 cubic yards of water as the maximum to be fixed by Law.

*Proceedings of the Madras Government, Revenue Department,
10th May 1865.*

4. The Agent now reports that the Board of Directors are of opinion that in the Act to be passed by the Indian Legislature, the maximum should be fixed simply "as never to exceed double the maximum price that shall for the time being and from time to time be charged under the Contract" for water for irrigation. The Government observe that such an arrangement obviously would not meet the requirements of the Contract, which prescribes that the rates shall be "defined" in the Act. It would be useless therefore to propose to enact that the rate shall not exceed twice another rate not expressed either in the Act or the Contract.

5. It must also be remembered that while the rate to be charged for water for irrigation is subject, in case of dispute between the Government and the Company, to the decision of Arbitrators, the Company are apparently free to charge what they please, within the maximum fixed by law, for water supplied for other purposes. This consideration probably induced the stipulation that the maximum rate in the latter case should be "defined" by law.

6. As regards the argument that the price of water supplied for general purposes should be double that of water supplied for irrigation, the Government observe that no attempt is made to prove that there is any much less so great, a difference in the value of water supplied for irrigation and for other purposes; that the rate already accepted by Government on the Consulting Engineer's declaration, and on Colonel Cotton's declaration, of its safety, is too low. The Consulting Engineer satisfactorily shows that there is no analogy between the two cases; and further while water for general purposes is to be charged by volume, the charge for water supplied for irrigation is by the Acre. As, however, Captain Mullins sees no objection to raising the rate to one Rupee for 400, instead of 500 cubic yards, the Government will, to save delay, accept this rate, and agree to pay the Agent on which point the Consulting Engineer will report.

* Paragraph 6 of Colonel Cotton's letter, 29th November 1864, in Q, 11th January 1865, No. 37.

7. The question of Tolls for navigation, referred to in the Agent's letter, need not be discussed at present.

(True Extract)

Secretary to Government.

To the Consulting Engineer, Irrigation and Canal Company
" the Public Works Department
" the Legislative do.
" the Board of Revenue.
" the Collector of Kurnool.
" the Public Department.

Ed. R. H. Lee.

of 1905-1907

J. W. 1865-1868
Chas. J. 1868-1870
Chas. J. 1870-1872
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1872-1873

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the 1882-1883

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1884-1885

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