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MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No. <u>1582</u>	Press Mis.
<u>597-598</u>	
Dated <u>25-5-18</u>	<u>67</u>

Not to be folded or roughly handled

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No. 597. Read the following Despatch from the Right Honourable the Secretary of State for India, (Public Works), to His Excellency the Right Honourable the Governor in Council, Fort Saint George, dated India Office, London, 8th April 1867, No. 12:—

1. Herewith is transmitted, for consideration and for such measures as you may in consequence deem fitting, copy of a letter* from the Directors of the Madras Irrigation Company, complaining of obstructions interposed by your Government to the prosecution of their undertaking, and basing thereon proposals, compliance with which would amount to little less than withdrawal of all Government control from the proceedings of their Officers.

2. To any such arrangement I am not, as I need scarcely say, disposed to accede. My views on the subject correspond very closely with those expressed in Lord Cranborne's Despatch to you, No. 19, of 25th October last, but it certainly appears to me that the orders passed by your Government in one of the cases referred to by the Directors, if rightly described by their Secretary, require more minute and detailed investigation, and would occasion more delay in sanctioning estimates than the terms of that Despatch were intended to warrant. The Company, by their supplementary contract, are bound, under a penalty, to finish their work within a specified period, but this they cannot reasonably be expected to do if, as their Chief Engineer complains, any unnecessary delay is permitted to occur in the sanction of their estimates.

† 4th April 1867.

3. A copy of the reply† which I have caused to be addressed to the Directors is also forwarded herewith.

From the Secretary, Madras Irrigation and Canal Company, to the Under Secretary of State for India, dated 8 and 9 Queen Street Place, London, 11th March 1867, No. 9.

1. I have received instructions from the Board of Directors to solicit, most respectfully, the early and serious attention of the Secretary of State in Council to the present unsatisfactory position of this Company, with reference to the 11th Clause of their Supplementary Contract of the 2nd October last, which stipulates that if the canal and works between Soonkasala and Cuddapah (a distance of 191 miles) are not completed and placed in working order to the satisfaction of the Local Government before the 1st day of July 1871, the Secretary of State shall have power to take possession of such canal and works in exchange for India Stock equivalent to the monies which shall then have been expended thereon.

2. The foregoing stipulation was, it will be remembered, agreed to on behalf of the Company in May last, in deference to the wishes of the Secretary of State in Council, who declined to dispense with its being one of the conditions upon which the intended supplementary arrangement should be based, the Directors believing that although the period of five years from July 1866 presented a very narrow limit within which to execute and place in working order works of so extensive and so novel a character, yet satisfied that by dint of vigorous and increasing efforts on the part of all who should be connected with the operations of the Company, the task might be performed, and resting on a confidence that the Government would heartily co-operate with them, and readily do all in its power to prevent delay, to remove obstructions, and to expedite the approval of plans and estimates, as also the giving over of land required for the works.

3. At the time now referred to, it was thought that the arrangement, of which the Clause above explained was to form a part, would be completed in time for work to be resumed in India in the month of July then following—the commencement of the stated period of five years—but delays

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arose, caused, firstly, by the necessity which existed for procuring an Act of Parliament conferring the necessary authority to create the contemplated contract, and secondly, by discussions which arose regarding the contents of such contract, so that the formal Deed was not finally completed until the middle of October last, and consequently the task which the Directors had undertaken was made still more difficult by the lapse, without progress, of several months of the limited period, and even when the contract had been executed the Directors had to re-organize their Engineering Establishment, a preliminary step before construction, requiring much time to complete. Nevertheless, it was determined to enter earnestly upon a re-commencement of operations, and to use every possible effort to fulfil the Company's engagement loyally, with full reliance upon the generous and liberal co-operation of the Government, without which it was manifest success could not be attained. At the very outset, however, of these efforts, the Directors find themselves beset with difficulties which seriously threaten to thwart and render useless any endeavours they may make to complete the works within the given time, which difficulties it is true will certainly entitle the Company to claim hereafter an extension of that period, but that is a claim which the Directors do not desire to have to advance, unless absolutely compelled to do so, and therefore they feel constrained now to lay the facts before the Secretary of State, and to express a hope that he will adopt such remedial measures as in his judgment shall appear best to meet the exigencies of the case.

4. Prior to the supplementary arrangement between the Secretary of State and the Company, to which this letter refers, the execution of the works to be now completed had been carried on not only in accordance with plans and estimates most carefully examined, amended, and settled by the Consulting Engineer to the Madras Government, and approved by that Government itself, but under a direct control and minute supervision over details exercised on behalf of the latter authority, and as this elaborately controlling system of management had confessedly led to a lamentable loss of time and a waste of funds, it was fairly expected that when the Company became bound to complete the stated works, and to place them in good working order to the satisfaction of the Local Government within a fixed period, and on default to forfeit those works in exchange for their cost price, this prejudicial and expensive control would have been reduced to a minimum, and full freedom of action given to the Company's Officers, whereby responsibility would have been placed where it properly should rest, and this expectation was confirmed by the circumstance that by the supplementary arrangement a new state of things was created and all past expenditure conclusively settled. To the regret and surprise of the Directors, however, it appears from late advices from India that a more detailed control than ever is being exercised over the Company's proceedings, and that the former double management is not only continued, but the responsibilities of the Company and its Executive are being reduced and those of the Government proportionately increased, and so that if the same policy is maintained the most important portion of the management of operations, and that upon the prompt and energetic conduct whereof the fulfilment of the Company's Covenant will depend, will be taken out of the hands of the Directors and their Executive, and be transferred to the Government.

5. In illustration whereof I will adduce two cases as sufficient for the purpose sought by this letter. *First*—Revised estimates of cost of completing the 6th Section of the Main Canal were in October last submitted to the Government by the Company's Agent for approval, and not only were the rates fixed by the Company's Chief Engineer to be paid for the work lowered by the Consulting Engineer to Government, but the section given to the embankments was reduced by him from a width of nine feet to a width of six feet at the top, and from a slope on the outside of 2 to 1, to 1½ to 1, and those estimates were sanctioned, subject to such modifications. *Second*—Detailed revised estimates of the cost of completing the 2nd and 3rd sections of the same canal were in like manner submitted for approval, but the Government of Madras, acting upon the advice of their Consulting Engineer, have declined to sanction those estimates until the whole of the work already constructed shall have been accurately measured and ascertained, the Consulting Engineer stating his opinion to be that "It is requisite that whatever mistakes and errors have been committed in the past management of the section should be ascertained." These requirements the Chief Engineer of the Company has, with a limited staff, found it quite impossible to comply with, and states in a letter to the Manager, that the required measurement

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will take probably the remainder of the present season, and that before the Government accept his measurement the correspondence will occupy six months more, a very moderate computation according to previous experience, and adds the following observations upon the merits and effect of such a course:—

"You (the Manager) have submitted to Government estimates, supported by the utmost detail for completing the 4th Section masonry, and 7th Section earth-work (and those for the masonry of the 5th and 7th Sections are ready, but are detained from the sheer uselessness of sending them forward), and estimates for completing the partially consolidated works of the 2nd and 3rd Sections have been also submitted, making on the whole a complete set from the 2nd to the 7th Sections inclusive, except the part of the 6th not required for irrigation. All these have been rejected without any tangible suspicion of their correctness being expressed, until all the old work shall have been measured up again.

"It is probable that when the share-holders accepted, through the Board, the time bargain with Government, they were hardly aware that although Government passed the previous expenditure, still they would not be allowed to commence their time bargain till a season had passed. If, however, they thought that they would come to their bargain like a new contractor, with the old work settled, and nothing to do but satisfactorily and in the utmost possible detail estimate the work which the contract specifies that they had engaged by their time bargain to do, it is now clear that they are not allowed to do so. This has been done, and still there is no prospect of our being permitted to start. The existing state of the work must be first re-measured whether that condition be in the contract or no.

"The most accessible records of the measurements and payments of past work by the Company's Engineers are declined by Government, as not satisfactory and trustworthy enough for their object.

"It is a simple and safe matter to measure up for estimates of completion. A half finished culvert, bridge, or bank merely requires a careful survey and a determination of the style, and form necessary for a satisfactory completion including foundations, earthing up, &c., and if this be fairly estimated and sanctioned, it can subsequently be let by contract for completion, and the completion is thus definitely obtained in a satisfactory manner."

6. It is necessary to add to these cases that special voluminous accounts and progress returns, elaborately sub-divided under numerous headings, are still called for by, and supplied to, Government, and that constant correspondence is carried on from the Consulting Engineer to the Manager, from the Manager to the Chief Engineer, and from the Chief Engineer to each of the Divisional Engineers, and backward in the same manner, upon items queried mostly not as to whether the amounts have been properly expended upon the works, but whether they have in the accounts been placed under proper headings, and thus an unnecessary but substantial cause of complaint is given to the Engineers, who from time to time declare that so much of their attention is called to these unnecessary and vexatious matters of account and inquiry, that they are unable to perform their professional duties satisfactorily, and that the result is that work is unwillingly neglected, and being left too much to subordinates is inefficiently executed, and much money wrongly expended.

7. The Directors assure the Secretary of State in Council they have no desire whatever to object, and do not object to the exercise by the Local Government and its Officers of such supervision as may be found necessary to prevent or detect fraud or to protect the public interests, but they submit it is not only not consistent with the nature of the supplementary contract made, that the control of Government should be carried to the minute and obstructive extent it is, as illustrated by the proceedings above quoted, actually entering into the management of the Company, and depriving the latter of proper power of action or discretion in the carrying out of a time contract, and they would respectfully suggest that it will be true policy, and will tend to economy and expedition, and also to relieve the Government from useless expenditure and trouble and unnecessary responsibility, if henceforth upon receiving estimates for approval, and upon being satisfied (by his Certificate to that effect) that those estimates have been prepared by the Chief Engineer of the

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Company to the best of his ability, and with a real desire to exhibit thereby what, in his judgment, will cover the cost of the work represented, the Local Government shall pass those estimates, correcting of course any manifest inaccuracies, because, by so doing, not only will much time be saved, but the Chief Engineer of the Company will be made to feel his professional character and responsibility involved in submitting proper estimates, and in the execution of the works for a sum within his own selected and pledged total, provided that in the subsequent stages of progress he is not unnecessarily interfered with. And they are convinced that then every possible effort will be made to secure proper checks of measurement of work done, and of expenditure made throughout the scene of the Company's operations.

8. Lastly, I am desired to state, that the Directors in making the foregoing representations, are influenced solely by a sincere desire to carry out, in the most complete and satisfactory manner, the conditions of their contract, and by a knowledge that it will be impossible for them to do so if they are not permitted to pursue their own course of management, freed from all such control and supervision on the part of Government, as will increase expense and occupy time now so valuable unnecessarily. They also emphatically declare that they do not complain of the present Government of Madras, or of its Officers, but seek only that the evil portions of a system which has existed from the outset, may now be removed, believing that the Local authorities, if authorized so to do, will readily assist in furthering such an object, and they earnestly hope that the Secretary of State in Council will kindly consider the matter at the earliest convenient period and issue such instructions as may appear to him best calculated to meet the interests of the Company, with which the interests of the country are inseparably combined.

From the Under Secretary of State for India, to the Secretary Madras Irrigation and Canal Company, dated India Office, 4th April 1867.

1. I am directed by the Secretary of State for India to acknowledge receipt of your letter of 11th ultimo, representing, by desire of the Directors of the Madras Irrigation and Canal Company, that the prosecution of the Company's undertaking is seriously obstructed by the mode in which the control of the Government of Madras over the proceedings of their Officers is exercised, and suggesting, as a remedy, that the Government should be instructed to pass without further alteration than the correction of manifest inaccuracies, any estimates submitted to them by the Company's Chief Engineer, and certified by him to have been prepared to the best of his ability, and with a real desire to exhibit thereby what, in his judgment, will cover the cost of the work represented.

2. In reply I am to request you to acquaint the Directors that Sir Stafford Northcote declines to sanction so complete a withdrawal of the control vested in Government by contract as would be involved in the adoption of the suggested arrangement. He admits, however, that, in one of the cases referred to by the Directors, the orders passed do, if correctly described, appear to him calculated to cause unnecessary delay, and he will so inform the Government of Madras, furnishing them, at the same time, with a copy of your letter, and inviting their attention to the general subject.

No. 598. ORDER THEREON, 25th May 1867, No. 1,582.

IRRIGATION, No. 36.

1. Ordered that the foregoing Despatch and its enclosure be communicated to the Consulting Engineer for the Madras Irrigation and Canal Company.
2. The Government have no wish to throw any impediment in the way of the progress of the Company's works. On the contrary, being desirous that the prosecution of those works should not unnecessarily be delayed, the Government, though not satisfied with the estimates which were submitted to them for completing the second and third sections of the canal, authorized advances to the extent

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of 3½ lacs of Rupees, and they were in hopes that the more complete estimates which they required would have been shortly afterwards submitted. The modifications in the plans of the sixth section, which were recommended by the Consulting Engineer, were believed by Government to be acceptable to the Company's Engineers, and if those Officers had reason to dissent from the views expressed by the Consulting Engineer and by Government, it was open to them to refer the matter for re-consideration.

3. Anxious to facilitate the progress of the Company's undertaking, His Lordship in Council desires that the Consulting Engineer will put himself into immediate communication with the Company's Manager, with a view to hastening the submission to Government of all estimates that may be under preparation.

(True Extract.)

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

To the Consulting Engineer for Irrigation and Canal Company.
,, Manager for do. do.

Rsd. S. T. Augustin.

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Public Works Dept

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Proceedings of the Madras Government
Under date the 25th May 1867.

Read the following.

From the Right Honble
The Secretary of State for India

Here enter 8th April 1867
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*R.
G.P.
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the contrary, being desirous that the prosecution of those works should not unnecessarily be delayed, the Govt., though not satisfied with the estimates which were submitted to them for completing the second and third sections of the ~~Company's~~ Canal, authorized advances to the extent of $3\frac{1}{4}$ lacs of Rupees, and they were in hopes that the more complete estimates which they required would have been shortly afterwards submitted

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mitted. The modifications in the plans of the 1st section, which were recommended by the Consulting Engineer, were believed by Govt. to be acceptable to the Company's Engineers, and if those Officers had reason to dissent from the views expressed by the Consulting Engineer and by Govt., it was open to them to refer the matter for reconsideration.

3. Anxious to facilitate the progress of the Company's undertaking, His Lordship in Council desires that the Consulting Engineer

Engineer will put him-
self in immediate
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the Company's Manager,
with a view to hasten-
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Y. L.

4 To the Engr. ✓
4 " Manager ✓

Recd 27/5/67

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Pub. Works 1867 Departs

Pro: of Govt for Map

No. 1582

Pro: of the Madras Govt.
Of 25th May 1867

Despatches from the
Secretary of State, forwarding copy
of certain correspondence from
the Directors of the Irrigation
Company, complaining of ob-
structions interposed by the Govt.
of Madras to the prosecution of
Madras I. C. Company's
works, communicated, with
remarks, to the Consulting Engrs.

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