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MADRAS RECORD OFFICE.

Government of Madras.

Public Works

DEPARTMENT.

G.O. No. 1035

139-46

Press
Mis.

Dated 14. 11.

1891.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
14th April 1871.*

No. 139. Read the following letter from the Secretary to the Government of India, Public Works Department, (Irrigation,) to the Secretary to the Government of Madras, Public Works Department, dated Fort William, 22nd March 1871, No. 100-I:—

With reference to your endorsement No. 2,964, dated 7th December 1870, forwarding a copy of the Proceedings of the Government of Madras upon receipt of a report by the Consulting Engineer for the Irrigation and Canal Company, in which the state of that Company's works at the time of his inspection is described in detail, I am directed to observe as follows.

2. The loan of £600,000 granted by the Secretary of State to the Company, and for which they were to pay interest at 5 per cent. from the profits of the canal, was subject to the condition that if the works were not completed and placed in perfect working order to the satisfaction of the Local Government by the 1st July 1871, the Company should, if the Secretary of State desired, give up the whole of the works to the Government, the Government paying the capital laid out on the works. The question therefore for consideration now is, whether the Company appears to be in a position in which it can comply with the conditions, and if not, what steps should be taken in consequence.

3. The first point raised by the Consulting Engineer, and commented on by His Excellency the Governor in Council, appears to be that though the main canal will be finished so far as it can be said to be so before it has been subjected to trial and tested by a full supply of water, yet the means of distributing the water has not been provided, and in no sense can it be said that the canal is in full working order.

4. It seems to His Excellency the Governor-General in Council that the mere fact of all the distributing channels not being ready, or even of the main canal not having been properly tested, would not in itself have been such a failure on the part of the Company as would justify the Government in requiring the surrender of the works. The essence of the stipulations, when viewed in combination, was that the Government had lent the Company a certain sum of money, the interest of which was to be paid from the income of the works, and had guaranteed another sum, the interest of which should also be met from the works; and in giving the fresh loan, the intention of the Government clearly was that if the works were not in a condition to begin to pay some portion of the interest at least in July 1871, and generally are not in a condition which is described as "perfect working order to the satisfaction of the Local Government," thereby meaning that the canals are in fair operation and earning a reasonable income from which the Government could look to re-payment of its interest, then the Government should have the option of taking over the works and endeavouring to re-pay itself. Consequently His Excellency in Council is of opinion that the most important point to consider at the present time is the power of the Company to work and maintain the canals after July 1871, and that the question put by the Madras Government as to how and by whom the money is to be provided for the purpose, is a very pertinent one.

5. While therefore the Government of India would not lay much stress on the want of completeness of any part of the project which would not prevent the

commencement of irrigation on a moderate and reasonable scale, His Excellency in Council considers that the Government has a right to expect that the works shall *bond fide* be in fair operation at the time specified, and managed and maintained at the entire cost of the Company without any assistance from Government. The loan of £ 600,000 was specifically to be applied to new works chargeable to the Capital Account of the Company, and there was no intention of providing money for the maintenance of the works after completion. Therefore if the Government of Madras is not satisfied that the canals are thus in working order, it will apparently be justified in expressing an opinion that the condition of the contract has not been fulfilled.

6. I am however to point out that, under the contract, it rests with the Government of Madras to give that opinion as to the condition of the works in July next, on which the Secretary of State will act. In this light it seems necessary that the Government of Madras should lose no time in ascertaining what the intentions and means of the Company are, and should place at an early date before the Government of India a specific expression of its opinion as to the propriety of advising the Secretary of State to require the surrender of the works in the event of the Company not being able to comply with the conditions on which the loan was granted.

7. I am further to point out that the Madras Government should be in a position to address the Secretary of State on the 1st July 1871, or as soon after as practicable, so that no further time may be lost in bringing the matter to a conclusion, otherwise every day's delay causes sensible waste of money, all of which the Government virtually has to furnish.

8. In conclusion, His Excellency in Council would suggest the propriety of the Advocate-General being consulted in any steps which the Government of Madras may see fit to adopt in dealing with the matters adverted to in this letter.

P. S.—Since the above orders were drafted the accompanying copy of a despatch from the Secretary of State has been received confirming, it will be seen, the views of the Government of India as expressed in paragraph 4, and pointing out the steps which should be taken by the Madras Government with reference to the prosecution of the distribution channels.

Despatch from the Right Honourable the Secretary of State for India, (Public Works,) to His Excellency the Right Honourable the Governor-General of India in Council, dated India Office, London, 16th February 1871, No. 16.

I HAVE received from the Directors of the Madras Irrigation and Canal Company a communication, of which copy is enclosed, relative to the distribution channels required for the utilization of the water of their main canal between Soonkasala and Cuddapah.

2. From the papers which accompany the Board's letter, it will be seen that the Consulting Engineer to the Madras Government has represented that to complete the distribution channels by 30th June next, as the Company are bound to do by the letter of their contract, would be to a great extent a mere waste of money, as many of them could not be brought into use until long afterwards, and that in the mean time "they would be filled in, their banks broken down, and their masonry works considerably injured." It will also be seen that the Madras Government take the same view of the matter, considering that if "instead of completing the works of distribution at once as though all the land intended to be supplied were likely to be taken up for

"irrigation without hesitation or delay, they were carried out with sufficient speed to make them "keep pace with the demand for water," much waste of labour might be avoided and a considerable saving of money effected.

3. It appears, however, that the Madras Government have refrained from acting upon the views thus expressed from reluctance probably to relax the conditions of the Company's contract, without authority either from your Government or from myself. But there can be little doubt of the desirableness of preventing the apprehended misapplication of the funds of a Guaranteed Company, and I would therefore recommend that the Madras Government be immediately empowered by you to suspend, at its discretion, the prosecution of any of the distribution channels in question, and to notify to the Irrigation Company that the consequence of the non-completion of those channels within the period originally prescribed will not of itself be deemed a breach of their contract, provided the latter be complied with in all other particulars.

From the Secretary of the Madras Irrigation and Canal Company, (Home), to the Under Secretary of State for India, dated London, 25th January 1871, No. 2.

I HAVE the honour, by direction of the Board of Directors of this Company, to transmit, for the information of the Secretary of State for India, the accompanying extracts from a letter addressed to the Government of Madras by their Consulting Engineer regarding the construction of the distribution channels required for the utilization of the water made available by the main canal between Soonkasala and Cuddapah, and also from an order made thereon by the Government of Madras, and I have been further instructed to state that, as the Directors most cordially agree with the views thus expressed by the Local Government, they have forwarded instructions to their Manager at Madras, under which he is authorized to arrange with that Government for carrying out the same under a mutual arrangement, and they therefore most respectfully request that the Secretary of State for India will, if he shall think it necessary to do so, authorize the Government of Madras to give effect to the opinion expressed in their order above referred to by making all necessary arrangements with the Company's Manager at Madras for that purpose.

THE MADRAS IRRIGATION AND CANAL COMPANY.

Extract from letter from the Consulting Engineer of the Madras Government for the Irrigation and Canal Company, to the Secretary of Public Works Department, dated Madras, 17th November 1870.

NEITHER can I speak at all confidently regarding the completion of the distribution works by the 30th June 1871, and I have no hesitation in saying that, apart from the contract, it is not for the interest of the Company, the Government or the country, that they should be so completed. The Company's Engineers will I am sure spare no exertions to get them completed in time, with the object of showing that the contract has been fulfilled, but the most sanguine cannot expect that even if completed they will be utilized for a long time to come, and before that time arrives the channel will be filled in, the banks broken down, and the masonry works considerably injured; in fact, a large proportion of the amount that is going to be spent on distribution works will be simply lost.

Extract from Order No. 2,963, dated 7th December 1870, made by the Madras Government upon the above letter.

HIS Excellency the Governor in Council cannot but agree with the Consulting Engineer in thinking that, instead of completing the works of distribution at once as if all the land intended to be supplied were likely to be taken up for irrigation without hesitation or delay, it would be preferable so to carry them out as to make them keep pace with the demands for water. Much waste of labour might thus be avoided, and a considerable saving of money effected; but, under the circumstances, His Excellency the Governor in Council is unable to do more than direct the Consulting Engineer to place himself in communication with the officers of the Company on the subject.

*Proceedings of the Madras Government, Public Works Department,
14th April 1871.*

No. 140. ORDER THEREON, 14th April 1871, No. 1,035.

IRRIGATION, No. 8.

COMMUNICATED to the Consulting Engineer for the Madras Irrigation and Canal Company for an expression of his opinion as to what probability there is of the works of the Company being in working order on the 1st July next, in the sense in which the Government of India consider that their completeness should be judged, and he will ascertain and report what the means and intentions of the Company are in respect to the management and maintenance of those works after that date.

No. 738, 11th March 1871.
,, 881, 24th ,, ,,

The orders of Government regarding the prosecution of the distribution channels have been communicated in the Proceedings marginally noted.

(True Extract.)

(Signed) CHARLES A. ORR, Colonel, R.E.,

Secretary to Government.

To the Consulting Engineer, Madras Irrigation and Canal Company, with copies of three enclosures.

Exd. E. C. Shunker.

Public Works

India Office

London 14th February 1871

*To His Excellency the Right Honourable the
Governor General of India in Council
My Lord*

*I have received from the
Directors of the Madras Irrigation and Canal
Company a communication of which copy is
enclosed, relative to the distribution channels
required for the utilization of the water of
their main Canal between Simkassala and
Cuddapah.*

*2. From the papers which accompany
the Board's letter, it will be seen that the
Consulting Engineer to the Madras Government
has represented that to complete the distribution
Channels by 30th June next, as the company
are bound to do by the letter of their contract,
would be to a great extent a mere waste of
money, as many of them could not be brought
into use until long afterwards, and that in the
mean time they would be filled in, their banks
"broken down", and their masonry works considerably
"injured". It will also be seen that the Madras
Government took the same view of the matter,
considering*

considering that if instead of completing the
works of distribution at once as though all the
land intended to be supplied were likely to be
taken up for irrigation without hesitation
or delay "they were carried out with sufficient
speed to make them keep pace with the demand
for water, much waste of labour might be
avoided and a considerable saving of money
effected."

It appears, however, that the
Madras Government have refrained from acting
upon the views thus expressed from reluctance
probably to relax the conditions of the Company's
contract, without authority either from your
Government or from myself. But there can
be little doubt of the desirableness of preventing
the apprehended misapplication of the funds
of a guaranteed Company, and I would therefore
recommend that the Madras Government be
immediately empowered by you to suspend, at
its discretion, the prosecution of any of the
distribution channels in question, and to notify
to the Irrigation Company that the consequence
of the non-completion of those channels within the
period originally prescribed will not of
itself constitute a breach of their contract

provided the latter be complied with in all
other particulars.

I have the honor to be
Yours faithfully
Signed Argyll

The Madras Irrigation and Canal Company
889 Queen St. Place London

25th January 1871

No 2 - Home
1871

To
The Under Secretary of State
for India

9A

Sir,

I have the honor by direction
of the Board of Directors of this Company
to transmit for the information of the Secretary
of State for India the accompanying extracts
from a letter addressed to the Government
of Madras by their Consulting Engineer
regarding the construction of the Distribution
Channels required for the utilization of the
water made available by the Main Canal
between Sookkasala and Cuddapah, and also
from an Order made therein by the Govern-
ment of Madras, and I have been further
instructed to state that as the Directors most
cordially agree with the views thus expressed
by the Local Government they have forwarded
instructions to their Manager at Madras,
under which he is authorized to arrange with
that Government for carrying out the same
under a mutual arrangement, and they
therefore most respectfully request that

PM 14/7/71

the Secretary of State for India will if he shall think it necessary to do so, authorize the Government of Madras to give effect to the opinion expressed in their Order above referred to by making all necessary arrangements with the Company's Manager at Madras for that purpose.

I have &c
Signed J. Westwood
Secretary

W 14/7/71

The Madras Irrigation & Canal Company

Contract from Letter from the Consulting Engineer of the Madras Government for the Irrigation and Canal Company to the Secretary of Public Works Department dated Madras 17th November 1870.

Neither can I speak at all confidently regarding the completion of the Distribution works by the 30th June 1871, and I have no hesitation in saying that apart from the Contract, it is not for the interest of the Company, the Government or the Country, that they should be so completed. The Company's Engineers will I am sure spare no exertions to get them completed in time, with the object of shewing that the Contract has been fulfilled, but the most sanguine cannot expect that even if completed they will be utilized for a long time to come, and before that time arrives the Channel will be filled in, the banks broken down, and the masonry works considerably injured; in fact a large proportion of the amount that is going to be spent on Distribution works will be simply lost.

Extract from Order No. 2463 dated 7th
December 1870 made by the Madras Government
upon the above letter.

His Excellency the Governor in Council
cannot but agree with the Consulting Engineer
in thinking that instead of completing the
works of Distribution at once as if all the
land intended to be supplied were likely
to be taken up for irrigation without hesitation
or delay, it would be preferable so to carry
them out as to make them keep pace with the
demands for water. Much waste of labour
might thus be avoided, and a considerable
saving of money effected; but under the
circumstances, His Excellency the Governor
in Council is unable to do more than direct
the Consulting Engineer to place himself in
communication with the Officers of the Company
on the subject.

17/11/71

Public Works Department
No. 1035
Proceedings of the Madras Government
Under date the 11th April 71.
Read the following
From The Government of India (H. C. No. 100 I. of 22nd March 71)

Communicated to
the Cons Engineer for the
Madras Irrigation and
Canal Company for an
expression of his opinion
as to what probability
there is of the works of
the Company being in
working order on the
1st July next in the
sense in which the
Govt. of India considers
that their completeness
should be judged, and
he will ascertain and
report

report what the means
and intentions of the
Company ^{are} in respect to
the management and
maintenance of those
works after that date.

The orders of Court
regarding the prosecution
of the distribution channels
have been communicated
in the Proceedings more
generally noted.

738. 11. March 1891
881. 24. Do "

ME

Do.

The Congo Co. Ltd. with
Copies of the trial
~~for the purpose of the trial~~

h-s-dep. 14/4/71

P. W. & L. Co. dated 22nd May
and 10th 1871

10th 1871
Govt of India

PUBLIC WORKS.

The Consulting Eng^r
for the Madras
Irrigation and
Canal Company

Further Proc^d 1341-16 87
" 1443-26 87
" 1459 15-57

14th April 1885

Nos. 129-140

1
The undersigned
Engineer for the
Irrigation and
Canal Company
Madras
has the honor to
acknowledge the
receipt of the
contract for the
supply of water
to the
Irrigation and
Canal Company
Madras
and to inform
you that the
contract has
been accepted
and that the
works will be
commenced
immediately.