

(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.	1339-40	Press
277-78		Mis-
Dated	15-5-	1871

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
15th May 1871.*

No 277. Read the following letter from the Consulting Engineer for the Madras Irrigation and Canal Company, to the Secretary to Government, Public Works Department, dated Madras, 21st April 1871, No 13.—

I HAVE the honour to acknowledge the Order* of Government desiring me to report what probability there is of the Madras Irrigation and Canal Company's works being in working order on the 1st of July next, as defined by the

* No 1,035, 14th April 1871.

2 Letters, in original, from Agent
2 " " " to Agent.

Government of India, and also what the means and intentions of the Company are in respect to the management and maintenance of the works after that date.

2. The Government of India consider that the intention of the contract, which requires that the works should be in "perfect working order to the satisfaction of the Local Government," is, that the canal shall be in fair operation and earning a reasonable income from which the Government could look for repayment of its interest, the works being at the same time managed and maintained at the entire cost of the Company without any assistance from Government.

3 The Company have, I believe, no means whatever except the guaranteed capital and the loan of £600 000 made by the Secretary of State, little of either of which will remain unexpended on the 1st of July, and the prospect of revenue from the canal is anything but encouraging. Looking then to the backward condition of the distribution works, the local distrust in the stability of the works, and of the continuance of the supply of water for even one crop, and to the very limited applications that have been received up to the present time for water this season, I cannot say that I see any probability of the revenue for this year covering half the maintenance charges, much less leaving any surplus which would be available for repaying the State a portion of the interest that is due on the loan

4. The greatest area irrigated in any year yet was about 2,000 acres, and the returns of land to be irrigated this year for which applications for water have been received amount to only 1,295 acres, and it appears to me that five times the greatest area hitherto irrigated is as liberal an estimate as we are warranted in assuming to be probable this season, and on that *data* the following calculation is made —

PROBABLE REVENUE IN 1871.

	RS.
10,000 acres for 1st crop, at Rupees 4 per acre	40,000
2,000 do for 2nd do, at do. 2 do.	4,000
Kurnool Town water-supply	4,000
Total...	48,000

PROBABLE EXPENDITURE.

Conservancy Establishment from 1st January to 30th June at Rupees 1,627, sanctioned in G. O, Nos. 992 and 1,391, dated 8th April and 4th June 1870	9,762
Estimated repairs and clearing silt	4,780

*Proceedings of the Madras Government, Public Works Department,
15th May 1871.*

Conservancy Establishment from 1st July to 31st December at Rupees 6,066, sanctioned in G. O, No. 817, dated 18th March 1871 ..	rs. 36,396
General repairs estimated at Rupees 300 per mile for one year	55,800

Total . 1,06,738

Excess expenditure Rupees 58,738 over revenue in the year 1871, exclusive of the cost of any agency at Madras after 30th June, or any Engineer establishment beyond the two Executive and two Assistant Engineers belonging to the Conservancy establishment.

5. I called on the Agent for information regarding any establishment which it is intended to maintain as agency at Madras after the 30th June, and at the same time enquired if he, the Chief Engineer, the Deputy Chief Engineer, the Chief Accountant, and the other officers in the Company's service, who by their Covenants are entitled to six months' notice had received any warning that their services would be dispensed with. In reply, the Agent informs me that he has not received any instructions from the Board of Directors regarding the establishment to be maintained after the 30th June, nor does he expect to receive any until the arrangements of the Board for prosecuting the works on the other portions of the Company's undertaking are matured and their negotiations with His Grace the Secretary of State are concluded; and I also understand from his letter that no warning of their services being dispensed with has been given to the Chief Engineer, the Deputy Chief Engineer, the Chief Accountant, and himself, all of whom are by their agreements entitled to six months' notice

* To Agent, No 15, dated 20th April 1871 6 In reply to my inquiry * regarding the cost of management and the maintenance of the canal after the 1st July next, the Agent states† that the Board of Directors have not informed him what means they will have on and after the 1st of July for defraying their charges.

From the Consulting Engineer for the Madras Irrigation and Canal Company, to the Agent and Manager of the Madras Irrigation and Canal Company, dated Madras, 15th April 1871, No 11

THE Government of India having in a recent despatch enjoined on the Madras Government to see that no liabilities are incurred by the Madras Irrigation and Canal Company, during the current official year, which cannot be met from the funds at their disposal, I have the honour to enquire whether you have received any instructions from the Board of Directors as to the establishment it is intended to maintain after the 30th June next, and whether the Agent and Manager, the Chief Engineer, the Deputy Chief Engineer, the Chief Accountant, and all other superior officers in the Company's service, whose agreements entitle them to a certain number of months' notice, (excepting such Engineers as are intended to be retained on the maintenance establishment,) have received notice that their services will be dispensed with, and, if so, from what date in the case of each and individual.

*Proceedings of the Madras Government, Public Works Department,
15th May 1871.*

From the Agent and Manager of the Madras Irrigation and Canal Company, to the Consulting Engineer for the Madras Irrigation and Canal Company, dated Madras, 20th April 1871, No 174

I HAVE the honour to acknowledge receipt of your letter of the 15th instant, No 11, in which you enquire (1) "whether I have received any instructions from the Board of Directors as to the establishment it is intended to maintain after the 30th June next," and (2) "whether Agent and Manager, the Chief Engineer, the Deputy Chief Engineer, the Chief Accountant, and all other superior officers in the Company's service, whose agreements entitle them to a certain number of months' notice, have received notice that their services will be dispensed with"

First—I have received no instructions from the Board of Directors as to the establishment it is intended to maintain after the 30th June next, nor do I expect to receive any instructions on that subject until the arrangements of the Board for prosecuting the works on the other portions of the Company's undertaking are matured, and their negotiation with his Grace the Secretary of State, the nature of which I assume has been communicated to the Government of Fort Saint George, are concluded

Your second question is one of a very startling and at the present juncture, most unexpected character The Company is bound by the contract at all times to keep at Madras an authorized Agent I have had no disagreement with the Board, nor have I had any notice from the Directors that it is their desire to make a change in the person of their Agent and Manager, nor have I any reason to believe that the gentleman who holds the office of Chief Accountant has received from the Board any intimation of their intention to give him a successor, nor have I heard of Mr. Latham's having received any such notice The works which the Chief Engineer is at present superintending will be completed next month, after which I apprehend he will be fully occupied in preliminary arrangements for the organization of the new works, and a change in the office of Chief Engineer at such a period would scarcely be advisable

Mr Gordon, I regret to say, will probably leave the Company's service in July, but I trust his absence will be only temporary

At the same time each officer of the Company is employed under a simple contract, the provisions of which place the two contracting parties upon an equal footing, and those provisions can be put in force by either party at any time without question

From the Consulting Engineer for the Madras Irrigation and Canal Company, to the Agent and Manager of the Madras Irrigation and Canal Company, dated 20th April 1871, No. 15

THE Government of India having in a recent despatch remarked that the loan of £600,000 made to the Company was specially to be applied to new works chargeable to the Capital Account of the Company, and that there was no intention of the State providing money for the maintenance of the works after completion, and having suggested that steps should be taken to ascertain what the intentions and means of the Company are for carrying on their operations after the 30th June next,

No 11, 15th April 1871

I have the honour, in continuation of my letter as per margin, to request you will inform me what

means the Company will have on and after the 1st July for defraying the cost of management and the maintenance charges According to the returns that have reached my office, the applications for water at present only amount to 1,295 acres, from which I infer that there is little probability of the revenue for the year covering half the cost of the maintenance or conservancy establishment I particularly request the favour of an early reply to my letter quoted above and to this one, and that you will furnish me with copies of any communications that you have received from the Board of Directors relative to any agency that it is proposed to maintain in this country after the 30th June next

*Proceedings of the Madras Government, Public Works Department,
15th May 1871.*

From the Agent and Manager of the Madras Irrigation and Canal Company, to the Consulting Engineer for the Madras Irrigation and Canal Company, dated Madras, 20th April 1871, No 178

I have the honour to acknowledge receipt of your letter of the 14th inst. in relation to "inform you what means the Company will have on and after the 1st July for defraying the cost of management and the maintenance of the works, and to furnish you with copies of any communications that I have received from the Board of Directors relative to any agency that it is proposed to maintain in this country after the 30th June next."

1st—I have the honour to state that the Directors have not informed me what means they will have on and after the 1st July for defraying the cost of management. I will forward a copy of your letter to them by the first mail.

2ndly—I am not aware of having received any communication from the Board of Directors that would answer your description, as I understand it, that is, "the means or agency relative to any agency that it is proposed to maintain in this country after the 30th June next."

No 278

ORDER THEREON, 15th May 1871, No 1,339.

IRRIGATION, No. 12.

Resolved that the above letter be communicated to the Government of India with reference to the letter from that Government, No 100 I, dated 22nd March 1871.

(Here enter No. 1,340, dated 15th May 1871)

(True Extract.)

(Signed) J. CARPENDALE, Colonel, R.E.,
Secretary to Government.

To the Acting Chief Engineer for Irrigation,

ESTD August

PUBLIC WORKS DEPARTMENT,
FORT ST. GEORGE, 15th May 1871.

No 279.

No. 1,340.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
PUBLIC WORKS DEPARTMENT.

IRRIGATION, No. 13.

22nd March 1871, No 100 I

SIR,—I am directed to acknowledge the receipt of your letter noted in the margin which was 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 that officer was at the same time instructed to report what the means and intentions of the Company are in respect to the management and maintenance of those works after that date, and the Consulting Engineer's reply is now submitted.

No 13, 21st April 1871, in G O, No 1,339,
15th May 1871

2. It will be observed that judging by past experience and the returns of land to be irrigated in the present season, which as yet only amount to 1,295 acres, the Consulting Engineer considers that five times the greatest area that has yet been watered in any year is as liberal an estimate as should be adopted for the basis of a calculation as to what the revenue returns in the current year might possibly amount to, and in this opinion His Excellency the Governor in Council concurs.

3. Calculating on this data, and including the revenue for the Kurnool water supply, it appears that there may be a possible receipt of Rupees 48,000 against which there is an estimated expenditure in maintaining the canal of Rupees 1,06,738, being an excess expenditure of Rupees 58,738 over revenue in the year, exclusive of the cost of any agency that might be maintained at Madras after the 30th June next, and exclusive of any Engineering establishment save that sanctioned for conservancy.

4. From this it will be seen, that far from there being any surplus revenue which would be available for repaying the State a portion of the interest that is due on loan, there is no reasonable hope that the Company's revenue will cover the cost of maintenance, and there is too much reason to fear that the Company, in the hope of being able to conclude arrangements with the Right Honourable the Secretary of State for further extending their operations, are incurring obligations which they have no means of meeting.

5. It will be seen from the fifth and following paragraphs of the Consulting Engineer's letter that nothing is known by the local Agent as to what establishment it is intended to maintain as agency after the 30th June; that the Agent and the Chief Engineer with several other superior officers in the Company's service, who are by their covenants entitled to six months' notice, have not received any warning that their services will be dispensed with, and that the Agent is not aware what means the Board of Directors will have after the 1st July for defraying their salaries; while, so far as this Government can judge from the accounts which have

from time to time been submitted, it appears that the balance of guaranteed capital and of loan which will remain unexpended on the 1st July will be a trifling amount.

6 In connection with the question of the completion of the works, I am instructed to draw the attention of the Government of India to a recent application from the Company's officers for sanction to an estimated expenditure of Rs. 31,977, exclusive of establishments, for improving certain waste weirs to adapt them for the discharge of flood waters which the breaches of August 1870 suggested the necessity for. This expenditure, I am to remark, is for improving the surplus works in a portion of the canal only, the further expenditure of the same nature, to be proposed hereafter, being estimated by the Consulting Engineer at Rupees 50,000, while the existing small balance of capital is confessedly inadequate to meet the charge, and it was proposed that the amount should be advanced by Government to form a charge against revenue. This, His Excellency the Governor in Council declined to sanction, considering that the expenditure contemplated is properly a charge against Capital, being necessary to put the canal in a safe condition for the discharge of flood waters until when the canal could not, in the opinion of the Government, be considered to have been put in proper working order. It is accordingly the intention of this Government to take the opinion of the Advocate General, first, as to whether, supposing the works to be generally complete by the 30th June 1871, the canal can be said to be complete in the sense contemplated by the contract so long as the weirs, or works for discharge of surplus water, are inadequate for the free passage of such floods as may be expected; secondly, whether the fact of the distribution works not being ready, or the Main Canal not having been proved to be capable of carrying without breaching the depth of water for which it has been designed, is such a failure on the part of the Company as would justify the Government in requiring a surrender of the works; and, thirdly, whether, although the canal and works may in other senses be finished by the 30th June, the Government could fairly declare that it is not in "perfect working order" in the sense contemplated by the supplementary agreement, when the revenue is so small as to be unequal for the payment of the conservancy and maintenance establishments with cost of ordinary repairs, and the area of land in course of irrigation is so paltry compared with what was considered to be the capability of the canal, that there is really no immediate prospect of any income being available to repay the State the interest which is due on the loan, or to relieve the country of the heavy burden of 5 per cent. which is now being paid as guaranteed interest on the Capital of one million. On receiving the Advocate General's opinion, the Government of Madras will be in a position to address the Right Honourable the Secretary of State on the subject immediately after the 1st July next.

I have the honour to be,

Sir,

Your most obedient servant,

Colonel, R E,

Secretary to Government.

Exd S T. Augustin.

Enclosures
2 letters from Ghat
2 - - - - -
4

Consulting Engineer's office
Irrigation and Canal Company
Madras, 21st April/71

Mr. Colonel, R E, Secretary to Government
Public Works Department

1121035-14 April/71
I have the honour to acknowledge the Order of Government, bearing the date of the 14th April/71, directing me to report what probability there is of the Madras Irrigation and Canal Company, works being in working order on the 1st of July next, as defined by the Government of India, and also what the means and intentions of the Company are in respect to the Management and Maintenance of the works after that date.

2. The Government of India consider that the intention of the Contract, which requires that the works should be in perfect working order to the satisfaction of the Local Government, is that the Canal shall be in fact open, and earning a reasonable income from which the Government could look for repayment of its interest, the works being at the same time managed and maintained at the entire cost of the Company without any assistance from

4. The greatest area irrigated in any year yet was about 2000 acres, and the returns of land to be irrigated this year for which applications for water have been received amount to only 1295 acres, and it appears to me that five times the greatest area hitherto irrigated, is as liberal an estimate as we are warranted in assuming the probable this season, and on that data the following calculation is made:—

N^o 174 - 20 April

My No 11-15 April 1771. S. I called on the Agent for information regarding any establishment which it is intended to maintain as a garrison at Madras after the 30 June and at the same time enquired of him the Chief Engineer - the Deputy Chief Engineer - the Chief Accountant and the other officers in the Company's service who by their Covenants are entitled to six months notice, had received any warning that their services would be dispensed with. In reply the Agent

informs me that he has not received any instructions from the Board of Directors regarding the establishment to be maintained after the 1st June, nor does he expect to receive any until the arrangements of the Board for prosecuting the works on the other portions of the Company's undertaking are matured and their negotiations with His Grace the Secretary of State are concluded; and I also understand from his letter that no warning of their services being dispensed with has been given to the Chief Engineer, the Deputy Chief Engineer, the Chief Accountant, and himself all of whom are by their agreements entitled to six months notice.

In reply to my inquiry regarding the Company's means for defraying the cost of management and the maintenance of the Canal after the 1st July next, the Agent states that the Board of Directors have not informed him what means they will have on and after the 1st of July for defraying their charges.

I have the honor to be,
Your most obedient servant,
J. M. W. C. B.
Agent for the Company.

C. M. B.

On 8 April / 1871 126-147
 " 12 June " 68-57
 " 18 March / 71 " 163-184
 " 14 April " 139-140
 " 15 May " 221-222
 " 27 May " 277-278
 D. W. & Co. 10 of 1871 -

1871 Sept
 1881
 The Consulting Engineer
 M. J. and Co.

Dated 21 April 1871
 No 26

Enclosed.

(Reports with probability
 there is of the works being
 in working order on the 1st day
 next & also what the means
 & intentions of the Directors
 regarding the management & maintenance
 of the works after the
 date recalled for by Govt
 No 135-14 April / 71
 No 1389-1390-16 May / 71

277 -
 25 May 1871
 65 May 1871

S. 12 13
 Madras. J. and Co.
 No 178
 Madras 10 April
 from

The Agent and Manager
 M. J. and Co.
 The Consulting Engineer
 M. J. and Co.

I have the honor to acknowledge
 receipt of your letter of this date
 requesting me to inform you what
 means the Company will have on
 and after the 1st July for defraying
 the cost of management and the main-
 tenance charges and to furnish
 you with copies of any communica-
 tions that I have received from the
 Board of Directors relative to
 any agency that it is proposed
 to maintain in this Country after
 the 30 June next.

First. I have the honor to state that
 the Directors have not informed
 me what means they will have
 on and after the 1st July for
 defraying the cost of management

J.

I will forward a copy of your letter to
them by the first mail.
Secondly. I am not aware of having received
any communications from
the Board of Directors
that would answer your
description as I understand
it that is communications
relative to any agency that
it is proposed to maintain
in this country after the 30 June
next.

I have the honor to be
Sir
Your most obedt Servant.

Wm Martineau
Agent and Manager.

A.P.G.

to the Agent. Well

The Govt. of India having in a recent despatch enjoined on the Madras Govt. to see that no liabilities are incurred by the M. L. & F. Co. during the current financial year which cannot be met out of the funds at their disposal, I have the honor to enquire whether you have received any instructions from the Board of Directors as to the establishment it is intended to maintain after the 31st March next, and whether the Govt. & Managers, the Chief Engrs. the Dept. Chf. Engr. the Chief Accountant & all other & all other superior officers in the Co's Service whose agreements entitle them to a certain number of months' notice (excepting such Engrs. as are entitled to be retained on their maintenance establishment) have received notice that their services will be discontinued with, and of course what date in the

intended to maintain after the

178

From

The Agent & Manager

of the

To

The Consulting Engineer

of the

of the

of the

of the

of the

of the

of the

of the

Case of each individual

April 15th

received by the Capt. to send
the same to the Board of Directors

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Proceedings 20 April

to report

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Madison, Ind. and Co.
Madison 20 April 1871.

The Agent and Managers,
Ch. & C. C.

The Consulting Engineer,
Ch. & C. C.

I have the honor to acknowledge
receipt of your letter of the 15th instant
in which you request (1) whether
I have received any instructions from
the Board of Directors as to the
establishment intended to maintain
after the 1st June next and (2) whether
Agent and Manager, the Chief Engineer,
the Deputy Chief Engineer,
the Chief Accountant and all other
Superior Officers in the Company's
service whose agreements entitle
them to a certain number of months
notice have received notice that their
service will be dispensed with.
This I have received no instruction
from the Board of Directors as
to the establishment it is in-
tended to maintain after the

30 I am most respectfully
requesting any instructions on that
subject until the arrangements
of the Board for prosecuting the
work on the other portions of the
Company's undertaking are
matured and then negotiation
with his Grace the Secretary of
State the nature of which I suppose
has been communicated to the
Government of St. John's. I am
anxious to do so.

Your second question is one of a very
startling and at the present
 juncture most respected
character. The Company is
bound by the contract at all
times to keep at hand an
authorized Agent. It has had
no disagreement with the Board
nor have I had any notice from
the Directors that it is their de-
sire to make a change in the
person of their Agent and Manager.
I have every reason to believe
that the gentleman who holds
the office of Chief Accountant
has received from the Board any
intimation to give him a summary

nor have I heard of Mr. Latham
having received any such notice.
The work which the Chief Engineer
is at present superintending will
be completed next month, after
which I apprehend he will be fully
occupied in preliminary arrange-
ments for the organization of the
new works and a change in the
office of Chief Engineer at such a
period would scarcely be advis-
able.

Mr. Gordon suggests to say
probably leave the Company's service
in July. but I trust his absence will
be only temporary.

At the same time each Officer
of the Company is employed under
a simple contract the provisions
of which place the two contracting par-
ties upon an equal footing. And those
provisions can be put in force by either
party at any time without question.

I am the honor
Dear Sir

Yours Most Obedient
W. Norton Clarke
Agent and Manager

Immediate - No 15. to the Agent.
 The Govt of India having
 in a recent dispatch ^{remarking} ~~expressed~~
 an opinion that the loan of
 £ 500000 made ^{especially} to the
 Company was ~~intended~~ to
 be applied to ^{and} ~~the~~ works
 chargeable to the Capital
 Account of the Company and
 that there was no intention
 of the State providing money
 for the maintenance of the
 works after completion and
 having ^{supposed} that the
~~State~~ ^{State} ~~should~~ ^{should} be ~~able~~ ^{able} to ~~maintain~~ ^{maintain}
 which the ~~intention~~ ^{intention} and
~~view~~ ^{view} of the ~~Government~~ ^{Government}
 for carrying on the ~~works~~
 operations after the 30th
 June next, I have the
 honor in continuation of
 my letter as per margin
 to ^{request you to} ~~inform~~ ^{inform} me what means
 the Co: will have on
 after the 30th July for
 defraying the cost of
 management & the
 maintenance charge.
 According to the returns
 that have reached my office
 the Applications for ~~the~~
 at present only amount to
 1295 Acres from which I

From the Agent and Secretary
 to the Hon. Secy.
 Mr. J. H. C.

Dated 20th
 Nov 21 3. 4. 1870

No 174
 1870/81/71

Replying to letter No 11 of the
 15th inst. to the Hon. Secy.

Amount of the disbursements
 after the 30th June next
 & whether the Agent should
 meet such expenses, by day
 wages till the 30th June
 have received the notice that
 the same will be met

1870/81/71 - 1870/81/71

Co

1870/81/71 - 1870/81/71

life that there is little
 probability of the revenue
 for this year covering half
 the cost of the maintenance
 or consequence established
 and expenses much less than
 of any Madras Army or
 Annual Engineer Establishment.

I particularly regret the
 fact of an early reply to my
 letter dated above and to
 the one - and that you will
 find me with copies of
 any communications that
 you have recd from the
 Board of Directors relative
 to any Army that is
 proposed to maintain in
 the country after the 31st
 June next.

April 20

Forwarded by 20th April

Edw.

17-15 28

Recd 20 April 1871
 Request of the
 Madras Army
 to be kept in the
 country after the 31st
 June next.

P W Dept.
 No: 1339.

Proceedings of the Madras Government.
 Under date the 11th May 1871.
 Read the following

From the Engineering Ins: No 66, A E No 13 of 21st April 1871.

Resolved that the
 above letter be communi-
 cated to the Govt. of India
 with reference to the letter
 from that Govt. No 100 I
 dated 22 March 1871.

To the Ch. Engineer
 Inspr.

No: 1340.
 Despatched to The Secretary to the
 Govt. of India.

Sir,
 I am directed to
 acknowledge the receipt
 of your letter noted in
 the margin which was
 communicated to the

N.
 A.A.
 22nd March 1871 No 100 I.
 L.S.

in the current year might
possibly amount to, and
in this opinion His Ex.
cellency the Governor in
Council concurs.

Calculating on this
data, and including the
Revenue for the Kanwar
Water Supply, it appears
that there may be a
possible receipt of Rs.
48,000 against which
there is an estimated ex-
penditure in maintain-
ing the Canal of Rs 106,738,
being an excess expenditure
of Rs. 58,738 over Revenue
in the year, exclusive
of the cost of any Agency
that might be maintained

17/10/1919

at Madras after the 30th
June next and exclusive
of any ~~proceeding~~ ~~proceeding~~
liability ~~same~~ that ~~have~~
timed for ~~concessions~~ ~~of~~

From this it will
be seen that far from
there being any surplus
revenue which would be
available for repaying
the State a portion of the
interest that is due on
loan, there is no reason-
able hope that the ~~pro-~~
posed Revenue will cover
the cost of maintenance,
and there is no reason
to fear that the
Company in the hope of

being able to conclude
arrangements with the
Right Honble the Secretary
of State for further ex-
panding their operations,
are incurring obligations
which they have no
means of meeting

It will be seen
from the 5th and following
paragraphs of the Comptroller's
letter that nothing is
known by the local
Agent as to what extent
the Government is intended
to maintain an Agency
is after the 30th June - that
of the Agent and the Chief
Engineer with several

Other Superior Officers in the
Company's service, who are
by their covenants entitled
to 6 months notice, having
not received any warning
that their services will be
dispensed with - and that
the Agent is not aware what
means the Board of Directors
will have after the 1st July
for defraying their salaries -
while so far as ^{the Government} ~~the Agent~~ can
judge from the accounts
which have from time
to time been submitted
~~to the Agent~~ it appears
that the balance of
guaranteed capital and
of loan which will remain
unexpended on the 1st July

will be a trifling amount.

In connection with the question of the completion of the works I am instructed to draw the attention of the Govt of India to a recent application from the Company's Officers for sanction to an estimated expenditure of Rs. 319,771 exclusive of establishments, for improving certain masonry weirs to adapt them for the discharge of flood waters which the breaches of August 1870 suggested the necessity for. This expenditure I am to remark is for improving the surplus works in a

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portion of the Canal only the further expenditure of the same nature, as his proposal heretofore being sanctioned by the Commissioners at Rs. 1,00,000 while the existing small balance of capital is consumed by inadequate to meet the charge and it was proposed that the amount should be advanced by Government to form a charge against Revenue. This, His Excellency the Governor in Council declared to sanction, considering that the expenditure contemplated is properly a charge against

Capital being ~~essential~~
necessary to put the Canal
in a safe condition for
the discharge of flood
waters until when the
Canal could not in the
opinion of the Government
be considered to have
been put in proper work-
ing order. It is accord-
ingly the intention of this
Board to take the opinion
of the Advocate General
as to whether, supposing
the works to be generally
complete by the 30 June 1872
the Canal can be said
to be complete in the
sense contemplated by

the Contract so long as the
weirs or works for discharge
of surplus water are inade-
quate for the free passage
of such floods as may be
expected. Whether the
fact of the distribution
works not being ready for
the main Canal not having
been proved to be capable
of carrying without breach-
ing the depth of water for
which it has been designed,
is such a failure on the
part of the Company as
would justify the Govt.
in requiring a surrender
of the works - and whether,
although the Canal and
works may in other respects

he finished by the 30 June.
 the Govt. could fairly de-
 clare that it is not in
 "perfect working order" in
 the sense contemplated
 by the supplementary
 agreement when the
 Revenue is so small as
 to be unequal for the
 payment of the Conservancy
 and maintenance Re-
 sultments with cost of ordi-
 nary repairs, and the area
 of land in course of irriga-
 tion is so paltry compared
 with what was considered
 to be the capability of the
 Canal, that there is really
 no immediate prospect

of any income being avail-
 able to repay the State
 the interest which is due
 in the loan, or to relieve
 the Country of the heavy
 burden of five per cent
 which is now being paid
 as guaranteed interest on
 the Capital of one million
 and in receiving the Ad-
 vocate General's opinion,
 the Govt. of Madras will
 be in a position to address
 the Right Honble the Secretary
 of State on the subject
 immediately after the
 1st July next

Recd 16/5/71 with seven
 copies of No. 1339 of 1871 &c
 Copy of No. 1089 of 1871-

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Rec. g. May 7/71 A. 115.
65 May 7/71 A. 8.

Sept 1871

PUBLIC WORKS.

To

Further Proc 1341/16-8-71

Date

Recd

G 015 May 1871, No 1339-1340.

Nos. 277C 277.

Andrus & Co's Case.

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