M.R.O. 1—77,006—8-6-37.

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(3) Initials of the Referencer _____

MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No. 102, 103, 124,	385-86	Press / Mis.
Dated	5 2-	1893.

Not to be folded or roughly handled

No. 102. Read the following Proceedings of the Government of India, in the Public Works Department, (Irrigation,) dated Simla, 14th September 1872, No. 791-I. :—

Madras Water Supply Project.

Read the following Despatches from Her Majesty's Secretary of State for India.

From the Secretary of State, to the Government of India, dated 18th April 1872, No. 35.

I HAVE had before me in Council your Excellency's letter No. 20 of 16th February last, relative to the Madras Water Supply Project.

2. The case therein stated may be briefly summarized as follows:—

3. When the scheme, which is of a mixed character, comprising irrigation under the Cholaveram and Red Hill Tanks, as well as the supply of the city of Madras with water for sanitary and miscellaneous purposes, was originally framed in 1866, the cost of its execution was estimated at Rupees 6,11,759, while the returns from irrigation alone were estimated as Rupees 68,568, or more than 11 per cent. on the outlay.

4. Early last year it came to the knowledge of your Government that the first estimates of expenditure were being exceeded, and revised estimates having thereupon been called for and submitted, it now appears that the total cost of the project will not be less than Rupees 12,25,558, or rather more than double the amount stated in the first instance, the augmentation being due partly to rise of prices of labour and materials, but chiefly to the introduction into the plan of operations of various additions, which being essential to its complete efficiency ought to have been foreseen and included in it from the beginning.

5. Moreover, while the estimates of outlay have thus enormously increased, those of revenue have fallen off in still greater measure; the expected returns from irrigation having dwindled from Rupees 68,658 to Rupees 29,772, and no other item of revenue being suggested by the Madras Authorities, except one of Rupees 32,000 payable by the Municipality as water-rate. The gross total of receipts would thus be Rupees 61,772, from which, after deduction of Rupees 16,395 for maintenance, etc., would remain a net balance of only Rupees 45,377, or no more than 3·75 per cent. on the outlay.

6. The misleading character of the original estimates is acknowledged by the Madras Government to reflect more or less discredit on all who were concerned in their preparation; but, though the Engineer Officers who designed the project are justly censurable for heedlessly omitting from their calculations some necessary and heavy items, it is Mr. Thornhill, who was at the time Collector of the Madras District, who chiefly misled the Local Government, and to whom the larger share of blame belongs. According to a statement put in by this gentleman in 1868, the extent of land irrigable from the projected works was about 15,000 acres, with an assessment of Rupees 33,385, susceptible possibly of increase to Rupees 82,160. Two years afterwards it was pointed out by Mr. Thornhill's successor in the Collectorate that the above estimate of land was in excess by no less than 11,096 acres, the real extent being under 4,000 acres, and it was added that the difference

was owing to Mr. Thornhill's having been a "rough estimate," and to its having included every acre of unoccupied assessed land, "on the supposition that there would be an unlimited supply of water, and that the whole of the land would be converted into wet," without reference to level or other circumstances.

7. I desire to be informed in what manner the displeasure with which this culpable negligence on Mr. Thornhill's part must needs have been regarded by the Madras Government has been notified.

8. Now that "the hopeful expectations entertained by the authors and advocates of the scheme have," as the Madras Government observe, "been so rudely dispelled," the question arises how the prospect for the future may be improved. You recommend that such charges for the water-supply to the city should be insisted on as will render the scheme remunerative, and ensure repayment of the capital within a reasonable time, and I have no hesitation in acting on the advice. It appears that, whereas at Bombay the water rate is 1 Rupee for 1,000 and at Calcutta 1 Rupee for 2,000 gallons, at which latter rate the demand for water is rapidly increasing, it is proposed that at Madras the quantity obtainable for 1 Rupee shall be no less than 168,750 gallons, the total amount which would at that rate be payable by the community being only Rupees 32,000, while 4 lakhs are paid on the same account by the inhabitants of Bombay, and considerably more than 5 lakhs by those of Calcutta. With whatever justice it may be pleaded that "the resources of the Madras Municipality bear no comparison to those of the other Presidency cities," it is not to be supposed that a population of three quarters of a million cannot well afford to pay more than £3,200 a year for water, or that they might not be required to pay much more for the supply of *5,400,000,000 of gallons, without* being in any sense aggrieved. If the rate at present proposed, namely, 1 Rupee for 168,750 gallons, were, as you suggest, somewhat more than doubled so as to produce £7,200 a year in all, it would still be barely one-fourth of the Bombay, or one-fourteenth of the Calcutta rate. A rate so enhanced would, however, with the aid of the expected receipts from irrigation yield a revenue equal to 7 per cent. on the outlay, and if from this 4 per cent. were deducted under the name of interest, 3 per cent. would remain to accumulate to an amount equal to the principal in about twenty-one years, at the end of which period the charge for water might, if the Municipality should so decide, be abolished altogether.

9. I quite approve therefore of the Madras Government being enjoined by you to require that the enhanced rate in question be adopted.

From the Secretary of State, to the Government of India, dated 18th July 1872, No. 69.

I HAVE had before me in Council your Excellency's letter dated the 10th of May, No. 64, on the subject of the Madras Water Supply Project, in which you state that, on further consideration of the matter, and with special reference to the assurance given by the Local Government to the Madras Municipality that they would not be called upon to pay a larger sum than Rupees 32,000 for their water-supply, you have come to the conclusion that it would not be advisable to demand anything in excess of that amount; and you consequently request sanction to the scheme on the basis of 8 lakhs out of the total expenditure being finally charged against Loan funds, the balance being met in the first instance from the same source, but being repaid by annual instal-

ments of a lakh of rupees, one half of each instalment to be met from the ordinary grant for agricultural works, and the other by a corresponding reduction of the provincial assignments.

2. This letter of your Excellency's has been crossed by my despatch of the 18th of April, No. 35, in which I expressed my concurrence in the view taken by your Government, that a payment of Rupees 32,000 by the Municipality was quite inadequate for the purpose, and that they might fairly be called on to pay an enhanced rate.

3. I observe, however, in the letter from the Secretary to the Government of Madras of the 18th of April, which accompanies your Excellency's letter, a statement that the charges which the Municipality will have to meet, on account of their water-supply, amount not to Rupees 32,000, but to Rupees 1,40,000, or, deducting the maintenance and incidental charges, Rupees 1,10,000. This statement is not intelligible to me, nor does it seem reconcileable with the view taken by your Excellency in the letter under acknowledgment. If, however, the fact be so, it is obvious that, as the total expenditure is estimated at about 12½ lakhs, the receipts would be amply sufficient to justify the construction of the work by means of borrowed money; but before giving my sanction to the measure, I request a full explanation both of the particulars of the charges which it is stated that the Municipality will have to defray and of the means by which the funds for the purpose are to be raised.

ORDER.—Ordered that copies of the above despatches be forwarded to the Government of Madras in the Public Works Department, Irrigation Branch, for a complete report on the points requiring explanation.

(Signed) F. H. RUNDALL, Colonel, R.E.,
Dy. Secy. to the Govt. of India.

No. 103. ORDER THEREON, 5th February 1873, No. 385.

IRRIGATION, No. 5.

ORDERED that the following letter be sent:—

(Here enter No 386, dated 5th February 1873.)

(True Extract.)

(Signed) G. W. WALKER, Colonel, R.E.,
Secretary to Government.

Exd. E. C. Shunker.

No. 385/P.S.D.

Rec. the Marshal's [illegible]
[illegible] Lieut Governor
[illegible] Council
[illegible] Sept 1921

Ordered that the
following letter be sent
to [illegible]

Sir,

The Secy. to the Govt.
of India, P.W.D.

I am instructed by
His Excellency the Governor
in Council to point out
that the charges referred
to in para 3 of Despatch
from the Secretary of State
No. 69 of 18 July forwarded
with your endorsement
No. 791 of 14 September,
as payable by the Munici-
pality of Kandy

[illegible]
S.D.S.
11/9

und amounting to Rs
1.10,000 clear of main-
tenance and incidental
charges are not as appears
to be presumed in that
despatch to be taken
as receipts against a
capital of 12½ Lakhs
which is the estimated
cost of the Red Hills
Project. Rs 78,000 of
that amount are interest
at 6 per cent on a loan
to the Municipality of
Madras on account
of the distribution works
leaving only Rs 32,000
to be credited as interest
on the cost of the Reser-
voir and Head works.
But of the Interest

payable on the loan
for distribution works Rs.
2 per cent is to consti-
tute a Sinking Fund
by which the debt will
be discharged in about
28 years.

The total amount of
Rs 1,60,000 will be raised
by the Municipality by a
special rate of 5 per cent
on those Districts of
Madras which alone
will be benefitted
by the works. These com-
prise 312,000 inhabi-
tants, the assessed value
of whose property amounts
to 28 Lakhs per annum,
5 per cent on which gives
the amount required.

The subject referred to
in Despatch No. 38 of 18
April last has been already
disposed of in former
communications.

Sealed in Legal Form

A 2521 - 25 Dec 72
" Jan 73

24.5.94. (Rec'd.

C.P. 4594

Govt. of {1873} Madras.

PUBLIC WORKS.

To The Secretary to the Govt. of India

Dated

Recd. Encl.

G. O., 5 Feby 1873. No. 385-386.

Nos. 102-103 & 104

1 Enc.

Offering explanations on certain points in connection with the Madras Water Supply Project.

Rec'd 24.5.94.

Forwarding Copy of Despatches from the Secy. of State regarding the Madras Water Supply Project & requesting explanations on certain points connected therewith.