M.R.O. 1—10,006—23-2-59.

(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. / B.P.—No.	2063-64	Press / Mis.—	
Dated	30-7-1874	—195—.	

Not to be folded or roughly handled

Read the following papers :—

No. 677. Read again Proceeding of the Madras Government, Public Works Department, No. 212, dated 27th February 1874, and No. 1,170, dated 20th May 1874.

No. 677A. From J. H. LATHAM, Esq., Chief Engineer and Manager of the Madras Irrigation and Canal Company, to Lieutenant-Colonel J. MULLINS, R.E., Chief Engineer for Irrigation, dated Coonoor, 19th May 1874.

THE Order of the Madras Government, No. 1,170, of 2nd instant, on the subject of the current year's Budget Estimate, has just reached me. On it I will have the honor to make the reply which the order seems to demand.

2. My Budget Estimate was made under difficulties. The estimate of expenditure is necessarily made a month or two before I can get the Engineer's regular estimates of the repairs needed : that is a minor difficulty. In this particular case the experimental field channels were actually under trial, and the success or failure of these would involve a difference of several thousand rupees expenditure on works and several hundred on land. The maintenance of the water-supply for the first time until May—instead of, as hitherto, cutting it off on the 1st January—was another experiment still to be made, and the result of that experiment would necessarily affect expenditure ; but still more it would affect revenue.

3. Under such circumstances, my Budget was carefully made with the object of showing how much money it was reasonable to set apart for the possible requirements of the canal, leaving, however, extraordinary seasons or events out of the question.

4. In reference to Colonel C. H. Dickens' letter to Colonel G. W. Walker, paragraph 3, the explanation, as desired, will be furnished as each application for land is made.

Paragraph 4.—I enclose a statement, marked A, showing the way the Rupees 16,000 for General Management chargeable to Loan was arrived at.

Paragraphs 5 and 6.—So far as the experience of last year's experiments above described may be relied on, the "Budget Estimates" of receipts for 1873-74 and 1874-75 may both be increased. Indeed, the deficit of 1874-75 may be written as *nil* if we suppose the new rules, now under consideration of the Madras Government, to have the least success.

Paragraph 7.—I beg to add that, in my opinion, the apparent extravagance hitherto allowed by the Madras Government, by which alone the Company have been able to keep the canal and works under the immediate supervision of Engineers thoroughly acquainted with the canal and its capabilities, men who have for years taken keen interest in the success of the canal, for much of which they have been personally responsible during construction, who have studied the modes in which the water can be made most useful to the ryots, and who are well known and have been much trusted by the ryots and by officers of Government, this expense will prove true economy, and will, I trust, be continued until the canal has been a full year passed beyond the experimental stage. The reduction of the staff engaged on construction, so soon as a canal or reservoir has been completed, and before the means of distribution are complete, much less proved, is no doubt desirable ; but not so the complete dispersion. The expediency of lowering the

class as well as the *numbers* of such a staff cannot be established on the ground that, while it requires great talent to build a canal or reservoir, it has always proved easy to get a satisfactory revenue fully developed under such a work. Until the rules drawn up in print, or established by custom, have had time to be fully fixed and understood, the ryot's use of the canal must depend much on his personal confidence in the officers of the Government or of the Company with whom circumstances have made him previously acquainted.

A.

MADRAS IRRIGATION AND CANAL COMPANY.

BUDGET ESTIMATE FOR YEAR 1874-75.

Statement showing in detail the manner in which the item for "Agency and Engineering Establishment" is arrived at, as desired in G. O., No. 1,170 of 2nd May 1874, paragraph 4.

Numbers. 1874-75.		Rate of Salary.	1874-75. Per mensem.	Per annum.	Total.
	General Management.	RS.	RS.	RS.	RS.
1	Chief Engineer and Manager	2,500	2,500	30,000	30,000
1	Chief Accountant	800	800	9,600	9,600
15	Clerks from Rupees 12 to Rupees 140	...	840	10,080	10,080
3	Draughtsmen from Rs. 25 to Rs. 40 ...	...	74	888	888
52	Moochy and other office servants ...	...	206	2,472	2,472
	Travelling Allowances.				
	Chief Engineer and Manager	...	200	2,400	2,400
	Other allowances	...	30	360	360
	Contingencies	...	100	1,200	1,200
	Total cost of all Establishments...	...	...	...	57,000
	Estimated Proportion of Revenue general Management charges for year 1874-75	...	...	...	*41,000
	Do. do. Capital "Agency and Engineering Establishment"	...	...	...	16,000

* This amount varies in proportion to the expenditure on Revenue and Capital Outlay.

KURNOOL,
13th May 1874.

(Signed) J. H. LATHAM,
Chief Engineer and Manager.

(Signed) W. F. CRAWFORD,
Ag. Chief Accott. and General Storekeeper.

No. 6.

No. 1778. *Note by the Chief Engineer for Irrigation.*

THE accompanying letter of the 19th May 1874, with its enclosed statement, from the Chief Engineer and Manager, adras Irrigation and Canal Company, is submitted for the information of Government, with reference to the orders as per margin.

G. O., No. 512, dated 27th Feb. 1874.
,, ,, 1,170, ,, 2nd May ,,

2. As yet the opinions of the Revenue Officers on the subject of the rate of increase of revenue which may be expected from the Company's Canal have not been received, and no orders having been, up to the present time, passed on the revised rules and regulations for the management of the canal, and for modifying the water-rates, which were agreed to by a Committee in January last, and submitted to Govenment on the 4th February 1874; no opportunity has yet been afforded of ascertaining what effect charges in the administration of the canal are likely to have upon the extension of irrigation. Consequently it is not easy to afford any better information as to probable increase of revenue than that which may be deduced from the statement given in paragraph 2 of this office memorandum, No. 57, printed in Proceedings of the Madras Government, No. 512, of the 27th February last.

3. With regard to working expenses, especially under the head General Management, there is no doubt whatever that these are much in excess, as pointed out by the Government of India (letter paragraph 7, Proceedings of the Madras Government, 2nd May 1874, No. 1,170,) of what would be allowed on a Government canal under similar circumstances, but it is not easy to suggest a way of materially decreasing them. The present representative of the Company has been in their employ for some fifteen years, and it is improbable that he would accept a reduction of salary which would make any great difference in the annual charges; and it is, moreover, doubtful whether much advantage would be derived by replacing him by a younger and less highly paid officer, seeing that his knowledge of the circumstances of the canal, and his local experience, must be of very considerable value. It is however quite open to the Government to intimate to the Board of Directors that should Mr. Latham vacate his appointment, the salary of his successor must, at least so long as the maintenance of the canal may be provided for from advances of public money, be restricted to Rupees 1,200 as a maximum. Similarly, with regard to the Chief Accountant, it is tolerably evident that an official on Rupees 800 a month is no longer required, the yearly outlay on works and stores being very small, and the salary of any future incumbent should be limited to Rupees 250 as a maximum, while the appointment of Head Accountant and Head Clerk of the Chief Engineer's office may very well be combined. It may be added that this appointment may properly be filled up in this country rather than by sending out a gentleman from England.

4. The other points on which the Government of India desire information are referred to in paragraphs 3 and 4 of the letter communicated with G. O. of the 2nd May 1874—

1st.—As regards the provision for land. The land will be almost entirely required for distribution channels, and the disbursement on its account will be made in the usual manner, after land plans have been duly passed, and the registers and bills submitted to Government.

2nd.—Explanation has been asked for as to the precise manner in which the sum entered in the Budget for General Management, chargeable to Capital, has been arrived at. The statement submitted by the Chief Engineer and Manager shows that the total estimated charge is Rupees 57,000, of which, as far as could be determined when the Budget

was prepared, Rupees 41,000 will be debitable to Revenue and Rupees 16,000 to Capital. This distribution is in accordance with the arrangement hitherto in force, under which such charges have been divided in proportion to the expenditure upon Construction and Maintenance respectively, but there has lately been correspondence between this Office, the Chief Engineer and Manager, and the Examiner of Accounts, with a view to bring the practice into agreement with that prescribed in the case of the Guaranteed Railways, and propositions will shortly be submitted to this end for the approval of Government. If they be sanctioned, the whole charge for establishments will, in the first instance, be debited to Revenue, which will afterwards receive credit to the extent of about one-third of the expenditure on Capital account, that having been ascertained to be approximately the proper charge for establishments debitable to Construction; and this third will be divided in a fixed proportion between General Management and Executive Establishment.

OOTACAMUND,
6th June 1874.

(Signed) JOHN MULLINS, Lieut.-Colonel, R.E.,
Chief Engineer for Irrigation.

No. 678.

ORDER THEREON, 30th July 1874, No. 2,063.

IRRIGATION, No. 61.

THE subject of paragraph 6 of the orders on the Budget Estimate of the Madras Irrigation and Canal Company for 1874-75 has already been disposed of in the Proceedings and letter as per margin, and the remaining points on which the Government of India desire information will now be considered.

Proceedings No. 1,921, dated 16th July 1874.
Letter No. 1,922, dated 16th July 1874.

2. The explanation required regarding the Budget provision for land taken up is given in paragraph 4 of the Note by the Chief Engineer for Irrigation, and in the same place will be found information as to the way in which the amount debitable to Capital on account of Agency and Engineering Establishment has been arrived at.

3. With regard to Establishment charges, much as a reduction, especially in the charges for General Management, is to be desired, His Excellency considers that, without hampering the Board of Directors, and possibly running a risk of less satisfactory net results than those which may be hoped for from the present administrative staff, no immediate reduction can be insisted upon; but the Government approve of the suggestion made by the Chief Engineer for Irrigation, that on the occurrence of vacancies in the appointments of Chief Engineer and Manager and of Chief Accountant, the salary of the former should be restricted to Rupees 1,500 and of the latter to Rupees 300 per mensem. Mr. Latham will accordingly be requested to advise the Board of Directors that Government will not be prepared in the case of future appointments to sanction higher salaries

Paragraph 7 of Budget orders.

than those named, at any rate until the revenue shall have so far increased as to very materially exceed the working expenses, and until all advances on this account shall have been repaid.

Ordered that the following letter be sent:—

(Here enter No. 2,064, dated 30th July 1874.)

(True Extract.)

Lieut.-Colonel, R.E.,
Joint-Secretary to Government.

To the Chief Engineer for Irrigation.
,, Officiating Controller of Public Works Accounts.
,, Chief Engineer and Manager.
,, Revenue Department.

Exd. S. T. Austin.
Spare Copies

PUBLIC WORKS DEPARTMENT,
OOTACAMUND, 30*th July* 1874.

No. 679.

No. 2,064.

FROM

LIEUT.-COLONEL JOHN MULLINS, R.E.,

Joint-Secretary to the Government of Madras,

Public Works Department,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,

Public Works Department.

IRRIGATION, No. 61A.

SIR,—In reply to your letter No. 85 A. I., dated 24th March 1874, I am directed to transmit, for the information of the Government of India, a copy of the Proceedings of this Government as per margin, with the accompanying papers containing information on the several points on which explanation was called for in the order on the Budget Estimate of the Madras Irrigation and Canal Company for 1874-75, and to state that on the important subject referred to in paragraph 6 of those orders a separate communication has been addressed to you.

Proceedings No. 2,063, dated 30th July 1874.

Letter No. 1,922, dated 16th July 1874.

I have the honor to be,
Sir,
Your most obedient servant,

Lieut.-Colonel, R.E,
Joint-Secretary to Government.

Exd. S. T. Austin.

Spare Copies

MINUTE by the Right Honorable the PRESIDENT on the orders passed by the Government of India, on the Madras Irrigation and Canal Company's Budget-Estimate for 1874-75.

IT is, I think, quite obvious that we must at once reply to the Government of India (24th March 1874) in respect of the points on which its order on the budget-estimates of the canal for 1874-75 requires explanation; and this will best be done by sending them the letter of the Manager (19th May) and the note of the Chief Engineer for Irrigation thereupon, with our opinion as to the suggested reduction of establishment.

2. But the Government of India, in their order above mentioned, (paragraph 6,) also ask for an early reply to their letter of 3rd October 1873, and I do not think that we ought any longer to delay replying to that letter. In my note upon it I expressed a wish to reply at the time to the Government of India, as I did not think it desirable to incur the long delay which would be caused by referring the question (as proposed) to the Collectors of Kurnool and Cuddapah, whose replies would probably be of very little advantage to us in forming a conclusion; and I remain of that opinion.

3. I would therefore, at the same time that we reply to the letter of the Government of India now under consideration, but in a separate letter, reply as best we may to their letter of 3rd October 1873. Otherwise, I think, they will have good reason to complain, and will probably do so. In that letter the Government of India ask two questions:—

I.—What we consider to be the best way of protecting ourselves against paying both for guaranteed interest and for deficit in working expenses?

To this I would reply that in case it should be intended to take any steps for the purpose of such self-protection, the best—which would also appear to be the only legal—mode of doing it would be that suggested in paragraph 2 of the Secretary of State's Despatch enclosed in their letter under reply.

II.—Whether it is probable that the canal will within any definite time pay its working expenses, and also whether any opinion can be given as to the number of years within which it will pay 5 per cent. on the capital?

In reply to this question, I would first refer to the table given by Colonel Mullins, as showing the present condition of the revenue and expenditure, and I would also give figures to show the *rate* of increase in the returns (if there is any increase) for the last few years; remarking that, if no means could be found of inducing the ryots to take more advantage of the canal than they do at present, it must obviously be very long before even the working expenses can be covered by the receipts. I would then say that the subject has been lately under the anxious consideration of this Government, and that a Committee was appointed which has drawn up a set of regulations of which we trust the effect will be greatly to increase the facilities possessed by the ryots for obtaining water from the canal, and to induce them to avail themselves of it to a far greater extent than at present. That if this hope should be justified, we may expect very largely increased receipts on account of the canal; while, at the same time, it may, we think, be possible in some not inconsiderable degree to reduce the expenditure. It will thus be apparent (I would say) that this Government will be in a better position for answering the second question

of the Government of India, when the result of the action of the new rules shall have been ascertained. And we would therefore suggest that, before any decision is taken on the subject a year's delay should be allowed, and that after that time this Government will hope to be able to give some decided opinion as to the future prospects of the canal.

17*th June* 1874. (Signed) HOBART.

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In reply to this question, I would first refer to the table given by Colonel Mullins, as showing the present condition of the revenue and expenditure, and I would also give figures to show the *rate* of increase in the returns (if there is any increase) for the last few years; remarking that, if no means could be found of inducing the ryots to take more advantage of the canal than they do at present, it must obviously be very long before even the working expenses can be covered by the receipts. I would then say that the subject has been lately under the anxious consideration of this Government, and that a Committee was appointed which has drawn up a set of regulations of which we trust the effect will be greatly to increase the facilities possessed by the ryots for obtaining water from the canal, and to induce them to avail themselves of it to a far greater extent than at present. That if this hope should be justified, we may expect very largely increased receipts on account of the canal; while, at the same time, it may, we think, be possible in some not inconsiderable degree to reduce the expenditure. It will thus be apparent (I would say) that this Government will be in a better position for answering the second question

of the Government of India, when the result of the action of the new rules shall have been ascertained. And we would therefore suggest that, before any decision is taken on the subject a year's delay should be allowed, and that after that time this Government will hope to be able to give some decided opinion as to the future prospects of the canal.

17*th June* 1874.

(Signed) HOBART.

MINUTE by the Honorable W. ROBINSON, C.S.I., on the orders passed by the Government of India, on the Madras Irrigation and Canal Company's Budget-Estimate for 1874-75.

THE report of the Revenue Officers must be awaited ere a reply is made to the Government of India; a reminder may be transmitted by telegraph.

2. In reply to their letter, dated 3rd October 1873, No. 234 A.I., I would refer the Government of India to the statement given in paragraph 2 of the memorandum of the Chief Engineer for Irrigation, dated 20th December 1873, (Proceedings of Government, dated 27th February 1873,) as giving the only entirely reliable data on which an opinion can be hazarded on the point at issue. It will be observed that the area irrigated has increased fivefold within the last three years with reasonable prospect under the circumstances—the continuation of irrigation beyond the 1st of January and revision of rules and rates—of a steady and perhaps very rapid increase of income from the works, such as at all events will make the probability of the long recurrence of a deficit in the working expenses very unlikely.

3. The Government may well, I think, defer a decided opinion until they have had further opportunity of at least one year of observing the progress of things, but I think that things look encouraging.

4. As regards the reduction of charges, I think that the reduction of the salary of the Chief Accountant (with which might be combined the duty of Chief Clerk) to say Rupees 350 to Rupees 400 a month might be suggested.

5. But I believe that it would be altogether premature to pledge Government to the views of the Chief Engineer for Irrigation in the matter of reduction of the Chief Engineer and Manager's salary. The works on which £1,600,000 have been spent are very extensive and important, and will require for the present high-paid and scientific supervision and management. Rupees 1,800 to 2,000 a month is not too much to pay for it. The extension of irrigation is progressing rapidly, and the use of the water will now be carried on almost throughout the year. Further, we are about to take the navigation of the canal in hand. I therefore deprecate any interference with the engineering or supervising staff at present, or any pledge in regard to reductions such as would seriously affect the efficiency of management. I would, therefore, defer giving an opinion on this point also, pending further observation and consideration of the matter alluded to above. Should vacancies be anticipated, it will be time enough to consider this matter.

6. I would press on the consideration of the navigation of the canal. This seems to me most important and has already been noticed by the Government of India.

12*th June* 1874.

(Signed) W. ROBINSON.

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12*th June* 1874.

(Signed) W. ROBINSON.

MINUTE by the Honorable J. D SIM, C.S.I.

I AM inclined to think the draft will do *pro-tem.* I am not, I confess, quite ~~surprised~~ so as the Honorable Mr. Robinson. Without delaying this, I should like a memorandum of what the canal has really cost the State—everything told.

13*th June* 1874. (Signed) J. D. SIM.

Exd. E. C. Shnnker.

The above was not intended for a Minute — and Mr. Sim does not wish it printed — It was a mere note — with instructions for the Secretary —

Ltr. xx

Just keep the order in which it was written —

Madras Irrigation & Canal Co.
Coonoor 19th May 1874.

To the Chief Engineer for Irrigation
Ootacamund

Sir,

The Order of the Madras Government No. 1170, of 2d instant, on the subject of the Current Year's Budget Estimate has just reached me. On it I will have the honour to make the reply which the order seems to demand.

2 My Budget Estimate was made under difficulties. The Estimate of expenditure is necessarily made a month or two before I can get the Engineers' regular Estimates of the Repairs needed: that is a minor difficulty. In this particular case the experimental field channels were actually under trial: and the success or failure of these would involve a difference of several thousand Rupees expenditure on works, and several hundred on land. The maintenance of the water-supply for the first time, until May — instead of as hitherto cutting it off on the 1st Jany — was another experiment still to be made: and the result of that experiment would necessarily affect expenditure; but still more it would affect Revenue.

3 Under such circumstances my budget was carefully made with the object of shewing how much money it was reasonable

reasonable to set apart for the possible requirements of the Canal — leaving, however extraordinary seasons or events out of the question.

4. In reference to Colonel C. H Dickens letter to Colonel G. W. Walker para 3, the explanation as desired, will be furnished as each application for land is made.

Para 4 — I enclose a statement marked A, shewing the way the Rs 16,000 for general management chargeable to Loan was arrived at.

Paras 5 and 6. So far as the experience of last years experiments above described may be relied on, the "Budget Estimates" of Receipts for 1873-4 & 1874-5 may both be increased. Indeed the deficit of 1874-5 may be written as nil, if we suppose the new rules, now under consideration of the Madras Government, to have the least success.

Para 7. I beg to add that in my opinion the apparent extravagance either to allowed by the Madras Government, by which alone the Company have been able to keep the Canal and works under the immediate supervision of Engineers thoroughly acquainted with the Canal and its capabilities, men who have for years taken keen interest in the success of the Canal, for much of which they have been personally

personally responsible during construction, who have studied the modes in which the water can be made most useful to the rayots; and who are well known and have been much trusted, by the rayots and by the Officers of Government; — this expense will prove true economy; and will, I trust, be continued until the Canal has been, a full year, passed beyond the experimental stage. The reduction of the Staff engaged on construction, so soon as a Canal or reservoir has been completed, and before the means of distribution are complete, much less proved, is no doubt desirable: but not so the complete dispersion. The expediency of lowering the class as well as the numbers of such a staff cannot be established on the ground that, while it requires great talent to build a Canal or reservoir, it has always proved easy to get a satisfactory revenue fully developed under such a work. Until the rules, drawn up in print or established by Custom, have had time to be fully fixed and understood, the rayots use of the Canal must depend much on his personal confidence in the Officers of the Government or of the Company with whom circumstances have made him previously acquainted.

I have the honor to be,
Sir,
Your most Obedient Servt.

John H Latham
Chief Engineer & Manager

Enclosure A. 19 May 1874

Madras Irrigation and Canal Com

Budget Estimate for year 1874-5.

Statement Shewing in detail the manner in which
"Agency and Engineering Establishment" is arrived at,
G. O. No 1170 of 2d May 1874. Para 4.

Numbers 1874-5		Rate of Salary	Per Mense
	General Management		
1	Chief Engineer and Manager	2500	2
1	Chief Accountant	800	8
15	Clerks from Rs 12 to Rs 140		8
3	Draughtsmen from Rs 25 to Rs 40		
52	Peons, and other Office Servants		2
	Travelling Allowances		
	Chief Engineer and Manager		2
	Other allowances		
	Contingencies		1
	Total cost of all Establishments		
	Estimated Proportion of Revenue General Management Charges for year 1874-5		
	Do Do Capital "Agency and Engineering Establishment"		

× This amount varies in proportion to the expenditure on the outlay

M. J. & C. — 3

John H. Latter
Chief Secretary to Govt

Public Works Dept
No 4331 / 74
From
The Chief Engineer
& Manager
Fort St George
To
The Secretary to Govt
Public Works Dept
Dated 19th May 1874
Read 19th & June 3/74
Answered
Public Works Dept
No 1170 / 74 dated 2nd May 1874
Subject Establishment
Chief Engineer & Manager
Agency & Engineering Establishment
Madras Irrigation & Canal Works

Enclosure A. 19 May 1874

Madras Irrigation and Canal Company.

Budget Estimate for year 1874-5.

Statement Shewing in detail the manner in which the item for "Agency and Engineering Establishment" is arrived at, as desired in G. O. No 1170 of 2d May 1874. Para 4.

Numbers 1874-5		Rate of Salary	1874-75 Per Mensem	Per Annum	Total
	General Management				
1	Chief Engineer and Manager	2500	2500	30000	30,000
1	Chief Accountant	800	800	9600	9600
15	Clerks from Rs 12 to Rs 140		840	10080	10080
3	Draughtsmen from Rs 25 to Rs 40		74	888	
52	Moochy and other Office Servants		206	2472	
	Travelling Allowances				
	Chief Engineer and Manager		200	2400	2400
	Other allowances		30	360	360
	Contingencies		100	1200	1200
	Total cost of all Establishments				54,000
	Estimated Proportion of Revenue General Management charges for year 1874-5				× 41,000
	Do Do Capital "Agency and Engineering Establishment"				16,000

× This amount varies in proportion to the expenditure on Revenue & Capital outlay

M. I. & C. Co
Kurnool 13th May 74
Comptd RR.

John H Latham
Chief Engineer & Manager

A J Crawford
Actg Chief Accountant and
General Storekeeper

No. 6.

Note by the Chief Engineer for Irrigation.

The accompanying letter of the 19th May 1874, with its enclosed statement, from the Chief Engineer and Manager Madras Irrigation and Canal Company is submitted for the information of Government, with reference to the orders as per margin

G.O. No 572-27 February 74
1170-2nd May 74.

2 As yet the opinions of the Revenue officers on the subject of the rate of increase of Revenue which may be expected from the company's Canal have not been received, and no orders having been, up to the present time, passed on the revised rules & regulations for the management of the canal, and for modifying the water rates, which were agreed to by a Committee

Received with Lieutenant Governor's Minute dated 4th June 74

Where are Rates? Should not a Map accompany Report for information

Pd. 30 July 74
Pd. 13 Aug 74
Pd. 23 Aug 74

in January last and submitted to Government on the [illegible], no opportunity has yet been afforded of ascertaining what effect changes in the administration of the Canal are likely to have upon the extension of irrigation. Consequently it is not easy to afford any better information as to probable increase of Revenue than that which may be deduced from the statement given in para 2 of this office memo No 57, printed in P.W.D. No 5.12 of the 27th February last

3. With regard to working expenses, especially under the head general management, there is no doubt whatever that these are much in excess, as pointed out by the Government of India (letter para 7 P.W.D. 2nd May 1874 No 1170) of what would be allowed on a Government canal under similar circumstances, but it is not easy to suggest a way of materially decreasing them. The present representative of the company has been in their employ for some 15 years, and it is improbable that he would accept a reduction of salary which would make any great difference in the annual charges; and it is moreover doubtful whether much advantage would be derived by replacing him by a younger and less highly paid officer, seeing that his knowledge of the

the circumstances of the Canal, and his local experience, must be of very considerable value. It is however quite open to the Government to intimate to the Board of Directors that, should Mr Latham vacate his appointment, the salary of his successor must, at least so long as the maintenance of the Canal may be provided for from advances of Public money, be restricted to Rupees 1200 as a maximum.

Similarly with regard to the Chief Accountant, it is tolerably evident that an official on Rupees 800 a month is no longer required the yearly outlay on works & stores being very small, and the salary of any future incumbent should be limited to Rupees 250 as a maximum, while the appointment of head

head accountant and head clerk of the Chief Engineer's office may very well be combined. It may be added that this appointment may properly be filled up in this country, rather than by sending out a gentleman from England.

4. The other points on which the Government of India desire information are referred to in paras 3 & 4 of the letter communicated with G.O. of the 2nd May 1876.

1st as regards the provision for land. The land will be almost entirely required for distribution channels, and the disbursement on its account will be made in the usual manner after land plans have been duly passed & the registers

and

and bills submitted to Government.

2nd explanation has been asked for as to the precise manner in which the sum entered in the Budget for General Management, chargable to Capital, has been arrived at. The statement submitted by the Chief Engineer & Manager shows that the total estimated charge is Rupees 57000, of which, as far as could be determined when the Budget was prepared, Rupees 41,000 will be debitable to Revenue & Rupees 16,000 to Capital. This distribution is in accordance with the arrangement hitherto in force under which such charges have been divided in proportion to the expenditure upon construction & maintenance respectively, but there has lately been correspondence between this office, the Chief Engineer & Manager, and the Examiner of accounts, with a view to bring the practice into agreement with that prescribed in the case of the Guaranteed Railways; and propositions will shortly be submitted to this end for the approval of Government. If they be sanctioned, the whole charge for establishments will in the first instance be debited to Revenue, which will afterwards receive credit to the extent of about 1/3 of the expenditure on Capital account, that having been ascertained to be approximately the proper charge for establishments debitable to construction; and this

thereal

third will be divided in a fixed proportion between General management and Executive establishments.

Ootacamund
6 June 1874

Chief Engineer for Irrigation

To The Secretary to Govt
P.W. Dept

2.

P. W. 1874 Dept.
Acc. of Irrigation Cash
No. 4331

From

The Chief Engr.
for Irrigation
No 0

Dated 6 June 1874
Recd 14 July 1874

E. 2.

C. O. No. 2064. 30-7-74.

Submitting
the reply of the Chief
Engr & Manager Madras
Irrigation & Canal
Company to G. O. No.
1170 of the 2nd May
1874 on the Budget
Estimate of 1874-75.

No 677/3

The Report of the Revenue
Officers must be awaited ere a reply
is made to the Government of India
& reminder may be transmitted
by Telegraph.

In reply to their letter
dated 3rd October 1873 No 234 A.S. I
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December 1873 (Proceedings of Govern-
ment dated 27th February 1874) as
giving the only entirely reliable data
on which an opinion can be hazarded
on

on the point at issue. It will be observed that the area irrigated has increased five fold within the last 3 years with reasonable prospect under the circumstances. The continuation of irrigation beyond the 1st of January and revision of rules and rate – of a steady and perhaps very rapid increase of income from the works such as at all events will make the probability of the long recurrence of a deficit in the working expenses very unlikely.

The Government may well, I think, defer a decided opinion until they have had further opportunity of at least one year of observing the progress of things, but I think that things look very encouraging and I would certainly endeavour to impart that

that assurance to the Government of India.

As regards the reduction of charges I think that the reduction of the salary of the Chief Accountant with which might be combined the duty of Chief Clerk to say Rupees 350 to Rupees 400 a month might be suggested.

But I believe that it would be altogether premature to pledge Government to the views of the Chief Engineer for Irrigation in the matter of reduction of the Chief Engineer and Manager's salary – The works on which £1,600,000 have been spent are very extensive and require for the present high-paid and scientific supervision and management and Rs 1800 to £2,000 were not too much

much to pay for it- The extension of irrigation is progressing rapidly- the use of the water will now be carried on almost throughout the year- Further we are about to take the navigation of the Canals in hand- I therefore deprecate any interference with the Engineering or Supervising Staff at present or any pledges in regard to reductions such as would seriously affect the efficiency of management- I would therefore defer giving an opinion on this point also pending further observation and consideration of the matter alluded to above- Should occasion be anticipated it will be time enough to consider this matter-

I would press on the consideration of the matter of the navigation of the Canal- It seems to me most important and has already been noticed by the Government of India.

Signed J. B.

12/6.

It is I think quite obvious
that we must at once reply to the Govern-
-ment of India (24th March 1874) in
respect of the points on which its Order
on the Budget Estimates of the Quar-
for 1874-5 required explanation: and
this will best be done by sending them
the letter of the Manager (19th May)
and the Note of the Chief Engineer
for Irrigation thereupon with our opinion
as to the suggested reduction of establishment.
But the Government of India
in their Order above mentioned (Para 6)
also ask for an early reply to their letter
of 3rd October 1873: and I do not think that

that we ought any longer to delay replying to that letter. In my note upon it, which should have been circulated with these papers, I expressed a wish to reply at the time to the Government of India, as I did not think it desirable to incur the long delay which would be caused by referring the question (as proposed) to the Collectors of Kurnool and Cuddapah, whose replies would probably be of very little advantage to us in forming a conclusion and I remain of that opinion.

I would therefore, at the same time that we reply to the letter of the Government of India now under consideration, but in a separate letter as best we may reply to their letter of 5. October 1873. Otherwise I think, they will have good reason to complain, and will probably do so.

In that letter the Government of India asks us two questions.

1. What we consider the best way of protecting ourselves against the risk both for guaranteed interest and for deficit in working expenses.

To this I would reply, that in case it should be intended to take any steps for the purpose of such protection, the best which would also appear to be the only legal mode of doing it would be that suggested in para 2 of the Secretary of State's Despatch enclosed in their letter under reply.

2. Whether it is probable that the Canal will within any definite time pay its working expenses and also, whether any opinion can be given as

as to the number of years within which it will pay 5 per cent on the Capital.

Entirely to this question I would just refer to the table given by Colonel Mullins as shewing the present condition of the revenue and expenditure, and I would also give figures to shew the rate of increase in the returns if there is any increase for the last few years, remarking that if no means would be found of inducing the ryots to take more advantage of the Canal than they do at present, it must obviously be very long before even the working expenses can be covered by the receipts. That this neglect has been lately under the anxious consideration of this Government and that a Committee was

was appointed which has drawn up a set of Regulations which we trust will be greatly to increase the facilities afforded by the ryots for obtaining water from the Canal, and to induce them to avail themselves of it to a far greater extent than at present. That if this hope should be justified, we may expect very largely increased receipts on account of the Canal, while at the same time it will not be impossible in some not inconsiderable degree to reduce the expenditure. It will thus be apparent I would say that this Government will be in a better position for answering the 2d question of the Government of India, when the results

result of the actions of the new Rules shall have been ascertained. That we would therefore suggest that, before any decision is taken on the subject, a years delay should be allowed, and that after that time His Government will hope to be able to give some decided opinion as to the future prospects of the Canal.

17. June 1874

Signed Hobart

I am inclined to think the Draft will do pro-tem- I am not, I confess quite so surprised as the Honorable Mr Robinson - Nor would delaying this, I should like a Memr. of what the Canal Road really cost the State - every thing told.

I Signed S. D. J.

13/6.

Mundra Irrigation Canal

69

His Highness observes that no answer
has once reply to the Govt. of India
(24 March 74) in respect of the points
on which it, Order on the Budget
Estimates of the Canal for 1874-5 require
explanation. - and this will be the
case pending the letter of the Manager
and (19 May) and the late Supdt
C. E. for Irrigation Waterfacer.

But the G.I. in their address
mentioned, (para 6) also ask for an early
reply to their letter of 3rd Oct 1873:
and I do not think that we ought

with our
opinion on
the
suggested
reduction
established

Dear Carpenter, at the same time that
in reply to the letter of the 5th. I was
under consid.n, reply, as best we could,
but in a separate letter to Mr. Oct. 873. Mr. Hunt,
letter of 13th. I think they will have paid regard to
complain, & will probably do so.
the last letter the 5th. I. adds no new particulars, —

1. Must in candid to the best
way of protecting ourselves against
paying both pensioners interest & pre-
deficit in working expenses.

Letter 2nd. reply, that if he will call at
and he instructed to state any steps
to the purpose of such self-protection,

of course we must see what can be

any longer delay replying to last
letter. In my note upon it I should
should have been circulated with other
papers I suggested I write to reply
at the time to the 5th. I think,
I did not think it desirable to
mean the long delay which had occurred by
referring the question (as proposed)
to the Collectors of Customs &
Liverpool, whose replies could probably
be of very little importance to the
information & conclusion
and I remain of that opinion.

best - which do not also appear to be wholly legal - mode of doing it would be that suggested in para 2. of the Secretary of State's despatch enclosed in Mr. Colles' letter under reply.

2. Should it be decided that the Canal will, within any definite time, repay its outlay, expenses - and also, should the ~~same~~ sum agreed upon to be the annuity which it will pay 5 per cent on the outlay.

In reply to this question, I would point out to the Colonial Auditor in drawing the present condition of the account & expenditure: and

would also specify how the rate of interest returns (if there is any increase) for the last few years; ~~[illegible]~~ remunerative that, if no answer could be found, of indemnifying the cost of taking over & completing the Canal then would also specify, it must depend on any law before now the outlay expenses can be covered of the receipts. That the subject has been dealt under the numerous enquiries. After fact and that a Committee appointed must have drawn up a set of Regulations which would contain the effect with the

part of the vineyard the parcelles respectively the right of passage water for the canal, and to indemnify to avoid themselves of to a fair proportion valuation thereof ment. that if they refuse should to participate, or may refuse any legally interested receiver or owner of the canal and sale of the same then it will be lawful for the owner or owners of the vineyard to withdraw the expenditure. It will

then be assessed (per acre) that the part which is in a better position for receiving the 2nd portion of the part of Andria, or has the benefit of the other proportion shall bear the assessment. that is to say that before any division is taken in the vineyard, a general duty shall be levied: and that after that time the part shall bear the whole of the expense in proportion to the benefit derived from the canal. Harbord June 9/74

Note

The Report of the Revenue Officer must be awaited ere a reply is made to the Government of India - a reminder may be transmitted by Telegraph

In reply to their letter dated 3rd October D/3 No 2242 I would refer the Government of India to the statement given in Para 2, of the Memorandum of the Chief Engineer for Irrigation dated 20th December 1877 (Proceedings of Govt. of Bombay as giving the latest reliable data on which an opinion can be hazarded

on

on the points at issue.
It will be observed
that the area irrigated
has increased five fold
within the last 3 years
with reasonable prospect
under the circumstances
= the continuation of
irrigation beyond the
[illegible] of January division of
rules I trust — for a step
of perhaps very rapid
increase of income
from the works such
as at all events will
make the probability
of the recurrence of a
deficit in the working
expenses very unlikely.

The Government may
still, I think, defer a
settled opinion until
they have had further
opportunity of at least
one

one year of observing the
progress of things. I think
that things look very
encouraging and I would
certainly endeavour to
impart that assurance
to the Government of India.

As regards the Reduction
of charges I think that
the reduction of the salary
of the Chief Accountant
(with which might be
combined the duty of
Chief Clerk) to Rs. 550
to Rs. 400 a month might
be suggested.

But I believe that
it would be altogether
premature to pledge
Government to the views
of the Chief Engineer for
Irrigation in the matter
of reduction of the Chief
Engineer & Manager's Salary
The [illegible] on which £ 600,000
have been spent are
very

extensive and regular
for the present high fall
and scientific supervision
maintainment, and £
£1800 to £2000 were not
demand be kept for it.
The extension of irrigation
will progress rapidly
the use of the water will
now be carried on almost
throughout the year
we are about to take the
navigation of the Canal
in hand. I therefore
deprecate any interference
with the engineering or
supervising staff at
present or any pledge
in regard to reductions
such as would seriously
affect the efficiency
of management. I would
therefore defer giving
an opinion on this point
also pending further

observation

observation & consideration
of the matters alluded
to. Should vacancies
be anticipated, it will
be time enough to consider
the matter. The Board
might be warned not
to make an appointment
in event of a vacancy
occurring without reference
to the Government as
respects the salary of
the office.

I would press on
the consideration of the
matter of the navigation
of the Canal - It seems
to me most important &
has already been noticed
by the Dy. C.

L&C.

12/6

I am inclined
to think the Board
will do this: Com:
I am not. I confess
disinclined to sanction an

Public Works Department

Proceedings of the Madras Govt
No. 7 1886

giving the views
the following information is submitted with
Figures in the Remarks written by the
Chief Engr. for Irrigation dated 6 June and
written margin of the Collector's letter &
other papers.
The Chief Accountant Mr. Badham
Asst. Secretary explained on account of his
health and his unfavourable
would return. He thought therefore
that if the Board Directors be made
acquainted with the views of the Govt. with
regard to this appointment, there will be
no difficulty in getting suitable arrangements
made.
He is willing to present a reduction
of the salaries of the Chief Engr. & Manager

Public Works Department

No. 85

Proceedings of the Madras Govt
Read the following

From

The Chief Engr and Manager Madras Irrn and Coll Company } (HBC No 10 — dated 17th May 1874)

" Chief Engr for Irrigation (HBC No — dated 6th June 1874)

Rd also again Proc No 1170. 2nd Aug 1875

The subject of these Papers was by the orders on the Budget estimate of the Madras Govt for 1874-75 been already brought to the Proceedings and Letter as per margin and the remaining point on which the Government of India desire further information will now be considered

His Excellency the Governor in Council is of opinion that at the present moment there are no sufficient data for a reliable estimate of the probable rate of increase of the Revenue derivable from the Madras Irrigation Canal Company's Canal, and that it will be necessary to

Tanjore Inundations - Still if taking into account that the Dumbarai Irrigation are included the Committee after temporarily employing the Asst Engr in charge removed to the Cuddapah Irrigation Canal Work

The Chief Accountant to Head Clerk Accountant will draw to manage only very limited transactions

the Salary Rupees 250 a month for which

Considerable demand will be for a similar appointment in above Office

The salary of the Head Clerk of the Office is allotted Rupees 200 and Barbaber Cooly for sweeping and cleaning work to be thought.

Aug. 1876.

Chief Engineer & Manager, & of Chief Accountant, the salary of the former should be restricted to Rupees (1200), & of the latter to Rupees (250) per mensem. Mr Latham will accordingly be requested to advise the Board of Directors that Government will not be prepared in the case of future appointments to sanction higher salaries than those named, at any rate until the Revenue shall have so far increased as

as to very materially exceed the working expenses, & until all advances on this account shall have been repaid

3. Ordered that the following letter be sent.

Wy. 8/6/74

GMW

2063 [illegible] 91 9

Public Works Departt.

Proceedings of the Madras Govt.

Read again Proceedings of the Madras Govt. P.W.D. dated 11th & 2nd May 1874.

" Read also the following:-

From

The Chief Engineer & Manager Binny & Co. } (M. E. dated — 17th May 1874)

" Chief Engr. for Irrign. (" " " — " 6th June ")

The subject of para 6 of the orders on the Budget estimate of the Madras Irrigation and Canal Company for 1874-75 has already been disposed of in the Proceedings and letter as per margin, and the remaining points

1834

Dec 6, 1874

Oct 11/6/74

on which the Govt. of India desire information will now be considered.

2- The explanation required regarding the Budget provision for land taken up is given in Para 4 of the note by the Chief Engineer for Irrigation, and in the same place will be found information as to the way in which the amount debitable to Capital on account of Agency and Engineering Establishment has been arrived at.

Paras 3 of Budget orders.

3- With regard to Establishment charges much as a reduction, especially in the charges for General management, is to be desired, His Excellency considers that, without hampering the Board of Directors, and possibly running a risk of less satisfactory net results than those which may be hoped for from the present administrative staff, no immediate reduction can be insisted upon; but the Govt. abhorrence of

of the suggestion made by the Chief Engineer for Irrigation that on the occurrence of vacancies in the appointments of Chief Engineer and Manager, and of Chief Accountant, the salary of the former should be restricted to Rs 1500 and of the latter to Rs 300 per annum - Mr. Latham will accordingly be requested to advise the Board of Directors that Govt will not be prepared in the case of future appointments to sanction higher

higher salaries than those named, at any rate until the Revenue shall have so far increased as to very materially exceed the working expenses, and until all arrears and the accounts shall have been cleared off -

4 - Ordered that the following letter be sent -

2064.

To The Secty: to the Govt of India, S.P.W.

Sir,

In reply to your letter

* The Chief Engr for Irrn
* Controller
* Chief Engr & Manager
* Revenue Deptt.
5. Copies dispd 7/8/74.

Letter No. 86 A.D. dated
24th March 1874. Sam
directed to transmit
for the information
of the Govt. of India
a copy of the Proceed-
-dings of the Govt.
as per margin
with the accompan-
-iments thereof
containing informa-
-tion on the several
points on which
explanation was
called for in the order
on the Budget esti-
-mate of the Madras
Irrigation and Canal
Company for 1874-75.

and

and to state that in
the important subj-
-ject referred to in
para 6 of those
orders, a separate
communication
has been addressed
to you.

24/6/74

6 d. Copies & 25 Copies of Previous
proceedings despd. 7/8/74

677-679.

Rec'd June
Cir 27/61

4331

Govt. of {1874} Madras.

PUBLIC WORKS.

To The Secretary to Govt.
Public Works Department
Fort St. George

Dated

Recd. Encl. 2

G. O. No. 26 July 1874. No. 2065 2064

Nos. 677-679.

Madras Irrigation and Canal Co.

Passing orders on - Vols.
Chief Engr. for Irrgn.
letting the reply Mlle
Engr & Manager, Madras
tion and Canal Company
Rc. 1170 of the 2nd May
the Budget Estimate
/75 —