

(1) Number of pages _____

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(3) Initials of the Referencer _____

MADRAS RECORD OFFICE

Government of Madras

Public Works

DEPARTMENT

G.O. No.	572 (9)	Press
B.P. No.		Mis.
Dated	27 - 2	195
		874

Not to be folded or roughly handled

Read the following papers :—

No. 574. From Colonel C. H. DICKENS, R.A., Secretary to the Government of India, Public Works Department, (Account—Irrigation,) to Colonel G. W. WALKER, R.E., Secretary to the Government of Madras, Public Works Department, dated Simla, 3rd October 1873, No. 234A.I.

IN continuation of Public Works Department, No. 109 $\frac{1}{4}$ A. I., dated 20th March 1872, I am directed to forward, herewith, copy of a despatch from the Secretary of State, No. 61, dated 10th July 1873, in which it is intimated that it would be premature, at present, to require that the deficit in the Revenue Account of the Madras Irrigation and Canal Company should be made good from the guaranteed interest payable to the Company.

2. I am to ask for a report of the views of the Governor in Council of Madras as to the mode in which Government may protect itself from paying at one and the same time the guaranteed interest and the loss in working the Company's Canals. It appears clear that the Government is not equitably bound to pay both.

3. I am also to ask whether it is probable that within any definite terms the returns to be derived from the canals will prove sufficient to cover their working expenses, and if so, whether any opinion can be given as to the number of years within which the works may be expected to pay 5 per cent. on the capital expended in the construction of the canal, in addition to the sums advanced by the Government of India for working it; for if there are reasonable anticipations of the working expenses being exceeded by the year's receipt at an early date, it would be necessary to take the circumstance into consideration in arriving at a final decision on the question how the matter of present loss in working should be dealt with.

Despatch from the Secretary of State for India, to the Government of India, Public Works Department, dated 10th July 1873, No. 61.

IN your Excellency's letter, No. 40, of 8th April last, forwarding the budget estimate for 1873-74 of the Madras Irrigation and Canal Company, and copy of the orders passed thereon, it is stated that the revenue operations of the Company are expected to result in deficits of £ 6,000 during 1872-73 and £ 12,000 during 1873-74, the actual deficit in 1871-72 having been £ 8,205, and that you propose to add these deficits to the charges for guaranteed interest in the Finance and Revenue Accounts of the year; but it is at the same time suggested for consideration whether they should not be recovered from the guaranteed interest payable to the share-holders.

2. I apprehend, however, that this precise course cannot be adopted consistently with the terms of the Company's contract, which provides for deduction from guaranteed interest in no case whatever, except the solitary one of the Company having failed to keep their works in repair, and expenses having thereupon been incurred by Government in the repair of the works. The same thing in effect might perhaps be done by refusing the Company any grant-in-aid of working expenses, and leaving them to meet, as they best could, any excess of those expenses over receipts; and it may possibly hereafter become a question whether that course should not be adopted. For the present, however, its adoption would be premature. The Irrigation Company's Canal, equally with irrigation canals constructed at the expense of the State, will probably have to wait for some few years, in order that its water may grow into extensive demand; and the share-holders may reasonably expect your Government to wait also for a while before mulcting them on account of deficits, which are part of the experience of many, if not of most, irrigation works in their early years.

*Proceedings of the Madras Government, Public Works Department,
27th February 1874.*

REFERRED to the Chief Engineer for Irrigation, with a view to his furnishing such information as will enable the Government to reply to the inquiries of the Government of India.

(Signed) G. W. WALKER, Colonel, R.E.,
16th October 1873. Secretary to Government, P.W.D.

No. 575.

No. 57.

MEMORANDUM.

THE Government of India desire to be informed whether it is probable that, within any definite term, the returns to be derived from the Madras Irrigation and Canal Company's Canal will prove sufficient to cover the working expenses. There is no evidence on which a reliable opinion on this point can be formed. All that is known is that the area of irrigation is extending, but at a much slower rate than has hitherto been usual, when irrigation works have been so far completed as to render a supply of water available.

2. The following are the particulars of irrigation from the commencement up to 1872-73:—

Year.	KURNOOL.			CUDDAPAH.			TOTALS.		
	Areas.	Revenue.		Areas.	Revenue.		Areas.	Revenue.	
		RS.	A.	P.		RS.	A.	P.	
1863-64 ...	18-36	73	6	3	.....	.....	18-36	73	6 3
1864-65 ...	192-59	766	3	0	.....	.....	192-59	766	3 0
1865-66 ...	816-00	3,714	5	3	.....	.....	816-00	3,714	5 3
1866-67 ...	1,396-13	10,162	7	4	.....	.....	1,396-13	10,162	7 4
1867-68 ...	1,138-86	11,213	15	9	.....	.....	1,138-86	11,213	15 9
1868-69 ...	2,036-04	10,966	8	6	.....	.....	2,036-04	10,966	8 6
1869-70 ...	1,998-13	10,491	4	8	.....	.....	1,998-13	10,491	4 8
1870-71 ...	2,646-69	7,827	5	9	.....	.....	2,646-69	7,827	5 9
1871-72 ...	5,218-19	21,648	11	10	3,322-15	11,922 8 7	8,540-34	33,571	4 5
1872-73 ...	7,510-33	32,703	3	2	3,518-33	17,313 6 2	11,028-66	50,016	9 4
Total...	22,971-32	109,567	7	6	6,840-48	29,235 14 9	29,811-80	138,803	6 3

So far as is known from the reports of the Company's Officers the area of irrigation in 1873-74 is likely to be—

In Kurnool	...	...	...	...	...	Acres 5,500
„ Cuddapah	...	...	...	...	...	„ 7,000
Total...	...	...	...	...	...	12,500*

Judging from the past it will be still many years before the canal will be likely to pay the working expenses, which for the current year are estimated to amount to, in round numbers, 1½ lakhs, so that the area of irrigation must be extended to 40,000 acres to produce an equivalent revenue.

3. As the Government are aware, the introduction of improved arrangements, and the revision of the rules relating to the supply of water from the Company's Canal, have for sometime past been under consideration, and it has

* Exclusive of 3,600 acres of second crop, which cannot be relied on.

Memorandum showing the Revenue and Charges against Revenue for the Madras Irrigation and Canal Company.

Years.	Revenue.			Charges debited to Revenue.			Remarks.
	RS.	A.	P.	RS.	A.	P.	
1863-64...	73	6	3	2,459	15	1	
1864-65...	766	3	0	2,476	15	7	
1865-66...	3,714	5	3	2,353	5	2	
1866-67...	10,162	7	4	2,835	13	5	
1867-68...	11,213	15	9	2,021	7	5	
1868-69...	10,966	8	6	5,567	6	1	
1869-70...	10,491	4	8	15,034	2	8	
1870-71...	7,827	5	9	20,771	8	9	
1871-72...	33,571	4	5	76,168	12	0	
1872-73...	50,016	9	4	1,19,278	10	5	
Total ...	1,38,803	6	3	2,48,968	0	7	

(Signed) JOHN MULLINS, Lieut.-Colonel, R.E.,
4th February 1874. Chief Engineer for Irrigation.

3-3

*Proceedings of the Madras Government, Public Works Department,
27th February 1874.*

just been proposed that there should be a meeting at an early date to settle finally the draft before submitting these new regulations to Government for confirmation.

4. It appears to be however very questionable whether, if the State is to provide the money for the maintenance and working expenses of the canal, the necessary condition should not be that the Government should exercise a complete control and undertake the entire management. The cost of establishments would of course be much less were the canal under Government management, and moreover it would be practicable to make such changes in the charges for water, whether by way of experiment or otherwise, as might appear to be necessary to render its use popular and extended.

FORT ST. GEORGE, (Signed) J. MULLINS, Lieut.-Colonel, R.E.,
20th December 1873. *Chief Engineer for Irrigation.*

No 576. ORDER THEREON, 27th February 1874, No. 512.

IRRIGATION, No. 38.

His Excellency the Governor in Council resolves to communicate the letter from the Government of India to the Revenue Department with a view to the opinions of the Collectors of Kurnool and Cuddapah being obtained on the questions asked therein. The Chief Engineer and Manager of the Company will likewise be requested to favour the Government with his views on the important subjects noticed in that reference.

2. The note by the Chief Engineer for Irrigation contains a statement of the revenue derived from the canal in each year up to 1872-73, and to this has been added a statement showing the revenue and the charges debited to revenue, or, in other words, the working expenses, side by side. The answer to be given to the question, when will the canal revenue cover the working expenses, manifestly depends upon the rate of extension of irrigation on the one hand, and on the amount of the working expenses on the other. On the former point the opinions of the Revenue Officers and of the Company's representative will be valuable; while on the subject of the lowest cost at which the canal can be efficiently maintained, the Chief Engineer and Manager's views will be of much service.

(True Extract.)

Colonel, R.E.,
Secretary to Government.

To the Chief Engineer for Irrigation.
" Manager Irrigation and Canal Company.
" Revenue Department.

Exd. E. C. Shunker.

Spare Copies

All communications
should be addressed to
the Secretary.

No. 234 A. S.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

ACCOUNT.

Irrigation

The Secretary to the Government of Madras

Public Works Department

Secula, 3rd October 1873

Sir

In continuation of Public Works
Department No. 109 3/4 A. S. dated 20th March 1872,

I am directed to forward herewith copy of a despatch
from the Secretary of State, No. 61, dated 10th July 1873,
in which it is intimated that it would be pre-
mature, at present, to require that the deficit in
the Revenue account of the Madras Irrigation and
Canal Company should be made good from the
Guaranteed Interest payable to the Company.

2 I am to ask for a report of the views of the
Governor in Council of Madras as to the
mode in which Government may protect itself
from paying at one and the same time the

Guaranteed

1381-5 June
-72

Guaranteed interest and the loss in working the Company's canals. It appears clear that the Government is not equitably bound to pay both.

I am also to ask whether it is probable that within any definite terms, the returns to be derived from the canals will prove sufficient to cover their working expenses, and if so, whether any opinion can be given as to the number of years within which the works may be expected to pay 5 per cent on the Capital expended in the construction of the canal, in addition to the sums advanced by the Government of India for working it; for if there are reasonable anticipations of the working expenses being exceeded by the years' receipts at an early date, it would be necessary to take the circumstances into consideration in arriving at a final decision on the question. How the matter of present loss in working should be dealt with.

Have the honor to be
your most obed^t servant

W. Dickinson

Secy. to the Gov^t of India

Copy of a Despatch No. 61, dated 10th July 1873 from the Secretary of State for India to the Government of India, Public Works Department.

In your Excellency's Letter No. 49 of 8th April last, forwarding the Budget Estimate for 1873-74 of the Madras Irrigation and Canal Company, and Copy of the orders passed thereon, it is stated that the Revenue operations of the company are expected to result in deficits of 6000L during 1872-73 and 12000L during 1873-74, the actual deficit in 1871-72 having been 8205L and that you propose to add these deficits to the charges for guaranteed interest in the Finance and Revenue Accounts of the year; but it is at the same time suggested for consideration whether they should not be recovered from the Guaranteed interest payable to the shareholders.

2 I apprehend, however, that this precise course cannot be adopted consistently with the terms of the Company's contract, which provides for deduction from Guaranteed interest in no case whatever, except the solitary one of the Company having

having failed to keep their works in repair, and expenses having thereupon been incurred by the Government in the repair of the works. The same thing in effect might perhaps be done by refusing the Company any grant in aid of working expenses, and leaving them to meet, as they best could, any excess of those expenses over receipts; and it may possibly hereafter become a question whether that course should not be adopted. For the present, however, its adoption would be premature. The Irrigation Company's canal, equally with irrigation canals constructed at the expense of the State, will probably have to wait for some few years, in order that its water may grow into extensive demand; and the shareholders may reasonably expect your Government to wait also for a while, before mulcting them on account of deficits, which are part of the experience of many, if not of most, irrigation works in their early years.

1. 11. 55/11/73
2

Do 1/5/73.

No

No. 57
Memorandum

36

The Government of India desire to be informed whether it is probable that, within any definite term, the returns to be derived from the Madras Irrigation & Canal Company's Canal will prove sufficient to cover the working expenses. There is no evidence on which a reliable opinion on this point can be formed - All that is known is that the area of irrigation is extending, but at a much slower rate than has hitherto been usual, when irrigation works have been so far completed as to render a supply of water available -

2. The following are the particulars of irrigation from the commencement up to 1872-73 -

Year	Kurnool			Cuddapah			Totals		
	Areas	Revenue		Areas	Revenue		Areas	Revenue	
1863-64	18.36	73	63	-	-	-	18.36	73	63
1864-65	192.59	766	3	-	-	-	192.59	766	3
1865-66	816.00	3714	53	-	-	-	816.00	3714	53
1866-67	1396.13	16162	74	-	-	-	1396.13	16162	74
1867-68	1138.86	11213	159	-	-	-	1138.86	11213	159
1868-69	2036.04	10966	86	-	-	-	2036.04	10966	86
1869-70	1998.13	10491	48	-	-	-	1998.13	10491	48
1870-71	2646.69	7827	59	-	-	-	2646.69	7827	59
1871-72	5218.19	21648	110	3322.15	11922	87	8540.34	33570	197
1872-73	7510.33	32703	32	3518.33	17313	62	11028.66	50016	94
Total	22971.32	109567	76	6840.48	29235	149	29811.80	138803	170

Lo

so far as is known from the reports of the Company's officers the area of irrigation in 1873-74 is likely to be in

Kurnool acres — 5500

Cuddapah — 7000

Total acres 12500*

* exclusive of
3000 acres of second
crop which cannot
be irrigated.

Judging from the past it will be still many years before the Canal will be likely to pay the working expenses, & which for the current year are estimated to amount to, in round numbers, $1\frac{3}{4}$ lacs, so that the area of irrigation must be extended to 40000 acres to produce an equivalent Revenue.

3. As the Government are aware, the introduction of improved arrangements, and the revision of the rules relating to the supply of water from the Company's Canal, have for sometime past been under consideration, and it has just been proposed that there should be a meeting at an early date to settle finally the draft, before submitting these new regulations to Government for confirmation.

4. It appears to be however very questionable whether, if the State is to provide the money for the maintenance and working expenses of the Canal, the necessary condition should not be that the Government should exercise a

a complete control, and undertake the entire management. The cost of establishments would of course be much less were the Canal under Government management, and moreover it would be practicable to make such changes in the charges for water, whether by way of experiment or otherwise, as might appear to be necessary to render its use popular and extended.

Fort Saint George
20th December
1873

Voluntarily Lieut. Colonel R.C.
Chief Engineer for Irrigation.

The Secretary to Government
P. W. D.

P. M. 1873 Reckardmont
Bridgton Nov 1st 1873
No 6979 ad.

From
The Chief Engineer
for migration.

Note 20"
Recd 24th } Dec 1/73.
Nov 2. } No 57.

Regarding
the information
received by the
Govt of Justice
as to when the
Western Migration
commenced to and
vice the liberty to
pay its - working
expenses -

No 572-27 "Totung 179

CR 575

1873 1873

Public Works Department

Proceedings of the Madras Government

Read the following

From The Govt of India. } H. E. No. 234 A.S. of 30 Oct. /73/

From The Chief Engineer } H. E. No. 57 of 20th Decr /73/
for Irrigation.

Ordered that
the following letter
be sent.

To
The Secretary to the
Govt of India

Sir
I am directed
to acknowledge the
receipt of your letter,
No. 234 A.S. dated
30th October last,
forwarding a
copy of a Despatch
No. 61 of the 10 July
1873

See H.E. No. 140
of 11th

P.W. 1873 Report
for 1872-73
No. 5514

From. H. E. No. 339
The Govt of India

P.W. 6979 of 73
dated 5th } October /73/
Recd 9th }

H. E. No. 234 A.S.
Recd 17th Oct - 73

Forwarding
with observations
copy of a Despatch
addressed by the
Secy. of State to
the Govt of India
regarding the
deficit in the
Revenue Account
of the Madras
Irrigation & Canal
Company for 1873/74
No. 512 of 10th July /74

Forward to the Chief Engineer for

to be
Irigation with a view to his furnishing such information
as will enable the Government to reply to the enquiries
of the Government of India.
16th Oct /73
To the Chief Engineer
for Irrigation -
see H. E. No. 140 of 11th
of 11th

1873, from the Secretary of State, on the subject of the excess of the working expenses of the Madras Irrigation Canal over the revenue derived therefrom, and I am in reply to say that His Excellency the Governor in Council is of opinion that the evidence derived from the slow extension of irrigation under the Canal hitherto indicates that it will be at least several years before the revenue will exceed the working expenses. On the other

other hand it may be possible that, under improved arrangements, which will be introduced before the commencement of the next season's irrigation, the use of the water may become more popular; and in that case there would be nothing remarkable were the 4,000 acres required to balance income and expenditure taken up in a single year.

2. I am to state that His Excellency considers that, if the State is year by year to provide funds to meet deficits in the Revenue accounts,

accounts of the Com-
pany, it would be
only right that the
entire control and
management of the
canal should be
transferred to the
Government; in order,
first, that the work-
ing expenses, espe-
cially on account
of establishments,
might be reduced,
and secondly that
such measures as
might appear like-
ly to bring the
water into more
extended use might
be introduced with-
out the delay which
is unavoidable when
the concurrence of
independent autho-
rities has first
to be obtained.

Such being the views
of this Government,
I am to say that
His Excellency would
recommend that
the Board of Di-
rectors should be
informed that, after
1874-75, no funds
whatever will be
advanced to the
company on Reve-
nue account, un-
less the entire manage-
ment of the Canal
be transferred to
the Government un-
til such time as
the extension of
irrigation may
admit of the
revenue receipt
exceeding the
charges

charges debitable
against revenue

Dec. 22/12/73
L.M.W.

(1)

Circular to
Genl & Secy. C.C.F.
Re the Accounts

1/12/73

of Caudapet
& Kurnool

3-10

I think that
these papers are
not in the complete
condition, which the
importance of the
case requires. There
is nothing on record
except Colonel Mullins
Report and I am
satisfied that the
Compassion Officers
and (Mentors) (through
the Board) should
be consulted.

I

I think that the returns of the last 5 years indicate a very important change in the popularity of these works with the people. The average area under irrigation during the first 3 years was acres 1900 (in round numbers) that of the last 2 years, 1871-72 & 1872-73 was acres 9,784. The return of 1872-73 shows a quadruple increment viz 11,029. This is most encouraging. I would therefore call for a full report or at least

least point out these facts to the proprietors of India and ask them to await the experience of another year before asking a definite opinion.

I should look on the transfer to a department already unacquainted with its work as a change to be deprecated.

I am not sure that the C^o Officers can tell us more - but it would be as well to let them & the Colon too know their say - as the

5572
 The Hon. & Ex. Council
 put evidence to
 take action on
 the result of the
 present enquiry.

L.S.

The G. I. asks three questions
 1. in what way the Govt.
 can protect itself against
 the double liability?

As it appears that the
 Contract does not allow deduction
 from guaranteed interest for
 this purpose: - they can only
 do so (1) by refusing (as
 suggested, the S. of India) to
 contribute to the working
 expenses or (2) by direct
 appropriation of the management
 fund. The first method
 involves incurring the Company
 an inevitable disapproval.
 The 2nd wd. rather be ineffective
 as wd. throw too much work
 on our P. W. Department. It
 is the considered view, that

Govt. generally enter more
 extensively than private parties

2. How soon will the
 receipts be expected to cover
 the working expenses? This
 is of course a matter of more
 a case of expectation: but there
 is no doubt that, as Mr. Muller,
 the Hon. Secy, there is now a
 steady increase of revenue;
 (the table shd. be completed
 by showing the yearly expenditure)
 need with our new measures,
 it is quite possible that
 the equalization of revenue
 & expenditure may rapidly
 ensue.

3. When the Canal may
 be completed to the S. of
 interest on the capital & on the
 advances?

This result must necessarily
 be somewhat remote: and
 as to the time, it is better than
 we are better able to give
 a positive answer to question
 2.

On the whole, I think we shd.
 suggest to the Govt. of India to
 wait for a year, so that our
 new measures may have time
 to work. In the meantime we
 can execute the collection in
 our P. W. Officers. W. Jan 31/74

512 Mr. A.
 Pres of the Madras Govt. 3-11
 Read the following:-
 From the Govt. India (H.E. No. 234 A.S. of 3rd Oct/73)
 Chy for Migration (— 57 of 20 Dec/73)

~~And...~~
 Report of...

His Excellency the
 Governor in Council resolved
 to communicate the letter
 from the Government of
 India to the Revenue
 Department with a view
 to the opinions of the Col-
 lectors of Murree and
 Ludhiana being obtained.
 On the questions asked therein.
 The Chief Engineer
 and Manager of the
 Company will likewise
 be

be requested to favor the
Government with his views
on the important subjects
noticed in that reference.

2. The note by the
Chief Engineer for Irriga-
tion contains a statement
of the Revenue derived
from the Canal in each
year up to 1872-73, and
to this has been added a
statement showing the
Revenue and the Charges
debited to Revenue, or in
other words the working
expenses, side by side.
The answer to be given
to the question when will
the Canal Revenue cover
the working expenses, mani-
festly.

manifestly depends upon
the rate of extension
of irrigation on the one
hand, and on the
amount of the working
expenses on the other.
On the former point
the opinions of the
Revenue Officers and
of the Company's repre-
sentative will be valuable
while on the subject
of the lowest cost at which
the Canal can be efficiently

The Chief Engineer for Irr. who maintained, the Chief
will ascertain & report the Engineer and Managers
views of the Chief Eng^r and
Manager of the Company, views will be of much
without communication Service.
for the present, of the letter
and despatch - ✓
Rev. Dep^y ✓

Wm. 4/2/74

G.M.W.

Despatch L.O. 3/3/74

Case 5514-6979A

Govt. of {1874} Madras.

PUBLIC WORKS.



20. The Chief Engineer for
Irrigation

Dated:

Recd.

Engl.

G. O. 27 Feb 874 No. 512.

Box 574 @ 576

H. H. Jones

Paper orders on letter
 from the Govt of India
 requesting certain in-
 formation respecting
 the Tasmanian