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MADRAS RECORD OFFICE

Government of Madras

Public Works DEPARTMENT

G.O. No.	721	(3)	Press
<u>B.P. No.</u>			<u>Mis.</u>
Dated	20	3	18 76

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
20th March 1876.*

No. 321. Read the following endorsement of the Chief Engineer for Irrigation, dated Fort St. George, 28th December 1875, No. 52:—

Letter 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 Kurnool, 17th December 1875, No. 137.

Navigation of the Canal.

I HAVE the honor to ask the favor of your attention to the Order of the Madras Government, No. 1,320, of 8th May last,

Papers referring to the proposed Kurnool Navigation Company (Limited) which accompany this letter, viz.:—

1. Proceedings of Preliminary Meeting.
2. Copy of Memorandum of Association signed by fifty-five subscribers.
3. Resolutions proposed for future submission to the first General Meeting.
4. Soucar's estimate of the financial prospects of the proposed Company.

and to the papers printed with that order.

2. That order referred to a proposal made by the Board of Directors of this Company to the Secretary of State for India, dated 22nd October 1874, which seemed to the Board to provide the only practicable mode of making the canal effectively available for the transport of goods and passengers. This proposal was to raise a distinct capital under a separate organization, to be called a "Navigation Company." The Navigation Company was to construct and maintain an efficient service of boats, stations, and accessory works, and was to have a lease of the exclusive use of the canal for navigation, the present Company having a right of purchase.

3. It was estimated by you that the Navigation Company would require £100,000 capital in order to start everything efficiently, and to make the desirable improvements of the locks and of the Pennâr river, and to cover the cost of management and working till returns should be received. I think that less would suffice since the returns would be greatly in excess of working expenses long before it could be necessary to spend £100,000 of capital. You also considered that the rent to be paid by the Navigation Company should be £2,750 a-year, and two-thirds the profits over 5 per cent. There would thus be a probability of considerable returns upon the £371,500 capital, the amount which it is estimated the present Company has expended for providing a navigable canal, beyond what they need have spent for irrigation only; but, besides these returns, the far more important object would be attained of securing a regular service of boats, daily, or oftener, adapted, with all the latest improvements, for the secure, speedy, and cheap conveyance of goods and passengers, bound to run at fair and fixed rates, open equally to all the public. There would be provided means also for the receiving of goods at any time at numerous stations ashore, where they would be secured under shelter; the transfer, under shelter, to the railway trucks, and the through booking of goods between stations on the railway and stations on the canal. Indeed, all would be devised by the Company, in consultation with Government, with a view to develope and foster the traffic of the country.

4. The Honorable the Governor in Council, after careful consideration, stated his opinion that the proposal of the Directors should not be entertained, and (in effect) that, (1) the best way of starting navigation would be by providing the present Company with funds for the purpose, and working the navigation by means of the present staff; that, (2) the next best way was to "conduct the navigation in the same manner

*Proceedings of the Madras Government, Public Works Department,
20th March 1876.*

as on the canals of the Godavery and Kistna Deltas, viz., by licensing boats, the property of private individuals, so leaving the trade entirely in private hands;" and that (3) the way proposed by the Board of Directors was far inferior to either. He believed that the introduction of navigation, if carried out in an economical manner, will be of advantage to the canal, and tend to promote the spread of irrigation. It will be noticed that you submitted the Board's scheme as, what it was carefully framed to be, the cheapest, efficient, scheme only.

5. The first course approved by the Honorable the Governor in Council is impossible under the present contract of the Company with the Secretary of State. I therefore turned my attention, since my return to Kurnool, to the second course approved. I found no men inclined to start single boats, or a few boats, each; nor any man of recognized wealth willing to put on a fleet and pay for the working of the locks; but when I proposed a Navigation Company (Limited) and gave the necessary information how such a Company is worked, the two chief merchants in the town, with the assistance of others practically acquainted with the navigation on the Godavery canals, and of some native gentlemen in the Revenue Department, drew up their estimate of the capital required, and of the cost and profits of working, and above a third of the capital required was at once subscribed in Kurnool alone. Before this new Company incur the heavy expense of registration, I have the honor, at the request of the chief subscribers, to ask the sanction of the Madras Government to the terms which the Navigation Company require, as shown in the resolutions drafted for future submission to the first General Meeting of shareholders of the Company.

6. The mode of licensing, and the annual payments for license, as proposed by the Navigation Company, are to be exactly similar to the practice on the canals of the Godavery and Kistna Deltas; except only that the Navigation Company will pay for the men employed by the present Company to work such locks as the former may

* For each Lock.				RS.	
1 Headman per mensem	...	...	...	7	require. On this I informed the Meeting that I thought the Directors will insist, since the profits of the present Company might be otherwise reduced to below £10,* even if the whole number of boats were maintained as proposed. I believe that this is contrary to the practice on the delta canals.
2 Lockmen at Rupees 6	...	...	...	12	
Per mensem	...	...	...	19	
Per annum	...	...	...	171	
or for forty-one locks per annum	...	...	...	7,011	

7. I can with confidence vouch that the Managers of the proposed Company have studied, and are likely to continue to study, economy in preference to efficiency; and I can confidently express my belief that they will prove successful in securing the condition required by the Madras Government.

8. Should the Government sanction this arrangement, I have no doubt that the Board of Directors will give their approval.

9. It is essential to the production of revenue by irrigation, that some means, however imperfect, of transporting grain and goods be provided; and such means as the proposed Kurnool Navigation Company (Limited) will afford will be far better than any now existing. A Company will be more likely to be public spirited and fair than a single individual would be. The new Company will be more anxious to make 140 per cent. by carrying part of the existing traffic as cheaply as boats can convey it, at

*Proceedings of the Madras Government, Public Works Department,
20th March 1876.*

as high a charge as possible, than to promote trade by improvements in security and speed; yet their operations must bring trade and money to the neighbourhood of the canal, and must so benefit the irrigation. Their success may induce others to put boats on the canal, and so in time the revenue realized by the present Company may rise from £80 a-year to double, or even treble that amount. True, £80 a-year is a small sum, yet it will be some return upon the £371,500 now so long lying perfectly useless and unremunerative.

10. The next season for navigation will begin with the opening of the canal by the admission of the first freshes of the Toombudra in June. If a favorable answer could be obtained from the Secretary of State to any scheme before March, some portion of the next season could be utilized, and the navigation might be opened before the first harvest of November next. While it is, then, all-important to select the scheme which will most hasten the improvement of trade and the adoption of cultivation under a secure supply of water, at the same time there seem to be pressing reasons for making that selection speedily.

From the same Officer, dated Kurnool, 18th December 1875, No. 140.

I HAVE the honor to enclose a fair draft of the Soucar's Estimate, of which I sent you an ill-copied draft with my letter No. 137, of yesterday; kindly substitute this draft for the former; except in arrangement they are identical.

Estimate of Cost and Profits of navigating the Canal by the Kurnool Navigation Company (Limited), furnished through Gopalakishnama Chetty, by the Soucars Madam Subbanna and Elkur Venkateshanna of Kurnool, 11th December 1875.

TABLE I.

Estimated Capital Expenditure.

	RS.
20 Wooden boats, 20 tons each, with ropes, sails, &c.	20,000
10 Stations and approaches	5,000
In hand for commencing working traffic	15,000
Grand Total	40,000
Supplied by 400 shares of Rupees 100 each.	

TABLE II.

Estimated annual gross Returns.

Say 15 boats run each way per mensem for nine months, 300 tons each way a-month, at Rupees 11	59,400
„ 15 boats do. with passengers, 75 at Rupees 2 each*	40,500
Gross total, yearly receipts	99,900

* It should be borne in mind that the estimate is made in the Kurnool bazaar, entirely apart from my advice, except that I suggested the pay of Secretary and Directors, and that I have inserted entirely on my own responsibility this item for passengers, omitted in the Merchants' Estimate. The sum might be earned by passengers carried at Rupees 2 each to Maidkur. It compares thus with the nearest Railways:—

Name of Railway.	EARNED IN THE FIRST HALF-YEAR, 1874.		
	Passengers.	Goods.	Proportion.
Madras Railway ...	£ 116,390	144,929	0 8033
Great Indian Peninsula Railway ...	£ 236,761	897,642	0 2843
Canal Estimate ...	Rs. 40,500	59,400	0 6818

*Proceedings of the Madras Government, Public Works Department,
20th March 1876.*

TABLE III.

Estimated yearly Profit per share of Rupees 100.

Estimated gross returns, Table II.	Rs. 99,900
Do. expenses, Table V.	49,900
Net gross profits	50,000

or per share Rupees 125 profit per annum.

TABLE IV.

Present Cost per Ton conveyed between Kurnool and Cuddapah.

Cart hire of two carts from Kurnool to Ghooty	Rs. 8
96½ miles railway fare from Ghooty to Cuddapah at 10 Pies	5
Total	13

TABLE V.

Estimated Cost of conveying 5,400 Tons by boat between above places.

200 men, viz., eight men for every 6 miles, at Rupees 7-8-0 per mensem, to tow the boats for nine months daily 6 miles and back with average load of 10 tons, besides passengers	13,500
10,800 bandy hire between Maidkur and Cuddapah at Rupees 2	21,600
93 lockmen for thirty-one locks at Rupees 6 for nine months	6,122
400 ton boats canal dues at Rupees 2 per annum	800
1 Secretary twelve months at Rupees 100 including allowances	1,200
3 Directors allowance at Rupees 5 each for twenty-six meetings a year	546
10 Gumastahs for ten stations, at Rupees 10 each for nine months.	900
10 Peons do. at Rupees 6 do.	540
10 Sundry expenses at each station, at Rupees 3 for nine months.	270
20 Repairing boats, ropes, &c., Rupees 75 each per annum	1,500
1 Writer for head-quarter establishment, at Rupees 20 for twelve months	240
1 Goomastah and two Peons at Rupees 10 and six for nine months... ..	396
1 Do. do. at Cuddapah	210
Head-quarter stationery, printing, law, &c.	210
Total	47,824
Contingencies, 5 per cent.	2,076
Grand Total	49,900

At a Meeting held at the residence of the Chief Engineer, Madras Irrigation and Canal Company, on the 30th day of November 1875.

PRESENT.

J. H. Latham, Esq.
A. J. Dodson, Esq.
N. Gopalakishnama Chetty, Garu.
P. Rajarutna Moodelliar, Avergul.
A. Ramachandra Row, Garu.
Elkur Padmanabhaya, Garu.
Madam Subbanna, Garu.
Ramsing, Garu.
Giddaya, Garu, (son of Hanumuntu.)

It was unanimously resolved that—

*Proceedings of the Madras Government, Public Works Department,
20th March 1876.*

- I.—It is desirable that a Company should be formed to work the Navigation on the Canal of the Madras Irrigation and Canal Company, having its head-quarters at Kurnool.
- II.—That a Meeting be called to-morrow at 8 A.M. at Narainsawmy Naidoo's shop, and that the accompanying draft Memorandum of Association be supplied to the Meeting for approval and signature.

Memorandum of Association of the Kurnool Navigation Company (Limited).

1. The Name of the Company is the Kurnool Navigation Company (Limited).
2. The registered office is to be established in the Madras Presidency in India.
3. The objects for which the Company is established are the conveyance of passengers and goods in ships or boats between such places as the Company may from time to time determine and the doing of all such other things as are incidental or conducive to the attainment of the above object.
4. The liability of the shareholders is limited to the amount if any unpaid on the shares respectively held by them.
5. The nominal capital of the Company is Rupees 40,000, divided into 400 shares of Rupees 100 each.
6. The Company may, with the sanction of a special resolution of the Company, passed in manner hereinafter mentioned, modify the conditions contained herein stated so as to increase its capital by the issue of new shares of, such amount as it deems expedient, or to consolidate and divide its capital into shares of amounts half of, the same as, or larger than, its existing shares of which any number may be preference shares entitled to receive all nett profits up to a definite limit, or to convert its paid-up shares into stock.
7. The Company, will be administered and managed under the regulations marked Table A, contained in the first schedule of the Indian Company's Act 1866.
8. We the several persons whose names and addresses are subscribed are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Name.	Residence.	No of Shares taken by each Subscriber.
Madam Subbanna	Kurnool	20
Elkur Vencatasashya	Do.	20

Here follow signatures of other Kurnool subscribers up to this date (16th December 1875,) to the total number of fifty-five signatures for a total of 179 shares.

Draft Resolution to be proposed at the first General Meeting of the Company after Registration.

That the Madras Irrigation and Canal Company be asked to offer the following terms to such a Company, viz. :—

1. The Navigation Company to be permitted to use the Canal and its works for the navigation by their boats, and to construct and maintain all necessary landing places, approaches, warehouses, accommodation, and accessory works.
2. The Madras Irrigation and Canal Company will furnish such land as may be required for the above works from time to time, and will guarantee to the Navigation Company the exclusive right to use such works, provided that nothing be done detrimental to their own works.
3. The Madras Irrigation and Canal Company shall be paid by the Navigation Company Rupees 2 per ton per annum for boats navigating the canal on the same rules of measurement and toll as are in force on the Godavery canals.

4. The Madras Irrigation and Canal Company shall at any time after the expiration of five years from the commencement have power, after having given two years' notice of their intention to do so, to purchase all the rights, interests, and works of the Navigation Company, by paying the latter the full amount of its paid-up capital together with the average, if any premiums, at which their shares or stock shall have been sold, and transferred during the three years preceding purchase.

That the Chief Engineer of the Company be requested to obtain the answer of the Madras Irrigation and Canal Company, and thereupon to call another Meeting in Kurnool, and to lay the Company's answer before the Meeting

That the following gentleman be asked to officiate as Officers of the Company :—

Chairman—

Directors—

Honorary Consulting Engineer, J. H. Latham, Esq.

Vakeel, Ramachendra Row, Government Pleader.

Secretary, Ramsing, Merchant, Kurnool, Treasurer.

SUBMITTED for the consideration and orders of Government.

The draft resolutions containing the terms on which it is proposed that the contemplated Kurnool Navigation Company (Limited) shall be permitted to make use of the canal appear to be generally unobjectionable.

2. It is considered, however, that the lock establishments should be the servants of the Madras Irrigation and Canal Company and not of the Navigation Company. The latter proposes to subscribe a capital of Rupees 40,000 and to construct boats of 400 tons total tonnage, the license fees for which, calculated as on the Godavery canals, would, at Rupees 2 per ton per annum, amount to Rupees 800. On the other hand, the lock establishments are calculated to cost Rupees 6,122 per annum, and are entered as part of the working expenses of the Navigation Company. If therefore the Madras Irrigation and Canal Company provide lock establishments the fees per ton would have to be raised to Rupees 10 per annum. This rate, however, need be imposed on only the first 400 tons registered and licensed, and all tonnage in excess might be licensed at Rupees 2 a-ton a-year. Passenger boats carrying 75 passengers* would, at the

Godavery and Kistna canal rates, be charged Rupees 140-10-0 or 70-5-0, according as they carried all passengers offering, or had the option of refusing to carry some passengers. As 20-ton cargo boats would pay Rupees 200 per annum up to a certain

* The number assumed in Table II.

$6 \times 5 = 30$ Annas or 1-14-0 per passenger.
 $3 \times 5 = 15$ Annas per passenger.

Vide rules appended to G.O., No. 691, 4th March 1873.

limit, and Rupees 40 per annum beyond that limit, the corresponding rates for passenger boats should, it is considered, be Annas 8 a square foot, or Rupees $2\frac{1}{2}$ per passenger, the charges being left optional. It is extremely probable that ere long it will be deemed necessary to increase the rates of licenses for both cargo and passenger boats in the Northern Deltas, as the present rates do not cover, it is believed, the working expenses of the navigation.

3. The reason for keeping the lock establishments fully under the control of the Madras Irrigation and Canal Company are that, first, the locks and their gear require careful management, and should not be committed to the care of a Company having no direct interest in their preservation from injury and undue wear and tear; secondly,

were the locks in the hands of the Kurnool Navigation Company the navigation would be a monopoly and this should not be allowed. It is clearly a matter of little consequence financially to the Navigation Company whether they disburse between six and seven thousand Rupees annually in license fees or on establishment.

4. The undersigned entertains some doubt whether 6 Rupees a-month is a sufficient maximum rate of pay for men employed to work locks. In the Godavery not only is a Lock Superintendent found necessary, but usually more than three lascars besides; however, until traffic develops it may be assumed that three lascars will suffice, and one should receive Rupees 8 and the other two Rupees 6 each, which would add Rupees 93 a month or Rupees 837 for nine months to the estimate. The total would then be Rupees 5,859 annually for lock establishments, the Rupees 6,122 of Table V. being apparently an error.

It is not clear how the twenty boats of Table I. are to do the work of the thirty boats of Table II.

5. In paragraph 5 of his letter No. 137, Mr. Latham observes that it is impossible, under the present contract, for the navigation of the canal to be started with funds provided by Government and to be managed by the present staff of the Madras Irrigation and Canal Company, but as he has not stated why there is an impossibility involved in this arrangement the remark cannot be explained.

(Signed) JOHN MULLINS, Lt.-Col., R.E.,
Chief Engineer for Irrigation.

No. 322. ORDER THEREON, 20th March 1876, No. 721.

IRRIGATION, No. 23.

The Chief Engineer and Manager, Madras Irrigation and Canal Company, has submitted proposals for the formation of a

Navigation Company to be styled the Kurnool Navigation Company, Limited, to start navigation on the Madras Irrigation and Canal Company's canal. The Company proposes to raise a capital of Rupees 40,000, and the material conditions suggested are that this Company should be provided with the land required for station buildings alongside the canal; that it should pay the requisite lock establishments, estimated to cost Rupees 6,122 per annum, and Rupees 2 a-ton on 400 tons of boats or Rupees 800 a-year for the use of the canal.

2. The Chief Engineer for Irrigation, in his endorsement submitting the papers, points out certain objections to placing the locks in charge of the Navigation Company, and proposes, therefore, that the cargo and passenger boat licenses should be so charged for as to cover the cost of the establishments which then would be maintained by the Canal Company; and he goes on to make certain recommendations as to the details necessary. The Government, however, think that the preferable course will be to require the proposed Navigation Company, first, to pay a fixed amount, which apparently may be taken to be Rupees 6,000, to cover the cost of lock establishments; secondly, to take out licenses for all cargo boats at the rate of Rupees 2 a-ton and for all passenger boats at the rate of Annas 6 per square foot of space to be occupied

by passengers or, as 5 square feet* are required for each passenger, at the rate of Rupees 1-14-0 for every passenger a boat is qualified to carry. The fares to be charged

* See Rules for Godavery and Kistna Canals.

for the conveyance of passengers will be left to the Company's discretion, subject only to the provision that they must, for ordinary, as contrasted with special, accommodation, be published in the District Gazettes, and it will be desirable that tables of fares should be made known by notices posted up at the locks.

3. These modifications will not, it is observed, affect the financial estimates of the proposed Company in any material degree, and should its promoters be disposed to accept them and the rules* and bye-laws in force on the Government canals together with such alterations of the latter on receiving one year's notice, as may be deemed requisite, and as may be adopted on the Government canals, His Excellency the Governor in Council will be prepared to authorize the use of the canal by the Company on these terms; it being distinctly understood that, on the one hand, no exclusive right of navigation will be granted, and that, on the other hand, licenses to boats not belonging to the Navigation Company will be given on terms not more favorable than those authorized for this Company.

4. The payment of the fixed sum of Rupees 6,000 will be required to be made by four equal quarterly instalments, payable on the 1st April, 1st July, 1st October, and 1st January. The license fees must be paid and a license obtained before the boat for which it is required can make use of the canal.

5. Should boats other than those of the Company take out licenses for navigating the canal, three-fourths of the license fees levied will be credited to the Company in diminution of the fixed annual charge of Rupees 6,000.

6. The charges laid down in this order as payable by the Company will not be increased before the end of three years from the date from which navigation may be commenced, or that from which lock establishments may, on the request of the Company, be entertained, whichever may be the earlier date.

7. The Company will be provided with land which may be required for the erection of station buildings, on the condition that, first, the extent and position of such land are first formally approved under the rules relating to the acquisition of land for the use of the Madras Irrigation and Canal Company, and, secondly, that the right of use of such land by the Navigation Company will be allowed only while the Company continue to navigate the canal.

(True Extract.)

Major-General, R.E.,
Secretary to Government.

To the Chief Engineer for Irrigation.
" Chief Engineer and Manager, Madras Irrigation and Canal Company.
" Revenue Department.
" Editors' Table.

Exd. S. T. Austin.

Spare Copies

Madras Irr. & Canal Co.
Chief Engineer & Manager's Office
Kurnool 17th December 1875.

N^o-137

To

The Chief Engineer for Irrigation
Fort St. George
Madras.

Sir,

Navigation of the Canal

I have the honor to ask the favour of your attention to the Order of the Madras Government N^o 1320, of 8th May last, and the papers printed with that order.

2. That order referred to a proposal made by the Board of Directors of this Company to the Secretary of State for India, dated 22nd October 1874, which seemed to the Board to provide the only practicable mode of making the Canal effectively available for the transport of goods and passengers. This proposal was, to raise a distinct Capital under a separate organisation to be called a "Navigation Company". The Navigation Company was to construct

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Enclosures.

Papers referring to the proposed Kurnool Navigation Co. limited. which accompany this letter: viz, -

Proceedings of preliminary

= nary meeting

Copy of Memo of association

= signed by

55 subscribers.

Resolutions proposed

for future submission

= to the first General

= meeting

Soucar's estimate of the

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and maintain an efficient service of boats, stations, and accessory works, and was to have a lease of the exclusive use of the Canal for navigation; the present Company having a right of purchase.

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4. The Honorable the Governor in Council after careful consideration stated his opinion that the proposal of the Directors should not be entertained, and (in effect) that (1) the best way of starting navigation would be by providing the present Company with funds for the purpose, and working the navigation by means of the present Staff: that (2) the next best way was to conduct the "navigation in the same manner as on the Canals of the Godavery and Krishna Deltas: viz by licensing boats the property of private individuals, so leaving the trade entirely in private hands": and that (3) the way proposed by the Board of Directors was far inferior to either. He believed that the introduction of navigation, if carried out in an economical manner, will be of advantage to the Canal, and tend to promote the spread of irrigation.

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in the resolutions drafted for future submission to the 1st General Meeting of Shareholders of the Company.

6. The mode of licensing, and the annual payments for license, as proposed by the Navigation Co., are to be exactly similar to the practice on the Canals of the Godavery and Krishna Deltas; except only that the Navigation Co. will pay for the men employed by the present Company to work such locks as the former may require. On this I informed the meeting that I thought the Directors will insist, since the profits of the present Company might be otherwise

* For Each lock		reduced to below £10,
1. headman per mensem Rs 7		even if the whole number
2. lockmen at Rs 6 = 12		of boats were maintained
Per mensem 19		as proposed. I believe
Per Annum 171		that this is contrary to
or for 41 locks per annum Rs 7041.		the practice on the Delta Canals.

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(answer)

194 7
answer could be obtained from the
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son could be utilized, and the naviga-
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scheme which will most hasten the
improvement of trade and the adoption
of cultivation under a secure supply
of water, at the same time there seem
to be pressing reasons for making that
selection speedily.

I have the honor to be
Sir
Your most Obedient Servant

John Hatham.

Chief Engineer & Manager.

Madras Irr. and Canal Co.
Chief Engineer and Manager's Office
No. 140 Kurnool 18th December 1875

To
The Chief Engineer for Irrigation
Fort St. George
Madras.

Sir,
I have the honor to enclose a fair
draft of the Soucar's Estimate, of which
I sent you an illicopied draft with
my letter No. 137, of yesterday. Kindly
substitute this draft for the former: ex-
cept in arrangement they are identical.

I have the honor to be
Sir,

Your Most Obedient Servant.

J. M. Watham

Chief Engineer & Manager.

1. Enclosure.

52-2872-75

1875
1875

The Chief Engineer
& Manager

1875
1875

Dated 17th
Dec 20th 1875

1875

1875

On the subject of

Navigation of the

Broads in the

Canal Company

Canal 1875

2311

Estimate of Cost and Profits of
 Navigating the Canal by the Kurnool
 Navigation Co. (limited), furnished
 thro Gopalakishnama Chetty by the
 Soucars Madam Subbanna & Elwar
 Venkatashekanna of Kurnool 11th
 December 1875.

Log No. 52-28-12-75

For 1875

Mr. Hugh Ferguson
 & Co. Managers

Rs. 140.

Rs. 1875

Rs. 20.

Forwarded by the
 of Soucars Madam
 to substituted to Rs.
 one sent with letter
 of 13th of the 15th inst.
 11th 1875

No 20 March 76 (P. 32)

Table I. Estimated Capital Expenditure

20 Wooden boats, 20 tons each, with ropes sails &c.	Rs. 20,000	Rs.	P.
10 Stations and Approaches	5,000	"	"
In hand for commencing working traffic	15,000	"	"
Grand Total	40,000	"	"
Supplied by 400 Shares of Rupees 100 each			

Table II. Estimated Annual Gross returns

Say 15 boats run each way per mensem for 9 months	Rs.	Rs.	P.
300 tons each way a month @ Rupees 11.	59,400	"	"
15 boats ditto with passengers 75 @ Rs. 2 each	19,500	"	"
Gross total yearly receipts Rupees	99,900	"	"

Table III. Estimated yearly profit per Share of Rupees 100.

Estimated Gross returns Table II.	Rs. 99,900	Rs.	P.
Do Expenses Table V.	49,900	"	"
Nett Gross profits	50,000	"	"
or per Share Rs. 125 profit per annum			

Note. It should be borne in mind that the estimate is made in the Kurnool Bazaar, entirely a part from my advice, except that I suggested the pay of Secretary and Directors, and that I have inserted entirely on my own responsibility this item for passengers, omitted in the merchants estimate. The sum might be earned by passengers carried at Rs. 2 each to Maidkur. It compares thus with the nearest railways:—

Name of Railway	Earned in the 1 st half year 1874.		
	Passengers	Goods	Proportion
Madras Railway	£ 116,390	144,928	0. 8033
Govt. Indian Pen. Railw.	236,761	897,642	0. 2643
Canal Estimate	Rs. 40,500	59,400	0. 6818

Table IV. Present Cost per ton conveyed between Kurnool & Cuddapah.

Cart hire of 2 Carts from Kurnool to Gooty	Rs. 8	Rs.	P.
96 1/4 Miles Railway fare from Gooty to Cuddapah @ 10 pice	5	"	"
Rupees	13	"	"

Table V. Estimated Cost of Conveying 5,400 tons by boat between above places.

200 Men, viz 8 Men for every 6 Miles, @ Rs. 7-8-0 per mensem to tow the boats for 9 months daily 6 miles & back with average load of 10 tons, besides passengers	13,500	Rs.	Rs.	P.
10,800 Bandy hire between Maidkur & Cuddapah @ Rs. 2	21,600	"	"	"
93 Lockmen for 31 locks @ Rs. 6 for 9 months	6,122	"	"	"
400 ton boats Canal dues @ Rs. 2 per annum	800	"	"	"
1. Secretary 12 months @ Rs. 100 including allowances	1,200	"	"	"
3. Directors Allowance @ Rs. 5 each for 26 meetings a year	546	"	"	"
10 Gumastahs for 10 Stations @ Rs. 10 each for 9 months	900	"	"	"
10 Peons do. do. @ Rs. 6	540	"	"	"
10 Sundry expenses at each Station @ Rs. 3 for 9 months	270	"	"	"
20 Repairing boats, ropes &c. @ Rs. 7 1/2 each per annum	1,500	"	"	"
1. Writer for head quarter establishment @ Rs. 20 for 12 months	240	"	"	"
1. Ghomasta & 2 peons @ Rs. 10 & 6 for 9 months	396	"	"	"
1 Do. do. at Cuddapah		"	"	"
Head quarter Stationery, printing, law &c.	210	"	"	"
	47,824	"	"	"
Contingencies 5%	2,076	"	"	"
Grand Total Rupees	49,900	"	"	"

27th 11
At a Meeting held at the Residence of the Chief Engineer Madras Irrigation and Canal Company on the 30th day of November 1875.

Present

John H. Latham, Esq^r
A. J. Dodson, Esq^r
N. Gopalakishnama Chetty Garu
P. Rajarutna Moodelias Avergul
A. Ramachender Row Garu
Elkur Padmanabhaya Garu
Madam Subbanna Garu
Ram Sing Garu
Giddaya Garu (Son of Hanumanta)

- It was unanimously resolved that
- I. It is desirable that a Company should be formed to work the Navigation on the Canal of the Madras Irrigation and Canal Company having its Head Quarters at Kurnool, ~~Kasabpet~~.
 - II. That a meeting be called tomorrow at 8 A.M. at Karainsawmy Naidoo Shop and that the accompanying draft Memorandum of association be supplied to the Meeting for approval and signature.

Pro 20 March 76 B/H 321

To accompany

298 12

Memorandum of association
of the Kurnool Navigation Com-
pany "Limited."

1. The Name of the Company is the Kurnool Navigation Co. "Limited."
2. The registered Office is to be established in the Madras Presidency in India
3. The objects for which the Company is established are the conveyance of passengers, and goods in Ships or boats between such places as the Company may from time to time determine, and the doing of all such other things as are incidental or conducive to the attainment of the above object.
4. The liability of the Shareholders is limited to the amount of any unpaid on the Shares respectively held by them.
5. The nominal Capital of the Company is Rupees (40000) divided into (400) Shares of Rupees (100) each:-
6. The Company may with the sanction of a Special Resolution of the Company passed in manner herein after mentioned modify the conditions contained herein stated so as to increase its
(Capital

134/196
2/12

C. S. 425/35

Capital by the issue of new Shares of such amount as it deems expedient, or to consolidate and divide its Capital into Shares of amounts half of, the same as, or larger than, its existing Shares of which any number may be preference Shares entitled to receive all nett profits upto a definite limit, or to convert its paid up Shares into Stock.

7. The Company will be administered and managed under the regulations marked Table A contained in the First Schedule of the Indian Company's Act 1866.

8. We the several persons whose names and addresses are subscribed, are desirous of being formed into a Company, in pursuance of this Memorandum of association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names:-

Name	Residence	N ^o of Shares taken by each Subscriber
Madam Subbanna	Kurnool	20.
Elkur Venkata-sashya	— D ^o —	20.

Here follow Signatures of other Kurnool Subscribers up to this date (16th December 1875) to the total number of 55 Signatures for a total of 179 Shares.

11 14
Draft resolutions to be proposed at the
1st General Meeting of the Company, after
Registration.

That the Madras Irrigation & Canal Co. be
asked to offer the following terms to such a
Company: viz.

1. The Navigation Co. to be permitted to
use the Canal and its works for the navigation
by their boats, and to construct and maintain
all necessary landing places approaches ware-
houses accommodation, and accessory works.
2. The M. I. & C. Co. will furnish such land
as may be required for the above works, from
time to time, and will guarantee to the Navi-
-gation Co. the exclusive right to use such works,
Provided that nothing be done detrimental to
their own works.
3. The M. I. & C. Co. shall be paid by the
Navigation Co. Rupees 2 per ton per annum for
boats navigating the Canal on the same rules of
measurement & toll as are in force on the Godavari
Canals.
4. The M. I. & C. Co. shall at any time after
the expiration of 5 years from the commence-
-ment have power, after having given 2 years
notice of their intention to do so to purchase all
the rights interests and works of the Navigation
Co., by paying the latter the full amount of its
paid up Capital together with the average of
any premiums at which their Shares or Stock
shall have been sold, and transferred during the
3 years preceding purchase.

C Co 425/55

M. 134/96

Estimate of Cost and Profits of Navigating the Canal by the Kurnool Navigation Company (limited) furnished through Gopala Kristnamma Chetty by the Loucaro Medam Subbanna and Elkur Venkatashe-shayya of Kurnool 11th December 1875.

Table I Estimated Capital Expenditure.

20 Wooden boats, 20 tons each, with ropes sails &c.	20,000	
10 Stations and approaches	5,000	
In hand for commencing working traffic	15,000	
Grand Total	40,000	
Supplied by 400 shares of Rs 100 each.		

Estimated Annual Gross returns. Table II.

Let 15 boats run each way per mensem for 9 months = 300 tons each way a month @ Rs 11	59,400	
15 boats ditto with passengers 75 @ Rs 2 each	40,500	
Gross total yearly receipts	99,900	

Table III Estimated yearly profit per share of Rs 100.

Estimated Gross returns Table II.	99,900	
Do expenses Table V.	49,900	
Nett Gross profits	50,000	
or per share Rs 125 profit per annum.		

Note. It should be borne in mind that the estimate is made in the Kurnool Bazaar, entirely a part from my advice, except that I suggest the pay of Secretary and Directors, and that I have inserted entirely on my own responsibility this item for passengers, omitted in the merchants estimate. The sum might be earned by passengers carried at Rs 2 each to Moidkur. It compares thus with the nearest railways:-

This is part of any foot-note & should be at foot of last page Jth.

Name of Railway	Earned in the 1 st half year 187		
	Passengers	Goods	Proportion
Madrass Railway	Rs 116,390	17,42,928	0.8053
Govt Indian P.W. Ry	236,761	897,642	0.2643
Canal Estimate	Rs 40,500	59,400	0.6818

Table IV.

Present Cost per ton conveyed between Kurnool & Cuddapah

Cart hire of 2 carts from Kurnool to Gooty	8
96 $\frac{1}{4}$ Miles Railway fare from Gooty to Cuddapah @ 10 paise	5
Rs	13

Table V.

Estimated Cost of Conveying 5,400 tons by boat between above places.

200 men, viz, 8 men for every 6 miles @ Rs 7-8-0 per man sent to tow the boats for 9 months daily 6 miles and back with average load of 10 tons, besides passengers	13,500
10,800 Bandy hire between Moidkur & Cuddapah @ Rs 2	21,600
93 Lockmen for 31 locks @ Rs 6 for 9 months	6,122
400 ton boats Canal dues @ Rs 2 per annum	800
1 Secretary 12 months @ Rs 100 including allowances	1,200
3 Directors allowance @ Rs 5 each for 26 meetings a year	546
10 Gummastahs for 10 stations @ Rs 10 each for 9 months	900
10 Peons do @ Rs 6	540
10 Sundry expenses at each station @ Rs 3 for 9 months	270
20 Repairing boats, ropes &c @ Rs 75 each per annum	1,500
1 Writer for headquarter establishment @ Rs 20 for 12 months	240
1 Gummastah and 2 Peons @ Rs 10 & 6 for 9 months	396
1 Gummastah and 2 Peons @ Cuddapah	
Headquarter Stationery, printing, law &c	250
	17,826
Contingencies 5%	2076
Grand Total Rupees	49,900

P.W. Dept.

Proceedings of the Madras Government
Read the following

From

The Chief Engineer for Irr. - (H.R. No. 52 of 28 Decr/75)

The Chief Engineer
and Manager, Madras Iri-
gation and Canal Company,
has submitted proposals
for the formation of a
Navigation Company to be
styled the Kurnool Navigation
Company, Limited, to
start navigation on the
M.S. & Co's Canal. The
Company proposes to raise
a capital of Rupees 40,000
and the material conditions
suggested are that this
Company should be
provided

MS
22/1
They say the supporters
made a pericir may
be considered

for 10 March 1876

MS
134/196

MS
134/196

P.W. Dept

Proceeding of the Madras Government
Read the following

From

The Chief Engineer for Irrigation - (P.R. No 52 of 28th Decr/75)

The Chief Engineer and Manager, Madras Irrigation and Canal Company, has submitted proposals for the formation of a Navigation Company to be styled the Kurnool Navigation Company, Limited, to start navigation on the M.S. of the Canal. The Company proposes to raise a capital of Rupees 40,000 and the material conditions suggested are that this Company should be provided

Mr. 22/1
They say the Government
will consider

provided with the land
required for ~~the~~ build-
-ing ~~the~~ canal
-it should pay the
requisite lock establish-
-ments estimated to cost
Rupees 6,122 per annum
and Rupees 2 a ton on 400
tons of boats or Rupees 800
a year for the use of the
canal.

2. The Chief Engineer
for Irrigation in his endorse-
-ment submitting the
papers points out certain
objections to placing the locks
in charge of the Navigation
Company, and proposes
therefore that the cargo
and passenger boat
licenses should be so
charged for as to cover the
cost of the establishments
which there would be
maintained by the
canal company. To allow
of

See revised draft from
to end of Canal people -

This is the
the land
building
the Canal

But the provisions
were altered of the
higher charge in the
boats involved - No
last Messrs. S. & Co.
of the Canal the latter
part to be made
to be used for
passenger boats

* with the modifications required
by this order.

431/0
of this arrangement
being carried out it
would be necessary to fix
the rates for licenses for cargo
boats at Rupees 10 a ton per
annum for the first 400 tons
so licensed and thereafter
Rupees 2 a ton would be
probably sufficient. Similarly
the license fees for passenger
boats are recommended to
be fixed at Rupees 2 1/2 per
passenger per annum,
leaving the rates to be charged
by the Navigation Company
to its discretion.

3. These modifications
will not, it is observed, affect
the financial estimates of
the proposed Company in
any material degree, and
should its promoters be
disposed to accept them
and the rules and bye-laws
in force on the Government
canals

canals together with such alterations of the latter on receiving one year's notice, as may be deemed requisite, and as may be adopted on the Government canals. His Excellency the Governor in Council will be prepared to authorize the use of the Canal by the Company on these terms, it being distinctly understood that on the one hand no exclusive right of navigation will be granted, and that on the other hand licenses to boats not belonging to the Navigation Company will be given on the same terms as may be at the time in force.

Amw

*For proposal
Govt. to authorize use
of canal for 3 years
see p. 100*

*Terms not more favorable than
those authorized by the Company*

*Not to be at terms as
now given to the
Govt. authorized by the
Comp.*

*Chf. Secy
Chf. Secy S.C. Co.
Chf. Secy
S.C.*

Explanatory Memorandum.

The Joint Secretary submits that, as the license fees levied on the Government canals on cargo boats are limited by rule III to one Rupee a ton a year and as in the Kodavery it is probable that the limit will shortly be raised, it seems to be desirable not to reduce the payment of 2 Rupees a ton proposed by Mr. Latham and apparently acceptable to the Navigation Company. If the Honorable Mr. Elliot desires his remark on this point opposite para 2 of the original draft to be acted upon, 1 Rupee must be substituted for 2 Rupees in para 2 of the revised draft.

John Ainslie
15th February 1876

Ans. Secy.

Major R.E.
For Joint Secretary to Government
R.E.

Submitted for the consideration and orders of Government.

The draft resolutions containing the terms on which it is proposed that the contemplated Kurnool Navigation Company (limited) shall be permitted to make use of the canal appear to be generally unobjectionable.

2. It is considered however that the lock establishments should be the servants of the M. S. & C. and not of the Navigation Company; The latter proposes to subscribe a capital of Rupees 40,000 and to construct boats of 400 tons total tonnage the license fees for which, calculated as on the Godavery canals, would at 2 Rupees per ton per annum amount to Rupees 800. On the other hand the lock establishments are calculated to cost Rupees 6,122 per annum and are entered as part of the working expenses of the Navigation Company. If therefore the Madras Irrigation

Pro 20 March 1832

necessary but usually more than 3
lascars besides - however until traffic
develops it may be assumed that 3
lascars will suffice and one should
receive Rupees 8 and the other two 6
Rupees each which would add 93 Rupees
a month or Rupees 837 for 9 months to the
estimate. The total would then be
Rupees 5059 annually for lock estab-
-lishments, the Rupees 6,122 of Table V
being apparently an error.

It is not clear how the 20 boats of Table I
are to do the work of the 30 boats of
Table II.

6. In para 5 of his letter No 137
Mr. Latham observes that it is impossible,
under the present contract, for the
navigation of the canal to be started
with funds provided by Government
and to be managed by the present
staff of the M. I. & Co., but as he has
not stated why there is an impossibility
involved in this arrangement the
remark cannot be explained.

Forthamberg
28th December 1875
No 20 March 76 P 321
Sunderland
Lieut Col R.E.
Chief Engineer for Irrigation

4819-Sept 1/67 No 457-458.

" 4th March/73 - 74-75A

" 23rd May/74 - 510.

" 21st Sept - 470-472

" " " 473-474.

" 20: " " 587-588.

" 8th Jan 75 - 86-87.

" 8th May " 203-209.

The Indian Companies' Act, 1866.

No 52

From,

The Chief Engineer for
Irrigation

To,

The Secretary to Govt.
P. W. D.

Dated 28th December 1895

Received January 1896.

Enclosures.

Submits for consideration
papers from the Chief
Eng. & Manager Mr. D. & C. Co.
regarding the navigation of
the Canal.

FORMER CASES.

Current No. of 187

M. WORKS FORM No. 3.

Current No.

From

The Chief Engr.
for Irrigation

No. 52.

Dated 28th Decr. 1895.
Recd. 12th. Jan. 1896

Subject:- Submits for Con-
sideration papers from
the Chief Engr. & Manager,
M. I. & C. Co. regarding the
navigation of the Canal.

LATER CASES.

Current No. of 187

ENCLOSURES.

From

to

S. 6. 721. 20-2-96.

Orders and Proceedings in file.

Depart- ment.	No.	Date.	ENDORSEMENTS.		
			Depart- ment.	No.	Dated.

hs 721. P. W. Dept.
8/20th March 1896.

Proceedings of the Madras Government
Read the following -

From

The Chief Engr. for Irr. (H. S. No 52 of 28th Decr 1895)

The Chief Engineer and Manager
Madras Irrigation and Canal Com-
pany has submitted proposals for
the formation of a Navigation Com-
pany to be styled the Kurnool
Navigation Company Limited, to
start navigation on the Madras Irri-
gation and Canal Company's Canal.
The Company proposes to raise a
capital of Rupees 40,000 and the
material conditions suggested are
that this Company should be
provided with the land required
for station buildings alongside
the Canal, that it should pay
the

26/1

N^o 321-

Go 14-1-96

receiving one years notice, as may be deemed requisite, and as may be adopted on the Government Canals, His Excellency the Governor in Council will be prepared to authorize the use of the Canal by the Company on these terms, it being distinctly understood that, on the one hand no exclusive right of navigation will be granted, and that on the other hand licenses to boats not belonging to the Navigation Company will be given on terms not more favorable than those authorized for this Company.

4. The Canal will usually be navigable from June to January and the payment of the fixed sum of Rupees 6000 will be required to be made by four equal quarterly instalments payable on the 1st April, 1st July, 1st October and 1st January. The license fees must be paid and a license obtained, before the boat for which it is required, can make use of the Canal.

5. Should

5. Should boats other than those of the Company take out licenses for navigating the Canal, three-fourths of the license fees levied will be credited to the Company in diminution of the fixed annual charge of Rupees 6000.

6. The charges laid down in this order, as payable by the Company will not be increased before the end of 3 years from the date from which navigation may be commenced, or that from which lock establishments may, on the request of the Company, be entertained, whichever may be the earlier date.

7. The Company will be provided with land which may be required for the erection of station buildings, on the condition that first the extent and position of such land are first formally approved under the rules relating to the acquisition of land for the use of the Madras Irrigation and Canal Company.

Company, and secondly, that the right
of use of such land by the Navigation
Company will be allowed only
while the Company continue to
navigate the Canal.

Ans.

Ans.

321-322

C.E. for J. 5
C.E. for Co. 4
Rev. Sept 21 12
E.T. 17

Drpd 3 apr / 76

Govt. of Madras.
PUBLIC WORKS.

To
The Chief Engineer
for Irrigation.

Dated

Issued

Recd

Encl.

G. O. 20th Nov 1876, No. 721

Nos. 121-322.

Formation of the Grand
Irrigation Canal — Calling
tenders on the papers submitted
by the Chief Engineer & Manager
for S. E. C. C. regarding the
proposals for forming a
Company for the same —

Sub. in file
1/11