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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Paleontological DEPARTMENT

G.O. No.	4258 (w)	Press.
B.P. No.		Mis.
Dated	6-11-1878 197.	

297

Not to be folded or roughly handled

4258

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

6th November 1878, No. 4258 W.

Buildings and Roads.

Civil Works.

Read the following paper:—

No. 50. Proceedings of the Madras Government in the Financial Department, dated 14th October 1878, No. 1,895.

Resolution of the Government of India, Financial Department, (Accounts and Finance), dated Simla, 30th August 1878, No. 2,649.

In a Despatch, No. 20 P.W., dated 11th March 1875, the Secretary of State sanctioned the construction of a Harbour at Madras at a cost of £628,000, which the Government of Madras thought would be "amply sufficient," and requested that the Government of Madras might—

"be directed to introduce Bills into the Legislature providing for the levy of dues, either on shipping or on goods, in the Port of Madras, upon the construction of a Harbour there, which will be sufficient to defray interest at four per cent. on a Loan of £628,000, and a yearly expenditure of £6,000";

and, further, authorised the Government of India—

"on the passing of those measures, to advance the sum of £628,000 out of Extraordinary Funds to the Government of Madras for the construction of a Harbour in accordance with the plans of Mr. Parkes, and under his superintendence."

2. On the 4th June 1875, the Government of Madras reported, in a letter (No. 1,569), that the question of the legislation thus directed was under consideration in the local Legislative Department, and asked for an advance of five lakhs of Rupees for preliminary operations, pending the grant of the proposed loan.

3. By resolution of the Government of India in this department, No. 1,716, dated 25th June 1875, this advance was sanctioned on the understanding that the Government of Madras would be responsible—

"that a Port Trust would be formed for Madras, and that due arrangements would be made to raise a revenue sufficient for payment of interest at four per cent. per annum on an eventual Loan of £628,000."

4. The Government of Madras reported that the local Chamber of Commerce, the Collector of Sea Customs, and the Board of Revenue had been fully consulted upon the subject of the proposed Harbour, and had given their opinions as to the port dues necessary to provide for interest on its capital cost and for its efficient maintenance.

5. But the Government of Madras having been advised that the Port Trust could only be constituted by an Act of the Legislative Council of the Government of India, delays ensued in the arrangements for obtaining such an Act which have not yet been overcome.

No. 51.

OLDER THEREON, 6th November 1878, No. 4,258 W.

Communicated to the Examiner of Public Works Accounts.

(True Extract.)

(Signed) E. A. FOORD, Colonel, R.E.,
Secretary to Govt., P.W.D.

255

To the Examiner of Public Works Accounts.

Encl. T. D. Ryan
Spare Copies

U.S. DEPT. OF THE INTERIOR

PUBLIC MONUMENTS

[Faint handwritten notes, possibly:]
What is the...
National...
...
...

W. H. 11
G. O. 2581-2/6
Hon. Sec.

I see no objection to
the order being
communicated but
this is a matter
which the Chief
Supt. should decide
as the G. O. issues from
his Dept. The G. O.
in the P. W. Dept is a
simple endorsement

R. R.
11

42/3

42/3

My dear Mother

As there are objections
to the Harbours Amendment
having the accompanying
No. communicated to the
Parliament and to keep
them alive -

I am

Yours very truly
Wm. W. W.

26.10.78.

Dear Sir,

I have been very
communicative to the
Barrow Committee
and I have been able
to get it all cleared up
The matter is still under
consideration with the
R. I. I.

Yours sincerely
J. H. H.

29.11.78

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

6th November 1878, No. 4,258 W.

Buildings and Roads.
Civil Works.

Read the following paper:—

No. 50. Proceedings of the Madras Government in the Financial Department,
dated 14th October 1878, No. 1,835.

Resolution of the Government of India, Financial Department, (Accounts and Finance),
dated Simla, 30th August 1878, No. 2,649.

In a Despatch, No. 20 P.W., dated 11th March 1875, the Secretary of State sanctioned the construction of a Harbour at Madras at a cost of £628,000, which the Government of Madras thought would be "amply sufficient," and requested that the Government of Madras might—

"be directed to introduce Bills into the Legislature providing for the levy of dues, either on shipping or ~~on~~ goods, in the Port of Madras, upon the construction of a Harbour there, which will be sufficient to defray interest at four per cent. on a Loan of £628,000, and a yearly expenditure of £6,000";

and, further, authorised the Government of India—

"on the passing of these measures, to advance the sum of £628,000 out of Extraordinary Funds to the Government of Madras for the construction of a Harbour in accordance with the plans of Mr. Parkes, and under his superintendence."

2. On the 4th June 1875, the Government of Madras reported, in a letter (No. 1,569), that the question of the legislation thus directed was under consideration in the local Legislative Department, and asked for an advance of five lakhs of Rupees for preliminary operations, pending the grant of the proposed loan.

3. By resolution of the Government of India in this department, No. 1,716, dated 25th June 1875, this advance was sanctioned on the understanding that the Government of Madras would be responsible—

"that a Port Trust would be formed for Madras, and that due arrangements would be made to raise a revenue sufficient for payment of interest at four per cent. per annum on an eventual Loan of £628,000."

4. The Government of Madras reported that the local Chamber of Commerce, the Collector of Sea Customs, and the Board of Revenue had been fully consulted upon the subject of the proposed Harbour, and had given their opinions as to the port dues necessary to provide for interest on its capital cost and for its efficient maintenance.

5. But the Government of Madras having been advised that the Port Trust could only be constituted by an Act of the Legislative Council of the Government of India, delays ensued in the arrangements for obtaining such an Act which have not yet been overcome.

annual maintenance expenditure; but that the Imperial character of the undertaking and the high interests involved in it did not permit him to regard such contingency as an insuperable obstacle to the prosecution of the work, and that if the excess should arise, it must be borne upon the ordinary budget. He, therefore, desired that the Government of Madras should be required to provide for the levy of Port dues sufficient to defray interest at four per cent. on a loan of £628,000 and a yearly expenditure of £6,000, and that on the passing of the necessary legislative measures to secure this amount of income, the sum of £628,000 should be advanced by the Government of India to the Government of Madras out of Extraordinary Funds for the construction of a Harbour in accordance with Mr. Parkes' plans and under his superintendence.

3. A first advance of five lakhs of Rupees was sanctioned by the Government of India expressly on condition that due arrangements would be made to raise a revenue sufficient for payment of interest at four per cent. on an eventual loan of £628,000, and the subsequent annual budget estimates for expenditure in excess of this advance have been periodically sanctioned by the Government of India; but as noticed in the Government of India Resolution now under consideration, it has been found that the legislation prescribed by the Secretary of State needs to take place in the Governor-General's Council, and this fact was brought to the notice of the Government of India by Proceedings of this Government, Public Works Department, No. 2,582, dated 27th September 1876, and letter No. 309 W, dated 7th July 1877.

In September 1876, and again in July 1877, the Government of India were requested to make additional grants, should such be deemed necessary, to cover the current expenditure pending their legislation, but to these applications it does not appear that any reply has been received until the present Resolution.

4. His Grace the Governor in Council is not in possession of any reasons for questioning the original calculations of cost referred to in the Government of India Resolution or for desiring to withdraw from the conditions which were imposed by the Secretary of State when sanctioning the work, and, in the absence of any intimation to the contrary from the Government of India, His Grace in Council must assume from the repeated reference in the present Resolution to the amount of the sanctioned estimate that His Excellency the Governor-General in Council intends by the expression "the whole capital expenditure" to mean no more than the amount of Rupees 62,80,000 or £628,000.

Assuming this to be the intention of the Government of India, His Grace the Governor in Council, however, regrets that, in justice to the Presidency of Madras, he is unable to agree to the suggestion that the Port Funds, &c., the trade of Madras, should be charged with liabilities in excess of what was originally desired by the Secretary of State, or that the future administration of its provincial resources should be hampered by a guarantee for payment of $4\frac{1}{2}$ per cent. interest on the whole capital expenditure, the Port Trust income being treated as a provincial asset.

His Grace in Council sees no reason to doubt the adequacy of the proposed special source of revenue to meet the charge which the Secretary of State imposed upon it; but he is unable to accept for Madras more extended liabilities or to deprive this Presidency of the prospective protection afforded by the Secretary of State's recognition of the Imperial character of the work which he sanctioned on express conditions. From these conditions the Madras Government have no desire to withdraw, but beyond them they are not prepared to hypothecate local resources.

With reference to paragraph 13 of the Government of India Resolution, it is observed that a Committee was constituted shortly after the Harbour Works were commenced, and that it is now in regular working order.

Ordered that these Proceedings be forwarded to the Government of India, and that copy be transmitted to the Secretary of State.

(True Extract.)

(Signed) C. G. MASTER,
Acting Chief Secretary

No. 51. ORDER THEREON, 6th November 1878, No. 4,258 W.

Communicated to the Examiner of Public Works Accounts.

(True Extract.)

(Signed) E. A. FOORD, Colonel, R.E.,
Secretary to Govt., P.W.D.

To the Examiner of Public Works Accounts.

Ed. T. D. Ryan.
Spate Copies

Sum. of 1878-79
PUBLIC WORKS.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

14th October 1878, No. 1825.

Madras Harbor.

Read the following paper:—

No. 110. *Resolution of the Government of India, Financial Department, (Accounts and Finance,) dated Simla, 30th August 1878, No. 2549.*

In a Despatch, No. 20 P.W., dated 11th March 1875, the Secretary of State sanctioned the construction of a Harbor at Madras at a cost of £628,000, which the Government of Madras thought would be "amply sufficient," and requested that the Government of Madras might—

"be directed to introduce Bills into the Legislature providing for the levy of dues, either on shipping or on goods, in the Port of Madras, upon the construction of a Harbor there, which will be sufficient to defray interest at four per cent. on a loan of £628,000, and a yearly expenditure of £3,000";

and, further, authorised the Government of India—

"on the passing of these measures, to advance the sum of £628,000 out of Extraordinary Funds to the Government of Madras for the construction of a Harbor in accordance with the plans of Mr. Forbes, and under his superintendence."

2. On the 4th June 1875, the Government of Madras reported, in a letter (No. 1609), that the question of the legislation thus directed was under consideration in the local Legislative Department, and asked for an advance of five lakhs of rupees for preliminary operations, pending the grant of the proposed loan.

3. By Resolution of the Government of India in this Department, No. 1716, dated 28th June 1875, this advance was sanctioned on the understanding that the Government of Madras would be responsible—

"that a Port Trust would be formed for Madras, and that due arrangements would be made to raise a revenue sufficient for payment of interest at four per cent. per annum on an eventual loan of £628,000."

4. The Government of Madras reported that the local Chamber of Commerce, the Collector of Sea Customs, and the Board of Revenue, had been fully consulted upon the subject of the proposed Harbor, and had given their opinions as to the port dues necessary to provide for interest on its capital cost, and for its efficient maintenance.

5. But the Government of Madras having been advised that the Port Trust could only be constituted by an Act of the Legislative Council of the Government of India, delays ensued in the arrangements for obtaining such an Act which have not yet been overcome.

6. The expenditure on the works has, however, gone on under the orders and upon the responsibility of the Government of Madras. Altogether, the sum of Rupees 19,64,178 was thus spent to the end of 1877-78, as follows:—

In India	Rs. 11,03,550
In England (at the annual average rate obtained for the Secretary of State's bills on Madras)	8,00,648
Total	19,04,178

and it is estimated that a further sum of Rupees 6,77,071 will be spent in 1878-79, as follows:—

In India	Rs. 5,39,424
In England (at the annual average rate obtained for the Secretary of State's bills)	1,37,647
Total	6,77,071

7. The Governor-General in Council has authorised no advance, except that of Rupees 5,00,000 in June 1875; but it has been generally cognisant that these advances were being made, and may be held to have, to some extent, condoned the irregularity of the local Government in ordering these large disbursements without the formal permission of the Government of India, either in the Public Works or Financial Department.

8. It is, however, necessary to put an end to the unsatisfactory irregularity of the existing financial arrangements affecting the prosecution of the works.

9. The Secretary of State authorised the advance of £628,000 in all, and the levy of port dues sufficient to provide interest thereon at four per cent. per annum, together with an annual expenditure of £5,000, the estimated charge for maintenance. As the Government of India can no longer borrow at four per cent. per annum, it is plain that, unless some modifications of the Secretary of State's orders are made, the General Revenues will not be protected from loss in respect to the advances made, and to be made, for the construction of the Madras Harbor, which, no doubt, was the intention of the Secretary of State. There appears to be no *prima facie* reason why, within the limits shown by experience to be practicable without undue pressure on the trade of Madras, the proposed Port Trust should not be responsible for the entire amount of the interest on the capital cost, as also for the maintenance of the works. This interest cannot be reckoned at less than four and a-half per cent. per annum.

10. The Government of India will consequently move the Secretary of State to provide for the complete protection of the General Revenues by imposing on the Port Trust the whole liability on account of the Madras Harbor. A Schedule of maximum dues, sufficient for this purpose, should be prepared for adoption in the Bill to constitute the Port Trust.

11. In any case, also, it seems necessary that the interest charge at four and a-half per cent. per annum on the whole capital expenditure should be guaranteed from the provincial resources of Madras, in a manner analogous to that in which the interest on the capital invested upon Productive Public Works in Bengal and the North-Western Provinces is secured upon the Provincial Revenues of those Provinces. If the Government of Madras agree in thinking this reasonable, the interest paid by the Port Trust, when that body is constituted, would be treated as a Provincial asset, and the Imperial Government would recover from the Provincial Revenues the full interest due upon the capital spent upon the works. In the peculiar circumstances of the case, the Government of India will propose to the Secretary of State that interest during the construction of the works, or until the Trust commences to realise an income, shall not be recovered by the Imperial Treasury.

12. Meanwhile, upon the understanding that the Government of Madras will, on behalf of the Port of Madras and the Madras Provincial revenues, respectively, be bound to secure the General Revenues of India against ultimate charge on account of these works, the Government of Madras is authorised to proceed with the construction of the Harbor at a maximum cost of Rupees 62,80,000 in all; disbursements from the Home Treasury of the Government of India being converted into rupees at the average rate of exchange obtained for the Secretary of State's bills during the year in which the advances are made.

13. Pending the constitution of the Port Trust, the Government of Madras will conduct the operations on behalf of the intended Trust; and, in this view, it deserves the consideration of that Government whether it would not be right to anticipate

legislation by associating with itself a Committee constituted as nearly as possible upon the model of the eventual Port Trust, with powers and duties assimilated to those which will be eventually entrusted to the Port Trust, in order to watch and supervise the construction of the Harbor in consultation with the Government of Madras.

14. Whether such a Committee be constituted or not, the Governor-General in Council is pleased to direct that the outlay on the Harbor works to be incurred on behalf of the future Port Trust, shall henceforth be audited and recorded by the local Examiner of Public Works Accounts, subject to the instructions and supervision of the Accountant-General, Public Works Department, under a Debt Head outside of, and apart from, the accounts of public expenditure. The estimates of expenditure on the works must be submitted for sanction, if this has not already been done, and the accounts kept, and the operations supervised, in the Public Works Department, and all future supply of funds obtained in strict accordance with the Rules of that Department, exactly as if the outlay on the Harbor were Provincial expenditure on work of Miscellaneous Improvement.

Ordered that this Resolution be communicated, for information and guidance, to the Public Works Department, and the Department of Revenue, Agriculture, and Commerce, and to the Comptroller-General, and Accountant-General, Madras; also that copy be forwarded to the Government of Madras for information and guidance.

(Signed) R. B. CHAPMAN,
Secy. to the Govt. of India.

No. 113. ORDER THEREON, 14th October 1878, No. 1835.

In regard to the expenditure connected with the Madras Harbor Work the Government of India observe that the Secretary of State originally authorised the advance of £628,000, the charge of four per cent. for interest on this amount being provided by the levy of Port dues; but that as money cannot now be obtained at less than 4½ per cent., and as there appears to be no reason why within practicable limits the Port Fund should not be made responsible for the entire amount of the interest on the capital cost as also for maintenance, the Secretary of State will be moved to provide for the complete protection of the general revenues by imposing on the Port Trust the whole liability on account of the Madras Harbor.

The Government of India further observe that it seems also necessary that the interest charge at 4½ per cent. on the whole capital expenditure should be guaranteed from the provincial resources of Madras, and that if the Madras Government consider this reasonable, the interest to be paid by the future Port Trust would be treated as a provincial asset, and the Imperial Government would recover from provincial revenues the full interest due upon the capital spent upon the works.

On the understanding that Madras will thus be bound to secure the general revenues of India against ultimate charge on account of these works, the Government of India give authority to proceed with their construction at a maximum cost of Rupees 62,80,000 in all.

2. His Grace the Governor in Council observes that the Secretary of State, in his Despatch of 11th March 1875 to the Government of India, remarked that unforeseen circumstances might render inevitable an excess either in the capital outlay or in the annual maintenance expenditure; but that the Imperial character of the undertaking and the high interests involved in it did not permit him to regard such contingency as an insuperable obstacle to the prosecution of the work, and that if the excess should arise, it must be borne upon the ordinary budget. He, therefore, desired that the Government of Madras should be required to provide for the levy of Port dues sufficient to defray interest at four cent. on loan of £628,000 and a yearly expenditure of £5,000 and that on the passing of the necessary legislative measures to secure this amount of income, the sum of £628,000 should be advanced by the Government of India to the

Government of Madras out of Extraordinary Funds for the construction of a Harbor in accordance with Mr. Parkes's plans and under his superintendence.

3. A first advance of five lakhs of rupees was sanctioned by the Government of India expressly on condition that due arrangements would be made to raise a revenue sufficient for payment of interest at four per cent. on an eventual loan of £628,000, and the subsequent annual budget estimates for expenditure in respect of this advance have been periodically sanctioned by the Government of India; but as noticed in the Government of India Resolution now under consideration, it has been found that the legislation presented by the Secretary of State needs to take place in the Governor-General's Council, and this fact was brought to the notice of the Government of India by Proceedings of this Government, Public Works Department, No. 5492, dated 27th September 1878, and letter No. 259 W, dated 31st July 1877.

In September 1878, and again in July 1877, the Government of India were requested to make additional grants, should such be deemed necessary to cover the current expenditure pending their legislation, but to those applications no formal answer has been given, and no reply has been received to the present Resolution.

4. His Grace the Governor in Council is not in possession of any papers for questioning the original calculations of cost referred to in the Government of India Resolution or for deciding to withdraw from the conditions which were imposed by the Secretary of State when sanctioning the work, and, in the absence of any intimation to the contrary from the Government of India, His Grace in Council must assume from the repeated reference in the present Resolution to the amount of the sanctioned estimate that His Excellency the Governor-General is Council intends by the expression "the whole capital expenditure" to mean no more than the amount of Rupees 62,80,000 or £628,000.

Assuming this to be the intention of the Government of India, His Grace the Governor in Council, however, regrets that in justice to the Presidency of Madras, he is unable to agree to the suggestion that the Port Funds of the Port of Madras should be charged with liabilities in excess of what was originally sanctioned by the Secretary of State, or that the future expenditure of its permanent resources should be guaranteed by a guarantee for payment of four per cent. interest on the whole capital expenditure, the Port Trust income being treated as a permanent asset.

His Grace in Council sees no reason to doubt the adequacy of the proposed special source of revenue to meet the charge which the Secretary of State imposed upon it; but he is unable to accept for Madras any extended liabilities or to deprive this Presidency of the prospective retention afforded by the Secretary of State's proposals of the Imperial character of the work which he sanctioned on express conditions. From these conditions the Madras Government has no desire to withdraw, but beyond them they are not prepared to hypothecate local resources.

With reference to paragraph 13 of the Government of India Resolution, it is observed that a Committee was constituted shortly after the Harbor Works were commenced, and that it is now in regular working.

Ordered that these Proceedings be forwarded to the Government of India, and that copy be transmitted to the Secretary of State.

(True Extract)

Acting Chief Secretary.

To the Public Works Department,
Assistant-General.

40 ha 569 W 7-7-77
 369 W 7-7-77
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 184 W 28-
 120 16-12-76
 20-2682 27-9-
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 1669 14-6-
 2060 20-7-

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 Communicated
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Ex PW Accts

11/10/78

Ch. 12/103

CHARTER OF 1878

PUBLIC WORKS

The Engineer P. W. Adams

11/11/88

to have 125000

Thomas Hartman, Pres.
First Report passing over
on a resolution of the
Court of Justice respecting the
outlay in the case of
the City of Portland.

Wm. A. B. 88