

5TH MARCH 1887, Nos. 690, 691 W., PUBLIC WORKS.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Buildings and Roads.
Civil Works.

READ—the following papers :—

From G. S. HART, Esq., Officiating Assistant Secretary to the Government of India, Department of Finance and Commerce, to the Secretary to the Government of Madras, dated Calcutta, 6th January 1887, No. 29.

I am directed to forward copy of a despatch from the Secretary of State, No. 52 (Public Works), dated 25th November 1886, and enclosures, regarding a proposed agreement with the company now being formed for the purpose of constructing a ship canal across the island of Ramesvaram, and, with reference to paragraph 5 of the despatch, to request that the Government of India may be favored, at as early a date as possible, with any remarks which the Madras Chamber of Commerce may desire to offer on the scale of charges for canal tolls, harbour and light dues and pilotage mentioned in the letter of the company, dated 31st October 1886.

ENCLOSURES.

Despatch from the Right Honorable Lord CROSS, Her Majesty's Secretary of State for India, to His Excellency the Right Honorable the Governor-General of India in Council, dated India Office, London, 25th November 1886, No. 52, Public Works.

In your predecessor's Public Works letter, No. 13, dated 13th March 1883, it was stated, with reference to a proposal that had been put forward for constructing a ship canal across the island of Ramesvaram, that, if the promoters of the project, with the papers before them, were willing to risk their money, the Government of India would not object to the concession sought by them.

2. Negotiations have since been carried on between the promoters and this office in communication with the Colonial Office, and, in a letter dated 8th January 1884, copy of which is enclosed, my predecessor caused the promoters to be informed that he was prepared to enter into an agreement with them on certain conditions, at the same time disclaiming any responsibility in connection with the undertaking, and stating that, in the event of failure, no assistance, pecuniary or otherwise, must be expected.

3. The terms which have been finally agreed to have been embodied in the enclosed draft contract, which, however, will not be executed unless sufficient evidence is forthcoming of the financial ability of the promoters to carry out the scheme.

4. The promoters consider that they will soon be in a position to furnish such evidence and to commence the undertaking, and the enclosed letter from their agents submits, for my approval, a scale of tolls, which it is proposed to treat as a maximum scale.

5. I shall be glad to learn, by telegram, if your Excellency concurs in the rates proposed.

6. A plan of the proposed line of canal, showing the limits within which deviations may be made with the approval of the Secretary of State, also accompanies, and should receive the early attention of the local authorities.

From J. A. GODLEY, Esq., to Messrs. CLARKSON, GREENWELL, and WYLES, dated India Office, 8th January 1884, No. 2437, Public Works.

With reference to this office letter of the 17th August last, I am desired to inform you that, after communication with the Colonial Office, the Secretary of State for India is prepared to enter into an agreement with the promoters of the proposed ship canal across the island of Ramesvaram on the basis of the proposal transmitted by you to this office on the 20th of July last, subject, however, to the following additions and modifications:—

Clause 16 to be so altered as to provide for the possible purchase at stated intervals of the undertaking by the Government of India on the principle of a 25-years' purchase of the average net receipts during the five years immediately preceding purchase, an independent official audit of the accounts being allowed by the company.

Owing to possible danger, in the event of war, of coal depôts being placed at either end of the canal, a stipulation to be inserted, providing that any coal depôt which may be established should be situate midway between the extremities.

A clause to be inserted providing that no shipping which does not actually make use of the canal shall be in any way subject to the provisions of the agreement. This clause is required in order to exempt from charges the local and Ceylon native crafts which may very possibly use the approaches to the canal without passing through the canal itself.

As a complement to clause 11, it will be necessary to insert a clause providing that Government shall retain the right to maintain the existing Pamban channel and approaches thereto by dredging or otherwise, the promoters undertaking that the operations connected with their work will not interfere with the said channel and its approaches.

I am to add that the Ceylon Government have stated that machinery and materials required for construction of the works may be imported into Ceylon free of customs duty, but that they will be liable to port and harbour dues.

There are some other points which will also call for consideration which it is not now necessary to state in detail.

I am further to inform the promoters that both the Governments of India and Ceylon disclaim any responsibility in connection with the undertaking, and that in event of failure of operations no assistance, pecuniary or otherwise, must be expected.

The Secretary of State is willing, however, to promote the objects of the Company by entering into an agreement on the terms above stated, and on hearing from the promoters that they are prepared to conclude a contract, and on evidence being afforded to him of their ability to carry it into effect, you will be placed in communication with the Legal Department of this office, with a view to its being formally drawn up and executed.

This indenture made the _____ day of _____ one thousand eight hundred and eighty-_____ between the Secretary of State for India in Council hereinafter called the Secretary of State of the one part and Barton Grindrod Elliot Bradbridge and Henry Jenkins carrying on business in partnership as merchants at 12 Fenchurch Buildings Fenchurch Street in the city of London under the style of Bradbridge Jenkins & Co., and at Colombo in the island of Ceylon under the style of Grindrod Jenkins & Co. (who with the survivors and survivor of them their and his assigns are hereinafter referred to as "the said firm") of the other part witnesseth that the said Secretary of State so far as the works hereinafter mentioned are to be constructed or the acts hereinafter authorised are to be done within or affect the territories vested in Her Majesty under the Act for the better Government of India hereby contracts with the said firm as follows:—

1. The said firm shall have the sole and exclusive right of executing equipping and maintaining all or any of the following works:—

(a) A canal or channel for ships across the island of Ramesvaram in the Indian Ocean connecting the gulf of Manaar with Palks strait in the line shown on the plan hereto annexed and thereon colored pink from the points A to A with such deviations therefrom as shall be approved of by the Secretary of State together with all such locks gates passing places stations light-houses buildings breakwaters sea walls groins piers machinery and works as may be necessary or expedient for the construction protection and proper working of the canal.

(b) The excavation by means of dredging blasting or submarine engineering of all such approaches to the said canal on both sides thereof as far as the Secretary of State may legally permit the same in any part or parts of the Palks strait the gulf of Manaar or the Bay of Bengal as may be necessary to enable vessels of any size to use the canal and the approaches thereto in safety.

(c) All such other works including the establishment and maintenance of buoys and light-ships as may from time to time be found necessary or expedient for the proper maintenance equipment and working of the said canal and are authorised from time to time by the Secretary of State.

2. The said firm shall also have the right of constructing and maintaining docks and dry docks at or near the inlets of the said canal or at such other points upon the said island of Ramesvaram as the said firm may from time to time think desirable and shall also have the right of constructing and maintaining a coaling station or coaling stations at such point or points upon the said island of Ramesvaram as the Secretary of State may from time to time approve of.

3. The said firm may with the sanction of the Secretary of State construct equip and maintain a light-house on Shingle island south of the said island of Ramesvaram if the said firm shall think it desirable so to do.

4. Whenever any of the works hereby authorised are constructed upon or affects lands (whether covered by water or not) of which the Secretary of State has the power to grant the use the said firm shall be entitled to the use of such lands free from all charge or expense for the purpose of constructing the said canal and for working and maintaining the same so long as the said canal shall continue to be efficiently worked to the satisfaction of the Secretary of State.

5. Whenever any of the works hereby authorised are constructed upon or affect lands over which the Secretary of State has no power of disposal the Secretary of State will so far as lies in his power assist the said firm to purchase at their own expense such lands or any easements rights or privileges in or over the same according to the laws for the time being in force in the presidency or place in which such lands are situate regulating the compulsory purchase of lands easements or privileges for public purposes.

6. No dues charges or payments (except in favor of the said firm as hereinafter provided) shall at any time hereafter with the consent of the Secretary of State be imposed upon or charged in respect of any vessel by reason or in respect of its passing through or using the said canal.

7. After the completion of the said canal the said firm shall maintain the same in good working order and repair to the satisfaction of the Secretary of State and so long as the said canal shall be so maintained the said firm may levy and take in respect of vessels using the said canal rates and tolls according to a scale to be approved by the Secretary of State and may from time to time with the like approval vary and alter such rates and tolls and with the like approval make regulations as to the persons authorised to receive and the manner of payment of such rates and tolls.

8. If and whenever the said canal shall cross or interfere with any public right of way the said firm shall provide to the satisfaction of the Secretary of State a free means of transit for the public across the said canal.

9. The said firm shall so execute carry out and maintain the works hereby authorised as not to interfere with or prejudice in any way the navigation on the coast as it at present exists and will do no act which in the opinion of the Secretary of State will render the navigation and passage of vessels through the existing channel of the Pamban Pass less convenient or more difficult or hazardous than at present. And if any act is done by the said firm which in the opinion of the Secretary of State shall prejudice such navigation and passage of vessels the Secretary of State will give notice thereof to the said firm who will at their own expense remove the impediment and reinstate the said channel and if default is made in effecting such removal and reinstatement within such time as the Secretary of State shall consider reasonable it shall be lawful for the Secretary of State to annul this concession and to revoke the privileges granted by these presents.

10. The said firm may with the approval of the Secretary of State make and may with the like approval and sanction from time to time repeal and alter bye-laws for regulating the navigation and the mode of user of the said canal and the approaches and channels thereto and the other works hereby authorised and for recovering rates and tolls for the use by any vessels of the said canal and for the employment of pilots and generally for carrying into effect the provisions of these presents and may by such bye-laws impose reasonable penalties for any infraction or non-observance of any such bye-law.

11. The Secretary of State will not grant to any other person firm or company any concession rights or privileges for making a canal or channel for ships through the said island of Ramesvaram or for connecting the gulf of Manaar with Palks strait or for executing any other works which may compete with or injuriously affect the works for the construction of which an exclusive right is hereby granted to the said firm so long as the conditions of these presents are observed and after the completion of the said canal so long as the same shall be maintained in proper repair and working order to the satisfaction of the Secretary of State.

12. The Secretary of State will promote free of cost charge or expense to the said firm the passing by the Legislature in India of any Act or Acts which may be required to enable the said firm to carry into effect this contract and to give the said firm the full benefit of these presents and all such (if any) the provisions of these presents as require the sanction of the Legislature shall take effect only in the event of legislative sanction being given thereto.

13. The said firm may with the approval of the Secretary of State assign all or any of the rights and privileges hereby conferred upon them to any corporation company firm or person

upon such terms as the said firm may think fit and on and after any such assignment the said firm shall not incur any personal liability to the Secretary of State by reason of their being parties to these presents.

14. The Secretary of State shall have the option of purchasing the exclusive rights canal and other works docks dry docks coaling stations buoys light-ships and light-houses and all other the property and generally the undertaking of the said firm at the expiration of the first twenty-five years from the date of the opening of the canal and subsequently at the expiration of any further period or periods of ten years upon giving not less than one year's previous notice in writing by paying the said firm a sum equal to twenty-five times the average annual net receipts of the undertaking during the period of five years ending with the date of expiration of the notice together with such further sum (if any) as is stated in Article 15 of these presents and for the purpose of ascertaining such sum by agreement the said firm will at any time within six months next before the date of expiration of the notice permit any official audit of the accounts for such period of five years to be made by two auditors the one to be nominated by the Secretary of State and the other by the said firm for the purpose and in default of agreement the said sum shall be determined by arbitration.

15. If at any time during the three years immediately preceding the expiration of the notice in the last preceding Article mentioned the said firm shall with the consent of the Secretary of State have laid out or expended any sum or sums of money in the construction of any new works docks dry docks coaling stations or light-houses or in the purchase or equipment of buoys light-ships or any other plant or material whatsoever in connection with the said undertaking or in adding to or extending the then works docks dry docks coaling stations light-houses buoys light-ships or other the property of the said firm such sum or sums shall be ascertained by an official audit as mentioned in the last preceding Article and in default of agreement the same shall be ascertained by arbitration and the whole or such proportionate part of such sum or sums of money (when so ascertained as aforesaid) as shall be agreed upon and in default of agreement as shall be fixed by arbitration shall be paid by the Secretary of State to the said firm in addition to the sum to be paid to them by the Secretary of State under the last preceding Article.

16. This deed shall be void and of none effect unless the construction of the canal and works hereby authorised shall be commenced within two years from the date of the registration of the company to be incorporated in pursuance of Article 17 of these presents and also unless the said canal shall be completed and opened for traffic within six years from the said date or such further reasonable time as the Secretary of State may appoint.

17. This deed shall be void and of none effect unless a company shall within eighteen calendar months from the date hereof have been incorporated for the purpose of adopting and carrying out the concession hereby granted and undertaking the liabilities imposed by these presents on the said firm in respect thereof, with a nominal capital of not less than five hundred thousand pounds and a subscribed capital of not less than two hundred and fifty thousand pounds.

In witness, &c.

From Messrs. CLARKSON, GREENWELL, and WYLES, to the Under Secretary of State for India, dated 24, Carter Lane, Doctors Commons, E.C., 31st October 1886.

Ramesvaram ship canal.—With reference to clause 7 of the concession for making a ship canal across the island of Ramesvaram, we are instructed to submit, for the formal approval of the Secretary of State for India in Council, the following scale of tolls which the company now being formed for the purpose of carrying out this canal propose to treat as a maximum scale which they will not exceed in any case without the approval of the Secretary of State first obtained, but below which they will reduce the tolls so far as may be practicable, consistently with the commercial interests of the company, observing that it is presumed that the Secretary of State will not object to any such reduction.

The following scale is an inclusive one to cover canal tolls, harbour and light dues, and pilotage:—

For vessels exceeding 300 tons	...	...	...	10d. per gross ton.
Do. not exceeding 300 tons	...	...	...	6d. do.
For every cabin passenger	...	...	...	2s. (two shillings).
Do. European deck passenger	...	...	...	6d. (six pence).
Do. Native deck passenger	...	...	...	3d. (three pence).
Horses, sheep, cattle, and other live animals carried on vessels paying tolls	...	...	...	Free.

We now only await the above approval to complete the preliminary steps for the incorporation of the company; and, on receipt of such approval, we will submit to the Secretary of State, as desired by him, the names of the directors of the company, in order that the concession and the assent of the Secretary of State to the necessary assignment by the concessionaires to the company may be completed and given.

Mis. No. 244, Revenue.

Transferred to the Public Works Department.

15th January 1887.

(Signed) J. F. PRICE,
Ag. Secretary to Government.

No. 207 C., Public Works.

Referred to the Chamber of Commerce for favor of very early remarks.

21st January 1887.

(Signed) J. O. HASTED, Colonel, R.E.,
Secy. to Govt., P.W.D.

From the Honorable S. R. TURNBULL, Chairman, Chamber of Commerce, Madras, to the Secretary to Government, Public Works Department, dated Madras, 23rd February 1887.

I have the honor to acknowledge receipt of, and to return herewith, a letter from the Government of India to the Madras Government, dated the 6th ultimo, and copy of a letter from the Secretary of State to the Viceroy in Council, of the 25th November last, with reference to a proposal that has been made by Messrs. Clarkson, Greenwell, and Wyles on behalf of a company for the construction of a ship canal across the island of Ramesvaram.

2. The opinion of the Chamber has been requested with regard not to the engineering features, or commercial utility of the scheme, but to the proposed scale of charges.

3. It is observed that the canal tolls, harbour and light dues and pilotage are set down at 10d. per gross ton for vessels exceeding, and at 6d. per gross ton for vessels not exceeding, 300 tons. Several masters of ships have been consulted on behalf of the Chamber, and they unite in considering the proposed maximum much too high. They quote the Suez canal rate of 9 francs for 86 miles, or roughly about 1d. per mile, and point out that the proposed Ramesvaram canal will be only $2\frac{1}{2}$ miles long. The saving in time, coal, &c., to a steamer bound for Madras and not calling at Colombo would, it is calculated, not exceed about 5d. per ton. The Canal Company may say that the alternative route round Ceylon must always be a check on their charges, and, therefore, that it does not much matter what their maximum rates are; but there is a great danger that they may keep up their rates just at the point which is a little lower than the cost of going round the island. The Chamber is, therefore, of opinion that the scale of charges should undergo revision.

ORDER—dated 5th March 1887, No. 690 W., Public Works.

Ordered that the Government of India be addressed.

(Here enter No. 691 W., dated 5th March 1887.)

(True Extract.)

(Signed) J. O. HASTED, Colonel, R.E.,
Secretary to Govt., P.W.D.

To the Chairman, Chamber of Commerce, }
" Revenue Department, } with copy of letter to the Government of India.
" Marine " }
" Superintending Engineer, VI Circle. }
" Consulting Engineer for Railways. }

LETTER—to the Secretary to the Government of India, Department of Finance and Commerce, dated Fort St. George, 5th March 1887, No. 691 W.

In reply to your letter, No. 29, dated 6th January 1887, I am directed to forward copy of a letter, dated 23rd February 1887, from the Chairman, Madras Chamber of Commerce, stating the views of the Chamber on the scale of charges for canal tolls, &c., proposed by the company now being formed for the purpose of constructing a ship canal across the island of Ramesvaram.

2. I am to say that, as this project, if ever carried out, will greatly injure the local coasting trade carried on in small native vessels, His Excellency the Governor in Council would be glad to see special low rates provided for those vessels.

(Signed) J. O. HASTED, Colonel, R.E.,
Secretary to Govt., P.W.D.

BUILDINGS AND ROADS.
CIVIL WORKS.

Govt. of (1887) Madras.
PUBLIC WORKS.

Dated March, 5th.

Recd.

Encl.

G.O., 5th March 1887, Nos. 690,
691 W.

MARCH.

Ship Canal across the Island of
Ramesvaram

The views of the Madras Chamber of
Commerce on the scale of charges for canal
tolls, &c., proposed by the company now be-
ing formed for constructing a —, furnished
to the Government of India.



REMINDER.

No. 920

DEPARTMENT OF FINANCE AND COMMERCE,

Calcutta the 21 February 1887.

To

The Secretary to the Government
of Madras.

* No. 29, dated 6th January 1887.

SUBJECT.

Requesting to be furnished with
the remarks of the Chamber of
Commerce, Madras, on the scale of
tolls, pilotage & other dues proposed
by the Company now being formed
for the purpose of constructing a
canal across the island of Ramesvaram.

SIR,

I am directed to invite attention to the
communication marginally noted,* and to request
the favor of an early reply.

I have the honor to be,

SIR,

Your most obedient Servant,

Reminder already issued.

No. dated

Under N. W. M. L. Secy. to the Govt. of India.
Offg. Secy.

1887

P. W. DEPARTMENT.

Current No. 398

From

The Rev. Dept.

Enclos. — 2

No. 244

Dated 15th Jan'y 1887

Received 20th — a —

SUBJECT.

Transferring to the P.W.D. a despatch from the Secy. of State re: a proposed agreement with the Company now being formed for the purpose of constructing a ship canal across the island of Ramesvaram

DISPOSAL.

No. Dated

Referred to the Chamber of Commerce for favor of very early remarks.

(Sd) J. O. Hastie, Col. R.E.

Secy. to Govt. P.W. Dept

To The Secy. to the Madras

Chamber of Commerce

ABSTRACT.

207 C. 21.1.57

(1887.)

REVENUE DEPARTMENT.

No. 1563.

Endorsement 181292

From The Govt. of India
Deptt. of In. & Com.

Transferred to the Public
Works Department, in con-
-tinuation of endorsement
no 244 of 15th January 1887

Instructions

For change of Secretary to Government
28 Feb 1887

Dated 21st Feb.
Received 28th Feb.
Enclosures

No. 920.

SUBJECT.

Requesting the favor of
an early reply to communi-
-cation calling for the re-
marks of the Chamber of
Commerce Madras on the
scale of tolls, pilotage & other
dues proposed by the Company
now being formed for the
purpose of constructing a
canal across the island
of Kameswaram.

Recorded with
reference to G. O. no
690 W of 5 March 1887.

Ja
5/3/87

With an endorsement