

- (1) பக்கங்களின் எண்ணிக்கை 8
 (2) புதுக்கித் திருப்பிய நாள் 22 ஜூன் 1991
 (3) ஆதாரங்குறிப்பவர் சுருக்கொப்பம் 157

தமிழ்நாடு ஆவணக் காப்பகம்.

தமிழ்நாடு அரசு

பிழைப்பி துறை

அரசாணை எண்.	2227	அச்சகம்
மு. கோப்புத் தாள் எண்.		பலவகை
நாள் :	31. 8. 1893.	198

மடிக்கவோ கண்டபடி கையாளவோ கூடாது

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following papers :—

From W. AUSTIN, Esq., I.C.S., Chairman, Harbour Trust Board, Madras, to the Chief Secretary to Government, dated Madras, 4th February 1893, No. 3896.

Referring to paragraph 2 of G.O., Public Works, No. 3414 W., dated 13th December 1892, regarding the question of refund of capital advances, raised in paragraphs 10 and 11 of my quarterly report, No. 2871, dated 28th October, the Trustees of the Harbour would submit the following remarks, and would request that the matter may be referred, with the support of the Government, for the favorable consideration of the Right Honorable the Secretary of State for India, in view of a reduction being made in the annual refund of one lakh of rupees payable under section 31, Act II of 1886, by the Trust to Government.

2. The Trustees would also request that the amendment of section 30, which fixes the rate of interest at $4\frac{1}{2}$ per cent. per annum, may be taken into consideration, and would strongly urge that a reduction in this rate might be granted.

3. In paragraph 9 of my report above referred to, I pointed out that interest and repayment of loan under sections 30 and 31 amounted to Rs. 2,87,039, or more than six months of the total gross receipts; and the Trustees would bring prominently to notice that the estimated expenditure for the official year 1893-94 amounts to Rs. 3,18,460 under these two heads, while, harbour construction not being completed, the maximum has not yet been reached.

4. Not only did the refund of capital and interest amount in the current year 1892-93 to more than six months' gross receipts, but the revenue during those six months, April—September, was unduly swelled by the exceptionally large imports of food-grains, consequent upon the scarcity prevailing in the districts.

5. The actual income of the Harbour Trust during the years 1887-1892, excluding contribution from Port funds and interests on investments, has been as follows :—

	RS.
1887-88	2,96,534
1888-89	2,66,967
1889-90	3,26,747
1890-91	3,59,383
1891-92	3,88,426
Total ..	16,38,107

being an average of Rs. 3,27,621 for the five years, which, however, does not include receipts and expenditure on portage account, the credit balance on which will probably amount to a quarter of a lakh of rupees annually.

6. The anticipated future income of the Trust, exclusive of contribution from Port funds and interest upon investments, which must, under existing circumstances, quickly be depleted, may therefore be taken in round figures to be about $3\frac{1}{2}$ lakhs of rupees per annum; while, as pointed out above, Rs. 3,18,460 is required to meet

refund of interest and repayment of loan on the 1st April next; this amount will, moreover, increase year by year until the maximum is reached upon completion of the harbour.

7. The Trustees would therefore submit that their income is insufficient to meet such heavy annual liabilities to the Right Honorable the Secretary of State, while it must be remembered that, although much greater facilities have resulted, yet up to the present the harbour has, owing to the imposition of dues, effected little economy to importers and shippers in the charges incidental to landing and shipping operations, and any increase to existing rates under sections 46 or 47 would be a retrograde step much to be deprecated, and opposed to the interests of the trade of this port, in which the harbour has been constructed.

8. The Board does not wish to draw any invidious comparisons, but at the same time would invite very serious attention to the exceedingly heavy burden imposed upon the trade of Madras by sections 30 and 31, Act II of 1886, as compared with the liabilities of Bombay—a terminal port, with an immensely greater volume of trade, with enormously greater receipts and resources, and with comparatively far easier terms imposed upon it than has Madras in the matter of these two items of liability.

9. It does not appear from the Bombay Port Act VI of 1879 that any liability whatever is imposed upon the Trustees of that port to refund to the Right Honorable the Secretary of State for India any fixed annual sum; but on the contrary it would seem that, after providing for all other liabilities, refunds of capital advances may be made out of credit balances to such extent as may be prescribed by the local Government.

10. In their report for the year ending 31st March 1892, the Trustees of the port of Bombay record (paragraph 3) the repayment to Government of Rs. 69,636, being "balance of one lakh of rupees set aside each year for the reduction of capital debt or construction of new works chargeable to capital;" and it is to be noted that, having run into arrears of interest due to the Secretary of State—which is not permitted to the Madras Trust—a special Act I of 1885 was passed "to legalize the payment by the Trustees of the port of Bombay of certain arrears of interest . . . which accrued due during the years 1873—77," both inclusive, aggregating Rupees 2,86,013; in other words it required a special enactment of the legislature to legalise in Bombay a payment which was but little greater in amount than the burthen now imposed upon Madras yearly by sections 30 and 31 of Act II of 1886.

11. In the same report the debt due by Bombay to the Secretary of State is stated at Rs. 3,60,58,359 and securities guaranteed by Government Rs. 1,32,11,676, total Rs. 4,93,70,035, repayment of which can only be made apparently out of surplus revenue, by transfer to Government of Port Trust property, or by sale-proceeds of property or plant charged to capital.

12. The debt of the Madras Harbour Trust at the commencement of the current official year amounted to Rs. 49,54,242 or in round figures to just one-tenth of that of the Bombay Port Trust.

13. The income in 1891-92 of the Bombay Trust is stated as Rs. 48,10,814 and the expenditure as Rs. 46,23,962, against a gross income from all sources of the Madras Trust of Rs. 5,74,014 and expenditure Rs. 4,88,540.

14. The Trustees of the Madras Harbour would therefore request that the disadvantages under which Madras labours, in the above respects, may be brought prominently to the notice of the Right Honorable the Secretary of State, with a view to his taking into consideration the reduction of the amount annually payable in refund of capital advances under section 31 and interest under section 30, for it must be remembered that Madras is only a port of call and should be placed in a position to hold out every inducement to shipping and to trade to make use of the harbour, while at present the liabilities of the Board under these sections not only preclude any possibility of making any reductions in dues or of undertaking any extensive and costly improvements with a view to giving greater facilities, but would appear to threaten financial embarrassment in the near future.

ENCLOSURE.

EXTRACT of Proceedings of the Trustees of the Harbour of Madras, at a meeting held at the offices of the Board on Friday, the 3rd day of February 1893.

3. Read and discussed draft letter to the Chief Secretary to Government requesting that a reduction in the amount of annual repayments of capital advances and rate of interest thereon may be submitted for the consideration of the Right Honorable the Secretary of State for India.

Read minute by Major O. V. Boddy, R.E.

Resolution.—Approved as amended.

(True Extract.)

(Signed) C. PINSENT,
Secretary.

G.O., dated 22nd June 1893, No. 963 R., Public Works.

Read—the following letter from the Chairman, Chamber of Commerce, Madras, to the Joint Secretary to Government, Public Works Department, Railway Branch, dated 9th March 1893:—

I have the honour to acknowledge the receipt of the Proceedings of the Madras Government, dated the 14th ultimo, No. 304 R., and the relative papers, from which it is apparent that, notwithstanding the objections submitted by the Madras Government, concessions have been made by the Government of India to the French Government, which will enable the latter to proceed with the construction of the two branch lines of railway from Pondicherry to Tiruppappuliyūr and Karikal to Peralom, thereby connecting these two ports with the South Indian Railway system.

2. As these two schemes are fraught with very prejudicial consequences, present and prospective, to important British trade interests and as they intensify the diversion of trade from British to foreign ports which was unhappily inaugurated by the initial mistake in the alignment of the metre gauge railway system of Southern India, the Chamber ventures to revert to the subject.

3. The openly avowed object of the French authorities for the promotion of these schemes and the obvious results of their successful accomplishment being the diversion of the trade of British India from its own to French ports, it is difficult for the Chamber to understand the complacency with which the French demands have been met and the interests of the British ports of Madras, Cuddalore and Negapatam subordinated to those of Pondicherry and Karikal. As no reasons are assigned in the papers under reference, the Chamber can only assume that this act of benevolence was actuated by motives of international courtesy or the exigencies of State policy. It is of course impossible to urge the Government of India to withdraw from the pledges it has given, but at the same time the Chamber submits that precautions should be taken to protect British interests as far as possible under the circumstances.

4. Briefly put, the Karikal-Peralom project will place the important trade centres of Kumbakonam and Mayavaram in a more favorable position as regards distance towards the French port and will consequently divert much of the trade of those centres from Negapatam, whither it at present flows. The opening of the Villupuram-Guntakal line is likely to divert a large portion of the trade of Cuddapah, Anantapur and Bellary from Madras to Pondicherry owing to the economical port advantages being in favour of that port, while the projected line from Salem to Tirukkoyilūr will also divert to Pondicherry traffic that now flows to Madras and will very prejudicially affect the trade of Cuddalore and Porto Novo when the projected Salem-Porto Novo line is constructed. The foregoing results are obvious and require no elaboration.

5. It may be urged that the interests of the producer benefit by shorter trade routes to the coast and that Government considers these interests paramount. The

Chamber submits, however, that this argument is of doubtful force, as the bulk of the saving in carriage would go into the pockets of the exporter or consumer, and as far as Pondicherry and Karikal are concerned these parties are foreigners, that little would go to the producer, and that the evils resulting from the loss of trade to British ports and British interests by the diversion of traffic would far exceed in importance the alleged gains of the producer from the shorter trade route.

6. As any withdrawal of the Government of India from the concessions in question appears impracticable, the Chamber submits that the affected British ports and trade are entitled to some compensation for the injury inflicted upon them by the exigencies of State policy and to some safeguard against illegitimate competition which has thereby become more feasible and it therefore suggests—

- (1) that the rate of interest charged on the Madras Harbour construction loan should be reduced and the onerous terms for repayment of principal relaxed;
- (2) that provision should be made for guarding British trade against unfair competition brought about by trade bounties in favour of shipments from French ports—a system which finds favour with the French nation; and, lastly,
- (3) that an effective control should be exercised by Government over railway rates to prevent undue preference in favour of the two foreign ports of Pondicherry and Karikal.

7. As regards the first suggestion, the rate of interest now charged on the Harbour construction loan is $4\frac{1}{2}$ per cent. The budget estimates of the Harbour Trust Board show that Rs. 2,18,460 have to be provided for interest and Rs. 1,00,000 for instalment of principal for 1893-84. This is a very heavy charge on the port and its reduction would admit of a corresponding diminution in dues levied on the trade of the port. The Chamber would therefore urge that the rate of interest be reduced to 4 per cent. and the instalments of capital repayments to Rs. 50,000 per annum.

8. As regards the second suggestion, the Chamber would refer to the attempt made in 1891 to impose a duty upon all British grown ground-nuts imported into France, an attempt which was happily frustrated in this instance, but which might, the Chamber fears, be made with better success on a future occasion unless checked by some restraining influences, such as the imposition of countervailing dues on all produce exported into French Indian territory from British India.

9. As regards the third suggestion, the Chamber would draw attention to the unduly favorable railway rates still enjoyed by Pondicherry shippers, notwithstanding the assurance given by the Government of Madras in its Order, dated the 2nd May 1888, wherein the Chamber was informed that rules had been framed by the Government of India which would effectually prevent undue preference being shown by any lines under Government control—rules, however, which appear to have been ignored by the management of the South Indian Railway for years past. As an illustration of this preference may be mentioned the cost of the carriage of ground-nuts to Pondicherry. The rate now charged for the carriage of these goods from stations south of Villupuram is As. 2-9 per truck per mile, whereas ground-nuts carried from the same stations to the British ports of Negapatam and Cuddalore have to pay as much as As. 4 per truck per mile. How unjust these rates are will be seen from the rate charged per truck from Tanjore to Cuddalore and from Tanjore to Pondicherry:—

In the first case the distance is 94 miles and the charge per truck is Rs. 23-8-0.
In the second case the distance is 145 miles and the charge per truck is Rs. 24-15-0.

As Pondicherry is 51 miles further from Tanjore than Cuddalore, the South Indian Railway Company, it will be observed, is prepared to hand a truck-load of ground-nuts that distance for the paltry sum of Rs. 1-7-0, or, say, under 5 pices per truck per mile, which appears to the Chamber to be an unremunerative charge.

10. Taking all the above matters into consideration, the Chamber earnestly hopes that the Madras Government, solicitous of the welfare of British trade and British ports, will accord to the Chamber's representations that favorable consideration which they undoubtedly deserve and will address the Government of India accordingly.

Order—dated 22nd June 1893, No. 963 R., Public Works.

The first point submitted for the consideration of Government is that the rate of interest charged on the Madras Harbour construction loan should be reduced and the onerous terms for repayment of principal relaxed. This will be considered in the Financial Department, but it is observed that any scheme benefiting Madras Harbour would have an equally adverse effect on the trade of the other English as well as the French ports on the Coromandel coast.

2. The second point raised is that provision should be made for guarding British trade against unfair competition brought about by trade bounties in favour of shipments from French ports—a system which finds favour with the French nation. It is difficult to see what provision could be made without involving political considerations and the suggestions contained in paragraph 8 of the letter are opposed to the principles of free trade.

3. The third point is that effective control should be exercised by Government over railway rates to prevent undue preference in favour of the two foreign ports of Pondicherry and Karikal. In the instance put forward by the Chamber of Commerce the aggregate charge per truck for ground-nuts from Tanjore to Cuddalore, 94 miles, is Rs. 23-8-0, and from Tanjore to Pondicherry, 145 miles, it is Rs. 24-15-0, but so long as the aggregate charge over a shorter length is less than that over a longer length, the question of undue preference is not established.

4. The letter of the Chamber of Commerce and this reply will be submitted to the Government of India.

(True Extract.)

(Signed) F. R. UPCOTT,
Joint Secy. to Govt., P.W.D.,
Railway Branch.

To the Chairman, Chamber of Commerce, Madras.
" Financial Department.

ORDER—dated 8th August 1893, No. 746, Financial.

The papers read above contain representations from the Harbour Trust Board and the Chamber of Commerce in regard to reductions in the annual refund of one lakh of rupees payable under section 31 of Act II of 1886 by the Trust to Government and in the rate of interest charged under section 30 of the same Act on the Madras Harbour construction loan.

2. It will be convenient to briefly recapitulate the history of the case. In his despatch, dated 18th October 1883, No. 300, the Secretary of State, in dealing with the subject of the financial arrangements to be adopted in connection with the construction of the Madras Harbour, agreed in the views expressed by the Government of India that a Port Trust should be immediately created and that it would be a mistake to allow it to be started with a greater burden of debt than could be reasonably borne by the trade of Madras. His Lordship accordingly authorized the Government of India to treat as a charge against general revenues the whole of the 65 lakhs which had been spent on the harbour works up to the 31st March 1883 and suggested that the Trust might be further assisted if the funds necessary for the completion of the works were raised on the security of Government and the money advanced to the Trust at 4 per cent. interest for a limited number of years, to be raised to $4\frac{1}{2}$ per cent. at the expiration of the period fixed. The Madras Government had already considered the question and had come to the conclusion that the imposition on the trade of Madras of the payment of interest upon past outlay on the harbour works was to be deprecated and that some such arrangement as that proposed by the Secretary of State was desirable. It considered that the course suggested by His Lordship, of raising the funds

required to complete the work on the security of the Government would satisfactorily meet all requirements. His Excellency in Council recommended that interest should continue to be levied at 4 per cent. until five years after the completion of the work and thereafter at the rate of $4\frac{1}{2}$ per cent. The Government of India, however,

G.O., dated 17th June 1885, No. 102, Leg.

in communicating the reasons of His Excellency the Viceroy for withholding his assent to the Harbour Trust Bill, directed that, in accordance with the instructions conveyed in the Secretary of State's despatch referred to above, provision should be made for all sums advanced by Government for the harbour since 1st April 1883 being taken over as a debt due by the trustees to the Secretary of State in Council, for interest being paid on those advances from the time they were made at the rate of $4\frac{1}{2}$ per cent. per annum, and for the repayment of the capital of such advances. Act II of 1886 gave effect to this arrangement.

In April 1888 the Harbour Trust Board applied for a reduction of the rate of interest upon capital advances from $4\frac{1}{2}$ to 4 per cent. on the ground that it would be of material assistance to the trade of the port. The application was at the time regarded as a reasonable one and submitted to the Secretary of State for favorable consideration. His Lordship observed, in his despatch of the 24th January 1889, No. 2 P.W., that the request was one which should be preferred through the Government of India. That Government

Paragraph 15 of Mr. Barlow's letter in G.O., dated 25th April 1888, No. 151, Marine.

was accordingly addressed in letter, dated 10th June 1889, No. 361, Financial.

G.O., dated 22nd July 1889, No. 450, Finl.

In Mr. Sinkinson's letter, No. 3541, of the 10th July following, it was intimated that the Governor-General in Council regretted that he was unable to sanction the application as the rate of interest on the advances to the Board was settled at a time when over 65 lakhs had been paid out of general revenues for the harbour whilst no interest on this sum had been asked for and its repayment had not been demanded. The Government of India, it was stated, was not disposed to interfere with that settlement unless the clearest necessity was shown to exist, and it was observed that it was obvious that there was no such necessity.

In September 1889, the Chamber of Commerce requested that the question might be reconsidered, urging that the financial position of the Harbour Trust Board afforded evidence that necessity did exist for reducing the charges on the port. In reply it was intimated to the Chamber that His Excellency the Governor in Council was not prepared to address the Government of India again in the matter, which he regarded as finally settled, nor could Government accept the Chamber's views as to the financial position of the Board:

G.O., dated 2nd October 1889, No. 655, Finl. and it was remarked that the necessity for improving that position, if it did exist, should be met otherwise than in the way proposed.

The present applications contain further requests for a reconsideration of the question.

3. The review of the financial position of the Harbour Trust Board in G.O., dated 9th May 1891, No. 313, shows that from 1896-97 to 1918-19 there will probably be deficits of current income which will have to be met from the accumulated balance of over 11 lakhs. The deficits and the withdrawals from the invested capital will be greater in the earlier years, but they will be within the means of the Board and will be yearly decreasing. The Government sees no more reason for affording the Board relief in the earlier years than in the later. In accepting as a debit to Imperial funds the whole cost of the ruined harbour, the Secretary of State treated the port with great liberality, and, as the Government of India observed in 1889, the settlement then arrived at ought not to be disturbed except in case of the clearest necessity. Should the Board at any time become incapable of meeting its obligations there would be a case of necessity such as that referred to by the Government of India, but there is certainly no such prospect at present. On the contrary, the present

position, viewed in the light of the budget estimates of 1893-94, is even more favorable than the forecast of 1891 indicated that it would be, and His Excellency the Governor in Council is convinced that, if the Board refrains from increasing its expenditure, the financial position will not under existing conditions be in any way impaired.

Finally it is to be observed that the comparisons instituted with other provinces have no bearing on the question now under consideration.

4. For the reasons set out above His Excellency the Governor in Council is unable to reconsider G.O., dated 2nd October 1889, No. 665, Financial.

(True Extract.)

5/ *W. H. P. H.*
Secretary

To the Chairman, Harbour Trust Board.
" Chairman, Chamber of Commerce.
Copy to Public Works Department.
" Marine Department.

P. W. CURRENT No. 7172

Govt. of {1893} Madras.
FINANCIAL.

2965 4/20. 6. 83
3022 4/20. 7. 83
1539 4/20. 7. 83
1542 4/20. 7. 83
2335 4/20. 8. 83
622 4/20. 2. 83
2164 4/20. 8. 83
2895 4/20. 10. 83
1422 4/20. 5. 83
1966 4/20. 7. 83
1967 4/20. 7. 83
2240 4/20. 8. 83

2224 Waj 31st August 1893

Recorded

Issued

105.0

Recd.

18.8.93

Encl.

22/8 23.8.93

G.O., 8th August 1893, No. 746.

AUGUST.

DESPATCHED
31 AUG 93

Madras Harbour Construction Loan.

Declining, with remarks, to support the applications for a reduction in the rate of interest on the — and in the amount of annual repayment.

Consig. Encl. for Pys.

31/8/93

1/9