

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1241	Press ~~Mis.~~
153 154	
Dated	8 6 - 18 65.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
8th June 1865.*

No. 153. Read the following letter from Captain J. MULLINS, R. E., Consulting Engineer Irrigation and Canal Company, to Colonel C. A. ORR, R. E., Secretary to Government, Public Works Department, dated Madras, 26th May 1865, No. 13 :—

SIR,

- 2 Letters in original from Agent, General Nos. 65 and 96.
- 2 Copy of letters to Agent, Nos. 19 and 37.

No. 964, dated 10th instant, paragraph 6.

- * To Agent, No. 19, dated 12th May 1865.
- From " " 31, " 17th " "
- To " " 37, " 19th " "
- From " " 56, " 25th " "

1. I have the honor, with reference to the Order of Government as per margin in the Revenue Department, to transmit the correspondence* which has passed since that order between the Agent and Manager Madras Irrigation and Canal Company, and myself.

2. It will be seen from Mr. Henslowe's last letter that he accepts, on behalf of the Company, the modified maximum rate, one Rupee for 400 cubic yards of water, for supplies for purposes other than for irrigation.

Referred to the Revenue Department, with reference to the Orders in that Department, No. 964, dated 10th May 1865.

FORT SAINT GEORGE,
30th May 1865.

(Signed) CHARLES A. ORR, Colonel; R. E.,
Secretary to Government, P. W. D.

No. 154.

ORDER THEREON, 8th June 1865, No. 1,241.

Miscellaneous.

1. The Government are glad to learn that the question has been settled without the delay that would have been involved in a reference home.

2. The maximum price adopted, viz., one Rupee, for 400 cubic yards of water supplied for purposes other than irrigation, will be entered in the Draft Act now under preparation in the Legislative Department.

(True Extract.)

(Signed) W. HUDLESTON,

Acting Secretary to Government.

To the Consulting Engineer Irrigation and Canal Company.
" the Public Works Department.
" the Legislative do.
" the Board of Revenue.
" the Collector of Kurnool.
" the Public Department.

Exd. S. T. Augustin.

Consulting Engineer for I & C Co.

N^o 19.

Consulting Engineer's Office,
Irrigation, and Canal, Co.
Madras, 12th May 1865.

From,

Captain, J. Mullins, R.E.,
Consulting Engineer, S. and C. Co.

To,
The Agent and Manager,
S. and C. Co.

Sir,

I have the honor with reference to the latter part of para. 6 of the enclosed order of Government in the Revenue Department N^o 964 of the 10th May 1865 to request that you will be good enough to inform me whether you are prepared to agree to a maximum rate of One Rupee for 1,00 Cubic yards of water supplied for purposes other than that of Irrigation, being fixed by the act required by Clause 27 of the Contract.

I have the honor ~~Vica Vica~~
Signed Captain, J. Mullins, R.E.,
Consulting Engineer, S. and C. Co.

(True Copy)

Wm Mullins

Captain, R.E.,

Consulting Engineer for S. & C. Co.

Consulting Engineer's Office,
Irrigation and Canal Co.
Madras, 19th May 1865.

No. 37.

Sir,

Captain J. Mullins, R.E.,
Consulting Engineer, Sand C.C.
Sd.

The Agent and Manager,
Sand C.C.
Sir,

1. In reply to your letter No. 31 of the 17th Instant I have the honor to offer the following remarks for your consideration.
2. When the question as to the maximum rate to be fixed for the supply of water for other than Irrigation purposes first had to be considered, I was obliged, in suggesting a rate, to refer to the only datum available and this was the rate agreed to for water supplied for Irrigation. It was not however for a moment intended that because, when it was ascertained that the supply of irrigation water would be at the rate of 1 Rupee for 1,000 Cubic yards, a rate the double of this was suggested as the maximum for exceptional supplies, there was any further connection between the two, than the obvious one that, if it would pay the Company to

Replied to Engineer
of the same Office: 1865.
M.L.

Recd: 14/57/65

Enclosure with letter No. 13
of the 21st May 1865 to Report to
from Consulting Engineer's Office: 1865.

22/5/65

22/5/65

22/5/65

to supply water at the lesser rate, the double rate might be expected to afford a fair margin of profit, even should circumstances change. My intention was to suggest a rate within which the Company could afford, and would always be glad to dispose of such water as might be available for purposes other than those of irrigation.

3. I regret that I cannot consider the cost of the supply of towns, whether in Europe or in Tasmania, as any guide to the resolution of the question at issue. When works are undertaken for the supply of a town the charge for water supplied must be evidently based upon the cost of affording the supply. The Capitalists endeavour to get as much as they can for their money, and they fix the rate so that quantity multiplied by rate may be a maximum.

Where the main object of the outlay is supposed to be the supply of a town, here the main object of the construction of the works is irrigation, and the secondary intention navigation. The town supplies are of very small moment because, even were the demand great, the first claim of irrigation would prevent any very large use of water for such purposes or for exceptional purposes of any kind.

4. The Contract requires that a maximum

for exceptional supplies should be fixed, and all that seems necessary in fixing it is that the Company should be afforded a fair and liberal margin. One Rupee for 100 Cubic yards, the rate last proposed and in which the Government are willing to enter in the Act, being $2\frac{1}{2}$ times the rate at which the Company will dispose of the great bulk of their water for some time to come, seems to afford a sufficient margin, and even if it be supposed that the Irrigation rate will hereafter rise considerably it seems hardly likely that it will ever reach the maximum above named for other supplies. Should it however do so, or should it appear at some future time that the interests of the Company may fairly claim a revision of the Act, I do not suppose that the mere fact that such an Act, as that proposed, had been passed would in any way interfere with the substitution of another. As it is, Clause 27 of the Contract does not appear to render it obligatory on the part of Government to consult the Company in fixing the maximum rate. Their desire is to decide on sufficient grounds and not to limit the action of the Company unnecessarily, but at the same time the limit must be a definite one.

5. It seems to me that it would be

15
necessary to show, not only that the maximum
rate proposed would prevent the Company
making as much money as it could otherwise
do, for that would be an argument against
a limit of any kind but, that this rate will
not afford a fair and liberal return on the
supposed cost of giving the supply of water,
and enable the Company to receive from
those using the water a payment in some
proportion to the value of the benefit derived,
before a legitimate objection that could
be made, the value of the benefit conferred
cannot be approximated to very closely,
nor is it desirable to attempt this, because
the circumstances of the Company and
its relations to the State and the Public
are special, and entail obligations under
which an ordinary commercial undertaking
does not lie.

I have the honor to be

Sir,
Yours faithfully,
Captain J. E. Mullins, R.E.,
Consulting Engineer, N.E.C.

(True Copy)

Wm. Mullins

Captain, R.E.,

Consulting Engineer, N.E.C.

E. W. B.

Consulting Engineers Office
Irrigation and Canal, Co.
Madras, 26th May 1865.

To,
From, Captain J. Mullins, R.E.,
Consulting Engineers, S. and C.C.

The Secretary to Government,
Public Works Department.

1. I have the honor with reference to the order of Government as per margin in the Revenue Department, to transmit the Correspondence which has passed since that order between the Agent and Manager, Madras Irrigation and Canal Company, and myself.

2. It will be seen from Mr. Henslow's last letter that he accepts on behalf of the Company the modified maximum rate—One Rupee for 1,00 Cubic yards of water—for supplies for purposes other than for Irrigation.

I have the honor to be,
Sir,

Your most Obedient servant,
Wm. Mullins Captain R.E.
Consulting Engineers, S. & C.C.

R. S. Mullins

Reported to England
27th June 1865
Office

Rev. 1407/65

Enclosure in letter No
13 of 26 May 1865, to Govt.
from Engrs Office, Madras

22. 1009/65

1009/65
1009/65
1009/65

No 10 May 1858-8159

General Office

Revenue Officer

with reference

to the order in No 10

Department of 18964

dated 10th May 1865

Under Mr. J. J. J.

Secretary to Govt

General Office

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865

10th May 1865