

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 964

Press
Mis.

158. 159

Dated

10. 5. - 1865.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
10th May 1865.*

No. 158. 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 Nagatoor, 24th March 1865, No. 229:—

SIR,

1. With reference to the Order of Government in the Revenue Department of the 11th January last, No. 37, I have the honor to transmit a letter, No. 136 of the 14th instant, from the Agent and Manager, Irrigation and Canal Company, in which that gentleman communicates the views of the Board of Directors of the Company on the subject of the maximum rate to be fixed by the Legislature for the supply of water for purposes other than that of irrigation.

2. I am unable to concur in the opinion that this maximum rate should be a variable one dependent upon the irrigation rate for the time being, or that, as mentioned at the end of paragraph 3 of Mr. Henslowe's letter, "it should always be double the price charged for water for Irrigation."

3. In paragraph 5 of my letter, No. 129 of the 24th October last, I noticed that the Chief Engineer proposed to charge for the supply of the Town of Kurnool with 400 cubic yards of water per hour throughout the year, Rupees 3,200, or 1 Rupee for 1,095 cubic yards, and that as probably 4,000 cubic yards would be required for an Acre of irrigated land, the rate for which was to be 4 Rupees, the charge in this case would be 1 Rupee for 1,000 cubic yards, and the charge for the supply for a year to the town of Kurnool at an equal rate, as intended by the Chief Engineer, would be Rupees 3,504 for 400 cubic yards per hour. To leave the Company however a sufficient margin for the exercise of the powers to be conferred upon them, I suggested that 1 Rupee for 500 cubic yards of water should be the maximum rate for exceptional supplies of water, and this was afterwards agreed to.

4. It appears to me that the value of water supplied for exceptional purposes is in no way dependent, as Mr. Henslowe would seem to think, on the value of water used for irrigation. The latter depends upon the price of produce. It varies for every description of produce, and it is not identical even for varieties of the same sort of produce. The value of water for exceptional purposes is dependent on the other hand on totally different causes and circumstances. Water for a town supply is of greater or less value according as the town is naturally well or ill-supplied. Its real value for Kurnool, which has a river washing the side of the town, is very different to what it would be for Madras or Bellary; and similarly examples might be taken for water used as a mechanical power; but enough has been said to shew that the rates for water for purposes other than that of irrigation are in no way influenced by the value of irrigation water.

5. Had the Board of Directors considered that 1 Rupee for 500 cubic yards of water was too low for a maximum rate, and that it might be anticipated that at a future time such a rate would not afford them the returns they might be entitled to expect, their opinion would have demanded careful consideration; and even now should the Government think that it would be better to increase the margin allowed and to enter in the Act a maximum rate of 1 Rupee for 400 cubic yards, I think there would be no objection to such an alteration.

6. I have not the previous correspondence on the subject of navigation tolls and fares with me, so that I must defer remarking in full on paragraph 5 of the Agent's letter, and I need therefore only point out here that while, in the case of guaranteed Railways, the fares are regulated entirely under the authority of the Government, and all changes require their concurrence, the contract of the Irrigation and Canal Company requires that only a maximum shall be fixed; but it could

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hardly have been intended that this maximum should be uninfluential, which would certainly be the case were it made as high as that suggested by the Agent. A navigation Canal would confer little or no benefit on the country through which it passed were its tolls per ton per mile at all on a par with those charged by a Railway, and leaving out of view the difference in time of transit it is evident that the more circuitous rate necessarily taken by a Canal would render it impossible to charge such rates, and an impossible maximum is not wanted, and was not intended to be fixed.

Referred to the Revenue Department.

FORT SAINT GEORGE,
31st March 1865.

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

From F. H. HENSLOWE, Esq., Agent and Manager, Madras Irrigation and Canal Company, to the Consulting Engineer, Madras Irrigation and Canal Company, dated Madras, 14th March 1865, No. 136.

SIR,

1. With reference to my letter, No. 2,118 of 9th December, I have the honor to inform you that having submitted to my Director the correspondence which took place between you, Colonel Cotton, and myself in reference to the proposed supply of water to the Town of Kurnool, I have now been placed in possession of their views.

2. The Board are of opinion that in the Act required to be passed by the Indian Legislature the maximum charge for water so supplied should be fixed simply "as never to exceed double the maximum price that shall for the time being and from time to time be charged under the Contract," they think that this arrangement will be more likely to work fairly for all parties than if a specific price be named in the Act as a maximum charge.

3. The maximum price proposed by you and not disagreed to by Colonel Cotton was one Rupee for every 500 cubic yards of water: a standard assumed by you on the ground that water supplied for Municipal purposes may be safely taken to be worth double its value for irrigation, and if the value of water for irrigation varies whether by rising or falling (to meet which contingency power is given in the Contract to vary the prices) the value of water for Municipal and other uses will also vary; and it is but fair that its maximum price should be subject to change, being of course always regulated by the same standard, that is, that it should always be double the price charged for water for irrigation.

4. I need scarcely add that no charge will be lightly proposed or carried out in the prices charged for irrigation.

5. The Board have not yet fully considered the question of the maximum rates and tolls to be charged upon the Canal, and as no preparations are yet making for navigation, it may not be necessary to come to any decision upon that point at present, unless it should be deemed essential to include both provisions in one Act. In this latter case I think it will be admitted that all that can be required will be not the regulation of the tolls, &c., but simply the fixing of a maximum beyond which the charges would be oppressive. If this was fixed too low, it might appear to offer an unfair competition to the Railway Companies, and indeed the finest standard to take would be that fixed for the Railways. There can be no sound reason why a lower scale should be fixed for Canals than for the Railways, if the charge in the one case is not too high it cannot be considered oppressive in the other, and to this extent only can it be necessary to legislate.

No. 159.

ORDER THEREON, 10th May 1865, No. 964.

Miscellaneous.

1. This letter refers to the maximum rate chargeable by the Irrigation Company for water supplied for other than irrigation purposes.

2. Clause 27 of the Contract declares, that "the Company shall be authorized and empowered to charge such rates for the supply of water generally, except the supply for the purposes of irrigation which is in these presents otherwise provided for * * * as shall not exceed the rates * * * which shall be defined and sanctioned by an Act of Parliament of the Indian Legislature."

3. In their Order of the 11th January last, No. 37, the Government, on the suggestion of the Consulting Engineer, in which Colonel Cotton concurred, accepted the rate of one Rupee for 500 cubic yards of water as the maximum to be fixed by Kaw.

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10th May 1865.*

4. The Agent now reports that the Board of Directors are of opinion that in the Act to be passed by the Indian Legislature, the maximum should be fixed simply "as never to exceed double the maximum price that shall for the time being and from time to time be charged under the Contract" for water for irrigation. The Government observe that such an arrangement obviously would not meet the requirements of the Contract, which prescribes that the rates shall be "defined" in the Act. It would be useless therefore to propose to enact that the rate shall not exceed twice another rate not expressed either in the Act or the Contract.

5. It must also be remembered that while the rate to be charged for water for irrigation is subject, in case of dispute between the Government and the Company, to the decision of Arbitrators, the Company are apparently free to charge what they please, within the maximum fixed by law, for water supplied for other purposes. This consideration probably induced the stipulation that the maximum rate in the latter case should be "defined" by law.

6. As regards the argument that the price of water supplied for general purposes should be double that of water supplied for irrigation, the Government observe that no attempt is made to prove that there is any, much less so great, a difference in the value of water supplied for irrigation and for other purposes; or that the rate already accepted by Government on the Consulting Engineer's suggestion, and on Colonel Cotton's declaration* of its safety, is too low. The Consulting Engineer satisfactorily shows that there is no analogy between the two cases; and further while water for general purposes is to be charged by volume, the charge for water supplied for irrigation is by the Acre. As, however, Captain Mullins sees no objection to raising the rate to one Rupee for 400, instead of 500 cubic yards, the Government will, to save delay, accept that rate if it is agreed to by the Agent, on which point the Consulting Engineer will report.

* Paragraph 5 of Colonel Cotton's letter, 29th November 1864, in O., 11th January 1865, No. 37.

7. The question of Tolls for navigation, referred to in the Agent's letter, need not be discussed at present.

(True Extract.)

(Signed) J. D. SIM,

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. R. H. Lee.

ment of the Indian Legislature
Lu

Mem 911

Memos.

This letter refers to the maximum rate chargeable by the Irrigation Compa-
- since what the charge for water to the Town is. whether 1 R. per acre for water supplied for other
500 or 1 R. per 400 acre farms. - than Irrigation purposes -
the charge for irrigation will be not per quantity, but per
area - so much per acre - clause 24 of the Com-
- we cannot therefore say that tract declared that "the Com-
the charge for water to the Town shall be double that charged and empowered to charge
for irrigation - the simplest such rates for the supply of
Plan will be to adopt the water generally except the
1 R. per 400 acres, if the Report supply for the purposes of irri-
will agree to this - the gation which is in these
charge is trifling. 400 acres presents otherwise provided
= 67400 fallow at 20 for x x x x. as shall not be
fallow per ~~inhabitant~~ = celled the rates x x x which
~~to 887~~ to a supply for shall be defined and sanc-
3875 inhabitants - tioned by an act of Parlia-
- ment of the Indian Legislature
In

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- since what the charge for water
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= 67400 fallow at 20
fallow per ~~inhabitant~~
~~to 887~~ to a supply for
3875 inhabitants -

JM

In the order of the 11th January last No 37 Revenue Department, the Government accepted the rate of one Rupee per 500 cubic yards of water as the maximum to be fixed by Law, and a Bill has accordingly been introduced into the Council for making Laws. - This rate of one Rupee for 500 cubic yards was suggested by the Consulting Engineer. - The Agent in his last letter mentions it as "not disagreed to by Colonel Cotton"

It was not introduced before its actual introduction, it was found that it must be brought in in the Council of the Province general -

"Cotton" but this is a mistake. - Colonel Cotton's words are "if the Act determined a maximum rate chargeable by the Company, it may be safely, I think, fixed at 500 cubic yards per Rupee."

It is so, but he supposes that as the Co. may raise the origination rates, the Town supply rate may be regulated by the limits of the origination rates. I fear there is an opening for the objection by the Govt. of the Co. that Colonel Cotton's reply is too vague to bind them, and, certainly, this Agent, by whose consent they would have been bound, has avoided committing himself in para 3 of his letter. - W.D.M.

The Agent now reports that

We cannot bind the Board of Directors & Chief Engineer down to their words - even if more specific - now that we are of opinion that the Company take a different view, - now that in the Act

Act, the maximum
should be fixed as
simply "as never to
exceed double the
maximum price that
shall for the time
being and from
time to time be charged
under the contract." - *in irrigation
water.*

It is obvious that
this would not meet
the requirements of
the contract which
prescribes that the
rates shall be
"defined"

5
defined "in the act and it
is out of the question to
enact that the rate shall
not exceed twice another
rate, not expressed either
in the act or the contract.

It must also be
remembered that while the
rate to be charged for water
for irrigation is subject, in
case of dispute between the
Government and the Company,
to the decision of arbitrators,
the Company are free to charge
what they please, within
the maximum fixed by Law,
for water supplied for
other purposes. This con-
sideration probably induced
the stipulation that the
maximum rate in the latter
case

case should be "defined" by Law.

As regards the argument that the price of water supplied for general purposes should be double that of water supplied for irrigation, it may be remarked that no attempt is made to prove that there is any much less so great a difference in the value of water supplied for irrigation and for other purposes, or that the rate already accepted by Government on Col. Cotton's declaration of its safety is too low. Captain Mullins sees no objection to raising

Capt. Mullins shows I think that there is no loss, but the two cases.

To my mind, it would be much more equitable to charge for a supply of water to the townspeople, half instead of double the irrigation rate. In the one case, the only results are clean lines & health. In the other, valuable marketable produce. As shown over, the principle seems to have been accepted as good & proper. It is too late to contend for another.

The maximum rate at which the townspeople are to pay for their water must be more suitably defined. It would be if we agreed to recognize the definition which the Director has now laid out for his audience. As a compromise of the difficulties arising out of the correspondence, we might intimate that Captain Mullins's newly proposed rate of 1 Rupee for 400 cubic yards will be made.

The bases of the anticipated Act - Surfer from what is shown in the papers forming one of the two packets that there is no doubt about the necessity of getting the Act passed through the Sub-committee. Comment? WDK

the rate to 1 Rupee. ~~for 400~~ instead of 500 cubic yards - but nothing in the way of argument is adduced.

~~Order requested~~

The question of the rate for navigation needs no discussion at present.

Culwin not - WDK JP

Order requested.

JOS

To avoid contention in respect to the opinion of the Advocate General whether the maximum rate proposed by the Compt. would be defined as required by the Contract. If, as I imagine will be the case, he says that it will not, there is an end of the proposal & we might then offer the 1 Rupee for 400 cubic yards. If he says that it will, we can then consider how the rate should be fixed on that principle.

No. 964-

PROCEEDINGS of the MADRAS GOVERNMENT.

Under date the 10th May 1865.

Recd the following
letter from the Consulting
Engineer Irrigation and Canal
Company.

Forwards herewith a
letter from Agent No 136 to
dated 14th Instant, in which
that gentleman communicates
the views of the Board of Directors
of the Co. on the subject of the
maximum rate to be fixed by the legis-
lature for the supply of water for
purposes other than that of irriga-
tion, with Consulting Engineer's
views thereon.

(Here enter 24th March 1865
No 229.)

1. This letter refers
to the maximum rate
chargeable by the Irrigation
Company for water supply
for other than Irrigation
purposes.

2. Clause 27 of the
Contract declares that
"the

"The Company shall be authorized and empowered to charge such rates for the supply of water generally, except the supply for the purposes of irrigation which is in these presents otherwise provided for x x x x as shall not exceed the rates x x x which shall be defined and sanctioned by an Act of Parliament of the Indian Legislature."

3. In their order of the 11th January last No. 37, the Government, on the suggestion of the Consulting Engineer, accepted the rate of one Rupee for 500 cubic yards of water, as the maximum to be fixed by Law.

The

in which Col
Cotton concurred

for water for irrigation

4. The Agent now reports that the Board of Directors are of opinion that in the act to be passed by the Indian Legislature, the maximum should be fixed simply as never to exceed double the maximum price that shall for the time being and from time to time be charged under the ⁺contract. The Government ~~observe that~~ ^{observe that} such an arrangement ~~is obvious that it would~~ not meet the requirements of the Contract, which prescribes that the rates shall be "defined" in the Act, and ~~it is out of the question~~ to

requires not a
 the point of
 - can be
 opinion that

Opinion to
with the thing
would be a clerical
L. M. Conroy. How
I don't press this
as it seems to
that for months
clear enough

17
classical

of Col. Cottrell letter 29 Nov.
40. 11 January 1865 No 37

b. As regards the argument that the price of water supplied for general purposes should be double that of water supplied for irrigation, the Government observe that no attempt is made to prove that there is, any, much less so great, a difference in the value of water supplied for irrigation and for other purposes; or that the rate already accepted by Government on the Consulting Engineer's suggestion and on Colonel Cotton's declaration of its safety, is too low.

The Consulting Engineer

Engineer, ~~however~~, ^{satisfies} has
no objection to raising
the rate to 1 rupee for
400 instead of 500 cubic
yards, the Govt. will
~~not object to accept that~~
rate if it is agreed to
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point the Consulting
Engineer will report.

7. The question of
Tolls for Navigation
referred to in the Agent's
letter need not be dis-
cussed at present.

shows that there is no analogy between the two cases and the further while water for present purposes is to be charged by volume, the charge for water kept back for irrigation will be ~~based on~~ ~~according to~~ is by the acre. As former Capt Mullins says,

1. The Consulting Engineer of the Company
2. The P. A. Department
3. The Legislative Dept
4. The P. O. and of Revenue
5. The College of Commerce
6. The Public Dept.

Reported to England
of 17th June 1865
Mrs

Pro. No. $\frac{85-86}{11-1-65}$
- $\frac{2070}{11-11-64}$

Revenue 1865
Pro. of Govt. for May

N^o 964

Pro. of the Madras Govt.
of 10th May 1865.

From the Consulting Engineer
J. B. C. M. 15 May 1865

Letter N^o 1934/65

Adding orders on the
subject of the minimum
rate to be fixed for water
supplied for Irrigation in
Company.

158-159.

Copy from the 18th May