M&R. O. 1—82,000—15-10-28.

# MADRAS RECORD OFFICE.

## Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1348 Press ~~Mis.~~

Dated 1 - 6 - ~~19~~ 1866

**Not to be folded or roughly handled**

No. 120. Read the following Proceedings of the Board of Revenue, dated 16th May 1866, No. 3,415.

Read again:—

G. O., dated 30th October 1865, No. 2,655, R. D., in Board's Proceedings, 27th November 1865, No. 7,573.

" " 5th January 1866, No. 31, R. D.
" " 20th " " " 171, "
" " 29th " " " 250, " in Board's Proceedings, dated 8th February 1865, No. 941.
" " 15th March " " 662, "
" " 10th April " " 821, "
" " 20th " " " 928, "

Read also, again, the following letter from the Collector of Kurnool, to the Acting Secretary to the Board of Revenue, dated 2nd December 1865, No. 175:—

1. I have the honor to reply to the Board's Proceedings, dated 27th November 1865, forwarding an Order of Government with certain correspondence, regarding the proposed charge of a special water-rate for gardens irrigated by the Company's Canal.

2. When Mr. Latham addressed me on the subject, I informed him, privately, that it would be better for me to reserve recording my opinion, until called for, in due course, by the Board, more especially as I could not support his proposals.

3. The Board have pointed out in their Proceedings, that a consideration of the crops grown by individual Ryots, is not within the cognizance of the Company, or its officers, and the question is narrowed to its true grounds, whether what are called garden crops require more water than two crops of paddy, and should, consequently, be paid for at a higher rate.

4. I think this question must be answered in the negative with respect to garden lands of every description.

5. Sugar-cane, betel, and plantain gardens probably require the largest supply of water of any description of cultivation except paddy, but in none of these cases are the lands absolutely flooded, as they must be, for paddy cultivation, but a small and equable supply is required throughout the year.

6. The ordinary gardens in Kurnool consist of fruit trees with open spaces, in which crops of onions, ragy, and such like grains are grown. The trees, however, constitute the chief produce of the garden, and their irrigation, if supplied throughout the year, would not require anything like the quantity of water necessary for a double crop of paddy.

7. The Government have long abandoned the system of inquisition into the nature of the crop: they charge their assessment on the land, and a rate for the use of water for irrigation, which is doubled in the case of a second irrigated crop of any description being raised within the year, or when water is supplied for the irrigation of one crop throughout the year.

8. The Government have engaged to take over all the water that may be made use of for irrigation by the Ryots, and to collect the water-rate for the Company on its own principles of revenue management. The only point open for

discussion is the amount of the rate for a single crop, which has been fixed for the present at Rupees 4 per acre, subject to alteration in the mode prescribed by the contract between the Secretary of State and the Company.

9. It appears to me to be opposed to every principle of our modern Revenue administration, to have a varying water-rate chargeable according to the crop, on consideration of the special value of the produce, or of the profit obtainable in special cases by the cultivators, the grounds on which the claim for an enhanced rate on garden lands is, apparently, made by the Chief Engineer of the Company.

10. Were the Company in a position to treat directly with the Ryots, I should consider the attempt to exact petty additional rates from individuals, on account of special circumstances making them ready to accept any terms, the principle suggested in paragraph 7 of the Consulting Engineer's letter, dated 11th October, to be most impolitic. The affairs of a great Company cannot be carried on in the spirit of retail native traders, while the arrangements entered into, to save the officers of the Company from direct dealings with the Ryots, fortunately prevents the possibility of the attempt.

11. I prefectly appreciate the zealous wish of the officers of the Company to make every effort, under present circumstances, to increase its revenues. Irrigation is just commencing, and it is most desirable that the shareholders at home should see that returns are being realized, so as to induce them to provide the further capital necessary for the completion of their gigantic works.

12. An increased water-rate on gardens would, however, have no appreciable effect on the revenues of the canal, which, I trust, in the natural course of things, will prosper in the steady gradual increase of irrigation, as the water is carried to the more favorable portions of the District.

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1. Ordered that the above letter from Mr. Minchin be submitted to Government, with the following remarks, with reference to the Government Orders quoted at the head of these Proceedings, and in continuation of the Board's Proceedings, dated 27th November 1865, and 8th February 1866.

2. In paragraph 2 of his letter, dated 19th March 1866, printed in the Government Proceedings of 10th April 1866, the Agent for the Irrigation Company observes that the questions raised in the above correspondence are:—

*First.*—As to the system upon which water is to be charged for, in reference to area and demarcation.

*Second.*—The rate at which garden irrigation is to be charged.

*Third.*—The rate for general irrigation.

3. In regard to the first question, the Board have already stated to Government their opinion, in concurrence with those of the Agent and Consulting Engineer, that except where part of a field is above the requisite level, water should be supplied only to an *entire* field, and that the rules as to double payment for water surreptitiously taken, should be strictly applied.

Board's Proceedings, 8th February 1866.



4. The Government in their Proceedings, dated 15th March 1866, No. 662, Revenue Department, approved the Board's views; and these Proceedings have been communicated to the Collector of Kurnool.

5. The same rule is equally applicable to garden cultivation. If the whole of the garden is on one level and irrigable, and if water is taken, the applicant should be required to pay for the whole area of the garden.

6. The Board have no doubt that this is what Captain Mullins intends to recommend when at paragraph 9 of his letter of 5th January 1866, printed in Government Proceedings of 20th idem, he proposes that "in the case of gardens the entire *holdings* should be charged for if water be supplied at all."

7. The Board see no objection to the proposed change in the heading of Column 5, Rule III., from "extent of land" to "area" of the field or garden whose register number will be shown in the preceding column.

8. The penalty charge of double water-rate for water taken surreptitiously, being the same that is in force in the Godavery and Kistna Districts, has been already approved by the Board for similar cases in Kurnool.

9. The questions that remain for discussion are:

The amount of rate to be charged for general irrigation; and

The rate to be charged for irrigation to gardens.

10. For general irrigation, the rate at present in force is Rupees four per acre for a single crop, the consideration of the charge for a second crop having been purposely postponed.—(See Government Proceedings, dated 7th October 1863.)

11. In the letter from the Secretary to the Irrigation Company, printed in Proceedings of Government, dated 4th July 1865, No. 1,527, Revenue Department, it is proposed at paragraph 12 that the charge for general irrigation should be raised to Rupees 6 per acre per crop; but as it appeared that copy of the letter had been submitted direct to the Secretary of State, the Government resolved to await his despatch on the subject.

12. The Boardare not aware that any despatch has yet been received, but the Agent to the Company now presses on Government the consideration of this proposal, and argues that the increase in the value of land already effected by the Company's works, and the fact that for land under tanks in the Kurnool District "a rate of Rupees eight for one crop is often exceeded," warrant the proposed increase.

13. The Consulting Engineer supports the proposal, on the ground that on the best estimate he can form of the probable cost of the works, and the area they will command and suffice to supply, the present rate will not afford an adequate return, and he recommends that the rate of Rupees six per acre for a single crop be sanctioned, on the understanding that it will not be increased until the irrigation down to the 143rd mile of the Canal has been provided for, and the demand on the Canal in comparison with its capacity for supply has been ascertained, and that the question of charge for a second crop be postponed.

14. The Board are not prepared to admit that the increase in the value of land in Kurnool is due to the Company's unfinished works. The great increase in the value of produce throughout the country is producing the same effect every-

where. Neither do they consider that Mr. Henslowe's argument derived from the existing rate on tank lands, *which includes the land assessment as well as the water-rate,* is at all conclusive.

15. But bearing in mind the fact that the guaranteed interest on the Company's capital is provided from general taxation, and that the land assessment of the tract through which the Company's Canal passes has been revised and placed on a favorable footing, so that the bulk of the land is assessed at rates ranging from Rupees 1½ to Annas 8 per acre, they are not prepared to say that the people would be unable to pay the proposed rate of Rupees six per acre for a single crop, although looking at the nature of the soil, and the additional value given to it by irrigation and the usual rates imposed by the new settlement on irrigated land of similar degree of productiveness, the Board consider that a water-rate of Rupees six per acre being equal to four times the amount of the land assessment, is the highest that such land can bear, except special crops be raised. Sugar-cane cultivation, when sufficiently irrigated to mature an average crop, might be charged at Rupees 10 per acre for water. The charge of Rupee one per acre for occasional irrigation to crops not requiring a full supply would remain unchanged.

16. It remains to consider the charge for irrigation to gardens, for which Captain Mullins proposes a maximum of Rupees 15 per acre for the year, or Rupees eight for the half year, which charge the Agent approved as fair, so long as the present ordinary rate of Rupees four is maintained, on the understanding that it would be raised in proportion to any increase in the ordinary rate.

17. The grounds upon which the Consulting Engineer advocates a higher rate of payment for garden lands, are stated to be not so much the *quantity* of water required by them, or the value of the produce, as the fact that from their usually detached situation, the supply will give more trouble, and will generally cost more to convey from the canal to the garden, while the surplus water from garden channels will often remain unutilized or unproductive of returns to the Company.

18. The Collector is of opinion that the garden cultivation in Kurnool, so far from requiring more water than two rice crops, does not require nearly so much, and he deprecates any increase beyond (as the Board understand) the double rate for the year.

19. He does not refer to the special grounds on which Captain Mullins bases his recommendation, and the Board are not in a position to judge of the weight which should be allowed to them; but they are of opinion that a rate of Rupees 10 per annum is as high as is likely not to deter applicants, and thus to prove remunerative to the Company, and in the interests of the Company, as well as of the people, they would deprecate the notification of the maximum rate of Rupees 15, proposed by Captain Mullins, which they feel confident would exercise a deterring effect.

20. They see no reason why the rate should not be declared open to future revision; but it will be observed that Mr. Minchin is of opinion that an increased rate on gardens would have no appreciable effect on the revenues of the Canal.



No. 121. ORDER THEREON, 1st June 1866, No. 1,348.

Miscellaneous.

1. These papers relate to an application from the Irrigation Company's Officers to raise the price now charged for water supplied from their works for agricultural purposes.

2. Under the Company's Contract the price of water is to be fixed by the Government and the Company by mutual agreement, if possible, otherwise by arbitration—the Company may at any time

Clauses 13, 14, 15.

*reduce* the fixed rates, and in such reduction the Government must acquiesce—the Government and the Company may, by mutual consent, revise the rate at any time, and if one of the parties (Government or the Company) demand a revision and the other party does not consent, the demanding party may bring about a revision by arbitration. *Provided* always that the charge for water for irrigation "shall be so fixed as to represent as nearly as circumstances will then permit and as can then be ascertained, a fair charge for the water which will be supplied for irrigation to the parties taking or availing themselves of it, and such price shall be the price to be paid by the cultivators to the Government."

3. ORDINARY IRRIGATION.—The present price charged for water for ordinary irrigation is 4 Rupees per acre, for one crop, the supply to be sufficient to bring the crop to maturity.

4. The Company wish to raise this price to 6 Rupees.

5. The grounds on which this proposal is made, as stated by Mr. Westwood, the Company's Home Secretary, are the difficult and expensive character of the Company's works; the large outlay which will be annually required to keep them in good and efficient repair; the circumstance that in Bellary the Government have reduced the maximum wet rate to 12 Rupees per acre, and that in the vicinity of the Company's works even higher rates are levied; the fact that within the last four years the value of land in Cuddapah and Kurnool has continuously and largely increased, the value of water being similarly and equally increased; that owing to the difficult and expensive character of the Company's works and the contemporaneous high price of labor and produce, the cost of the works represents an average outlay of about 40 Rupees per acre, while the average cost of Government works, constructed before the rise in price and labor, is stated to have been only 15 Rupees per acre; wherefore a water-rate fixed on the cost of works executed a few years since, and the *then* ability of the people to pay, would not be a fair price for the Company's water, as regards either its value or the cost of their works.

From J. Westwood, Esq., dated 3rd May 1865, No. 54, in Government Proceedings, Revenue Department, 4th July 1865, No. 1,527.

6. The local Agent of the Company, Mr. Henslowe, states that he learns that land within the influence of the Company's works, which previously could be purchased for 7 or 8 Rupees per acre, cannot now be purchased for 50 Rupees; that the Company, to whose works this enhanced value is due, may fairly claim to

From F. H. Henslowe, Esq., to the Consulting Engineer, dated 2nd January 1866, paragraphs 5 to 10, in Government Proceedings 5th idem, No. 31, Revenue Department.

share in the prosperity they have created; that under some existing Government tanks in Kurnool, the rate charged exceeds 8 Rupees per acre for a single crop, and that this would form a more appropriate maximum than 6 Rupees.

7. The Consulting Engineer, Captain Mullins, states that taking the canal with its distribution channels from Soonkasala to the Pennair, *i. e.*, Kurnool to Nellore, as 178 miles, it may safely be assumed that 125 lacs will be the lowest cost of the works, and 250,000 acres the greatest extent of land which, with present arrangements for the supply of water, will be brought under irrigation. The cost per acre will thus amount to 50 Rupees. A water-rate of 4 Rupees per acre for one crop would yield a *gross* return of 8 per cent. on the outlay, and (allowing the low charge* of 12 Annas per acre per annum for maintenance and establishment) a *net* return of 6½ per cent. from the whole area. And as it will take at least four years to complete the whole of the works and bring the entire area under irrigation, the average net returns for the four years would not exceed 4½ per cent. On the same data a water-rate of 6 Rupees per acre would yield a gross return of 12 per cent., a net return of 10½ per cent., and an average for the next four years of 7 per cent. Under present circumstances, Captain Mullins considers it advisable that the rate fixed for one crop should suffice to return a net profit of not less than 5 per cent., and as 4 Rupees per acre will not do that for a considerable time to come, and 6 Rupees will do so, provided this rate should prove generally acceptable to the Ryots, he recommends the adoption of the latter, on the understanding that no further increase will be proposed until the irrigation down to the Pennair, or at least to the 143rd mile, has been provided for, and the demand on the canal, in comparison with its capacity for supply, ascertained.

From Consulting Engineer, to Government, dated 5th January 1866, No. 137, paragraphs 5 to 8, in Revenue Proceedings, 20th idem.

* Equivalent to Rupees 1,87,500 per annum.

8. Captain Mullins in his calculations leaves out of consideration the probable returns from second crop irrigation, as without reservoirs the canal cannot supply such irrigation except to a very small extent, and the Company are bound, in his opinion, to supply irrigation, if wanted, for one crop, at least as far as the 143rd mile, in preference to restricting the supply to a more limited area for the irrigation of a second crop.

9. The Board of Revenue do not admit that the increased value of land in Kurnool is due to the Company's unfinished works. The great increase in the value of produce throughout the country is causing the same result in every District. Nor do they consider that the argument derived from the existing rate on tank lands is at all conclusive, because it includes the assessment for the land as well as the charge for water, instead of the latter only, as Messrs. Westwood and Henslowe seem to suppose. But as the interest guaranteed on the Company's capital is provided from general taxation, and the land assessment of the tract through which the canal passes has been revised and placed on a favorable footing, they are not prepared to say that the people would be unable to pay the proposed rate of six Rupees, although looking at the nature of the soil, the additional value given to it by irrigation, and



the usual rates now imposed on irrigated land of corresponding productiveness, they consider 6 Rupees per acre the highest rate such land can bear, unless special crops be raised.

10. The arguments of the Company's Officers are certainly not altogether conclusive. The great outlay incurred by them is in no inconsiderable degree attributable to bad management. The rise in the value of land is general throughout the Presidency, and cannot be altogether ascribed to the Company's works, which are still unfinished, though these have probably had some effect. The present high range of prices is owing, in a great measure, to causes which, though not likely to fall materially, still cannot be regarded as absolutely permanent, and have necessarily enhanced also the cost of production; and the higher rates levied in some instances by the Government, with which a comparison is instituted, include the assessment of the land as well as the charge for water. As to the latter argument also it may be remarked that when certain tanks in Kurnool were made over to the Company at their own request, the Company's Officers objected to the rates as too high, and the transfer was, therefore, effected on the principle of stipulating for the irrigation of the average cultivated area, instead of the payment of the sum realized by Government.

11. Still, as the Board truly remark, the guaranteed interest has to be provided from the general revenues of the Presidency at large, while the work can only benefit the people of parts of two Districts, and as, at least during the continuance of present prices, those who benefit by the works can certainly afford to pay the enhanced rate proposed, the Government resolve to agree to it without awaiting the receipt of instructions on the subject from the Secretary of State, as determined in G. O. dated 4th July 1865, No. 1,527, Revenue Department.

12. Sugar-cane Irrigation.—This is now charged 8 Rupees, or twice an ordinary crop. The Irrigation Company wish to charge twice the new rate, or 12 Rupees. The Board consider that it should be charged 10 Rupees.

13. The rule in Government land is to charge double the ordinary rate, whatever that may be, and the Government see no reason to adopt a different rule in the case of the Company. It is a valuable crop, and though it may not need twice as much water as paddy, needs irrigation through the year.

14. Garden Irrigation.—At present, except in the case of sugar-cane, the rate of 4 Rupees is charged on all land, without reference to the particular crop raised, for one crop.

15. Captain Mullins recommends that "garden lands should be classified quite distinctly from field irrigation," and deems it worthy of consideration "whether it would not be better to place the supply of gardens under the same rule as that of towns and other exceptional cases." It is not, he says, so much the quantity of water they require which affects the question, as their usually detached situation, the greater cost of conveying the water to them, the increased amount of regulation required, and the probability that the surplus from garden channels will remain either unutilized or, if not so, unproductive of returns to the Company. He proposes a maximum rate of 15 Rupees per acre for the whole year, and 8 Rupees for a half year, basing his proposal on the supposition that 6,000

cubic yards of water would be required per annum, per acre, which at 400 cubic yards for a Rupee, the maximum rate legalized for exceptional supplies, amounts to Rupees 15. He proposes that the actual charge in any particular case shall be fixed within this maximum, considering that two and a half times the ordinary rate will, for the present at least, afford a sufficient margin to meet all the circumstances which render garden irrigation less remunerative to the Company than ordinary field irrigation.

16. Mr. Henslowe assented to the rates proposed by Captain Mullins, on the understanding that if the ordinary rates are raised from 4 to 6 Rupees, the garden maximum should be correspondingly increased, *i. e.*, from 15 Rupees to 22½ Rupees.

17. The Collector, Mr. Minchin, is averse to any distinctive water-rate on "garden crops," he considers that they do not require more water than two crops of paddy, and that a special charge on gardens, while objectionable on general principles and opposed to the practice of the Government, would bring in but little revenue.

18. The Board of Revenue are of opinion that a rate of 10 Rupees per annum is as high as is not likely to deter applications, and see no reason why the rate should not be declared open to future revision.

19. Captain Mullins is in error in supposing that the supply of water to gardens can be treated in the same way as the supply of water to towns. Clause 27 of the Contract expressly excepts water supplied "for the purposes of irrigation" as being "otherwise provided for" in it. Moreover, his proposal to calculate the charge for water supplied for irrigation, according to the special rate fixed for water supplied for other purposes, is not allowable. The rate thus specially fixed for water supplied to the town of Kurnool for general purposes other than irrigation, was first 500 cubic yards for a Rupee, or according to his calculation, *double* the irrigation rate. It was subsequently increased; only 400 cubic yards being given for a Rupee, but this was the *maximum*. The proposed increase of the ordinary irrigation rate from 4 to 6 Rupees will still leave the special rate 50 per cent. too high. Assuming, as Captain Mullins has done, that an acre of paddy requires 4,000 cubic yards, then the proper charge for 6,000 cubic yards, the estimated requirements of an acre of garden land, would at the rate of 4,000 cubic yards for 6 Rupees, amount only to 9 Rupees, instead of 15 Rupees. Further, Captain Mullins appears to have overlooked the fact that the supply to the town of Kurnool is by volume, whereas for irrigation the Company must supply enough water to bring the crop to maturity. The Government have never acquiesced in the hypothesis that 4,000 cubic yards, or any other given quantity, is sufficient for this purpose.

20. The papers before Government do not seem to shew that the Company's Officers have any wish to regulate the water-rate according to the particular crop grown, unless as in the case of sugar-cane, it requires water throughout the year. The "gardens," to which the present discussion relates, seem to differ very materially from what used to be termed "gardens," when Government levied a distinctive rate on produce, since wholly abolished. The ground on which a special rate is now desired does not seem to be based on the nature of the crop or its value, or its perhaps requiring a little more water than paddy, but on the distant and isolated



position of the gardens entailing much more expense in providing the supply than is ordinarily incurred. Mr. Minchin's description of these gardens also seems to shew that they are in fact "topes," the spaces between the trees being cultivated with various crops or vegetables.

21. The Government have no information before them as to the number of these "gardens" or their aggregate area, and as special rates are very undesirable, they desire this information before they decide.

22. The other points which are mentioned in the correspondence, viz., the area chargeable, &c., have been already decided.

23. The Government observe that Mr. Henslowe gives his assent to Captain Mullins' proposals, subject to the confirmation of the Board of Directors at home. They cannot discuss matters with him on such terms. Clause 32 of the Contract requires the Company to keep at Madras an authorized Agent with whom the Government may communicate on the affairs of the Company, and whose acts done on their behalf shall be binding on them. If, therefore, Mr. Henslowe distrusts his own judgment or powers in any case, he must apply to the Board for instructions before he addresses the Government.

(True Extract.)

(Signed) J. D. SIM,
*Secretary to Government.*

To the Board of Revenue.
,, the Public Works Department.

Rrd. S. T. Augustin.

W. 1348 B 6s

1st June 86.

Clauses 13. 14. 15.

These papers relate to an application from the Irrigation Co's Officers to raise the price now charged for water supplied for pastoral purposes & for agricultural purposes — under the Co's Contract the prices of water is to be fixed by the Govt & the Co by mutual agreement & if not possible then to be by arbitration — the Co may at any time reduce the price & in such case after the Govt & the Co may by mutual consent

Write the Collr at any time - & if one of the parties (Govt or the Co.) demand a revision & the other party does not consent - the demanding party may bring about a revision by arbitration -

Provided always that the charge for water for irrigation "shall be so fixed as to represent as nearly as circumstances will permit and as can then be ascertained a fair charge for the water which will be supplied for irrigation to the parties taking

From J. Westwood Esq
& 3 May 1865 N 54
in Govt Port. R D
- 4 July 1865 N 527

× he might have obtained "a certificate from the water users management of their own"

or availing themselves of it, and such price shall be the price to be paid by the Cultivators of the first ..... "

The present fixed charge for water for ordinary irrigation is for one crop the 4 Rs per acre - I suppose the Govt to be sufficient to bring the crop to maturity. The Co. wish to make this price to 6 Rs -

The grounds on which this proposal as is made are those stated by Mr Westwood - the Co. have had the difficult and Expensive character of the Company's works - (2) the large outlay which will be annually required to keep them in first efficient repair the fact that in Belly

the fact reduced the
Maximum net rate
of 12 Rs per acre -
that in the vicinity
of the Cot works even
the rates are levied
that within the last
four years the price
of land in Coddahal
& Kurnool has conti-
nuously and largely
increased - the value
of water being simila
& equally increased -
that owing to the diffi-
cult & expensive charac-
ter of the Cot works &
the contemplations
high cost of labour & pro-
duce, the cost of the works
represents an average
outlay of about 40 Rs
per acre - while the aver-
cost of past works before
the rise in price of labour
is stated to have been

only 15 Rs per acre - where-
fore a water-rate fixed
on the cost of works exe-
cuted a few years since
and the then ability of
the people to pay would
not be a fair price
for the Cot water as re-
gards either its value
or the cost of their works -

The local agents of the
Co. for Hemchoor state
that he learns that land
within the influence
of the Cot works which
previously could be pur-
chased for 7 or 8 Rs per
acre cannot now be
purchased for 50 Rs -
that the Co. to which works
the increased value
is due, may fairly claim
to share in the profits
they have created - that
in the stone & existing
tanks in Kurnool, the

From F. H. Henshaw Esq
to the Consulting Engr
of 2 June f 1866. p 646.
in fut pros: 5 id:
No 31. R. D.

What number of acres have been irrigated by Company's this Fasli?

rate charged exceeds 8 Rs per acre for a single crop - and that this would form a more appropriate maximum than 6 Rs.

The Consulting Engr Capt Mullins states that taking the Canal with its distributors channels from Somkasala to the Pennair i.e. Kurnool & Cuddapah 178 miles - it may safely be assumed that 125 lacs will be the lowest cost of the works and 250 000 acres the greatest extent of land which with present arrangements for the supply of water could be brought under irrigation. The cost per acre will thus amount

From Consulting Engr to Govt ¶ 5 para ¶ 66 No 137 - R: 5 to 8 in Rep Govt 20 id:

to 50 Rs. A first water rate of 4 Rs per acre for one crop would yield a gross return of 8 per cent on the outlay - and allowing the low charge of 12 annas per acre for maintenance & establishment of a net return of 6½ per cent from the whole area - And it will take at least four years to complete the whole of the works & bring the entire area under irrigation, the average net returns would for the first years would not exceed 4⅓ per cent on the same data at a water rate of 6 Rs per acre would yield a gross return of 12 per cent a net return of 10½ per cent, and an average

+ This would be Rs 187,500 per an:

Mean Annual Rainfall of four years

for the next four years
@ 7 per cent. Under
present circumstances
Capt. Mullins con-
siders it advisable that
the rate fixed for one
crop should suffice to
return a net profit of
not less than 5 per cent:
and as four Rupees per
acre will not do that
for a considerable time
to come and 6 Rupees
do do - provided this
rate should prove generally
acceptable & the Exte-
he recommends the
adoption of the latter
on the understanding
that no further increase
will be proposed until
the irrigation down to the
Penneair or at least to
the 143d mile has been
provided for and the
demand on the Canal,
in comparison with it

Under the Canal
Selection -

If much less than the
Some effect
reproduction of Grass
before cultivation
benefit would not
the value of the
original Land

5
Capacity for Supply
ascertained.

Capt. Mullins in
his calculations leaves
out of consideration the
fertile returns from
second crop irrigation,
as without reservoirs the
Canal cannot supply
such irrigation except
to a very small Extent
and the Company are
found, in his opinion
to supply irrigation if
wanted - for one crop
at least as far as the
143d mile, in preference
to restricting the supply
to a more limited area
for the irrigation of a
second crop.

The Bill of Rights do
first advise that the
increased value of the
land in Rupees on
the Coy will finished

works - the great in-
crease in the value of
produce during last two
years is causing the
same result in every
district. Nor do they
consider that the ar-
gument derived from
the existing rate on
Irrigated lands is at
all conclusive, because
it does not include the ad-
vantage for the land
as well as the charge
for water - instead
of the latter only, as
Messrs Westwood &
Skene seem to
suppose - But as the
interest guaranteed
on the Co's capital
is provided from land
taxation and the
land assessment
of the tract through which



the Canal passes - has
been revised & placed
on a favorable footing
they are not prepared
to say that the possible
would be unable to pay
the proposed rate of
6 Rs - although looking
at the nature of the soil
the additional value
given to it by irrigation,
and the actual rates
now imposed on irri-
gated land of corres-
ponding productiveness
they consider 6 Rs per
acre the highest rate
such land can bear
unless special crops
be raised -

The arguments of
the Co's officers are cer-
tainly not altogether
conclusive - the perma-
nent charges incurred by
them is in no inconsi-
derable degree altera-

-he table to land Ma-
-nagement - the rise
in the value of land
is general throughout
the Presidency and
cannot be ascribed
to the Company's works
which are still unfin-
-ished - and the
present high range
of prices is owing in
the great measure to
causes which may
not be permanent -
which have necessarily
enhanced also the cost
of production - and
the higher
rates levied in
some instances by
the ryot, with which
a comparison is in-
stituted - include the
assessment of the
land as well as the
charge for water - the

Although

Here has little
perhaps had some
effect -

probably quite in
measure be permanent

High not likely
to fall materially
Still cannot be
regarded as

the latter argument also
it may be remarked
that when certain
tanks
in Kurnool
were made by
ryots the Govt: at their
own request, the Govt:
Company officers objected
to the rates as too high
and the transfer was
therefore effected on
the principle of stipu-
lating for the irrigation
of the average cultivated
area instead of the
payment of the sum
realised by ryot.

Still, as the Act
truly remarks, the general
interest has to
be provided from the
general revenues of the
Presidency at large
while the work Govt
only benefit the locality
& parts of the District

and as, at least during the continuance of present prices, those who have benefitted by them can certainly afford to pay the enhanced rate here proposed. The first resolution (conclude), agree with that part respecting an application

My own opinion is that 6 Rs is a very light rate - and can easily be paid at the same time, it will yield a good return on the charge & more need not at present be thought of.

II. Sugar Cane Irrigation is now charged 8 Rs or twice an ordinary crop. The Govt could not charge more than

or awaiting reference. result of the reference which was made on the subject

how far it is desirable to increase the area of the cane crop for as possible that they may have no pretext for asserting that the present Rate for making the most that they can from their lands the expenditure the Govt will not take the water and the charge will have to be enhanced. I believe that they will pay 8 Rs or an enhanced

WM N.

WM N.

GP

new rate - or 12 Rs. The Board (say it may not be) consulted that it should be charged 10 Rs.

The rule in fact laid is to charge double the ordinary rate - whatever that may be - and the Govt do not see how fact can be laid down a different rule for the Co. St. a valuable crop - and which it may not need three as much water as Paddy, need (to) bring the same

III. Garden Irrigation at present - Except in the case of Sugar Cane - the rate of 4 Rs is charged on all land, without reference to the particular crop raised - for one crop.

Capt Hamilton recommends

that "garden lands should be classified separate strictly from field irrigation" and deeming it worthy of consideration that the rate it would not be better to place the supply of garden lands under the same rules as Rates of towns & Municipal Cases" It is not, he says, so much the quantity of water they require which affects the question, as their usually detached situation - the relative cost of conveying the water to them - the increased amount of regulation required and the possibility that the surplus from garden channels will remain either unutilised or if not so, in proportion

of returns to the Co. He proposes a maximum rate of 15 Rs per acre for the whole year & 8 Rs for a half year passing his proposal on the supposition that 6000 cubic yards of water would be required per annum per acre which at 400 cubic yards for a Rupee the maximum rate legislated for Municipal supplies amounts to Rs 15. He proposes that the actual charge in any particular case shall be fixed within the maximum considering that 2/3 times the ordinary rate will for the present at least afford a sufficient margin to meet all the circum-

stances which render
farden irrigation less
remunerative to the
Co than ordinary field
irrigation.

Mr Henslow ad-
dressed
sented to the proposed
by Capt Mullens, as
the understanding
that if the ordinary
rates are raised from
4 to 6 Rs, the farden
maximum should be
correspondingly in-
creased - i.e. from
15 Rs to 22½ Rs.

The Collr Mr Mun-
chin is unable to say
distinctive water rate
in farden cases - he
considers that they
do not require more
water than two cuts
of paddy - and that

a special charge for
farden while objecting
on general principles
and adverse to the
practice of the Govt which
bring in but little re-
venue -

The Bd of Rev are
of opinion that a
rate of 10 Rs per an:
is as high as is
likely to deter appli-
cations and see no
reason why the rate
should not be declared
open to future revi-
sion -

Capt Mullens is
in error in stating
that the supply of
water to farden cases
be treated in the same
way as the supply
of water to towns. Clause
27 of the Contract ex-

cept water supplied
"for the purposes of irri-
gations" as being "Mis-
cellaneous" provided for "in
it. Now does his pro-
posal to calculate
the charge for water
supplied for irriga-
tion according to the
Special Rate fixed for Water
supplied for other pur-
poses, is not allowable.
The Rate then specially
fixed for water sup-
plied for the purpose of
Kurnool for general
purposes - other than
irrigation - was first
500 C.F. for a Rupee
or according to this
calculation 20 to the
The irrigation rate
it was subsequently



increased - only 400 C.F.
being given for a Rupee
which was the maxi-
mum. The proposed
increase in the ordinary
irrigation rate from
4 to 6 Rs will still
leave the special rate
50 per cent too high -
However, as Capt Mullins
has done, that an acre
of Paddy requires 4000
C.F. - then the proper
charge for 6000 C.F.
the Estimated require-
ments of an acre of
garden land, would
amount at the rate of
4000 C.F. for 6 Rs - amount-
ing to 9 Rs - instead
of 15 Rs - further Capt
Mullins admits &
have always looked the
fact that the supply

to the town of Kurrumbede by Volume 2 herein for irrigation. The Co. must supply enough water to bring the crop to maturity. The proprietors have never acquiesced in the higher rate & state 4000 C. F. or any other given quantity is sufficient for this purpose.

The papers before us do not seem to show that the Co. officers have any power to regulate the water rate according to the particular crop, unless as in the Code of Bye-Laws, it defines water rate not the area. The gardens to which the present discussion relates seem to differ very materially from ordinary fields in that instead of being terraced gardens which put levied a structure rate or price - based wholly & strictly on the principle of a special rate is not levied. does not seem to be based on the nature of the crop - or its value or its perhaps requiring a little more water than paddy - but on the distance and isolated gardens existing must have a reference to providing the supply than is ordinarily incurred. The Municipal description of these gardens also seems to show that they are in fact Topes - the spaces between the trees being cultivated in the usual vegetables -

the Company - and as the Local Agent has also raised the questions set forth in the Memo: first - can decide on the points; if they think it fit. If there is sufficient time to bring the matter into operation, the Legislature is at liberty to exercise their discretion, & to bring or decline bringing matter - (which I very much doubt but I am written to take Mullings & ascertain) but might at once settle the matter at once - Otherwise advantage can be taken of the order & the subject be referred home.

It will also be seen that Mr Chamberlain

I cannot write at present
I am about to be
second duty
to serve on

most certainly
WDM

his assent to Capt. Mullins proposals, subject to the confirmation of the Bd of Directors at home. He ought I think to be told very plainly that at first cannot discuss matters in the hands in such terms. Cl 32 of the Contract requires the Company to keep at Madras an authorised Agent with whom the Govt may communicate on the affairs of the Co and whose acts done on their behalf shall be binding on them - If therefore Her Honour Mrs Lowe desires to hire any person or persons in any case he must apply to the Govt for instructions before he and Dresser the first - as he is under acting Govt may be put

I would carry the increased
rates as suggested into
effect at once 6. R.
per acre for a single
crop. 12 R. for Sugar
Cane and call for
information respecting
the gardens which
are let under various
vegetable crops requiring
constant irrigation
must probably be placed
on the same footing
as the Cane.
Is any garden N.
of more valuable?
than Sugar Cane?

W - Betel - Sabbaram -
+ vegetable land around
Bungalows - [illegible]

Reported to England
by 5th June No: 35 of 1866 Mis.

Revenue 1866 Dept.
Pro. of Govt for June

No 1348-

Pro of the Madras
Government
dy 1st June/66

Pro. of the Board of Revenue
dy 1st August 1866 No 2389-
q'aug No 2014.
Rounds 20 Aug 56 No 2717
8 Nov No 2989.
(Recy 5th Nov 20+21)-

Passing orders on
the subject of raising the
price of the water by Irri-
gation Company.

No 120-121