

MADRAS RECORD OFFICE

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	870	Press Mis.
163-65 Dated	14-6-1870	10

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
14th June 1870.*

Read again—

Proceedings Public Works Department, dated 20th August 1869, No. 2,735.					
"	"	"	27th	"	" 2,810.
"	Revenue	"	1st Sept.	"	" 2,417.
"	Public Works	"	1st	"	" 2,652.
"	"	"	2nd	"	" 2,883.
"	Revenue	"	16th	"	" 2,589.
"	Public Works	"	29th	"	" 3,143.

Read also the following papers:—

No. 163. Proceedings of the Board of Revenue, dated 17th September 1869, No. 6,963.

Read again letter from the Officiating Accountant-General, dated 18th August 1869, No. 3,256, recorded in Board's Proceedings, dated 26th August 1869, No. 6,411.

Read also the following papers:—

Proceedings of the Madras Government, dated 1st September 1869, No. 1, Revenue Department.

ABSTRACT.—Communicating Proceedings Public Works Department, passing orders on the letter from Mr. Executive Engineer Fraser, forwarding certain papers connected with the extension of the East Coast Canal to Kistnapatam.

From G. THORNHILL, Esq., Acting Collector of Madras, to the Acting Secretary to the Board of Revenue, dated Sydapet, 3rd September 1869, No. 291.

In continuation of my letter of 14th ultimo, No. 268, I have the honour to forward herewith, for the information of the Board, copies of communication of the Board, from the Superintending Engineer and Mr. Fraser on the state of the navigation on the northern portion of the East Coast Canal.

ENCLOSURE No. 1.

From Lieutenant-Colonel J. BEAN, R.E., Acting Superintending Engineer, 4th Division, to the Acting Collector of Madras, dated 1st September 1869, No. 2,841.

I HAVE the honour to enclose copy of a letter from Mr. Fraser, dated 20th ultimo, No. 105, regarding the state of the navigation on the northern portion of the Eastern Coast Canal, together with a longitudinal section and sheets

1 Letter.
13 Sheets and one longitudinal section.

of cross-sections of the canal from Madras to the Pulicat Lake, to be returned when no longer required.

2. The Executive Engineer shows clearly in these sheets of levels that the water in June last was so low as to lay bare the bed of the canal in various places. The rains of this month, however, had created considerable improvement, and the level of the water as it now stands is shown by a line in pencil with cross shading. Mr. Fraser, however, points out that this depth is not sufficient for cargo-boats; and in the three sections of the canal, for the portion now referred

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to between Cooum River and Shadiencoopum Lock, between the lock and the bunds thrown up by him to retain the salt-water, and between these bunds and Pulicat Lake, the surface level of the water is respectively $\frac{1}{2}$ th, $\frac{3}{4}$ th, and $3\frac{1}{2}$ feet below mean sea-level. Mr. Fraser, excepting on the plains, does not give the present depth of water, but he states that the level has already fallen one foot since the 4th instant, and that the depth decreases one inch a-day, and that the canal will revert to the state it was in during June last, unless rain falls and maintains the level.

3. Mr. Fraser points out that the Pulicat Lake is shoaling to the north, and that the canal will require to be cut and deepened, with a defined bed through the mud banks on the east side as far as its exit from the lake.

4. I am not aware what funds, if any, are available for this work, but I have requested the Executive Engineer to stop operations since the receipt of your letter, dated the 4th instant, No. 281. Mr. Fraser asks for 20,000 Rupees for immediate outlay on this portion of the canal; but he will hardly be able to get through a considerable portion of this sum before the monsoon, though work can be resumed during the three latter months of the official year. The estimate of Rupees 37,610, from which the above sum is now required for outlay, was forwarded with my letter, No. 2,249, dated 27th July 1869.

5. I agree with you in thinking that it will be wiser to deepen the present canal for ordinary traffic than to expend the available funds in the extension northward. The collections from tolls, which have now fallen off to a great extent, will repay the outlay incurred on the clearances of the canal bed.

ENCLOSURE No. 2.

From W. FRASER, Esq., C.E., Executive Engineer, East Coast Canal, to the Superintending Engineer, 4th Division, dated Madras, 20th August 1869, No. 105.

I HAD the honour of receiving on the 16th instant your memorandum, No. 2,469, dated 9th idem, on Mr. Fane's letter, No. 281, despatched 14th August 1869, but I left it unanswered until I could give you the actual water-levels at the present time along the canal.

I now forward a longitudinal section,* as suggested by you, and thirteen sheets,* containing

* To be returned as there is no copy. 159 cross-sections of the canal between the Elephant Gate bridge and Pulicat Lake. Similar longitudinal and cross-sections of the portions of the canal between Pulicat Lake and Druvarajapatam, and between the Adyar and Palar Rivers, with the detailed estimates, will be sent up in a few days.

2. Mr. Fane is evidently under the impression that the late rains have rendered it unnecessary to deepen the canal.

I shall endeavour, with the aid of the sections and the following figures, to show that this is not the case.

On the sections mean sea-level is drawn 20 feet above datum. When the Ennore Bar closed (26th of May) the water-level was 18.28 above datum, or 1.72 feet below mean sea-level, and in order to prevent it from passing to Pulicat Lake, and to preserve it for the manufacture of salt, bunds were placed across the canal and back-water north of all the salt-works near Karimgali. These bunds are still retained, as they are considered absolutely necessary for the manufacture of salt. Had they not been erected the water would have passed away to Pulicat Lake, and the manufacture of salt should probably have been suspended. In the early part of June the water fell 1.28 feet, or to 17 feet above datum; and this necessarily laid bare portions of the bed of the canal, which has generally been maintained at a depth of 3 to $3\frac{1}{2}$ feet below mean sea-level.

By the heavy rain, which fell on the night of the 3rd of this month, the water was raised to 20.32 in the reach of the canal between the Cooum and Shadiencoopum, where the lock keeps the water up.

North of the lock, and on to the bunds at Karimgali, water was raised very little by these rains, and Pulicat Lake was not affected at all.

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Between the 4th of August and this date, or in fifteen days, the water has fallen in the Madras reach 1.04 feet, or to 19.28 above datum, and it is now falling at the rate of about an inch a-day.

3. The water-level is now divided into three sections, and the heights on this date are as follow :—

	Above Datum.	Below mean Sea-level.
The Madras reach, or between the Cooum and the Lock...	19.28	0.72
The Ennore reach, or between the lock and the bunds at Karimgali	17.75	2.25
The Pulicat reach north of the bunds, and including Pulicat Lake and the canal on to Druvarajapatam	16.25	3.75

These three water-levels are drawn upon the longitudinal and cross-sections in pencil, and a glance will show how utterly inefficient the canal is under present circumstances, and how necessary it is to deepen it without delay, unless it is intended to leave the navigation closed until, perchance, the north-east rains may re-open it by raising the water high enough to float cargo-boats; but in this case there must be a large loss in tolls, probably to nearly the amount required for deepening this portion of the canal (between Madras and Pulicat), and the salt must remain at the pans until the middle of the rainy season, at the risk of being partially destroyed.

4. As regards Pulicat Lake and the canals northwards Mr. Melville, the Acting Collector of Nellore, in his letter, No. 1,401, dated 17th July 1869, to the Board of Revenue, says, paragraph 11, " * * * Owing to the unusual drought the lake itself is quite dry in many places, and the canal has just very little water." I have this day received a report from the Resident Maistry, to the effect that *the lake is quite dry for five miles out from the south end of the canal.*

5. In several previous communications I have pointed out that the east and north parts of Pulicat Lake are being silted up, and that eventually an artificial canal must be made through the mud bank along the east side between Coromandel and Jonagapaliem (or Muzeed Point), the latter being at the place where the canal to Druvarajapatam now leaves the lake. About eight years ago this part of the canal had to be extended two and-a-half miles southwards from a place north of Kusbah to Muzeed Point, because the silting up of the lake; and it appears that now a further extension must be made, partly from the same cause, and partly from the lowering of the water.

I shall address you again on this part of the subject.

6. I have made no attempt to open Pulicat Bar. I was in hopes that we should have had sufficient rain-fall upon the western hills to raise the lake high enough to enable me to open the bar out to sea, and thus avoid silting of the back-water, which always takes place when a bar is opened inwards, and now I shall not wish to open it either way until the canal to Pulicat and that north of the lake are deepened, or at all events the very shallow parts improved.

7. The estimates for deepening the canal north of Pulicat Lake and the Sadras Canal to the Palar are complete, and will be sent in so soon as the longitudinal sections are ready. The three estimates are as follow :—

	Estimated amount.	Required this year.
1. Elephant Gate Bridge to Pulicat Lake (already furnished)	RS. 37,610	RS. 20,000
2. Pulicat Lake to Druvarajapatam, including only quarter of a mile of deepening in the lake ...	45,395	15,000
3. Deepening Sadras Canal	32,150	12,000
Total ..	1,15,150	47,000

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This is a large amount to ask for, but its expenditure would make the navigation independent of rain, which it would be. I have entered in the column headed "required this year" the amount gently needed this year; the remainder of the work might stand over until next year, but I trust that an allotment for the first estimate will be sanctioned without further delay.

8. I have marked by a dotted red pencil line the extent to which I deepened the canal in April, May, and June last, before the work was stopped by your Order, No. 1,150, dated 1st June 1869. Did the shoals which were then removed exist now the canal would not be open as it is, and has been for light traffic for some weeks between Madras and the bunds; but unless it is deepened now heavy salt and other cargo-boats cannot pass.

P.S.—I have omitted to mention that since the date of your order to stop, no work has been done on the canal, and every cause of expense that could possibly be avoided has been stopped.

(Signed) W. FRASER, C.E.,
Executive Engineer.

ENCLOSURES Nos. 3 to 16.—Maps.

From G. THORNHILL, Esq., Acting Collector of Madras, to the Acting Secretary to the Board of Revenue, dated Conjeeveram, 6th September 1869, No. 293.

With reference to the Board's Proceedings, dated 26th ultimo, No. 6,441, I have the honour to enclose a comparative statement showing in one view the cause of the variation between the Accountant-General's accounts and those of this office in respect to the balance under the head of Cochrane's and Sadras Canal Fund.

2. The Board will perceive from it that the fund is actually in debt to the extent of Rupees 8,907-8-4, or Rupees 195-10-0 more than would appear from the memorandum furnished by the Accountant-General, and that the balance of Rupees 809-6-5, shown in favour of the fund in this office accounts, is incorrect, as it is irrespective of Rupees 9,732, which is the cost of supervision by the Public Works Department for the past year remaining still unadjusted, and also of Rupees 15-1-3 (Items Nos. 8 and 9) erroneously omitted to be brought to account, and which will accordingly be included in the next month's accounts.

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ENCLOSURE No. 1.
MEMORANDUM OF RECEIPTS AND CHARGES ON ACCOUNT OF THE COCHRANE'S AND SADRAS CANAL FUND IN 1868-69, ACCORDING TO THE ACCOUNTS OF THE COLLECTOR OF MADRAS.

Collector of Madras.				Settlements, Madras 1868-69.			
	Rs.	A.	P.		Rs.	A.	P.
1 Balance 31st March 1868	79,654	3	2	Balance 31st March 1868, (exclusive of the Items Nos. 6 and 7, and inclusive of the Item No. 9, on the left hand-side.)	70,528	8	2
Revenue Department.				Revenue Department.			
2 Receipts in 1868-69	32,147	14	6	Receipts in 1868-69, (Item No. 2.)	32,147	14	6
3 Charges in do.	1,11,802	1	8	Charges in do. (Items Nos. 3 and 5.)	1,02,676	6	8
	2,432	0	9		3,256	5	2
	1,09,370	0	11		99,420	1	6
Public Works Department.				Public Works Department.			
4 Charges on account of Communication, Establishment, etc., in 1868-69	98,610	3	7	Receipts in 1868-69, (Item No. 8.)	14	9	9
5 Establishment of Shadiencoopum Lock, charged to the Department Public Works being drawn on the bills of that department	824	4	5	Charges in do., (inclusive of the Items Nos. 4 and 10, and exclusive of Nos. 11 and 12.)	99,434	11	3
6 Charges incurred by the above department in the months of January, February, and March 1868, omitted in the accounts of 1867-68	7,351	2	6		1,08,146	9	7
7 Cost of supervision by the Public Works Department for 1867-68	1,775	0	0				
	1,08,560	10	6				
Balance exhibited in the Local Fund Report for 1868-69							
8 Add—Receipts by the Public Works Department in 1868-69, omitted in the accounts of that year	809	6	5				
9 Do. Excess amount debited on account of Public Works supervision for 1867-68	14	9	9				
	0	7	6				
	824	7	8				
	9,732	0	0				
	8,907	8	4				
10 Deduct—Cost of supervision by the Public Works Department for 1868-69.							
Actual Balance at debit...							
11 Deduct—Cost of preparing Survey plans for the extension of the Southern Canal, (vide Collector's letter to Board, No. 279, dated 25th August 1869) not yet adjusted in the accounts of the Accountant-General	160	0	0				
12 Do. Cost of an Almshouse for the use of Mr. Fraser's Office not included in the Accountant-General's accounts	35	10	0				
	195	10	0				
	8,711	14	4				
Balance at debit, as exhibited by the Accountant-General							

(Signed) G. THORNHILL,
Acting Collector.

CONJEVERAM,
6th September 1869.

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Proceedings of the Madras Government, dated 27th August 1869, No. 2,810
Public Works Department.

ABSTRACT.—*East Coast Canal, Madras.*—Passing orders on the Proceedings of the Government of India relative to the grant of a loan of Rupees two lacs from Imperial to Local Funds for completing the extension of the East Coast Canal Madras.

The Board have carefully examined the accounts of the Cochrane's Canal Fund in communication with Mr. Fraser and the Controller of Public Works Accounts.

2. The Controller states that Mr. Fraser's accounts of expenditure are very regularly kept, and closed up to date; that he has carefully examined them from time to time, and compared them with the Treasury Deputy-Collector's monthly certificates of balances at his credit, and found that they agree. Mr. Fraser, of course, knows nothing of the state of the Canal Fund, because neither the receipts nor the expenditure by the Revenue Department come under his cognizance.

3. Statements A. and B., which are enclosed, show full particulars of receipts and expenditure for the last 2½ years. The first is the Controller's account showing expenditure up to 31st July 1869; the second shows the whole receipts and expenditure for the last 2½ years as given in the Collector's statements, the Public Works expenditure for August being entered from Mr. Fraser's books. It will be observed that the totals differ slightly from those given in the Controller's statement, but this is the result of adjustments made after the close of the official year.

4. The state of the fund at present is as follows:—

	RS.
Deficit on the 1st April 1869	8,686
<i>Expenditure up to 31st August 1869.</i>	
Public Works Department—Extension	19,475
Maintenance	5,141
Establishment	935
Revenue Department—Establishment and Contingencies.	1,352
	35,589
Receipts up to the 31st August 1869	2,082
Deficit on the 1st September 1869	33,507

5. The Board stated in their Proceedings of the 17th August 1869, No. 6,151, that there was a balance at the beginning of the year of Rupees 809, and accounted for its being so much less than was expected when the budget was submitted by mentioning that, although the balance at the beginning of 1868-69 was greater

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than the budget-estimate by Rupees 17,604, the receipts during the year were less by Rupees 11,852; and the expenditure greater by Rupees 86,493.

6. It now turns out that the cost of Public Works supervision, amounting to Rupees 9,732, had been omitted in the accounts of 1868-69 on which that calculation was based, and the Accountant-General states that, instead of a balance at credit of Rupees 809, there was a deficit of Rupees 8,712. The Collector now fixes the deficit at Rupees 8,908, but from inquiries which the Board have made, it appears that there are further small adjustments to be effected which reduce the amount to Rupees 8,686.

Balance on the 1st April 1869, according to Collector's account	809
Receipts by Department Public Works not entered in those accounts	15
	824
Cost of supervision by Department Public Works for 1868-69	9,732
Real balance at debit	8,908
Small items not entered in the Accountant-General's Accounts	196
	8,712
Deficit as per Collector's letter, dated 6th September 1869, No. 293	8,908
Deduct—	
Cost of opening the Amore Bar improperly charged to Canal Fund	169
Cost of Public Works supervision on the above	17
	186
	8,722
Deduct—	
Cost of Almirahs, etc., for the use of Mr. Fraser's office, passed by the Controller of Public Works Accounts as an Imperial charge	36
	8,686

7. This state of affairs can in no way be attributed to Mr. Fraser's operations. In every year his expenditure has been less than the sanctioned allotments. In the present year, for instance, his allotment for the extension of the canal has been Rupees 15,000, and his audited expenditure up to the 31st July was Rupees 14,442. Mr. Fraser explains that, in paragraph 9 of his letter of the 9th August 1869; recorded with Government Order, Public Works Department, dated 20th August 1869, No. 2,735, he did not mean to say that the Board had allotted Rupees 86,250 for expenditure in this year, but to mention that sum as the computed and sanctioned expenditure up to the end of last year. He states, however, that he has been pressed to push on with the work, and that he exceeded the year's allotment of Rupees 15,000 by Rupees 4,475 in August, the expenditure for which month has not yet been audited, whilst no less than Rupees 30,000 worth more work has been done for him by contractors which has not yet been paid for.

8. The greater part of the unexpected deficit results from the fact that the receipts last year were Rupees 11,852 less than was expected in consequence of the season, whilst the almost unprecedented drought of the present year has again caused the receipts up to 31st August 1869 to be Rupees 21,197 less than might have been calculated upon.

9. But the indebtedness of the fund at the present moment is a small matter compared with the emergent necessity shown in Mr. Fraser's letter of the 20th

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ultimo, No. 105, which forms an enclosure to the Acting Collector's letter of the 3rd instant, No. 291, of deepening the existing canal at a cost of Rupees 1,15,150, Rupees 47,000 of which is required this year. The estimate for deepening the canal from the Elephant Gate Bridge to the Pulicat Lake at a cost of Rupees 37,610, which was returned to the Board with Government Order, 1st September 1869, No. 2,155, is now re-submitted. The other estimates have not yet been received.

10. The announcement that so large an expenditure was necessary took the Board by surprise, but the clear and carefully detailed maps, which Mr. Fraser has submitted, convince them that the work, although costly, cannot be delayed. One result of the failure of the north-east monsoon for the last two years has been that in each year the bars at Ennore and Pulicat have closed. Thus at the very time when the water in the canal was evaporating most quickly, and the earth was most absorbent, the great source of supply, the sea, was cut off. The canal was navigable throughout the whole of 1867. In 1868 it was closed to all traffic from the 15th April to the 7th of June, and was too shallow for heavy traffic in March, July, and August. In the present year heavy traffic became impossible on the 4th March, and the canal has been closed altogether since the 23rd of that month. The bed of the canal is from 3 feet to 3½ feet below the sea-level. It is not reported that the necessity of deepening the canal has been caused by its becoming silted up, in which case it might have been foreseen; but the experience of two years seems to have unexpectedly proved that in order that navigation may always be possible the bed must be excavated so as to be from 5 feet to 4½ feet below the sea-level.

11. The first question is how to place the fund in a solvent position, and provide the Rupees 47,000 required for deepening this year.

12. The Board submit that the present state of affairs shows that more money than could be afforded has been spent on the extension from the ordinary canal funds, and that they may fairly ask to be reimbursed out of the loan which has been granted for that special purpose.

In 1867-68	...	...	...	Rs. 6,243
Supervision at 10 per cent.	...	...	...	625
In 1868-69	...	...	...	64,796
Supervision at 10 per cent.	...	...	...	6,480
In 1869-70, up to 31st August 1869	...	...	...	19,475
				97,624

Deficit on the 31st August	...	...	...	Rs. 33,507
Required for deepening	...	...	...	47,000
				80,507

canal is Rupees 80,507. The Board resolve to request Government to place this amount at the credit of the Canal Fund from the loan.

13. The amount hitherto spent on the extension has been Rupees 97,624, as shown in the margin. The sum immediately required to place the fund in a solvent position and deepen the canal is Rupees 80,507. The Board resolve to request Government to place this amount at the credit of the Canal Fund from the loan.

14. With regard to the extension Mr. Fraser has informed the Board that he requires Rupees 30,000 to pay for work already done, and that he can expend Rupees 50,000 more this year if orders are issued soon.

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No. 164. Endorsement of the Secretary to Government, Public Works Department, dated Fort Saint George, 4th January 1870.

From the Controller of Public Works Accounts, to the Secretary to Government, Public Works Department, dated Madras, 21st December 1869, No. 1,830.

I HAVE the honour to forward the correspondence noted in the margin for the consideration and orders of Government.

Controller's letter to the Accountant-General, Department Public Works, No. 1,596, dated 16th November 1869.

Letter from the Accountant-General, No. 1,559, dated 9th December 1869, and this office reply, No. 1,829, dated 21st December 1869.

2. In a letter from the Accountant-General of the Public Works Department, No. 1,088, dated 6th September 1869, printed with G. O., No. 3,143, dated 29th September 1869, certain subsidiary instructions were issued for my guidance, in recording in the books of this office the transactions arising from the loan of two lacs of Rupees from Imperial to Local Funds, on account of the extension of the Northern Canal from Doogarajapatam to Kistnapatam.

3. These instructions were based upon the assumption that a surplus revenue was available. Instead of this, however, there is, as Government are aware, an actual deficit.

4. On the receipt of the Accountant-General's instructions the outlay on the extension of the canal in the current official year, which, up to August 1869, had been debited under *Local*, was transferred in September 1869 to *Imperial Communications, Extraordinary*, against the loan of two lacs. The entire amount charged to this source in Mr. Fraser's accounts up to November 1869 is Rupees 19,471-15-9.

5. Irrespective of this there has been an expenditure of Rupees 5,260-12-7 on the maintenance of the canal up to November 1869, to adjust which, no money appears to be available from the Canal Funds.

6. Under the ruling of the Accountant-General (letter, No. 1,559, dated 9th December 1869*), I am required to clear off the debt by a charge against the loan-grant, and presuming that the state of the Fund Account, with a deficit of Rupees 33,507 on the 1st September 1869, is accurately described in the Proceedings of the Board of Revenue, dated 17th idem, No. 6,963, I have to report that, in anticipation of the approval of Government, I shall give the Canal Fund credit for Rupees 33,507, minus Rupees 19,475 already charged off to the loan-grant in the books of this office in September 1869.

7. It will not be necessary for Government to place the sum of Rupees 33,507 to the credit of the Canal Fund from borrowed capital, as, by the arrangements above proposed, the credits now given and to be hereafter afforded in the books of the Public Works Department will be duly taken over by the Accountant-General.

8. The Accountant-General of Madras has already been asked in my letter, No. 1,203, dated 17th September 1869, to adjust the transactions of the loan in the manner prescribed by the Accountant-General of the Public Works Department, a copy of whose instructions was sent to that officer for information and

* See paragraph 13, Proceedings of the Board of Revenue, No. 9,663, dated 17th September 1869.

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guidance. His accounts up to October last have been received by me, but no mention is made of the receipts derived from the canal, which should be treated by the Civil Department as remittances to the Public Works Department.

9. As the state of the Canal Funds has been authoritatively determined up to August 1869, it now rests with the Accountant-General of Madras to furnish the requisite returns from September 1869, and I have to request that orders may be issued accordingly.

10. When the extension of the canal was carried on from *Local Funds*, ten per cent. on the outlay was charged for establishment. Now that the work is being done from loan-money, I beg to be informed whether that grant should bear this charge.

11. It remains for Government to determine the source from which the expense of maintenance from 1st September last and other charges connected with the canal, irrespective of the Extension Project, shall in future be met.

TRANSFERRED to the Revenue Department.

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

No. 165.

ORDER THEREON, 14th June 1870, No. 870.

Local Funds, No. 3.
Accounts.

THE papers recorded above refer to the accounts of the Cochrane's Canal Fund, to the expenditure already incurred upon the extension of the canal northwards, and to the loan of two lacs sanctioned by the Government of India for the purpose of completing the extension.

2. In December 1868 the Board of Revenue submitted a Budget-Estimate for the year 1869-70 of the Cochrane's Canal Fund, from which it appeared that at the commencement of the past official year (i.e., on 1st April 1869) there would be a credit balance of Rupees 99,150. On the 19th March 1869 the Government of India was addressed in the Public Works Department, requesting that a loan of two lacs might be made to the fund for the purpose of completing the northern extension of the canal. In this letter the importance of completing the extension as far as Kistnapatam was pointed out; it was stated that the cost of the whole work had been estimated at Rupees 2,35,000, and a loan of Rupees 2,00,000 was solicited, which sum, together with the accumulation of the fund, would, it was supposed, be sufficient for the purpose.

3. It appears, however, from the information submitted by the Board in the foregoing papers that in consequence of the receipts from the canal falling considerably below the estimate, and owing to a much larger expenditure having been incurred on the extension during the official year ending 30th March 1869 than was anticipated, there was only Rupees 809 at credit at the beginning of that year, and that when the charge of ten per cent. for Public Works superintendence was debited to the fund, this credit was changed to a deficit, amounting to Rupees 8,686.

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4. Though the condition of the fund on the 31st March 1869 must have been clearly shown in the monthly accounts, which should have reached the Board of Revenue before the end of April in that year, the Board in their Proceedings of 3rd May 1869, No. 2,969, directed the Accountant-General to place Rupees 40,000 at the credit of the Public Works Department for expenditure on the

	rs.
Revenue Department, Establishment and Contingencies ...	1,352
Public Works Department, Establishment ...	935
Maintenance of canal ...	5,141
Expenditure on extension ...	19,475
Total...	26,903

canal, in accordance with the Budget sanctions, though in reality no funds were then available. The expenses of the canal since the commencement of the year to the date of the Board's Proceedings appear to have been met from this sum, and up to the 31st August amount to Rupees 26,903, as noted in the margin.

5. The sanctioned allotment of funds for the extension for the past official year was Rupees 15,000 only, but it is observed that Mr. Fraser, the Engineer in charge, had expended Rupees 19,475 up to the end of August last, and from paragraph 7 of the Board's Proceedings, dated 17th September 1869, No. 6,963, it appears that he has expended a further sum of about Rupees 30,000 on work which was then reported to have been not yet paid for. Including then the actual deficit of the fund at the commencement of the past official year, and the expenditure up to 31st August, and taking credit for Rupees 2,082, which represents the total receipts of the canal from 1st April to 31st August, the fund shows a deficit at the latter date of Rupees 33,507; and this amount has yet to be increased by Mr. Fraser's unadjusted outlay just adverted to.

6. The Government had no intimation of the state of the Canal Fund until the receipt of the Board's Proceedings of the 17th August 1869, No. 6,151, from which the accounts appeared to be in so unsatisfactory a state that all further outlay on the extension was directed to be discontinued, and full explanation was called for in the G. O., under date 1st September 1869, No. 2,475.

7. The explanation of the Board of Revenue and Mr. Fraser is contained in the Proceedings, dated 17th September 1869, No. 6,963, above recorded, and the Right Honourable the Governor in Council cannot but view it as very incomplete and most unsatisfactory. His Excellency in Council is aware that the Account Department of the Board's office must have been in a peculiar position during the mortal illness of their late Head Sheristadar, but he desires to know who is responsible for the mistake made in the Board's Proceedings, dated 3rd May 1869, No. 2,969, which is adverted to in paragraph 4 above; for had the state of the fund been brought under consideration in the early part of May last year, the greater portion of the unauthorized expenditure, which has been incurred, would have been avoided.

8. The Government are also quite unable to comprehend the meaning of the Board in the statement made by them in paragraph 7 of their Proceedings, under date 17th September 1869, No. 6,963, to the effect that the state of the Canal Fund can in no way be attributed to Mr. Fraser's operations, as his expenditure has been invariably within the allotments made, whereas it is clear from the same

*Proceedings of the Madras Government, Revenue Department,
14th June 1870.*

paragraph that he has, during the past official year, executed work on the extension of the canal at a cost of nearly Rupees 50,000 against an allotment of only Rupees 15,000. Mr. Fraser states that he was urged to press on the work, but any instructions issued to him must of course have referred only to the expenditure of such funds as had been formally placed at disposal, and though he was doubtless aware that further funds were likely to be provided from the proposed loan he was not justified in anticipating the receipt of those funds. The Government in their Order, under date 17th May 1869, No. 1,367, have already had occasion to animadvert upon Mr. Fraser's irregular proceedings, and his conduct in connection with the matter now under consideration will accordingly be duly noticed in the Public Works Department.

9. The Board report that the state of both branches of the canal (northern and southern) is such as to render necessary the outlay of Rupees 1,15,150 in deepening the beds, and they state that of this sum Rupees 47,000 should be expended without delay. They also re-submit for sanction Mr. Fraser's estimate for the excavation of the northern branch between Madras and the Pulicat Lake, amounting to Rupees 37,610. Before issuing their Order of the 1st of September 1869, No. 2,475, the Government had

	RS.	learned that this canal was open for salt
January	5,034	traffic, and they have now ascertained
February	2,571	that general traffic has been steadily
March	2,781	resumed during the past eight months.
April	1,882	the collections from tolls having amount-
September	4,817	ed to the sums noted in the margin during
October	6,305	that period.
November	5,801	
December	3,785	

10. Under these circumstances there appears to be no necessity for any immediate outlay in deepening the canal. The sanction of the estimates submitted may therefore be deferred for the present, and in the meantime the expediency of making so large an outlay as that proposed, and the probable permanent effect of it upon the canals will be considered in the Public Works Department.

11. It only remains then to be determined how the accounts of the Canal Fund are to be re-placed on a proper footing. The last communication above recorded has solved this question, as it appears that, under instructions from the Accountant-General of the Government of India in the Public Works Department, the Controller of Public Works Accounts at Madras has credited the Canal Fund with the sum of Rupees 33,507, and debited that amount to the loan of two lacs sanctioned by the Government of India, for the prosecution of the extension of the canal in the second paper recorded at the head of these Proceedings.

12. The work on the extension, for which payment has not yet been made, should also be debited to this loan, and Mr. Fraser will accordingly be instructed to adjust the accounts for this work in communication with the Controller of Public Works Accounts, should he not have already done so. The preparation of the loan account in the form given in G. O., 29th September 1869, No. 3,143, Public Works Department, should at once be undertaken by the Controller, in communication with the Accountant-General. The account need not be closed

*Proceedings of the Madras Government, Revenue Department,
14th June 1870.*

up to 30th September last as shown in the form, but should exhibit the transactions of the loan from August last to March 31st, 1870. The interest on the loan money expended, as well as the instalment of Rupees 5,000, should be debited to the Canal collections and entered in the account, and a copy should then be submitted to Government with as little delay as possible, as well as full information as to the amount now at the credit of the Canal fund. As observed by the Controller of Public Works Accounts, Madras, in his letter, dated 20th September 1869, No. 1,217, printed in the G. O., 29th September 1869, No. 3,143, Public Works Department, only the net revenue of the canal can be treated as remittances to the Public Works Department, and nothing from this source is likely to be available for some time to come if the heavy expenditure on up-keep, above adverted to, is to be incurred.

13. From the first paper recorded above it appears that nine miles of the extension of the canal have been opened for boat-traffic at an expenditure of Rupees 1,15,000, and that a further sum of Rupees 2,35,000 will be required to complete the work. In the order in question the detailed estimate for the whole work has been called for, and when submitted it will probably be necessary to make application to the Government of India for a further loan. Should it in the meantime be determined that the large outlay for deepening the canals is absolutely necessary in order to maintain the revenue, the sanction of the Government of India will be requested for debiting this outlay also to loan-money, if the assets of the canal are not likely to be sufficient to enable the work to be undertaken from the ordinary receipts, but as any further outlay of loan-money, until the Government of India has been made acquainted with the present position of the Canal Fund, is decidedly inexpedient, no expenditure must be incurred from this source until further orders.

14. The point raised by the Controller in the concluding paragraph of his letter, dated 21st December 1869, No. 1,830, has been determined in paragraph 13 above, and the Government are of opinion that ten per cent. for superintendence must continue to be a charge against the Canal Fund.

(True Extract.)

(Signed) R. A. DALYELL,
Acting Secretary to Government.

To the Board of Revenue.
.. the Public Works Department.
.. the Accountant-General.

Ed. F. R. Bantleman.

Memo.

I have expressed my opinion on the question of the improvement and extension of the Northern Canal elsewhere in connection with the proposal to employ British Labour Extra murally on Public works on a large scale. -

I think that a plain statement should be made to the Govt. of India showing that the Govt. were entirely misled by the Board of Revenue in two respects.

1. In advising the application of the supposed balance in hand to the extension of the Canal.
2. In applying for a loan for the Government of India to be secured on the surplus receipts of the canal, these surplus receipts being valued at the time to be about Rs. 40,000 per annum.

The truth is that a considerable
accumulation had ~~occurred~~ occurred
which had occurred ^{in part} ~~partly~~ by starting
the necessary work on the maintenance
of the canal so that when a dry season
came it was found that there was an
insufficiency of water and navigation
was stopped. The surplus had thus
been spent in excavation and other
improvements. There was no surplus
really available for the prosecution
of the extension. -

The extension actually effected should
all be defrayed by the loan and the
Govt. of India should be requested
to sanction the extension of the

loan and already promised as an
increase of it to the extent requisite for
the completion of the work to the
Christianity backwater, the loan
being secured not only on the revenues
of the canal but also on the local
funds of the Districts of Madras
and Nellore - the Canal itself
being delivered over to the management
of local funds for these two Districts,
as a work belonging to the local
funds administration.

The works would be carried out by
forced labour the cost of which
could be charged to the loan as
well as the expense of Govt. supervision.
If the forced labour fund be deemed
the free labour the difference would
be defrayed by Govt. as it would not

Rev. Department

Memorandum

on N. 31/79. 43342

In 1867, the East Coast Canal was transferred from Imperial to Local Funds, and at the end of the official year 1867/68 there was an accumulated balance of nearly Rs. 80,000 at the credit of the Canal Fund. The average annual receipts of the Fund were upwards of Rs. 40,000 and the average annual expenditure Rs. 13,000.

2 An estimate for the

to push to charge the local funds commensurate with the payments of interest on a large sum than would have been necessary if the labour had been employed. If forced labour should be cheaper than free labour I would give the local funds commensurate the benefit of the difference.

The proposal to employ forced labour is quite independent, however, of the other essential one which is

1. To charge the whole outlay on the income of the Canal & the Loan
2. To secure the existing loan and any further sum borrowed under the sanction of the Govt. of India on the proceeds of the Canal and the general local funds of the Districts of Madras and Bellary.

This proposal assumes that the local funds will on some bill of the same character will

to be paid by the district labour fund.

the extension of the
Canal northwards

amounting to Rs. 2,35,000

was prepared in 1863

and approved by the

Govt. of India and

the Secy. of State in

1864.

3 In 1867/68 this
estimate was commenced
upon and an outlay of
Rs. 6,873 was incurred
on it, and it was again
proceeded with in 1868/69
from the accumulated
surplus adverted to above.

4 In February last
His Excellency the Govt.
visited the extension,
and being impressed
with

with the importance of
the undertaking, pro-
posed that a loan of
Rs. 2 lacs should be
obtained from the Govt.
of India for the pur-
pose of completing
it. His Lordship
calculated that the
original estimate would
probably have to be in-
creased by about Rs.
50,000 and estimated
that the proposed
loan of two lacs
with the surplus
funds at credit
at the beginning of
1867/68 would be
sufficient

235000
50000
285000

sufficient to complete the work.

5. A letter was accordingly addressed to the Govt. of India requesting the grant of the proposed loan to be repaid by half yearly instalments of Rs. 5000, and interest also to be paid half yearly from the Canal Fund.

6. It appears from the letter of the Bd. of Revenue now under consideration that during the year 1868/69 our expenditure

It has been ascertained from para 12 of the Bd. Report

12
expenditure of Rs. 71,276 was incurred on the extension from the surplus balance of Rs. 80,000, which was at credit at the beginning of that year, but the receipts of the year fell below the estimate of Rs. 4,000 given above, being only Rs. 32,147, 14-6 and the ordinary expenditure was far in excess of ^{the} average expenditure of Rs. 13,000, having amounted apparently to nearly Rs. 50,000.

7. The result is that

that the Canal fund
had a deficit amounting
to Rs. 8,686 at the beginning
of the present official
year, but as this was
not known, expenditure
both ordinary and on
the extension, has been
continued, and the de-
ficit on the 31st August
amounted to Rs. 33,507 taking
credit for receipts of
Rs. 2082 up to the same
date. Of this deficit
Rs. 19,475 is owing to the
expenditure incurred on
the extension of the Canal
during the months of
April, May June &
July

13
July and August in
the present year. The
balance of the deficit
is made up of the ordinary
expenditure of the Canal
and the original deficit
at the beginning of the year.
It is also reported by
the Board that Mr. Fraser
has incurred a further ex-
penditure on the extension
of the Canal for work not
paid for, amounting to
about Rs. 30,000.

8. It is evident that
all expenditure incurred
during the ^{present} year on the ex-
tension of the Canal may
fairly be debited to the
loan of 2 lacs or
clearly

19475
30000
49475

clearly the whole of the surplus funds were expended before the end of the ^{past} ~~current~~ official year, but this arrangement would still leave the fund in a bankrupt condition, and quite unable to carry out the terms of the loan which require payment of interest and instalments half yearly.

9. It is therefore proposed that Rs. 50000 of the expenditure of 1868/69 (Rs. 71,276) be also debited to the loan as

95000

Though the ordinary expenses were also far in excess of the average,

14
as evidently the bankrupt condition of the fund was ^{chiefly} ~~entirely~~ occasioned by the large expenditure on the extension ~~to the Eastern~~ of the ordinary ~~Comptroller's~~ expenses. If this be approved it will be necessary to ask the Govt. of India for an increased loan of Rs. 50000 explaining the circumstances, or even more, if the estimate is likely to be more than Rs. 2,80,000.

10. It seems to the undersigned that there is no difficulty in carrying out this arrangement, and that it is the

the only regret of the fire.
sent dilemma. The
loan account in the
form prescribed by the
Govt of India would, if
this plan be acceded
to, stand as follows.

Month	Expenditure		Interest	
	Rs	as	no of months	Amount
1869				
April	53,610	8	5	1116.14.2
May	3,610	8	4	60.2.10
June	3,640	8	3	45.2.1
July	3,610	8	2	30.1.5
August	5033	"	1	20.15.6
September	30,000	"		
				<u>1273-4-</u>
Expenditure to 30 th September	99,475			
Deduct installt	5,000			
	94,475		6	2361.14-
October	8,000		5	166.10.8
November	8,000		4	133.5.4
December	8,000		3	100. " "
1870				
January	8,000		2	66.10.8
February	8,000		1	33.5.4
March	8,000		"	
	142,475			<u>2861-14-</u>
It				

11 It will be observed
that Mr. Fraser's expenditure during April, May, June, July has been divided equally, that the Rs. 50,000 which it is proposed to debit to the loan has been included in the April expenditure, and interest calculated on it from that date. It will be also perceived that the unpaid money by Mr. Fraser, said to be Rs. 30,000, is entered as his expenditure for September and that he is allowed an estimated expenditure of Rs. 8,000 per mensem up to the end of the official year.

The

The result of
the arrangement upon
the Canal Fund would
be as follows. Instead
of \$8686 at debit
to the Fund at the com-
mencement of the
present official year
there would be \$1,314 at credit. Subtracting
from this sum, the ordinary
charges up to 31st August
(\$7428) and providing
for the loan instalment
on loan
and interest (\$6273-4-11)
payable on 30th September
last, and adding to it
the

the receipts of the Canal
(\$2082) we should
have \$29,694-12 at the
credit of the Fund. With
this sum and future re-
ceipts of the present year
to go on with, the Fund
would probably be able to
bear any outlay for
maintenance absolutely
necessary and to meet the
interest and instalment
of the loan due at the
end of March next.

13. It is clearly im-
probable to comply with
the requirements of one
of the orders of the
Govd.

Government of India
in the Public Works
Department which ap-
parently intends all
receipts of Canal fund
to be credited to Imperial
revenue. Receipts must
be credited to the Fund,
and at the end of each
year any surplus receipts
over cost of maintenance
can be transferred to
Imperial and expended
on the extension. This
seems to be the intention
from the last order. See
letter from Controller
L. R. Department (forwa 4)
printed

Colonel - On this point there
means, but is still understood
to take the loan money, especially
under the existing circumstances
of the Imperial finances. I
cannot see how other
means of our difficulty
can be suggested.
It must be admitted, as I presume
it must be, that with some
limiting expenditure of Rs. 60,000
which will be about the limit
of the Canal fund which can
be used without being met
Imperial funds. If however we
immediately take a loan of
loan as proposed the loan 10
above we shall escape this

actual unforced expenditure
as well as place the Canal fund
in order, for the loan will not
come out of any of the funds
in the year, but out of loan
money.

Unless Colonel Orr be
able to suggest some
specific measure for
meeting the difficulty which
this means describes, I
see no means of getting out
of it other than that of
raising up a lac of the
loan funds as proposed
by Mr. Rev. Secy. - The unpaid
work, estimated at Rs. 30,000,
must be paid. While the
receipts from the Canal
traffic are not coming in
for the present. A course
of an anti-want character
will have to be adopted to
the good of India but which
he feels to do that than
leave a matter of this kind
unattended. I don't see
how Mr. Fraser was in
any way pressed - but
perhaps or no purpose
he was not prepared in
action as he has done
7 Feb 69

printed in our L. R. D.
G. O. dated 29 September
1869 No. 3143.

14. In spite of the
Board's observations to the
contrary, it is quite clear
that Mr. Fraser has
spent money in considerable
sums without any allot-
ment. His excuse being
that he was pressed
to push on the work. The
large ordinary expenditure of
the Canal in 1868/69 as al-
ready stated nearly Rs. 50,000
against the average an-
nual ordinary expenditure
of Rs. 13,000 is also quite
unexplained.

S. H. Hall

the course suggested
in this memo. seems to
be the only way of getting
out of the difficulty
which is not very creditable
to our administrative
arrangements. but
before adopting such
course I would
state the case to the

Govt. of India &
ask for their permission.
Mr. Fraser appears to
me to be very much
to blame in having
expended his attention
in the way he has done
the Board of Revenue
has to incur a very
large expenditure on
the amounts of the Local
Funds and the parts
of this case considered
in connection with the
which have recently arrived
had we to think of
my adviser but the
amounts of all Local
Funds applicable to
the works should be
kept by the Government
of India & the amounts

and that that Office
should be responsible
for seeing that the
amounts from these
funds are not incurred
but that the Govt.
of India should be
the proper authority
to decide on the
expenditure of these
funds.

16/6/89

I also think that in upholding the opinion of another
competent Engineer Officer with regard to the necessity
of the works in the case of the proposed
canal in order to supply
the water to the
the works.

think that the whole state of the
case should be fairly and fully
laid before the Government of India
with an ingenuous confession that
our last representation, on the faith
of which the loan was sanctioned,
was founded on erroneous information
furnished by the Board.

As the matter now stands the sum of
Rs. 63,500 has been spent
in receipt of the accumulated
surplus fund of the canal
on repairs and extension.
Of this sum Rs. 33,500 has been

the course suggested
in this memo. seems to
be the only way of getting
out of the difficulty
which is not very creditable
to our administrative
arrangements. but
before adopting such
course I would
state the case to the

Govt. of India &
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large expenditure on
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Funds and the parts
of this case considered
in connection with the
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had we to think of
my adviser but the
amounts of all Local
Funds applicable to
the works should be
kept by the Government
of India & the amounts

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should be responsible
for seeing that the
amounts from these
funds are not incurred
but that the Govt.
of India should be
the proper authority
to decide on the
expenditure of these
funds.

16/6/89

I also think that in upholding the opinion of another
committee to Empress Office with regard to the proposed
canal in order to supply the water for the
cultivation of the
the Government of India
the Government of India
the Government of India

think that the whole state of the
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which is not very creditable
to our administrative
arrangements. but
before adopting such
course I would
state the case to the

Govt. of India &
ask for their permission.
Mr. Fraser appears to
me to be very much
to blame in having
expended his attention
in the way he has done
the Board of Revenue
has to incur a very
large expenditure on
the amounts of the Local
Funds and the parts
of this case considered
in connection with the
which have recently arrived
had we to think of
my adviser but the
amounts of all Local
Funds applicable to
the works should be
kept by the Government
of India & the amounts

and that that Office
should be responsible
for seeing that the
amounts from these
funds are not incurred
but that the Govt.
of India should be
the proper authority
to decide on the
expenditure of these
funds.

16/6/89

I also think that in upholding the opinion of another
competent Engineer Officer with regard to the necessity
of carrying out the proposed works in India & the
cost of the same is a very small sum.

think that the whole state of the
case should be fairly and fully
laid before the Government of India
with an ingenuous confession that
our last representation, on the faith
of which the loan was sanctioned,
was founded on erroneous information
furnished by the Board.

As the matter now stands the sum of
Rs. 63,500 has been spent
in receipt of the accumulated
surplus fund of the canal
on repairs and extension.
of this sum Rs. 33,500 has been

actually paid and Rs. 30,00,000
constitute a debt of the Gov.
I am informed from what source
the first sum was procured but
if taken from sources which might
be legitimately used for a work of
this nature is closely connected
with the salt revenue that
proportion of the excess need not be
reimbursed. Rs. 30,00,000 would
remain. I would submit a
new Memo. to the Gov. of India
setting forth the necessity of the
canal in its imperfect state

the cost of Rs. 30,00,000
Kishnapuram and the probable revenue
which might be expected from it
and let them determine whether
or a reconsideration of the case is
warrantable. If they consider
that the loan may still be sanctioned
then the sum of Rs. 30,00,000 or
if absolutely necessary the sum of
Rs. 63,500 should be appropriated
for the down fund. If the loan
is refused then the excess of
Rs. 30,00,000 or Rs. 63,500 should
be provided for in next year's
budget or repaid to the Canal
fund which would be left to

accumulate till a recognition
of the work appeared justifiable.
and I never doubt very

Mr. Fraser was our doubt very much in error in expending funds beyond the sum appropriated formally for the work nor can he plead the excuse for his conduct in affirming that he was prepared to go on. The only excuse ever applied by me personally to Mr. Fraser was by the captain of a very warm interest in the progress and success of the canal and if I had had power from him, from the Board of Revenue or from any other source the least hint that the accumulated fund had been exhausted or that the sum regularly appropriated had been exceeded I would have been the first to advise the suspension of the works. N.

72-870

Rev. 18/11

Proceedings of the Madras Govt.

Proceedings of the Madras Govt
Under date the 13th June 1870.

Read again

Pros P. M. Sept 3	20	Aug. 1899	2735
"	24	"	2810.
Rec'd Sept	1 st	Sept.	2675
P. M. Sept	1 st	Sept.	2032
"	2	"	2003
Rec'd Sept	16	"	2509
P. M. Sept	29	"	3143.
also in Co. of 1870.			

also H 20 of 1820

Read also the fol-
lowing Pro^s of the B^s of Rev:

Submitting Report of results
of examination of Accounts
of Cochranes Canal Funds

also

also
Booklet P.W.D. 4 Jan'y 1870 #20

A handwritten signature, possibly reading "J. A. Smith", written in dark ink. The signature is enclosed within a hand-drawn oval border.

Kippman 2nd
 sent a sample from
 getting construction
 opinion of Salt Lake
 is altogether irregular
 a three piece I cannot
 jump this doubt.
 H.A.

The papers recorded
above refer to the accounts
of the Cochran's Canal
Fund, to the expendi-
ture already incurred
upon the extension of the
Canal northwards, and
to my minor
expenses on person &c.

to the loan of two lacs sanctioned by the Govt of India for the purpose of completing the extension.

2. In Decr 1868, the Board of Rev. submitted a budget estimate for the year 1869-70 of the Cochrane's Canal Fund, from which it appeared that at the commencement of the ^{present} official year (ie on 1st April 1869) there would be a credit balance of Rs 99,150. and On the 19th March 1869, the Govt of India was addressed in the P.M. Dept. requesting that a loan of two lacs might be made to the Fund for the purpose of completing

completing the northern extension of the Canal. In this letter the importance of completing the extension as far as Nisrapatnam was pointed out, it was stated that the cost of the whole work had been estimated at Rs 2,35,000, and a loan of Rupees 2,00,000 was solicited, which sum together with the accumulation of the fund would, it was supposed, be sufficient for the purpose.

3. It appears, however, from the information now submitted by the Board that in consequence of the receipts from the Canal

Canal falling considerably below the estimate, owing to a much larger expenditure having been incurred on the extension during the past official year than was anticipated.

There was only Rs 809 at the beginning of the present official year, and that when the charge of 10 per cent for Public Works superintendence was debited to the Fund, this credit was changed to a deficit amounting to Rs 8606.

4. Though the condition of the Fund on the 31st March last must have been clearly shown in the monthly accounts which should have reached the B. Rev. before the end of April, the

the Board, in their Proceedings of 3rd May 1869, No 2969 directed the Accountant General to place Rs 40,000 at the credit of the P. W. Dept. for expenditure on the Canal in accordance with the Budget sanctions, though in reality no funds were then available. The expenses of the canal since the commencement of the year to the date of the B. Rev. year appear to have met from this sum, and up to the 31st August amount to Rs 26,903, as noted in the margin.

Rev. Dept. Estab. and
Contingencies — Rs 1352.
Public W. Dept. Lett — 935.
Maintenance of Canal — 5141.
Expenditure on extension — 19,475.
Rs 26,903.

5. The sanctioned allot-
-ment of funds for the extension
for the ^{past} ~~present~~ official year
was Rs. 15,000 only. but it is
observed that Mr Fraser the
^{Govt} charge had expended
Rs. 19,475 up to the end
of August last, and from
para 4 of the Board's Pro:
dated 17th Sept 1869, No 6963, it
appears that he has ex-
-pended a further sum
of about Rs. 30,000 on work
which has not yet been
paid for. Including then
the actual deficit of the
Fund at the commencement
of the ^{present} ~~present~~ year, and
the expenditure up to
31st August, and taking
credit

credit for Rs. 2002 which
represents the total receipts
of the Canal from 1st April
to 31st August, the fund
shows deficit at the latter
date of Rs 33,507, and this
amount has yet to be in-
-creased by Mr Fraser's un-
-adjusted outlay just adverted
to.

6. The Govt had no in-
-formation of the state of
the Canal Fund until the
receipt of the Board's Pro:
of the 17th August 1869, No 6151
from which the accounts
appeared to be in so un-
-satisfactory a state that
all further outlay on the
extension

extension was directed to
be discontinued, and full
explanation was called for
in the S. O. under date 1st
Sept. 1869, No 2475.

7. The explanation of the
Board of Revenue and Mr
Fraser is contained in the
Report dated 17th Sept. 1869, No 6963
~~last paper~~ above recorded.

and the M^t Honble the Governor
in Council cannot but view

it as very incomplete and
most unsatisfactory. His

Excellency in Council is aware

that the Account Dept of the
Board's office must have

been in a peculiar position

during the mortal illness

of their late Head Sherista

-dar, but he desires to know

who

The undersigned examined the
accounts at the Board's Office
and is satisfied that the accounts
must have been very & the
system of the Board's Office
accounts was well kept and gave
adequate information needed up to the
recent date. They merely require the
watched. It is submitted with
reference to Mr. Ashburnton's remarks
that any alteration of the
existing system of Board's Office
may well be declined until final
order is passed in the Bill to amend
the Act, and until Mr. Ashburnton's Bill
regarding local laws becomes law.

who is responsible for
the mistake made in
the Board's Proceedings
dated 3rd May 1869, No 2969,
which is adverted to
in para 4 above;
for had the state of
the fund been brought
under consideration
in the early part of
May, the greater por-
-tion of the unauthor-
-ised expenditure which
has been incurred
would have been
avoided

avoided.

8. The Govern-
ment are, also, quite
unable to comprehend
the meaning of the
Board in the state-
ment made by them
in para 7 of their Pro-
ceedings under date
14th September 1864, N^o 6963,
to the effect that
the state of the
Canal Fund can in
no way be attri-
buted to Mr Fraser's opera-
tions, as his expenditure has been
invariably

6 55
invariably within the
allotments made, where-
as it is clear from the same
para that he has during
the present official year
expended work on the
extension of the Canal
at a cost of nearly Ru-
pees 50,000 against an
allotment of only Ru-
pees 15,000. Mr Fraser
states that he was urged
to press on the work, but
any instructions issued
to him must of course
have referred only to
the expenditure of such
funds as had been for-
mally placed at dis-
posal, and though he
was doubtless aware
that further funds
were likely to be pro-
vided from the pro-
posed loan he was
not justified in an-
ticipating the receipt
of those funds. The
Board in their order
under

under date 14th May
1869 No. 1364 have already
had occasion to animad-
vert upon Mr. Fraser's
irregular proceedings,
and his conduct in con-
nection with the matter
now under consideration
will accordingly be duly
noticed in the P.W.D.

9. The Board report
that the state of both
branches of the Canal
(Northern and Southern)
is such as to render
necessary the outlay
of Rs. 1,15,150 in deep-
ening the beds, and
they state that of
this sum Rs. 47,000
should be expended
during the present
official year. They
also re-submit for
sanction Mr. Fraser's
estimate

Rs.
 Jan'y — 5054
 Feb'y — 2371
 March — 2451
 April — 1002
 May — 4817
 June — 6305
 July — 5801
 Aug. — 3785

estimate for the ex-
pavation of the Northern
branch between Madras
and the Pulicat lake
amounting to Ru-
pees 37,610. Before
issuing their order
of the 12th of Sept^r,
1869 No. 2475, the
Govt. had learnt that
this Canal was open
for salt traffic, and
they have now ascer-
tained that general
traffic has been
in a great measure
resumed, the Collec-
tors from tolls having
amounted to the sums
noted in the margin
during the ~~that period~~
of September and
October, Nov. & December
10. Under these
circumstances there
can be no necessity
for

for any immediate
outlay in deepening
the Canal, and indeed,
it is unlikely that any
work of the description
could be successfully
prosecuted until the
end of January next.
The sanction of the Es-
timate submitted may
therefore be deferred

for the present and
in the meantime the
expediency of making
so large an outlay
as that proposed,
and the probable
permanent effect of
it upon the Canals
will be considered in
the P.W.D.

11. It remains then
to be determined how
the accounts of the
Canal Fund are to
be replaced on a
proper

for some time
It is suggested that
this may be now omitted
as the work might be
commenced.

that does (not) Br.
any 2nd? I have not time to go
into the question of this
Canal Fund now being
much occupied with
other work and I must
therefore request that the
matter may be disposed
of irrespective of my
opinion. unless it should
be deemed expedient
to let it be our until
Mr. [unclear] arrival when
I shall write to the
But of course, for the subject
of this Canal is not the
subject of this [unclear] [unclear]
[unclear] [unclear] [unclear] [unclear]

would be able to give
a valuable opinion.
As I would say is
that greater care
should be taken
than has been taken
hitherto in dealing
with loan funds.
Otherwise we shall
drift into all sorts
of embarrassments.
R. J. A.

proper footing. The last com-
munication above recorded
has solved this question, as it
appears that under instruction
from the Accountant General
of the Govt of India in the
P.W.D; the Controller of P.W.
Accounts at Madras, has
credited the Canal fund
with the sum of Rs. 33,500
and debited that amount
to the loan of two lacs, sanction-
ed by the Government of
India for the prosecution of
the extension of the Canal
in the second paper record-
ed at the head of these
Proceedings.

12. The work on the
extension for which payment
has not yet been made
should

should also be debited
to this loan, and Mr. Fraser
will accordingly be instruct-
ed to adjust the accounts
for this work in commu-
-nication with the Controller
of P. W. Accounts. The

preparation of the loan
account in the form

given in G. O. 29. September
1869, No 3143, P. W. D.

should at once be under-
-taken by the Controller
in communication with
the Accountant General.

The account need
not be closed up

to

to 30. September last
as shown in the form,
but may exhibit the
transactions of the loan
from August last to
March 31st 1870. The
interest on the sum
expended will be en-
-tered in the account
as shown in the form
and will be payable
on the latter date, when,
under present arrange-
-ments, an instal-
-ment of Rs. 5,000
will also become

Causal

due

due. As observed by the Controller of P. W. Accounts Madras, in his letter dated 20th September 1869, No. 1217, printed in the G. O. 29 September 1869, No. 3143, P. W. D., only the net revenue of the Canal can be treated as remittances to the P. W. D. and nothing

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from this source nothing is likely to be available for some time to come. The arrangements now sanctioned will, however, the Govt believe, enable the Fund to meet the charge for interest on the loan and possibly for the instalment which will become payable on 31st March next. The further prosecution of the extension will also be undertaken from the loan money, and the expenditure on the work during the remainder of the official year will be determined in the P. W. Dept.

13. From the first paper recorded above, it appears that

that nine miles of the extension of the Canal have been opened for boat traffic at an expenditure of Rs 1,15,000, and that a further sum of Rs 2,35,000 will be required to complete the work. In the order in question the detailed estimate for the whole work has been called for, and when submitted it will probably be necessary to make application to the Govt of India for a further loan. Should it in the meantime be determined that the large outlay for deepening the Canals is absolutely necessary in order to maintain the ^{the} revenue ~~the~~ ^{the} sanction of

to be made
under
made
From this source

- 14 To the Board of Revenue, 15th Canal Fund
21. To the Board of Revenue
b The Accountant General

H. H. Ball

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of the Govt of India will be requested for debiting this outlay also to loan money, if the assets of the Canal are not likely to be sufficient to enable the work to be undertaken from the ordinary receipts.

14. The point raised by the Controller in the concluding para of his letter dated 21st Decr. 1869, No. 1030, has been determined in para 12 above, and the Govt are of opinion that 10 per cent for superintendence must continue to be a charge against the

Canal Fund

W. H. C. R. H.
James C. R. H.

We must explain
this mess to the
pt and express our
regret. Meanwhile
it seems one very
desirable that we
should get an in-
dependent opinion
from some competent
officer on the project.

J. D. S.