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*Proceedings of the Madras Government, Marine Department,
31st March 1873.*

No. 20. Read the following Proceedings of the Government of India in the Financial Department, dated Fort William, 19th March 1873, No. 1890:—

Expenditure—Marine.

Read again—

Financial Resolution, No. 4943, dated the 25th November 1871, ordering a reconsideration of the expenditure connected with the subsidies, amounting in the aggregate to Rupees 7,25,332, granted to the British India Steam Navigation Company for certain lines of steam communication, and of the rates of payment for transport of troops, stores, and treasure.

Read the under-mentioned papers regarding a proposed revision of the contracts with the British India Steam Navigation Company, viz.:—

Separate Revenue Proceedings, May 1872, Nos. 2 and 3.

" " " August " " 4 and 5.

" " " February 1873, " 16 and 17.

Letter, dated 19th February 1873, from the Committee appointed to ascertain and report whether the proposed lines are actually required, and also whether the subsidy given to the Company is not excessive, and the contract rates for passengers and Government stores too high.

Letter from the Director-General of the Post Office, without date (received 22nd February 1873), offering further remarks on the proposed contracts.

Letter from the Government of Bombay, No. 505-269, dated 11th February 1873, forwarding a correspondence regarding the line from Calcutta to Bombay.

RESOLUTION.—The Governor-General in Council observes that subsidies, aggregating Rupees 7,25,332 a year, were granted on various dates to the British India Steam Navigation Company for the following lines of steam communication:—

- (1). From Rangoon to Madras and intermediate ports on the East Coast, once in four weeks; subsidy Rupees 72,000 a year, the contract executed in 1870 lasting until the expiration of twelve months from the date when either party shall give notice of intention to put an end to it.
- (2). From Calcutta to Bombay and intermediate ports on the Eastern and Western Coasts, fortnightly; subsidy Rupees 1,20,000 a year, the contract terminating not earlier than 31st December 1872, one year after either party shall have given notice in writing of an intention to put an end to it.
- (3). Calcutta and British Burmah, weekly, with a continuation to the Straits once every four weeks; subsidy Rupees 2,56,000 a year, of which the Government of the Straits Settlements pay Rupees 13,000, the contract being terminable as in Line 2.
- (4). Bombay and Kurrachee, weekly, with a continuation to the Persian Gulf once a fortnight; subsidy Rupees 2,77,332 a year.

2. An additional subsidy of Rupees 12,000 per annum was also granted for a line between Akyab and Kyouk Phyoo, with a four-weekly extension to Sandoway.

3. The expenditure on account of these subsidies, in addition to that for transport of troops, stores and treasure, having been considered too high, the

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Governor-General in Council directed that the whole question should be reconsidered with a view to reductions being effected.

4. The Director-General of the Post Office accordingly proposed that a fresh contract be entered into with the British India Steam Navigation Company for the following lines of steam communication, *viz.* :—

- (1). Calcutta to Chittagong, Akyab, and back, once a fortnight, as at present.
- (2). Calcutta to Rangoon, Moulmein, and back, *via* Akyab, once a fortnight, as at present.
- (3). Calcutta to Akyab, Rangoon, Moulmein, and back, *via* Rangoon, once a fortnight, as at present.
- (4). Akyab to Kyouk Phyoo and back, once a fortnight, and to Sandoway and back, once every four weeks, except in monsoon, as at present.
- (5). Moulmein to Penang, Malacca, Singapore, and back, once a fortnight, instead of once every four weeks as at present.
- (6). Calcutta to Chittagong, Akyab, Kyouk Phyoo, Sandoway, Bassein, Rangoon, Moulmein, Tavoy, Mergui, Pakchan, Capox, Junk-Ceylon, Penang, Malacca, and Singapore and back by same route, a new service once every four weeks.
- (7). Calcutta to Port Blair, Rangoon, Moulmein, and back, every four weeks, instead of Calcutta to Port Blair, the Nicobars, back, every six weeks.
- (8). Calcutta to Bombay and intermediate ports and back, weekly, of fortnightly as at present.
- (9). Madras to ports on the East Coast and Rangoon, fortnightly, instead of once every four weeks as at present.
- (10). Bombay to Kurrachee and Persian Gulf Ports and back, weekly, instead of to Kurrachee weekly, and to Persian Gulf Ports fortnightly, as at present.
- (11). Persian Gulf to Kurrachee and Aden (with non-contract extension to Red Sea Ports, Mediterranean Ports, and London), and back, a new service once every four weeks.

5. The Director-General also proposed to make the reduction noted below which, it was estimated, would lead to a saving of 2½ lakhs per annum :—

30 per cent. reduction of tariff rate on Madras and Rangoon Line...	RS.
25 " " " Calcutta and Port Blair Line ...	48,600
20 " " " other lines and 30 per cent. on freight rates for distances over 1,000 miles ... } No data for estimation available.	66,451
Reduction of rate for chartering vessels to Rupees 20 per ton ...	30,000
" on Post Office land communications resulting from revision of sea communications ...	65,000
Reduction of subsidy ...	12,000
	2,22,051
Or, allowing for unestimated reductions, about ...	2,50,000

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6. On receipt of these proposals a Committee was appointed to ascertain and report—

- (1). Whether the proposed lines were actually required.
- (2). Whether the subsidy (Rupees 7,25,000) to be given to the Company was or was not excessive.
- (3). Whether the contract rates for passengers and stores were or were not too high.

7. The Committee have now reported that, taking into consideration the views expressed by the Chief Commissioner of British Burmah, the Governments of Madras and Bombay, and the Government of India in the Foreign Department, they are of opinion that the proposed lines, except perhaps Line No. 11, are necessary and desirable, and they recommend that a contract for ten years be concluded with the Company, with certain special conditions as to the contract for Lines Nos. 7 and 9.

8. With regard to Line No. 7, they commend that the contract should be terminable after six months notice in writing from either party, since it may hereafter be expedient for the Government to run its own steamers between Calcutta, Port Blair, Rangoon, and Moulmein.

9. The Committee are of opinion that, in the event of the Government arranging for the performance of the service on Line No. 7 to a material extent by means of its own steamers, the Company should have the option of discontinuing the service on that line.

10. From a memorandum by the Director-General of Post Office, forwarded by the Committee, and containing notes of negotiations made after the Director-General's report, No. 808, dated 13th May 1872, it appears that the Company are willing to run, without any increase to the subsidy, a fortnightly extra steamer direct between Calcutta and Rangoon in the alternate weeks when the communication under the proposed arrangements is *via* Akyab, and also to continue the weekly coast line between Calcutta and Bombay to Kurrachee, and any ports in that direction that may be selected, whereby the saving of Rupees 55,000 per annum by the abolition of the expensive land line of postal communication between Bombay and Kurrachee will be rendered more certain.

11. The Company are also willing to maintain fortnightly steam communication between Bussorah and Bagdad, if hereafter required to do so, on condition of receiving a subsidy of Rupees 2,000 per mensem, and subject to the receipt of the necessary authority from the Turkish Government.

12. With regard to the second and third points referred to the Committee, they are of opinion that the proposed subsidy is not excessive, and that the rates for Government passengers, with the reduction* proposed by the Director-General, are not too high. As regards

* Thirty per cent. reduction on Madras and Rangoon Line.
Twenty-five per cent. reduction on Calcutta and Port Blair Line.
Twenty per cent. reduction on other lines.

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the rates of freight for stores, they are of opinion that the following fixed scale of rates should be adopted for all lines, except the Calcutta and Port Blair Line, for which a separate tariff obtains, viz. :—

	Per ton.
For distances not exceeding 200 miles	RS. 10
For distances over 200 miles and not exceeding 400 miles... ..	15
For distances over 400 miles and not exceeding 1,000 miles	25
For distances over 1,000 miles and not exceeding 1,600 miles	30
For distances over 1,600 miles and not exceeding 2,500 miles	35
For longer distances, in proportion to the last-mentioned rate.	

The scale of tonnage (*i. e.*, calculation of tonnage from measurement) to be that adopted by the Calcutta Chamber of Commerce. No bill of lading to be signed for less than Rupees 2-8-0.

The above to apply to box and bale goods, or goods of a similar character, to which belong almost the whole Government freight; but if Government should have to send coarse goods, such as gunny bags, rice, sugar, seeds, tobacco, &c., the rates to be based on the average rate of similar shipments by the public for the voyage.

Specie to be charged at $\frac{1}{4}$ per cent. for distances under 1,000 miles; $\frac{3}{4}$ per cent. for distances of 1,000 miles and under 2,500 miles
2,500 miles and upwards.

13. The Governor-General in Council approves of the proposals of the Committee as regards the rates for passengers and the tariff for freight, and is pleased to authorize the conclusion of the contract for the eleven lines specified with the British India Steam Navigation Company on the terms and for the period proposed, on the understanding that, save in cases of emergency, and with the approval of the Government of India, vessels of not less than 800 tons burden will be employed in the Rangoon and Calcutta Line.

14. His Excellency in Council further desires that the right may be reserved to the Government of diverting the steamers running between Calcutta and Port Blair from Port Blair to Madras and back, when it may be necessary to do so for the conveyance of convicts from Madras to Port Blair.

ORDERED that a copy of this Resolution be sent to the Marine Department, the Governments of Madras and Bombay, and the Director-General of the Post Office.

The contract should be submitted in draft for the final sanction of the Governor-General in Council.

(Signed) R. B. CHAPMAN,
Secy. to the Govt. of India.

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No. 21. ORDER THEREON, 31st March 1873, No. 93.

Communicated to the Military and Revenue Departments and to the Master Attendant.

(True Extract.)

Chief Secretary.

To the Military Department.
„ Revenue „
„ Master Attendant, Madras.

Ezd. J. H. Burns.

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Exhibit of 1873 *India*

MARINE.

THE MILITARY DEPARTMENT,
dc, dc,

Dated March, 31st.

Recd. *46-90*

Encl.

G. O., 31st March 1873, No. 93.

MARCH.
Nos. 20-21.

Communicating Resolution of the Government of
India on the subject of the proposed revision of the
contracts with the British India Steam Navigation
Company.

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