M.R.O. 1—20,002—12-8-65.

(1) Number of Pages 6

(2) Date of repair 13-5-68.

(3) Initials of the Referencer

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue. DEPARTMENT

G.O. No.	423.	Press
B.P. No.		Mis.

Dated 3-3-1875 196~.

Not to be folded or roughly handled

Provincial Service.

No. 211. Proceedings of Government in the Revenue Department, dated 8th January 1875, No. 30.

Read the following Proceedings of the Board of Revenue, dated 24th July 1874, No. 1944 : –

Read the following letter from R. DAVIDSON, Esq., Acting Collector of Ganjam, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Chetterpore, 11th May 1874, No. 1181 :—

With reference to the Board's Miscellaneous No. 1935, dated 20th March 1874, on G. O., dated 14th idem, No. 343, Revenue Department, calling for a report as to why the canal (constructed in the late famine) connecting the port of Ganjam with the Chilka Lake is "not much used by traders," I have the honor to state that the subject under reference had, previous to the receipt of the Government order, attracted the attention of the Chetterpore Local Fund Board, who, on the 20th March, passed a resolution requesting Major Smalley and Messrs. Minchin and Brett to inquire into and report the reason why the canal was not availed of by traders. From the information which has been received, the following appear to be the principal reasons why the canal has fallen into its present state of desuetude; they are these, as will appear from the enclosed papers :—

(1.) There is not sufficient depth of water in the canal to allow boats to ply during the hot and busiest season of the year.

(2.) The town of Ganjam which is the present terminus of the canal is avoided on account of its unhealthiness, and preference is shown for Rumbah which, from time immemorial, has been the port of the lake, and where many of the merchants have their residences and godowns. Major Smalley's memorandum sets out very lucidly what the present defects and requirements of the canal are. They may be summarised as follows :—

2. The canal was originally proposed to be excavated in five steps at an estimated cost of Rupees 1,61,110. The first and second steps were completed, the third about half completed, the fourth about a fourth completed, and the fifth not commenced at all. Had the whole five steps been completed as originally intended, a uniform depth of water would have been obtained sufficient for the through navigation all the year round of even a better class of boats than that now in use ; but to secure through communication from Rumbah to Ganjam for the present class of boats, it will be necessary, leaving the fifth step out of consideration altogether as suggested by Major Smalley, to complete the third and fourth steps at an estimated cost of some Rupees 46,000. The work could be executed in two working seasons.

3. It is the opinion of all those whom I have consulted on the subject that, if Ganjam be made the terminus of the canal, the benefit to traders will be comparatively small; whereas were the canal extended to Gopaulpore, an enormous impetus would be given to trade, and the canal would be largely availed of both for the purpose of importing rice and other commodities from Orissa and *vice versa*, and of forwarding salt from Ganjam to Gopaulpore, there to be removed by the carts and Brinjaries who bring produce from the interior for shipment there, and who either have to go to Ganjam for a return load of salt, or go back empty-handed.

4. When the work was originally undertaken, it was intended that the canal should extend to Gopaulpore, and estimates were duly prepared accordingly: one on a high level with locks, amounting to Rupees 1,55,850, and the other on a low level without locks, amounting to Rupees 2,10,000.

5. Having regard to all the circumstances of the case, I am fully persuaded of the benefit that the public are likely to derive from the extension of the canal to Gopaulpore, as compared with making Ganjam the terminus, and I therefore beg to suggest that steps be taken to extend the work to Gopaulpore.

6. And this brings me to a consideration of the state of the roads in the district. Never before has there been such a traffic in this district as has been carried on during the last six months, chiefly from the port of Gopaulpore where the unprecedented increase in the export duty during the past official year amounted to Rupees 60,505 out of the net increase of Rupees 89,457 for the year 1873-74.

7. The consequence has been that the roads all over the district have suffered to a very serious extent, so much so that it is feared the funds at the disposal of the Local Fund Board will go but a short way towards placing them in a thorough state of repair, and the necessity of applying for a special grant from Government to meet the exigency has been pressed upon me by Members of the Board and others.

8. The annual allotment in the Budget for the maintenance of roads in both circles of the district amounts to Rupees 78,090,—a sum wholly inadequate, I fear, to place the roads in a thorough state of repair,—and, inasmuch as a great part of the traffic was for Imperial purposes of a very exceptional nature, and the Imperial revenues have been largely augmented by the increased export duties, I venture to hope that my present application for a liberal grant of funds to renovate the roads in the district will not be deemed unreasonable.

9. I subjoin extract from a demi-official letter which Mr. Goodrich sent me on the state of the roads in the district, as I attach much importance to his spontaneous opinion on the subject:—

"I have been impressed with the great damage which the really enormous traffic has done to the roads leading to Callingapatam and Gopaulpore.

"The roads from Kinnedy and Palcondah towards Calingapatam and Poondy, that from Aska and the Zemindaris eastwards, and certain lengths of all the district roads that I have seen, have been cut down to the lowest course of the original metal: the kunkur has been ground to dust; and, unless a very heavy outlay is incurred, not in patching but renetalling, it will be almost impossible to get the roads into condition again.

"All I wish to urge is that, if money can be obtained, the spending of it will be true policy, for otherwise you will be paying heavy bills for maintenance for many many years, and be cursed with bad roads all the time."

10. Mr. Minchin, as a Member of the Local Fund Board, wrote officially on the 23rd ultimo to the following effect:—

"I have been in this district nearly 22 years, and have never seen such a traffic eastwards as I have witnessed this year, or the roads in so bad a condition."

Submitted for the favorable consideration of Government, with reference to paragraph 3 of their order, dated 14th March 1874, No. 343, wherein a report is called for as to the condition of the canal between Ganjam and the Chilka Lake, and the cause of its being so little used by traders.

2. It appears that the canal has never been excavated to the depth originally intended, and that, in consequence, it is frequently too shallow to admit of through traffic. As originally designed, it would have admitted boats of a superior class to those at present in use; but to make it practicable even for the inferior class of boats, an outlay of Rupees 46,000 is needed.

3. The Collector further points out that the intention was to extend the canal to Gopaulpore, and he strongly urges the necessity for carrying out this work. Ganjam being a bad, and Gopaulpore a good, terminus for traders, the cost is estimated at Rupees 1,55,000 if the canal is provided with locks, and Rupees 2,10,000 if it is so far deepened as to be independent of locks.

4. The extension of the canal to Gopaulpore and its improvement by deepening will, the Collector considers, draw to it a large proportion of the traffic at present carried over the roads.

5. The Collector also draws attention to the condition of the roads in the district. He states that the traffic has of late been unprecedented and that the roads are consequently in very bad condition, requiring new metalling and repairs, the cost of which will greatly exceed the sum allotted for the purpose in the Annual Budget.

6. The Board fully concur with the Collector as regards the expediency of the improvements and extension of the canal and the repairs of the roads, and they resolve to suggest to Government that the additional grant consequent upon the recent legislation raising the price of salt in the north of Ganjam might be made available for these works.

7. In the event of the extension of the canal to Gopaulpore being sanctioned, the Board would suggest that the high level with locks be adopted, with reference to the use of the canal in connection with the salt works, as the lift from the lower level to the salt-beds would be very great.

(A true Copy and Extract.)

(Signed) J. GROSE,
Secretary.

In these Proceedings the Board support the Collector's proposals to deepen the canal between the Chilka and Ganjam and to continue it to Gopaulpore.

2. The canal between the Chilka and Ganjam, which was proposed in 1856, (to cost "a mere trifle") was first estimated at Rs. 21,780* (1857). This gradually grew to Rs. 87,000† (1862), then Rs. 1,18,200‡ (1864), and the work was finally sanctioned at Rs. 1,61,110§ (1867).

3. The sums actually spent upon it have mounted up to Rs. 94,338‖, and though it was opened in 1867¶ and declared navigable in 1869** in ordinary tides for boats drawing 3½ feet water ("nothing to prevent the canal being extensively used"), it has never been really of any appreciable benefit to the trade of Ganjam.

* G.O., 19th November 1857, No. 2128, P.W.D.
† Do., 24th October 1862, ,, 2536, do.
‡ Do., 20th December 1864, ,, 3642, do.
§ Do., 22nd May 1867, ,, 1537, do.
‖ G.O., 4th September 1873, No. 2205, P.W.D.
¶ Do., 13th July 1867, ,, 2112, do.
** Do., 1st November 1869, ,, 3493, do.

4. Two reasons are assigned by the Collector, *viz.*, (1) defects in the canal, and (2) preference for Rumbah over Ganjam.

5. It is a fact that interruptions have taken place in the canal, and that merchants have never been sure of continuous access along it. It is also true that Rumbah is the residence of the merchants principally employed in the Orissa trade, and that it has been from time immemorial the place where the grain of Orissa has been imported into Ganjam, and from which the sugar and other commodities of Ganjam have been exported to Cuttack and Pooree. This, under the circumstances of the country and population, is a very strong reason why the trade does not deviate from its usual course to follow an imperfect canal.

6. A perusal of the past correspondence convinces the Governor in Council that besides vested interests there are other reasons why the trade should not necessarily tend towards the port of Ganjam.

7. The strong recommendations in favor of the Chilka canal, which follow each other through the correspondence, were apparently based on the supposition that the grain imported at Rumbah was all intended for Ganjam or Gopaulpore. The greatest stress was laid on the (alleged) fact that as much as 1¾ lakhs of Rupees were paid annually for carting the cargoes of the lake boats (110,000 tons, valued at a quarter of a million sterling) across *to the port of Ganjam;* but it appears to Government that while the *expenditure* might be a reality it was not incurred to carry traffic solely to Ganjam.

8. Mr. Forbes, who was Collector in 1862, refers to this subject in the following terms:—"The Government are aware from previous correspondence that this trade conveys a part of the produce of Pooree, Cuttack, and Sumbulpore, to this district, where it is in part exported, but in still greater measure consumed in place of the home-grown rice of the district, which, from its superior quality, is preferred by exporters." This refers to the well-known fact that the Ganjam rice fetches a higher price in Europe than the Cuttack article. The assumption, therefore, that all this trade was to flow to Ganjam was apparently based on a misapprehension. The advantage which might be afforded to traffic going south by the short additional water-carriage to Ganjam would not counterbalance the disadvantages arising from the unhealthiness of that town and the absence of godown accommodation, or tempt the trade from its usual channel viz Rumbah which had long been an established emporium.

Paragraph 2 of letter, dated 8th December 1862, No. 161 (G. O., 17th January 1863, No. 133).

9. Under these circumstances, it is not surprising that the excavation of the Chilka Ganjam canal had not the effect anticipated by its promoters. It is further to be noted that this canal, as estimated for by Colonel Ouchterlony in 1862, was only expected to be available for *four months in the year.*

G. O., dated 2nd June 1862, No. 1,225, Public Works Department.

10. It is now proposed to make it serviceable by the expenditure of such part of the balance of the estimate, say Rs. 46,000, as will complete the third and fourth steps of the excavation, and render the canal available for a certain class of boats.

11. The next proposal is to run a canal in continuation from the Ganjam river to Gopaulpore.

Proceedings of the Madras Government, Financial Department,
16th February 1875.

G. O., 10th January 1860, No. 74, P. W. D.
,, 31st August 1868, ,, 2786, do.,
(Enclosure.)
G. O., 6th October 1869, ,, 3216, do.

12. This project is described in the papers marginally noted.

13. The first of these papers shows that there were considerable difficulties anticipated in the execution of this work, and the project was abandoned. The second (extract from Major Beckley's Report) is principally occupied with discussing the effect of such a canal on the health of the Ganjam Town. It is stated that the Chetterpore Tampara, three or four miles from Ganjam, is the cause of the "deadly climate" of Ganjam. The third paper gives particulars of the survey and estimate of the proposed canal, which it is said can be completed for Rs. 1,72,500.

14. While expressing a general approval of the scheme, the Government, in their order of 6th October 1869, found it necessary to postpone its further consideration on financial grounds.

15. The Board now "fully concur with the Collector as regards the expediency of the improvements and extension of the canal;" that is, they advocate the expenditure of Rs. 46,000+1,72,500=Rs. 2,18,500 on the two lengths of canal: one incomplete; the other not begun, which would connect the Chilka with Gopaulpore.

16. The Governor in Council has very grave doubts as to the advisability of this large expenditure. He observes that while past experience shows how uncertain it is that the disbursements will be limited to the estimate, it is still more uncertain that the canal, when completed, will serve the purpose for which it is intended. Even if the difficulties hinted at in the original engineering inquiries, as regards the second section, can be got over, it is very questionable if the trade will ever follow the line of canal to the extent anticipated. It is assumed for the latter section (as it was for the Chilka-Ganjam section) that the work "will provide an outlet for the produce coming from the north and back-country as far as the roads have been extended to the west," (Colonel Fischer); that it "will relieve the road and bring the whole or greater part of the heavy goods now piled on bandies nearer to and more direct and convenient for shipping," (Mr. Harris); that it will "reduce as far as possible the injury done to the trunk road by the heavy and increasing traffic, over 200 carts daily, between Rumbah, the inland port of the Chilka and Gopaulpore," (Major Beckley); but if it is the case that the bulk of the Orissa produce does not seek an outlet from the Ganjam District but merely supplies the place of local exports, the greater portion of which reach Gopaulpore by the Berhampore road as they did in 1855, it is not by any means satisfactorily proved that the canal would have the success predicted.

G. O., 10th January 1860, No. 74, Public Works Department.

Paragraph 9 of Colonel F. C. Cotton's report, G. O., 4th November 1850, No. 2050, Public Works Department.

17. One argument for the extension to Gopaulpore requires notice. The Superintending Engineer observes: "The outlay in the Chilka Lake canal will be of little or no avail unless the channel is continued on to the port which is at Gopaulpore and not at Ganjam where the canal now terminates; unless this is done, the traffic will very likely find it more profitable to go by the road than to break

bulk and tranship for so short a distance." This assumes that Ganjam is useless as a port, but it appears from the Administration Reports for 1871-72 and 1872-73 that a considerable Sea Customs revenue is obtained at Ganjam, though the number of vessels is much smaller than at Gopaulpore. This shows that exportation does go on, and there is no reason apparently why the Orissa produce should not find an outlet there if it is the case that it really requires one.

	Rs.
1871-72	16,894
1872-73	27,360

18. It does not seem necessary to say much about the expected improvement in the health of the town of Ganjam which is another reason for this extension. It would hardly be safe to give much weight to the idea unless supported by the best sanitary authorities.

19. His Excellency the Governor in Council cannot, therefore, at present consent to the extension from Ganjam.

20. The first and most obvious step is to complete the Chilka-Ganjam canal. It is clear that the expenditure of Rs. 94,338 already incurred on this section is money thrown away, unless the canal is completed. It will be considered, therefore, in the Public Works Department what arrangements can be undertaken for the purpose of making the canal really serviceable throughout the year, and how far the estimate for the work may, after the lapse of so long a time, require revision.

21. Pending the accomplishment of this work, it is of manifest importance that the repair of the district roads should be attended to.

22. It is no doubt quite true that the unprecedented traffic this year "was for Imperial purposes of a very exceptional nature and" that "the Imperial Revenues have been largely augmented by the increased export duties." It seems reasonable that the sum of Rupees 20,000 per annum which the Governor-General in Council expressed* his willingness to add "to the annual provincial assignment for local expenditure in the Northern Division of the Ganjam District, in such manner as the local Government may, from time to time, determine," should be made over to the Ganjam Local Fund Boards for expenditure on roads, special attention being paid to the *salt* communications.

* From Government of India, 19th February 1874, No. 49.

23. This matter will receive further consideration in the Financial Department.

(True Extract.)

(Signed) C. G. MASTER,
Acting Secretary to Government.

No. 312. ORDER THEREON, 16th February 1875, No. 346.

The Government of India will be requested to arrange for the additional assignment of Rupees 20,000 which will be made over to the Ganjam Local Fund Boards for the purpose specified in paragraph 2 of the above order.

Proceedings of the Madras Government, Financial Department,
16th February 1875.

2. The Board of Revenue will report, after communication with the Local Boards, on the proportion of the Rupees 20,000 which should be assigned to each of the two Local Fund Circles.

(True Extract.)

Acting Chief Secretary.

To the Revenue Department.
,, Board of Revenue.
,, Accountant-General.

Exd. F. R. Bantleman.

№ 763
Revenue Department

Govt. of Fort St. George.

FINANCIAL.

To

The REVENUE DEPARTMENT,

&c., &c., &c.

Dated February, 16th.

Read Mar 2d 1848.

G.O. 10th February 1848, No. 346.

FEBRUARY.

Nos. 211–213.

Provincial Service.—The addition to the Provincial assessment of this Presidency of the sum of Rupees 20,000 proposed as an equivalent for the additional taxation known on the Ceded Districts by the recent increase in the price of salt, requested of the Government of India

№ 423
Lodged
3d Board/50