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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Revenue DEPARTMENT

G.O. No.	814	~~Press~~
B.P. No.		Mis.
Dated	5. 4-1876	197 .

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
20th March 1876.*

No. 321. Read the following endorsement of the Chief Engineer for Irrigation, dated Fort St. George, 28th December 1875, No. 52 :—

Letter from J. H. LATHAM, Esq., Chief Engineer and Manager of the Madras Irrigation and Canal Company, to Lieutenant-Colonel J. MULLINS, R.E., Chief Engineer for Irrigation, dated Kurnool, 17th December 1875, No. 137.

Navigation of the Canal.

I HAVE the honor to ask the favor of your attention to the Order of the Madras Government, No. 1,320, of 8th May last, and to the papers printed with that order. Papers referring to the proposed Kurnool Navigation Company (Limited) which accompany this letter, viz. :—

1. Proceedings of Preliminary Meeting.
2. Copy of Memorandum of Association signed by fifty-five subscribers.
3. Resolutions proposed for future submission to the first General Meeting.
4. Soucar's estimate of the financial prospects of the proposed Company.

2. That order referred to a proposal made by the Board of Directors of this Company to the Secretary of State for India, dated 22nd October 1874, which seemed to the Board to provide the only practicable mode of making the canal effectively available for the transport of goods and passengers. This proposal was to raise a distinct capital under a separate organization, to be called a "Navigation Company." The Navigation Company was to construct and maintain an efficient service of boats, stations, and accessory works, and was to have a lease of the exclusive use of the canal for navigation, the present Company having a right of purchase.

3. It was estimated by you that the Navigation Company would require £100,000 capital in order to start everything efficiently, and to make the desirable improvements of the locks and of the Pennér river, and to cover the cost of management and working till returns should be received. I think that less would suffice since the returns would be greatly in excess of working expenses long before it could be necessary to spend £100,000 of capital. You also considered that the rent to be paid by the Navigation Company should be £2,750 a-year, and two-thirds the profits over 5 per cent. There would thus be a probability of considerable returns upon the £371,500 capital, the amount which it is estimated the present Company has expended for providing a navigable canal, beyond what they need have spent for irrigation only; but, besides these returns, the far more important object would be attained of securing a regular service of boats, daily, or oftener, adapted, with all the latest improvements, for the secure, speedy, and cheap conveyance of goods and passengers, bound to run at fair and fixed rates, open equally to all the public. There would be provided means also for the receiving of goods at any time at numerous stations ashore, where they would be secured under shelter; the transfer, under shelter, to the railway trucks, and the through booking of goods between stations on the railway and stations on the canal. Indeed, all would be devised by the Company, in consultation with Government, with a view to develop and foster the traffic of the country.

4. The Honorable the Governor in Council, after careful consideration, stated his opinion that the proposal of the Directors should not be entertained, and (in effect) that, (1) the best way of starting navigation would be by providing the present Company with funds for the purpose, and working the navigation by means of the present staff; that, (2) the next best way was to "conduct the navigation in the same manner

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as on the canals of the Godavery and Kistna Deltas, viz., by licensing boats, the property of private individuals, so leaving the trade entirely in private hands;" and that (3) the way proposed by the Board of Directors was far inferior to either. He believed that the introduction of navigation, if carried out in an economical manner, will be of advantage to the canal, and tend to promote the spread of irrigation. It will be noticed that you submitted the Board's scheme as, what it was carefully framed to be, the cheapest, efficient, scheme only.

5. The first course approved by the Honorable the Governor in Council is impossible under the present contract of the Company with the Secretary of State. I therefore turned my attention, since my return to Kurnool, to the second course approved. I found no men inclined to start single boats, or a few boats, each; nor any man of recognized wealth willing to put on a fleet and pay for the working of the locks; but when I proposed a Navigation Company (Limited) and gave the necessary information how such a Company is worked, the two chief merchants in the town, with the assistance of others practically acquainted with the navigation on the Godavery canals, and of some native gentlemen in the Revenue Department, drew up their estimate of the capital required, and of the cost and profits of working, and above a third of the capital required was at once subscribed in Kurnool alone. Before this new Company incur the heavy expense of registration, I have the honor, at the request of the chief subscribers, to ask the sanction of the Madras Government to the terms which the Navigation Company require, as shown in the resolutions drafted for future submission to the first General Meeting of shareholders of the Company.

6. The mode of licensing, and the annual payments for license, as proposed by the Navigation Company, are to be exactly similar to the practice on the canals of the Godavery and Kistna Deltas; except only that the Navigation Company will pay for the men employed by the present Company to work such locks as the former may require. On this I informed the Meeting that I thought the Directors will insist, since the profits of the present Company might be otherwise reduced to below £10,* even if the whole number of boats were maintained as proposed. I believe that this is contrary to the practice on the delta canals.

* For each Lock.

1 Headman per mensem	Rs. 7
2 Lockmen at Rupees 6	12
Per mensem	19
Per annum	171
or for forty-one locks per annum	7,071

7. I can with confidence vouch that the Managers of the proposed Company have studied, and are likely to continue to study, economy in preference to efficiency; and I can confidently express my belief that they will prove successful in securing the condition required by the Madras Government.

8. Should the Government sanction this arrangement, I have no doubt that the Board of Directors will give their approval.

9. It is essential to the production of revenue by irrigation, that some means, however imperfect, of transporting grain and goods be provided; and such means as the proposed Kurnool Navigation Company (Limited) will afford will be far better than any now existing. A Company will be more likely to be public spirited and fair than a single individual would be. The new Company will be more anxious to make 140 per cent. by carrying part of the existing traffic as cheaply as boats can convey it, at

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as high a charge as possible, than to promote trade by improvements in security and speed; yet their operations must bring trade and money to the neighbourhood of the canal, and must so benefit the irrigation. Their success may induce others to put boats on the canal, and so in time the revenue realized by the present Company may rise from £80 a-year to double, or even treble that amount. True, £80 a-year is a small sum, yet it will be some return upon the £371,500 now so long lying perfectly useless and unremunerative.

10. The next season for navigation will begin with the opening of the canal by the admission of the first freshes of the Tocumbudra in June. If a favorable answer could be obtained from the Secretary of State to any scheme before March, some portion of the next season could be utilized, and the navigation might be opened before the first harvest of November next. While it is, then, all-important to select the scheme which will most hasten the improvement of trade and the adoption of cultivation under a secure supply of water, at the same time there seem to be pressing reasons for making that selection speedily.

From the same Officer, dated Kurnool, 18th December 1875, No. 140.

I HAVE the honor to enclose a fair draft of the Soucar's Estimate, of which I sent you an ill-copied draft with my letter No. 137, of yesterday; kindly substitute this draft for the former: except in arrangement they are identical.

Estimate of Cost and Profits of navigating the Canal by the Kurnool Navigation Company (Limited), furnished through Gopabikishnama Chetty, by the Soucars Maham Subbarua and Elkur Venkateshanna of Kurnool, 11th December 1875.

TABLE I.

Estimated Capital Expenditure.

	Rs.
20 Wooden Boats, 20 tons each, with ropes, sails, &c.	20,000
10 Stations and approaches	5,000
In hand for commencing working traffic	15,000
Grand Total	40,000

Supplied by 400 shares of Rupees 100 each.

TABLE II.

Estimated annual gross Returns.

Say 15 boats run each way per mensem for nine months, 300 tons each way a-month, at Rupees 11	59,400
15 boats do. with passengers, 75 at Rupees 2 each*	40,500
Gross total, yearly receipts	99,900

* It should be borne in mind that the estimate is made in the Kurnool bazaar, entirely apart from my advice, except that I suggested the pay of Secretary and Directors, and that I have inserted entirely on my own responsibility this item for passengers, omitted in the Merchants' Estimate. The sum might be earned by passengers carried at Rupees 2 each to Maidkur. It compares thus with the nearest Railways:—

Name of Railway.		EARNED IN THE FIRST HALF-YEAR, 1874.		
		Passengers.	Goods.	Proportion.
Madras Railway	£	116,260	144,928	0.8033
Great Indian Peninsula Railway	Rs.	136,761	837,642	0.2843
Canal Estimate		40,500	59,400	0.6813

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TABLE III.

Estimated yearly Profit per share of Rupees 100.

Estimated gross returns, Table II.	Rs. 50,900
Do. expenses, Table V. ...	49,900
Net gross profits ...	50,000
or per share Rupees 125 profit per annum.	

TABLE IV.

Present Cost per Ton conveyed between Kurnool and Cuddapah.

Cart hire of two carts from Kurnool to Chittoor	Rs. 8
98 1/2 miles railway fare from Chittoor to Cuddapah at 10 Pies	5
Total ...	13

TABLE V.

Estimated Cost of conveying 5,100 Tons by boat between shore places.

200 men, viz., eight men for every 6 miles, at Rupees 7-8-0 per mensem, to tow the boats for nine months daily 6 miles and back with average load of 10 tons, besides passengers ...	13,560
10,800 handy hire between Maddur and Cuddapah at Rupees 2 ...	21,600
93 lockmen for thirty-one locks at Rupees 6 for nine months ...	6,122
400 ton boats canal dues at Rupees 2 per annum ...	800
1 Secretary twelve months at Rupees 100 including allowances ...	1,200
3 Directors allowance at Rupees 9 each for twenty-six meetings a year ...	516
10 Gunstahs for ten stations, at Rupees 10 each for nine months ...	900
10 Peons do. at Rupees 6 do. ...	540
10 Sundry expenses at each station, at Rupees 3 for nine months ...	270
20 Repairing boats, ropes, &c., Rupees 75 each per annum ...	1,500
1 Writer for head-quarter establishment, at Rupees 20 for twelve months ...	240
1 Gunstah and two Peons at Rupees 10 and six for nine months ...	306
1 Do. do. at Cuddapah ...	
Head-quarter stationery, printing, law, &c. ...	210
Total ...	17,824
Contingencies, 5 per cent. ...	2,076
Grand Total ...	49,900

At a Meeting held at the residence of the Chief Engineer, Madras Irrigation and Canal Company, on the 30th day of November 1875.

PRESENT.

J. H. Latham, Esq.
A. J. Dodson, Esq.
N. Gopalakishamma Chetty, Garu.
P. Rajamuna Moodelliar, Avergul.
A. Ramaswami Row, Garu.
Elkur Pedrasubbaya, Garu.
Madam Subbanna, Garu.
Ramsing, Garu.
Giddaya, Garu. (son of Hanumantha)

It was unanimously resolved that—

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- I.—It is desirable that a Company should be formed to work the Navigation on the Canal of the Madras Irrigation and Canal Company, having its head-quarters at Kurnool.
- II.—That a Meeting be called to-morrow at 8 A.M. at Narayanaswamy Naidoo's shop, and that the accompanying draft Memorandum of Association be supplied to the Meeting for approval and signature.

Memorandum of Association of the Kurnool Navigation Company (Limited).

1. The Name of the Company is the Kurnool Navigation Company (Limited).
2. The registered office is to be established in the Madras Presidency in India.
3. The objects for which the Company is established are the conveyance of passengers and goods in ships or boats between such places as the Company may from time to time determine and the doing of all such other things as are incidental or conducive to the attainment of the above object.
4. The liability of the shareholders is limited to the amount if any unpaid on the shares respectively held by them.
5. The nominal capital of the Company is Rupees 40,000, divided into 400 shares of Rupees 100 each.
6. The Company may, with the sanction of a special resolution of the Company, passed in manner hereinafter mentioned, modify the conditions contained herein stated so as to increase its capital by the issue of new shares of, such amount as it deems expedient, or to consolidate and divide its capital into shares of amounts half of, the same as, or larger than, its existing shares of which any number may be preference shares entitled to receive all nett profits up to a definite limit, or to convert its paid-up shares into stock.
7. The Company, will be administered and managed under the regulations marked Table A, contained in the first schedule of the Indian Company's Act 1866.
8. We the several persons whose names and addresses are subscribed are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Name.	Residence.	No of Shares taken by each Subscriber.
Madam Subbanna ...	Kurnool ...	20
Elkur Vencatasashya ...	Do. ...	20

Here follow signatures of other Kurnool subscribers up to this date (16th December 1875,) to the total number of fifty-five signatures for a total of 179 shares.

Draft Resolution to be proposed at the first General Meeting of the Company after Registration.

That the Madras Irrigation and Canal Company be asked to offer the following terms to such a Company, viz. :—

1. The Navigation Company to be permitted to use the Canal and its works for the navigation by their boats, and to construct and maintain all necessary landing places, approaches, warehouses, accommodation, and accessory works.
2. The Madras Irrigation and Canal Company will furnish such land as may be required for the above works from time to time, and will guarantee to the Navigation Company the exclusive right to use such works, provided that nothing be done detrimental to their own works.
3. The Madras Irrigation and Canal Company shall be paid by the Navigation Company Rupees 2 per ton per annum for boats navigating the canal on the same rules of measurement and toll as are in force on the Godavery canals.

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4. The Madras Irrigation and Canal Company shall at any time after the expiration of five years from the commencement have power, after having given two years' notice of their intention to do so, to purchase all the rights, interests, and works of the Navigation Company, by paying the latter the full amount of its paid-up capital together with the average, if any premiums, at which their shares or stock shall have been sold, and transferred during the three years preceding purchase.

That the Chief Engineer of the Company be requested to obtain the answer of the Madras Irrigation and Canal Company, and thereupon to call another Meeting in Kurnool, and to lay the Company's answer before the Meeting.

That the following gentleman be asked to officiate as Officers of the Company :—

Chairman—

Directors—

Honorary Consulting Engineer, J. H. Latham, Esq.

Vakil, Ramachandra Row, Government Pleader.

Secretary, Ramsing, Merchant, Kurnool, Treasurer.

SUBMITTED for the consideration and orders of Government.

The draft resolutions containing the terms on which it is proposed that the contemplated Kurnool Navigation Company (Limited) shall be permitted to make use of the canal appear to be generally unobjectionable.

2. It is considered, however, that the lock establishments should be the servants of the Madras Irrigation and Canal Company and not of the Navigation Company. The latter proposes to subscribe a capital of Rupees 40,000 and to construct boats of 400 tons total tonnage, the license fees for which, calculated as on the Godavery canals, would, at Rupees 2 per ton per annum, amount to Rupees 800. On the other hand, the lock establishments are calculated to cost Rupees 6,122 per annum, and are entered as part of the working expenses of the Navigation Company. If therefore the Madras Irrigation and Canal Company provide lock establishments the fees per ton would have to be raised to Rupees 10 per annum. This rate, however, need be imposed on only the first 400 tons registered and licensed, and all tonnage in excess might be licensed at Rupees 2 a-ton a-year. Passenger boats carrying 75 passengers* would, at the

* The number assumed in Table II.

6 x 5 = 30 Annas or 1-14-0 per passenger.

3 x 5 = 15 Annas per passenger.

Vide rules appended to G.O., No. 691, 20th March 1873.

Godavery and Kistna canal rates, be charged Rupees 140-10-0 or 70-5-0, according as they carried all passengers offering, or had the option of refusing to carry some passengers. As 20-ton cargo boats would pay Rupees 200 per annum up to a certain limit, and Rupees 40 per annum beyond that limit, the corresponding rates for passenger boats should, it is considered, be Annas 8 a square foot, or Rupees 2½ per passenger, the charges being left optional. It is extremely probable that ere long it will be deemed necessary to increase the rates of licenses for both cargo and passenger boats in the Northern Deltas, as the present rates do not cover, it is believed, the working expenses of the navigation.

3. The reason for keeping the lock establishments fully under the control of the Madras Irrigation and Canal Company are that, first, the locks and their gear require careful management, and should not be committed to the care of a Company having no direct interest in their preservation from injury and undue wear and tear; secondly,

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were the locks in the hands of the Kurnool Navigation Company the navigation would be a monopoly and this should not be allowed. It is clearly a matter of little consequence financially to the Navigation Company whether they disburse between six and seven thousand Rupees annually in license fees or on establishment.

4. The undersigned entertains some doubt whether 6 Rupees a-month is a sufficient maximum rate of pay for men employed to work locks. In the Godavery not only is a Lock Superintendent found necessary, but usually more than three lascars besides; however, until traffic develops it may be assumed that three lascars will suffice, and one should receive Rupees 8 and the other two Rupees 6 each, which would add Rupees 93 a month or Rupees 837 for nine months to the estimate. The total would then be Rupees 5,850 annually for lock establishments, the Rupees 6,122 of Table V. being apparently an error.

It is not clear how the twenty boats of Table I. are to do the work of the thirty boats of Table II.

5. In paragraph 5 of his letter No. 137, Mr. Latham observes that it is impossible, under the present contract, for the navigation of the canal to be started with funds provided by Government and to be managed by the present staff of the Madras Irrigation and Canal Company, but as he has not stated why there is an impossibility involved in this arrangement the remark cannot be explained.

(Signed) JOHN MULLINS, Lt.-Col., R.E.,
Chief Engineer for Irrigation.

No. 322. ORDER THEREON, 20th March 1876, No. 721.

IRRIGATION, No. 28.

THE Chief Engineer and Manager, Madras Irrigation and Canal Company, has submitted proposals for the formation of a Navigation Company to be styled the Kurnool Navigation Company, Limited, to start navigation on the Madras Irrigation and Canal Company's canal. The Company proposes to raise a capital of Rupees 40,000, and the material conditions suggested are that this Company should be provided with the land required for station buildings alongside the canal; that it should pay the requisite lock establishments, estimated to cost Rupees 6,122 per annum, and Rupees 2 a-ton on 400 tons of boats or Rupees 800 a-year for the use of the canal.

2. The Chief Engineer for Irrigation, in endorsement submitting the papers, points out certain objections to placing the locks in charge of the Navigation Company, and proposes, therefore, that the cargo and passenger boat licenses should be so charged for as to cover the cost of the establishments which then would be maintained by the Canal Company; and he goes on to make certain recommendations as to the details necessary. The Government, however, think that the preferable course will be to require the proposed Navigation Company, first, to pay a fixed amount, which apparently may be taken to be Rupees 6,000, to cover the cost of lock establishments; secondly, to take out licenses for all cargo boats at the rate of Rupees 2 a-ton and for all passenger boats at the rate of Annas 6 per square foot of space to be occupied

by passengers or, as 5 square feet* are required for each passenger, at the rate of Rupees 1-14-0 for every passenger a boat is qualified to carry. The fares to be charged

* See Rules for Godavery and Kistna Canals.

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for the conveyance of passengers will be left to the Company's discretion, subject only to the provision that they must, for ordinary, as contrasted with special, accommodation, be published in the District Gazette, and it will be desirable that tables of fares should be made known by notices posted up at the locks.

3. These modifications will not, it is observed, affect the financial estimates of the proposed Company in any material degree, and should its promoters be disposed to accept them and the rules* and bye-laws

*With the modifications required by this order. in force on the Government canals together with such alterations of the latter on receiving one year's notice, as may be deemed requisite, and as may be adopted on the Government canals, His Excellency the Governor in Council will be prepared to authorize the use of the canal by the Company on these terms; it being distinctly understood that, on the one hand, no exclusive right of navigation will be granted, and that, on the other hand, licenses to boats not belonging to the Navigation Company will be given on terms not more favorable than those authorized for this Company.

4. The payment of the fixed sum of Rupees 6,000 will be required to be made by four equal quarterly instalments, payable on the 1st April, 1st July, 1st October, and 1st January. The license fees must be paid and a license obtained before the boat for which it is required can make use of the canal.

5. Should boats other than those of the Company take out licenses for navigating the canal, three-fourths of the license fees levied will be credited to the Company in diminution of the fixed annual charge of Rupees 6,000.

6. The charges laid down in this order as payable by the Company will not be increased before the end of three years from the date from which navigation may be commenced, or that from which lock establishments may, on the request of the Company, be entertained, whichever may be the earlier date.

7. The Company will be provided with land which may be required for the erection of station buildings, on the condition that, first, the extent and position of such land are first formally approved under the rules relating to the acquisition of land for the use of the Madras Irrigation and Navigation Company, and, secondly, that the right of use of such land by the Navigation Company will be allowed only while the Company continue to navigate the canal.

(1 Extract.)

W. E. R. E.
Major-General, R.E.,
Secretary to Government.

To the Chief Engineer for Irrigation.
" Chief Engineer and Manager, Madras
" Revenue Department.
" Editors' Table.

Ed. S. T. Austin.

Spare Copies

Navigation and Canal Company.

June 75 No 1173

Madras Department
No 1350
Sect. of 1870 Madras.
PUBLIC WORKS.

THE CHIEF ENGINEER FOR IRRIGATION,
&c., &c., &c.

Dated March 20th.

To,

Recd. *April 4:* *Encl.*

G. O. 2205 March 1876, No. 731.

March

Hex. 321-322

Notification of the Madras Irrigation and
Canal Company's Canal.—Passing orders
of the papers submitted by the Chief Engi-
neer and Manager, Madras Irrigation and
Canal Company, regarding the proposals for
forming a Company for the —

No 814

Communicated to the

of the

5 April

1455th Dec 2 of Dec 2, 1 April