M.R.O. 1—32,000—15-10-29.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 945 — Press Mis.

156-157

Dated 7th April 1869

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 7th April 1869.

No. 156. Read the following Proceedings of the Madras Government in the Public Works Department:—

Requesting the Municipal Commissioners of Madras to submit their views on the alternative proposals of the Government of India regarding the mode of charging for the water to be supplied to Madras. } (Here enter 24th March 1869, No. 1,014.)

No. 157. ORDER THEREON, 7th April 1869, No. 945.

Irrigation, No. 6.

COMMUNICATED to the Revenue Board.

(True Extract.)

(Signed) H. WELLESLEY,
Acting Under Secretary to Government.

To the Board of Revenue, with Proceedings Public Works Department, No. 1,014.

Exd. F. R. Bantleman.

Proceedings of the Madras Government, Public Works Department, 24th March 1869.

No. 753. Read the following Proceedings of the Government of India in the Public Works Department, (Account—Irrigation,) dated Fort William, 11th March 1869, No. 55A.—I:—

Proposed loan to the Municipality of Madras on account of the Madras water-supply Project.

Read—

Public Works Department Resolution, No. 7A.—I., dated 1st February 1869.
Financial Department's Resolution, No. 1,219, dated 27th February 1869.

ORDER.—Ordered, that the papers read be forwarded to the Government of Madras for information and guidance.

(Signed) P. P. L. O'CONNELL, Lieut.-Colonel, R. E.,
For *Officiating Secretary to the Govt. of India.*

Proceedings of the Government of India, Public Works Department, (Account—Irrigation,) dated Fort William, 1st February 1869, No. 7A.—I

Read—

Letter No. 3,410, dated 30th October 1868 (with accompaniments), from the Secretary to the Government of Madras, to the Secretary to the Government of India, Public Works Department.

OBSERVATIONS.—The Government of Madras submit a proposal to settle th e terms on which the Madras Municipality is to be supplied with water from the reservoirs now being constructed for this purpose at the cost of the Government, and to arrange for a loan to carry out the distributary works required in the town.

2. The Municipality has come to the conclusion that a high service supply is impracticable on account of the great expense, and they propose to deliver the water entirely by gravitation. This involves the necessity of taking off the water from the reservoir at a higher level than was at first proposed, and therefore sacrificing the portion of its contents which is below that level.

3. The general position now is, that the outlay on the reservoirs is about eight lakhs. That the available quantity of water above the Municipal outlet will be reduced from 138 millions cubic yards to 123 millions. That of this, 38 millions is reserved for the irrigation formerly existing; 32 millions is to be given to the Municipality; and the rest, 53 millions, will be applied to extend irrigation.

4. Unfortunately, a doubt arises as to the correctness of these figures, as it is not certain whether any provision is made for the loss by evaporation. It is understood that the feeding river is dry for several months in the year, and it is not apparent on what ground the whole quantity of water to the 15 feet level in the reservoir can be considered available for use without deduction of any kind. The calculations of these points require revision, and final orders cannot be passed until these doubts are cleared up, as there may be reason for modifying some of the conclusions based on the data as now put forward.

5. The Madras Government proposes that the Municipality shall be charged 1 Rupee per 1,000 cubic yards for the supply of water it receives from the reser-

Govt. of India, 24th March 1869, No. 753.

REVENUE.

To

THE BOARD OF REVENUE.

Dated April 7th.

Read

G. O., 7th April 1869, No. 565.

APRIL.

Nos. 152-157.

Madras Water Project.—Order requesting the Municipal Commissioners to submit their views regarding the mode of charging for water to be supplied, communicated to Revenue Board.

voirs, and shows that, on this basis, a gross return of about ten per cent. may be anticipated on the Capital outlay. The rate proposed to be charged to the Municipality is about that which would be realized from irrigation.

6. Further, it is proposed that Government shall lend the Municipality Rupees 12,80,000, the estimated cost of the distributary works, at six per cent., of which four per cent. should be considered as interest, and two per cent. a payment to a Sinking Fund; which were the terms on which the loan for the Calcutta Water-works was granted to the Calcutta Municipality. (See Financial Resolution, No. 1,171, dated 28th February 1867.)

7. These proposals appear fair to the State, and the Governor General in Council, in this Department, is of opinion that no objection should be made to their being carried out. But having due regard to the purposes to which the water is to be applied, and to the apparent careful attention to economy which has characterized the action of the Madras Municipality, the Governor General in Council would not be disinclined to assent to somewhat more favorable terms, should they be preferred by the Government of Madras.

8. The Governor General in Council is disposed to think that the fairest way of treating with the Municipality would be to consider them in the light of joint proprietors of the reservoir with Government, to make them responsible for the share of the capital required for the provision of their water-supply, and not to treat them as customers from whom the Government would take a profit. The whole additional supply of water stored is 138 millions cubic yards, less 38 millions, or 100 millions cubic yards. Of this, 53 millions are to be used by Government, and 32 millions by the Municipality, besides the 15 millions which it is not possible to use. In all, the Municipality has 47 millions cubic yards stored for its purposes. If the 8 lakhs be divided in the proportion of 53 to 47, it gives 4¼ lakhs for Government, and 3¾ lakhs for the Municipality.

9. It might be arranged, therefore, that this 3¾ lakhs should be treated in the same way as the sum required for the distributing works, and that a certain rate of interest should be charged on the whole for a fixed term of years, by the end of which the Sinking Fund would have extinguished the debt. This will be more favorable to the Municipality, and probably fairer also, as there is no desire on the part of the Government of India to make any *profit* out of the water supplied to the town of Madras.

10. This arrangement would, however, involve the payment by the Municipality of a proportional share of the maintenance charges of the reservoirs and their supply works. The whole quantity of water, as stated before, being 138 millions, the Government uses 38 plus 53 millions, or 91 millions; and the Municipality 47 millions. The Municipal share is thus, as nearly as possible, one-third of the whole. When it is known what the ordinary charges are likely to be, a fixed sum might be settled which would cover the Municipal contribution on this score.

11. The Municipality would then be entitled to use the whole of the 32 millions cubic yards above their outlet, and 15 millions below it without further liability. But if they took any water in excess of this, they should pay for it at the rate of 1 Rupee per 1,000 cubic yards.

12. The sum asked for by the Municipality for their distributing works seems moderate, and the general arrangements proposed appear appropriate. If the

Municipality pays for the channel from the reservoir, of course that amount should be omitted from the sum on which their payment for the reservoir is based. This seems likely to add to the estimate adopted at Madras, so that the loan may be called 13 lakhs. The money would be supplied from time to time as required for the proposed works, and would appear as an Extraordinary grant for Public Works.

13. Certainly, Madras may ask for terms not less favorable than those granted to Calcutta. Indeed, considering the real moderation and economy of Madras, some greater advantage might, perhaps, be conceded to that City. If four per cent. interest is charged, and the Government pays five per cent., it will be equivalent to a grant of Rupees 16,750 a year for the period during which the loan remains outstanding, or about twenty-six years; as a payment of two per cent. to a Sinking Fund, interest being allowed at five per cent., would discharge the capital in that time.

14. The proposal of the Madras Government is that the Municipality should permanently pay Rupees 32,000 yearly, besides the six per cent. on the sum borrowed for the distributing works. The alternative proposal that has been explained would make them liable to pay Rupees 22,500 yearly for twenty-six years (six per cent. on 3¾ lakhs), and one-third of the actual cost of maintenance of the reservoirs permanently, besides the interest on the capital for the distribution.

15. The questions arising in relation to the loan to the Madras Municipality will require the issue of orders in the Financial Department. The specific matters on which a decision is thus required, are as follows:—

1. That a loan of 13 lakhs be granted to the Municipality at six per cent. interest, of which two per cent. will constitute a Sinking Fund by which the debt will be discharged in twenty-six years.
2. That in the event of the alternative plan proposed by the Government of India being preferred by the Government of Madras, the loan be increased by the ratable share of the capital required for the reservoirs, say 3¾ lakhs.
3. That the subsidiary arrangements, and the revision of details which may be necessary for the reasons stated in paragraph 4, be left to be determined in the Public Works Department.

ORDER.—Ordered, that this Resolution, together with a copy of the papers read, be forwarded to the Financial Department for further consideration and orders.

Proceedings of the Government of India in the Financial Department, (Accounts,) dated Fort William, 27th February 1869, No. 1,219.

Read—

Public Works No. 7A—I, dated 1st February 1869, proposing the grant of a loan of 13 lakhs (susceptible of being increased by 3¾ lakhs under certain alternatives) to the Municipality of Madras, on account of the water-supply project at six per cent. interest, of which two per cent. will constitute a Sinking Fund by which the debt will be discharged in twenty-six years.

RESOLUTION.—The Governor General in Council is pleased to assent to the proposition. The six per cent. interest must be paid half-yearly, as it falls due,

into the General Treasury, Madras. The Accountant General, Madras, will carry four per cent. to the credit of the Government, and pay two per cent. to an account to be opened with the Bank of Madras in the joint names of the Accountant General, Madras, and President of the Municipal Commissioners, Madras.

2. The sums paid to this separate account will be invested in Government Securities, together with the interest received from time to time, and will form a Sinking Fund for the liquidation of the debt.

3. The time necessary for the extinction of the debt will be, reckoning interest at four per cent., about twenty-eight years.

4. The Accountant General will render an account of the whole Sinking Fund thus formed annually to the Madras Municipality, and, through the Comptroller General, to this Office.

5. All subsidiary arrangements and the revision of details are left to be determined in the Public Works Department as proposed.

ORDERED, that this Resolution be forwarded to the Public Works Department, and that a copy thereof and of Public Works No. 7, dated 1st February 1869, be sent to the Comptroller General of Accounts and the Accountant General, Madras.

(Signed) R. B. CHAPMAN,
Offg. Secretary to the Government of India.

No. 754. ORDER THEREON, 24th March 1869, No. 1,014.

IRRIGATION, No. 41.

Communicated to the Municipal Commissioners of Madras with a request that they will favour Government with an expression of their views on the alternative proposals of the Government of India regarding the mode of charging for the water to be supplied to Madras.

(True Extract.)

Colonel, R. E.,
Secretary to Government.

To the Municipal Commissioners, Madras.
" Public Department.
" Superintending Engineer, 4th Division.
" Chief Engineer for Irrigation.
" Revenue Department.

Exd. S. T. Augustin.

W 945 Commr. to the Rev. Board

Jr. 25/3/69

In Govt. Pub. Dept. Consult. Dis. No. 1014 Dated 24th Mar. 1869

Rec'd 8 Aug/Dept

Govt. of {1869} Madras.

PUBLIC WORKS.

To No. 983.

THE MUNICIPAL COMMISSIONERS,

MADRAS.

&c., &c., &c.

Dated March, 21th.

Recd. — 30th — *Inst.*

G. O., 21th March 1869, No. 1,011.

MARCH.

Nos. 753-754

Water to be supplied to Madras.—The Municipal Commissioners of Madras requested to submit their views on the alternative proposals of the Government of India regarding the mode of charging for the water to be supplied to Madras.

No 945-7 Ack'd 8/9. —

with Orders