

[6]

Govt. of (188) Madras.

M. 1512

To

The M. Dept

No 1718
Proceedings, dated *18 July* 1882.
No. *123* Su.

Subject.

*Supplying such
papers as are placed
on the Editor's table
to Grandavaetha
man.*

B. No 238^w of 20th Jan'y /83

*To be added to the office
List. R. 19-1-82.*

Write order

Entd. in Receipt Regr

Entd. in the Receipt Regr

Entd. in Receipt Regr.

12TH JANUARY 1883, No. 22, MARINE.

GOVERNMENT OF MADRAS.

MARINE DEPARTMENT.

READ—the following paper:—

Despatch from the Most Honorable the MARQUIS OF HARTINGTON, Secretary of State for India, to His Excellency the Right Honorable the Governor in Council, Fort St. George, dated India Office, London, 7th December 1882, No. 14 (Financial Stores).

I have considered in Council your Marine letter, No. 10, dated 31st August 1882, forwarding copy of your Proceedings of the 19th August 1882, No. 295, recording a letter from your Master Attendant relative to the shipment of Government stores and coal to Madras.

2. I forward a copy of a report on the subject by the Director-General of Stores, and of Mr. Talbot's minute, dated 28th February 1872, therein referred to. For the reasons given therein, it is thought inadvisable to adopt the suggestions of your Master Attendant in regard either to the despatch of all Government stores to Madras *via* canal, or to the restoration, in the contracts for coal to be delivered at Madras, of the provision that "the coal is to be delivered into store screened through a screen of one inch mesh."

3. But a provision will, in accordance with Lieutenant Taylor's recommendations, be inserted in future coal contracts, to the effect that the coal is to be discharged with all despatch, weather and sea permitting, and delivered on the beach twenty yards above high water-mark.

4. I do not propose, however, to make any alteration in the conditions for freight and conveyance of stores, as Clause 12 is sufficiently wide to cover all reasonable requirements in regard to delivery, and, as pointed out in my despatch of the 3rd February 1881, No. 2, it is not thought advisable that special clauses should be inserted in conditions which have a general application.

ENCLOSURES.

Copy Report by Director-General of Stores, dated 10th November 1882.

In the annexed letter in the Marine Department, No. 10, dated 31st August 1882, the Government of Madras draw attention to the views expressed by their Master Attendant regarding the shipment of Government stores and coal to Madras. In regard to his first suggestion that all Government stores should be forwarded *via* canal as he is of opinion that open competition would secure freight *via* canal as cheaply as *via* Cape, I may observe that the Madras market being very limited it is difficult to secure competition among the few firms who despatch steamers to that port; but any firm willing to tender has an opportunity of doing so.

Although it is generally desirable to despatch Government stores *via* canal it would not be advisable entirely to discontinue their shipment by sailing vessels, the effect of which would be to remove the salutary check on the rates of freight *via* canal which is secured by the occasional despatch of stores *via* Cape. The competition of sailing vessels with the steam lines is moreover very useful in obtaining tonnage for stores not urgently required, especially when their comparatively low value makes a difference in cost of freight more appreciable, as in the case of malt

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liquor, pitch and tar, and iron, cement, &c. It is difficult for owners to obtain sufficient merchant's cargo to load a sailing ship for Madras, and if the support of Government were entirely withdrawn, I fear—and I am confirmed by the opinion of the Shipping Agents to this office—that the despatch of sailing vessels to that port might cease. Such a result would be very undesirable, and any measures which tends to the discontinuance of the Cape route is to be deprecated.

As regards the use of the Peninsular and Oriental Steam Navigation Company's form of Bill of Lading, referred to by the Master Attendant, it is almost the invariable practice to use the India Office form of Bill of Lading and freight contract; but in some exceptional instances, in which small consignments of great urgency were shipped, the Peninsular and Oriental Company's form has been used, when our general shipments at the time were being dealt with under other contracts, and the Peninsular and Oriental Company, having missed them, have stipulated for their own Bill of Lading in the case of the few shipments which urgency has compelled us to allot to them. Such cases, however, are of very rare occurrence.

In the succeeding paragraph of his letter, the Master Attendant suggests that a provision to the effect that "Coal shall be delivered into store screened through a screen suited to the quality of the coal whether north country or Welsh," should be restored to the conditions for the supply of coal to be delivered at Madras. This condition was removed from the Coal Contracts, after full consideration by order of the Secretary of State in Council, on the 7th March 1872, on the recommendation of Mr. Talbot, whose annexed minute on the subject, dated 28th February 1872, appears to give satisfactory reasons for its excision.

There does not appear to be any objection to the other provisions in regard to coal suggested by the Master Attendant, viz., that it is to be discharged with all despatch, weather and sea permitting, and delivered on the beach, twenty yards above high water-mark. An addition to this effect can be made to the conditions of future contracts for coal to be delivered at Madras.

In view, however, of the conclusions arrived at when the present conditions for freight of stores were sanctioned by the Secretary of State in Council in January 1881, and which were communicated to the Government of Madras in Financial (Stores) Despatch, No. 2, dated the 3rd February 1881 (copy annexed), it does not appear desirable to make any alteration in regard to delivery of general stores as Clause 12 is thought to be sufficiently wide to cover all reasonable requirements.

Copy of Minute by Mr. TALBOT, dated 28th February 1872.

With reference to the Council Minute of the 25th January, sanctioning the provision of 5,000 tons of coal for Bombay, and the decision respecting the retention of the clause empowering the Government to screen the coal at Bombay, the Military Secretary is aware that I have before questioned the advantage of the clause, which only gives an optional power and one not likely to be exercised.

To ascertain the effect of the clause on Contractors, I have invited tenders for the coal with the alternative of the retention or excision of the clause.

The result is that in the lowest tender there is a difference of 4s. per ton in favor of Government if the clause be omitted, and in two other tenders a difference of 5s. and 6s., respectively.

The clause used to be inserted in former times when coal was *not* examined in this country, and the contract gave the Government in India power to reject the cargoes, or to screen the coal if it appeared of bad quality.

Under the existing system the coal is screened and stored under inspection, and we are, therefore, well secured against bad cargoes, as the coal is practically accepted here.

The coal can receive no injury on the voyage beyond what is reasonable and inevitable, and competent authorities assert that a moderate proportion of small coal is no detriment to its quality.

An additional screening positively injures the *whole* of the coal, and increases the quantity of waste, and therefore the higher rate asked, if the option of screening is retained, represents not the mere waste on the voyage, but the extra waste and injury if the additional screening is enforced.

On the 2,500 tons about to be purchased the actual extra charge amounts to £500 (an increase of rather over 10 per cent.), and as this is a clear loss if the clause be not enforced, and, as the circumstances under which coal is now inspected and stowed render the enforcement of the clause very undesirable, I feel it my duty to submit the question for further consideration before dealing with the tenders.

I might observe that coal is now purchased much on the same principle as malt liquor, and the responsibility for quality, &c., rests with the officers in this country. The saving in the case of malt liquor has been enormous, and the same benefit may be obtained in the case of coal by removing all risks of loss to the Contractor after approval in this country.

(Signed) G. C. TALBOT.

ORDER—dated 12th January 1883, No. 22, Marine.

Communicated to the Master Attendant, Madras, with reference to G.O., 19th August 1882, No. 295, Marine.

(True Extract.)

C. G. MASTER,
Chief Secretary.

To the Master Attendant, Madras.

Copies to the Departments of the Secretariat.
„ to the Accountant-General.

Exd. J. Wright.