Old No. C.F. 73 New No. 24—552,323—13-11-57.

DEPARTMENT.

Paper taken out of the Records from the charge of the Referencer.

Press / Miscellaneous / Routine No. ____________, dated ______________ 195 .

Date taken out.	For what purpose.			Initials of clerk taking the paper or of attender.	Date returned.	Initials of attender.
	Department.	C. No.	Year.			

Public Works (1897) Department.

G.O., No. 1013-14. R

DATED 23rd Novr 1897

4862 R

$\frac{100}{4}$ copies

30 copies of
35 copies, with docket of the back for the Govt of India.

[Despatch Abstract.]

Terminal charges

Directing that the Govt of India be requested to see their way to ordering the immediate removal of the — imposed by the East Coast Ry on Salt consigned to Barang as a terminus and to recoup to past consignors the amount which have been illegally levied from them.

Requesting that the Govt of India may see their way to ordering the immediate removal of the — imposed by the East Coast Railway on Salt consigned to Barang as a terminus and to recoup to past consignors the amount which have been illegally levied from them.

[[illegible] 850—20-11-96.]

Indexed 24/11/97

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
	486 Ry		26-3-98				

RAILWAY.

Government (1897) of Madras.

PUBLIC WORKS.

Recd. *Regd.*	1897.	*Enclosures* *Spare copies*

G.O., No. 1013 R., 23rd November 1897.

NOVEMBER.

Terminal Charges

Directing that the Government of India be requested to see their way to ordering the immediate removal of the — imposed by the East Coast Railway on salt consigned to Barang as a terminus and to recoup to past consignors the amount which have been illegally levied from them.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Railway.

Read the following papers :—

G.O., Mis. No. 4173, Revenue, dated 10th August 1897.

Read—the following Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 3386, dated 7th August 1897 :—

Resolution—Mis. No. 3386, dated 7th August 1897.

The Board begs to inform Government that a terminal charge of 1½ annas per maund has, since the 1st July last, been placed on all goods moved by the East Coast Railway, and suggests that the Government of India be communicated with as little delay as possible, in view to its removal so far as salt is concerned.

2. To the manufacturer and merchant, salt is an article of the value of only 3 annas or so per maund. The duty being the same for all descriptions, the extent of the transactions on which he can expect to make a profit or loss is measured by the items which go to make up this average of about 3 annas *plus* the cost of transport. Consequently, as Government is doubtless aware, the profits in salt are matters of a pie or two per maund, and the imposition of a charge of 1½ annas on all rail-borne salt must result in complete disorganization of the whole salt trade of the coast.

The effect will be—

(i) The cost to the consumer of all the salt used in Orissa whether Madras or Liverpool will be raised by 1½ annas per maund, as rates are now governed by the price of rail-borne salt from Ganjám and the Calcutta merchants will increase their rates and profits proportionately.

(ii) The consumption of clear foreign salt brought by water from Calcutta will be stimulated in Orissa.

(iii) The transport of salt from Karasa and Naupada to Vizianagram and the adjoining areas will be checked, and the licensees of Kuppili, Konada and Bimlipatam will be enabled to raise their already exorbitant rates.

(iv) The business of all persons interested in salt manufacture along the coast will be completely disorganized, and they will be taught then that they are entirely at the mercy of men who neither know the conditions under which the salt trade is carried on nor the importance of all questions affecting salt to Imperial finance.

3. As an illustration of the effect of this policy on the interests of the local manufacturers, the Board would call attention to what has recently occurred at Naupada; 152,732 maunds of salt were sold at this factory for transport to Orissa during the first six months of the current calendar year, of which about 82,000 maunds cost the merchant only 1 anna 1 pie. The terminal charge, had it been in force then, would have raised this initial cost by 138 per cent. and, of course, rendered business impossible and would have rendered the destruction of this large quantity of salt unavoidable as it could not be sold locally.

4. The Board considers it fortunate that this step has been taken by the Railway authorities before arrangements were made for taking sidings into any of the factories. There would be but little use in spending time and money in endeavouring to reduce the cost to the consumer by a few pies in this way if all the savings effected by the department are to be absorbed fourfold or fivefold by an arbitrary order of a Traffic Superintendent who has spent only six months in this part of India and knows absolutely nothing of the interests he is dealing so ruinously with.

(True Extract.)

(Signed) EDMUND MILLETT,
Assistant Secretary.

Order—Mis. No. 4173, Revenue, dated 10th August 1897.

The Public Works Department will be requested to ascertain the circumstances under which a terminal charge of one and-a-half annas per maund has been imposed, with effect from the 1st July 1897, on all goods moved by the East Coast Railway and whether there is any special reason why salt should not be exempted from such charges.

(True Extract.)

(Signed) F. J. WILSON,
for Acting Secretary to Government.

Read—the following Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 3437, dated 10th August 1897 :—

Resolution—Mis. No. 3437, dated 10th August 1897.

In continuation of Board's Proceedings, Mis. No. 3386 (Separate Revenue), dated 7th August 1897, the Board begs to report that it learns that a terminal charge is levied on the Great Indian Peninsula Railway also. This railway, however, runs inland and a terminal charge on salt conveyed along it affects every one in the same way and merely amounts to a re-adjustment of the charges for freight. On a railway running more or less parallel to the coast as the East Coast Railway does, and actually touching several factories while leaving others at a distance, the terminal charge would have another and far more serious effect as its imposition or removal,—a matter apparently entirely at the discretion of the Traffic Manager—would ruin some factories and their licensees while it would make the fortune of others. In addition to this, Ganjám and Naupada salt now meet at Cuttack water-borne Calcutta salt which is not liable to be affected by the imposition of the sort.

(True Extract.)

(Signed) N. S. BRODIE,
Acting Secretary.

R. No. 1595, Revenue.

Forwarded to the Public Works Department, for favour of report, in continuation of G.O., No. 4173, Revenue, dated 10th August 1897.

(Signed) G. STOKES,
26th August 1897. Ag. Secretary to Government.

No. 2849.

Copy forwarded to the Manager, East Coast Railway, in continuation of endorsement No. 2724, dated 20th August 1897.

(Signed) F. J. E. SPRING,
Offg. Joint Secy. to Govt.,
Railway Branch.

2nd September 1897.

From the Manager, East Coast Railway, to the Consulting Engineer for Railways, dated Waltair, 4th September 1897, No. 7110.

With reference to your No. 2724, dated 20th August 1897, I have the honour to forward a copy of the Traffic Superintendent's reply and to remark that both the late Manager (Mr. Brereton) and myself are in entire agreement with Mr. Boyce in the matter of the policy of gradually raising the rates for goods and imposing small terminals, wherever this appears advisable in Imperial railway interests.

2. As regards the particular complaint made by the Board of Revenue, I think no further explanation than that given by Mr. Boyce is necessary, and I regret that the Board should have thought it right to make such sweeping condemnation of Mr. Boyce, which censure, if it had been or is deserved, should have included Mr. Brereton and myself.

3. As it is to the interests of this railway administration to encourage the transport by railway of salt as well as that of all other articles of considerable volume, provided the East Coast Railway can earn even a very small profit, the Consulting Engineer may rest assured that we shall not try to drive away traffic. And if it appears on further enquiry that the terminal charges placed on salt as well as all other goods at Barang with the object of developing through booking between the Madras and Bengal Presidencies is injurious to the salt trade from the Madras side, then I will, as pointed out by the Traffic Superintendent, see whether the terminal or the through Agency charges can be reduced in the case of salt, so that the price of this staple may not be enhanced at Cuttack and northwards.

Enclosure.

Copy of letter, dated 1st September 1897, No. 45134-28/110 A., from the Traffic Superintendent, East Coast Railway, to the Manager, East Coast Railway.

[Your docket No. 6552 of 24th instant regarding Resolution from the Proceedings of the Board of Revenue, Madras, dated 7th August 1897.]

I have the honour to state that I have read carefully the Resolution quoted above, and I beg to remark—

(1) That paragraph 1 of the Resolution is based on a serious misapprehension, as will be observed from the facts stated below :—

(*a*) No such terminal as stated has been placed on all goods moved by the East Coast Railway.

(*b*) A terminal of 1⅓ annas from 15th July has been placed on goods outwards or inwards from or to Barang station only, which goods use Barang as a transit terminus, in-transitu from and to Cuttack and beyond.

(*c*) The reason for this terminal at Barang is the establishment of a through booking agency to and from Cuttack, Chandbally and Calcutta, in order that merchants booking to and from these places should consign through, and not make use of Barang as a transit terminus for their goods; and thus neutralize the working of the through booking agency, which has for its object the general development of trade between Bengal and Madras.

(*d*) For goods booked through, the terminal does not apply, and such goods get the benefits of through booking (which arranges for the carriage, and obviates the maintaining of agents, &c.), without paying the terminal referred to.

(2) Barang, as explained above, is not a consuming or distributing centre ; rail-borne salt for Bengal terminates here with the rail head ; and the forward journey is made by carts in the dry season, or is river borne at this season of the year—

(*a*) Since the establishment of the out-agency and the levying of the terminal at Barang, 9,000 maunds of salt kept to the old booking to Barang, and thence by private agencies forward to Cuttack and beyond, while 6,000 maunds took to the through Agency ; showing clearly that the through Agency was steadily gaining favour with the merchants ; doubtless the terminal has been operating to this end ; this, however, is the object of levying the terminal.

(*b*) The through agency offers advantages for forward-booking towards Calcutta ; and thus, instead of limiting the area of distribution for Madras salt, the development of through booking will stimulate the traffic to centres which heretofore have not been attainable to the restricted operations of local traders.

2. It will be seen therefore that the premises which gave rise to the resolution being based on erroneous grounds, the deductions drawn are equally erroneous ; and the scathing diatribe fulminated against myself, which closes the resolution, is not deserved.

3. It is noteworthy that the Board, in common with the other constituents of the East Coast Railway, loses sight of the fact that Government has a large venture in the capital spent in the East Coast Railway ; and that the railway cannot continue carrying at a loss. It would appear from the Board's arguments that the salt middlemen are expected to thrive, not on the legitimate profits of trade, but on the profits of carriage by railway ; while the railway is expected to carry on its business, not to earn the pies to pay its own way, but that the pies may be saved to the trader.

4. I would remark that the salt carried from the Madras factories has received very favoured rates from the East Coast Railway as compared with the rates charged on other lines, as will be seen by the table below :—

Nizam's Railway—$\frac{1}{4}$ to $\frac{1}{5}$ pie per maund per mile.
Great Indian Peninsula Railway—$\frac{1}{3}$ to $\frac{1}{7}$ pie per maund per mile according to distance.
North-Western Railway up to 250 miles, $\frac{1}{5}$ pie per maund per mile.
East Coast Railway (for Ganjám salt) $\frac{1}{7}$ pie per maund per mile.

5. I would also take this opportunity of notifying to the Board that it is intended by the East Coast Railway to recoup its handling and other expenses on goods which, at the rates we carry on this line, leave no margin for profits on their carriage, by low terminals from the 1st of September ; and that salt will pay a terminal of 1 pie per maund on outward bookings, being in the special class ; classified goods paying 2 pies per maund. I note terminals charged by other railways on salt—

Nizam's Guaranteed State Railway	12	pies per maund.
Great Indian Peninsula Railway	12	,,
Southern Mahratta Railway	6	,,
Madras Railway	8	,,

6. While vindicating the railway policy, I am in complete sympathy with the aims and interests of the Madras Salt Department in their desire to push the salt trade of the province towards Bengal ; and I quite see that it should not be handicapped, by any avoidable charges, in its competition with Home and Foreign imports into Bengal, its cheapness for the million being its passport forward. I am therefore prepared to address Messrs. Bird and Company, the well-known Calcutta Firm, who are our Agents for through booking ; to reduce the rate for salt between Barang and Cuttack from As. 2–6 during the monsoon to As. 2–0 and from As. 2–0 during the dry months to As. 1–6 per maund as against other goods. The reduction, while leaving a very small margin of profit to them, after defraying the expenses of the agency, gives to the trader all the benefits of through booking to Cuttack and beyond ; and against the small excess in cart-hire, is the monetary gain in time, agency or personal supervision charges, risk, &c. I do not recommend the removal of the terminal at Barang, as it safeguards our forward policy of opening up connections with Calcutta, which will be the objective of our system to the north, as Madras will be to the south, when our rail connections are made. The through booking agency of Messrs. Bird and Company only forestalls the more complete rail communication, and it is consonant with our aims that we should safeguard the agency. This is the raison d'etre of the terminal at Barang ; we do not want to realize it from the traders, except when, instead of using the through booking agency, they elect to compete with it.

ORDER—No. 1013 R., dated 23rd November 1897.

The Government of India will be addressed.

[Here enter No. 1014 R., dated 23rd November 1897.]

(True Extract.)

(Signed) F. J. E. SPRING,
Offg. Joint Secy. to Govt.,
Railway Branch.

To the Consulting Engineer for Railways.
„ Revenue Department.
„ Manager, East Coast Railway.

Exd. Md. Pahilvan.

RAILWAY.

Government {1897} of Madras.

PUBLIC WORKS.

Recd.	1897.	*Enclosures*
Regd.		*Spare copies*

Letter, No. 1014 R., 23rd November 1897.

NOVEMBER.

Terminal Charges

Requesting that the Government of India may see their way to ordering the immediate removal of the -- imposed by the East Coast Railway on salt consigned to Barang as a terminus and to recoup to past consignors the amount which have been illegally levied from them.

No. 1014 R., 23RD NOVEMBER 1897.

PUBLIC WORKS DEPARTMENT.

Railway.

LETTER—from

F. J. E. SPRING, ESQ., C.I.E.,
Offg. Joint Secretary to the Government of Madras,
Public Works Department,
Railway Branch,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
PUBLIC WORKS DEPARTMENT,
CALCUTTA.

SIR,

For the avowed purpose of developing the through booking of goods between stations on the East Coast Railway and Cuttack, Chandbally and Calcutta, and of discouraging the use by consignors of Barang as a transit terminus, the Manager of the East Coast Railway has recently imposed a so called "terminal" charge of 1½ annas per maund, equivalent to Rs. 2-8-6 per ton, on salt consigned to Barang as a terminus instead of being booked over the transit agency forwards to Cuttack and beyond.

2. The imposition of such a terminal as this, which is equivalent to the cost of 126 miles of freight at one-seventh pie per maund per mile, is in the opinion of this Government inconsistent not only with the definition of terminal as given in section 3 (14) of the Railway Act, but also with the provisions of sections 45 and 46 of that Act.

3. I am therefore to express a hope that the Government of India may see their way to ordering the immediate removal of the charge in question, and of directing the recoupment to past consignors of the amounts which, in the opinion of His Excellency the Governor in Council, have been illegally levied from them.

I have the honour to be,
Sir,
Your most obedient servant,
(Signed) F. J. E. SPRING,
Offg. Joint Secy. to Govt.,
Railway Branch.

FORT ST. GEORGE,
23rd November 1897.

Exd. Md. Pahilvan.

Public Works (1897) Department.

CURRENT No. 8196

From

The Rev: Dept.

118

~~Order~~

No 2724 of 20/8/97.

No. 4173 Ris.

Forwarded to Manr. E.C.R. for favour of early report as to whether the terminal on salt cannot be omitted

F.W.F.
19/8/97

I would not have sent [illegible] the last 3 lines if I had seen this F.W.S.

for [illegible]

Dated 10th August 1897.

Received } 17.8.97
Registered }

Enclosures 1

Spare copies

Despatched on 20/8/97

SUBJECT.

"Requesting to ascertain the circumstances under which a terminal charge of 1½ annas per maund has been charged on all goods moved by the East Coast Ry. and whether there is any special reason why salt should not be exempted from such charges.

R.

BACK PAPERS.

No.	Date.

FURTHER PAPERS.

No.	Date.

Revenue Department.

Proceedings of the Board of Revenue.

(Separate Revenue)

-- : --

1P

Dated 7th August 1897. Mis. No.3386.

Resolution.

The Board begs to inform Govt. that a terminal charge of 1 1/2 annas per maund has since the 1st July last been placed on all goods moved by the East Coast Railway and suggests that the Govt of India be communicated with as little delay as possible, in view to its removal so far as salt is concerned.

2. To the manufacturer and merchant salt is an article of the value of only 3 annas or so per maund. The duty being the same for all descriptions the extent of the transactions on which he can expect to make a profit or loss is measured by the items which go to make up this average of about 3 annas plus the cost of transport. Consequently as Govt is doubtless aware, the profits in salt are matters of a pie or two per maund and the imposition of a charge of 1 1/2 annas on all rail borne salt must result in complete disorganization of the whole salt trade of the coast.

The effect will be:

(i) The cost to the consumer of all the salt used in Orissa whether Madras or Liverpool will be raised by 1 1/2 annas per maund as rates are now governed by the price of rail borne salt from Ganjam and the Calcutta merchants will increase their rates and profits proportionately.

(ii) The consumption of Cheap! clear foreign salt brought by water from Calcutta will be stimulated in Orissa.

(iii)

(iii) The transport of salt from Karasa and Naupada to Vizianagaram and the adjoining areas will be checked and the licensees of Kuppili, Konada and Bimlipatam will be enabled to raise their already exhorbitant rates.

(iv) The business of all persons interested in salt manufacture along the coast will be completely disorganized and they will be taught then that they are entirely at the mercy of men who neither know the conditions under which the salt trade is carried on nor the importance of all questions affecting salt to Imperial Finance.

3. As an illustration of the effect of this policy on the interests of the local manufacturers the Board would call attention to what has recently occurred at Naupada 152732 maunds of salt were also at this factory for transport to Orissa during the first 6 months of the current calendar year which about 82000 maunds cost the merchant only 1 anna 1 pie. The terminal charge had it been in force then, would have raised this initial cost by 138 per cent and of course rendered business impossible and would have rendered the destruction of this large quantity of salt unavoidable as it could not be sold locally.

sold? of?

4. The Board considers it fortunate that this step has been taken by the Railway authorities before arrangements were made for taking sidings into any of the factories. There would be but little use in spending time and money in endeavouring to reduce the cost to the -- consumer by a few pies in this way if all the savings effected by the Dept. are to be absorbed fourfold or fivefold by an arbitrary order of a traffic superintendent who has spent only 6 months in this part of India and knows absolutely nothing of the interests he is dealing so ruinously with.

(True extract)

(Sd) Edmund Millett

Asst. Secretary.

(True copy)

For Ag. Secy to Govt.

8156/97

F./16 2,000—25-5-97.

REVENUE DEPARTMENT.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read 2P

copy attached

Read Proceedings of the Board of Revenue (Sep. Revenue) dated 7th August 1897, Mis. No.3386.

--- : ---

Order thereon No.4173 Mis. dated 10th August 1897.

The Public Works Department will be requested to ascertain the circumstances under which a terminal charge of one-and-a-half annas per maund has been imposed, with effect from the 1st July 1897, on all goods moved by the East Coast Railway and whether there is any special reason why salt should not be exempted from such charges.

(True extract)

For Ag. Secy to Government.

To the P.W.Department.

" Board of Revenue (Sep. Revenue).

t will be seen therefore that the premises which gave

For A .Secy to Govt.

Public works

~~Revenue~~ (1897) Department.

CURRENT No. ~~6982~~ 8761

SECY. GOVT MADRAS REV. DEPT. 12 AUG 97

JOINT SECRETARY RECD 1 SEP 1897 GOVT. OF MADRAS RYS.

From the Secretary to the Commissioner of Salt, abkari and Separate Revenue Madras

Mis **No.** 3437

Dated 10th August 1897

Received ~~12-8-97~~ 1-9-97

Registered ~~12-8-97~~ — " —

Enclosures 1

Spare copies

Order R No 1595 d/26 Augt 97

Forwarded to the P.W.D for favour of report, in continuation of G.O. No 4173 Rev. dated 10th August 97.

Ag. Secretary to Govt.

Sent 24/8/97

Ootacamund } August 97

To

The P.W.D (Railway) with the Bd's to be returned.

SUBJECT.

Submitting to Government in Continuation of Boards' Proceedings Mis No 3386 dated 7th August 1897, a further report regarding the terminal charges levied on salt moved by the East Coast Railway.

13/8

24-8-97

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

For A. Secy to Govt.

Proceedings of the Board of Revenue

(Separate Revenue.)

Dated 10th August 1897.

Mis No. 3437

SP

C [illegible] 7777/774 [illegible]

R.P. 4173
10-8-97

In twelve pie per maund
7M

Resolution

In Continuation of Board's Proceedings Mis No 3386 (S.R) dated 7th August 1897, the Board begs to report that it learns that a terminal charge is levied on the G. I. P. Railway also. This railway however runs inland and a terminal charge on Salt conveyed along it affects every one in the same way and merely amounts to a re adjustment of the charges for freight. On a railway running more or less parallel to the Coast as the East Coast Railway

does and

and actually touching several factories while leaving others at a distance, the terminal charge would have another and for more serious effect as its imposition or removal, — a matter apparently entirely at the discretion of the Traffic Manager — would ruin some factories and their licensees while it would make the fortune of others. In addition to this Ganjam and Naupada salt now met at Cuttack water borne ~~[illegible]~~ Calcutta salt which is not liable to be affected by the imposition of the Sont

Certainly not, quite wrong!
FM

Nor is it affected except in competition — these rates charges between Calcutta and Cuttack are fair are?
FM

(True Extract)

WMurdie
A.
~~Assistant~~ Secretary

ODS-1
8761(87)

To
The Secretary to Government
Revenue Department.

---

t will be seen, therefore, that the premises

Procd No. 8761
13 P

No 2849
2·9·97

Copy forwarded to the Manager E.C.Ry in continuation of endt No. 2724 d 20·8·97

FWS 1/9/97

Despatched on 2·9·97

Revenue

Cons. Engineer's Current No. 3886

In your reply, please quote the number and date of this letter.

No. 7110

Form No. Mgr. 19.

6P

CONSULTING ENGINEER FOR RAILWAYS
RECEIVED
7 SEP. 1897
MADRAS.

FROM

THE MANAGER,
East Coast Railway.

THE CONSULTING ENGINEER for RAILWAYS.
MADRAS.

Ent
communicate to Rev.
FWF
7/9/97

Dated Waltair, the 6th Septr. *189*7.

SIR,

Hay D

With reference to your No. 2724 dated 20th August 1897, I have the honor to forward a copy of the Traffic Superintendent's reply and to remark that both the late Manager (Mr. Brereton) and myself are in entire agreement with Mr. Boyce in the matter of the policy of gradually raising the rates for goods and imposing small terminals, wherever this appears advisable in Imperial Railway interests.

2. As regards the particular complaint made by the Board of Revenue, I think no further explanation than that given by Mr. Boyce is necessary,* and I regret, that the Board should have thought it right to make such sweeping condemnation of Mr. Boyce, which censure, if it had been or is deserved, should have included Mr. Brereton and myself.

I entirely agree
FWL

3. As it is to the interests of this Railway Administration to encourage the transport by Railway of salt as well as that of

Enclosures.
One

7P

of all other articles of considerable volume, provided the East Coast Railway can earn even a very small profit, the Consulting Engineer may rest assured that we shall not try to drive away traffic, and if it appears on further enquiry that the terminal charges placed on ~~—~~ salt as well as all other goods at Barang with the object of developing through booking between the Madras and Bengal Presidencies, is injurious to the salt trade from the Madras side, then I will, as pointed out by the Traffic Superintendent, see whether the terminal or the through Agency charges can be reduced in the case of salt, so that the price of this staple may not be enhanced at Cuttack and northwards.

which it does not earn now. It is not a philanthropic affair.
FM

I suspect that since the Ry and the salt agency were opened, it is very much cheaper in Cuttack than it ever was before. Moreover, just now everything is in a transition stage and all will settle when the railway is a little nearer completion.
FM

I have the honor to be,

Sir,

Your most obedient Servant,

M. Cornwallis
Major, R.E.

Offg. Manager.

AB
4/9

Of. 506

S. No. 3886
Recd. 7/9/97

will be seen, therefore, that the premises which gave

888

31st august

Copy of letter No. 45134 A. dated 1st Septr. 1897 from the
28/110
Traffic Superintendent E.C. Railway, to the Manager E.C. Railway.

Your Docket No. 6552 of 24th instant re: Resolution
from the Proceedings of the Madras Board of
Revenue dated 7th August 1897.

I have tried to alter Mr Bogen's punctuation so as to make his meaning clear.

I have the honor to state that I have read carefully the Resolution quoted above, and I beg to remark:-

(1) That para: 1 of the Resolution is based on a serious misapprehension, as will be observed from the facts stated below:-

(a): No such terminal as stated has been placed on "all goods moved by the E.C. Railway."

(b): A terminal of 1½ annas from 15th July has been placed on goods (outwards or inwards from or to Barang station only,) which (goods) use Barang as a transit termin~~al~~us, in-transitu from and to Cuttack and beyond.

(c) The reason for this terminal at Barang, is the establishment of a through Booking Agency to and from Cuttack, Chandbally and Calcutta, in order that merchants booking to and from these places should consign through, and not make use of Barang as a tr minus for their goods; and thus

neutralize

t will be seen, therefore, that, the premises which gave

neutralize the working of the through booking agency, which has for its object the general development of trade between Bengal and Madras.

(d) For goods booked through, the terminal does not apply, and such goods get the benefits of through booking (which arranges for the carriage, and obviates the maintaining of Agents &c.) without paying the terminal referred to.

(2) Barang, as explained above, is not a consuming or distributing centre; Rail-borne salt for Bengal terminates here, with the rail head; and the forward journey is made by carts in the dry season, or in river borne at this season of the year.

(a) Since the establishment of the Out-agency and the levying of the terminal at Barang, 9000 maunds salt kept to the old booking to Barang, and thence by private agencies forward to Cuttack and beyond, while 6000 mds, took to the through Agency, shewing clearly that the through Agency was steadily gaining favor with the merchants; doubtless the terminal has been operating to this end; t[illegible]er is the object of levying the terminal.

(b [illegible] Agency offers advantages for forward-booking [illegible]owards Calcutta; and thus, instead of limiting the area of distribution for Madras salt, the development of through booking will stimulate the traffic to centres which heretofore have not been attainable to the restricted operations of local traders.

II.

5 Cutts F mp JM 17.11.97

t will be seen, therefore, that, the premises which gave rise to the Resolution, being based on erroneous grounds, the deductions drawn are equally erroneous, and the scathing diatribe fulminated against myself, which closes the Resolution, is not deserved.

Board

III. It is note-worthy that the Board, (Salt Dept?) in common with the other constituents of the E.C.Railway, loses sight of the fact that Government has a large venture in the Capital spent in the E.C. Railway, and that the Railway cannot continue carrying at a loss. It would appear from the Board's arguments that the salt middlemen are expected to thrive, not on the legitimate profits of trade, but on the profits of carriage by Railway, while the Railway is expected to carry on its business, not to earn the pies to pay its own way, but that the pies may be saved to the trader.

IV. I would remark that the salt carried from the Madras Factories ~~have~~ now received very favored rates from the E.C.Railway as compared with the rates charged on other lines, as will be seen he Table below:-

Nizam's Railway--¼ to $\frac{1}{5}$ pie per maund per mile.

G.I.P.Railway ..1/3 to 1/7 pie per maund per mile according to distance.

N.W.Railway up to 250 miles 1/5 pie per maund per mile.

E.C.Railway (for Ganjam salt) 1/7 pie per maund per mile.

V. I would also take this opportunity of notifying to the Board, that it is intended by the E.C.Railway to recoup its handling and other expenses on goods, which, at the rates we carry on this line,

freight of salt from [illegible] to Cuttack 22/9/97 A.G.H.

17.11.97

leave no margin for profits on their carriage, by low terminals from the 1st of September; and that salt will pay a terminal of 1 pie per maund on outward bookings, being in the special class, classified goods paying 2 pies per maund. I note terminals charged by other Railways on salt:-

N.G.S.Railway	...12 pies per maund.
G.I.P.Railway.... ...	...12 —Do.—
S.M.Railway	... 8 —Do.—
Madras Railway... ...	... 8 —Do.—

VI. While vindicating the Railway policy, I am in complete sympathy with the aims and interests of the Madras salt Department in their desire to push the salt trade of the Province towards Bengal; and I quite see that it should not be handicapped, by any avoidable charges, in its competition with Home and Foreign Imports into Bengal, its cheapness for the million being its passport forward. I am therefore prepared to address Messrs. Bird and Company the well known Calcutta Firm, who are our Agents for through Booking, to reduce the rate for salt between Barang and Cuttack from 0-2-6 during the monsoon to 0-2-0 and from 0-2-0 during the dry months to 0-1-6 per maund, as against other goods. The reduction, while leaving a very small margin of profit to them, after defraying the expenses of the agency, gives to the trader all the benefits of through booking to Cuttack and beyond; and against the small excess in cart hire, is the monetary gain in time, agency, or personal supervision charges, risk &c. I do not recommend the removal of the terminal

freight of salt from to Cuttack

22/9/97 A.9th

17.11.97

per md. per mile. is in the opinion of the terminal at Barang, as it safeguards our forward policy of opening up connections with Calcutta, which ~~is~~ will be the objective of our system to the north, as Madras ~~is~~ will be to the south, when our rail connections are made. The through booking agency of Messrs. Bird and Company only forestalls the more complete Rail communication, and it is consonant with our aims that we should safeguard the Agency. This is the raison d'etre of the terminal at Barang; we do not want to realize it from the traders, except when, instead of using the through booking agency, they elect to compete with it.

True Copy

expenses from that centre

[illegible] will treble the freight of salt [illegible] to Cuttack

22/9/97

17.11.97

LETTER NO. 7118 | 4/4/97
FROM E.C.R.

not to print

Salt policy on the E.C.R.

The Hon. Sir H. Bliss. KCIE

Before passing this on to the Rev. Dept I should like the Hon. Sir H. Bliss to see it as he is specially conversant with the subject and will probably have discussed it with Mr Willcock who, I take it, wrote the Board of Rev. Resolution.

Yes
HB

1013·14 R
23.11.97

It is a pity that Major Constable the Manager of the E.C.R., instead of sending on his Traffic Manager Mr Boyce's opinion, did not himself put the draft of it into readable English.

What Mr Boyce seems to be trying to ~~[illegible]~~ say is that the Board of Revenue are quite wrong in saying that "a terminal charge of 1½ annas per maund has, since the 1st July, been placed on all goods moved by the E.C.R."

What has actually happened is that at Barang, a place 5 miles or so from Cuttack the distributing centre for Orissa, and separated from that centre

per md. per mile. is in the opinion of this

H.C.L. 11.9.97
R/20/9/97

practically will treble the freight of salt from [illegible] to Cuttack

22/9/97

A.9.H
17.11.97

land and river transit, the E.C.R. have arranged with a Calcutta Firm, Messrs Bird & Co. for the establishment of an efficient transit, the charge for which at present, for salt booked right through Barang to Cuttack, is 2½ annas during the monsoon, and 2 annas during the dry months.

The E.C.R. contemplate endeavouring to come to an arrangement with Messrs Bird & Co to lower these rates to 2 annas and 1½ annas respectively.

Meanwhile the fact of 6000 maunds of salt having, since the establishment of Messrs Bird & Co's Agency, availed themselves of its advantages, as against 9000 maunds which continued to book only to Barang as before, shows that traders are beginning to appreciate the agency. Naturally they appreciate it, because an "out agency" being, in law, a part of the Railway's work as a common carrier, the consignor obtains, over the out agency's transit by land and river, all the advantages of security, certainty, &c. that he obtains on the railway proper

and moreover saves also the cost of an agent of his own

A

Is it a reasonable charge? I much doubt - At 2 annas a md it comes to (say) 11 annas a ton a mile - Road transport in those parts costs (say) 3½ annas a ton a mile - I don't know what the river transit difficulties are, but I should be surprised to learn that they at all justified ~~the difference~~ of 7½ annas a ton a mile or more than 200%.

HS

B

As I understand the matter, terminal charges are made to reimburse Ry admns for the expenses they are at in receiving & loading goods on the one hand and in unloading & delivering them on the other; and so long as they are restricted to such sums as are necessary for such purpose they are both legal & unobjectionable - But a terminal charge of 1½ annas a md (!!!) imposed on an extremely cheap but essential article of human consumption for the purpose not of meeting the object above stated, but of driving traders to employ a particular carrying agency in the appt. of which they have had no voice, is not only extremely objectionable but absolutely illegal; and it surprises me that the Cons. Engr. should defend it. A reference to s.46(2) of the Railway Act shows clearly that terminals are to be fixed "with regard only to the expenditure reasonably necessary to provide the accommodation in respect of which terminals are charged", and from s.3(14) of the same Act it will be seen exactly what is the meaning of the word "terminals". The action of the E.C.R. seems to me quite indefensible - a representation on the subject should at once be made to the Govt. of India -

HS

maunds were sent by merchants who either had their own carts and boats at Cuttack, or had advances out with carts and boats, and want to recover them. The newly established transit however is at their disposal for 2½ or 2 annas per maund, a very reasonable charge for the Barang Cuttack journey.

The Manager E.C.R. having established this out agency is, in my opinion, perfectly justified in putting a terminal charge of 1½ annas on all goods arriving at Barang, whether from Cuttack, or for Cuttack, which do not choose to make use of the out agency.

The out agency, which enables the salt merchant of Ganjam to book his salt to any point touched by the Cuttack Calcutta steamers, undoubtedly aids in the distribution of the Ganjam salt Calcutta-wards, and that, I take it, even to a larger extent than the terminal complained of impedes it.

I consider the freight charged on salt, 1/7th pie per md. per mile, to be as cheap as any railway can afford to carry it at, except for full waggon loads, and that in steady supplies, to be regularly counted on.

HS
Penalty would treble the freight of salt from Ganjam to Cuttack

HS 22/9/97

[illegible] JM

A.G.H 17.11.97

per md. per mile. is in the opinion of this

Dept received petitions from some of the merchants whom for one reason or another it did not suit to pay 2½ or 2 annas per maund for the carriage of their salt through Barang to Cuttack at the rate of the Railway, and that they did not take the trouble to ask the Manager E.C.Ry. to explain the true facts of the case.

I do not think that the Board of Revenue was right to select Mr. Boyce the Traffic Manager for special attack in the last two or three lines of their Resolution. He is in no respect their servant, and they ought to have gone no further than the Manager whose servant is Mr. Boyce. Every order that Mr. Boyce gives is an order of the Manager.

I am quite satisfied of one thing, that the E.C.Ry. Management know very little about the conditions of the Salt Dept's business, and I made a remark to this effect in my Inspection report: but in my opinion it would be very much more effective if, instead of railing at their mistakes, the Board of Revenue would prepare a clear statement for them of precisely how things stand, and show how the two Departments of State business could work in unison, to their mutual advantage. Personally I experienced considerable difficulty in acquainting myself with what I know of the salt question. Reports and Resolutions are written by men who know every detail of it. But they must necessarily be read by men who have no such knowledge. F.W.S. [illegible]

C

Naturally the merchants will complain if treated illegally for the benefit of a Calcutta firm. The whole transaction is so outrageous a one that, to my mind, it warrants the gravest suspicion of the bona fides of the Govt. officers who are concerned with it.

H.S.

D

If this Mr. Boyce is the same person on whose entire ignorance of the conditions of a very important trade, which should be served by and serve the E.C.R., I formerly remarked, I am not surprised that the Bd. used strong language. It seems to me more than deserved. It is noticeable that the Ry. Manager is careful not to say that, in fixing this terminal, the Traffic Manager acted under his predecessor's orders; so it appears that the Bd. is quite right in supposing that the Traffic Manager acted on his own authority.

H.S.

My office ought never to have let the Board's remarks about Mr. Boyce. I would not have allowed it if I had seen it. F.W.S. 21/9/97

E

I have no doubt the Bd. wd. be pleased to prepare such a statement if the Cons. Engr. wd. suggest it. But it must be remembered that the Ry. has now been open several years so that the Ry. officials have had ample time to acquaint themselves with the facts. But obviously they have never troubled to do so. The Cons. Engr. admitted to me the other day that neither the late nor the present manager was efficient men & I imagine he wd. make the same admission as to the Traffic Manager.

Let this note go to the R.D.

H.S.

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(2) H.E. The Governor

(1) The Hon. Sir H. Bliss K.C.I.E.

(3) " " Mr. Gross C.I.E.

What else can be expected of a railway supplied with 100-ton engines to draw 50 ton loads?

H.S.

Why, the Traf. Manager himself admits that when the rates are reduced from 2½ to 2 annas in the monsoon & from 2 to 1½ annas at other times of year, per maund, the carrying agents will still have a profit — That is, the present rates may be reduced by an average of 22½% & still leave a profit. I did not say that the charge now made was exorbitant. If I had done so, I think I should have been mistaken. What I said was that the whole transaction was outrageous and I say so still. Put into plain language:— The traffic manager has imposed an obviously illegal charge in order to drive people to employ a firm of carrying agents. I know neither the Traf. Manager nor Messrs. Bird & Co and am not of a particularly suspicious nature; but it looks uncommonly like a case of collusion between the two to plunder the public. If the Traffic Manager is not guilty of corruption, he has done his best to make people think that he is. If I had anything to do with the matter I should have him out of that Railway pretty sharp.

H.S. 22/9/97

Cir 21/9/97

R/ 19.11.97

Consulting Engineers

In my note dated the 10th Sept. I did not sufficiently clearly realise what the effect of the charge of 2½ to 2 annas per maund was on the price of salt, and its equivalence in freight mileage. I had more clearly in view the fact that every ton of goods now carried on the E.C.Ry. is carried at a dead loss of about ⅓d. per ton per mile.

I think now, on more mature consideration, that the Hon. Sir H. Bliss is right about the illegality of the charge. But I am not so clear about its being actually inequitable. The probability is that numbers of the traders will only learn the existence of this very convenient transit Agency brought home to them by the fact that the Railway do not charge any terminal if it is utilised.

I do not share with Sir H. Bliss the opinion that the charge made for the actual transit is exorbitant. The few miles are very difficult ones with, I believe, several transhipments between boat and cart at certain times of year, and heavy draft through broad sandy bedded rivers at others. The advantage, to the consignor, of responsibility for the safety of his goods continuing with the Railway is worth money to him, and so is the saving of his not having to maintain an Agency of his own. It is not fair to compare

per md. per mile. is in the opinion of this

[illegible] increase, [illegible] practically will treble the freight of salt from [illegible] to Cuttack

H.S. 22/9/97

[illegible] J.M.

A.9.H 17.11.97

Dept received petitions from some of the [illegible] — which involving carrying a good road for several days at a time with no loading or unloading except at start and finish.

I have drafted what seems to me to be a suitable letter to India. After its issue, if approved, the Rev. Dept can be addressed in the sense of the last para of my Note and of Sir H. Bliss' remarks thereon. and the Note can be sent to the Rev. Dept. as desired by the Hon Member.

F.J.S.
21/9/97

C

[illegible] the difficulties of the short transit justified an additional charge more than 200% higher than the ordinary charge

B.S

Yes
B.S

A.S.H.

I have put the present Manager in touch with Mr Wilbrook, and also with Mr Macnab. and have had a long talk with him and also with his very intelligent young Deputy Mr R.B. Gales, about this whole salt business. I think that they may now be trusted to familiarise themselves with the condition of the manufacture and of the trade. They were in absolute ignorance of the condition of the trade between Konada and the interior, and about the carters being themselves small traders, and about the advisability of making Tuni and Vizianagram the trade termini instead of Vizagapatam. Mr Macnab proposes to bond salt at Tuni and Vizianagram, and the effect of this will I hope be at once to make the E.C.R. see the importance of a siding to Konada. I shall write more of all this in my Inspection report. F.J.S. 11/1/98

Engineers Current No. 3

Ry: Branch

A

PROCEEDINGS OF THE MADRAS GOVERNMENT.

READ the following

Print — Progs: of the Madras Govt: Revenue Deptt: — H.E. No 4173 Mis dy 10 Augt 97

Print — Endorsement from — do — R No 1595 dy 26 do

Print — Letter from the Manager East Coast Ry with Enclos — 7110 dy dy 6 Septr

14

The Governm

of India will be addr

F.J.

H.E. No 1014 Ry

To

The Cons. Engr for Rys
— Revenue Deptt
— Manager E.C.Ry.

Desp. 18/12/97

Evidence practically will treble the freight of salt from [illegible] to Cuttack

B.S
22/9/97

A.S.H.
17.11.97

regd J.M.

[illegible] 8 pages [illegible]

[illegible] is in the opinion of the

Inspection report. 7/P.S. 11/1/98

E. Form No. 12. No. 1014 a E 8

15 P

Government of Madras.

A/

PUBLIC WORKS DEPARTMENT,
RAILWAY BRANCH.

To
The Secy. to the Govt. of India,
P. W. Department.
Calcutta

Madras, the 23rd Novr 1897.

Sir,

For the avowed purpose of developing the through booking of goods between stations on the E.C.Ry. and Cuttack, Chandbally and Calcutta, and of discouraging the use by consignors of Barang as a transit Terminus, the Manager of the East Coast Ry. has recently imposed a so called "terminal" charge of ~~[illegible]~~ 1½ annas per maund, equivalent to ~~[illegible]~~ Rs. 2-8-6 7/11 per ton, on salt consigned to Barang as a Terminus instead of being booked over the transit agency forward to Cuttack and beyond.

No. This is kind of Co's charge. The terminal is 1½ annas a md.
BS
right
JM

JG
23/9/97

2.– The imposition of such a terminal charge, which is equivalent to the cost of ~~[illegible]~~ 126 ~~[illegible]~~ 7/11 miles of freight at 1/7th pie per md. per mile, is in the opinion of the

These figures also must be altered. The terminal is equivalent to the freight for 126 miles, I make out.
Evenso, it must pretty well treble the freight of salt from [illegible] to Cuttack
BS
22/9/97
right JM
A.G.H.
17.11.97

~~[illegible]~~ Government inconsistent not only with the definition of terminal as given in ~~[illegible]~~ Sect. 3, (14) of the Railway Act, but also with the provisions of Sect 45 and 46 of that Act.

3.- I am therefore to express a hope that the Govt of India may see their way to ordering the immediate removal of the charge in question, and of directing the repayment ~~[illegible]~~ to goods consignees of the amounts which, in the opinion of H.E. the Governor in Council, have been illegally levied from them.

I have &

F.K.S.

21/9/97

Mis Copy Desp to Secy 24/10/97

:—

— Nil —

—

35. S. C. desp to Secy on the 18/12/97