M.R.O. 14—18,000—27-9-24

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2798 Press Mis.

374-375

Dated 15 – 10 – 1866.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department,
15th October 1866.

No. 374. Read the following Proceedings of the Board of Revenue, dated 24th September 1866, No. 6,849.

Read Endorsement of Government, dated 18th May 1866, No.—, forwarding, for Board's observations, letter from the Conservator of Forests, dated 15th May 1866, No. 1,805, respecting the continuance of the advance system for cutting timber.

1. I have the honor to inform you that the Accountant General and Board of Revenue have lately raised great objections to the outstanding advances against the Mudumallay Forest; Major Morgan, the Deputy Conservator in charge, has, therefore, advertised for tenders for the carriage of timber to Ootacamund, but finds that, if we must cart our timber without advances, we shall have to pay two annas per cubic foot more than at present.

2. The annual demand for timber at Ootacamund is about 40,000 cubic feet, and by our present system, about three-fourths of this is carted by Contractors, to whom considerable advances have to be given, the remaining one-fourth is carted by our own carts, which are only thirty in number; the Contractors are paid eight annas per cubic foot from Mudumallay, and six annas from Seegoor. If we are now compelled to cart without advances, we must pay ten annas per cubic foot from Mudumallay, and eight annas from Seegoor, which, upon 30,000 cubic feet, will give an annual surplus expenditure of 3,750 Rupees for carting. Under the advance system, we generally have an outstanding balance of from 8,000 to 12,000 Rupees, and there are occasionally some bad debts, and Contractors die, and sums become irrecoverable; but these are not estimated as much as 500 Rupees annually: under these circumstances, I would strongly recommend that the present system be continued, and that the Revenue Board and Accountant General be requested to allow these advances both in the Mudumallay Forest and other forests worked by the Department, as unavoidable at present.

3. I enclose, for reference, a letter* from Major Morgan on the subject, and two tenders.†

* No. 22, dated 9th May 1866.
† To be returned.

4. Whilst upon the subject of advances, I wish to draw the attention of Government to the great want of a Contract law, which is much felt in all our forests, and is the cause of most of the bad debts under the advance system. As the law at present stands, Contractors can take advances and never attempt to perform any work, and the person giving the contract is powerless until the period allowed for its performance has lapsed; the Contractor can then be apprehended and brought before the Magistrate, and if he refuses either to refund, or to work, (the choice is given to the Plaintiff,) he can be imprisoned for three months; if, however, he then agrees to refund or to work, he is immediately released without any punishment; the consequence of this is, that many parties take advances simply to get the money without interest, and only refund it when apprehended and brought before a Magistrate, to accomplish which often gives our Officers great trouble and annoyance; others, immediately on receiving our advances, go off to planters or private traders to liquidate some former advance, and do not attempt our work until forced to. All this might be remedied by a good Contract law.

From the Deputy Conservator of Forests, to the Officiating Conservator of Forests, dated Ootacamund, 9th May 1866, No. 22.

1. I have the honor to inform you that, in consequence of the objections to advances made by the Conservator of Forests, Accountant General, and Board of Revenue, I advertised for tenders for the carriage of timber from Mudumallay Karkana to Ootacamund. I received two tenders;* the first cannot be entertained, as it stipulates for advances; the second is at a high rate, but not more than I expected, if the late enormous rise in labor and provisions is taken into consideration.

* Enclosed.

2. Our present rates are, from the Karkana to Ootacamund, 8 Annas a cubic foot, or 25 Rs. a ton for a distance on a gradient of 1 in 25 equal to 46 miles; the Contractor's rates are 31-4-0 for the same amount, or a difference of Rupees 6-4-0 per ton. On the Coonoor side, the Contractor's rates are Rupees 42 per ton for the distance of 65 miles, or 10 Rupees for the difference, at the rate of 8 Annas a mile a ton; and if we cart 30,000 cubic feet annually, the difference between what we at present pay, and what we shall have to pay to the Contractor, may be estimated at Rupees 3,750 (tons 600 × 6¼ Rupees) annually, a serious amount, and the question is if it is expedient to pay this amount for the purpose of doing away with advances to cartmen.

3. My own opinion is, that the Wellington Barracks would not have been built to this day, if I had not made large advances to cartmen; and I recommend that we carry on the present system. Our advances need not exceed 12,000 Rupees at one time; at present they do not exceed 8,000 Rupees, and as we are not likely to lose Rupees 3,750, the sum we shall have to pay the Contractors in a year by defaulters, I do not see that any advantage will be gained by accepting the tender.

4. Last year we carted to Ootacamund 43,000 cubic feet; of this amount 31,000 cubic feet were carted by cartmen, and 12,000 cubic feet by Government carts, now 30 in number.

5. The amount required for public works may be taken in round numbers at 40,000 cubic feet annually for the next five years.

6. There are but three courses open, and one of them must be adopted as early as possible. The first is to stop all advances and depend upon Government carts alone, with the certainty of bringing the public works to a stand still for want of timber. The second is to accept the tender at the advanced rates. The third is to continue the present system of advances supplemented by our Government carts.

7. The advances are made to cartmen upon the mortgage of their bullocks and carts, and another known bandyman, which is sufficient to realise the amounts if they fail to fulfil their contracts.

Enclosures Nos. 2 and 3.—Tenders.

Referred to the Board of Revenue for their observations on paragraphs 1 to 3.

18*th May* 1866.

(Signed) J. D. SIM,
Secretary to Government.

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1. The Board consider the whole system of advances to be objectionable on principle, and they need only refer to the repeated complications that have occurred in connection with the Anamullay Forests to illustrate their opinion.

2. Doubtless its abandonment would at first lead to an apparent and probably actual increase of expenditure; but the Board are confident that in a short time competition would bring down the charge to its proper level, and a system of short contracts would expedite the attainment of this end.

3. If Captain Beddome's estimate of the additional expense proved to be correct, and to be permanently maintained, some ground might arise for reconsidering the subject; but the Board are decidedly of opinion that the system of no advances and short contracts should have a fair trial for some years.

4. The present system is radically bad, and involves much which it is most drsirable to avoid.

No. 375. ORDER THEREON, 15th October 1866, No. 2,798.

Forests, No. 11.

1. The Government concur in the remarks of the Board of Revenue as to the evils of the advance system. The extra charge which may be incurred by introducing contracts will be fully counterbalanced by the simplicity of the accounts, and as observed by the Board, competition will soon bring down the charge to its proper level.

2. The Acting Conservator of Forests will issue the necessary instructions to his subordinates that the advance system must cease with the current official year. The contracts should at first be of moderate amount, and tenders should be invited promptly.

(True Extract.)

(Signed) A. J. ARBUTHNOT,
Chief Secretary.

To the Board of Revenue.
,, the Acting Conservator of Forests.
,, the Accountant General.

Exd. S. T. Augustin.

No. 6,849.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 24th September 1866.

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1. I have the honor to inform you that the Accountant General and Board of Revenue have lately raised great objections to the outstanding advances against the Mudumallay Forest; Major Morgan, the Deputy Conservator in charge, has, therefore, advertised for tenders for the carriage of timber to Ootacamund; but finds that, if we must cart our timber without advances, we shall have to pay 2 Annas per cubic foot more than at present.

2. The annual demand for timber at Ootacamund is about 40,000 cubic feet, and by our present system, about three-fourths of this is carted by Contractors, to whom considerable advances have to be given, the remaining one-fourth is carted by our own carts, which are only 30 in number; the Contractors are paid 8 Annas per cubic foot from Mudumallay, and 6 Annas from Seegoor. If we are now compelled to cart without advances, we must pay 10 Annas per cubic foot from Mudumallay, and 8 Annas from Seegoor, which, upon 30,000 cubic feet, will give an annual surplus expenditure of 3,750 Rupees for carting. Under the advance system, we generally have an outstanding balance of from 8,000 to 12,000 Rupees, and there are occasionally some bad debts, and Contractors die, and sums become irrecoverable; but these are not estimated as much as 500 Rupees annually: under these circumstances, I would stronly recommend that the present system be continued, and that the Revenue Board and Accountant General be requested to allow these advances both in the Mudumallay Forest and other forests worked by the department, as unavoidable at present.

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ENCLOSURE No. 1.

From Major H. R. MORGAN, Deputy Conservator of Forests, to the Officiating Conservator of Forests, dated Ootacamund, 9th May 1866, No. 22.

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* Enclosed.

2. Our present rates are, from the Karkana to Ootacamund, 8 Annas a cubic foot, or 25 Rupees a ton for a distance on a gradient of 1 in 25 equal to 46 miles; the Contractor's rates are 31-4-0 for the same amount, or a difference of Rupees 6-4-0 per ton. On the Coonoor side, the Contractor's rates are Rupees 42 per ton for the distance of 65 miles, or 10 Rupees for the difference, at the rate of 8 Annas a mile a ton; and if we cart 30,000 cubic feet annually, the difference between what we at present pay, and what we shall have to pay to the Contractor, may be estimated at Rupees 3,750 (tons 600 × 6¼ Rupees) annually, a serious amount, and the question is, if it is expedient to pay this amount for the purpose of doing away with advances to cartmen.

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6. There are but three courses open, and one of them must be adopted as early as possible. The first is to stop all advances and depend upon Government carts alone, with the certainty of bringing the public works to a stand still for want of timber. The second is to accept the tender at the advanced rates. The third is to continue the present system of advances supplemented by our Government carts.

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18th May 1866.

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Secretary to Government.

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2. Doubtless its abandonment would at first lead to an apparent and probably actual increase of expenditure; but the Board are confident that in a short time competition would bring down the charge to its proper level, and a system of short contracts would expedite the attainment of this end.

3. If Captain Beddome's estimate of the additional expense proved to be correct, and to be permanently maintained, some ground might arise for re-considering the subject; but the Board are decidedly of opinion that the system of no advances and short contracts should have a fair trial for some years.

4. The present system is radically bad, and involves much which it is most desirable to avoid.

(True Copies and Extract.)

Secretary.

To the Secretary to Government, Revenue Department,
with two enclosures returned.

Exd. J. Wright.

Introduced that the Ordinance system must cease with the current financial year. The contracts should at first be of moderate amount and tenders should be invited from

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L D S

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14 Bdl of Rec
Dupl B

4 Ap Cons of Tmr L S

6 Acct Gen L S

Exd. J. Wright