Proceedings of the Madras Government, Revenue Department,
11th May 1871.

No. 133. Read the following Proceedings of the Board of Revenue, dated 25th April 1871, No. 1,712 :—

Read the following letter from the Acting Collector of Chingleput, to the Acting Secretary to the Board of Revenue, dated Sydapet, 18th March 1871, No. 105.

WITH reference to paragraph 6 of the Board's Proceedings, dated 7th December 1870, No. 6,976, I have the honour to forward the explanation of Mr. Smith, which he was required to furnish with reference to certain allegations made by Mr. Grainger, in respect of the rates paid for unlading and weighing salt at the Madras Cotaur.

ENCLOSURE No. 1.

From A. SMITH, Esq., Deputy-Collector, lately in charge of Salt Department, to the Acting Collector of Chingleput, dated Sydapet, 2nd March 1871, No. 208.

I HAVE the honour to submit the explanation called for by the Board in paragraph 6 of their Proceedings, dated the 7th December last, No. 6,976.

2. This explanation has been demanded, in consequence of certain allegations made in a letter from Mr. Grainger to the Board, in which he attempts to show that the rates paid for unlading and weighing salt at the Madras Cotaur are "extravagantly high."

3. Mr. Grainger essays to prove his rather startling assertion by instituting a comparison between the *rates* at present paid for unlading and weighing salt with the paltform machine, and the *hire* which he proposes should be disbursed for those operations with the new machine which he has devised for the use of the department.

4. Without calling in question Mr. Grainger's calculations, and even admitting them to be correct so far as figures go, it may here be observed that the points compared are not altogether analogous, and that this defect vitiates, or rather renders uncertain, the conclusions at which he has arrived.

5. Under the present system, unlading and weighing constitute *two* distinct operations, performed at two *different* times. Under the new system the two operations will be performed at *one* and the *same* time, and will thus lead to a large saving in favour of the new machine, and tell in proportion against the charges paid for those operations with the platform machine. This is an important point of difference which should be carefully borne in mind.

6. Again, under the present system payments are made for labour to contractors or maistries at a fixed rate per 100 Indian maunds for the *quantity* of salt actually received into store. Under the new system contractors appear to be ignored, and labour is to be paid for in the shape of *hire* at certain fixed rates per diem, irrespective of the quantity of salt unladen and weighed. The profits of the contractors, who are bound by a penal agreement to provide the large number of coolies required by the department, are thus excluded from the charges of the proposed system, and consequently tell so far in its favour and *against* the rates paid under the present system. Here then is another point of difference which should not be overlooked.

7. In estimating the profits of contractors, it should be remembered that they are subject to fines, if a sufficient number of coolies is not daily provided by them ; that they make advances to coolies to secure their attendance, and often lose those advances or portions of them by the men dishonestly breaking their engagements ; and that often when work is suspended, in consequence of the non-arrival of boats with salt, the contractors pay the coolies present a moiety of their hire, while they themselves receive nothing as a set off from the department. These contingencies require that the rates paid to the contractors for labour should be fair and liberal ; but no provision is made for such contingencies in Mr. Grainger's statement of cost of working the new machine and the omission forms in consequence an item of reduction in its favour.

8. Mr. Grainger appears to be sanguine as to the success of his machine, and the cost at which it can be worked. Equally confident also was the projector of the platform machine, which has now been condemned as unsuited to the requirements of the department. Even Mr. Grainger himself, after dwelling on the efficiency of his proposed "Whipping Frame," and the large saving (paragraph 3) which he alleges may be effected from its adoption, fairly gives it up (paragraph 11) as "certainly unnecessary" for employment in the department.

9. If, instead of instituting comparisons between an existing system, and one not yet practically tested by sufficient trial, Mr. Grainger had shown that he could, throughout an entire season, work the present platform machine, which alone, be it remembered, was at the disposal of the department, at much lower rates than are now paid, he would have done something to establish his point regarding the extravagantly high rates which he alleges to have ruled in the department,

10. I do not think that the present rates for working with existing means and appliances are at all high, under the difficulties necessarily incidental to the conduct of such enormous transactions as prevail at the Madras Cotaur. These rates have received my attention, and I have twice subjected them to reduction as shown below :—

Items.	1864.		1866.		1868.		Remarks.
	Rate per 100 Indian Maunds.	Cost per heap of 20 Garce.	Rate per 100 Indian Maunds.	Cost per heap of 20 Garce.	Rate per 100 Indian Maunds.	Cost per heap of 20 Garce.	
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	
Hire for unlading.	0 8 0	12 0 0	0 8 0	12 0 0	0 7 0	10 8 0	In 1866, a reduction was made of Rs. 1-8-0 and in 1868 of Rs. 5, in the cost of unlading, etc. etc., a heap of 20 garce, as compared with the cost in 1864.
Do. weighing.	0 7 0	10 8 0	0 6 0	9 0 0	0 5 0	7 8 0	
Forming and covering	0 1 8	2 8 0	0 1 8	2 8 0	0 1 7	2 6 0	
Sundries such as baskets, mamooties, wooden scrapers, etc., etc....	0 0 9	1 2 0	0 0 9	1 2 0	0 0 6	0 12 0	
Total ...	1 1 5	26 2 0	1 0 5	24 10 0	0 14 1	21 2 0	

11. I regret that I have not been able to comply with the Board's order that I should depend, as far as possible, on figures only for my explanation. I have no other explanation to give than what I have above furnished ; and I find it impossible, or rather beyond my limited ability, to show by figures what can only be explained by words. I have also tried to exclude all irrelevant matters ; but if I have unhappily erred in this respect, I must beg the Board's forbearance and forgiveness.

MR. SMITH'S explanation will be submitted to Government with reference to paragraph 2 of their Order, No. 123, dated 18th January 1871. The Board regret that it is not more satisfactory.

2. Mr. Grainger's charge against the department was simply that the cost of 64 coolies is charged for what Mr. Smith now admits can be done by 24.

3. Mr. Smith admits the correctness of Mr. Grainger's figures, but urges (1) that under the present system the operations of unlading and weighing are *distinct*, whereas under the new system they will be performed at one and the same time and that a large saving is thus effected; (2) that the labour required is now obtained by contract, and that liberal allowance has to be made for contractors' profits, etc., whilst Mr. Grainger has calculated the actual cost of the number of coolies required.

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4. Now with reference to the first argument Mr. Smith has apparently overlooked the fact that Mr. Grainger clearly distinguishes between the cost of unlading and the cost of weighing, and that he has founded his charge of extravagance on figures supplied to him by the Salt Superintendent, Mr. Smith's subordinate. The comparison was fairly made between the cost of unlading as now charged, and the cost for which Mr. Smith admits it can be done ; and he has quite failed to explain the enormous difference.

5. Something must, of course, be allowed for contractors' profits as urged in his 6th and 7th paragraphs, but the basis of any estimate for deciding on the amount that should be paid for unlading, weighing, and storing, should clearly be the actual number of coolies required to perform those several operations, and this the Salt Superintendent has given in Table I. ; and, as it now turns out, there is a clear excess of forty *coolies* in the matter of unlading thirty-two garce alone. Allowing even $\frac{1}{16}$th of this or 16$\frac{2}{3}$rds per cent. (on twenty-four coolies) as contractors' profits the excess is quite unaccountable ; and the Board resolve to call upon the Collector for a full explanation as to the system on which these contracts have been hitherto entered into so as to show clearly how far Mr. Smith is personally responsible for the excessive rates charged. In future they will, of course, be put up to public competition in accordance with Standing Order No. 1 of 1871.

6. It does not appear that the reductions for which Mr. Smith claims credit in paragraph 10 were made on any recognized principle, and the Collector should submit some further explanation as to this, showing whether any calculations or experiments were made to discover the real cost of the operations.

7. Considering the very grave character of the charges brought by Mr. Grainger, the late Acting Collector should not have forwarded Mr. Smith's letter without a careful personal inquiry into all the facts of the case ; but should have given the Board the benefit of his opinion as to the sufficiency of Mr. Smith's explanation. Mr. Smith's remarks in paragraph 8 are uncalled for and irrelevant.

No. 134. ORDER THEREON, 11th May 1871, No. 825.

Separate Revenue, No. 9.
Salt.

ORDERED to lie over, pending receipt of the explanation called for from the Collector in paragraphs 5 and 6 of the foregoing Proceedings.

(True Extract.)
(Signed) D. F. CARMICHAEL,
Acting Secretary to Government.

To the Board of Revenue.

Exd. F. R. Bantleman.

N. 825.

Ordered to lie over,

pending receipt of the

explanation called for from

the Collector in Jersey &c &c &c

of the forfeiture Proceedings

11th May 1870.

Letter Treasury Rec'd Dec 19 69