Proceedings of the Madras Government, Revenue Department, 6th September 1872.

No. 45. Read the following Proceedings of the Board of Revenue, dated 22nd August 1872, No. 1,665:—

Read the following letter from A. MACGREGOR, Esq., Collector of Malabar, to the Secretary to the Board of Revenue, dated Calicut, 26th July 1872, No. 175:—

In continuation of the subject of my letter of the 10th January 1872, No. 12, I have the honour to submit the result of further enquiries into the burning of the salt gollah at Cannanore on the 24th of December last.

2. The Acting Sub-Collector reported on the 26th December the circumstance of the fire having occurred, and suggested the immediate weighing of the salt.

In a demi-official of the same date, he stated that there was reason to believe that the fire was the work of the Superintendent's enemies, and requested instructions as to whether he should suspend him. I quote from memory not having the demi-official. The following day, the 27th, I wrote sanctioning the weighing of the salt, directing that it should be stored as weighed in heaps convenient for sale, and one such heap immediately opened for sale, and directed a searching enquiry to be made as to the causes of the fire. I was not of opinion that under the circumstances the suspension of the Superintendent was advisable, as if the suspicion was true as to his ill-wishers having fired the gollah, the measure would obviously have encouraged them.

3. Owing to the circumstance that soon after the fire, in fact before the end of the Christmas holidays, the Sub-Collectorate changed hands, that the weighing-machines were destroyed and no proper substitutes were available, a considerable delay occurred before the stock could be weighed and the deficiency ascertained.

4. It will be recollected that on the 26th April 1870, the same gollah was destroyed by fire, and that out of the stock then in hand, amounting to 41,237 maunds, a deficiency of 4,078 maunds or $9\frac{3}{4}$ per cent. was eventually found.

On that occasion I did not deem it necessary to have the balance at once tested, there being no suspicion that the fire was other than accidental.

Considering the fact that on the previous occasion the eventual loss had so greatly exceeded the estimate, it was determined to test the stock at once, and on the weighing being concluded on the 11th February, a deficiency of 11,086 maunds appeared out of a total of 41,946 maunds, or more than 26 per cent. The Superintendent was at once called on for an explanation, and on his failing to give a satisfactory account, criminal proceedings were commenced by the Acting Joint Magistrate.

5. It will be seen that this percentage greatly exceeded that on the former occasion, though there were several reasons why the loss should have been considerably less. In the first place, the building hastily run up after the first fire was a mere shed which was rapidly consumed, while on the former occasion there were large beams and rafters which burned for some 36 hours, and in the attempt to extinguish them a large quantity of water was used.

The whole monsoon too interfered on the first occasion between the fire and the final measurement, during which some wastage was to be expected, more especially as it appears to be the case that salt that has been exposed to great

heat wastes more from subsequent changes from wet to dry than salt in the ordinary state. On the other hand, however, the salt was weighed on this occasion during an exceptionally dry hot season, and would, to some extent, exhibit a loss as compared with salt weighed during damp weather.

6. From the reports received after the fire, there was, as above stated, nothing to throw suspicion on the Superintendent, and it was only when the magnitude of the loss was ascertained that he was at once suspended and a Magisterial enquiry commenced.

During the weeks which intervened between the fire and the completion of the measurement, the salt, as measured, was handed over to the Superintendent to admit of current demands being met, and considerable sales from this amount had taken place under his directions, and in the quantity from which these sales had been carried on a further deficiency has since been discovered. The amount could only be ascertained on the completion of the sales of this portion of the stock, and the Sub-Collector in a letter of the 31st May reported that the amount was found to be 4,761 maunds, while in the 11,830 maunds of salt received from Bombay and stored by the Superintendent subsequent to the fire and previous to his suspension, a loss of 2,122 maunds was found, raising the entire deficiency to 17,969 maunds exclusive of 389 maunds of salt so mixed with ashes and debris that it had to be sold for what it would fetch, Rupees 83-12-0.

7. From the report of the Sub-Collector it will be seen that no legal proof could be obtained sufficient to justify the conviction of the Superintendent on a criminal charge. The exact amount of wastage that might occur during a fire, and from water used to extinguish it, must obviously be a matter of speculation sufficiently doubtful and uncertain to turn the scale in the favour of a prisoner.

8. Again, as regards the subsequent losses the responsibility is divided, owing to the Superintendent having been detained in custody some time before this deficiency was discovered.

Salt is an article of such bulk that it is found practically impossible to weigh it over when charge is assumed by a new officer, and in the present case it was scarcely to be imagined that supposing the Superintendent had embezzled salt and burned down the gollah to conceal it, he would have immediately re-commenced the embezzlement while the inquiry was still pending.

9. The man placed in temporary charge was a promising Clerk in the Sub-Collector's Office, who had the assurance of being confirmed if he gave satisfaction. The usual course when a gollah changes hands is to hold the outgoing Superintendent responsible for any deficiency that may be ascertained in rooms stored under his seal, and he either remains present himself or employs an agent to watch that the salt is fairly sold. On the Superintendent being suspended, he was directed by the Sub-Collector by written order to be present at the sales, but he declined. Viewed by the light of the subsequent discovery, the omission at once to weigh out the entire stock for which the Superintendent was responsible was an error, but a deficiency in this was not anticipated. The Superintendent was suspended on the 19th February and placed in custody on the 2nd of March, and the sales were completed and the second deficiency ascertained on the 29th March.

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10. The explanation afforded by the Superintendent of the deficiency was that the salt had lost greatly in weight both from the heat of the fire and subsequent exposure to the sun; that a considerable amount was washed away by the water used in attempting to extinguish the fire; that after the fire a considerable quantity of salt was weighed with a faulty machine.

11. As regards the first excuse, we have the knowledge gained during the previous fire, that the deficiency from these causes only reached $9\frac{3}{4}$ per cent. On the other hand it must be admitted that the whole of the salt on the present occasion has been weighed out during an unusually hot and dry season, so that to some extent the cases are not strictly similar for comparison. I say this merely to give its full weight to the defence on this point so far as concerns a criminal proceeding. Making every allowance, however, for this, the deficiency is enormously in excess of anything that can reasonably be admitted.

12. As regards the alleged error in weighing, the machine at first used was brought from the Tellicherry gollah and was one of the old pattern machines, and like all those used on this coast much rusted. With this 8,390 maunds were weighed out and sold under the immediate supervision, first of the Acting Sub-Collector Mr. Buick, then of the present Acting Sub-Collector Mr. Spedding.

On the 6th January Mr. Spedding's attention was drawn to the fact that a difference was exhibited in the result, the weight of the same quantity of salt as indicated varying with the position in which the bags were placed on the platform.

The maximum error he estimated rose to 7 per cent., so that only 588 maunds can be accounted for in this way even allowing all the error to have been against the seller.

13. There being thus no sufficient explanation of the deficiency, I have dismissed the Superintendent and Shroff and the Peons, as there is no doubt that the extensive defalcation could not have occurred without the knowledge and connivance of all.

14. In regard to the causes that have rendered it possible for the deficiency to occur to such an extent without detection, the main one to my mind is the fact, that owing to the necessity of providing at once for the storage of the salt after both the fires, the salt had to be kept in large bulk instead of being divided into compartments of moderate size in which any deficiency could from time to time be ascertained.

The only gollahs in this district, the construction of which admits of this system being properly carried out, are Ponani and Beypore, and the check on fraud thus secured was clearly shown during the occurrences at the former gollah, reported in my letter of the 14th June last, No. 144.

15. There can be no doubt that if the salt trade is to be carried on as now, extensive renewal and remodelling of the existing building accommodation is required, but in the present uncertainty of the question, I have naturally refrained from pressing for large expenditure on permanent gollahs.

As yet, too, no satisfactory plan of building has been invented, as masonry walls are found to give to the great pressure exerted by salt in bulk, while temporary buildings of wood and thatch are liable to conflagration.

Iron roofs have proved failures owing to the extreme variations in temperature under them.

16. I am inclined to believe that the best method to be adopted now is the construction of high masonry enclosure walls with low sheds of cadjan and timber inside, so arranged that the salt can be kept in rooms of 20 garce each. This form of gollah is used by the Travancore Government at Alleppy and answers well. The walls of the sheds are composed of the outside slabs rejected when timber is sawn up, and there is a coating of bamboo mat outside and in, sown together through the spaces between the planks.

17. Another precaution which has been suggested to me by late frauds is that the assistance of the Police should be obtained as in other districts. What I propose is a Constable always on duty at the gate of the gollah to whom a pass is to be handed covering every batch of the salt removed by a purchaser. The passes should be issued in duplicate from a consecutively numbered book* with counterfoil, one to be delivered to the Constable and filed by him at the station-house and forwarded to head-quarters in batches daily, the other to be retained by the purchaser as a still further check on both departments. Of course, the Constable might be tampered with, but the chances of detecting fraud would be greatly increased, especially as the guard would be constantly changed. Under the system no fraud could be carried on without the concurrence of the Salt Superintendent, the Police, and the purchaser. I have ascertained from the Superintendent of Police that an addition to the force of two Constables for each gollah would suffice.

* As per enclosed leaf.

18. There is, however, I think a more important measure which the increasing work in every department in this district calls for, and that is the appointment of a Deputy-Collector for Salt and Sea Customs. Hitherto these matters have been attended to by the Assistant Collector or Treasury Deputy, under the immediate supervision of the Collector, the assistance of the divisional officers when available being obtained on special occasions; but for some time past there has been but one Assistant whose time is fully occupied by the magisterial charge which formerly devolved on a Special Assistant Magistrate. The Treasury Deputy is fully employed having besides the duties of his Treasury, including the heaviest stamp charge in the Presidency, to superintend the currency and the registration of the Calicut Zillah.

19. Though there is no salt manufacture, the duties connected with the administration of the Salt and Sea Custom Departments are very onerous, involving constant correspondence and the scrutiny and comparison of returns, statements, manifests, bills of entry, and other voluminous documents which are continually pouring in.

Moreover, the work of supervision constantly requires the presence of the officer in charge, at the various ports and salt stores on the coast, and it is only at rare intervals, and never without great inconvenience, that he can under the existing arrangement be spared.

The new Local Funds Act also throws an immense amount of additional work on the Collector, of which the Assistant might, in his capacity of Vice-

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President of one Circle, relieve the Collector of some of the details, were he not already over-burdened.

20. The number of vernacular reports, orders, etc., received and written in the departments of Salt and Sea Customs during the half year ending June 30th is shown in the margin. This is exclusive of the English correspondence.

—	Number of letters and orders received up to June 30th.	Number of letters and orders sent up to June 30th.	Total.
Salt Department.. ...	299	189	488
Sea Customs Department.	571	450	1,021
			1,509

The salt revenue for the past Fasli amounts to more than eleven lakhs.

There are eleven ports in the district yielding a revenue of two lakhs, besides four Land Custom Chowkeys on the French frontier. The revenue, however, gives but a small idea of the work involved, as the free coasting trade requires constant watching on account of the facilities to fraud afforded by the adjacent Foreign port at Mahe. The total import and export trade for the official year 1871-72 was 500 lakhs.

These figures plainly show that there is full scope for the useful employment of a Salt and Sea Customs Deputy-Collector.

21. In conclusion, I have to apply for the sanction of the Board to write off the amount of the deficiency, 18,358 maunds. If the sum at which the salt can be replaced be taken as its value, it amounts at the rate of 7 Annas and 4 Pies a maund to Rupees 8,414-1-4. From this sum must be deducted the Rupees 83-12-0 mentioned at the foot of paragraph 6.

ENCLOSURE No. 1.

From J. B. SPEDDING, Esq., Acting Sub-Collector, to the Collector of Malabar, dated Tellicherry, 31st May 1872, No. 319.

I HAVE the honour to report, as desired in your letter No. 967G, dated 27th instant, on the several deficiencies of salt discovered in the Cannanore gollah.

2. After the fire which occurred on the 24th December last, steps were taken for weighing out the entire balance then on hand. A small quantity of this was weighed in the presence of Mr. Buick, a small quantity before me, and the remainder before the Sheristadar of this office, the Superintendent being present the whole time. The weighing was not completed until the 11th February. This delay, as I have already related, was owing to the destruction of the weighing-machine in the fire, and the discovery that a spare one fetched from Tellicherry was incorrect. I procured from the Arsenal at Cannanore a small machine, capable of weighing 4 maunds at a time. This had to be used in selling as well as in weighing out the balance, so that only a portion of each day could be devoted to the latter operation. The completion of this weighing disclosed the first deficiency of 11,086 maunds already reported. For this the late Superintendent is solely responsible.

3. The second deficiency of Maunds 4,761 was discovered when the sale of the balance, weighed as described above, was completed on the 23rd March. The sale of this balance was conducted by the Superintendent without supervision from the time of the fire until the 19th February, the date on which, finding that the Superintendent could not give any proper explanation of the original deficiency of 11,086 maunds, I suspended him for inquiry. I then appointed

the 7th Clerk of this office to perform the duties of Superintendent, and directed the suspended Superintendent to be present in his own interest at the sales of the remaining salt. This he refused to do, and I had no power to compel him. The completion of the sale of the balance resulted, as reported in my letter No. 202, dated 30th March, in the deficiency of 4,761 maunds out of the balance of 30,860 maunds.

4. For this defalcation also I consider the Superintendent responsible. It is impossible to fix it on him legally, as the sales, from the date of his suspension, were conducted in his absence. But I have no doubt that the Superintendent, knowing the predicament he was in, and that his dismissal, if not worse, was inevitable, went on embezzling on the principle that one may as well be hanged for a sheep as for a lamb.

5. The great mistake made was, in my opinion, not suspending the Superintendent immediately after the fire; or if there were objections to that course, not supervising the sales made by him as well as the weighing of the balance.

6. The two above-mentioned deficiencies were in the stock remaining at the time of the fire. The third (I think I may safely say the last) deficiency of 2,122 maunds which I reported on the 22nd instant was in the salt stored by the Superintendent after the fire and before he was suspended. He was not present at the official sale by the Clerk in charge of any of this, but I have no doubt that he had fraudulently disposed of the missing portion before he was suspended.

7. My reasons for being morally certain of the Superintendent's guilt as to the two latter items, are that the blame lies between him and the Clerk. The latter, Ittunni Rama Taravanar, is a most respectable young man and a promising public servant. From the time he was first employed in 1861, the remarks made by his superiors in the Service Register have been most satisfactory. An extract from the last entry by Mr. Logan, dated 18th March 1871, is—"I believe him to be thoroughly trustworthy. I deputed him on special duty in connection with the Moyan Escheat and had every reason to be satisfied with the way he performed the duty." It was on account of this high character that I selected him. The Superintendent, on the contrary, to say nothing of the former fire just two years ago, after which a large defalcation was discovered, cannot get out of the first deficiency of 11,086 maunds. I have no hesitation in stating my firm belief that he was the author of the fire. Previous impunity has so emboldened him that he is daring enough for anything of the sort, and again he has secured so much money that he is able easily to buy off or intimidate any persons able to give evidence against him.

8. The last of the salt stored by the Superintendent was sold on the 17th May, and there is now none in stock which has not been stored by the above-named Clerk; and I am certain that there will be no further loss.

9. On the 13th May I gave orders as to keeping the salt in separate heaps of 20 garce.

10. I will submit at an early date the information and plan called for in paragraphs 2 and 4 of your letter.

(True Copy.)

(Signed) A. MACGREGOR,
Collector.

ENCLOSURE No. 2.—Passes.

ON the 24th December 1871 the salt gollah at Cannanore was destroyed by fire, and the Collector now reports the result of the enquiry which followed. Immediately after the fire orders were issued for weighing the salt; and on the completion of the weighment a deficiency of 11,086 maunds out of 41,946 maunds or 26½ per cent. was discovered. After a previous fire at the same gollah, the wastage discovered on selling the salt in the usual course amounted to only 9¾ per cent.

2. On the deficiency being brought to light, the Superintendent was suspended; but in the interim he had conducted sales of the restored salt, and had

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stored salt newly arrived from Bombay. In the former item, a loss of 4,761 maunds and in the latter of 2,122 maunds, was discovered; making the total deficiency 17,969 maunds. A magisterial enquiry was undertaken but there was nothing to show how the salt had been made away with. The Collector, however, was satisfied, as every one else must be, that the loss can be attributed only to fraud, and he has dismissed the Superintendent and all his subordinates.

3. It is not satisfactory that such wholesale fraud should have gone on so long, and that nobody can explain how it occurred. The Collector remarks upon the present mode of storage, but in view of the pending change of system, abstains from proposals involving large expenditure. He suggests, however, the employment of a Police guard, and the use of a system of passes, at every gollah; and the Board resolve to request Government to sanction this measure. Each guard should consist of two Constables, who would be frequently changed.

4. Mr. Macgregor next suggests that a Deputy-Collector to have charge of Salt and Customs, should be allowed for Malabar. Work in these departments is now assigned either to the Treasury Deputy-Collector or the Assistant whose hands are, as remarked by the Collector, quite full, without this extra work. There is now no Assistant Collector. The reason that there is no special officer is of course that there is no manufacture of salt in the district; but with the frauds now brought to light, which are due to some extent to want of adequate supervision, and considering the extent of the coasting trade and the facilities for smuggling from and to the French port of Mahé, the Board think that a Deputy-Collector for Salt and Customs should be appointed. Malabar is notoriously one of the busiest districts in the Presidency, and the additional aid now sought would doubtless add greatly to the efficiency of the administration.

5. The Board also request Government to sanction the deficiency being written off as proposed by the Collector in paragraph 21.

No. 46. ORDER THEREON, 6th September 1872, No. 1,294.

Separate Revenue No. 4.
Salt.

THE Collector is authorized to write off the deficiency and in communication with the Inspector-General to arrange for the requisite Police guards.

2. The question of appointing an additional Deputy Collector to Malabar for Salt and Sea Customs will be reserved for consideration in connextion with the salt excise question.

(True Extract.)

(Signed) W. HUDLESTON,
Secretary to Government.

To the Board of Revenue.
,, the Accountant-General.
,, the Judicial Department.

Exd. A. S. Rodgers.

× Returned to Board on the 14 December 1872.

Memorandum

The undersigned requests that the Registrar, Government Office, Revenue Department, will be good enough to send to this office the enclosure, called "Numbered book," quoted in para 17 of a letter from the Collector of Malabar dated 28th July 1872 No. 175, recorded in G.O. dated 6th September 1872 No. 1294, R.D. as it is required for reference.

Revt Board Office
13th December 1873

Registrar

To
The Registrar
Government Office
Revenue Department

No. 46

Collector's Letter No. 1294 dated 28th July 1872 in answer to Govt. Circular No. 1294 dated 24th June 1872 in connection with the Cannanore Salt-fire. Forwarding Statement of Salt destroyed. The question of deficiency in quantity of Salt in the Gollah being written off. Proposed employment of a Police Guard and use of a system of passes at every Gollah. Suggestion that a Deputy Collector for Salt and Customs should be appointed to the District. Recommended for sanction.

Rec'd 29th Aug. 1872. Dept

Board of Revenue,
MADRAS.

PROCEEDINGS, 22ND AUGUST 1872, No. 1,665.

Dept. 29 Aug. 1872 × Encl. 1

× Returned to Board on the 14 December 1872.

Received 2nd Sept. 1872

AUGUST.
No. 1,665.

Salt Gollah—at Cannanore in Malabar District.—Report from Collector of result of further enquiries into destruction of — on 24th December 1871, submitted to Government; and sanction requested for reported deficiency in quantity of salt in the gollah being written off, and for proposed employment of a Police guard and use of a system of passes at every gollah. Suggestion of Collector that a Deputy-Collector for Salt and Customs should be appointed to district, recommended for sanction.

Write Order
No. 1291 - 6 Sept. 1872