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MADRAS RECORD OFFICE

Government of Madras

Revenue DEPARTMENT

G.O. No.	83	~~Press~~
~~B.P.~~ No.		Mis.
Dated	15.1.1872	195 .

Not to be folded or roughly handled

No. 3,104.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 25th July 1871.

Read the following letter from R. W. BARLOW, Esq., Acting Collector of Chingleput, to the Acting Secretary to the Board of Revenue, dated Sydapet, 23rd June 1871, No. 269:—

IN submitting the further explanation* given by Mr. Deputy-Collector Smith, I have the honour to furnish the report called for by the Board at paragraphs 5 and 6 of their Proceedings, No. 1,712, dated 25th of April last.

* Sent in original (to be returned.)

2. Mr. Grainger's charge against the Salt department is that twenty-four coolies can now do what the labour of sixty-four coolies was charged for formerly, and that therefore forty coolies extra were charged; but it should be borne in mind that Mr. Smith's own statements relied on by Mr. Grainger, were made when he was showing how many garce he could unload, etc., and weigh per diem with six weighing and twenty-four unloading coolies, without the "whipping frame" *working with the new machine* under the new system; whereas under the old system the process of unloading necessitated the raising of the salt twice before it was stored on the heap, the salt being lifted from the boats in large baskets and then placed on the weighing platform in smaller baskets; now, it is simply poured into the machine from the same baskets in which it is lifted from the boat, and shot out on the spot where it is stored.

3. Mr. Smith at paragraph 6 of his letter strongly and justly insists on this, I think it is a pity he did not explain this more clearly in his former letter, and further urges that the amounts in column 1, table 1, quoted by Mr. Grainger at paragraph 4 of his letter, are approximate rates to contractors, and include profits, and therefore should not be treated as actual cooly-hire, and that it is not advisable to cut these profits down to the lowest rates possible.

4. The enclosed letter (to be returned) from my present Salt Deputy Mr. Plunkett, shows clearly the system under which the salt contracts have been entered into; they appear to have had the sanction of the Collector from time to time. The reductions in the rates introduced by Mr. Smith, alluded to by the Board at paragraph 6 of their Proceedings under reply, do not appear to have been the result of calculations on experiments as to real costs. I think it is to be regretted that in 1866 when the alleged unduly large profits of the contractors were brought to notice, this was not done, but beg to draw the attention of the Board to Mr. Smith's explanation at paragraph 11 of his letter, as to why he considered such experiments unnecessary.

5. In considering whether the contract rates lately prevailing are excessive, they should be compared with the actual cost of unloading, weighing, etc., with the old machine under the old system, and I give in the subjoined table the contract rates prevailing since 1864.

Year.	Rate.			Per 20 garce.		
	RS.	A.	P.	RS.	A.	P.
1864...	1	1	5	26	2	0
1865...						
1866...	1	0	5	24	10	0
1867...						
1868...	0	14	1	21	2	0
1869						
1870...						

6. Mr. Plunkett lately under my instructions used some of the old machines in addition to the new, with a view to storing the large supply of salt coming in, more quickly; he reported the actual cost of unloading, weighing, etc., at Rupees 19-9-0 per heap of 20 garce, or only Rupee 1 odd less than the last contract rates; Mr. Plunkett, however, was of opinion that as the machine was rusty and the operations were not thoroughly supervised and clumsily performed, the result could therefore not be depended upon. Further experiments have now been made under the Deputy-Collector's personal supervision at my request, and the actual cost of unloading and

weighing, etc., under the old system turns out to be, on the average, about Rupees 17 per 20 garce, and we may therefore calculate that the contractors made a profit of about—

53 per cent. in 1864-65,
41 ,, ,, 1866-67,
24 ,, ,, 1868, 69, 70,

or an average of 39 per cent., but from this must be deducted cost of supervision, risk of fine, etc., and I consider 25 to 30 a fair per-centage to meet these charges and provide reasonable profits.

7. It may not be out of place to mention, in conclusion, that the result of the experiments with the new machines conducted by Mr. Plunkett in person, but without the whipping frame, as acquiesced in by Mr. Grainger at paragraph 11 of his letter, shows that they *can* be worked even a trifle cheaper than was estimated by Mr. Grainger, or at Rupees 10-8-1 actual cost for unloading, weighing and heaping 20 garce, though I do not think in practice the working rates could be continuously kept down to this.

ENCLOSURE No. 1.

From A. SMITH, Esq., Deputy-Collector, to the Acting Collector of Chingleput District, dated Sydapet, 3rd June 1871.

REFERRING to the Proceedings of the Board of Revenue, dated 25th April last, No. 1,712, and to the sentiments therein expressed on the explanation I lately furnished regarding Mr. Grainger's allegation of extravagant payments made for unlading and weighing salt at the Madras Cotaur, I have the honour, most unwillingly, to obtrude upon you the following remarks which, I grieve to say, those Proceedings have rendered absolutely necessary for my justification.

2. Mr. Grainger's charge is founded on the great difference in cost between working the old machine and the new; and it is argued that *because* salt can be unladen and weighed with the *new* machine at a comparatively trifling cost, *therefore* the charges hitherto paid for those operations with the *old* machine are necessarily and indisputably extravagant.

3. With all submission, it appears to me that it might be contended, with equal force and propriety, that *because* a cart-load of chillies can now be conveyed to Bangalore by rail at the charge formerly made, namely, [illegible] for conveying by cart the same quantity [illegible] ination, was excessively high, and an imposition on the public!

4. The conclusion in both cases, I respectfully submit, is an obvious *non sequitur*. In the first case, which is that with which I have at present to do, it is assumed that the two machines are identical in size, shape, and principle of construction; that the number of men required to work the *new* machine is sufficient to work the *old*; and that the *system* under which the machines are respectively worked, is likewise the same.

5. A glance at the annexed sketch will, I trust, dispel these misconceptions. It exhibits the machines as they are at work; and it will be seen that while the operations of unlading and weighing are performed in the case of the old machine at *two* different times, and by *two* different sets of coolies, in the case of the new machine these operations are performed at *one* and the *same* time, and by a *single* set of coolies. It is obvious therefore that there must necessarily be a great difference in the cost of these operations, as respectively performed by the old machine and the new; and that this difference contributes to swell the charges of working the *old* machine, while it diminishes those of working the *new*.

6. The point for which I contend in the preceding paragraph is quite plain to me; but it may not be equally evident to you, as it has not apparently been to the Board,* without further explanation. You will see from the illustration that the salt removed by *women* coolies from boat A, is not conveyed by them *direct* to the old machine B, but is deposited at C, and is there re-filled in small baskets by *men* coolies, and placed on the machine for weighment. On the other hand, owing to the different form of the new machine, namely, that of a cup or scoop, a shorter and cheaper course of procedure is practicable. The salt removed by women coolies from boat D. is not deposited anywhere between the boat and the new machine E. but is conveyed by the *same* coolies *direct* to that machine, and thrown into it for weighment. [illegible]er this explanation, is it necessary to add another word in proof of the fact that, in these items alone, apart from those enumerated in paragraphs 6 and 7 of my letter of the 2nd March* last, there is a considerable saving in favour of the *new* machine that serves to swell the cost of working the *old*?

* *Vide* Proceedings, 25th April, paragraphs 3 and 4. It is there stated that the operations of unlading and weighing are *distinct*; but while this is fully admitted, it is not the point to which attention was drawn in paragraph 5 of my letter of the 2nd March. These operations are not simply "distinct;" but they are performed *twice* and at *different* times in the case of the old machine, and only *once* and at the *same* time in the case of the new. Hence the difference in the cost of these operations, as performed by the old and new machines respectively.

* Board's Proceedings, 25th April 1871, No. 1,712.

7. There is another point of which much has been made, and which forms in fact the basis of the allegation regarding extravagant payments. The fallacy on this point lies in confounding the *rates* for labour paid for working the old machine, with the *hire* for working the new. It is asserted (paragraph 4 of Mr. Grainger's letter, dated 21st October† 1870) that the labour of sixty-four coolies was formerly charged for work which can now be done with twenty-four coolies, ‡ and that the labour of forty coolies has been charged in excess for every 32 garce of salt unladen. The Board, too, led away apparently by Mr. Grainger's statements, have inadvertently endorsed his fallacy, for they make a remark to the same effect in the following terms:—"Mr. Grainger's charge against the "department was simply that the cost of sixty-"four coolies is charged for what Mr. Smith now "admits§ can be done by twenty-four."—Proceedings 25th April 1871, No. 1,712, paragraph 2.

† Board's Proceedings, 7th December 1870, No. 6,976.

‡ NOTE.—With 24 coolies, with the *new* machine, not, certainly, with the *old*, as would seem to be here implied. If it were shown, by actual experiment, that what was formerly done by 64 coolies with the *old* machine can now be done by 24 coolies with the *same* machine, it would prove to some extent the point for which Mr. Grainger contends. But this is nowhere even attempted; and it is this confounding of things which differ that has thrown a veil of mystification over the whole subject, and has led to this long correspondence and waste of valuable time; not to add the undeserved discredit which has in consequence been temporarily thrown on a department, the administration of which has elicited the approval alike of the Board and the Government.

Board's Proceedings, 6th February 1863, No. 820, paragraph 17.
Government Order, 2nd June 1862, No. 1,213, paragraph 7.

§ *Vide* Note above.

8. It has already been explained (paragraph [illegible] dated 2nd March 1871) that the system under which salt was formerly unladen and weighed was the contract system under which payments were made, at a fixed rate per 100 maunds, on the *quantity* of salt unladen and weighed. Under the new system, and with the new machine payments are to be made for *labour* employed at so much per head per diem. It is immaterial therefore, so far as the interests of Government are concerned, whether twenty-four or sixty-four coolies were employed under the old system on the old machine, since payments were made, not on the *number* of coolies employed, but on the *quantity* of work done by them. If 64 or 104 coolies chose to do the work which twenty-four coolies could accomplish, they received no more in the shape of payment than they would have received if the smaller number only had been employed. It is vital to my purpose that this point should be clearly apprehended and borne in mind, as it appears to me to annihilate Mr. Grainger's specious conclusion as to extravagant payments, based on the *number* of coolies said to have been formerly employed.

9. Lastly, it is beside the question at issue, at what cost, or with what number of coolies, the new machine can be worked under the new system; since the results, whatever they may be, cannot effect the results obtained from a different form of machine, worked under a different and *opposite* system. As observed in paragraph 9 of my letter of the 2nd March last, the charge of extravagant payments can only be satisfactorily tested by an actual and sustained trial of the old machine under the old system, and not by any specious comparison of results obtained from machines which essentially differ, and of labour paid for under opposite, if not antagonistic, systems.

10. With regard to the enquiry made by the Board in the latter part of paragraph 5 of their Proceedings of the 25th April last, you will be able to judge from my present and former explanations whether the charge of excessive payments has, or has not, been established. As to

the system on which contracts for the supply of labour have been hitherto entered into, full information will doubtless be furnished by the Salt Deputy-Collector, to whom you have referred the question for report. I may however add, that to the best of my recollection these contracts were renewed from time to time with the sanction of the Collector.

11. As regards the 6th paragraph of the Proceedings, I beg respectfully to state, that beyond mentioning the fact of the reductions I had made, I claimed no credit on account of them. The change was introduced on information which satisfied me, at the time, of the correctness of the course I pursued. No special experiments appear to me to be necessary, as I felt that I had sufficient experience in the department to guide me to a right conclusion in respect to the reductions needed. And so far as my memory serves me, I believe that the rates paid for labour, and the system under which those rates were granted, were closely scrutinized by the Honourable T. Clarke, lately a Member of the Board of Revenue and Commissioner of Salt, who saw no reason to order any further reductions. To cut down the rates to the lowest possible point is, in my humble opinion, bad policy; as the amount thereby saved will fall very far short of the pecuniary losses which the Government and manufacturers must inevitably sustain by the wastage occasioned by delay in the storage of salt.

12. I much regret having to inflict on you the perusal of this lengthened, but, as appears to me, necessary explanation, which I beg you will do me the justice to submit to the Board with any report you may be pleased to make on the subject.

ENCLOSURE No. 2.

From C. E. PLUNKETT, Esq., Deputy-Collector in charge of Salt, Chingleput District, to the Acting Collector of the Chingleput District, dated Madras, 31st May 1871, No. 269.

I HAVE the honour to acknowledge the receipt of your docket, No. 475, of the 9th instant, appended to copy of Proceedings of the Board of Revenue, No. 1,712, dated 25th ultimo, and calling on me to furnish the information required by the Board in paragraphs 5 and 6 of those Proceedings, wherein they ask, first, for "full explanation as to the system on which the contracts have hitherto been entered into" for unlading and weighing salt at the Madras Cotaur, and, second, whether certain reductions for which Mr. Deputy-Collector Smith claims credit "were made on any recognized principle," and "whether any calculations or experiments were made to discover "the real cost of the operations."

2. So far as I can ascertain, the contract system at the Madras Cotaur is of long standing, and from what I am told by the Salt Superintendent Chinnasawmi Pillai, who is an old servant and has passed mostly all his service in this Cotaur, it must date back some twenty or thirty years at the least. Inquiry into such remote transactions appearing, however, to be unnecessary, I will come down to 1861 when weighing was substituted for measurement and the new platform machines designed by Colonel Orr, and then improved by Colonel Carpendale, were introduced.

3. On the 27th September 1864, the Deputy-Collector Mr. Smith, in reference to certain Proceedings of the Board of Revenue, No. 5,057, dated 8th August 1864 wrote* to the Collector proposing certain contracts which the then Collector of Madras, Mr. Fane, approved† of. Those Proceedings cannot now be traced in this office, and all I can learn of them therefore is from Mr. Smith's letter, in which, in alluding to them, he quotes the following passage, that the Board direct that "all charges for covering salt heaps and for exporting and transporting salt, "should be incurred under contract." He, Mr. Smith, accordingly took contracts "from the "existing Cooly Maistries for the performance of all work connected with unlading and receipt "into store of the salt of Fusly 1273," and, for reasons duly explained, for certain items an increase to previous rates was proposed and approved.

* Letter No. 451.

† No. 649, dated 24th October 1864.

4. In the following year 1865, the correspondence noted in the margin passed between the Collector and the Deputy-Collector, and with the approval of the former, the contract was renewed with the same Cooly Maistries of the previous year for a further term of three years, or for 1865, 1866, and 1867.

From Deputy-Collector to Collector, No. 107, dated 1st April 1865.
To Deputy-Collector from Collector, No. 213, dated 4th April 1865.

5. The contract having been thus renewed to the end of 1867, about the middle of 1866 a report reached the Deputy-Collector that the Cooly Maistries were realizing enormous profits from the rates of hire paid to them, and enquiry followed which led to a reduction of an anna per hundred Indian Maunds, or 1 Rupee 8 Annas per heap of 20 garce. This reduction was made upon a statement furnished by the 'Cooly Maistries," or contractors themselves, as to what their actual costs and profits were. The correspondence noted in the margin passed between the Deputy-Collector and the Salt Superintendent, and as it will not be forthcoming in your office, I enclose copies.

From Deputy-Collector to Salt Superintendent, Madras Cotaur, No. 196, dated 26th July 1866.
To Deputy-Collector from Salt Superintendent, Madras Cotaur, No. 67, dated 30th July 1866.
From Deputy-Collector to Salt Superintendent, Madras Cotaur, No. 198, dated 4th August 1866.

6. The above reduction was effected in the payments for 1866 and 1867, and as the contract then lapsed and needed to be renewed for 1868, a Notice was inserted in the District Gazette calling for tenders. To this the previous Contractors objected and represented that they had paid large advances to the coolies which they could not otherwise recover if the work was given out to others, and they offered to make a further reduction in the rates they had been previously receiving of 14¼ per cent. at the Madras Cotaur, of 12½ per cent. at the Ennore Depôts, and 11½ per cent. at the "Homes' Gardens." This offer of theirs was supported* by the Deputy-Collector, Mr. Smith, who recommended its acceptance and the renewal of the contracts in the names of the same Cooly Maistries with the [illegible] of three years, and with the same† of the Collector the contracts were thus renewed for 1868, 1869, and 1870, and the notice published in the District Gazette inviting tenders was withdrawn.

* His letter to Collector, No. 237, dated 24th October 1867.

† Letter No. 764, dated 29th October 1867.

7. It is these rates that attracted the Board's attention last year and have drawn down their strictures, and it will be seen that in neither case does the reduction seem to have been made upon any principle and no experiments appear to have been made to ascertain the real cost of the operations.

SUBMITTED to Government, with reference to Government Order, Revenue Department, dated 11th May 1871, No. 825.

2. The Board consider that the Deputy-Collector Mr Smith's letter, which is replete with fallacies, does not satisfactorily explain the great difference in the cost of unlading as now charged, and that charged under the old system.

3. The Board, in their Proceedings of 25th April, No. 1,712, as well as Mr. Grainger, were most careful to limit their observations to the results shown as regarded the operation of *unlading* alone.

4. What is so strongly insisted on again by Mr. Smith, and urged by the Collector, is, that there is a great saving in the operations under the new system as compared with the old: this is quite beside and apart from the point at issue.

5. Under the old system unlading began with raising out of the boats and ceased when the salt was first deposited on the ground: [illegible]. The process shown in Mr. Smith's diagram was perfectly well known to the Board. Under the new system unlading commences with raising out of the boats and is completed when the salt is placed in the machine.

6. A considerable saving of labour is effected under the latter system, but Mr. Grainger's calculations allowed for this. He showed that according to the data given by the Salt Department, with thirty coolies Mr. Smith could *raise and weigh* 32 garce per day. Expressly excluding six coolies employed in weighing only, it followed that twenty-four coolies could *raise* the 32 garce. Formerly it took sixty-four coolies to raise the salt and place it in the heap where the process of unlading ceased.

7. The remarks of the Board therefore had nothing to do with weighing or with the comparative merits of, and saving effected by, the new machine.

8. Again Mr. Smith's letter contains another fallacy which shows that he either does not understand or wishes to ignore the real facts of the case as involving the interests of Government. He says it made no difference to Government what number of coolies were employed under the old system to carry and deposit a fixed quantity of salt, since the coolies were employed by the contractors and not by Government. But the amount of money to be paid to the contractor, plus a certain limit for profits to the latter, must be presumed to have been decided by the cost of the labour required for carrying and depositing the quantity. Whether the contractor was employing more coolies than was necessary, or was charging more than an equivalent for the labour actually required, Government was equally a loser.

9. What is insisted on by the Board is that the same amount of work might have been done, *within the same time*, by a much smaller number of coolies who eventually, although through a contractor and not direct, were remunerated for their labour by Government.

10. As the system of contracts was sanctioned by the Collector of the District, the Board do not consider that Mr. Smith can be held personally responsible, but it is clear that, until he proved by experiment, which he was induced to make in order to show that manual labour alone was cheaper than the result of Mr. Grainger's whipping-frame worked by manual labour, he was not alive to the great waste of labour formerly incurred in *unlading* alone.

11. Mr. Smith appears to have effected some slight saving under the contract system since 1865, but it is clear from the Collector's letter that the contractors' profits have been excessive, and on this point the Collector appears not to have taken into due consideration the fact that where money is frequently turned [illegible] ies of transactions, (as is the case with these contracts for labour,) being part of the same contract, the profits are proportionately increased, and the Board have little doubt that a per-centage of from 3 to 5 per cent. would, under these circumstances, have amply remunerated the contractor.

12. The reductions in the rates introduced by Mr. Smith, as appears from the Collector's letter, were not the result of experiments as to real costs.

Mr. Smith's argument as to the necessity for the employment of a great number of coolies in order to obviate wastage caused by delay, is disposed of in paragraph 9 of these Proceedings.

(True Copies and Extract.)

F Brandt

Acting Sub-Secretary.

To the Acting Secretary to Government, Revenue Department.
with one Sketch.

,, Collector of Chingleput,
with two enclosures returned.

Copy to the General Superintendent of Public Works Stores and Workshops.

Rd. T. Cartledge.

Rev 1871. Dep.

Board of Revenue,

No 2504.

MADRAS.

PROCEEDINGS, 25TH JULY 1871, No. 3,104.

Dup 23 Augt/71

Received 7 Aug. Encl. 1 Do

JULY.

No. 3,104.

Salt at Madras Cotaur.—Letter from Collector of Chingleput, forwarding with his remarks further explanation of Deputy Collector, Mr Smith, now on leave, with reference to certain allegations made by Superintendent of P. W. Stores in respect to rates charged for unlading and weighing, together with a letter from Acting Deputy Collector, furnishing information called for by Board regarding system of salt contracts, &c., submitted to Government.

No. 83.

Rev. Dept.

15 Jan

Contributory

Ver 3349/73

18 Feb 1873 Ans. 18 Jan. 1872