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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Revenue DEPARTMENT

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1903
GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

20th March 1877, No. 994.

Government Reserve Grain.

Read the following paper:—

No. 244-A. *From the Hon. T. C. HOPE, C.S.I., Additional Secretary to the Government of India, Department of Revenue, Agriculture, and Commerce, to the Additional Secretary to the Government of Madras, Revenue Department, dated Calcutta, 9th March 1877, No. 277.*

I am directed by the Governor-General in Council to communicate the following remarks with reference to the stock of grain purchased by the Government of Madras, a considerable portion of which is retained as a reserve. The Madras Government are doubtless aware of the distrust which is felt by numbers of the mercantile community both at Madras and at Calcutta, and it is believed also at Rangoon, in connexion with the purchases of grain made by the Madras Government some time ago. This feeling has found expression from time to time in letters in the newspapers, and it is evident from information which has reached the Government of India from other quarters that there still exists an impression among persons interested in the grain trade that the relations between the Madras Government and the firm which it employed to make its purchases have not entirely ceased, and that there is a danger of other similar purchases being made and disarranging the calculations of the trade. Some colour has unfortunately been given to the impression in question by the delay which occurred in notifying to the district officials at Bellary, and to the public generally, the termination of the appointment of Messrs. Arbuthnot and Co. as Government Brokers for the purchase of grain; and from Proceedings of the Madras Government, which have recently been received, it would appear that Messrs. Arbuthnot and Co. were employed a few weeks ago in issuing supplies of rice from the Government reserve and in replacing in the reserve an equal quantity, which, apparently, was supplied by them to the Government. In one of Sir Richard Temple's recent minutes the same firm are alluded to under the designation of the Government Grain Agents.

2. The Governor-General in Council is aware that the Madras Government have no intention of entering into further purchases of grain similar to those made by them in November last; but it is so important that there should be no grounds whatever for misapprehension either as to the action or intentions of the Government, that His Excellency in Council deems it necessary to request that the Madras Government will lose no time in publicly notifying the quantity of grain now in its hands, both at Madras itself and in the distressed districts, and its resolution to make no further purchases of grain outside of the distressed districts, unless it is satisfied that the trade is unable to supply the wants of those districts, in which case the grounds of that conclusion and the exact intentions of the Government will be publicly made known before action is taken. This resolution should apply not only to additions to the reserve of grain now stored at Madras, but also to purchases made with the view of supplying the place of issues made from the reserve. It should also be notified that even in the distressed districts the Government will abstain from making purchases except for the relief of localities which the

trade is unable to reach, that all Government grain now in those districts will be removed to places at least sixty miles from the Railway, and that no more Government grain will be sent to them from Madras, so long as private trade is able to supply them. I am to request that these instructions may be carried out with as little delay as possible.

3. In regard to the reserve of Government grain now at Madras, which according to the latest information furnished to the Government of India amounted to 26,000 tons, I am to suggest, for the consideration of His Grace in Council, the expediency of disposing of this reserve by public sale to the trade. With reference to the large quantity of grain which appears to have accumulated at Madras, belonging to private traders, the retention of a Government reserve would seem to be unnecessary; and its existence is certainly calculated to keep alive the erroneous impressions which have taken possession of the public mind in regard to the probability of the Government again interfering with the grain market. What the Government of India would suggest is that the reserve should be sold to the highest bidder in specified lots of say 5,000 tons each, at intervals of a fortnight, previous notification being given of the quantities to be sold, and of the dates on which the sales will take place.

No. 244-B.

ORDER THEREON, 20th March 1877, No. 994.

The Governor in Council observes, with reference to the above letter from the Government of India, that "the stock of grain purchased by the Government of Madras" for reserve as distinguished from the large supplies obtained by Government Officers from all available sources for current expenditure in relief operations has been only 30,000 tons all told, of which from 12,000 to 13,000 tons are still in Madras in course of distribution to the District Depôts, and the remainder has been already so distributed in the most distressed localities.

2. The Governor in Council on mature consideration deems it unsafe to dispense with this small reserve at this stage of the distress or to alter its distribution which has been very carefully determined, and is confident that, although it affords a certain additional security against disaster, it is in no way regarded as a check on enterprise by private traders, and that these merchants accept the assurance already given by Government that the reserve is held strictly as an ultimate resource to be resorted to only in the event of emergency from the markets being bare.

3. The recent Proceedings of this Government to which the Government of India refer as apparently indicating continued purchases for the Reserve would seem to be those of 15th February 1877, No. 590, Financial, which were held on the examination of Messrs. Arbuthnot and Co.'s accounts and the items of Railway charges, cartage, &c., in view to finally closing them. It then appeared that certain quantities of grain had been supplied to District Officers from the Reserve Stock remaining in Messrs. Arbuthnot and Co.'s godowns contrary to the intention of Government, who accordingly ordered that this grain should be replaced which was done, and the Accountant-General was ordered in the Proceedings under reference to pay for the grain so issued to the District Officers, and to adjust what remained due to Messrs. Arbuthnot and Co.

4. The Government of India seem scarcely to apprehend that for about one-half of the period in which relief operations have been in progress the bulk of the expenditure made by the District Officers was for grain wherewith to pay wages in kind, and that

still such purchases continue for relief camps and feeding houses and must so continue until distress no longer prevails.

5. The arrangement with Messrs. Arbuthnot and Co. to act as Brokers and Agents for purchases of grain was closed on the receipt of His Grace the Governor's telegram from Delhi, dated 4th January 1877.

6. The consideration of the notification and instructions to District Officers was delayed necessarily until after the return of the Governor from Delhi by the impossibility of carrying on the full communications necessary by telegraph.

7. When this Agency was closed on 5th January 1877, the Members of Government at the Presidency considered that it might be desirable still to retain the services of some competent advisers as to purchases for current expenditure on relief which still promised to be large, and Messrs. Arbuthnot and Co. by request made written proposals to communicate to and advise the Government as to prices ruling, to guide purchases by local officers.

8. Their proposals were referred to His Grace the Governor for consideration in the course of his return journey from Delhi who did not concur in the suggested arrangement, and the proposals were consequently not approved. It was during this interval and before the Governor reached the Presidency that the Bellary case occurred in which District Officers purchased a large supply of grain without public tender at a high price without referring the rate for advice as all officers had some time before been by circular order directed to do. That order had not been cancelled, and it was for breach of that order that the District Officers were called on for explanation.

9. In compliance with the request of the Government of India, the Governor in Council directs that the annexed Notification be at once published, it being in effect a repetition of what was intimated to the Chamber of Commerce by letter on 21st ultimo.

NOTIFICATION.

By desire of the Government of India, His Grace the Governor in Council directs it to be notified that, as stated in the letter to the Chamber of Commerce of the 21st ultimo, the quantity of grain now in the hands of Government still consists of an aggregate of 30,000 tons comprising now from 12,000 to 13,000 tons in Madras in course of distribution to District Depôts, and of some 17,000 to 18,000 tons already so distributed.

2. As stated in the letter before referred to, the Government do not contemplate making any further purchases for additions to the reserve which is held strictly as a resource against emergencies in the event of private trade failing to provide sufficient supplies. District Officers will purchase no grain for current relief expenditure, outside of the distressed district, unless private trade is unable to supply the wants of the district in which case the grounds for arriving at this conclusion and the exact course intended to be adopted in consequence of it will be publicly notified.

(By order of His Grace the Governor in Council.)

B. J. Cunningham
Offg. Chief Secretary.

To the Revenue (Famine) Department.
Exd. J. Wright.

Mar. 1877 04x
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Count of 1877
FINANCIAL
THE REVENUE (GAMING)
DEPARTMENT

Unit No. 301.
No. 31
No. 32
G.O. 304 March 1877, No. 31

MARCH
Nos. 244A-244B

The Board of Review of

Government's Review of—Placing on record
certain circumstances connected with the stock of
grain purchased by the Government of Mexico at
a certain time.

1890

Count of the Board of Review