

EB-30614

REPORT OF THE
MANUFACTURE AND SALE
AND TAX UPON
SALT IN BRITISH
INDIA

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REPORT

OF THE

Commissioner appointed to enquire into and report

UPON THE

MANUFACTURE AND SALE OF, AND TAX UPON,

SALT

IN BRITISH INDIA,

AND MORE ESPECIALLY UPON THE

PRACTICABILITY OF SUBSTITUTING FOR PRESENT ARRANGEMENTS

A SYSTEM OF EXCISE

IN THE

PRESIDENCIES OF BENGAL AND MADRAS.

Submitted to the Right Honourable the Governor General of India in Council

ON THE 24th MAY 1856.

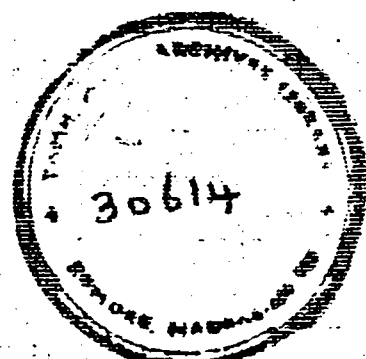
Calcutta:

THOS. JONES, "CALCUTTA GAZETTE" OFFICE.

1856.

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 Lieutenant Burke's opinion as to the capability of Sind Salt competing with Bombay Salt in its own market, controverted.
 Much less could Sind Salt compete with Madras Salt in its own market.
 It might no doubt compete with Bengal Salt in the Calcutta Market, but not with Madras Salt certainly, and probably not with Bombay and some Foreign Salt, in that market.
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 Object of the Company.
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 No Duty being levied on the natural or manufactured Salt of Sind, the export and import of the article should also be rendered wholly free and unrestricted.
 The Government ought not to be concerned in any project for supplying the rest of India with Salt from Sind.

Section XX.

RECAPITULATION.

- Recapitulation of the measures recommended in the course of the Report.
- 1.—Detached Salt Works producing less than 5,000 maunds to be suppressed.
 - 2.—Produce to be measured into store.
 - 3.—The Law relating to the Salt Excise to be consolidated in one new enactment, with certain amendments.
 - 4.—Remuneration by commission to be discontinued and fixed salaries substituted.
 - 5.—Higher salaries to be assigned to the Soudadars and Nakadars.
 - 6.—Salt covered by a Permit not to be re-weighed at the Chokies.
 - 7.—Salt beyond the preventive line not to be interfered with.
 - 8.—The Government to withdraw entirely from the manufacture at once.
 - 9.—The Government to endeavour to exchange their Salt Works for detached Works of private owners, with the view of suppressing the latter.
 - 10.—The rent and proceeds of Government Salt Works to be uniformly credited in part to Land Revenue and the remainder to the Salt Department.
 - 11.—Exports by Sea beyond the Presidency to be free.
 - 12.—Exports to Bengal to pay the full Customs Duty at the Port of Import.
 - 13.—Exports to British Ports of the Madras Presidency the same.
 - 14.—The charge of a quarter of an anna per maund, now levied on these latter exports, to be discontinued.
 - 15.—The levy of one anna per maund, now taken on Exports to Foreign Ports under the Madras Presidency, to be discontinued.
 - 16.—The half Duty contributed by the Nuzari of Canbay to be credited to Customs. The cost of Frontier Establishments to be debited to the same. The distinction between the results of the Island of Bombay and those of the Continent to be abolished.
 - 17.—The existing rate of Duty, viz., 12 annas per Indian maund, to be maintained for the present.
 - 18.—If it should be desired at any time to tax Salt in Sind, a system of Excise to be adopted.
 - 19.—Exportation of Salt from Sind to be free from Duty.
 - 20.—Importation of Salt into Sind to be free from Duty so long as no Tax is levied on the Salt of the Province.
 - 21.—The Government not to be concerned in any project for supplying the rest of India with Salt from Sind.

PART II.—MADRAS.

Section X.

ON THE RISE, PROGRESS, AND PRESENT STATE OF THE SALT REVENUE SYSTEM.

Appendix B. contains full particulars on the subject of this Section.
 The question of introducing a Monopoly first mooted and advocated by the Board of Revenue in 1799.
 In permanently assessing the Land Tax in 1822, the exclusive right of manufacturing Salt reserved to the Government.
 The system—Gross Revenue—Charges—and sale price previous to the Monopoly.
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 The Madras Government, without examining the question, rejected the Excise proposition in favor of a Monopoly—Appendix E. No. 13.
 Establishment of the Monopoly.
 Subsequent Laws relating to, and present Rules for the management of, the Salt Revenue.
 Peculiarity of the system.
 Laws relating to the Salt Revenue.—Section III. Regulation I. of 1805; Sections II. and IV. Regulation II. of 1807; Sections VIII. and XIII. Regulation I. of 1805; Section III. Regulation II. of 1807; Sections II., III. and IV. Regulation V. of 1831.
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 Punishment for embezzlement, breach of trust, &c.,
 Original and present administrative system and Agency.
 Native Establishments—their duties and cost.
 Monopoly prices of Salt—Sale price originally Rupees 70 per Garco of 120 maunds raised in 1809 to Rupees 105.
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 Proposition by the Board of Revenue in 1822 to raise the price again to the former rate of Rupees 105 negatived by the Government.
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Section II.

THE PRACTICABILITY OF SUBSTITUTING, FOR THE MONOPOLY, A SYSTEM OF EXCISE UPON THE MANUFACTURE.

all Monopoly in the Madras Presidency not open to much practical objection; its precise value to the Government the question to be determined in considering the practicability of substituting an Excise. Evidence and opinions afforded by the official documents relating to the subject examined, the question of introducing a Monopoly was first considered, a majority of the Collectors and of the Board of Revenue pronounced against it and in favor of existing the manufacture. The Board of Revenue submitted the draft of an Excise Law to the Government, and recommended its adoption, that an Excise would equally with a Monopoly be productive of Revenue, while it would remove the burden from the Government, a Member of the Board of Revenue, and his reasons for preferring a Monopoly to an Excise, the Madras Government blindly adopted the plan of a Monopoly without examining, or bringing under consideration the Excise proposition of the Board of Revenue. The draft Excise Law of the Board of Revenue appears to have been framed on correct principles. The present Board of Revenue admit the practicability of substituting an Excise. The Collectors generally object to the substitution of an Excise. Their objections stated. The Board of Revenue do not consider the objections of the Collectors insuperable. The Collector of Chingleput is altogether in favor of an Excise. The Collector of Canara is also in favor of an Excise, and first raised the question, with reference to that District in 1851. The evidence given before Parliament examined. Mr. David Hill's evidence and opinions. Mr. Lewin's evidence. Mr. Dairrell's opinion. Absolute freedom of manufacture impracticable, but a modified form of Excise similar to that which prevails in Bombay quite feasible. In fact, the substitution of the Bombay system of Excise involves no material change in the details of local management, or in the general administrative system. This is shown by the Board of Revenue. Mr. Goldingham, Mr. Cochran, Mr. E. Malby, and Mr. F. N. Malby.

Cost in Bombay

The comparative cost of the two systems. The alleged profits. There seems no ground for apprehending that the application of excise to the manufacture of salt will not be ample, or that the manufacturers will not be able to effect quick returns. Under the Excise system, the Government ought not to be at liberty, even at first, to purchase Salt for re-sale, or to supply funds on the security of the Salt; and the present system of advances ought to be discontinued wholly and at once. The details of the Excise system to be substituted, and the mode of introducing it may safely be left to the Board of Revenue. Generally, the system in force in the Bombay Presidency should be followed. The substitution should be entered upon at once. In the District of Malabar, where there is no Monopoly manufacture, the private manufacture under an Excise should be immediately permitted; so also, in Canara, the remnants of the Monopoly manufacture there being relinquished. The Excise system might also be substituted at once in the Madras Collectorate.

Section III.

ON VARIOUS QUESTIONS CONNECTED WITH THE PRESENT STATE OF THE SALT REVENUE SYSTEM.

Notice of the more prominent questions connected with the existing system. Swamp Salt.—Swamp Salt should be turned to greater account under Excise Regulations. Earth Salt.—The manufacture of Earth Salt should be authorized under Excise Regulations. Any Excise Regulations which can be applied to the manufacture of Marine Salt in Bengal may be equally applied to the manufacture of Earth Salt in the Madras Presidency. The Excise Regulations which have been found suitable in Bengal should therefore be adopted, and measures should also be taken to prevent the clandestine introduction of Earth Salt from Pondicherry and Mysore. The same rate of Duty should be levied on Earth Salt as on Sea Salt. If an Excise upon the manufacture of Earth Salt should be impracticable, the Molurra now levied on the manufacturers should nevertheless be relinquished. The true alternative, no doubt, is strictly to suppress the manufacture. But if the manufacture can neither be excised nor suppressed, the only other course is to leave it absolutely free. Exportation of Salt by Sea.—Contrary to all expectation, scarcely any Salt is exported from Madras to Bengal, for private sale. At the same time, from other countries, and more especially from Great Britain, the private importations of Salt into Bengal have, of late years, been very large. Remarks of the Madras Board of Revenue on this state of the private trade. The restrictions which appear to the Commissioner chiefly to account for the state of the private trade. These restrictions practically nullify, in the case of the Madras Presidency, the concession of an open and equal trade in Salt to Bengal. When the Bengal Government intent upon Madras for a supply of Salt, tonnage for its conveyance cannot be procured. The practice of supplying the Bengal Government with Salt at a profit to the Madras Government, unsound. The practice of obliging the carriers to purchase and pay for the Salt supplied to the Bengal Government, equally unsound. The reforms recommended by the Commissioner. Importation of Foreign Salt.—The principle observed in the treatment of Foreign Salt, stated. In recommending the reduction of the Sea Customs Duty on Imported Salt from Rupees 3 to 12 annas per maund. Madras Government misapprehended the principle of the proposed measure. The rate of 12 annas was proposed not for the purpose of equalizing the Tax on all Salt, but in order to equalize the price of all Salt. The Madras Government consider, but it is obvious erroneously, that competition on equal terms is secured by this mode of equalizing prices. Accordingly, the Madras Government subsequently proposed to levy a special differential Duty of 14 annas on Salt imported from Sea from Goa, expressly to deprive it of its natural advantage of greater cheapness. This misapprehension and proposed perversion of the true principle was carefully explained by the Government of India, the object in view is still misunderstood by the Madras Government.

The Madras Government seem to argue that the home manufacture is entitled to protection by reason of its being shackled by a subjection to a Monopoly. It now appears that the present Sea Import Duty of 12 annas per maund does not represent the average nett profit derived from the Native Salt. The true average, taking the whole Presidency, and including Bombay Salt imported into Malabar in the calculation, is 18 annas per maund. Omitting Imported Salt, and confining the calculation to Manufactured Salt, the nett profit is 13 annas 8 pie per maund. On the Coromandel Coast, taken alone, the nett profit is nearly 15 annas per maund. On the Malabar Coast, taken alone, the nett profit, including Imported Salt in the calculation, is a little over 12 annas per maund; excluding Imported Salt, it is 12 annas 4 pie per maund. Separate rates of Import Duty should be fixed for the Coromandel and Malabar Coasts respectively. On the Coromandel Coast the rate of Import Duty should be 15 annas, and on the Malabar Coast 13 annas per maund. If it be deemed more convenient to fix a single rate, the lower rate proposed for the Malabar Coast, namely, 13 annas per maund, should be adopted. The Land Customs at present leviable on all Foreign Salt should be assimilated to the lower rate of Sea Customs now proposed, namely, 13 annas per maund. Conventions with the French Government.—The object of the First Convention with the French Government, in so far as it relates to the trade in Salt, evidently was the protection of the Madras Salt Revenue. The arrangement was expensive, and otherwise faulty; but the Convention was chiefly defective, on the side of the British Government, in binding that Government to the perpetual payment of four lakhs of Sicca Rupees annually. The propriety of debiting the payment as heretofore, to the Bengal Presidency, examined. In the opinion of the Commissioner, the payment ought in future to be debited altogether to the Madras Presidency. The Conventions with the French are not considered to present any obstacles to the substitution of an Excise. Rowanahs or Permits.—In the opinion of the Board of Revenue, Rowanahs or Passes should only be required within a limited range. The Commissioner entirely concurs in the objections of the Board to an unlimited range of imposition, and is of opinion that a Pass should only be required to clear the Salt of the works where it is manufactured and sold. Laws relating to the Salt Revenue.—The Salt Laws are of old standing and will require to be remodelled. System of Management.—Suggestion of the Court of Directors to place the Salt and Alkarsa Departments under separate management. The suggested measure appears very deserving of a trial.

Section IV.

ON THE RATE OF DUTY.

A collection of papers relating to the question of price will be found in the Appendix. Changes in the Monopoly price of Salt. The effect of the changes upon consumption and upon the nett Revenue. In 1844 the Court of Directors directed the immediate reduction of the price from Rupees 77 per maund, to which it had been raised by Act VI. of that year, to one Rupee per maund, on the ground that the increase of price had been followed by decrease of consumption. In 1847, the Court of Directors, finding that up to the year 1842-43 the average consumption had fallen considerably, under an increase of price from Rupees 70 to Rupees 105 per Garce, desired that the Board of Revenue might be called upon for a full Report on the Salt Revenue. In July 1850, the Board of Revenue furnished the Report called for, extending to the results of the year 1847-48, showing that latterly the sales had increased. The Board's showing and deductions in regard to the relation borne by the sales to the population. The Board's showing and deductions in regard to individual consumption. The opinion the Board came to was that sufficient time had not elapsed since the price was raised from Rupees 105 to Rupees 120 per Garce to enable them to decide whether a reduction was necessary, in which opinion the Government concurred. Arguments of Mr. Elliot, one of the Members of the Government, against a reduction of the Monopoly price. Mr. Williams, another Member of the Government, dissented from his colleagues, advocating a reduction of the price to Rupees 70 per Garce, and the formation of Inland Salt Depôts. The Court of Directors, on a consideration of the Board's Report, concurred in the opinion of the Government, that no alteration was necessary. The question of reducing the Monopoly price now examined further. The pressure of the Monopoly price upon inland consumers investigated. The pressure of the Monopoly price upon inland consumers investigated. The conclusion the Commissioner arrives at is, that the present Monopoly price of one Rupee per maund does not operate unfavorably upon any class of consumers. It is always to be remembered that the population of the Madras Presidency have been relieved since 1811 of 39 lakhs, and are about to be relieved of an additional 12 lakhs, in all of upwards of half a million of taxation much more grievous than the impost on Salt. The question whether a reduction in the Monopoly price would eventually benefit the Revenue, investigated. The consumption of Salt per head in the Madras Presidency cannot be fixed. Such data as there are, show the consumption per head, within the limits of the Presidency, to be a little over 12 lbs. The nett consumption has increased in the 47 years from 1806-7 to 1852-53, but apparently not in the ratio of the increase of population. In the last eight years, since the Monopoly price was raised to Rupees 120 per Garce, or one Rupee per maund, the consumption has increased in greater ratio than the population. The Commissioner is of opinion, that the rate of Excise for the Madras Presidency should be fixed at 12 annas a maund, and that in the meantime the Monopoly price should be reduced to 14 annas a maund, or Rupees 105 per Garce, so as to equalize the nett profit in Madras with the Excise Duty in Bombay. The Monopoly price being reduced to 14 annas a maund, corresponding reductions should be made in the rates of Sea and Land Import Duty. The allowance of a drawback on Salt conveyed inland, and the formation of Inland Salt Depôts considered objectionable. The inland population do not at present labor under any disadvantage in the article of Salt, but the contrary. The introduction of a system of retail sales of Salt by the Government into the interior Districts considered objectionable. Under a system of Excise, there would be no room for such expedients as drawbacks, Depôts, and retail sales; the proper measure is to improve the communications.

Section V.

RECAPITULATION.

Recapitulation of the measures recommended in the foregoing Section. 1.—The system of making advances to the manufacturers to be discontinued. 2.—Excise to be gradually substituted for Monopoly throughout the Presidency upon the Bombay plan. 3.—Manufacture under Excise Regulations to be permitted at once in Malabar. 4.—The same in Canara, the Monopoly manufacture being relinquished. 5.—Excise to be substituted at once in the Madras Collectorate.

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PART III.—BENGAL.

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FROM

G. PLOWDEN, ESQUIRE,
Commissioner of Inquiry on Salt,

TO

THE SECRETARY TO THE GOVERNMENT OF INDIA,
HOME DEPARTMENT.

Dated Nagpore, 24th May 1856.

SIR,

WITH reference to the letters addressed to me from the Home Office, bearing the numbers and dates noted in the margin,* I have now the honor to lay before the Right Hon'ble the Governor General of India in Council a Report of the result of my inquiries into various questions connected with the manufacture of, and tax upon, Salt in British India, and more especially upon the feasibility of substituting for present arrangements a system of Excise upon the manufacture of Salt in the Presidencies of Bengal and Madras.

* No. 908, DATED
16TH DEC. 1853.

No. 174, DATED
16TH FEB. 1854.

2. It will be convenient to state, at the commencement, the particulars of the origin of the inquiry. Origin of the
Inquiry.

3. In the passage through the House of Commons of the Bill, which at the close of the Session of the year 1853 became Law, entitled "An Act to provide for the Government of India," a Clause was inserted consisting of the following words, viz. :—

"XLV. And whereas by the said Act of the 3rd and 4th years of King William the Fourth, it was enacted that the said Company shall, with all convenient speed after the twenty-second day of April One-thousand Eight-hundred and thirty-four, close their commercial business and make sales of all their merchandise, stores, and effects, at home and abroad, distinguished in their account-books as Commercial Assets, and all their ware-houses, lands, tenements and hereditaments and property whatsoever, which may not be retained for the purposes of Government of the said Territories, and get in all debts due to them on account of the commercial branch of their affairs, and reduce their commercial establishment as the same shall become unnecessary, and discontinue and abstain from all commercial business which shall not be incident to the closing of their actual concerns, and to the conversion into money of the property hereinbefore directed to be sold, or which shall not be carried on for the purposes of the said Government; and whereas the said East India Company have continued to carry on the manufacture and sale of Salt from the date of the said Act to the present time notwithstanding the aforesaid provision; and whereas it is expedient that the said Salt Monopoly should absolutely cease and determine; Be it enacted that from and after the first day of May, One-thousand Eight-hundred and Fifty-six, it shall be unlawful for the said East India Company to continue the manufacture of Salt, as at present carried on by them, in the Province of Bengal, and that such manufacture shall absolutely cease, whether carried on by the East India Company or on the account and under the control of the said Company, and that the manufacture and sale of Salt in India shall be absolutely free, subject only to such Excise or other duties as may from time to time be levied upon such Salt so manufactured."

4. This Clause was expunged by the House of Lords, and its omission was subsequently agreed to by the House of Commons.

5. The Clause, if enacted, would not have affected the rate of duty to be levied in future on Salt manufactured in India, but only the mode in which the duty thereon should be realized in the Presidencies of Bengal and Madras, requiring in fact, in those two Presidencies, the substitution of a system of free manufacture and Excise for the existing system of manufacture and sale by or on account of the Government, and rendering the manufacture in the Presidency of Bombay, which is at present liable to be restricted, absolutely free.

Views and instructions of the Court of Directors. 6. The Hon'ble Court of Directors, advertent to the probability of the re-agitation of this question in Parliament, considered it desirable that they should be furnished with the opinion of the Government of India upon it.

7. For this purpose, they desired the Government of India, in their Despatch No. 3 dated the 5th of October 1853, to cause an inquiry to be instituted by the Board of Revenue, or by a Committee of competent Officers, as to the practicability of carrying into effect any system under which, in the words of the Clause, "the manufacture and sale of Salt in India shall be absolutely free, subject only to such Excise or other duties as may now, or from time to time, be levied upon such Salt so manufactured."

8. If it should be found impracticable to render the manufacture of Salt absolutely free to all persons under Excise Regulations, the Hon'ble Court desired that it might be considered whether a system of modified Excise, such as that of granting licences to private persons to manufacture Salt at stated localities, might not be substituted in the Presidencies of Bengal and Madras for the present mode of realizing the Revenue by means of contracts entered into with the Molunghees, as Salt at fixed prices, on account of Government.

9. The Hon'ble Court stated that they were aware the present system was of long standing, and had been maintained, after frequent consideration, as a means of ensuring the collection of the Revenue, but that they were nevertheless very desirous that the Government should, if possible, cease to be connected with the manufacture of Salt, and that its functions should be confined to the collection of the duty, with the necessary precautions for the protection of the Revenue, and they directed that the inquiry ordered might be made without delay and the result fully reported to them.

10. The Hon'ble Court then went on to remark that a question of far greater importance than the mode of collecting the duty was its amount, and that although the rate would not have been directly affected by the Clause before referred to, there could be no doubt that a reduction in the rate was the object chiefly sought by many who supported it.

11. They stated that they were sensible that it had been the constant view of the Government of India to reduce the rate of duty in Bengal as rapidly as the state of the finances would allow; that they were glad to find that, notwithstanding the successive reductions which had been made of late years to the extent of nearly 25 per cent., the Revenue had nearly, if not entirely, been restored to its former amount by the increased consumption; that they entertained a confident expectation that the same result would attend further reductions judiciously made; that they should rejoice in the addition of comfort which would thus be afforded to the population of Bengal.

12. The Hon'ble Court remarked, in conclusion, that the Government must be the best judge of the extent to which a reduction might be properly and safely carried, and of the precise time for making it, and that, looking to the manner in which the Salt Revenue of Bengal had been, of late years, administered by the Government, they felt that they might well rely on its disposition to carry out their views as above expressed.

Appointment of the Commissioner of Inquiry. 13. In order to obviate, as far as practicable, the possibility of an objection being raised, that the inquiry ordered by the Hon'ble Court had been made, and the Report drawn, by Officers whose prejudices might naturally be supposed to have been already enlisted on the side of the present system, the Government of India thought it advisable that the duty should not be committed to the Board of Revenue, which had itself the immediate management of the existing system, and was further of opinion that in this instance the duty would be performed equally well and more speedily by a single Officer than by a Committee.

14. With these views the Government of India were pleased, under date the 16th of December 1853, to appoint me Commissioner for the inquiry, and I was directed, under date the 16th of February following to enter upon it at once.

Instructions to the Commissioner. 15. There being no satisfactory knowledge of the system in operation at Madras and Bombay, I was desired to proceed without delay to those Presidencies, so as to make the necessary local inquiries at the favorable season of the year, taking up the investigations in Bengal on my return.

16. It was not deemed necessary to furnish me with detailed instructions, or expedient to fetter me by laying down any precise course of proceeding: the Hon'ble Court's Despatch, it was observed, stated clearly

its general views, and I was referred to my experience in the Revenue Department as my best guide in the inquiry entrusted to me.

17. In obedience to the orders of Government I proceeded at once to Bombay and Madras, travelling by the Peninsular and Oriental Company's steamers. Leaving Calcutta on the 19th of February, I arrived at Bombay on the 4th of March; I remained at Bombay until the 16th of April, on which date I embarked for Madras, where I arrived on the 28th of April; I left Madras to return to Calcutta on the 31st of May, and arrived there on the 3rd of June. I then proceeded to the Tumlook and Hidgellee Salt Agencies in Bengal, and returned finally to the Presidency on the 1st of July, with exception to visits subsequently paid to two private Salt Works, both situated in the Soonderbuns, one at Narainpore, the other at Goordah, where the manufacture is conducted upon the European principle, and is subject to a system of Excise.

18. Having been employed in the District of Chittagong, in Bengal, in the years 1833 to 1836, and again in 1851 to 1853, I am well acquainted with the Salt Agency and the manufacturing localities in that District; it was therefore not necessary that I should visit it for the purposes of this inquiry.

19. The only remaining Agencies in Bengal are the three in the three Divisions of the Province of Cuttack, viz., Balasore, Cuttack and Pooree. It was not possible to visit these by the sea route during the S. W. Monsoon, which had set in before my return to Calcutta from Madras; and though a land journey might have been practicable with difficulty, it would have occupied a long time, the distance from Calcutta to the Southernmost limits of the Pooree Agency being about 350 miles. But even if the facilities for the journey had been greater, I should scarcely have thought it advisable to expend any time in a visit to the Cuttack Agencies, the system in operation there being generally the same as in the Bengal Agencies,—and the distribution of the Salt Works, the nature of the country in or adjoining to which they are situated, and the process of manufacture, being either the same as in the Bengal Agencies or as in the Madras and Bombay Presidencies, so that no new or peculiar information was to be gained, by a local inquiry, of sufficient importance to compensate for the time the inquiry would have occupied.

20. Construing the instructions issued to me by the guidance of the Hon'ble Court's Despatch upon which they were based, I understood my primary, if not my sole, duty to be to ascertain whether it was practicable, without injury to the Revenue, to carry into effect any system under which the manufacture and sale of Salt in India should be absolutely free, subject only to the payment of duty, or under which, at all events, the Government should cease to be connected with the manufacture and sale of Salt, and should confine its functions to the collection of the duty with the necessary precautions for the protection of the Revenue. But the solution of this question necessarily involved more or less examination, either directly or indirectly, of other branches of the general subject of Salt in India, and I concluded that it would be proper, in the second place, not to lose the opportunity of collecting and recording as much information upon the general subject as might come within my reach in the course of my researches into the particular part of it which I had been commissioned to investigate.

21. In prosecuting the inquiry committed to me, I conceived it to be quite unnecessary to take formal evidence. Although it may not be generally known, there are probably few subjects which have been so extensively explored, or on which so much has been written and said as the subject of the supply of Salt for British India. It has been a constantly recurring theme of parliamentary debate and inquiry from the earliest days of the British Empire in the East down to the present time. Before each renewal of the Hon'ble Company's Charter it was more or less inquired into, in common with other matters of Indian Government, by Select Committees of the Lords and Commons, and in 1836 the particular subject was fully investigated by a Select Committee of the House of Commons appointed expressly for that purpose. The official records of the Indian Governments, of course, teem with correspondence on the subject, and it has been repeatedly examined and discussed, at more or less length, in books, periodicals and pamphlets, published both in India and in England, as well as by the public Press of both countries. In short, it may safely be asserted, that at some time or other, and in one form or another, the subject, in all its branches and on all its sides, has been completely exhausted. Such being the case, it would have been a mere waste of time to have set about adding to the bulk of the existing evidence, with no prospect of being able to add to it in point of novelty or trustworthiness. The obvious course seemed to be to collect together the scattered evidence and information, official and unofficial, which already existed, and to ground my own observations upon a careful collation and consideration of these materials, aided by such local examinations as might be necessary, and by personal discussions with public officers and private individuals conversant with the subject, whose opinions might be of value in correcting and assisting my own judgment. This accordingly is the course I have pursued. Upon data derived from the sources above described my opinions have been formed, and by them they will be supported.

Local visits of the Commissioner.

Commissioner's understanding of his instructions.

Data upon which the inquiry rests and the Commissioner's opinions have been formed.

General arrangement and scope of the Report.

22. I propose to report separately, to such extent as may be necessary for greater distinctness, upon each of the Presidencies of Bombay, Madras and Bengal, in the order here stated. The Province of Scinde will be noticed under Bombay, and the North-Western Provinces of the Bengal Presidency, the Punjab, Arracan, the Tenasserim Provinces and Pegu, under Bengal.

23. The general arrangement I propose to follow is —

First,—In the case of each Presidency to take a brief retrospect of the past history and administration of the Salt Revenue.

Secondly,—To describe in each case the system of administration now in operation.

Thirdly,—In the case of the Bombay Presidency, where the system is already one of Excise, to consider in what respects the existing arrangements might be improved; and in the case of the Presidencies of Madras and Bengal, to consider the practicability of substituting a system of Excise for present arrangements.

Fourthly,—To consider, in the case of each Presidency, any separate matters peculiar to each, or which can be most conveniently treated of in connection with each.

Finally,—To consider any separate questions common to all the Presidencies, or which can be more conveniently treated as imperial questions.

24. And as the change to a system of Excise in the Presidencies of Madras and Bengal, even if resolved upon, must be gradual, it will be necessary to notice by the way the reforms which may appear to be called for in existing arrangements in those Presidencies while they remain to any extent in force.

25. Bearing in mind that the subject is one upon which much interest is felt, and not a little mischievous ignorance or error prevails in England, I shall endeavour to frame the Report so that it shall not merely suffice for the information of those who are more or less acquainted with the subject, but so that it shall present a clear and essentially a complete view of the whole subject to the general reader; and this will account to the former class for the appearance of much which, without this explanation, might appear redundant.

26. With these introductory remarks I proceed to report the result of my inquiries and researches, premising that, for the sake of greater accuracy, I propose to give the narrative portions of the Report as much as possible in the words of the official or otherwise authentic documents from which they are derived.

27. I may also premise, that among the maps which have been compiled for the purposes of this Report, and which accompany it, there is a map* of India, illustrating all features relating to Salt.

PART I.

ON THE SUPPLY OF SALT FOR THE PRESIDENCY OF BOMBAY.

Section I.

PAST HISTORY AND ADMINISTRATION OF THE SALT REVENUE.

28. It was not until the 15th of December 1837 that Salt was erected, by Act No. XXVII. of that year, into a source of considerable Revenue in the Presidency of Bombay; prior to that date, it was but one of many small miscellaneous items, as under the Native Governments. The Bombay Salt Revenue originally very inconsiderable.

29. The manufacture of Salt was carried on in the Island of Bombay, Ahmedabad, Kaira, Broach, Surat, and the Northern and Southern Konkan. A very great diversity prevailed in these several Collectates, both in the system of management and in the mode of realizing the Revenue. With the exception of the Districts of Surat and Broach, a broad line of distinction was everywhere drawn, not only between the Salt pans of Government and those which belonged to private individuals, but even between the pans belonging to private individuals in the same District; and it was remarked by Mr. Bruce, who was appointed, at a subsequent period, to revise the system, that the inconvenience produced by such a diversity of practice "fell little short of a strict monopoly of the worst description." The various methods which were in force will appear from the following brief description in the case of each Collectorate. The various modes of management which prevailed in the several Collectorates.

30. *Island of Bombay*.—The manufacture of Salt in the Bombay Collectorate was carried on both by Government and by private individuals, chiefly however by the latter. In the former case the produce was divided with the Coorumbies, or people employed in its manufacture, Government receiving a moiety as Revenue, and the Coorumbies the remainder as the wages of their labour, burdened however with the payment of a large proportion of the expense of portage incurred in conveying the Hon'ble Company's share on board the boats. No direct Revenue was derived from the private Salt pans, unless the payment of a small annual sum of the nature of a quit-rent can be so called. Certain restrictions only were imposed on the produce, namely, that no portion of it should be exported until Government had disposed of one hundred rass,* and then only in the proportion of one-third to the Company's two-thirds. Government further retained the exclusive privilege of retailing all Salt required for local consumption.

31. *Ahmedabad*.—In the Ahmedabad Collectorate, the principal Salt Works belonged to the Chiefs of Putree and Jhoonjoowarra, and were worked by private individuals, the produce being subject to the payment of a duty to Government and to the Chiefs in question, besides a certain tribute to the Guicowar. The other Salt Works were conducted on account of Government, the workmen receiving, as in Bombay, half the produce.

32. *Kaira*.—The Kaira Salt was manufactured at Cambay, and therefore was not under the control of Government. The pans were altogether private property, and the produce was divided into two parts, of which the manufacturers received one and the Nawab the other. On the sale of His Excellency's share a proportion of the proceeds went to the Hon'ble Company. The Salt manufacturers were frequently obliged to keep large quantities of Salt unsold in warehouses, as they were not allowed to bring it into the market until the Nawab's share had been disposed of.

33. *Broach*.—The Salt Works in the Broach District were exclusively Government property, leased out yearly, the farmer and the manufacturers dividing the produce equally between them; it does not appear how the Government Revenue was realized, but it would seem to have been received in the shape of Transit duties only.

34. *Surat*.—In the Surat Pergunnahs the manufacture of Salt was, like that of Broach, wholly in the hands of Government; the pans were all Government property, and the Salt manufactured was carried on under the superintendence of a Government Karkoon. The work-people's share as wages was about one-third of the produce; the expense of repairing the pans was charged upon the other two-thirds, or proportion of the produce which remained to Government.

35. *Northern Konkan*.—There was even less uniformity of system in the Salt Department in the Northern Konkan than in any of the other Collectorships which have been adverted to. In some Talookas the Salt pans paid Land Revenue, independently of the duties to which the article was subject on exportation,

* A rass is equal to 1,120 Indian maunds of 82 lbs. Avoirdupois per maund.

whether by sea* or land. In others, Panwell for instance, where there were very extensive Salt colonies, although Government made advances and bore half the expense of covering in the Salt during the monsoon, no Land Revenue whatever was charged, and no advantage accrued to Government beyond the Land and Sea Customs collections: generally speaking, indeed, these two impositions constituted the only source of Revenue from Salt in this part of the Bombay Territories. It was even a not unfrequent practice in the Northern Konkan to encourage the manufacture of Salt by a species of bounty, viz., by the remission of Transit duties, which it was usual to grant to the erectors of new pans in Caranjah, a practice which originated in certain general instructions in force for encouraging the cultivation of waste land, and gave rise to numerous applications for permission to erect new pans.

36. *Southern Konkan.*—The great place of manufacture and sale of Salt in the Southern Konkan was Penn, situated at the Northern extremity of the Collectorship. There were indeed other Salt Marts, or what were called Meet Bunders, along the whole line of Coast; but the whole, or nearly the whole, of the Salt procured there was imported by Sea. The works at Penn were principally private property, the Salt being manufactured by private individuals, and disposed of by them on their own account at the rate of 2 annas per bullock load.† The quantity of Salt produced there far exceeded the produce of any of the other Salt Works under the Bombay Presidency, not less than one-third of the Salt imported into the Deccan being from Penn. As in the Province of Guzerat no part of it was exported by Sea; the importers of Salt at the different Meet Bunders were left quite uncontrolled in the disposal of it, in paying to Government the value of one-third of their importations, at a fixed average price, together with certain duties. This system, however, was one of more recent introduction; previously a very vexatious and restrictive system prevailed, under which the importers of Salt, besides being subjected to the exaction of one-third of their importations and numberless other duties which fell to the share of Government, were not allowed to sell their Salt as long as any part of that which had been previously imported was left, and were obliged to dispose of it to one person, to whom the Meet Bunders were annually farmed, and who enjoyed the exclusive privilege of selling it again to the inland dealers and others who came there in quest of the article. The Government Revenue from the manufactured Salt was chiefly levied in the shape of Land Customs.

Various shapes
in which the Re-
venue was deriv-
ed.

37. A Revenue from Salt thus appears to have been derived in the following various shapes:—

First,—By the sale of the Government share of the Salt produced at Works the property of Government.

Secondly,—By the rent of Salt Works the property of Government farmed out.

Thirdly,—By a duty paid on the produce of some private Salt Works.

Fourthly,—By a proportion of the sale proceeds of the produce of some private Salt Works.

Fifthly,—By a Land Revenue assessed on the Salt pans in some places, and by a quit-rent taken in others.

Sixthly,—By Customs duties levied on the export and import by Sea and the Inland Transit of the article.

38. Speaking generally, it may be said that Salt was subjected to Sea Customs at varying rates when exported or imported by Sea, and to Land Transit duties when taken inland, but that Salt consumed near the place of manufacture was in most cases subject to no duty whatsoever.

39. I have endeavoured in vain to ascertain, in any degree satisfactorily, the total Revenue derived from Salt, in the different ways above mentioned, for a series of years, or for any one year anterior to the passing of Act XXVII. of 1837, much less the amount realized under each head, and was obliged to abandon the attempt after expending much time in fruitless efforts to reconcile, upon any considerations or combination of considerations, the very conflicting figures extant on this subject.

40. In a Statement of the total Revenue derived from Salt at each Presidency in each year, from 1834 to 1851, prepared in the India House, and appended to the First Report of the Select Committee of the House of Commons on Indian Territories, of the Session of 1853, the gross Revenue derived at the

* This Collectorship and Bombay seem to have been the only two from which Salt was exported by Sea.

† A bullock load was equal to 6 Surat maunds, or about 2½ Indian maunds.

Presidency of Bombay, from what is there called the Excise on Salt for the year 1836-37, being the last full year prior to the levy of the Excise duty of 8 annas per maund imposed by Act XXVII. of 1837, is set down at Rupees 2,35,242, the charges are set down at Rupees 26,710, the nett Revenue therefore was Rupees 2,08,532, and this amount, I am led to conclude, from a consideration of the various documents which have come under my examination, represents only the proceeds of the tax levied in kind or money on the produce of private Salt Works, exclusive of all Sea Customs and Inland Transit duties on the article, exclusive also of all land and quit-rents and of the income from Salt Works the property of Government.*

41. The first inquiries in connection with the realization of an improved Revenue from Salt in the Bombay Presidency commenced apparently so early as about the year 1816. In a Despatch to the Secret Committee of the Court of Directors, dated the 11th of December of that year, the Government of that Presidency stated the grounds on which the enactment of a Regulation imposing a prohibitory duty on the trade in Salt should be postponed until they should have ascertained how far such a measure might be advisable for the protection of the Revenue derived from that article.

42. Writing again on the 18th of June 1823, with reference to the above-mentioned Despatch, they represented, that as no Salt monopoly existed at the Presidency, and as the duties were of too trifling a nature to encourage a clandestine traffic in the article, no protective measures were called for in this branch of the Company's concerns; but that the result of their inquiries had led to an ascertainment of the practicability of improving the resources of the Presidency by enhancing the duty on Salt in a degree that should not operate oppressively on the population—

43. Every Collector, it appeared, with the exception of those in the Konkan, had recommended an increase of the duty on Salt. The Revenue, it was stated, was susceptible of an increase.

At Ahmedabad,.....	from Rs. 13,500	to Rs. 1,00,000
At Kaira,.....	" " 2,650	" " 43,750
At Broach,.....	" " 7,700	" " 13,100
At Surat,.....	" " 46,368	" " 1,60,000
Southern Konkan,.....	" 34,656	No increase.
Northern Konkan,.....	" 30,000	Ditto.
Bombay,.....	from " 12,000	to Rs. 24,000
Deccan,.....	" "	" " 2,59,037
Total,.....		1,46,874 5,99,887
Deduct existing Revenue,		1,46,874
Expected Increase,		4,53,013

Extent to which
the Revenue was
supposed to be
susceptible of in-
crease.

44. But the Bombay Government entertained no doubt of being able to realize a Revenue from Salt at least to the extent of three times the value above shown, which had been estimated on very defective data, in proof of which they gave the result of the investigations in the Southern Konkan, which had been carried on with greater accuracy than in any other part of the Presidency.

45. The Collector of the Southern Konkan, it appeared, had ascertained that Salt could be manufactured to any extent at Penn, which was centrally situated for the supply of Poona, at the very trifling cost to the Company of 2 annas, or 50 reas for 12½ Bombay maunds of 23lbs. to the maund, equal to a little more than 4½ maunds of the present Indian standard of 82½lbs. Avoirdupois. From Poona the Salt, it was assumed, might be carried to every other Station in the Deccan, and even to meet the foreign demand.

46. The quantity required for the consumption of the Deccan was computed at ... lbs. 4,47,37,720
The value of that quantity at 45lbs. for 1 Rupee, which was considered a
good experimental rate to begin with, would be Rs. 9,94,172
The deduction for prime cost was set down at 20,000
And for carriage, wastage, and expenses of management, at 2,00,000
2,20,000

Leaving a nett Revenue of Rupees 7,74,172

* This view has since been confirmed. I find that Mr. Hugh Stark, in his evidence before the Select Committee of 1836, (answers 1256 and 1259) stated, that the Revenue derived from Salt at the various places of manufacture, both on the Island of Bombay and in the British territory on the Continent, amounted to about two lakhs of Rupees, and that the receipts derived from the Transit duties on Salt were estimated at about two lakhs more.

—without taking into the calculation the increase of Revenue to be derived from an augmentation in the rate of supply to Foreign territories.

47. It was further calculated, that on the terms on which Salt was procurable at Penn, the Island of Bombay could be advantageously supplied from the pans there, and the Revenue from Salt increased from Rupees 12,000 to 2,00,000 per annum, assuming the price of the annual supply to each individual at 91 reas, or a little more than 3 annas 7½ pie only.

48. And it was argued, that if a profit of upwards of seven lakhs of Rupees were derivable from the consumption of Salt in the British territories in the Deccan, at the moderate rate of 45lbs. for the Rupee, and of much more including the Territories of the Raja of Sattara and the Southern Jagheerdars, it was not unreasonable to calculate on a similar Revenue from Guzerat, and the supply of the foreign demand in the extensive tract of country in the interior which derives its supplies of Salt from the line of coast dependent on the Bombay Presidency.

49. The Government of Bombay further urged that, having applied to the Government of Fort St. George for information as to the effects of the Salt monopoly at that Presidency, as far as respected the Revenue; the hardship on the people and the internal commerce of the country, they had on each of these points been represented as favorable, and that it was not unreasonable therefore to anticipate an equally advantageous result in the improvement of the resources of the Bombay Government without detriment to the prosperity of the territories dependent on it.

Proposition of the Bombay Government to establish a Salt monopoly and to fix the price of Salt at Rupees 1-13-6 per Indian maund.

50. Upon these considerations the Bombay Government recommended the establishment of a Salt monopoly under that Presidency, and submitted for the sanction of the Court of Directors the Draft of a Regulation imposing a prohibitory duty on the import of Salt into any of the ports or places subject to the authority of the Bombay Government, and on the transit of all Salt through the British territories annexed to that Presidency, except on such Salt as should be purchased at the Company's sales or depôts and might be accompanied by a Rowannah from a Government Officer, and fixing the maximum of the duty on Salt, beyond which the Government was restricted from raising it, at 45lbs. per Rupee, equal to a little more than 1 Rupee 13 annas 6 pie per Indian maund.

51. By duty it may be presumed price was intended; assuming therefore the cost of manufacture at trifle less than half an anna per maund, according to the calculations at para. 45, the profit on each maund, at the price above proposed, would be a trifle more than 1 Rupee 13 annas per Indian maund.

52. The mode in which the internal management was to be conducted had not been settled: that part of the question, it was stated, was still under the consideration of the Bombay Government, with a view to the adoption of whatever system might prove most convenient to the community at large.

Proposition negatived by the Court of Directors, and their reasons for negativing it.

3. The Court however, in their reply of the 11th of February 1824, declined to sanction the measure, ground that in the then circumstances of the larger portion of the Territories under the Bombay Presidency the proposal was at least premature.

54. The immediate and prospective advantages from the establishment of a monopoly of Salt did not, in the judgment of the Court, counterbalance the evils that might be apprehended from the measure at that time.

55. In Districts recently acquired, and still in great measure unsettled, the taxation of an article necessary to subsistence must, the Court apprehended, be considered as grievous and oppressive, and they were of opinion that it would require a more perfect organization than could, under the circumstances then existing, be expected of the machinery of manufacture and distribution, to prevent the disproportionate enhancement of price beyond the actual addition of the Government duty, and the deficiency of supply, even at the price so enhanced, especially among the poorest and most remote consumers.

Revived inquiries on the question of realizing an improved Revenue without the establishment of a monopoly.

56. Here the question of improving the Salt Revenue seems to have rested, until early in 1825, when, in the 3rd para. of Mr. Secretary More's letter of the 25th of February of that year, the Bombay Customs Committee, then recently appointed, were directed, among other instructions, "to peruse the proceedings that had passed connected with the Salt Department, and with only the slightest intention of forming a monopoly of the article, to suggest the best system for the future conduct of that branch of the internal trade and the highest rate of increase duty which might be imposed on the article," it being set down as admitting of no question that it would unobjectionably bear an increased rate of duty.

57. The subject was very fully investigated by Mr. Bruce, a member of the Committee, in two Minutes, one dated the 15th of May 1825, the other dated the 6th of May 1826.

58. In an intermediate Minute dated the 5th of August 1825, relative to the high rates of customs levied upon the Deccan and Konkan trade, as compared with that of Guzerat, and giving an outline of the modifications which it was in his opinion most advisable to adopt in consequence, Mr. Bruce recommended the imposition of an additional duty on Salt, in part commutation of the Transit duties levied in the Deccan and Konkan; the remaining part he suggested should be made good by means of town duties and a frontier duty on grain. He had previously recommended a different substitute for the Transit duties levied in the Island of Bombay and the Collectorships in Guzerat, having proposed to commute them for an additional duty on their maritime trade.

59. In his final Minute of the 6th of May 1826, Mr. Bruce observed, on the question of an improved system for the future conduct of the Salt Department, that that system appeared to him the best which would cause the fewest innovations, provided it levelled all improper distinctions and was compatible with an efficient, mild, and economical realization of the public Revenue. He therefore advised that no radical change should be made in the existing mode of management of the Salt Works in the different Collectorates, but that they should be allowed to continue as they were in the hands of Government and of private individuals, subject to the following modifications:—

First.—That the Government Revenue from Salt should be levied in the shape of a money payment instead of in kind, or partly in kind and partly by money payments, as was then most frequently the case.

Second.—That whatever duty it might be thought expedient to impose on Salt should be levied once and at one place only, the article being allowed a free passage afterwards throughout the Company's territories.

Third.—That in all cases where the Salt pans were Government property and conducted by Government Officers, or where they were Government or private property, but worked or farmed by private individuals, and the produce supplied to Government at a stipulated price, the duty should be blended with the prime cost of the article when it was sold and carried away from the pans.

Fourth.—That where the Salt pans were private property under private management, and the produce was disposed of on account of the proprietors, a duty should be payable on the spot by the exporters or purchasers of the Salt.

Fifth.—That the duty on Salt, whether manufactured by Government or by private individuals, should be the same, except where it could be clearly shown that the latter was capable of being produced at so much less cost as to be able to bear a higher rate than the other, in which case the difference should only be such as to place the price of both on a par to the consumer.

Sixth.—That no Salt should be exempted from paying the established duty, and that the work-people employed on the Government pans should receive money wages, instead of being paid in kind, or by a share of the produce, as then.

Seventh.—That the labour of the people employed in the manufacture of Salt, whether on Government or private pans, should be perfectly voluntary, all compulsion being strictly prohibited.

Eighth.—That all Salt pans should either be equally subject to the payment of Land Revenue, or equally exempted.

Ninth.—That no more Salt pans should be anywhere hastily established, and that the opinions of the Collectors should be taken as to how far it might be practicable or expedient, with reference to the additional establishments required for the collection of the Government dues, to suppress any of the number then existing.

Tenth.—That the attention of the Collector in the Northern Konkan should be particularly directed to these points, as the erection of new Salt Works in his District seemed to have been encouraged by artificial means, rather than to have originated in any increase of demand for the commodity.

Propositions to commute the transit duties of the Deccan and Konkan for an additional duty on Salt.

Proposition to levy an Excise duty on Salt of 6 annas 4 pie per Indian maund, in commutation of the transit duties, leaving the manufacture free as heretofore.

Eleventh.—That no right of priority of sale should be allowed to Government Salt, and that neither Government nor private Salt should be subject to any other restriction or interference than what might be absolutely requisite to a collection of the public Revenue.

60. On the question of duty, basing his calculations on the proportion of the Transit duties of the Deccan and Konkan (assumed at Rupees 3,00,000,)* to be made good by an increased rate of duty on Salt, and on the quantity of Salt (taken at 6,10,666† bullock loads) consumed in the two Collectorships of the Konkan, and in the Surat Districts, and imported from thence into the Deccan, which would come under the operation of the measure,—Mr. Bruce proposed for those portions of the Bombay Presidency a consolidated duty at 1 Rupee and 30 reas per bullock load of six Surat maunds, equivalent to 6 annas 4 pie per Indian maund, being an increase of nearly five-sixths on the rate of duty then levied in various shapes, which was 2 quarters and 34 reas per bullock load of six Surat maunds, or about 3 annas 4 pie per Indian maund.

61. And this increased and consolidated duty Mr. Bruce was strongly tempted to recommend for universal adoption under the Bombay Presidency, notwithstanding that, for the Transit duties of the Island of Bombay and of the Collectorships in Guzerat (including Surat,) a different substitute had been recommended, viz., an additional duty on their maritime trade. The reasons given in explanation of the apparent anomaly of bringing Surat, at all events, under the operation, as has been seen of both measures, it is not necessary to narrate.

62. As Mr. Bruce estimated that the Transit duty collected from Salt alone amounted to nearly one-third the whole amount of Transit duties, he did not suppose that the additional tax upon Salt would materially increase the selling-price of the article in the interior. He observed that as the new impost would be accompanied with the abolition of Transit duties, the collection of which, independently of undue exactions and other vexations to which the traders were exposed, could not fail to be attended with serious inconvenience, the measure would, in fact, be scarcely felt as a new burthen by the distant consumers.

63. The Government of Bombay approved generally of the principles laid down and the rate of duty proposed by Mr. Bruce, and requested him to draft a Regulation without delay for giving them effect.

64. In compliance with this call, Mr. Bruce, under date the 21st of August 1826, submitted to the Bombay Government the Draft of "A Regulation for realizing a Revenue from Salt manufactured in the Island of Bombay and within the Territories subject to the Presidency of Bombay, and for regulating the Importation of Foreign Salt into any Port or Place within the said Island and Territories."

65. The Bombay Government having taken the opinions of the several Collectors on this Draft Law, and Mr. Bruce's opinion on their Reports, transmitted it, under date the 4th June 1828, together with the subsequent proceedings thereon, to the Hon'ble Court of Directors, leaving the whole question open to their examination and decision, with advertence to the scope of the reasoning contained in their Despatch of the 11th of February 1824, before mentioned at para. 53, and on the ground that the majority of the members were of opinion that no measure should be taken which would indirectly produce an enhancement of the Transit duty on Salt. The remarks of the Collectors related entirely to details connected with local circumstances, and did not affect the principles on which the Law was founded.

66. A copy of the same papers was also, on the 16th September 1828, forwarded to the Government of India, who in their reply, dated the 6th of the following month, pointed out that any new or additional duty which it might be proposed to levy on the import, export, or transit of any article, must be imposed by the Local Government, the approval and confirmation of the same resting with the Home Authorities. Also, that the Home Authorities would naturally expect to receive from the Bombay Government a distinct decision in regard to the rate of duty to be imposed, the matter being one that must depend greatly on local circumstances. The Government of India therefore suggest that the Bombay Government should transmit to England, for the approval and confirmation of the Home Authorities, the Draft of a short

* Gross Annual Collections, under the head of "Transit Duties in the Deccan and Konkan," on an average of three years, ending with 1824-25, ... Rs. 6,68,299
Deduct proportion estimated as derived from Salt alone, ... " 2,00,000

Remains Rs. 4,68,299

—of which Rupees 3,00,000 to be made good by an increased duty on Salt, and the remainder (Rupees 1,68,299) by means of town duties and a frontier duty on grain.

† Number of bullock loads of Salt consumed in the Konkan and Surat, 91,666
Number imported into the Deccan from the Salt pans in the Konkan and Surat, 5,19,000

Total bullock loads to produce an additional Revenue of Rupees 3,00,000, ... 6,10,666

Regulation fixing the rate of duty to be levied, and the mode of its realization, subsidiary details being left for distinct consideration.

67. Accordingly, on the 1st of April 1829, the Bombay Government transmitted to the Court of Directors another Draft of a Regulation, in which it was provided that the duty should be regulated by the orders of Government for each place respectively, but should on no account exceed 10 annas on that measure of capacity termed the "phara," capable of containing 10½ puheelles of Salt, or for any smaller quantity in the said proportion. The puheellee is a measure capable of containing a little more than 5½ lbs. Avoirdupois, consequently the maximum rate of duty proposed by the Bombay Government was equivalent to a little more than 13 annas 3 pie per Indian maund. A maximum duty of 13 annas 3 pie per Indian maund proposed by the Bombay Government.

68. In their Despatch of the 10th of June 1829, the Hon'ble Court pointed out to the Bombay Government, that as the Draft which that Government had forwarded with its letter of the 4th June 1828 was not complete, the duty not being specified in it, but a blank left to be filled up by the Court; it was not in a state in which it could receive their sanction. They expressed, however, their approval of the proposed measure, and considered the rate of duty recommended by Mr. Bruce, viz. 1 Rupee and 30 reas per six Surat maunds, reasonable and moderate. The Court's approval was conveyed in the following observations:—

"We understand that as far as an increase of the Revenue derived from this source is contemplated, it is meant as a commutation merely for the duties of Transit which it is your purpose to abolish. In this light we regard the project with favor, as we have a strong conviction of the inconveniences which are attached to Transit duties, and should before this time have ordered the abolition of them, if the state of your finances had appeared to admit a reduction of Revenue. We can have no doubt that the Revenue proposed to be raised upon Salt will be paid with much less inconvenience by the people than an equal amount in the shape of Transit duties, provided the securities sufficient to prevent smuggling can be as easily applied as you seem to suppose.

"Had this been a measure not of this nature, but a proposal for adding to the burthens of the people, we should have entertained very serious doubts of its propriety, for when we take into account the general depression to which the misgovernment and revolution of former times have reduced the greater part of the country subject to your Government, our desire must be to afford relief by every means in our power, rather than in their present circumstances to increase the demands upon the people.

"The mode of raising the Revenue from Salt at your Presidency has hitherto been very complicated, differing greatly in different places. It is now intended to put an end to these varying methods, and to realize the Revenue according to one simple principle, that of a fixed duty upon the manufactured article.

"In itself this method has great advantages, and it is only where local circumstances interfere with the means of protection against the smuggler that any other plan ought ever to be preferred. If the view which you take of your resources for the attainment of this object is correct, there can be no doubt as to the propriety of the choice which you have made.

"One advantage of this mode of realizing the Revenue is, that it relieves Government from the business of the manufacturer, to which it is ill adapted.

"As the manufacture of Salt has to a considerable extent been heretofore carried on by your Government, there are Salt Works at several places belonging to Government which, upon the present plan, you will have to dispose of, and we see that you have with great propriety required answers to the question in what manner it would be best to dispose of them, from the local Officers.

"The choice seems to be between the sale of them and letting them on lease.

"In either case a caution which we see has not escaped the attention of the Customs Committee is necessary to be strictly observed. It is your declared purpose to raise the whole of the Revenue from the duty; care must therefore be taken, in disposing of the Salt Works belonging to Government, to exact nothing in the way of Revenue, that is, to take the real value of the property of the buildings, the pans and other implements such as they may be estimated at, or could be replaced for, and nothing beyond this; otherwise the parties who may purchase those Works, or take them on lease, will be doubly taxed, once in this extra charge and again in the duties which they will have to pay equally with all other manufacturers.

"All the Collectors, we see, give their opinion in favor of leasing the Salt Works belonging to Government, in preference to selling them. But in general they give their opinions nakedly, and unsupported by any reasons. Such reasons as they give do not appear to us to have much weight in them.

"It may happen that a party desirous to engage for any of the Salt Works belonging to Government may, if his capital is limited, find it more convenient to pay an annual sum as a rent for the use of the Works than to part with the capital necessary to purchase them. We see not why Government should not, if such a party is preferable in other respects, engage with him on those terms, taking from him such a rent as is proportional to the value of the implements hired, and allowing him such a term as may seem mutually eligible.

"When the party on the other hand is disposed to make the purchase, we think it clear that it is desirable for Government to dispose of the Works belonging to it in this manner, and thus to have but one simple object in regard to this branch of Revenue to attend to, that of collecting the duty and preventing its evasion.

"We should imagine, that with respect to a due supply of the market, you would have sufficient security in the freedom of competition, and besides, we do not see that by disposing of the Salt Works of Government on lease you would reserve to yourselves much power to remedy at any time the evil (if it should occur) of a deficient supply. You are better judges than we can be of the degree of capital which is likely to be applied under the system of freedom to the manufacture of Salt at your Presidency. We see no reason to apprehend that it will not be ample. It seems to us, also, highly probable that under the proposed equality of duty on Salt imported by sea, a considerable importation of Salt from the Coromandel coast will take place into the Bombay territory, with great advantage to both Presidencies."

"Towards determining the rate of duty, the only consideration which needs to be weighed, since it is to be regarded as a commutation for other taxes, is that of convenience, both as respects the Government and the people. If it is more convenient that the produce of the taxes which are to be remitted should be applied in this way than in any other, the policy of adopting this method is clear. We presume that the rate of duty recommended by Mr. Bruce, a member of the Customs Committee, (who appears to have examined the subject carefully in all its bearings,) in his letter dated 5th March 1828, corresponds with the amount specified in his remarks on Section XIV. of the proposed Regulation, namely, 1 Rupee and 30 reas per six Surat maunds. This rate appears to be reasonable. It is not so high as to add materially to the cost of the article, even to those who, from their locality, have been the least subject heretofore to the burthen of the Transit duty, and will be compensated for to those at a distance from the place of supply by the discontinuance of the Transit duty. It is at the same time computed that the return from it will be so considerable as to make up to Government the greater part of the defalcation which will arise from the abolition of the Transit duties. The moderation of the tax is recommended by another consideration, that it will of course render it much less difficult to provide security against the evils of smuggling."

The Court of Directors sanction the proposed Regulation of the Bombay Government (never promulgated) fixing a maximum duty of 13 as. 3 pie per Indian maund.

69. In a subsequent Despatch, dated the 11th of August 1830, the Hon'ble Court, with the approbation of the Commissioners for the Affairs of India, sanctioned the second Draft which the Bombay Government had forwarded on the 1st of April 1829. They observed, that there was nothing in the Regulation which was not in conformity with the instructions contained in their former letter of the 10th of June 1829, with the exception of the 1st Clause of Section IV. in which provision had been made to admit of Salt being manufactured on account of Government, a mode of supply of which the Court did not recognize either the necessity or utility.

70. This Regulation, however, was never promulgated. Upon receipt of the approval of the Home Authorities the local Officers were called upon to submit the information necessary to enable the Government to frame subsidiary Rules for the management of the Salt Department, and to fix the actual amount of duty to be levied in each Collectorate.

Reference to the question for the consideration of the Customs Committee for India, sitting in Calcutta.

71. In 1835 full information was laid before the Bombay Government, in a letter from the Revenue Commissioner dated the 24th of December of that year.

72. But as the modifications in the Salt Department were evidently intended to follow and be dependent on the general revision of the Bombay Customs, then under the consideration of the Customs Committee for India sitting in Calcutta, the Bombay Government, in forwarding a copy of the above-mentioned Report of the Revenue Commissioner and other papers to the Government of India, on the 11th

of April 1836, intimated that that Government would take no further steps in the matter until instructed by the Supreme Government.

73. Irrespectively of the above communication, the Government of India, in a letter No. 83 dated the 31st of August 1836, intimated to the Bombay Government, that having had under their consideration the Reports of the Committee for revising the Custom Laws of India, with a view to its being determined whether or not to extend to the other Presidencies the tariff of duties on sea-borne commerce recently enacted for Bengal, and also whether it would be possible to extend to those Presidencies (Madras and Bombay) the benefit of an abolition of the Inland Transit and Town duties, they had come to the decision that both these measures would be attended with too great a sacrifice of present Revenue to be hazarded in the present state of the finances of India; that they had accordingly determined to refer the question to the Authorities in England, and in the mean time had directed the Customs Committee to make such "an examination and classification of existing imposts as would enable the Supreme Government to determine which of them most required modification, and how far, through a partial assimilation of the sea tariffs of the other Presidencies to that of Bengal (that is, so far as the change might be found productive of increased Revenue) or through the discovery of new or the improvement of existing resources (as the Salt Revenue of Bombay,) the means might be found of relieving either Presidency from those parts of their system of taxation which might be deemed most injurious to commerce and production."

74. Acting upon these instructions, the Customs Committee sitting in Calcutta lost no time in first submitting for the consideration of the Bombay Government, in a letter dated the 2nd of November 1836, No. 341, their views on the question of the new Salt duties, as the source whence the greater portion of the equivalent for the Transit duties under Bombay might be most readily found, reserving their plan for the alleviation of the Transit duties of the Bombay Presidency for a separate communication.

Views and reasons of the Customs Committee on the question.

75. The Committee observed that an enhanced duty upon Salt had long been contemplated by the Government of Bombay, as the means of supplying the loss of Revenue arising from the abolition of the Inland duties, and that the propriety of this expectation had been distinctly admitted by the Government of India.

76. After the long investigation which the subject had undergone, the Committee deemed it unnecessary to enter into much detail of the measures proposed to be pursued for this object. They at once therefore addressed themselves to the principal question to be determined, viz., the rate of duty which it might be practicable to lay on the article, with due regard to the means of evading the duty.

77. The size of the standard measure upon which the duty should be calculated formed a part of this question. Upon this point, the Committee recommended that the new Indian maund of 82½ lbs. Avoirdupois, which had become the standard weight for all Government transactions throughout Bengal and Agra, and which it was in contemplation to introduce universally throughout India in Government transactions, at no distant period, should be declared the standard measure of the Bombay Presidency in the new Salt enactment.

78. With respect to the rate of duty that should hereafter be levied upon this quantity, the Committee would, under ordinary circumstances, have suggested the rate recommended by Mr. Bruce and sanctioned by the Hon'ble Court, viz. 1 Rupee 30 reas per bullock load of six Surat maunds, or 6 annas 4 pie per Indian maund; but under the altered view taken by the Government of India of the question of the Inland duties, and the impossibility of abolishing them, unless an equivalent was found from some other source, there appeared to be no other alternative than that of fixing the duty on Salt at that rate which the Committee were of opinion would be likely to ensure an equivalent for the greater portion of those duties. In this view they strongly recommended the adoption of the rate of 8 annas a maund, as the lowest that could be expected to yield a surplus sufficiently large to induce the Government of India to abolish the Transit duties throughout the Bombay Presidency, a measure which the Committee conceived ought to be effected at the earliest possible period.

The Committee's reasons for recommending an uniform Excise and Import duty of 8 annas per Indian maund.

79. According to a Statement prepared by the Committee, the rate of 8 annas per maund, supposing the quantity of Salt on which duty would be levied under the new Law to be equal to that on which duty was then collected, would yield a gross surplus over the existing Revenue of a little more than ten lakhs of Rupees, exclusive of the Revenue which might be derived from Salt made on the Island of Bombay, but they conceived that a large sum must be deducted for the probable cost of a preven-

tive establishment at the different Salt Works, and that allowance must be made also for that portion of the Bombay duty which might be levied on Salt exported to the Madras Presidency and Calcutta, where the Revenue raised from the Salt monopoly was too high to admit of the increased cost to importers which the new Bombay duty would entail on them, whilst the admission of Bombay certificates would necessarily operate as a diminution of the existing Salt Revenue of both Presidencies, for which they would be entitled to credit from the Bombay Government.

80. A further reason for fixing the duty under the Bombay Presidency at 8 annas per maund was that the rate under the Bengal Presidency was, with a few trifling exceptions, nowhere less than 1 Rupee per maund. In the Districts subject to the Bengal monopoly, 3 Rupees per maund—in the Central Provinces, 2 Rupees per maund—and in the Western Provinces, 1 Rupee per maund,—were the rates received by Government; whilst in the several Provinces of the Madras Presidency the Revenue realized varied from about 12 annas to 1 Rupee per maund.

81. The Committee recommended that the same duty (8 annas per Indian maund) should be levied on Salt imported by sea, and on that which was brought by land from any of the foreign States bordering on the West, without reference to bottom or place of manufacture, considering it to be more desirable that the people at large should be supplied with Salt at the cheapest possible rate than that any particular shipping or manufacture should be encouraged,—a principle which had been already recognized in Bengal, in regard to the importation of Salt, by Act XIV. of 1836.

The Committee recommended the immediate abolition of the Transit duties throughout the Presidency, & the simultaneous substitution of an Excise of 8 annas per Indian maund on Salt, and of new or increased Import duties on the maritime trade of the Port of Bombay.

82. In their letter of the 15th of November 1836, No. 345, submitting to the Bombay Government their plan for the alleviation of the Transit duties, the Committee reverted to the subject of the proposed Salt duty.

SOUTHERN DIVISION.	
Deccan, ..	7,90,916
Konkan, ..	2,57,226
	10,48,142
NORTHERN DIVISION.	
Guzerat, ..	7,14,354
Less Town Duties, 3,84,573	
	3,29,781
	Rs. 13,77,923

83. Gathering from the instructions issued to them by the Government of India, that the Town duties of the Presidency, particularly those in Guzerat, were to be retained till the last, they proceeded in the first instance to ascertain the Revenue of the land customs after deducting Town duties, and found them to amount in the Deccan and Southern portion of the Presidency to about ten-and-a-half lakhs gross, and in Guzerat to less than three and a half lakhs gross.

84. The Committee exhibited the amount of Town duties to be reserved in Guzerat, but considered it impracticable to ascertain with any correctness the amount which ought, in the spirit of the orders of the Government of India, to be deducted from the Land Customs of the Deccan as partaking of the nature of Town or consumption duties or municipal taxes, and to be retained till the last.

85. The Thul-mor or Import, and Thul-blureet or Export, dues, and a few items in the Southern Maharashtra country, evidently partook of the nature of the items to be reserved, but the Committee were satisfied that they were so completely identified with the machinery of the Transit duties, and moreover so trifling in amount, as well as vexatious in their nature, that they could not be retained on their existing footing without manifest injury to the towns and larger villages. They therefore included them in their estimate of Inland duties in the Deccan to be abolished.

86. The Committee could not satisfactorily ascertain the amount of charges to be deducted from the gross Inland Customs receipts, as shown in paragraph 83; but as a certain portion was composed of compensation and pensions, they apprehended that the whole of the existing charges would not be got rid of by mere abolition of the Inland duties.

87. Assuming, however, that the Land Customs of the whole Presidency, except Guzerat, amounted to nine lakhs nett Revenue, they were of opinion, with reference to their former letter of the 2nd of the same month above-mentioned, that the new Salt duties, if the rate were fixed at 8 annas per Indian maund, would yield a sum nearly equivalent to the above sum.

88. Under that impression, they recommended the immediate fixing of the duty on Salt at the rate above-named, (8 annas per Indian maund,) and also the immediate passing of an Act to give effect to the new system in all its bearings, but with the express understanding that the abolition of the Transit duties would be simultaneous with, if it did not precede, the imposition of the new duties on Salt.

89. There would then remain the Land Customs in Guzerat, to be provided for by some other equivalent.

90. This the Committee thought should be supplied by the imposition of the duties levied, by Act No. XIV. of 1836, upon Imports into Bengal from the United Kingdom, and generally those fixed for Import of enumerated articles in Schedule A. of that Act; and they showed that if the duties therein specified were laid on the commerce of Bombay, and the drawbacks at the port of Bombay continued for the present on their existing footing, there would be a gross increase on the Sea Customs Revenue of Bombay, as it then stood, of about Rupees 2,43,212, to meet the gross Land Customs of Guzerat, of about Rupees 3,25,000.

91. In these ways, the Committee pointed out equivalents of the Transit duties of the whole Presidency, viz., by an increased and consolidated tax of eight annas per Indian maund upon all the Salt manufactured within or imported into the Presidency, and by new or increased import duties on the maritime trade of the Port of Bombay.

92. The Government of Bombay having reported that they had come to the resolution of abolishing provisionally all Inland Custom duties in the Konkan, and had issued orders to carry the measure into effect, the Supreme Government replied, in a letter dated 16th November 1836, that they would not interfere with the arrangements already made for that purpose, feeling equal confidence to that expressed by the Bombay Government, that the loss of the Revenue yielded by those oppressive taxes, if not immediately replaced by means of an improved external trade, must ultimately be made good through the extension of every means of production, and that thus at no distant period the measure would probably contribute even to augment the resources of the State.

93. In the mean time, however, the urgent necessity for similar measures of relief in other ports of the Bombay Presidency, and yet more under the Presidency of Madras, obliged the Supreme Government to recur to the principle before laid down, and to require that some immediate compensation should be sought for a portion at least of the assumed loss.

94. The Bombay Government were therefore informed, that the Supreme Government looked favorably on the proposition that the desired compensation should be sought in an improved Salt duty, as recommended by the Committee for revising the Customs Laws; and thought that 8 annas per maund would be a less onerous tax than any other that could be devised for the purpose; and they were invited, if they approved of the measure, to prepare the Draft of an Act providing for its details.

95. In compliance with this invitation the Bombay Government forwarded to the Government of India, with a letter dated the 24th April 1837, the Drafts of two Acts, one for the abolition of the existing Transit duties, the other for the imposition of the new Salt duties; but conceiving the rate of 8 annas per maund, recommended by the Customs Committee, to be unnecessarily high, they proposed to reduce it to 6 annas, to be levied in the form of an Excise on the manufacture. At the same time they stated, that if the Government of India should continue to think differently, they were prepared to acquiesce in the imposition of the higher rate, which would still be a considerable boon to the Presidency if accompanied by a removal of the obnoxious exactions before mentioned.

96. The Supreme Government, in their reply of the 24th May 1837, adhered to their opinion that a less duty than 8 annas per Indian maund would not suffice to provide the amount of substitute for the Transit duties to be abolished, with a view as well to general finance as to the means which it was necessary to reserve for affording relief to the Presidency of Madras. But the Draft Act submitted from the Bombay Government being very insufficient for imposing and enforcing such a tax, the Customs Committee were requested to prepare the Draft of a Law containing the necessary provisions in detail for imposing and enforcing an Excise duty of 8 annas per maund on Salt produced in Bombay, framed on the principle of licensing the manufacture and watching production and store, and of not allowing removal from the manufacturer's store, except upon production of certificate of payment of the required duty.

97. With a subsequent communication, dated the 31st May 1837, the Supreme Government forwarded a copy of a sketch Draft Act for levying an Excise on Salt manufactured or stored within the Bombay Presidency, which had been sent to the Customs Committee for their opinion and suggestions, and requested to know whether, in the opinion of the Bombay Government, an Act so framed would suit the purposes desired.

98. The Bombay Government and Mr. Bruce, who was consulted by the Bombay Government, submitted their opinions at great length on the provisions of the Draft Act; and the suggestions of both having been carefully considered by the Supreme Government, and adopted to such extent as appeared advisable, the Draft Act was at length finally passed into Law, on the 8th of November 1837, as Act No. XXVII. of 1837.

All Inland Custom duties in the Konkan abolished.

Bombay Govt. submit the drafts of two Acts, one for the abolition of the Transit duties, the other for the imposition of the Salt duties, and propose to fix the rate of Salt Excise at 6 annas instead of 8 annas as recommended by the Committee.

The Government of India adhere to its opinion that a lower duty than 8 annas per Indian maund would not suffice to provide the amount of substitute for the Transit duties to be abolished.

Enactment of the first law for imposing and enforcing an Excise duty of 8 annas per maund. Act No. XXVII. of 1837.

that year, nearly thirteen years after the subject was first brought under the formal consideration of the Bombay Customs Committee, and more than eleven years after the preparation of the first Draft Law by Mr. Bruce.

Principal provisions of the first Law.

99. The principal provisions of this first Law for deriving a special Revenue from Salt in the Bombay Presidency, were shortly as follows:—

Sec. I. 100. A duty of 8 annas was imposed on every maund of 3,200 tolahs of Salt delivered from any Salt Work in the territories subject to the Government of the Presidency of Bombay, unless remitted by the Government.

Sec. II. 101. The manufacture of Salt was prohibited until notice had been given to the Collector of the District of the intention to manufacture; such notice to describe the situation of the Works, the names by which they were known, and, if the manufacture was carried on at more places than one, the distance of the places from one another.

Sec. III. 102. The Collector, upon receiving such notice, was required to depute one or more Officers to be stationed at the place of manufacture.

Sec. IV. 103. Every Officer stationed at any Salt Works was entitled to have free passage over all parts of the Works at all times, to take account of Salt manufactured and stored, and to mark the Salt, and prevent the removal of it until the duty had been paid.

Sec. VII. 104. The Governor in Council might establish Chokeys near Salt Works, and authorize Officers stationed thereat to stop Salt irregularly removed, to search any suspected load passing any such Chokey, and to take and cancel any Salt pass.

Sec. VIII and IX. 105. The Collector might direct Salt Works to be destroyed of which notice had not been given, and order the confiscation of any Salt removed otherwise than according to Rule, or stored clandestinely to evade duty.

Sec. X. & XI. 106. Persons manufacturing Salt at any Works whereof notice had not been given, or removing Salt otherwise than according to Regulation, or counterfeiting the Collector's mark, or obstructing any Officer in the exercise of his powers, were rendered liable to imprisonment or fine, or both.

Sec. XII. & XIII. 107. Officers guilty of misfeasance or malversation were in like manner subjected to imprisonment or fine, or both.

Simultaneous enactment of a Law abolishing the levy of all Transit duties, and imposing a Customs duty equal to the Excise duty (8 annas per maund) on all Salt imported from any foreign territory. 103. Immediately afterwards, on the 3rd of January following, was passed Act I. of 1838, establishing a revised system of Sea and Land Customs, and so carrying into effect the remainder of the scheme connected with the new Excise duty on Salt. By that Act the levy of Transit or Inland Customs duties in the territories subject to the Bombay Presidency, which had been suspended in September 1837, was finally abolished, and under its provisions a Customs duty of 8 annas per maund of 80 tolahs per seer, being the same as the Excise duty, was laid on all Salt not covered by a pass, imported by Sea into any port of the Presidency whether in a British or Foreign bottom, and also on all Salt imported by land from any foreign European, Settlement or any Native territory declared to be foreign.

Sec. II. Sec. IV. and Schedule A. Secs. VII., VIII. and Schedule A.

Salt once excised paid no further duty. 109. Salt that had paid the Excise of 8 annas a maund was allowed to be exported by land free of Customs duty, and also by Sea from any port or place in the Presidency of Bombay, whether in a British or foreign bottom, and to be landed at any other port of the Presidency, and passed from such port into the interior, without the levy of any further duty, either of Excise or of Customs.

Sec. VII. and Schedule B. Sec. V. and Schedule B. Sec. XIII.

Committee appointed by the Bombay Govt. to consider the expediency of lightening the Excise on Salt consumed in the neighbourhood of the Pans. 110. As soon as the new Salt Law was passed, the Bombay Government, being of opinion that the measure would be oppressive unless remissions of duty were granted in the case of Salt purchased for consumption within certain prescribed distances of the Salt pans, appointed a Committee to consider and devise some mode by which the expense of Salt consumed in the neighbourhood of the pans could be lightened from the full weight of the Excise duty.

Committee considered exemption from or reduction of the Excise duty unnecessary, except in the case of Salt-fish curers. 111. The Committee so appointed, after making the fullest inquiries, reported their opinion that no necessity existed for the exemption from, or reduction of, the Excise duty in favor of any other class than that engaged in preparing and curing Salt fish.

112. It was not considered expedient to allow that class any special exemption from the Excise upon Salt, but it was ultimately decided, with the view of extending relief to fishermen engaged in the trade of salting fish, that, in consideration of their using excised Salt, their fish should be allowed free Export, in remission of the general Export duty on that article, and also free Import, in remission of the general Import duty, when the fish was brought from any Port of the Bombay Presidency.

The Export and Import duty on Salt-fish remitted in consideration of the fishermen using excised Salt in preparation of that article.

113. By Act No. VI. of 1848, no duty is now chargeable on any goods lawfully carried from any Port in the territories subject to the Government of the East India Company, to any other Port in the said territories, with exception to certain free Ports.* But the above-mentioned exemption from duty in favour of salted fish is still in force, and of value, in the case of exportations to all Ports beyond India, and to the free Indian Ports, and amounts to the remission of a duty of 3 per cent. on the value of such exportations, that being the present rate of Customs to which the article would otherwise be liable† on Export to the Ports in question.

Value of the foregoing exemption.

114. *In a financial view, the measure of substituting an 8-anna Excise upon Salt, in commutation of the Transit duties, appears to have resulted in an annual loss of Revenue to the amount of Rupees 2,51,607, as follows:—

Annual loss of Revenue by the substitution of an Excise upon Salt in commutation of the Transit duties.

Annual amount of Revenue relinquished by the abolition of Transit duties under Act I. of 1838,	11,55,976
Ditto by the abolition of British Transit duties levied in places not included in British territorial jurisdiction,	30,565
Annual compensations for the abolition of Transit duties to hereditary proprietors and Officers, &c.,	2,48,104
Nett Revenue annually derived from Salt prior to the 8-anna Excise, (see para. 40.) ...	2,08,532
Annual compensations to hereditary Officers and other claimants, on account of their dues on the Salt Revenue, which they were prohibited from levying under the new measure, ...	17,402
	16,60,879

Gross Revenue annually derived from the 8-anna Excise upon Salt on an average of 6 years, from 1838-39, the first full year of that rate, to 1843-44, the last full year of the same,	15,48,469
Deduct the average annual charges for the same period,	1,39,197
	14,09,272

Annual deficiency by the commutation, 2,51,607

115. The items of Revenue relinquished have been taken from a Statement and copies of correspondence received with a letter from Mr. Secretary Townsend to the Government of India, dated the 27th of August 1845, and are the latest and most authentic procurable. The amount of Revenue *per contra*, realized from Salt under the 8-anna Excise, has been derived from the Parliamentary Return mentioned at para. 40.

116. The financial results of the revised system of Sea Customs, established by Act I. of 1838, have been excluded from consideration, because, although the measure was projected in connection with the abolition of the Transit duties, it was one of improvement in its own department which would have been adopted at any rate.

117. The abolition of the Transit duties throughout the Presidency, it should be observed, was so complete and comprehensive as to include all those levied in jagheer States not subject to British territorial jurisdiction, Rupees 61,142 of the total annual compensations, amounting, as shown by the foregoing figures, to Rupees 2,48,404, being payable to jagheerdars, on whom it was not imperative to abolish the Transit duties, and to huckdars or claimants of certain dues thereon, in their jagheers.

Comprehensive-ness of the measure abolishing the Transit duties.

* Act VII. of 1848.

† Act I. of 1852, Schedule B, Item No. 13.

118. And it should not be overlooked, that prior to the abolition of the Transit duties, a number of petty and very objectionable taxes, amounting in the aggregate to Rupees 6,78,312, had at different periods, in the course of the previous twenty years, been relinquished in the Bombay Presidency.

Amount of other taxes relinquished prior to the abolition of the Transit duties.

Kaira,	16,194
Surat,	14,689
Tanna,	3,09,892
Khandeish,	1,71,930
Ahmednuggur,	42,963
Poona, including Solapoor,	1,00,860
Belgaum,	2,323
Warwar,	8,615
Ratnagere,	16,746
Total, Rs.,	6,78,312

Determination of the Government of India to raise the Salt excise from 8 annas to 12 annas on the Indian md., in commutation of the Town duties, Mohturfa, and other vexatious taxes still levied.

120. Very soon after, however, the Town duties, Mohturfa, or taxes on trades and professions, and other irregular local cesses of the same class, were taken into consideration, and the Reports of Messrs. Borradaile and Langford, who were successively commissioned to investigate the subject, were communicated to the Government of India by the Bombay Government, in letters dated, respectively, the 22nd June 1840 and the 22nd of October 1841.

121. The whole nett Revenue realized throughout the Presidency from the above sources was estimated at the time at Rupees 9,10,119, realized in about equal proportions from Town duties and from the Mohturfa and other taxes classed with those local assessments.

122. It is not necessary to enter into a detail of these taxes and the system of administering them; suffice it to say, that they were so full of inequalities, anomalies, and complications, that it would be almost vain to inquire from what objections and abuses they were free.

123. Entertaining this impression, the Government of India informed the Bombay Government, in a letter dated the 8th of March 1843, that the extraordinary and multifarious exactions brought under review by their several Reports on the subject must be at once abolished, as completely and as generally as the Transit or Inland Customs had been, for in no modified shape could such imposts be established without leaving a permanent load on industry and production, such as extreme financial pressure alone could justify. It was, at the same time, determined to abolish, as a source of taxation, the imposts laid in various ways on fishermen, fishing-boats, fixing-stakes, &c., these being, in fact, only another form of Mohturfa.

124. In order to compensate for the loss of Revenue which this measure would occasion, the most expedient course it was thought would be to raise the Salt Excise from 8 to 12 annas on the Indian maund. It was expected that this addition of 4 annas to the rate would give, without the least additional charge, the amount that might be required, while the burthen of the tax would be distributed so as scarcely to touch the consumption price at which Salt was then retailed; and it was presumed, that if the additional levy of 4 annas were specifically imposed as the equivalent for the abolition of Town duties, and of so many other vexatious levies which then bore on the population, the justice and expediency of the measure would be everywhere evident, and that the substitution would be accepted with gratitude as a boon, and be popular throughout the Presidency.

Subsequent resolution to raise the Salt Excise from 8 annas to 1 rupee per Indian maund.

125. Subsequently, the Government of India resolved to raise the Salt Excise from 8 annas to 1 Rupee per maund, instead of raising it to only 12 annas, as originally proposed, partly on financial considerations, but principally because, having determined to raise the average price of Salt in the Madras Presidency from 15 annas to 1 Rupee 8 annas per maund, in compensation for the amount of Revenue to be sacrificed by the abolition of the Inland Transit and Town duties of that Presidency, it was necessary, in order to equalize prices and prevent the Salt of one Presidency from underselling that of the other, to raise the duty in the Bombay Presidency, and that simultaneously, to 1 Rupee per maund.

Departure from the original intention of abolishing the Town duties, and other taxes, simultaneously with the imposition of the increased duty on Salt.

126. The original intention of the Government of India was to abolish the Town duties, and other vexatious taxes which were still levied in the Bombay Presidency, simultaneously with the imposition of the increased duty on Salt; but as the Act for increasing the Salt-tax and abolishing the Inland Transit and Town duties in the Madras Presidency was ready for immediate enactment, and as it was necessary that the increase of the Salt-tax should be simultaneous at both Presidencies, it was not thought expedient to delay these two measures any longer pending the receipt of the information required from the Bombay Government, and which had been repeatedly called for to enable the Government of India to legislate with respect to the Town duties and other cesses which it was determined to abolish within that Presidency. It was therefore resolved to carry them into effect at once, leaving the question of the Bombay duties above-mentioned open to further consideration, after its details should have been finally inquired into.

127. Accordingly, the Madras Act (No. VI. of 1844) abolishing the levy of Inland Transit and Town duties, and fixing the price to be paid for Salt purchased for home consumption at 1 Rupee 8 annas per Indian maund, having been passed on the 16th of March, to have effect from the 1st of April, the Bombay Act (No. XVI. of 1844) for increasing the Excise and Import duties previously payable to the Government on Salt manufactured within or imported into that Presidency, was passed on the 27th of July, to have effect from the 1st of September.

Law passed increasing the Excise and Import duties on Salt to 1 rupee per Indian maund.—Act No. XVI. of 1844.

128. By this Bombay Act, the Excise and Import duty on Salt was raised from 8 annas per maund of 3,200 tola, as fixed by Section I. Act XXVII. of 1837, to 1 Rupee per maund, of the same weight, and certain provisions of Act I. of 1838, relating to the Import and Export of Salt by sea, were repealed and re-enacted so as to provide for this increase in the Excise and Import duty,—the Law, excepting as to this increase, thus remaining the same as before.

Provisions of the Law.

129. Shortly after the Act was passed, and before the date on which it was to take effect, a Despatch, dated the 3rd of July 1844, was received from the Hon'ble Court of Directors, directing that the rate of duty on Salt, if raised at all, should on no account be fixed at a higher amount than 12 annas per maund. In the same Despatch the Court directed the immediate reduction of the price of Salt in the Madras Presidency from 1 Rupee 8 annas per maund, as fixed by Act No. VI. of 1844, to 1 Rupee per maund, under the power reserved to the Government by Section XLIV. of that Act, thereby removing the principal reason for the continuance of the higher rate of 1 Rupee per maund under the Bombay Presidency.

The Court of Directors interdict a higher rate of duty than 12 annas.

130. In compliance with these orders, the Government of India informed the Bombay Government, in a letter dated and dispatched on the 31st of August 1844, that the Excise and Import duties payable on Salt from the 1st proximo were to be reduced from 1 Rupee, as fixed by Act XVI. of 1844, to 12 annas per maund.

Duty reduced accordingly to 12 as.

131. And on the 14th of September, the long-expected information from Bombay having been received, in a letter dated the 6th of the previous month, the Government of India transmitted to the Government of Bombay copy of an Act (No. XIX. of 1844) which had been that day passed, for abolishing, from the 1st of October 1844, all Town duties, Kusub-Veeras,* Mohturfas,† Bullootee taxes‡ and cesses of every kind on trades or professions, under whatsoever name levied within the Presidency of Bombay, and not forming a part of the Land Revenue.

Law passed abolishing Town duties, and other specified taxes of a vexatious kind, throughout the Presidency.—Act XIX. of 1844.

132. It is to be regretted that the introduction of the increased Excise on Salt was not accompanied by that measure of relief which the Government of India had originally regarded as its necessary concomitant, so that both measures, viz., the imposition of the higher tax on Salt, and the remission of the old taxes, might have borne their true character of different parts of one great measure of relief to the Presidency generally. If this had been done, or if the precaution had been taken to assure the people that only a financial adjustment of taxation on equitable principles was intended, and that the imposition of the increased Excise on Salt was to be compensated by immediate relief from other imposts, the disturbances which occurred at Surat, on the intelligence of the increase of the Salt-tax becoming known there, would not, according to the representations of the principal inhabitants of that city, as reported by the local Officers, have taken place, and it may be presumed that, in the contrary, the measure would everywhere have been hailed as an act of enlightened and beneficial policy.

Ill consequences of the departure from the original intention of remitting the old taxes simultaneously with the imposition of the higher tax on Salt.

133. In Campbell's *Modern India*,§ it is stated that, in consequence of the serious riot at Surat, the Government compromised the matter by reducing the duty from 1 Rupee to 12 annas. This, however, is an incorrect statement, which it may be as well to rectify. Act XVI. of 1844, raising the tax to 1 Rupee, was only promulgated in Surat on the 28th of August, and the riot did not commence till the next day, consequently the orders of the Government of India of the 31st of August, founded on the Hon'ble Court's Despatch dated the 3rd of July preceding, directing the reduction of the tax to 12 annas, must have been issued before it was possible for the Supreme Government to have received intimation of the insurrectionary spirit which had manifested itself at Surat, and could not possibly have been influenced or expedited by that manifestation.

The reduction of the duty from one rupee to 12 annas per Indian maund was not a compromise yielded to the disturbances at Surat, as stated in Campbell's "Modern India."

* Taxes on shops, trades and professions, chiefly levied in Guzerat and Khandeish.

† Taxes of a similar nature usually thus designated in the Deccan, Konkan, and Southern Mahrattah Country.

‡ Taxes on the hereditary village officers and artisans.

§ Page 336.

Amount of the Town duties and other taxes relinquished. 134. According to a paper furnished to me from the Chief Secretary's Office at Bombay, the actual amount of annual Revenue relinquished by the abolition of Town duties and other taxes under Act XIX. of 1844, including compensation to huckdars and the various imposts on fishermen, as shown by the latest and most authentic Returns, was Rupees 10,88,501, as follows :—

Town duties,	5,16,995
Mohturfa and Kusub-Veeras,	3,16,411
Bullootee,	92,705
Taxes on fishermen,	47,559
Sundry irregular cesses,	9,440
Other taxes partaking of the nature of the four preceding, but indiscriminately accounted for,	1,07,274
Add annual compensations to huckdars,	10,90,384
	54,903
	11,45,287
Deduct Charges of Collection saved,	56,786
Nett Annual Revenue relinquished,	10,88,501

Amount increase of Revenue derived from the increased Excise on Salt. 135. On the other hand, the nett increase of Revenue realized from the increased Excise on Salt, on an average of eight years, from 1845-46, the first full year of the 12 annas rate, to 1852-53, the latest year for which I have received a complete account, was Rupees 7,31,720, as follows, the figures being derived, up to the year 1850-51, from the Parliamentary Return before mentioned, and for the two subsequent years, from official papers furnished to me at Bombay :—

Gross Revenue annually derived from the 12 annas rate, on an average of eight years, from 1845-46 to 1852-53,	23,17,859
Deduct the average annual charges for the same period,	1,76,867
Nett Revenue,	21,40,992
Deduct nett average Revenue annually realized previously under the 8 annas rate, (see para. 114,)	14,09,272
Nett annual Increase under the 12 annas rate,	7,31,720

Annual loss of Revenue by the commutation. 136. It thus appears that the measure of increasing the Excise upon Salt to the extent of 4 annas per maund, in commutation of the Town duties and other taxes abolished by Act XIX. of 1844, has been attended so far, with an annual loss of Revenue on an average to the amount of Rupees 3,56,781, making with the previous loss of Rupees 2,51,607, under the 8 annas rate, a total annual deficiency of Rupees 6,08,388.*

Annual loss of Revenue by the two commutations. 137. In a financial view, therefore, the measure of substituting an Excise upon Salt, in commutation for other taxes relinquished, has resulted, so far, in an annual loss of Revenue to the amount of Rupees 2,51,607 under the 8 annas rate, and of Rupees 6,08,388 under the 12 annas rate, while the present annual loss, taking the latest year, 1852-53, is Rupees 4,91,114.†

Amount annual deficiency in the Revenue by the abolition of obnoxious taxes not made up by the Salt Excise. 138. And if to these figures were added the petty taxes, amounting to Rupees 6,78,312 per annum, mentioned at para. 118, relinquished without compensation prior to the introduction of the Salt Excise,

* Amount of Taxes abolished,	10,88,501
Deduct Increase in the Salt Revenue,	7,31,720
Deficiency,	3,56,781
Add previous Loss under the 8 annas rate—(see para. 114,)	2,51,607
Total Annual Deficiency,	6,08,388
+ Amount of Taxes relinquished on the introduction of the 8 annas Excise (see para. 114,)	16,60,879
Ditto on the introduction of the 12 annas rate, (see para. 134,)	10,88,501
Total Taxes relinquished,	27,49,380
Gross Revenue of the Salt Excise for 1852-53,	24,62,261
Deduct Charges,	2,03,095
Nett Revenue,	22,59,266
Present Annual Deficiency,	4,91,114

the deficiency under the 8 annas rate would be increased to Rupees 9,29,919, under the 12 annas rate to Rupees 12,86,700, and the present deficiency to Rupees 11,69,426.

139. In their letter of the 6th of August 1844, before mentioned, received after Act XVI. of 1844 had been passed, the Government of Bombay had expressed an opinion, that it would be necessary to adopt more stringent rules to guard against smuggling if the Excise duty on Salt were enhanced, and that in order to exercise the necessary control over the Salt manufacture, the right of that Government to regulate the construction of new Salt Works, and to suppress all which did not produce sufficient to cover the cost of watching them and managing the Excise, should be recognized by Law. It was proposed, in consequence, to introduce a Clause in Act XIX. of 1844 (then before the Legislative Council in draft) authorizing the Government of Bombay to suppress all Salt Works not producing annually 1,000 Indian maunds of Salt, if it should deem such a measure expedient.

Proposition to enact more stringent rules against smuggling, and to empower the Bombay Government to suppress all Salt Works not producing annually 1,000 Indian maunds of Salt.

140. But ultimately the Government of India, in their letter dated 14th September 1844, expressed their reluctance to mix up with the question of abolition of Town duties and taxes any stringent provisions for better providing for the protection of the Salt Excise Revenue, remarking, at the same time, that in the event of such measures being considered indispensable, they would be prepared to pass such an enactment as circumstances might demand.

The Government of India reluctant to entertain the proposition at that time.

141. With reference to the above communication, the Bombay Government revived the consideration of the question, in a letter dated the 28th of April 1846, with which they submitted correspondence with Mr. Pringle, the Revenue Commissioner of the Northern Division, on the subject of the suppression of Salt Works in the Southern Konkan, of which the produce was inconsiderable, and the Draft of a Law for the better protection of the Salt Excise Revenue, the necessity for which they were of opinion had been clearly established.

Proposition revived.

142. It had been admitted in former discussions on the question, that Government had not the power, under the existing Law, of preventing or suppressing Salt Works in opposition to an unconditional usufructuary right, but it was considered very desirable for the interests of the Revenue, that the Government should possess this power by Law over all Salt Works, by whatever tenure held, the suppression of Works being made dependent on their not having produced, during three seasons, an annual average of 100 Indian maunds of Salt.

143. In continuation of their letter above mentioned, the Bombay Government submitted, with a letter dated the 25th September 1848, the Draft of another Act, with a request that the different Sections of which it was composed might be blended with the Draft Act submitted in 1846, and the whole passed into Law as early as possible. This Act was for rendering the conveyances in which smuggled Salt might be seized liable to confiscation, and making the penal provisions relative to the illicit removal of Salt within the Company's Territories applicable also to smuggling from beyond the Frontier. It was stated that the vehicles in which it was attempted to smuggle Salt across our Frontier, and the animals which drew them, were not considered liable to confiscation with the Salt itself, and that such being the state of the Law, the Officers of Government were clearly not empowered to exact any sufficient penalties from the smugglers of Foreign Salt into our Territories, consequently that further legislation for the due protection of the Salt Excise Revenue was required.

Further propositions for the better protection of the Salt Excise Revenue.

144. The Bombay Government continuing to represent that there was very urgent necessity for the enactment, the Draft of an Act "for protecting the Salt Revenue in Bombay," and intended to provide, both for the control by the Local Government of all Salt Works under the Presidency, and for the better prevention of smuggling carried on in that article, was read in Council for the first time on the 11th April 1850, in accordance with the views first propounded in 1844, when the question of enhancing the rate of Excise duty was under consideration, and after some alterations, made at the suggestion of the Bombay Authorities, was finally passed into Law on the 9th of August 1850, as Act No. XXXI.

Law passed for the better protection of the Salt Revenue.—Act No. XXXI. of 1850.

145. By this Act it was enacted, that a duty of Customs should be levied on Salt passing by Land into or out of Foreign European Settlements or Territories declared to be Foreign, at the same rate as the Excise duty.

Provisions of the Law.

146. That any person concerned in passing Salt by Land or Sea, contrary to the provisions of the Act in question, or any other Act, should be punishable with imprisonment for a term not exceeding three months, or fine not exceeding Rupees 500, or both, and that all Salt so passed, or attempted to be passed, and all vessels, carriages and animals used in so passing it, and the contents of any package in which such Salt might be concealed, should be liable to confiscation at the discretion of the Government, but might be redeemed on payment of such fine as might be thought reasonable.

147. That informers, or other persons, through whose means any seizure of Salt was made, might be rewarded.

148. That no new Salt Works should be established, and no old Works not in use at the time of passing the Act, or which should thereafter be abandoned during three consecutive seasons, should be re-opened without the permission of the Government, and that any person infringing these prohibitions should be punishable with imprisonment or fine as above, or both.

149. That the Government might at its discretion suppress any Salt Work which, on an average of any three years, did not produce yearly at least 5,000 Indian maunds of Salt.

150. And finally, that Section VII. Act XXVII. of 1837, which provides for the establishment of Chokeys in the vicinity of Salt Works, should be applicable to any tracts of country where Salt is found.

151. The fine in lieu of confiscation was intended to meet cases in which the latter would be an unduly severe punishment, and cases in which it might be more convenient to impose a fine than to confiscate property; and the suppression of Salt Works was made dependent on their not producing yearly, on an average of any three years, 5,000 Indian maunds, in lieu, as originally proposed, of 1,000 maunds, which was considered too small a quantity.

Laws passed by which the Import duty on Salt was reduced from one rupee to 12 annas per Indian maund. Acts Nos. I and II of 1852.

152. The next Laws affecting the Salt Revenue were Acts I. and II. of 1852, both passed on the same day, the one entitled an Act for the consolidation and amendment of the Laws relating to the Customs under the Presidency of Bombay, the other, an Act for the collection of Land Customs on certain Foreign Frontiers of that Presidency. Act No. I. of 1852 repealed specifically Act No. I. of 1838, except in so far as it repealed any other Regulation or Act, and generally, all other Acts of the Bombay Code (so including Acts XVI. of 1844 and XXXI. of 1850) in so far as they prescribed the levy of any Customs duties on Salt, as well on Transit by Land as on Import or Export by Sea, or in any way related to such duties; but the repealed provisions of these three Laws were re-enacted in the two Acts of 1852, with little or no alteration, beyond fixing the Customs duty on Salt not covered by a pass, imported by Sea or Land, at 12 annas per Indian maund, in place of 1 Rupee.

153. Having thus traced the past history of the Salt Revenue, and the course of legislation relating to it, from the earliest to the latest enactment, I proceed to describe in full detail the mode of manufacturing Salt and the system of administering the Revenue, as they now exist.

Section II.

MODE OF MANUFACTURING SALT, AND SYSTEM OF ADMINISTERING THE REVENUE NOW IN OPERATION.

154. The Salt of the Bombay Presidency is obtained entirely by solar evaporation, and the total quantity thus produced, according to the actual annual average of the last three years, 1850-51 to 1852-53, is Indian maunds 46,29,946. Process of manufacture, and quantity of Salt produced.

155. It may be classified under two heads, Sea or Coast Salt, and Salt manufactured in the Inland Districts; the former is by far the most extensively produced, constituting about nine-tenths of the entire Salt of the Presidency. Two classes of Salt manufactured, viz., Sea or Coast Salt, and Inland Salt.

156. The manufacture of Sea Salt is carried on in the Island of Bombay, and more or less in every District on the seaboard of the Presidency, from Raïree on the Goa Frontier Southward to the shores of the Gulf of Cambay in a Northerly direction. The Inland Salt manufacture is met with almost exclusively on the Eastern border of the saline desert known as the Little Runn of Cutch, but small quantities of very impure Salt are also produced in the Deccan by washing saline earths. Coast Salt where manufactured. Inland Salt where manufactured.

157. Accompanying are four plans,* laid down according to actual survey, two of Salt Works on the Coast, situated respectively in the villages of Jeão and Oomurtulungpore, in the Surat Collectorate, and two of Inland Salt Works, situated at Patree and Ooroo, on the borders of the Little Runn of Cutch, in the Ahmedabad Collectorate. A reference to these plans, and to the appended† drawings and descriptions of the several implements used in the manufacture and issue of Salt, of which models also accompany, will render the following description of the process of manufacture and system of management more readily intelligible. Plans of Coast and Inland Salt Works, and drawings and models of implements used in the manufacture.

158. Before entering upon a detailed account of the process of manufacture, it may be useful to describe in general terms the most prominent and characteristic features of the localities in which Salt Works occur, giving precedence to those on the Coast. General features of the localities in which Salt Works occur.

159. At the heads of the estuaries, and on the banks of the tidal creeks, which are numerous on this Coast, it is common to find tracts of flat alluvial land, varying in area from a few acres to several square miles, which are subject to inundation by the Sea at high spring-tides. These mud-banks would appear to have been formed in the course of ages, by the gradual silting up of shallow bays, and by the formation of alluvial deposits on the banks of rivers and streams, more especially at points near their outfall into the Sea.

160. The nature of these alluvial deposits necessarily varies, corresponding with the geological formation of the surrounding country. In some places they are entirely unfit for the construction of Salt Works, in others they are more or less suited to that purpose, according as the muddy alluvium of which they consist may be more or less impermeable by water, free from pebbles, shells, sand, and all granular substances, plastic when in a wet condition, hard and unyielding when dry, and not readily pulverizable, so as to be raised by the wind in the form of dust.

161. But one of the most essential local conditions requisite for the formation of Salt Works on the Coast is that of ground level. This should be from one to three feet below the level of the high spring-tides. Upon the maintenance of a level approaching these limits depends, on the one hand, the possibility of admitting, at proper intervals, the necessary supplies of Sea water, without resorting to artificial means for raising it, and on the other, the practicability of reclaiming the ground from the Sea, without extensive and costly embankments.

162. In a state of nature, the ground on which the Coast Salt Works are established, being liable to inundation by high tides, is of course sterile and waste. On the edges of the small though deep nullahs, excavated by the advancing and receding tides through the yielding material, in all directions, is found usually a growth of mangrove, and here and there a few marine shrubs and herbs. When reclaimed from the Sea, however, the surface in the Konkan and the Island of Bombay gradually assumes a somewhat improved aspect. In some instances coarse tufts of a reedy grass spring up, and portions of the reclaimed area are, after a few years, cultivated with a peculiar variety of rice which thrives in saline soils. In Guzerat the Salt plains are generally perfectly barren.

* Plans 2 to 5.

† Appendix A.

163. The line of demarcation between these reclaimed lands and the neighbouring country is generally abrupt, but open; a fertile soil, groves, fields, and even gardens, are not unfrequently found within a few yards of the verge of the saline flats.

Size and cost of embankments required for the reclamation of Salt lands.

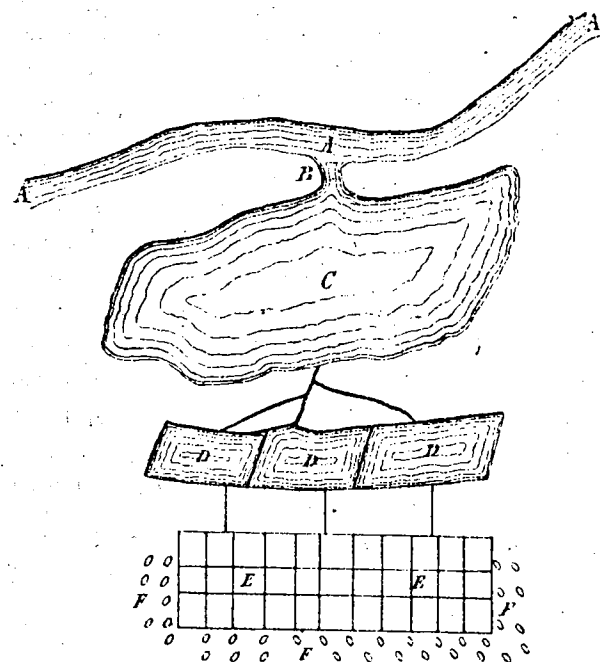
164. The size and cost of the embankments by which the Sea is excluded from these tracts are of course dependent on the circumstances of varying level and exposure to the force of the ocean waves. Occasionally the embankments and sluices are of masonry, but generally speaking, being erected in sheltered situations, they consist of earth-work of a very slight and inexpensive construction. It usually happens that the area reclaimed by a set of embankments is sufficient to accommodate two or three sets of Salt pans, in some cases many more, which are necessarily in close proximity to each other, and usually derive their supplies of Sea water through a series of embanked channels, which, as well as the external embankment common to all, are kept in repair at the common cost, under rules and regulations varying at every locality. It is an important part of the duty of the Government Officers to see that these rules are strictly enforced, as any neglect in this respect would be productive of serious consequences.

"Agurs" or sets of pans fall naturally into groups called "Suzas."

165. The various Salt pans thus naturally fall into groups, consisting of an indefinite number of "Agurs," as the sets of pans are locally designated: such groups are called, "Suzas," and usually constitute the separate charge of a defined establishment of Government Officers, as will be hereafter explained.

Process of manufacture on the Coast. The component parts of an Agur, and their uses. The "Pandhurrur" or reservoir.

166. The several parts of which an "Agur," or set of pans, consists, are very simple, and may be readily comprehended by a reference to the diagram below.



A represents the channel by which the waters of the high spring-tides are admitted, and allowed to flow through the passage at B, into the reservoir C (called "Pandhurrur" or "Khuzenah.") This reservoir is usually of irregular form, adapting itself to the irregularities of the ground. It is surrounded like every part of the Works by an embankment, and the water it contains is usually from two to three feet in depth. The Sea water is admitted at high spring-tides into this reservoir, where the earthy and other impurities subside, and evaporation to a certain extent takes place. A portion of the contents is then, as required, drawn off in the series of smaller reservoirs marked D (called "Tapownee.")

The "Tapownee" or Brine-pits.

167. The depth of water admitted into the "Tapownee" or brine-pits is from about 9 to 18 inches, and it is allowed to remain exposed to the sun and air for a period of ten or fourteen days, or until it has become a highly concentrated saline solution. It is ready for admission into the crystallizing beds, or pans, when it shows a disposition to form crystals round any twig or foreign body that may afford a nucleus. The brine is then of a slightly brown colour, and all the marine animalculæ, which abound in the water when first admitted, have perished and disappeared.

168. The brine is now admitted into the evaporating beds or pans, marked E in the diagram, which have been previously prepared with much labour and care. These are termed "Koondees," and consist of a series of rectangular compartments of varying sizes up to 400 feet by 100, but usually from 20 to 80, feet in length, and from 10 to 30 feet in breadth. They are separated from each other by ridges of earth about 6 or 8 inches in height. The floor of each compartment must be perfectly level and smooth, and is laboriously consolidated by first being trodden down with the naked feet, and subsequently beaten with flat mallets and boards. The object of this is to render the pan impervious to water, so that no Salt shall be lost by the sinking of the brine into the soil, and that no water shall percolate from the neighbouring reservoirs into the evaporating pans, and thus retard crystallization.

The koondees, or evaporating beds, their preparation.

169. The preparation of the pans is commenced soon after the close of the rainy season, while the clay is still damp, that is, in September or October. The floors of the Koondees have thus time to get dry and indurated before the manufacturing season, which commences in March and lasts until the first fall of rain in the end of May or beginning of June.

170. The Koondees being properly prepared, the brine from the Tapownee is admitted to the depth of from 3 to 5 inches, and is allowed to remain until evaporation has so far progressed that the Salt commences to show itself in the form of crystals covering the surface of the liquid. This commonly takes place in about a week or ten days, but the first crop of crystals so formed is usually small and imperfect. The manufacturer therefore breaks up the crust of Salt, and without removing it, admits an additional supply of brine, and again allows it to stand until the crystallization has sufficiently advanced. This probably occupies from fourteen to twenty days, according to the heat of the weather and the force and direction of the wind. The Salt is then removed by an instrument called a Newla,* or wooden scraper, consisting of a thin board 2 feet long by 8 inches broad, attached to a long bamboo, and being drawn from the pans on to the slightly elevated ridges which separate them from each other, is there allowed to drain for two or three days, previous to being removed in baskets to the nearest convenient spot, when it is stored in conical heaps. The place of storage is usually within a few yards of the pans in which the Salt is produced, in the situation indicated in the diagram at para. 166, by the letter F, but the manufacturers are allowed to select their own ground, and the Officers of Government cannot object so long as the Salt is stored within the line of Chowkees around the Works. The stored heaps may contain from 200 to 3,000 Indian maunds of Salt, and are in some parts of the country, on the approach of the rainy season, protected by a thatch of rice-straw or coarse grass, and in other parts by a coating of mud of from four to six inches in thickness. But at the Cambay Works in Guzerat, and at the Works on the Runn, they are left quite exposed, and without any sort of covering, so that the loss from wastage is very considerable, not so great however as might be supposed, as after the first fall of rain a hard crust of some inches thick crystallizes over the heap, and in a great measure protects the Salt beneath it from further damage. It is usual, as a guard against clandestine removal of Salt, to mark the surface of the heaps with a large wooden stamp, colored with red ochre.

Their use.

Removal of the Salt.

Storage of the Salt.

Size of the heaps and protection of the Salt from rain.

171. The principal several parts which constitute an Agur are, then—

Relative size of the component parts of an Agur.

First.—Pandhurrur, or Khuzena, (the large reservoir.)

Second.—The Tapownee (heating-place) or smaller reservoirs.

Third.—The Koondees, or evaporating pans.

172. The ordinarily accepted rule for the relative size of these different parts is, that the smaller reservoir should in superficial extent equal the area occupied by the evaporating pans, and that the larger reservoirs should be equal in extent to the aggregate area of the smaller reservoirs and evaporating pans.

173. In the course of the season, there are generally from four to six crops of Salt taken from each Salt-pan, or Koondee. The quantity of the produce of a given area of Salt-pans is variable in different localities, being ruled very much by the quality of the soil. An average return for the whole season in the neighbourhood of Bombay is estimated at about one maund of Salt to every ten square feet of Koondee or evaporating pans; supposing, then, that six crops are secured each season, this will give about 1½ lbs. Avoirdupois as the amount yielded at each crop by one square foot of Koondee.

Number of crops per koondee, or evaporating bed, per season, and average yield per square foot of koondee at each crop.

174. But nothing can be more uncertain than the relation between the extent of the area of the pans and the annual produce; much depends upon the condition of the atmosphere, the direction of the wind, the height to which the tides rise, and especially upon the period at which the first fall of rain occurs.

Uncertainty of the yield as compared with the area, and the influences upon which the yield is dependent.

175. If the South-west Monsoon sets in early, and rain falls in the month of May, it greatly interferes with the Salt crop, as it puts a stop to the manufacture at the most favorable season, when the soil of the Salt Works is completely saturated with Salt, and the brine, not only in the brine-pits, but also in the larger reservoirs, has, by continued exposure, gradually become a highly concentrated solution of Salt, which deposits in crystals very soon after its admission into the pans.

Relative position and importance of the several "Suzas" or groups of Salt Works on the Coast of this Presidency, a Table* is appended, showing at one view the distance of each Talooka or Territorial Division from Bombay (selected from its central position on the Coast as the point of departure,) the names and number of Suzas in each Talooka with their distances from the stations of head native officers, the number of Agurs or sets of pans in each Suza, and the

Salt Works to average annual number of Indian maunds of Salt which each Suza produces. In the Island of Bombay, the Salt pans, with the exception of one set at Dadlaee, are contiguous to each other, and confined within an area of three miles; in the Konkan, the Works are in many instances detached in small groups over a District, at distances of from one to five miles from each other; in Guzerat, all the Works are situated on the shores of the Gulf of Cambay, and are better arranged, the pans forming each set being close to each other in great numbers,—the distances of the Works from each other, as a general rule, being according to the nature of the country and the demand for Salt. Half the whole quantity made in Guzerat and the

Salt Works visited by the Commissioner. Konkan is the produce of Works on the Coast and Islands within thirty-five miles of Bombay. The Salt Works of the Island of Bombay, and those at the village of Coorla, in the Island of Salsette, were inspected by me.

Inland Salt Works of the Runn. 177. Having given this general view of the Coast Salt Works, it remains to give a brief description of the Inland Salt Works of the Runn.

Situations of the Little and Great Runns of Cutch. 178. Few words are necessary to describe the aspect of a vast and perfectly saline desert, which extends from the head of the Gulf of Cutch in a North-easterly direction, gradually expanding in width until, at sixty miles from the Sea, it reaches from South-east to North-west, a distance of fifty miles. This is the Little Runn of Cutch, so called to distinguish it from a similar, but much more extensive, desert situated farther to the North and West.

Their general aspect. 179. On these Runns there is not a particle of vegetation. They present no object to the eye, except one uniform plain of blackish soil encrusted with an efflorescence of Salt, and bearing, it is said, obvious marks of having, at no very distant period, constituted the bed of some gulf or estuary of the Sea.

Situation of the Runn Salt Works. 180. On the Eastern verge of this desert, and North-west of Ahmedabad, are situated the towns of Pautree, Ooroo, Jhoonjoowarra, Futtehpoore, and Anwaurpoora, and in the immediate neighbourhood of these towns are five distinct sets of Salt Works.

Brine obtained by digging pits. 181. The manufacture of Salt at these five Works, as also at the Works of Gogo in the Ahmedabad Collectorate, and at those of Dolia in the Broach District, both in the Province of Guzerat, differs from that of Coast Salt, chiefly in the source from which the Salt-water is derived. Instead of storing up in reservoirs the occasional supplies afforded by high spring-tides, the Salt manufacturers on the Runn find a never failing supply by digging pits or wells of an average depth of from ten to twelve feet. There appear to be Salt-pits also at Dhundooka, in the Ahmedabad Collectorate. The only Salt Works on the

Situation of the Inland Salt Works in Guzerat. Western side of the Gulf of Cambay are at this place and Gogo, the former lying about twenty-five miles inland due West from the head of the Gulf, the latter on the Coast about the centre of the Gulf; Dolia lies on the East Coast, near the head of the Gulf.

Process of manufacture. 182. The water is raised from these brine-pits by manual labour, aided by a simply contrived machine common in many parts of the East, called in the Bombay Presidency a *Chauch*, and consisting of a long transverse pole or beam working on a perpendicular shaft inserted in the earth. The shorter arm of the transverse beam is loaded with a heavy weight of stone or a lump of clay, and to the other is attached, at the end of a short line, a vessel which the labourer lowers into the well by depressing the arm of the transverse beam to which it is attached. When the vessel is full, it is elevated by allowing the weight on the other arm of the beam, which is heavier than the filled bucket, to act as a counterpoise, and as soon as the vessel reaches the mouth of the well, the labourer, by a slight movement, causes it to empty its contents into a trough, from which it is led into a small reservoir. It remains in this reservoir only a few hours, during which any earth it may have held in suspension is deposited, and it is then at once admitted into the Koondees, or evaporating pans, which are prepared in exactly the same manner as on the Coast.

183. The Salt of the Runn takes a longer time to form, from the water not having been exposed to partial evaporation in reservoirs, but it is of a much better and harder quality than the Coast Salt, owing chiefly, no doubt, to the better quality of the brine, but in some measure also to a peculiarity in the process of manufacture. Instead of removing the Salt formed after ten or twelve days' exposure in the pans, the labourers detach the Salt from the edges, and leaving it in the pans, admit a fresh supply of water; this process is repeated every fortnight for a period of three or four months: the result of this treatment is the formation of large and hard crystals of Salt in the shape of perfect cubes, measuring from $\frac{1}{4}$ th to $\frac{1}{2}$ th of an inch on each face: some of the crystals greatly exceed that measurement; many fall short of it, but there is an entire absence of any flakey or imperfectly formed crystals, which constitute a large portion of the bulk of ordinary Sea Salt. The Salt of the Runn is in consequence highly prized, and more especially because, from the hardness and size of its crystals, it bears transport on bullocks, without waste, better than any other Salt.

184. It is said that the brine-pits of the Runn, after having been used for several successive years, deteriorate as regards the strength of the brine afforded, and that it is necessary in consequence, from time to time, to sink new pits; it is also confidently affirmed that the water in these pits falls and rises with the ebb and flow of the Ocean, although more than sixty miles inland.

185. The Table* mentioned at para. 176, which exhibits particulars respecting the Salt Works on the Sea Coast, also embraces the same information in detail concerning the Salt-pits at Dhundooka and the several Salt Works on the Runn. From this Table it will be seen, that altogether Salt is produced in thirty-five Talookas of the Bombay Presidency, comprising 531 distinct Salt Works, grouped into 126 sets of Works.

186. The Survey of the Salt Works in Guzerat, including those of the Runn, was completed in 1852. The total space occupied by the Works in that Province, including reservoirs, wells, and ground for storing Salt, is 3,530 beegahs, which is equal to 2,075 acres, and as the average annual produce of these Works is 12,71,499 Indian maunds, it follows that the annual produce per acre is nearly 613 maunds. Considerable progress has also been made in the survey of the Salt Works in the Konkan, but the operations there are much more extensive and more difficult than in Guzerat, and it may still take some two years to complete them.

187. As regards the Salt produced in the Deccan by washing different saline earths, it need only be remarked that this manufacture never seems to have extended beyond what was required partially to supply the consumption of the lower classes in the few villages in which it was carried on, until within the last five years it seems to have escaped the attention of the local Officers. Recently, it has been subjected to the same Excise duty as other Salt, and the manufacture has in consequence been almost entirely discontinued.

188. It would be impossible, within any moderate limits, to give a complete exposition of all the different proprietary interests connected with the Salt Works of the Bombay Presidency. No more will be attempted, therefore, than to convey a general idea of the origin of existing rights in the land, and of the principal classes of owners to whom these rights appertain.

189. In that part of India the whole surface of the country is held to be originally subject to a claim on the part of the State, which, though not amounting to absolute property, certainly exceeds greatly the lord of the soil interest usually enjoyed by the Lord of the Manor.

190. It is not necessary for the purpose in hand more closely to define the precise nature of this property in the soil. It exists everywhere except where it has been foregone or transferred to others by the act of Government, and there can be no question that it extended to those submerged flats on which, subsequent to their reclamation from the Sea, Salt Works have been constructed.

191. To effect this reclamation, it was in all cases necessary to form a system of embankments. These Works, when not undertaken by the State itself, were effected by others, with the consent and approval of the Government. The land when reclaimed was not the freehold of the reclaimers, but held by them subject to such terms and conditions as may have been agreed upon with Government as the lord of the soil.

Some Salt Works 192. It results that there are certain Salt Works in which Government is the sole proprietor, that is, the absolute property of Government. Others, the property of individuals, but subject to the payment of land rent, except when the right of rent has been formally alienated.

Land rent of the Salt Works also 193. Thus there is an item of Revenue connected with Salt, which is altogether independent of the Excise duty on that article. It is the Land Revenue assessed on the ground which produces the Salt. This Revenue depends entirely upon the tenure upon which the land is held, and would be realizable whether Salt was subject to an Excise duty or not. It is collected in the Salt Department, but is credited to the Land Revenue of the District in which the Works yielding it may be situated.

An endless variety of holdings under Government in different localities. 194. It will be readily understood, that when the work of reclamation was difficult and costly, the State was not able to make so good a bargain as when the Works required were slight and inexpensive, so that there is an endless variety of holdings under Government in different localities.

Classes of owners. 195. Under the view above taken of the subject, Owners of Salt Works may be divided into three classes:—

First.—The Government itself.

Second.—Holders of land not reclaimed by Government.

Third.—Holders of free lands, the Government claim on which has been foregone or alienated.

Proportion of Salt Works, in the different localities, the property respectively of Government and individuals. 196. With the exception of the Works at Cambay, in which the Nuwab of that place has an equal share, all the Salt Works in Guzerat are the property of Government. On the other hand, in the Konkan, very few of the Works belong to Government, seven-eighths of the whole being the property of private individuals. In the Island of Bombay three-fourths of the Works are private property, but the few Works belonging to Government, constituting the remaining one-fourth, produce half the Salt made on the Island.

Throughout Guzerat, and in some other cases, the occupation of the Government Salt Works assigned to sub-owners or middlemen, as hereditary tenants. 197. In Government Salt Works, the whole produce, subject only to the payment of the labourer or manufacturer, theoretically belongs to Government, but in many cases, the occupation of such Works has been permanently assigned to a class of Sub-owners, or Middlemen, on certain conditions which are too variable to admit of being here recapitulated. These are hereditary tenants of Government, and cannot be displaced so long as they fulfil the terms of their respective leases. This seems the case throughout Guzerat.

In some cases, the Government Salt Works are farmed out for a term of years; in others, in default of farmers, they are worked by Government. 198. In Government Salt Works that have not been thus permanently assigned, it is usual to farm out the Government interest for a term of years, reserving a fixed share (generally one-half) of the produce as recompense to the labourer or manufacturer. But in some instances, in the Konkan, the Government are unable to lease out their Works. In these cases manufacturers are employed who, on the sale of the produce by Government, receive from one-third to one-half of the proceeds as the price of their labour, the remaining proceeds constituting the Government Land Revenue.

Private holders usually called Fuzendars. 199. The holders of Salt Works not reclaimed by Government are, in the Konkan Districts, usually called Fuzendars. These proprietors may, or may not, be residents of the neighbouring village; they manufacture and sell their own Salt, being frequently the labourers themselves, and pay the Government a ground-rent for the land occupied by their Works.

Modes of assessing the land rent payable by such holders. 200. The following are some of the more common modes of assessing the quit-rent payable by such holders:—

First.—A fixed annual sum on the whole Works.

Second.—A fixed Bigowtee, or rate per beegah.

Third.—A fixed rate per maund of the produce of the Salt Works, leviable on sale of the Salt.

201. Further particulars of the rates of ground-rent, and the modes of assessing it, prevailing in different localities, will be found in a Statement* annexed. The rates exacted fall usually short of what is demanded by Government from ordinary lands, in consideration, doubtless, of the original heavy outlay incurred by the holders.

202. The free-holdings call for little notice. These are, in all respects, analogous to what are found in the Land Revenue Department, and pay no land-rent. **Free-holdings pay no land-rent.**

203. Before quitting the subject of land-rent, it remains to be noticed that most of the property in Salt Works was subject, under the Maharatta Rule, to certain payments on account of the Hucks of District and Village Officers, such as Deshmooks, Deshpandias, Canoongoes, Patells, &c. These Hucks have now been generally abolished, their recipients being awarded compensation, as in the Land Revenue Department. **Hucks, or dues, of District and Village Officers, levied on the property in Salt Works, generally abolished, and a compensation substituted.**

204. The actual labourers or manufacturers belong to the various agricultural classes of all castes, principally Coolies, Fishermen, Coonbies, Bundaries, Mahomedans and Christians, who are all to be found following this occupation. As regards their circumstances and means, they are much on a par with ordinary agriculturists. The occupation is not considered an unhealthy one, though the labour at certain seasons is severe, and entails much exposure to the heat of arid plains. **The actual manufacturers, who they are, and their circumstances.**

205. In Government Salt Works, the usual rate of remuneration received by the labourer is from one-third to one-half of the produce, as has been already stated. In Fuzendaree or private Works, the proprietors make any arrangements they please as regards remunerating their labourers, but even these proprietors commonly arrange for a certain share of the produce. **The rate of their remuneration in Government and private Works respectively.**

206. The evaporating pans which constitute an Agur, or Salt Work, are distributed among the several labourers, and each labourer is interested exclusively in the produce of the particular pans or Koondees in which he labours. Hence it becomes necessary to store the Salt of each Koondee, or of each labourer, separately,† for the Salt varies much in quality according to the labour bestowed on its preparation, and the individual labourers would by no means consent to have a community of interest in the stock. **The Salt of each manufacturer separately stored.**

207. The manufacture of Salt under the Bombay Presidency is free, subject only to a duty of the nature of an Excise, levied at the pans, and except in so far as it may be restricted by the provisions of Act XXVII. of 1837 and Act XXXI. of 1850. **The manufacture is subject to a duty and to some other restrictions.**

208. The principle of these enactments, as has been seen, is to require that the manufacture shall in every case be licensed, that production and store shall be watched, and that removal from the manufacturer's store shall not be allowed until the Excise duty has been paid. **The principle of the restrictive enactments.**

209. Thus, under Act XXVII. of 1837, no Salt may be manufactured until notice has been given to the Collector of the District in writing. Government Officers are to be stationed at all Salt Works, and are empowered to take an account of all Salt manufactured and stored at such Works, and to prevent its removal until the duty thereon has been paid, and under Act XXXI. of 1850 no new Salt Works may be established, and no old Works not then in use, or that have been since abandoned for three consecutive seasons, may be re-opened without the permission of Government, and further, the Government may at its discretion suppress any Salt Work which, on an average of any three years, does not produce yearly at least 5,000 Indian maunds of Salt. **Restrictions.**

210. As regards licensing, if the Salt produced in Salt Works near to the spot where a new Agur, or set of pans, is desired to be established, is in excess of the demand there existing, as shown by the accumulation of the stock at such neighbouring Salt Works, permission to open new Works is refused; but if otherwise, it is granted, provided that the ground is considered well adapted for the purpose, and the Land Revenue Department has no objection to its being so applied; provided also, that it is so situated as to admit of being guarded at a moderate expense. The party desiring to open the new Works must also sign an agreement to the effect that he will erect suitable Chowkies for the Government Establishment, and pay ground-rent at a stipulated rate, and that he will contribute to the keeping the general embankments of the locality in repair.

* Appendix C.

† For the mode of keeping the separate account of each labourer, see Appendix F, No. 14.

Rate of Excise duty. 211. The Excise duty payable by Law is 1 Rupee on every Indian maund weight of Salt that may be delivered from any Salt Work; but the rate actually levied is 12 annas on every Indian maund delivered, whether by weight or measure. The duty was reduced to this lower rate by a Notification of the Bombay Government, dated the 14th of September 1844, issued in conformity to the directions of the Hon'ble Court of Directors, before mentioned at para. 129; and as the Law fixing the higher rate had only come into operation on the 1st of the same month, it is probable that that rate was never received.

Excise payable before removal of the Salt. 212. As the Law now stands, the Excise duty is leviable before any Salt can be removed from any Salt Work.

No further duty leviable, either of Customs or Excise. 213. This duty having been paid, the Salt may be carried by Sea or Land to any part of the Presidency, and may also be exported out of the Presidency by Sea or Land, without the levy of any further duty, either of Customs or Excise.

Exportation of Salt which has not paid the Excise duty prohibited. 214. The exportation by Sea or Land of Salt not covered by a pass, or certificate of having paid Excise Duty, is prohibited.

Departure from the Law on this head in some cases of exportation by Sea. 215. But in practice, under various Orders and Notifications of the Bombay Government, the Law, in respect of the levy of the Excise duty, is widely departed from in the case of Salt exported by Sea, in the following instances.

On Salt exported beyond the continent of India, no duty is levied. 216. On Salt exported to any port or place in the Straits of Malacca, and generally to any place beyond the Continent of India, no Excise duty is levied.

On Salt exported to British Ports under the Madras Presidency only a 1 anna per Indian maund is charged. 217. On Salt exported to British Ports under the Madras Presidency, a charge is made of only 3 pies, or a quarter of an Anna, per Indian maund on its removal from the Salt Works. The object of fixing this low duty, or as it may more properly be termed, charge, on these exports, has been explained by the Bombay Government* to be "merely to cover the cost of Establishments at our Salt pans. The Salt thus exported, coming under the Madras monopoly, contributes as much to the general Indian Revenues as it would do were the whole Excise levied here, while the Government by the imposition of the low duty is relieved from a dead charge."

Salt exported to foreign Ports under the Madras Presidency is charged only one anna per Indian maund. 218. Salt exported to Foreign Ports under the Madras Presidency is charged only 1 anna per Indian maund on its removal from the Salt Works, on the consideration that it would not bear a higher tax without prejudice to the demand. Originally this same rate was also charged on exports of Salt to all Ports beyond the Continent of India, but in these cases the Export Trade was subsequently made free on the consideration that it could not bear any tax.

In all the above cases certificates of landing at the Port of import required. 219. In all the cases above-mentioned, the exporters, at the time of my inquiry, were required to enter into a bond, with sureties, for the payment of the full amount of the Excise duty, unless they produced, within six months, a certificate from the Authorities at the Port of destination of the Salt having been duly landed there; but lately, under a Resolution of the Bombay Government dated the 30th of August last, this bond has been dispensed with,—save in exceptional cases certificates of landing, under the signature of the Authorities at the Ports of import, are however still required to be produced on the part of the merchants, with a view to check the illicit disposal of the Salt in its transit. What constitutes an exceptional case, or in what way the production of the certificates of landing is enforced in the other cases, does not appear.

Full duty leviable on all deficiencies, in shipments to Madras Ports, in excess of a wastage allowance of 10 per cent. 220. An allowance up to 10 per cent. is made for wastage on exports of Salt to British or Foreign Ports under the Madras Presidency, and each wastage is adjusted on each shipment, that is, on the quantity shipped on every vessel. If the deficiency exceeds 10 per cent., then the payment of the full Excise duty on such excess is demanded at the Bombay Presidency, unless it can be satisfactorily accounted for by the exporters; but how the demand is enforced, in the absence of bonds, does not appear.

No landing account taken of Salt exported beyond the continent of India. 221. It has not been deemed advisable to make any rule concerning wastage in the case of Salt exported to places beyond the Continent of India, there being no means of ascertaining the extent or fact of wastage, as the certificates produced simply set forth that such a vessel said to contain so much Salt has arrived and landed her cargo.

222. Finally, Salt exported to any Port in the Bengal Presidency is subject to the full Excise duty of 12 annas per Indian maund; but this duty is not levied at the pans before the removal of the Salt if the exporter enters into a bond, with sureties, for the payment of the full amount, without allowance of any kind for wastage or sea risks, or the like, in four months. This credit is given as being a great accommodation to exporters. **Four months' credit allowed for the payment of the Excise on Salt exported to the Bengal Presidency.**

223. Registers are kept in the Custom Houses of Salt exported to Ports under the Bengal Presidency, but landing certificates are not demanded, as the full Excise duty is secured by bond. **Registers kept of such Salt.**

224. In all other cases except those above specified, the full Excise duty is levied before a permit is given for the removal of the Salt from the Works, whether for Home or Foreign consumption. Under this rule, Salt exported to the subordinate Ports in the Bombay Presidency pays the full Excise duty on its removal from the Salt Works. No credit is allowed for the payment of the duty, nor is any allowance made for wastage or sea risks; but in very exceptional cases, when a vessel is lost at Sea, with a cargo of Salt, and strong and satisfactory evidence is produced to the effect that the loss did not occur through the neglect of the persons in charge of the vessel, the exporter is allowed, with the permission of Government, to remove free of duty a similar quantity to that lost. **In all other cases, the full Excise is levied before the removal of the Salt from the Works.**

225. All Foreign Salt, including Salt produced in any other part of India, is admitted to competition with the Salt produced in the Presidency on equal terms. All such Salt imported into the Presidency by Sea or Land, if not covered by a pass, is chargeable with a Customs duty at the same rate only as the Excise duty, and having paid this duty, it may, equally with the indigenous Salt, be carried by Sea or Land to any part of the Presidency, or be exported out of the Presidency, by Sea or Land, without the levy of any further duty, either of Customs or Excise. **All foreign Salt admitted to competition with the Salt of the Presidency on equal terms.**

226. When the Salt Excise duty was first established, in 1837, the collection and management of the new tax was, so far as the provincial Salt Works were concerned, made over to the Collector of Continental Customs (then styled the Collector of Customs in Guzerat and Konkan.) The Salt Works in the Island of Bombay were at the same time entrusted to the Collector of Land Revenue at the Presidency, who had, previous to the introduction of the new tax, managed the Government interests in those Salt Works. The heads, therefore, of the departments of Collector of Customs in Guzerat and Konkan, and of Land Revenue in Bombay, were respectively the responsible agents for collecting and managing the Excise; and in consequence, the designation of the former Officer was altered to Collector of Continental Customs and Excise. **Collection and management of the Excise in what Authorities vested originally.**

227. In the year 1852 the charge of the Salt Works in the Island of Bombay was transferred to the Collector of Customs at the Presidency. **Change made in 1852.**

228. This was the state of the case at the time of my arrival at Bombay, on the 4th of March last; the Salt Excise of the Island of Bombay was a distinct department under the Collector of Sea Customs, and the Salt Excise of the remainder of the Presidency was in like manner a distinct department under the Collector of Continental Customs and Excise. Both were Collectors of Customs as well as of Excise duty, the former for the Port and Island of Bombay, the latter for the Ports and Districts of the continental portion of the Presidency. **In what Authorities vested at the time of the Salt Commissioner's visit in March 1854.**

229. In the Island of Bombay no separate European agency was employed in aid of the Collector in the Salt Department; it had been discharged in 1850-51, and the management assimilated in other respects to that in force in the department of Continental Customs and Excise. The immediate superintendence of all the Salt Works on the Island, in subordination to the Collector, was entrusted to one of his Assistants, who received a small addition to his salary as a Customs Officer for his further services in the Salt department. **In the Island of Bombay, no separate European agency was employed in aid of the Collector.**

230. Under the Collector of Continental Customs and Excise, an European Establishment was entertained, consisting of a Deputy Collector and five Assistant Collectors. The Deputy Collector, until the previous year, had always been a Covenanted Officer. The Assistants, with occasional exceptions, have always been Uncovenanted Servants. All these Officers were vested with powers in both departments, and their salaries were debited in the proportion of two-thirds to Customs and one-third to Salt. **On the Continent a Deputy Collector and five Assistant Collectors were entertained under the Collector.**

231. The duties of the two Collectors consisted in the general superintendence and management of the whole of the Salt Department within their respective jurisdictions, in subordination to the Revenue Commissioner. **Duties of the Revenue Collectors.**

* Letter to Collector of Customs, Bombay, No. 2203, dated 6th July 1839.

Duties of the Continental Deputy Collectors. 232. In the Continental Salt Department, the functions of the Collector were to a certain extent fulfilled by his Deputy, so far as related to the Province of Guzerat; but the accounts of the department were entirely prepared in the Office of the Collector, who alone was responsible as accounting Officer.

Each European Officer on the Continent had charge of a circle of Talookas; 233. The control and management of the details of the administration of the whole department of Continental Excise, from North to South, were divided between the Collector, his Deputy and Assistants, each undertaking the executive duties of a circle of Talookas.

And held his Head Quarters within the limits of his charge. 234. Each European Officer held his head-quarters within the limits of his charge,—the Collector at Tannah, the Deputy Collector at Surat, and the five Assistants respectively at Ahmedabad, Gogo, Bassein, Caranga and Vingorla.

New system resolved upon soon after the Salt Commissioner's arrival, and the reasons for it. 235. But soon after my arrival at Bombay, it was determined to introduce, as soon as convenient, a new and uniform system, under which the Customs and Salt departments should be completely amalgamated and placed under one controlling head. This change was projected with a view of meeting, by reductions in the Customs department, the increase of expenditure absolutely necessary for the efficient management of the Salt Revenue, the Native Establishments at the Salt Works having long been admitted to be numerically weak and under-paid, and the necessity of strengthening and improving their condition having been for some time under consideration; and further, because the abolition of Port-to-Port duties, by Act No. VI. of 1848, had so greatly affected the Revenues of the Customs department at the Continental Ports that a separate establishment was no longer deemed necessary.

The charge of the whole Customs and Salt Excise placed under a single Commissioner, aided by 3 Deputies and 10 Assistants. 236. Accordingly, in pursuance of the change, and of that part of Act I. of 1852 which provides for the appointment of "one or more persons to be Commissioners of Customs for the collection and management of the Customs throughout the whole of the Presidency of Bombay," the Offices of Collector of Continental Customs and Excise and Collector of Sea Customs of Bombay have since been abolished, and the charge of the whole Sea and Land Customs and Salt Excise of the Presidency has now been placed under a single Commissioner, aided by an European Establishment, consisting of three Deputy Commissioners, of whom two are Covenanted and one is Uncovenanted, and ten Uncovenanted Assistants. Among these, all acting in subordination to the Commissioner, the whole department is distributed as follows.

Charge of the Senior Deputy aided by 6 Assistants. 237. The Senior Deputy, aided by six Uncovenanted Assistants, has the charge of the Customs of the Port of Bombay. As these are engaged in no Salt duties, it is unnecessary to notice them further.

Charge of the two other Deputies. 238. The two other Deputies divide between them the immediate executive charge of the whole Customs and Excise of the Presidency, exclusive of the Customs of the Port of Bombay.

One, aided by two Assistants, superintends the Southern Division, each having charge of a circle of Talookas. 239. The entire range of the Deputy who superintends the Southern Division extends from the Portuguese boundary of Goa on the South to the Portuguese limits of Damaun on the North. The Excise duty of the Island of Bombay forms a part of the charge of this Deputy. He holds his head-quarters in the Island of Caranga, which is opposite the Island of Bombay, and in the very centre of his principal Salt-producing Districts. He has under him two Uncovenanted Assistants, each in charge of a circle of Talookas; the head-quarters of one being at Bassein, of the other at Vingorla. He has also himself the direct charge of a circle of Talookas, which he manages without the intervention of an Assistant.

The other, with two Assistants, superintends, in like manner, the Northern Division. 240. The remainder of the Coast Northwards from the Portuguese limits of Damaun forms, together with the Salt Works on the Ruin of Cutch, the charge of the other Deputy Commissioner, whose head-quarters are at Surat. He also has under him two Uncovenanted Assistants, each in charge of a circle of Talookas, one stationed at Gogo, the other at Surat, and himself manages a circle of Talookas without the intervention of an Assistant.

The limits of the personal charges of the several Officers composing the European agency are described in a Statement* annexed. 241. The limits of the personal charges of the several Officers composing the European agency are described in a Statement* annexed. Their business is, as it was under the old arrangements, to visit periodically each Talook or District of their respective circles; to examine the books and accounts kept at the several Works; and to inspect the several Salt pans, compare the stock at each with the books, and see that all the heaps are numbered and entered.

242. In a financial view, the change in the European portion of the Agency has been attended with a saving of Rupees 1,533 per mensem, equal to Rupees 18,396 per annum, as shown in a Statement* annexed. **Saving by the change in the European portion of the Agency.**

243. In other respects, the difference between the old and the new arrangements may be generally described as follows. **Difference in other respects between the old and new arrangements.**

244. Under the superseded system there existed, in some localities, an Establishment for the collection of Sea Customs, and another for the Salt Excise, though not unfrequently the local head of the Customs was also local head of the Salt Department, or he was, in some instances, entrusted with the management of the Preventive Department of the Salt Establishment; but in whatever way the duties of the head Officers might be distributed, the Establishments, as regards all subordinate Officers, were in all cases entirely distinct. In the Continental Customs and Excise Department, the Covenanted and Uncovenanted European Agency, of both Salt and Customs, was vested in the same individuals, but their salaries were debited in fixed proportions to both Departments. The proportion was arbitrarily fixed at one-third to the Salt Department, and two-thirds to the Customs; but as, of late years, the realizations in the Customs Department have not exceeded one-seventh of the realizations in the Salt Department, and by far the greater part of the time of the Covenanted and Uncovenanted Officers has been occupied by the affairs of the Salt Department, the charge was not by any means fairly divided. **Superseded system described.**

245. Under the new system, the Establishment for the Salt duties is not distinct from the Customs Establishment. In localities where Customs only are leviable, the duties of the Establishments now retained are, from circumstances, necessarily connected solely with Customs. Where, at a distance from any Sea-port the Establishment retained at the Salt Works performs no Customs duties, and lastly, where Salt pans are in the near neighbourhood of a Sea-port, the Establishment performs indiscriminately both Customs and Salt duties. Generally, throughout the Konkan Provinces, the duties of Customs and Salt are more or less intermixed. In Guzerat most of the Salt Works are situated at a distance from Sea-ports, and there of course the Establishments have no Customs duties to perform. **New system described.**

246. The advantages of the new system are described to be numerous. In the first place, there is only one Preventive Establishment, which protects both the Customs and Salt Revenues. There is only one Accountant's Establishment. One local head Officer, in many cases, fulfils duties formerly divided between two, and the Sea Customs and Salt Departments of the Island of Bombay, which formerly existed as two distinct Departments, now only form, with the Customs and Salt of the late Continental Department, parts of one centralized system. **Advantages of the new system.**

247. This centralization of authority, accompanied by a re-distribution of the Establishments, will also, it is expected, lead to great efficiency in both Departments, without any increase of expenditure. As an instance, it may be stated that in 1850 the Collector of Continental Customs and Excise estimated that an increase of Rupees 1,15,491 per annum was necessary to place his Establishment on an efficient footing; but with a consolidated Establishment under the new system, equal efficiency, it is expected, will be secured without any, or with only a very trifling, increase to the existing aggregate cost.

248. The amalgamation and re-organization of the subordinate Native Establishments is a work which can only be carried out by degrees. The Commissioner has been authorized, in forming the new Establishments, to dispose of the whole expenditure sanctioned under the old system for the Native Establishments of the two Departments, in whatever way may appear to him most conducive to the public interests. In some localities the change has been already introduced, but for the most part it is still in progress. **The amalgamation and re-organization of the Native Establishments for the most part still in progress.**

249. The scheme, however, does not involve any material alteration in the system of management at the Works, or in the designations and duties of the several Native Officers employed at them: these may therefore be described, as I found them, as follows. **System of management at the Works, and designations and duties of the Native Officers employed at them.**

250. Over each large Salt Work, or over several small detached Works, a double Establishment, suited in strength to the extent of the Works, is maintained, superintended in each Talooka or District by Officers termed Inner and Outer Darogahs. The Establishment of the Inner Darogah is charged with watching production and store, with the care and custody of the Salt produced and stored, and with the delivery of the same upon written orders from the Officers by whom the duty is collected. The Establishment under the Outer Darogah is the Preventive Establishment, **Over each large Salt Work, or several small ones, a double Establishment—one for the manufacture, the other for prevention—superintended, respectively, in each Talook or District, by Officers termed Inner and Outer Darogahs.**

stationed at Chowkies established, under the provisions of Section VII. Act XXVII. of 1837, in the immediate neighbourhood of each Salt Work (Agur) or group of Salt Works (Suza), the distance in each case being regulated by local circumstances, for the purpose of preventing any Salt from being removed from the pans, except the quantities passed by the orders of the Inner Establishment.

251. Both branches keep separate accounts and records of their proceedings.

Statement in detail of the Establishment entertained for the Salt Works of Talookas Patree and Ooroo in the Collectorate of Ahmedabad, in the Province of Guzerat, distant four miles from each other, with a description of the duties of the several Officers which compose it, from which, and by a reference to the plans* of those Works, mentioned at para. 157, on which are shown the position of the Chowkies, and the roads by which alone Salt is permitted to leave the Works, the system of management pursued at the Salt Works in general will be more easily apprehended.

The cost of the above Establishment equal to 3 per cent. on the Collections.

253. The Works in these two Talookas yield an annual Revenue of Rupees 2,42,223. They are managed, it will be seen, with one Inner Darogah for both Talookas, and an Outer Darogah for each, with their respective Establishments, at a cost of Rupees 613-4 per mensem, or Rupees 7,359 per annum, being at the rate of 3 per cent. on the collections.

Establishment entertained for the Management of the several Salt Works in Talookas Patree and Ooroo in the Collectorate of Ahmedabad, in the Province of Guzerat.

INNER ESTABLISHMENT.						
1 Darogah,	117	0	0			
1 First Cutcherry or Office Karkoon,	22	8	0			
1 Ditto ditto,	18	0	0			
2 Subordinate ditto, at Rupees 12 each,	24	0	0			
1 Ditto ditto,	10	0	0			
1 Shroff,	15	0	0			
1 Agur or Suza Karkoon,	13	0	0			
2 Ditto ditto, at Rupees 12 each,	24	0	0			
1 Ditto ditto,	10	0	0			
1 Tolat—None.— <i>Vide</i> para. 258, showing the duties performed by the Tolat....	8	0	0			
2 Stampers, at Rupees 4 each,	112	8	0			
25 Peons, at Rupees 4-8 each,	12	12	0			
1 Jemadar,	6	8	0			
1 Havildar,	6	0	0			
1 Ditto,	5	0	0			
1 Naique,	4	8	0			
1 Hulkara,	12	0	0			
1 Water Supplier,	10	0	0			
1 Ditto,	4	0	0			
1 Furash,	1	0	0			
1 Sweeper,	15	0	0			
Petty Supply,				450	12	0
OUTER ESTABLISHMENT FOR THE PATREE WORKS.						
1 Darogah,	43	0	0			
1 Tolat, or Weighman,	8	0	0			
3 Nakadars, at Rupees 6 each,	18	0	0			
4 Peons, at Rupees 4-8 each,	18	0	0			
Petty Supply,	0	8	0			
				87	8	0
FOR THE OOROO WORKS.						
1 Darogah,	41	0	0			
1 Tolat, or Weighman,	8	0	0			
2 Nakadars, at Rupees 6 each,	12	0	0			
3 Peons, at Rupees 4-8 each,	13	8	0			
Petty Supply,	0	8	0			
				75	0	0
Total, Rupees,				613	4	0

NOTE.—The Inner and Outer Darogahs are partly paid by a commission of 8 annas per cent. on the Excise recovered. The commission is included in their salaries above shown; their fixed salaries being as follows:—

Inner Darogah, 40 Rs. per month.
Outer Darogahs, 30 „ each.

* Nos. 4 and 5.

254. INNER ESTABLISHMENT. *Darogah*.—This Officer is at the head of the Establishment entertained for watching the production, store and delivery of Salt at the several Works comprised in his Talooka; for collecting the Excise duty, land-rent, and all other moneys, and for keeping an account of the same. He pays his collections from time to time into the nearest Government Treasury.* If such Treasury be close at hand, the payments are made daily; if at a distance, they are made whenever the collections exceed a given amount. He submits his accounts, and makes all his reports, to the European Officer of the District or Circle, and is expected to exercise a vigilant personal supervision over the Salt Works, and to see that all the Officers of his Establishment strictly perform their several duties. His salary varies from Rupees 25 to 200 per mensem, according to the extent and responsibility of his charge.

255. *First and Subordinate Cutcherry or Office Karkoons*.—These are the Office Clerks and Accountants, who perform the Book-keeping, make up the periodical Statements, and conduct the correspondence of the Darogah, all in the Vernacular language, whether Maharatta or Guzerattee. The First or head Karkoon, in the absence of the Darogah on other duties, is empowered to receive money and perform other necessary routine duties. These functionaries receive from 8 to 30 Rupees a month.

256. *Agur or Suza Karkoons*.—These reside in the Salt Works, or in their immediate vicinity. They take an account of the Salt as it is produced at the Agur (Salt Works) or Suza (group of Works) under the particular charge of each. They have to see to the weighment and delivery of Salt from their Agurs or Suzas to parties who bring permits and orders to them from the Inner Darogah, and they have also to keep an account of all Salt delivered, so as to be able to show the stock on hand at the close of the month. They also keep a register of the pans under their charge. Their pay is from 8 to 20 Rupees per month.

257. *The Shroff*.—After the written applications for Salt, which are presented by the traders, have been numbered and registered in a book kept for the purpose, and the amount of duty to be paid for the quantity of Salt required has been calculated and noted on the back of the application by one of the Darogah's Karkoons, the application is taken to the Shroff, who, having examined the correctness of the calculations, receives the amount, which he credits in the cash-book, certifying the same on the back of the application, which is then sent to the Darogah, who, having examined it, grants the usual permit in the form appended to Act XXVII. of 1837, which, with an order for the delivery of the Salt, is sent to the Suzadar, or Karkoon in charge of the Works. The pay of a Shroff is from 6 to 15 Rupees per mensem.

258. *Tolat or Weighman*.—The duty of a Tolat, whose pay varies from 6 to 8 Rupees, is to weigh or measure Salt with a steelyard or in a measure, but at the Works on the Runn the Brinjarees insist on having their Salt weighed with the hand scale, and as this is done by parties who contract to do it at the rate of 8 annas per 100 maunds, the Government do not keep up a fixed Establishment of weighing-men on the Inner Darogah's Establishment at the Works of Patree and Ooroo.

259. *Stampers*.—It is the duty of the Stampers to write on each pack the weight of the Salt contained in it, before it is allowed to be moved from the Works.

260. *Peons*.—These are posted as guards at the Chowkies within the Works, and one, two or three of them are stationed in each Chowkey, as circumstances may require. Their duty is to watch the manufacture and stock of Salt; they have also to guard the Darogah's Cutcherry and Treasury, and to escort treasure when there is no military guard available, and some of them have to be in attendance when Salt is being weighed at the Works. The pay of a Peon is from 4 to 6 Rupees per mensem.

261. *Jemadars, Havildars and Naiques*.—These have to look after the Peons, to go the rounds at night, and see that the men under them at the Chowkies are on the alert. The pay of a Jemadar is from Rupees 8 to 12-12, of a Havildar Rupees 6 to 9, and of a Naique Rupees 5 to 7-8, per mensem.

262. The remainder are menial servants, whose duties need not be explained.

263. OUTER ESTABLISHMENT. *Darogah and his Subordinates*.—The Outer Establishment, stationed outside the Works, is quite independent of, and intended to act as a check upon, the Inner Establishment.

* In some localities the Sir-Karkoons of Customs, having Treasuries under them, are entrusted with the duty of receiving payments on account of the Salt Excise, and in those localities the Darogah is prohibited from delivering Salt until the receipt of the Sir-Karkoon of Customs has been produced.

employed within the Works. The Darogah is the head of the Preventive Establishment entertained for the Salt Works of the Talooka. His Chowkies or Preventive Stations are situated at commanding spots, generally within half-a-mile or a mile of the Works; these Chowkies are under the charge of the Nakadars (sometimes called Karkoons) and Peons. The duty of this Establishment is to see that no Salt leaves the Works unprotected by a permit, or by other than the prescribed routes. If the Salt be removed on bullocks, the Chowkey Officer counts the number of packs, which, with the weight marked on each, he enters in a book kept for the purpose, and if the aggregate weight agrees with the quantity covered by the permit, he proceeds to test the correctness of the weights marked on the packs by weighing 10 per cent. of the whole, when, if the result is satisfactory, he allows the Salt to pass, noting the date on the back of the permit, which is then returned to the trader. When Salt is removed in carts or in boats, the quantity contained in them is ascertained by cubic measurement, and the result entered in the Chowkey books. The Darogah patrols the Chowkie under his charge at all times, and sees that his subordinates are at their stations and on the alert. The salary of the Darogahs varies from 15 to 102 Rupees per mensem, according to the extent and responsibility of their charge. The salary of the Nakadars, or Karkoons, varies from 6 to 15 Rupees per mensem.

The foregoing descriptions general, and overlook exceptional cases. 264. The above description of the duties of the Native Establishments is general, and overlooks exceptional cases, in which the duties are differently apportioned. The system of management at the Works is essentially the same throughout the Province of Guzerat and in the Konkan, but in the latter, where circumstances conveniently admit of it, the Sir-Karkoons or head Customs Officers at the Sea-ports do the duty of a Darogah in conjunction with their duties in the Customs Department.

Establishment & system at the Salt Works of the Island of Bombay. 265. The Establishment entertained for the Salt Works of the Island of Bombay, which lie, as already stated, within a circle of three miles, is upon a somewhat different system. There are no Darogahs. The Works used to be under the immediate charge of an European Assistant Collector of Customs, and the whole Native Establishment, manufacturing and preventive, is superintended by a single Karkoon, receiving a salary of 200 Rupees per mensem.

Cost of the entire Establishment. 266. The cost of the entire Establishment, European and Native, entertained in the Salt Excise Department, as it stood on the 1st of May 1853, was Rupees 13,944 per mensem, or Rupees 1,67,328 per annum, as shown below:—

Cost of Establishment for the Island of Bombay,	Rs. 1,141 0 0
Ditto for Guzerat and the Konkan,	„ 11,939 0 0
Average of Commission, at 8 annas per cent. on the gross collections of Salt Excise paid to the heads of the several Native Establishments, viz., the Sir-Karkoons and Darogahs, in addition to their fixed salaries,	„ 864 0 0
Total per mensem,	Rs. 13,944 0 0
	12
Total per annum,	Rs. 1,67,328 0 0

267. This was the cost under the old system, now in course of supersession, of the Native Establishments separately entertained in all cases at the Salt Works, and of one-third of the Covenanted and Uncovenanted European Agency, and their ministerial Establishments, employed in the Continental Customs and Excise Department, in the performance of both Salt and Customs duties.

Process of watching production and store and collection of the Excise. 268. The process of watching production and store, and collecting the Excise, remains to be described. Various accounts and books require to be kept, in Vernacular languages, at the several Salt Works, in connection with these duties,—a list of which, together with forms of the same, translated into English, is appended.*

Each heap of Salt numbered and the contents estimated. 269. While the newly produced Salt is lying in the pans and on the ridges which separate them, it is under the care of the Government Establishment, and none is permitted to be moved, except to be stored in the heaps (called Rass) described in para. 170. Each of these heaps, as soon as commenced, is numbered, and the contents estimated, previous to the Salt being brought to account in the Government books.

* Appendix F.

270. It has frequently been attempted to measure the Salt as it is thrown into the heaps, but this, it is stated, has been found to be impracticable without a great increase of expenditure, because in the manufacturing season the Salt is ready to be removed throughout the whole Agur, or set of pans, at one and the same time, and is carried from the small ridges by troops of men, women and children, in baskets of various dimensions adapted to the strength of the individuals. The existing Establishments are considered to be quite incompetent to take any measurement of it, as they are usually employed at the same time in the delivery of Salt to purchasers.

271. But even if it were possible, which with greatly increased expenditure it is admitted it might be, to measure the Salt as heaped, the desideratum of securing a correct account of the stock would, it is objected, be as remote as ever; first, because the Salt, when first gathered, is saturated with moisture, which continues to drain in the form of brine from the heap for weeks after it has been formed, and so causes a diminution of the original quantity stored; and again, because the heaps, or Rass, are subject to constantly occurring casualties.

272. For instance, in the rainy season, notwithstanding that the Rass may be efficiently protected from direct contact with water, still Salt being of a deliquescent nature, it absorbs moisture from the air, and this moisture, it is stated, drains from the Rass in the form of a strong brine, causing a considerable waste of substance.

273. If, accidentally, the rain penetrates into the Rass, which, it appears, is far from being efficiently protected in all cases, of course the loss of substance is much greater.

274. But the greatest source of inaccuracy is alleged to be the occasional occurrence of an extraordinarily high tide, which breaking the embankment washes the foundation of the Rass, and causes in the course of half-an-hour the loss of thousands of maunds of Salt.

275. From these causes it has been found, it is stated, quite impossible to keep an account of the stock of Salt sufficiently accurate to serve as a perfect check on the deliveries; hence the alleged necessity of keeping instead an account of estimated stock.

276. The estimate is taken monthly, and entered in a book called the *Azmayesh Kurda*, or "Estimate Book."*

277. From this book the entries are transferred into the *Roz Khird* or "Day Book,"† and there balanced against the entries transferred from a third book, called *Map Kurda*, or "Delivery Book."‡

278. At the close of the manufacturing season, in May, the balance of stock is examined by a Committee, consisting of three or four Karkoons and one or two manufacturers, who report in detail the number of heaps and the quantity in each. The stock of Salt is again examined by a similar Committee on the 31st August, and a third examination takes place on the cessation of the South-West Moonsoon, when the wastage from floods, deliquescence, or other causes is ascertained, and after investigation by the Assistant Collector, reported to the Collector, who authorizes the writing off of the amount which he may be satisfied has been so lost.

279. In like manner, if when the whole of a Rass has been delivered, there be an excess or deficiency in the estimated quantity, it is adjusted in the *Roz-Khird* or "Day Book," after the sanction of an European Officer in charge of the District, to whom each case of excess or deficiency is separately reported, has been obtained.

280. No Salt is permitted to be removed from the Rass, or heap, without the production of a permit from the Officer authorized to grant it.

281. Parties desiring to purchase Salt at the pans must, in the first instance, address to the Inner Darogah, or head Native Officer of the Manufacturing Department, a written application,|| stating the quantity of Salt they require, the Agurs or Works from which they propose to take it, and its destination.

* Appendix F., No. 1.

† Appendix F., No. 2.

‡ Appendix F., Nos. 3, 4 and 5.

§ Appendix F., No. 2.

|| Appendix F., No. 6.

Upon this, the necessary preliminaries (whether payment of Excise, or execution of a bond or other document) having been fulfilled, the permit* for delivery of Salt is granted, and the amount of duty brought to account in the *Khird*, or "Cash Journal"†

282. When the Salt required is the produce of a Government Agur, or Salt Work, the price of the same is paid in addition to the Excise duty, and at the same time. If the Salt is the produce of a private Agur, the endorsement of the proprietor is required on the application of the purchaser.

Sale price of Salt at the pans. 283. The sale price of Salt at the different Salt Works may be stated as ranging from nine pies to two annas per Indian maund.

Checks upon the permits. 284. Act XXVII. of 1837, under Section V., provides that no Salt shall be delivered from the Salt Works without an order from the Collector. This provision is so far complied with, that the permits are all pre-signed by the Collector‡ or his Assistant, but the actual filling up of these permits is necessarily entrusted to Native Officers in the different Districts. The blank permits, bearing the seal and signature of the Collector or his Assistant, are bound up in convenient books, containing each from 50 to 200 printed permits. A strict account of these blank permits is exacted from the Native Officers entrusted with the duty of receiving the Excise and filling up the blank documents. The counterfoil of each permit is filed by the issuing Officer, and periodically compared with the account of blanks kept at the Office of his European superior.

Form of the permit. 285. The permit§ itself consists of two distinct orders, one of which is addressed to the Officer in charge of the Suza whence the Salt is to be delivered, and a third part with blanks to be filled up by that Officer.

What Officer receives the duty and grants the permit. 286. The particular Officer to whom the duty of receiving the Excise duty and granting the permit is entrusted varies at different localities. In some cases he is the Sir-Karkoon or head Native Officer of Sea Customs; in others, he is the Inner Darogah of the Salt Establishment, who is the District Officer, having the general control of the manufacture and delivery of Salt from the pans.

Question as to the Officer to whom this duty should be entrusted. 287. The subject of the Officer to whom the duty in question should be assigned has been much discussed. It was argued, on the one hand, that the multiplication of checks secured by employing an Officer not otherwise connected with the executive duties of the Salt Department, was advantageous; and on the other, that simplicity and economy required that the duty should be performed by the District Officer in charge of the Salt pans. Both plans have been acted on at different places.

The Officer who will perform it under the new system. 288. In future, under the new system, the receipt of Excise duty, and the filling up of the blank permits, must be entrusted to the head Native Officer of the Station in the manufacturing branch of the Establishment.

Delivery of the Salt. 289. An exporter of Salt, after paying the Excise, or executing, in the excepted cases, a bond or other prescribed document, proceeds with the permit and application to the Suza, and produces these documents to the Suza Officer or Karkoon, who registers their receipt, and proceeds to the Agur from whence the Salt is to be delivered. He carefully superintends the delivery, whether the same may take place by weight or measure.

Delivery in some cases by measure, in others by weight. 290. Here it is necessary to explain that Salt is delivered from the pans in some cases by *measure*, in others by *weight*. Salt delivered for removal by Sea or by Carts in the Konkan is measured, that removed by pack-bullocks is weighed. The only reason for this diversity of practice is, that it has been found impossible to weigh large quantities of loose Salt from heaps widely distant from each other, no weighing-machine sufficiently simple or portable, having been as yet designed, adapted for the work: on the other hand, it has been found much more easy to weigh Salt transported by bullocks than to measure it. The tare of the empty packs being ascertained, they are, when filled, each weighed by a sort of steel-yard easily moved from place to place.

* Appendix F., No. 7.

† Appendix F., No. 8.

‡ Now Commissioner or Deputy Commissioner.

§ Appendix F., No. 7.

|| Appendix F., Nos. 9 and 10.

291. The Karkoon who superintends the delivery of the Salt, assisted by the Tolat (Weighing-man) and Peons, enters the weight or measure in a book called the *Map Kurda*, or "Delivery Book."* When delivered by measure, the tally is taken for each ten measures; when delivered by weight, the weight of each pair of bullock packs is separately entered, and the number and gross weight of each pair is marked on the pack in distinct figures.

292. When the delivery of the Salt is complete, the Suza Karkoon fills up the blanks in the third part of the permit,† and after tearing off the portion addressed to himself, which he files on the records, he gives the remaining portions to the exporter, to serve for the protection of his Salt, and at the same time returns the original application to the head Native Officer of the District, in the manufacturing branch, with an endorsement to the effect that the Salt to which the application refers has been delivered. He then transfers the entry from his *Map Kurda* or "Delivery Book"‡ into the *Roz Khird* or "Day Book,"§ and there terminates his concern with the Salt.

293. The Salt, protected by the permit, is now removed from the Agur. When the removal takes place in boats, for transshipment into larger vessels in the neighbouring roadstead, the separate boat-loads are protected by a *Purwanna* or "Warrant,"|| under the signature of the Suza Karkoon, who is supplied for the purpose with a certain number of blank forms of the purwanna bearing the Collector's seal, of which he is obliged to keep a strict account. The number of these purwannas, and the quantity of Salt covered by each, are endorsed on the third portion of the permit,¶ which is not given to the exporter until the whole quantity has been removed from the pans. When the Salt is intended for exportation direct in the same bottom, the whole quantity covered by one permit must be laden in one boat.

294. The Salt now comes under the check of the Preventive Chowkies. These Chowkies are so placed as to command all access to the Salt pans, either by land or by water, and the Officers there stationed challenge all Salt which leaves the Salt Works, and examine the permits by which it is covered. When the Salt is conveyed on bullocks, the number and weight marked on each pack are taken down, and entered in a book called *Teep Kurda* or "Check Book,"** and about ten per cent. of the whole is re-weighed. If found correct, the permit is endorsed by the Karkoon of the Outer or Preventive Darogah's Establishment, and the quantity covered by it is allowed to pass.

295. When the Salt is loose and conveyed in carts, or in boats, it is the duty of the Officers at the Preventive Chowkies to measure the cubical contents of each cart or boat-load, by thrusting an iron spit or rod into the Salt to ascertain its depth, which being multiplied by the length and breadth of the whole, is reduced into Indian maunds at the rate of $2,924 \frac{1}{2}$ cubic inches per maund.

296. This mode of ascertaining the quantity of loose Salt is far from accurate; it gives, however, an approximation, and the Preventive Officers have the power, whenever their suspicions are at all excited, of ordering the re-measurement of the whole quantity.

297. It may be here proper to notice another check which is held over the correct delivery of Salt exported by Sea. The exporter is furnished with a certificate specifying the quantity of Salt and amount of Excise duty paid. On arrival at the Port of import, it is universally re-measured, and any excess is detained and reported.

298. Besides the guard kept at the several Chowkies, nightly patrols are made by the Preventive Darogah, accompanied by some of the Havildars and Peons, and guard-boats attached to the Preventive Department also ply in the creeks, which in many cases are found close to the Salt Works, in order to prevent smuggling by the seaboard.

299. When Salt is removed without a permit, or is found in possession of any party in excess of the permit, either by the Preventive Officers at the Chowkies, or at the Port of import, confiscation and the other penalties provided by Act XXVII. of 1837 and Act XXXI. of 1850 are strictly enforced.

* Appendix F., Nos. 3, 4 and 5.

† Appendix F., No. 7.

‡ Appendix F., Nos. 3, 4 and 5.

§ Appendix F., No. 2.

|| Appendix F., No. 11.

¶ Appendix F., No. 7.

** Appendix F., No. 15.

Penalties strictly enforced in the case of Salt removed without a permit, or found in excess of the permit.

Salt once beyond the Chowkies 300. The 'Preventive Chowkies,' as has been seen, are placed close around the Salt Works, and the chowkies not Salt once beyond the Chowkies, whether in transit or in store, is not liable to examination or question, liable to question, except upon strong suspicion of its having been smuggled from the Works or across the Frontier. Nevertheless, the permit provides for a protection of such reasonable time as may be necessary to allow of the Salt reaching its destination. When examination is resorted to, the course of proceeding prescribed by Section IX. Act XXVII. of 1837 is followed; but such cases seldom arise.

Frontier Customs chowkies. 301. With the view of preventing the importation by land of unexcised Salt from Foreign Territories across the Frontier, as well as for securing the realization of the general Customs Revenue, lines of Chowkies are maintained on the Frontier of the Portuguese Territories subject to Goa and Damaun, and on the North-Western Frontier of the Presidency.

The Customs chowkies on the Portuguese Frontiers, 302. The Chowkies or Ports on the Portuguese Frontiers are some of them preventive, and some for the collection of the duty on Salt and other goods. The Salt imported from these Territories is the produce of regular Salt Works established on the Coast within them. The Revenue collected on the Damaun Frontier is preventive, some for trifling, less than a thousand Rupees per annum, as, in consequence of the Salt being inferior to that which the collection of is produced at the Works in the British Territories, little or no Salt is brought to the Customs Stations in duty on Salt and Guzerat for the payment of duty. But on the Goa Frontier, a Revenue of Rupees 89,874 is realized as other goods. Customs on Salt brought from the Portuguese Territory.

Extent and direction of the N. W. Frontier Customs line. 303. The North-Western Frontier line extends along the Eastern border of the Great and Little Runn of Cutch, from Mhonsury on the Marwar Frontier to Unwarpoora, and from Pautry along the Kattywar Frontier Southward as far as Talaja, on the Coast below Gogo.

The Runn portion of the above line entirely preventive, against Salt only, and established with the view of excluding the spontaneously produced Salt of the Runn where it extends beyond the British limits. 304. The Establishment on the Runn Frontier is entirely Preventive against Salt only. It is entertained with the view of excluding from consumption, within the Bombay Presidency, the Salt which is spontaneously produced in immense quantities on the surface of the Runn, where it extends beyond the British limits. This peculiar produce is known as "*Ghussialcon*," being obtained partly by scraping the soil; but the name is also applied to Salt of a superior description spontaneously produced on the beds of Salt streams which flow into the desert.

Country supplied by the above Salt. 305. Before means were adopted for the exclusion of this Salt from the Bombay Districts, it interfered somewhat with the legitimate trade of Salt in the Runn, and its consumption in the Bombay Territories; and it still finds its way to a very considerable extent into, and through, the Joudpoor and Marwar Territories, beyond the British control. It is principally produced in the bed and immediate neighbourhood of the River "Lonoe," which falls into the Runn at its extreme North-western point, and supplies the country to the North until it is met by the Salt of the great Sambhur Lake to the North of Ajmere, near Jeypoor.

The Kattywar portion of the N. W. Frontier line is principally to prevent untaxed Salt from Scinde, Cutch and Kattywar from crossing over and entering Guzerat. The Revenue realized as Customs is very trifling, less than 1,200 Rupees on Salt alone, no other goods being subject to duty on this Frontier. 306. The Establishment in the Kattywar Frontier is partly for the collection of the duty on Salt, but principally preventive against Salt only.

Particulars of the Frontier lines. 307. Particulars of the Frontier lines will be found in a Table* in the Appendix.³

Total charge on account of Establishments, for Excise and Customs on Salt. 308. The cost, in the Salt Department, of the Native Establishments entertained for the collection of the Frontier duties, is Rupees 3,311 per mensem, or Rupees 39,732 per annum, which being added to the cost of the Establishments entertained in the Salt Excise Department, as shown at para 266, gives a total charge, on account of Establishments in the Salt Department, of Rupees 17,255 per mensem, or Rupees 2,07,060 per annum.[†]

Cost of Establishments for the collection of the Salt Excise,...	Rs. 13,944
Ditto for the collection of Frontier duties,	3,311
Total per mensem,	17,255
	12
Total per annum,	2,07,060

Arrangement with the Nuwab of Cambay, by which the Bombay Government is entitled to a duty of 5 annas 11½ pie per Indian maund on all Salt produced at his Works. 309. It should here be noticed, that all the Salt used in the Kaira Collectorate, or carried through it, is manufactured at Works in Cambay, and that on the Salt produced at those Works the Bombay Government receives an Excise of only 5 annas 11½ pie per Indian maund. To account for this, it is necessary to explain, that the city and port of Cambay, with the adjacent District, is Foreign Territory, in the Revenues of which

* Appendix G.
[†] It has since been ascertained that the proportion of this charge debited to Salt is only Rupees 2,171 per mensem, which reduces the total monthly and annual charges here shown to Rs. 16,115 and Rs. 1,93,380 respectively.

the British Government is interested, as having succeeded to the Malharatta Chouth, or tribute. His Excellency the Nuwab of Cambay, on the introduction of the Salt Excise, refused to make any alteration in the rates levied at his Salt pans: the Bombay Government thereupon placed a line of Frontier Chowkies, which prevented the ingress of Cambay Salt into the British Territories, but a considerable quantity continued to be carried into the Territories of the Guicowar, and after some negotiation, the Nuwab agreed to levy the Bombay rate of Excise if he might appropriate one-half. This was acceded to, on the whole, an advantageous compromise. Under this arrangement, the Bombay Government is entitled to an Excise duty of six annas per Indian maund on all the Salt produced at Works in Cambay, but the Nuwab established a claim to an additional Huck, or due, amounting to three-quarters of a pie per maund, by which the share of the Bombay Government in the Excise duty of 12 annas was reduced from 6 annas to 5 annas 11½ pie, the rate now received. Thus it happens that this portion of the Bombay Salt Revenue comes neither under the Salt Excise levied on the manufacture of the Presidency, nor under the Customs duty levied on Foreign Salt crossing certain Frontiers; but is in the nature of a Revenue derived from Foreign Salt, in a particular instance, without the intervention of Customs posts, upon an amicable arrangement considered to be mutually beneficial.

310. According to a Statement* appended, the total deliveries of Salt from the Works of the Bombay Presidency and those in Cambay, in the year 1852-53, being the latest year for which I have been able to obtain an account, amounted to 41,50,553 Indian maunds, of which 7,09,059 maunds were delivered from the pans in the Island of Bombay, and 34,41,494 maunds from the Continental Works: of the total deliveries, 28,56,801 maunds were taken by Sea and Land for consumption in the interior, which includes the whole home consumption of the Presidency, on payment of the full Excise of 12 annas per maund, excepting the portion produced at Works in Cambay, on which an Excise of only 5 annas 11½ pie was received, viz.,—from the pans of the Island of Bombay, 15,976 maunds, and from the Works on the Continent, 28,40,825 maunds. The Exports by Sea to Calcutta, paying the full Excise of 12 annas per maund, amount to 4,00,018 maunds, of which 2,67,433 maunds were exported from the Island of Bombay, and 1,32,585 maunds from the Continent. The Exports by Sea to British Ports under the Madras Presidency, paying only a charge of 3 pies or a quarter of an anna per maund, to cover expenses, amounted to 4,34,576 maunds, viz., from the Island of Bombay 3,20,790 maunds, and from the Continent 1,13,786 maunds. The Exports to Foreign Ports under the Madras Presidency, paying a duty of only one anna per maund, amounted to 4,53,698 maunds, of which 99,400 maunds were exported from the Island of Bombay, and 3,54,298 maunds from the Continent. The deliveries for free export to Ports in the Straits of Malacca, and to other places beyond the Continent of India, amounted to only 5,460 maunds, the whole from Works in the Island of Bombay. The total deliveries for Export by Sea beyond the Presidency thus amounted to 12,93,752 maunds, viz., 6,93,083 maunds from the Island of Bombay, and 6,00,669 maunds from the Continent.

311. The total gross Revenue for the year amounted to Rupees 24,62,262, the charges to Rupees 2,03,995†, and the nett Revenue to Rupees 22,58,267. The gross Revenue gives an average Excise rate of nearly nine-annas-and-a-half per Indian maund on the total deliveries, and the charges are equal to about 8½ per cent. on the gross collections. The gross Revenue of the Island of Bombay was Rupees 2,23,781, the charges Rupees 20,496, or 9½ per cent. on the collections, and the nett Revenue Rupees 2,03,285. The gross Revenue of the Continent was Rupees 22,38,481, the charges 1,83,499, or 8½ per cent. on the collections, and the nett Revenue Rupees 20,54,982.

Establishments, Other Charges,	1,90,322
	13,672
Total Charges, Rupees	2,03,995

* Obtained by dividing Rupees 24,62,262, the gross Revenue, by Maunds 41,50,553, the Total Deliveries.
[†] Obtained by charging Rupees 2,03,995, on Rupees 24,62,262.

312. The charges for Establishment, as exhibited in the Statement|| under consideration, are not however reconcilable with the cost of Establishments as shown at paras 266 and 308, which is taken from a Statement furnished to me, purporting to exhibit in detail all the Establishments entertained in the Salt Department. According to this latter Statement, the total cost of the Salt Establishments, as they stood on the 1st of May 1853, was Rupees 2,07,060. According to the present Statement, the total charges against the Salt Revenue, on all accounts, incurred in the year 1852-53, was Rupees 2,03,995, of which only Rupees 1,90,322 was for Establishments, and the remainder, Rupees 13,672, was on other accounts. Possibly, the cost of the Frontier Establishments, amounting to Rupees 39,732 per annum, though exhibited in full in the Establishment Statement, is charged only in part against the Salt Revenue, and in some proportion against the Customs Revenue, as they are essentially Customs Establishments entertained for the collection of the duty on other goods besides Salt. If the whole cost on this account were deducted from the Establishment Statement, the cost for Establishments, as exhibited in that Statement, would be reduced considerably below the amount charged to the same head in the present Statement.||

* Appendix H.

|| Appendix H., Col. 23.

† It has since been ascertained that the cause here supposed affords the true solution of the discrepancy.

313. A part of the discrepancy may also, perhaps, be accounted for by the consideration that that portion of the remuneration of the head Native Officers which is paid in the shape of commission is not always of the same amount, but fluctuates with the amount of the collections. In a Statement furnished to me, purporting to show the actual charges of collection of the Salt Revenue of the Presidency, for the years 1841-42 to 1848-49, the amounts vary from Rupees 1,63,368 in the lowest year to Rupees 2,10,216 in the highest, and the fluctuations apparent in each year are stated to be principally owing to the cause above-mentioned.

314. The cost of the Establishment entertained for the Salt Works of the Island of Bombay, according to the Establishment Statement, corroborated by other papers furnished to me, was only Rupees 13,692 per annum; but, according to the present Statement, the charge actually incurred for the Salt Establishment of the Island, in the years in question, was Rupees 18,556. Possibly, this great proportional difference is also reconcilable by allowing for one or both of the causes of discrepancy above surmised; but it seems improbable.*

315. The same discrepancies occur taking the similar Salt Revenue Statements for previous years. I presume that the present Statement must be accepted as exhibiting the charges actually incurred against the Salt Revenue in the year 1852-53, for Establishments and on all other accounts.†

Distribution, as regards consumption, of the excised Salt produced in the Presidency.

316. As might have been expected, nearly the whole produce of the Works in the Island of Bombay is exported by Sea for foreign consumption, that is, for consumption beyond the limits of the Presidency, —only 15,976 maunds out of the total deliveries from those Works, amounting to 7,09,059 maunds, being taken for consumption in the interior. On the other hand, out of the total deliveries from the Continental Works, amounting to 34,41,494 maunds, only 6,00,669 were exported by Sea for consumption beyond the limits of the Presidency, the remaining 28,40,825 maunds having been taken for consumption in the interior. A portion of this latter quantity, it may be presumed, was consumed in the interior beyond the limits of the Presidency, both in British and Foreign Territory; but what proportion of the excised Salt of Bombay manufacture is so consumed there are no accounts to show. Thus, of the total deliveries, amounting to 41,50,558 maunds, the deliveries for home or interior consumption amounted to 28,56,801 maunds, and for Foreign or exterior consumption to 12,93,757 maunds.

Imports of Foreign Salt, their extent and distribution.

317. In the same year, according to another Statement‡ appended, the Imports of Foreign Salt by Sea amounted to 12,635 maunds, viz., to the Port of Bombay 11,056 maunds, and to the Continental Ports 1,579 maunds: by Land, the Imports amounted to 1,20,981 maunds to the Continent only, making a total of Foreign Imports amounting to 1,33,616 maunds. The total Customs Revenue realized from these Imports at the Excise rate of Duty, viz. 12 annas per Indian maund, was Rupees 1,00,212, of which Rupees 9,476 was realized on Salt imported by Sea, and Rupees 90,736 on Salt brought by Land. The Imports by Sea to the Port of Bombay were almost entirely from the Persian and Arabian Gulfs; those to the Continental Ports were entirely from Cutch and Scinde, Goa and Damaun. The total quantity imported by Sea was small, and nearly the whole came from the Persian and Arabian Gulfs. The importations by Land were across the Goa, Damaun and Kattywar Frontiers; but nearly the whole quantity was imported across the Goa Frontier, the importations across the other two Frontiers having been trifling in the extreme.

The proportion of charge on account of Frontier Establishments the other Statement, as being a charge against the Customs on Salt, and not against the Excise on that article.

318. No charges are exhibited in this Statement, but it appears to me, that if a proportion of the cost of the Frontier Establishments is charged against the Salt Revenue, it should be exhibited in this rather than the other Statement, as being a charge against the Customs on Salt, and not against the Excise on that article.

Total nett Revenue by Excise and Customs derived from Salt, and percentage rate of charges.

Home Deliveries, Foreign Imports,	Maunds,	41,50,558
Total,		42,84,168
Excise, Customs,	Rupees,	24,62,262
Total,		25,02,474
Excise, Customs,	Rupees,	22,58,966
Total,		23,58,478

** Obtained by dividing Rupees 2,03,555, on Rupees 25,02,474.
†† Obtained by dividing Rupees 25,02,474, gross Collections, as above, by Maunds 42,84,168, total Deliveries, as above.

319. The imports of Foreign Salt being added to the deliveries of Home Salt, the total deliveries are raised to maunds 42,84,168. The Customs Revenue being added to the Excise Revenue, the gross collections are raised to Rupees 25,02,474, and the nett receipts to Rupees 23,58,478. The rate of the charges on the gross collections is at the same time reduced from about 8½ to nearly 8** per cent. and the average rate of duty realized is raised from a little under to a little over nine-annas-and-a-half†† per maund.

* It has since been ascertained that the present Statement contains the charges actually incurred in 1852-53, while the Establishment Statement exhibits the reduced charge after that year.

† It has since been ascertained that this assumption is correct.

‡ Appendix J.

Section III.

ON THE FITNESS AND EFFICIENCY, OR UNFITNESS AND INADEQUACY, OF THE EXISTING SYSTEM AND ARRANGEMENTS.

320. I have been thus particular in describing the system in the Bombay Presidency, and tracing its history and progress, because the existence of a system of Excise upon the manufacture of Salt in that Presidency is relied upon as affording the best proof of the feasibility of substituting a similar system of private manufacture for the manufacture on account of the Government in the Presidencies of Bengal and Madras; and because, if a system of Excise is to be substituted in those Presidencies, the arrangements in force in the Bombay Presidency will serve as a guide for the measures proper to be taken in order to effect the change.

Reasons for the great particularity which has been observed in the foregoing description of the Bombay system of Excise.

321. Whatever may be the case in the other Presidencies, the history of the Salt tax in the Bombay Presidency presents no forbidding features; on the contrary, it bears the impress throughout its course of an enlightened and beneficent policy, except in the aspect that the taxation of an article necessary to subsistence is not justifiable upon any degree of fiscal necessity.

A short review of the narrative, showing that the history of the Salt tax in the Bombay Presidency presents no objectionable features, but on the contrary, bears the impress of a beneficent policy.

322. In the year 1823, when the Bombay Government first submitted to the Court of Directors a proposal to introduce a Salt monopoly into that Presidency, on the Madras system, with a prohibitory duty on all Foreign Salt and a high rate of tax on the home-made article, the Court positively refused to sanction the measure, on the ground that in the infant state of the newly-acquired Territories constituting the larger portion of the Presidency, any such taxation of Salt was premature, and would be felt as grievous and oppressive.

323. When subsequently it was again proposed to enhance the duty on Salt, and to alter the mode of raising the Revenue, the objects of the measure expressly were, merely to provide a commutation for the more vexatious and oppressive exactions levied on the Inland trade of the Presidency, and in effecting this commutation, to put an end to the varying, unequal, and complicated methods of collection which then prevailed, and to realize the Revenue according to one simple principle, that of a fixed duty upon the manufactured article.

324. Accordingly, in introducing the measure, the monopoly system, though it existed in the Bengal and Madras Presidencies, was rejected, and the freer system of an Excise upon the manufacture was preferred; a moderate consolidated duty, based solely upon a careful calculation of the rate which would suffice to provide the amount of substitute for the Inland Customs, was imposed on home-made Salt; the same rate of Customs was laid on all Foreign Salt, a free trade in the article being thus established; and, simultaneously, the Transit duties heretofore levied were completely and comprehensively abolished throughout the Presidency and all its Native dependencies. The result of the commutation, it has been seen, was not an increase of Revenue, but an annual sacrifice of income to the amount of Rupees 2,51,607, without taking into the account various very objectionable taxes to the annual amount of Rupees 6,78,312, previously relinquished without an equivalent. Provision was also made for preventing the tax from pressing with undue severity on fishermen engaged in the trade of salting fish.

325. Again, when the rate of Excise and Customs was raised from 8 annas to 12 annas per Indian maund, which is still the rate, the object of the measure expressly was, to provide a commutation for the Town duties, Mohturfa, or taxes on trades and professions, and other multifarious exactions, as full of inequalities, anomalies and complications, and as liable to abuses as the Transit duties had been. The law had raised the duty to 1 Rupee, but before that rate came into operation, orders were received from the Court of Directors positively interdicting a higher rate than 12 annas. This commutation has also been attended, so far, with an annual sacrifice of Revenue to the amount of Rupees 3,56,781, and on the whole, the annual deficiency in the Revenue of the Presidency at the present time, by the abolition of various imposts of a far more objectionable character than the Excise upon Salt, amounts, after allowing for the compensatory income derived from that source, to Rupees 11,69,426, or £116,942. The only extraordinary impost which remains in the Bombay Presidency is the special duty levied on Tobacco imported by Sea, or across any of the Causeways, into the Island of Bombay, for internal consumption: this tax yields a nett annual Revenue of about Rupees 90,000, and a proposition from the Bombay Government to abolish it is now under the consideration of the Government of India.

326. On the whole, then, the only grounds of animadversion and regret, in connection with the establishment of the Salt Excise in the Bombay Presidency, seem to be, that the measure was not introduced and carried out to its full extent at an earlier date; and that the period of its gestation and delivery and progress to maturity should have been so long protracted as to retard for many years the relief it

brought to the population of the Presidency; for it cannot be denied, (to quote from a public journal of the day,) that the re-distribution of the burden of taxation involved in the original measure and in the subsequent enhancement of the duty, was both judicious and equitable, and that the incubus on the prosperity of the Presidency which was taken off was far more heavy and crushing than the load which was laid on.

Reasons which may be supposed to have led to the adoption of a system of Excise, in deviation from the examples of monopoly afforded by the other Presidencies, and the propriety of the choice.

327. It was of course very desirable to ascertain upon what precise grounds a system of Excise was preferred in deviation from the examples of monopoly afforded by the other Presidencies, but upon this point all that is to be gathered from the records is, that the Government of Bombay appear to have been led, by the Court's refusal to sanction a monopoly, to consider the system of duties collected at the places of manufacture, and that the conclusion arrived at was that such a system was not incompatible, (to use Mr. Bruce's words) "with an efficient, mild, and economical realization of the public Revenue," while in itself it had great advantages over any other plan. Indeed, in comparing the two modes of monopoly and Excise, the only question to be solved was, in which of the two the difficulties preventing smuggling would be the greater, and the Bombay Government seem to have decided that the difficulties would not be greater under a system of Excise than under a monopoly.

328. I have not been able to discover that any reasons were assigned for this decision, and in their absence, the question arises whether the decision was a correct one. I see no cause to doubt that it was, or that the Excise system, under proper restrictions, is calculated to work as beneficially for the Revenue as a monopoly. After a practical investigation of the mode of manufacture, and of the Excise and monopoly arrangements applied to that mode, in the Bombay and Madras Presidencies respectively, I have been unable to perceive why a larger or more expensive force should be required to watch production and protect and collect the Revenue when individuals manufacture freely for themselves, than when they manufacture exclusively for the Government; or what facilities for illicit practices exist in the one case which do not equally exist in the other; or why, the Agency being necessarily of the same character in both cases, it should be less trustworthy or less efficient in the one case than in the other; and I have no doubt that it was on these obvious grounds that Mr. Bruce, and the Bombay Government in concurrence with Mr. Bruce, came to the conclusion that, on the one hand, nothing was to be gained, financially, by the establishment of a monopoly, to compensate for the disadvantages of an exclusive system, while on the other an Excise upon the manufacture, besides being equally productive as a fiscal measure, would obviate the necessity of a vexatious, troublesome, and expensive disturbance of existing private rights, and be attended with the other advantages incidental to a free system. The propriety of the choice made seems to me to admit of no question.

The working and arrangement of the Excise considered.

On this point, the chief test is to reduce the extent of smugglings to the proof of figures. From the comparative moderation of the price, the extent to which the Salt consumed pays or evades the duty. This test considered.

329. How far the Excise works well in fact, and is well arranged, has next to be considered.

330. On this point the chief test should be the extent to which the Salt consumed pays or evades the duty; but this unfortunately is a test which cannot be applied with any confidence, for it is not possible to reduce the extent of smugglings to the proof of figures. From the comparative moderation of the price, the consumption of excised Salt in the Bombay Presidency is supposed to be comparatively large, and has been estimated at 16 lbs. per head, but I am at a loss to discover how any approach to an estimate has been arrived at, since both the elements necessary to the calculation are wanting. In the first place, of the deliveries for consumption in the interior, the proportions consumed respectively within and beyond the limits of the Presidency cannot be discriminated, as is repeatedly admitted in the records; and in the next place, the number of the population of the Presidency is by no means accurately known. To pretend to fix the excised consumption per head when the data are so utterly defective, or rather, when there are in fact no data, seems to me to be purely mischievous.

Comparing the deliveries with the population of the whole tract supplied by them, the inference seems to be that a considerable portion of the consumption is supplied by Salt which has evaded the payment of the duty.

331. According to a Statement* appended, the average deliveries for consumption in the interior, taking the latest three years, $\frac{1}{4}$ from 1850-51 to 1852-53, amounted for one year to 27,35,866 Indian maunds, equal, at 82½ lbs. to a maund, to 225,122,633 lbs. The population of the Presidency, according to a census taken by the several Collectors on the 1st of January 1846, and by the Police of the Island of Bombay on the 1st of May 1849, was found to be 8,204,502, (a) but this number does not appear to have included the population of Sattara and Sinde, and is probably in other respects not so accurate as the number adopted in Campbell's Modern India, (b) viz. 9,210,272, excluding Sinde, where Bombay excised Salt is not consumed. If, therefore, the whole Salt delivered were consumed by the inhabitants of the Presidency, the consumption per head would be about 24½ lbs. This, however, is by no means the case, for a portion of it supplies the consumption both of British and Foreign Territory beyond the limits of the Presidency.

(a)	
Collectors,.....	7,638,383
Island of Bombay,.....	666,119
Total,.....	8,204,502
(b)	
Regulation Provinces,.....	8,151,048
Non-regulation Provinces, excluding Sinde,.....	1,059,224
Total,.....	9,210,272

* Appendix K, column 3.

332. It has been deduced from information derived from reliable sources,* that the Salt of the Western Coast is carried to great distances, in various directions, before it is met by that from Bengal, from the Sumbhur Lake and from Madras. The points to which the supply extends have been ascertained approximately to be Oujcin in Malwa, Khyraghur to the Eastward of Nagpore, and Kurnool in the Madras Territories, on the Southern border of the Nizam's Country. Direct lines connecting these points with each other and with the Coast would include the greater part of the Nizam's Territories, of the Province of Nagpore and of Malwa, as coming within the market of the Western Coast, and supplied chiefly from the British Salt Works on that Coast. A very considerable portion of the deliveries, it may therefore be concluded, finds its way beyond the limits of the Presidency;† and comparing the deliveries with the population of the whole tract, within and without the Presidency, supplied by them, the inference would rather seem to be, that the excised consumption per head cannot be very large, and that a considerable portion of the actual consumption must be supplied by the illicit introduction of Salt which has evaded the payment of the duty.

333. It appears that the total quantity of Salt imported for consumption into the Island of Bombay, in the year 1852-53, amounted to 58,720 Indian Maunds, equal to 4,831,817 lbs. Taking the population at 566,119, which includes children as well as adults, this gives a consumption of scarcely more than 8½ lbs per head, which is a low rate; and if this is the excised consumption per head in the Island of Bombay, where, as in other populous places, a large quantity of Salt is used in curing meat and fish, making pickles, and for other miscellaneous purposes, it may be supposed that in other parts of the Presidency, where the article is only used as a condiment, the rate is even lower.

334. In a dispatch dated the 18th of November 1846, reviewing the administration of the Salt Revenue for the years 1843-44 and 1844-45, the Court of Directors pointed out to the Bombay Government that the large falling-off in the deliveries of Salt demanded their instant and serious attention, and directed a searching inquiry to be immediately instituted for the purpose of ascertaining the causes; and in a subsequent dispatch dated the 19th of July 1848, continuing the subject, they stated that they considered it of the utmost importance, that the causes which had led to the progressive decline in the deliveries of Salt from the year 1843-44 to the year 1846-47, should be clearly ascertained, so as to show whether the decrease had to any extent been occasioned by the illicit introduction of Salt which had evaded payment of the Excise, in which case proper measures of prevention should at once be adopted, or whether the enhancement of the duty from 8 annas to 12 annas per maund, in the first of the above-mentioned years, had in reality led to a reduced consumption among the people.

335. From the inquiry made in pursuance of the Court's orders, it appeared that the local Officers differed much in their opinions on the subject, all professing to have little or no data upon which to form an accurate decision, but generally they came to the conclusion that the increase in the Excise must have had a tendency both to diminish consumption and increase the contraband trade.

336. The Members of the Government took the same view, and recorded the following among other observations on the general subject, in their respective Minutes dated in July and August 1850.

The Governor wrote: "I may observe, however, that the effect of the Salt Excise on consumption cannot be ascertained till the extensive smuggling which is supposed to exist shall have been put an end to."

Mr. Willoughby observed: "Act XXXI. of 1850, passed on the 9th of this month, embodies most of the provisions we have sought for for the protection of the Salt Revenue, and I am hopeful that we shall soon be satisfied of the beneficial effects of that Act, in an increase of Salt Excise, proportionate to the diminution of the contraband trade which may be expected to accrue."

"But we must also rely on the zeal, vigilance and activity of the chief Officers of Excise, for the protection of the public Revenue, without which all laws will be inoperative."

* See Chapman's "Cotton and Commerce of India," pages 316 and 317.

† In 1826, Mr. Bruce computed that not less than one-half of the whole quantity of Salt produced in the Bombay Presidency was consumed in Foreign Territories dependent upon that Presidency for their supply. This estimate seems to rest upon no authoritative data; but whatever was the proportion then, it may safely be concluded that it is much higher now.

"From the reports we have received, I am by no means satisfied that this Department is efficiently conducted, and I must add that, as far as our records show, the advantages which were anticipated from the appointment of several Uncovenanted Assistants to the Collector of Continental Customs and Excise have not been realized. These Officers should be directed to be constantly on the move, supervising the conduct of their subordinates, and adopting all practicable measures for the suppression of the illicit trade, which is believed to be very great, especially on the Goa and Damaun Frontiers."

Mr. Blane's opinion.

Mr. Blane wrote: "Adverting to the Hon'ble Mr. Willoughby's remarks on the management of the Continental Customs and Excise Department, it is much to be regretted that the present Collector has not afforded us that satisfaction to be wished for in so important a charge. Particular instructions will, I think, be found to have been issued regarding the duties to be performed by the Uncovenanted Assistants, but it is to the efficiency of the superintendence of the head of the Department to which we must look for activity and diligence on the part of the subordinates,—and whether to be attributed to the absence of this or other causes, I regret to participate in the impression entertained by Mr. Willoughby, that the advantages anticipated from the appointment of that class of functionaries have not been fully realized."

The Governor's rejoinder.

And the Governor rejoined: "I agree in the opinions expressed by my Honorable Colleagues; I think, however, a good Collector would make good Uncovenanted Assistants, or if the materials were bad, satisfy us as to the fact and as to the propriety of exchanging them for others of the same or a different class."

"I hope the last injunctions we gave Mr.———may have some effect in inducing him to exert himself."

In 1849, various frauds on the Salt Works at Penn, were discovered and investigated, and measures were proposed for the correction of abuses. The Court of Directors, in reviewing these proceedings in a dispatch dated the 2nd of June 1852, wrote as follows:—

337. In the year 1849, various frauds and irregularities, carried on by the Native Establishment of the Salt Works at Penn, were discovered and investigated, and measures were proposed for the correction of abuses. The Court of Directors, in reviewing these proceedings in a dispatch dated the 2nd of June 1852, wrote as follows:—

"In the investigation of this matter, Mr. Shaw, late Commissioner of the Northern Division, displayed a degree of care and judgment highly creditable to him. The various Members of your Government also appear to have given the case a large share of their attention."

"The measures that have been adopted for preventing the recurrence of similar irregularities, by a thorough revision of Establishment and amendment of detail arrangements, appear well calculated to ensure success."

"The Collector of Continental Customs and Excise, Mr.———, has exhibited a great want of vigilance and attention to his duties, and you have found it necessary to convey to him strong expressions of your displeasure and disapprobation in consequence. In the justice of your strictures we entirely concur."

In 1851, Mr. Shaw, the Revenue Commissioner of the Northern Division, on a review of the Salt Excise returns for 1849-50, recorded an opinion that the Revenue was in a very precarious position.

338. In a letter dated the 29th of January 1851, reviewing the Salt Excise Returns for the year 1849-50, Mr. Shaw, the Revenue Commissioner of the Northern Division, showed that the utmost consumption of excised Salt in the Island of Bombay in that year amounted to 49,217 maunds, giving a consumption for each individual, on a population of 566,000, of only 7 lbs. 2 oz. 1 dr.

339. The consumption at 20 lbs. per head, he showed, would have been 1,38,048 maunds; at 11½ lbs. 78,728 maunds; and at 15 lbs. 1,03,536 maunds; the actual excised consumption of 49,217 maunds being, as compared with those quantities, less than the first by 88,832 maunds, second by 29,511 maunds, and third by 54,319 maunds. He stated that 11½ lbs. per annum, being at the rate of ½ an ounce per diem, was, as far as he could ascertain, the lowest rate of individual consumption, and he thought 15 lbs. per head a low estimate, considering the wealth of the place, the extent of the shipping population and the quantity of Salt required for use in staple articles of trade, viz., in pickling mangoes and curing bumbaloes and other fish.

340. Upon these calculations and other considerations, he recorded the following opinion:—

"It is clear to my apprehension that the Revenue derived from our Salt Excise is in a very precarious position, and that Government has in vain sacrificed Transit duties, house and trade taxes; town duties and all Customs, &c., at intermediate Ports, thus relieving the commerce of the Country from many pressing and objectionable taxations, in the hope of still realizing a compensating income by the light Excise on Salt of 12 annas on 82½ lbs. weight of the condiment."

Opinions of Mr. H. Young, Commissioner of Salt Revenue in the Bombay Presidency in 1854, as to the forms and extent of smuggling.

341. The following are Mr. Young's opinions on the forms and extent of smuggling, conveyed, in reply to my inquiries, in a letter dated the 27th of March 1854. Mr. Young, at the time of my visit to Bombay, was Commissioner of Salt for the entire Presidency, a new Office then just created.

"There can be no doubt that the illicit removal of Salt from the pans is by far the most extensive form in which smuggling takes place. There is little or no illicit manufacture, and illicit importation of Foreign Salt is almost entirely confined to the clandestine introduction of Salt by Land across our Frontiers."

"It is, for obvious reasons, impossible to state, with anything like confidence, to what extent smuggling may exist. Opinions on this point vary greatly; before expressing my own, I would beg to draw your attention to a statement which I append, which exhibits a statement of all cases of smuggling which have been officially inquired into during the three years ending 1851-52, and which affords the only positive clue I can give you to the actual extent of smuggling."

"As regards illicit importation of Salt, the produce of other Countries, I can find no ground for believing that any such importation takes place by Sea; that it does occur by Land cannot be doubted. A reference to the statement of smuggling cases adjudicated shows that attempts to import Salt from Damaun and Goa are not unfrequently made, and they are of course not altogether unsuccessful; but I can express no opinion as to the quantity thus introduced into our Territories, further than to state that I do not believe it to be so great as materially to injure the Salt Revenue."

"The danger is most serious in the neighbourhood of the Runn: the spontaneous production of Salt in the independent Territories on the North of that Desert has been long a subject of uneasiness, and may eventually call for the adoption of additional precautions."

"The illicit removal of Salt from the Salt pans within our own Territories is an evil which meets us everywhere, and one which will probably be never altogether got rid of. Smuggling on a large scale is not, in my opinion, often attempted. The passing of Act XXXI. of 1850 has tended powerfully to check systematic and wholesale frauds; but the Government is, on the whole, a heavy loser by petty smuggling and pilfering, and above all, by the dishonesty and collusion of its Native Establishments. Indeed, without such connivance, no loss of any consequence could be incurred under present arrangements."

342. The following figures, taken from a statement* appended, show the deliveries of Salt for each year from 1842-43 to 1852-53:—

YEAR.	Deliveries for Interior Consumption.	Deliveries for Exterior Consumption.	Total Deliveries.
1842-43,	29,18,406	13,25,646	42,44,052
1843-44,	30,14,025	11,73,107	41,87,132
Average,	29,66,215	12,49,376	42,15,592
1844-45,	24,15,016	13,58,108	37,73,124
1845-46,	24,94,170	14,04,349	38,98,519
1846-47,	21,57,177	12,91,922	34,49,099
Average,	23,55,454	13,51,459	37,06,914
1847-48,	29,99,063	15,02,361	45,01,424
1848-49,	25,86,984	12,20,536	38,07,520
1849-50,	26,43,564	15,34,609	41,78,173
Average,	27,43,203	14,19,168	41,62,372
1850-51,	25,87,262	14,87,415	40,74,677
1851-52,	27,63,463	11,71,511	39,34,974
1852-53,	28,56,873	13,09,036	41,65,909
Average,	27,35,866	13,22,654	40,58,520

343. Confining the examination to the deliveries for consumption in the interior, it will be seen that they were higher in the year 1843-44, the last full year of the 8 annas rate of Excise, than they have been

Some illicit importation of Foreign Salt takes place by Land, in Mr. Young's opinion, but none by Sea.

The chief smuggling, Mr. Young thinks, is from the Salt pans of the Presidency, not on a large scale but by petty depredations, entailing on the whole a heavy loss on the Revenue.

The decline in the deliveries, as shown by an appended Statement extending from 1842-43 to 1852-53 notwithstanding the increase of population in these 11 years, indicates that a considerable portion of the consumption is met by an illicit supply.

in any subsequent year at the higher rate of 12 annas, and that the average of the two years to 1843-44 exceeded the average of the next three years, from 1844-45 to 1846-47, by 6,10,761 maunds; of the following three years, from 1847-48 to 1849-50, by 2,23,012 maunds; and of the latest three years, from 1850-51 to 1852-53, by 2,30,349 maunds,—the average being somewhat less in these last three years than in the previous three years.

344. As the population must have increased progressively, and on the whole considerably, in the eleven years in question, the decline in the deliveries indicates either a very considerable progressive diminution in the actual consumption, or a very considerable progressive increase in the illicit consumption. There has possibly been some diminution in the individual rate of consumption, but it can hardly be doubted that, on the whole, there must have been a progressive and a great increase of consumption, proportionate to the progressive increase of population, which has been met by an illicit supply.

345. The series of averages would have been more complete if the statement had commenced with the year 1841-42, (a year earlier,) and it would have been better, I may here observe, to have compiled a statement of financial results in a corresponding form, and for the same period; but the materials furnished to me did not admit of this, and I was compelled to prepare the financial statement* in a different form, and for a shorter period.

Two appended Statements of contraband cases officially adjudicated in the 3 years ending with 1853, appear also rather to indicate the activity of smuggling than the efficiency of prevention.

	No. of Cases.	Quantity seized.
+ Guzerat,...	1,083	2,890
+ Konkan,...	415	821
Total,	1,498	3,621
\$ Guzerat,...	162	418
\$ Konkan,...	694	9,656
Total,	856	10,075

347. It will be seen that 1,498† attempts to introduce Foreign Salt clandestinely, by Land, across the several Frontiers,‡ and 856§ attempts to remove Salt illicitly from the Salt Works of the Presidency,|| were brought to notice and adjudicated in the three years in question, involving seizures, the former to the extent of 3,621 maunds, the latter to the extent of 10,075 maunds. As might have been expected, the introduction of Foreign Salt prevails chiefly in Guzerat, and the smuggling of home-made Salt principally in the Konkan.

The conclusion from the foregoing analysis of facts and opinions is, that the Excise has not hitherto worked well, owing however, to defective arrangements and not to the unsuitableness of the system.

348. From the foregoing analysis of facts and opinions, it is clear that, according to the actual results and the concurrent testimony of successive high functionaries, as well as of the local Officers, the administration of the Salt Excise in the Bombay Presidency has not hitherto been successfully conducted, and admits at present of much improvement. This want of success is not, however, to be attributed to the unsuitableness of the system, under proper restrictions, but to defective arrangements, such as under a monopoly or any other mode of raising the Revenue would have equally conduced to the same insufficient results.

The defects enumerated and considered.

349. These defects have consisted in the division and diversity of control, in weak and ill-paid Native Establishments, in the inadequacy of the Law for the protection of the Salt Revenue, more especially in leaving the manufacture absolutely free, and in inefficiency of superintendence.

First, division of control; and second, weak and ill-paid Native Establishments.

350. The first of these defects has lately been cured by placing the whole Sea and Land Customs and Salt Excise of the Presidency under the control of a single Commissioner,¶ a measure which is well calculated to promote the efficiency of both Departments, as it concentrates the management under one high functionary, and widens the range of selection for the post, enabling the Government to command the services of their best and most experienced Officers for it. The improvement of the Native Salt Establishments is in progress in connection with this change, the additional expense being met by reductions on the Customs side, so as, on the whole, to involve little or no increase on the present charge. This is a measure which has long been imperatively called for, and should now be carried out without stint, as the protection of the Revenue must always mainly depend upon securing the efficient and honest service of the Native Establishments employed at the Salt Works.

Third, inadequacy of the law, until August 1850, for the protection of the Revenue.

351. With respect to the inadequacy of the Law for the protection of the Revenue, it has been seen from paras 139 to 144 of this Report, that the Bombay Authorities pointed out in August 1844, on the occasion of the duty being enhanced from 8 annas to 12 annas per Indian maund, that it would be necessary, in consequence, to enact more stringent rules against smuggling, and to place some restrictions upon the

manufacture. This necessity was repeatedly felt, and, pressed upon the Legislature afterwards, but it was not until August 1850, when six years had elapsed, that the provisions sought for were embodied in Act No. XXXI. of that year. The effect of these provisions on the deliveries could scarcely have begun to develop itself in the two years succeeding the enactment of the Law to which the Statement* extends.

352. On the remaining point, it is clear, from the inquiries and opinions which appear on the records of the Bombay Government, that the Salt Excise of, at least, the continental portion of the Presidency, has labored during a long period under the disadvantage of being very inefficiently superintended. This impairing element had been in operation, apparently, for some years in 1850, and was not obviated until the Customs and Salt Departments were completely amalgamated, and placed under one controlling head, in the person of Mr. Henry Young, in March 1854. This gentleman possessed every qualification for the Office in a very high degree, and I feel sure that, under his management, the administration of the Salt Excise would soon have been placed on a very improved footing; but Mr. Young was in a few months translated to the Office of Chief Secretary to Government. The best system will not succeed under lax and incapable superintendence, and it cannot be expected that the Salt Excise of the Bombay Presidency will become properly productive until its administration is more vigilantly and efficiently controlled than it has hitherto been. The importance of the Customs and Excise Commissioner's charge, and the necessity for placing it in able hands, may be estimated when it is stated that it extends over an annual Revenue of between fifty and sixty lakhs of Rupees, and Establishments numbering nearly 4,000 individuals,—these Establishments being scattered throughout the whole extent of country from Goa towards the South to the Northern extremity of the Runn of Cutch, a distance of more than 500 miles, in which space there are no fewer than 35 sea-ports and 126 groups of Salt Works.

353. It has been shown at para. 319, that the expense of realizing the Salt Revenue in the latest year, 1852-53, amounted to 8 per cent. on the gross collections. This is considered a high rate of charge. In what proportion it is high, as compared with the cost of monopoly management in Bengal and Madras, will appear hereafter. In England, according to the evidence given by Sir Francis Doyle, the Chairman of the Board of Excise, before the Parliamentary Committee which sat in 1836, the cost of collecting the Salt Excise, when it existed, was under 3 per cent. The additional expenditure about to be applied to the improvement of the Native Establishments will increase the cost of management, except in so far as it may be met by the diminished expense† of the European Agency; but the increase of Revenue which may be expected from the greater efficiency and honesty of the Establishments should conduce to a reduction in the percentage rate. The present high cost of management is chiefly chargeable to the scattered position of the Works. They were found, when the Excise was introduced, dispersed all over the country, and very little has since been accomplished in the way of concentrating them in the best localities, owing to the difficulty of satisfying existing interests and claims in detached Works, and to there having been no law prior to 1850 empowering the Authorities in any way to control or regulate the manufacture.

354. I proceed to record, as briefly as possible, some observations and suggestions on the remaining more prominent parts of the system and subject.

355. Although in the Bombay Presidency the Salt Revenue is realized in the shape of an Excise on the produce, levied when it is removed for consumption, the manufacture, it has been seen, is not absolutely free. Under the Regulations first enacted, any person might manufacture and store Salt at any place, and in any quantity, however small, simply upon giving notice of his intention to the Collector of the District. Notice having been given, the Collector had no power to prohibit the manufacture, or to place any restrictions upon it.‡ But at present, no new Work can be established, and no old Works which were not in use when the existing Law was passed, or which may have been abandoned since, for three consecutive years, can be re-opened without the permission of the Government; and the Government may, at its discretion, suppress any Salt Work which does not, on an average of any three years, produce yearly at least 5,000 maunds of Salt.§

356. These restrictions do not admit of being relaxed in the least; they are, as experience has proved, indispensably necessary as a security against smuggling, and in order to keep the expense of Establishments within due bounds. At the same time, they leave the manufacture essentially free. I do not find, that even the most uncompromising assailants of the Indian Salt monopolies have ever contemplated the possibility of substituting a system of Excise which should leave the manufacture absolutely free.

Fourth. Lax and inefficient superintendence for many years previous to March 1854.

Cost of collecting the Excise positively high. The scattered position of the Works a chief cause.

Observations and suggestions on the remaining more prominent parts of the system and subject.

Restrictions. The manufacture, though not absolutely, is essentially free. The existing restrictions do not admit of being relaxed.

* Appendix A.

† Appendix M.

‡ Appendix J.

§ See paras. 235 to 248.

• Appendix K.

‡ Sections II. and III. Act XXXVII. of 1837.

† See para. 242.

§ Sections VI. and VII. Act XXXI. of 1850.

The power of suppressing Salt Works producing less than 5,000 maunds yearly, first granted to the Bombay Government in August 1850, has scarcely been resorted to at all. The first measure of the Commissioner of the Salt Revenue should be to suppress at once all Works conducted upon a lower scale of extent than the above, which are not so grouped with larger Works as to allow of their being supervised without any additional expense. There are numerous detached Works, which admit of being closed under this rule, and their suppression would conduce to concentration and to a considerable reduction in the cost of management.

Taking stock— 358. The weak point in the Bombay system of Excise is, that a sufficiently correct account is not secured of the stock of Salt on hand at a given time, at any given place. On this subject Mr. Young writes as follows:—

Mr. H. Young's " * * * Wanting this, we have no means of bringing our Officers to book, and we are obliged remarks on the " therefore, in some measure, to place ourselves in their hands. European agency, in carrying out the consequences of " of the storing and delivery of Salt, is out of the question; and all that we can do is to create as many this defect. " checks and counterchecks as the means at our disposal allow."

" Constant attention has been turned to this point ever since the introduction of the Salt Excise system. " A strict system of book-keeping, involving independent entries by many hands, made at divers times and " places, a Preventive Establishment, independent of the ordinary executive Officers at the pans, constant " changes of appointments from place to place, and many other devices have been and are resorted to; but " all such means are evidently insufficient, so long as opportunities, which must occur, are availed of, to per- " mit traders to remove a percentage more than they are entitled to; intentional errors in the tally, or over- " weight in the scales, are frauds against which we cannot secure Government so long as the stock account " continues, as it must continue, imperfect.

The objections 359. The causes which operate to prevent a sufficiently accurate account being kept of the stock of to weighing or Salt are described in paras. 270. to 275 of this Report. The produce is not weighed or measured into store, but is booked up by estimate. It is objected that it could not be measured as stored into heaps without a great increase of expenditure, and that even if it were measured into store, the loss from wastage and other considered insuffi- casualties would constantly vitiate the stock account. cient. The adop- tion of the Madras method of weigh- ing into stock, and adjusting the stock account, recom- mended.

360. I am not satisfied of the sufficiency of these objections. In the Madras Presidency, where the process of manufacture and storage is precisely similar, the produce is measured into heaps of 10 garce, or 1,200 maunds. The heaps in the Bombay Presidency vary from 200 to 3,000 maunds, and there seems to be no reason, therefore, why, on the whole, the produce should not be measured into store at the Bombay Works with as much facility, and at as small a cost, as at the Madras Works, nor should there be any greater difficulty than at Madras in keeping up the subsequent account.

361. The mode in which stock is periodically taken and adjusted has been described in paras. 278 and 279. The adjustments are based upon mere estimates, and the quantities written off exhibit great variations, fluctuating, in the eleven years from 1842-43 to 1852-53, from 66,654 maunds in the lowest year 1844-45, to 5,10,275 maunds in the highest year, 1849-50, as shown in a Statement* in the Appendix.

362. It is obviously of the greatest importance to the protection of the Revenue, that the Salt produced should, in the first instance, be weighed or measured into store, if it can possibly be accomplished, and I would suggest that the Bombay Government be instructed, in communication with the Madras Government, to adopt the method of measuring into store, and adjusting the stock account, which prevails in the latter Presidency, or to report why that method, the system of manufacture and storage being the same in both Presidencies, is inapplicable or impracticable.

Levy of duty. 363. It has been seen that the rate of Excise duty fixed by Law is one Rupee per Indian maund, and The levy of duty that this rate has been reduced by a Notification of the Bombay Government to 12 annas a maund. It below the amount has also been seen, that the Law requires that the Excise shall be levied before the Salt is removed, and fixed by law, and that in cases of Salt taken for export to Bengal this rule is not observed, four months' credit being allowed the Salt from the under a bond for the payment of the duty. In some cases also of export by Sea beyond the Presidency, pans, declared by a much less duty than 12 annas is levied, and in other such cases free export* is allowed. In 1852, the Law Officers of the Advocate General at Bombay being called upon to advise to what extent the practice in these respects was legal, and whether it, or any part of it, required to be legalized by enactment, gave it as his opinion that illegal.

* Appendix K., Column 15.

the reduction by Government Notification of the tax, from the amount fixed by legislative enactment, was illegal, and that any practice in the mode or time of payment of the tax varying from that directed by the Act, was illegal also, and that to legalize it a fresh enactment was necessary. The Draft of a new Law was accordingly prepared to meet these difficulties. This Draft Law, which is still under the consideration of the Bombay Government, and the papers* connected with it, are appended.

364. With very great diffidence, I venture to differ from the opinion of the Law Officers of the Bombay Government as to the necessity of the proposed Law. It appears to me, that if the Government chooses to relinquish any portion of a tax, or to grant any indulgences in the time or mode of its payment, it is at liberty to do so. In other words, the Government may, I conceive, take less, though it cannot exact more than the Law prescribes. At all events, it is not a question which is likely to be ever raised. Moreover, I am about to propose in the sequel, that no Excise duty be levied on Salt taken for export by Sea beyond the limits of the Presidency. The Law relating to the Salt Excise might however be consolidated with advantage in one new enactment, and the opportunity might be taken of substituting any necessary alterations as to the rate of duty and the free removal of Salt in certain cases. The present Draft might be taken as the nucleus of the new enactment.

365. By Law† the Excise on Salt is leviable by weight, and not by measure, but the latter process is in partial use to facilitate and expedite its removal in large quantities. The practice is to deliver all Salt taken for exportation by Sea by measure, all other Salt being delivered by weight. The reason for this diversity of practice is explained to be the impossibility of weighing large quantities of loose Salt for export from heaps widely distant from each other; while, on the other hand, it has been found much more easy to weigh Salt transported by bullocks than to measure it, the filled packs being weighed by a sort of steelyard, and the tare of the packs being deducted.

366. This explanation would not be intelligible without the further explanation that, for preventive purposes, the number and weight is marked on each pack or parcel of Salt conveyed on bullocks, or otherwise, by Land. Except for the purpose of facilitating check as the deliveries pass the preventive posts, it would not be necessary to weigh the packs, empty or filled. All that would be necessary would be to weigh over the Salt to the purchaser, leaving him to fill his packs and remove them. What I suppose is meant then is, not that the mode of conveyance alters the relative facilities of weighing and measuring, which would apparently be an absurd supposition, but that weighing, which is in the abstract the more tedious method, facilitates, in certain cases, certain after purposes. But this does not get rid of the other plain inference which the explanation suggests, viz. that if Salt can be weighed for carriage by Land, it can be in no greater degree difficult, or, as is objected, impossible, to weigh it also for exportation by Sea.

367. In 1851, two series of very complete and exact experiments were carried out by Lieutenant DeLisle, of the Corps of Engineers, under the orders of the Bombay Government, for the purpose of ascer- taining the relative merits of weighing and measuring Salt. The conclusions he arrived at he stated, on the first occasion, in the following words:—

" On the whole, it appears, that while weighing is superior in point of accuracy, measurement has the advantage in economy, in dispatch, in portability, in the first cost, and in the durability of the apparatus required, and may be depended upon within 3 per cent. of the original measurement either way."

—And on the second occasion, as follows:—

" The advantage on the score of accuracy would therefore be still in favor of weighing, were it not for the concomitant disadvantage of a heavy outlay in the first instance, and the subsequent increase of expense on account of the longer time required for weighing than for measuring Salt."

368. Lieutenant D'Lisle's Reports‡ are given in the Appendix, as containing, I believe, the only com- plete illustration, founded on a series of trials, of the difficulty experienced in India in checking the receipt and delivery of Salt, from the compressibility of the article, and from the variations in bulk and in weight to which it is liable from atmospheric influence.

369. In December 1853, the Bombay Government, deeming it objectionable that the mixed practice of weighing and measuring which existed should be continued, directed that the system of measurement

The Bombay Government direct that measuring be generally introduced, but revert eventually to the present mixed practice.

* Appendix N.

† Section II. Act XVI of 1849.

‡ Appendix O, No. 1.

should be introduced, as far as possible, two measures in every hundred being also weighed, in all cases of delivery by measure, to test the measurement. It being represented that this plan would be very inconvenient in some cases, the Government again decided in February 1854, that two systems were not to be followed; that all Salt was to be delivered by measure; and that if, for the purpose of facilitating test by the Preventive Establishment, it was necessary to weigh the packs when filled, they could be weighed, and the weight noted on them, including the weight of the packs. These orders, which in fact subjected a large proportion of the total deliveries to both the processes of measurement and weighing, being followed by numerous urgent complaints on the part of the trade, the Government were induced, in the following month, on the representation of the Commissioner of the Salt Revenue, to revert to the present mixed practice.

Mr. H. Young 370. The Commissioner, Mr. H. Young, at the same time informed the Government that he was anxious to devise a method of delivering all Salt by weight only, but failed to mature his plan. 370. The Commissioner, Mr. H. Young, at the same time informed the Government that he was engaged in maturing a plan for the delivery of all Salt by weight only. The great difficulty he felt in the way of this reform was the inconvenience of weighing large quantities of Salt for shipment, but he thought this difficulty might be overcome by using sheet-iron punts, or small lighters, so constructed as to indicate by the depth of their submersion in the water the exact weight of Salt with which they were freighted. If this could be accomplished, the object, he conceived, would be attained, as it would occasion no additional expense to the shippers, and the quantity taken away would be ascertained with the greatest possible facility. I understand, however, that Mr. Young has failed in maturing a practicable plan.

The Bengal Board of Revenue 371. Lieutenant DeLisle's Reports having been referred for the consideration of the Bengal Board of Revenue, that Board, in a very clear and concise review of the question, came to the conclusion, that weighing, with all its disadvantages of slowness and expense, was more suitable to the state of things in Bengal than measurement. The Board's paper* will be found in the Appendix.

The objections to the mixed practice not apparent, but if uniformity is of importance, measurement appears more suitable in the Bombay Presidency than weighing. 372. I do not clearly perceive the object of the great anxiety for uniformity of process, for mere uniformity's sake. If one process is best adapted for a certain class of deliveries, and the other is best suited for another class of deliveries, it does not occur to me what possible objection there can be to each process being applied to the class for which it is best fitted. But if uniformity is of importance, it appears clear to me that, following the whole results of Lieutenant DeLisle's experiments, all Salt in the Bombay Presidency should rather be delivered by measure than by weight, as is done in the Madras Presidency, where the circumstances are similar. In Bengal weighing is more suitable, but for reasons which do not apply to the state of things in Bombay, as shown in the paper* of the Bengal Board of Revenue already mentioned.

The sole obstacle to the general introduction of measuring stated, and shown to be easily removable. 373. The sole obstacle in the way of introducing an uniform system of measurement seems to be the check of re-weighing at the preventive posts about 10 per cent. of the deliveries of packed Salt carried by Land.† This obstacle appears to me so far from insuperable that I am of opinion, and am about to propose in the sequel, that the practice be abandoned, as imposing an unnecessary vexation on the trade. Loose Salt conveyed in boats for transshipment into larger vessels, for export by Sea, is not subjected to any degree of re-measurement after its removal from the pans, nor is loose Salt conveyed inland in carts or boats in any degree re-weighed. At the best, therefore, very little must be gained by a partial re-weighing of the remaining deliveries carried in packs or head loads. It seems to me, that it would be a sufficient check to note on each pack its number and the quantity of Salt contained in it, and to pass the packs at the preventive posts without further detention, if their number and the quantities noted on them corresponded with the entries in the permits. If the check at the Chowkeys were confined to this, there would be no necessity, in delivering the Salt, to weigh the packs, empty or filled: a certain quantity of Salt might be measured out for each pack, and noted on it.

The introduction of some uniform mode of measuring or weighing Salt in the three Presidencies, a principal object of Lieutenant DeLisle's experiments. 374. With a view to the prevention of frauds on the Revenue, and to the protection, at the same time, of the trade from loss, a principal object of Lieutenant DeLisle's experiments was, to devise some uniform mode of measuring or weighing Salt in the Bombay Presidency, and at the Madras and Bengal Ports, which should ensure the delivery at the Ports of import of the same quantity of Salt that was shipped for export, at least within narrow limits. The Bengal Authorities, it has been seen, came to the conclusion that the system of weighing which prevails in that Presidency could not be changed, more especially in the case of imported Salt. On exports to Calcutta the full Excise is levied at Bombay without allowance for wastage, and the Bengal duty is levied on the quantity actually landed, after deducting the Bombay Excise already received on that quantity. The Exports to the Madras Presidency are confined to the British Ports in Malabar and Canara, and to the Foreign Ports in Cochin and Travancore, all on the West or Malabar Coast. With

* Appendix O, No. 2.

† See paras. 263 and 294.

respect to the former, it was agreed between the Madras and Bombay Governments, that the Salt received from Bombay by the Authorities in Canara and Malabar, for the service of the Madras monopoly, should be taken by the Bombay measure, with an allowance to the importers of 10 per cent. on the quantity exported, for loss by dryage and wastage. This rule, which seems to provide a sufficiently simple and equitable mode of adjustment, is applicable also to Exports to those Districts by private enterprise, and to Salt taken to the Foreign Ports on the Malabar Coast.

375. It is to be observed finally, on this subject, that as by the present Law Salt owners might insist on the Excise being levied by weight, it seems desirable that the Law should be amended on this point, so as to allow of the Excise being levied optionally by weight or measure, as is already the case with respect to the Customs* duty levied on Foreign Salt, whether imported by Sea or Land. It is true that owners generally prefer to have their Salt excised by measurement, which is supposed to give them an advantage over weighing of about 10 per cent., but it might be productive of inconvenience to leave them at liberty to insist upon a particular process of ascertaining the quantity excisable.

376. The merits of the double system of Inner and Outer Darogahs is a question which has been discussed at much length in connection with the scheme† of re-modelling the entire Salt and Customs Establishments of the Presidency. A collection‡ of some of the discussions will be found in the Appendix.

377. It has been seen that Salt is produced in thirty-five Talooks or Districts of the Bombay Presidency, a Talook being a minor territorial division of a Collectorate, and that these Districts comprize 126 groups of Salt Works, each group consisting of one or more distinct sets of Salt pans, and the whole number of distinct sets of pans being 531.

378. These Works are under the immediate executive charge of two covenanted Deputy Commissioners and four uncovenanted European Assistants. The charge of each European Officer extends therefore, on the average, over six Districts, comprising twenty-one groups of Works, composed of eighty-eight distinct sets of pans, which gives an average of four sets of pans to a group of Works.

379. Two distinct Establishments are attached to each group of Salt Works, of which one is employed within the Works to watch the manufacture, and the other is a Preventive force located immediately outside and around the Works, to act as a further check upon the illicit removal of the produce. Over the former of these Establishments, in each Salt-producing Talook or District, is placed a superintending Officer called the Inner Darogah, and over the latter a similar Officer called the Outer Darogah.

380. Mr. Shaw, the Revenue Commissioner of the Northern Division, was at first of opinion that both the Inner and the Outer Darogahs might be dispensed with, and the immediate superintendence of the whole Native Establishment of each Talook or District entrusted to the Sir-Karkoon or head Customs Officer of the same District.

381. Mr. Blanc, a Member of the Council, proposed to dispense with the Outer, or Preventive, Establishment surrounding each group of Works, altogether, and to substitute a roving Preventive force, applying the saving which might thus be effected to improving and strengthening the Inner Establishment. He considered the vital objection to the system to be the inadequate remuneration of the Establishments in charge of the Works, and contended that double Establishments were wrong in principle and delusive in operation. A second inspection of the Salt by the Outer or Preventive Establishment he considered to be at once useless and vexatious, and maintained that the Government collect its Excise while the Salt was in its hands, or be content to lose it, save in special cases, where evidence to justify a seizure of the Salt, after it had been passed out of the Works, could be procured. His opinion, in short, was that a stronger and better organized Native Establishment over the Works, under a single Superintendent, with greater activity on the part of the European agency, would be more efficacious than two weak and ill-paid Establishments, each acting independently of the other under a separate head.

382. Mr. H. Young, with whom Mr. Shaw subsequently concurred, contended, on the other hand, that the maintenance of the various cordons of Preventive Chowkeys which surrounded the several groups of Salt Works, and which had been everywhere established, after minute and laborious investigations into the peculiar circumstances of each group, as regards facility of access from the surrounding country, was essential to the safety of the Revenue; and he considered it equally essential that the Chowkey force should

* Act II. of 1852.

† See paras. 235 to 248.

‡ Appendix P.

Amendment of the Law so as to allow of the Excise being levied optionally by weight or measure recommended.

Double Establishments. One, within the Works, to watch the manufacture; the other, a preventive force surrounding the Works. The merits of the system have been much discussed; a collection of the discussions appended.

Mr. Shaw would dispense with the Inner and Outer Darogahs, and entrust the whole superintendence to the Sir-Karkoon or head Customs Officer.

Mr. Blanc would dispense with the Outer Establishment altogether, substitute a roving preventive force, and improve and strengthen the Inner Establishment.

Mr. H. Young, with whom Mr. Shaw subsequently concurred, would maintain the two Establishments, quite independent of each other, and under separate heads.

be separately supervised, and otherwise entirely independent of the Establishment employed within the Works in watching the manufacture and superintending the delivery of the Salt. His proposition, in short, was to appoint in each Talook or District two independent superintending Officers—one, to control the Establishments employed at the Salt Works, and in the collection of the Revenue, whether of Customs or Excise; the other, to control the entire Chowkey force entertained to prevent all irregular removals of goods, whether in the Customs or Salt Department.

Mr. Young's proposition adopted by the Bombay Government. 383. This proposition, which involved the combination of the duties of the Sir-Karkoon, or head Officer of Customs, and those of the Inner Darogah, or Supervisor of the Salt Excise, in one individual, in every Salt-producing Talook or District in which they were then separately conducted, was approved and adopted by the Government.

The differences in the discussions appear to present but little real distinction. 384. The differences in these discussions appear to me to present but little real distinction. A certain strength of Establishment is required at the Salt Works for the collection and protection of the Revenue, and in any organization of an Establishment under a single head it would be necessary to make adequate provision for the duties of prevention. The question, it would therefore seem, resolved itself at the most into this, whether the same duties could be performed with equal efficiency, by the same aggregate strength of Establishment, under single as under divided superintendence—in other words, whether one of the two controlling Officers could be dispensed with.

Mr. Blane's opinions entitled to great weight, but the Bombay Government seem to have decided rightly in preferring Mr. Young's plan. 385. Mr. Blane's opinions are entitled to great weight; the official records attest both his practical acquaintance with the working of the Salt Excise system, and the interest he took in promoting its efficiency. His observations on the present question possess much force, but the Bombay Government appear to me to have decided correctly in adopting Mr. Young's plan. The Preventive cordons surrounding the decided groups of Works could not be relinquished with safety to the Revenue, nor could a single Officer properly control the entire Salt Establishments of a District. Moreover, the complete separation of the Preventive force from the Establishment employed in supervising the manufacture is an essential principle which should never be lost sight of, inasmuch as the disunion undoubtedly tends to promote the independent action of the former, and to diminish the opportunities of collusion and smuggling. At the same time the combination of the duties of the head superintending Officers of Customs with those of the head superintending Officers of Excise, was quite a practicable and proper measure of economy. Mr. Blane seems to have overlooked that a second examination of Salt leaving the Works under permits is not the sole nor the chief business of the Chowkey force, but that its more especial duty is to prevent the clandestine removal of Salt not protected by a pass.

That plan should be at once extended to the Salt Works in the Island of Bombay. 386. The whole Native Establishment, manufacturing and Preventive, employed at the Salt Works in the Island of Bombay, is superintended by a single Officer, styled a Sir-Karkoon, but the entire separation of the Preventive force, under an independent head, seems as essential there as elsewhere, and is a measure which ought certainly to be introduced at once.

Remuneration of Sir-Karkoons and Darogahs partly by a commission should be discontinued, and liberal and fixed salaries substituted. The appointment of a higher class of Officers as Suza-dars and Nakadars indispensable. 387. In re-organizing the Establishments, the opportunity should be taken of discontinuing the practice of remunerating the Native superintending Officers, viz. the Sir-Karkoons and Darogahs, partly by a commission of 8 annas, or a $\frac{1}{4}$ per cent. on the gross Excise collections, distributed rateably among them. Fixed salaries should be substituted, on a graduated scale, proportioned to the extent of the several charges, and of liberal amount, to secure honest and efficient service. The salaries of the Suza Karkoons and Naka Karkoons should also be raised to such a scale as would command the services of a more respectable class of men for these appointments. These Officers are, respectively, in immediate charge of a group of Salt Works, and of the Preventive posts surrounding them: the system places, perhaps, the chief trust in their hands, but their pay is very small, varying from 8 to 20 Rupees per mensem for a Suzadar, and from 6 to 15 Rupees for a Nakadar, a scale of salaries in very low proportion to the amount of trust reposed in them. The appointment of a higher class of Officers as Suzadars and Nakadars is a point of paramount importance. Mr. Blane was quite right in regarding the inadequate remuneration at present assigned to these situations as a vital objection.

The practice of re-weighing the Salt as it passes the Chowkies should be abandoned, and the check confined to the examination indicated in para. 373. 388. Mr. Blane was right also, as it seems to me, in his objections to a second inspection and partial re-weighment of the Salt in passing the Chowkies or Nakas. The Salt has scarcely been weighed and passed by one set of Officers, when 10 per cent. of the delivery is subjected to a second weighing by another set. This practice ought, in my opinion, to be discontinued, and the check confined to the examination indicated in para. 373. The Chowkey Officers should rather be employed in preventing the clandestine removal of unprotected Salt than in harassing the fair trader with interference much more vexatious than profitable.

389. It has been seen that the permit covering a despatch of Salt provides for a protection of such reasonable time as may be necessary to allow of the Salt reaching its destination, that the permit is endorsed in passing the Chowkeys by the Nakadar, and that Salt may be detained beyond the Chowkeys on strong suspicion of its having been smuggled from the Works or across the Frontier.* These practices appear to me to be opposed to the Law. As I understand the provisions of Act XXVII. of 1837, the permit should be taken and cancelled at the Chowkey, being only required to clear the Salt of the Works where it is manufactured and pays the Excise, and Salt is not liable to question beyond the Preventive limits, the rules relating to detention and confiscation being applicable, as it appears to me, only to Salt which has not passed the Chowkeys. Present practice of interfering with Salt beyond the Chowkeys illegal, and except in illicit Salt Works, should be relinquished, and the permit should be taken and cancelled at the Chowkey.

390. If I am correct in this view, the practice in force is illegal, and should be amended. The permit should provide for a protection only to the Chowkeys, where it should be taken and cancelled, and beyond the Chowkeys Salt in transit, as well as Salt in store, anywhere, except in illicit Salt Works, should not, under any circumstances, be interfered with. It seldom happens, it is said, that Salt in transit, or in store, beyond the Chowkeys is detained; but any seizure of Salt beyond the Chowkeys, except in illicit Salt Works, appears to me illegal, and this I am of opinion is a very proper provision of the Law. There must be some limit to the inquisition; the Establishment within and immediately surrounding the Works should be made strong enough to detect the first attempts at evasion of the duty, and beyond the limits of the Establishment no interference whatever should be allowed.

391. It only remains to be noticed, under this head, that efficient supervision on the part of the European agency is indispensable to successful management. Hitherto, under the old organization, adequate benefit, it has been seen, has not been derived from the employment of European uncovenanted Assistants,† but under the new organization it may be expected that full advantage will be taken of the services of this class of functionaries. Efficient supervision on the part of the European agency indispensable to successful management.

392. In 1829, in planning the Salt Excise, it was considered to be an essential part of the scheme that the Government should altogether withdraw from the manufacture of Salt, and the Court of Directors ordered that the Works belonging to Government should be sold outright if possible, or in failure of purchasers that they should be let in lease;‡ but in introducing the measure in 1837, it was determined not to sell the Government Works, but to lease them, in order that, if the measure did not succeed, the Government might be prepared for a reversion to the former system, or any other change that might be projected. Government Salt Works—their sale ordered by the Court of Directors in 1829.

393. In 1846, a certain farmer having entered into a ruinous contract for some Salt Works in the Island of Bombay, offered to purchase the Works for the sum of Rupees 1,25,000. His offer was declined, on the ground that if the Works were put up to public competition they would produce a much larger sum, but he was allowed to throw up his farm. On that occasion, the Bombay Government observed that the Collector had assigned sufficient reasons, in connection with the state of the trade in Salt, for not at that time disposing of the Works, but that as it was at the same time very desirable that Government should withdraw from all connection with the Salt manufacture, the sale of the pans should be deferred only until the state of the market might enable the Government to get rid of the property on reasonable terms. In 1852, this injunction was repeated. And again by the Bombay Government in 1846 and 1852.

394. At the present time some of the Salt Works belonging to the Government have been permanently assigned to a class of sub-owners or middle-men, some are farmed out, and the remainder are managed by the Officers of Government, in failure of offers to farm them.§ Their present disposition.

395. No systematic attempts appear to have been made to dispose of the Salt Works belonging to Government, as a general measure, until lately, in 1853, when tenders were invited for the purchase of the Government Salt pans in the Island of Bombay, but no offers were made. In June last year, the Bombay Government agreed to a proposal made by Mr. Young, the Commissioner of the Salt Revenue, to dispose of their Works gradually, one set being put up at a time for sale by public auction at an upset price equal to ten years' purchase of the annual nett profits of the proprietary right, and a quit-rent being reserved to Government. No sales, however, had been effected up to the latest accounts. No sales effected hitherto.

396. It appears to me that the Government should no longer delay to withdraw entirely from the manufacture. Such of their Salt Works as they may not be able to let in lease in any year should be made over, from year to year, to the Coorumbies or manufacturers, to whom should be assigned the Government share of the produce, with its liabilities, on the conditions—first, that the pans shall be subject to the payment. The Government should no longer delay to withdraw from the manufacture. Modes of doing so, and of disposing of the Works, suggested.

* See para. 300.

† See para. 336.

‡ See paras. 63 and 69.

§ See Paras. 192 to 193.

ment of ground-rent at the same rate as private pans,—and second, that they shall be kept in good repair and delivered back in as good order as when the Coorumbies received them. These were the terms on which Mr. Bruce proposed in 1837, on the introduction of the Salt Excise, to assign the Government interests in the Salt pans in the Island of Bombay to the Coorumbies, and they were sanctioned by the Government of that day. If the Coorumbies should be unwilling to take over the whole produce of the pans, instead of receiving only the laborer's share, on these terms, I am of opinion that the Works should rather be closed than that the Government should continue to manufacture any longer; at the same time, renewed measures should be taken for the sale, if possible, of all the Salt Works belonging to the Government, even at some sacrifice. It appears to me that ten years' purchase of the profits is too high an upset price to fix on such property, and that in preference to being retained, it should be parted with at five years' purchase.

397. Another mode which has occurred to me of disposing of the Government Salt Works is to exchange them for detached Works of private owners producing a larger quantity of Salt than 5,000 maunds yearly. In this way, the Government might obtain a better value for their property. Private owners might possibly be induced to exchange, giving or receiving the difference in value, and the Government would find their profit, partly, in the reduced expenses of management, and the diminished smuggling which would accrue from the suppression of such of these detached Works as offer at present, as indicated in para 353, a great obstacle to concentration.

Mode of selling the Government produce. 398. Government Salt is sold at the market price of the day in quantities of not less than one rass of 1,120 Indian maunds. The rent derived from Government Works let in lease, and the sale-proceeds of produce. Proper the Government share of the produce of Salt Works belonging to Government, managed by its own Officers, are not credited to the Excise Revenue. Except in the Island of Bombay, these items are credited entirely to the proceeds of the Government Land Revenue, partly as ground-rent, and partly as a miscellaneous receipt (Sayer Bah.) In the Island of Works, in produce Bombay the whole is credited to the Salt Department, under a distinct head. This diversity of practice should be rectified; both items should everywhere be credited in part to Land Revenue as ground-rent, and and rent, pointed out the remainder as a profit of the Salt Department, distinct from the Excise Revenue. I have not the respective amounts of these items at hand, but they are inconsiderable.

The supply by private manufacture has always been abundant. 399. In 1829, when the Excise scheme was under consideration, all the Collectors were in favor of leasing the Salt Works belonging to Government in preference to selling them, giving as one reason that the Government ought to reserve to itself the power to remedy at any time the evil of a deficient supply; but the Court of Directors were of opinion that the freedom of competition would be a sufficient security against this evil, and saw no reason to apprehend that the application of capital to the manufacture of Salt under a free system would not be ample. The result has proved that the Court judged correctly: the supply has always been abundant, and it has seldom happened that the stock left in hand has not considerably exceeded the year's consumption, as may be seen by a reference to the Statement* of stock and deliveries in the Appendix.

Exports by Sea. 400. The Law and the practice in respect of the levy of the Excise Duty have been defined in paras. 212 to 224. In connection with this head, the Rules in force regarding Salt exported by Sea appear to me to present many points for consideration and amendment.

Exports to Bengal, confined to Calcutta; present practice; reasons for it, objections to it. 401. First, as regards Salt exported to any Port in the Bengal Presidency.† These Exports are, in fact, confined to Calcutta. They are subject to the full Excise duty of 12 annas per Indian maund, but in place of the duty being levied at the pans before the removal of the Salt, the exporter is accommodated with four months' credit, if desired, on entering into a bond with sureties for the full amount.‡ At Calcutta, in levying the Import duty of Rupees 2-8 per Indian maund, a drawback is allowed of the Bombay Excise duty of 12 annas per Indian maund on the quantity that may be actually landed, up to but not in excess of the declared shipment in Bombay, all wastage and Sea risks being thus thrown upon the exporter; however much of his Salt may waste on the voyage, or if it should all be lost, he has still to pay the Excise duty on the full quantity shipped, receiving drawback, in Import duty, only on the quantity he may actually land.

Exports to British Ports of the Madras Presidency, confined to the Districts of Canara and Malabar; present practice. 402. This practice appears to me to be altogether objectionable. The simple rule should be to allow free Export, without bonds or restrictions of any kind, and to levy the full Import duty at Calcutta, on the quantity actually landed, to credit of the Bengal Salt Revenue. Mr. Young is opposed to allowing any Salt to be removed from the Works without the payment of the full Excise Duty, except when it is taken for Export to Foreign Ports in or beyond India, because of the facilities afforded to smuggling; and he would

discontinue the practice of giving four months' credit for the duty on Exports to Bengal, there being no sufficient reason for the indulgence, while it increases the risk to Government. If the rule of levying the Excise duty in Bombay on Salt exported to Calcutta is to remain in force, I concur in the opinion that the credit system should be abolished, as creating an unnecessary complication of accounts and business; but I entertain no doubt that the correct course is to allow free Export.

403. Under the present practice, the Salt Export trade from Bombay to Calcutta labors under great disadvantages, as compared with the same trade from Great Britain, whence Salt is exported free and pays duty only on the quantity actually landed: so also, all other Foreign Salt, European or Asiatic, exported to Calcutta, pays duty only on as much as reaches its destination. The prepayment of a portion of the duty at Bombay, long in advance of the sale of the Salt, is a disadvantage, or, if credit is taken, a bond cannot be executed without trouble, nor can sureties be procured without a consideration; and a further disadvantage is, that in case of wastage, or accident at Sea, the Exporter loses not only the Salt and freight, but his Excise payment of 1,000 per cent. on the value of the article. It is true that wastage seldom occurs, but his Excise payment of 1,000 per cent. on the value of the article. It is true that wastage seldom occurs, but his Excise payment of 1,000 per cent. on the value of the article. It is true that wastage seldom occurs, but his Excise payment of 1,000 per cent. on the value of the article. It is true that wastage seldom occurs, but his Excise payment of 1,000 per cent. on the value of the article.

404. It is of course a matter of no real moment, as regards the accounts, whether the whole duty is levied as Customs at Calcutta, or whether a portion of it is taken as Excise at Bombay. In the former case, if Bombay were entitled to credit for a proportion of the amount equal to the Excise duty, a transfer in account would be easy, but Bombay has properly no claim to receive credit for any duty paid on Salt which, though produced there, is consumed in Bengal. The consumers pay the tax, and the produce of the duty ought therefore to appear in the Bengal, and not, as it now does, in the Bombay accounts.

405. The only ground upon which the levy of the Excise duty on Salt taken for Export by Sea beyond the Presidency can be defended is, that otherwise the Salt might be clandestinely re-landed and disposed of on the Coast, but Mr. Young admits that this risk is very small in the present case, as the article is invariably conveyed to Calcutta in large decked ships that rarely, if ever, touch on the Coast, and it not being worth while, when they do touch, to break bulk in order to get at the Salt. If, however, the risk were greater, the proper mode of meeting it is to resort to sufficient preventive measures on the Coast, and not to place restrictions on the Export trade.

406. My inquiries at Bombay, among persons connected with the trade, lead me to believe that the effect of the existing restrictions and risks has been, as might have been expected, to confine the trade in a few hands and prevent its expansion, and that if they were removed the Exports would increase very considerably, to the great advantage of both Presidencies. The annual Exports of Salt from Bombay to Calcutta, in the eleven years from 1842-43 to 1852-53, have averaged about 4,50,000 maunds,† which must be considered a very inadequate quantity, looking at the facilities which exist in the Bombay Presidency as regards both production and freight. This limited trade is traceable only to the countervailing impediments under notice, which appear to me to be quite sufficient to account for it.

407. In the way of precautions, registers should be kept of the Salt exported for comparison with the quantities landed, additional preventive measures being adopted on the Coast whenever the comparison indicated smuggling, but landing certificates should not be required, and at the Port of Import only such precautions should be used as might be in force with respect to all other imported Salt.

408. Next, as regards Salt exported to British Ports under the Madras Presidency. These Exports are, in fact, confined to the Districts of Canara and Malabar, on the West or Malabar Coast, and consist of cargoes exported on contracts, for the service of the Madras monopoly, as well as of private ventures. In the former case, the Salt is retailed at the Government depôts at the monopoly rate of one Rupee per maund, and so contributes to the Madras Salt Revenue: in the latter case, it pays the Import Customs duty of 12 annas per maund, and is left to find its own way into the Interior for consumption. The Excise duty of 12 annas per maund is consequently not realized at Bombay on these Exports before the removal of the Salt from the pans, but a charge of 3 pies, or a quarter of an anna, per maund is levied, to cover a proportion of the expenses incurred for the Establishments entertained at the Works.‡ To check the illicit disposal of the Salt in its transit, the Exporters are required to produce certificates of landing under the

* Appendix Q.

† Appendix K., Col. 9.

‡ See para. 217.

of Import, I can perceive no ground for subjecting such exportations to a special additional charge at Bombay of a quarter of an anna per maund. Although these exportations would contribute nothing to the Bombay Excise Revenue, they would contribute to the general Salt Revenue, in the case of Madras no less, and in the case of Bengal much more, than the amount of the Bombay Excise. The charge, in my opinion, ought certainly to be discontinued. Its proceeds have been trifling, having amounted, on an average of four years, from 1849-50 to 1852-53, to the annual sum of only 8,726 Rupees.*

Exports to Foreign Ports, under the Madras Presidency, in Cochin and Travancore; 420. I proceed, in the third place, to consider the charge of one anna per maund levied on Salt exported to Foreign Ports under the Madras Presidency, that is, to the Ports in Cochin and Travancore, on the Malabar Coast. The practice of levying this charge was at one time, it is said, about to be abolished, when a minute inquiry was instituted as to whether it had been found to operate prejudicially on the trade with the Foreign Ports in question, and as this was distinctly reported not to have been the case, the Government thought it unadvisable to give up the tax, while, on the other hand, it was considered inexpedient to levy the full Excise, as such a measure would have at once put a stop to the trade. To check the illicit disposal of the Salt in its transit, precisely the same precautions are in force, under arrangements made with the Foreign Governments, as have been described at para. 408, in the case of Exports to British Ports of the Madras Presidency.

Objections to the levy, and its discontinuance recommended. 421. It appears to me that this levy is at variance with correct principle, as falling on the producer and not on the consumer. The Excise duty is essentially a duty on consumption in India, and was imposed with the view of compensating for other local taxes abolished. It was no part of the object of the tax to prevent India in any degree from supplying the demands of Foreign markets. On this principle, all Exports to Foreign markets ought to be free from all duty, no less to Foreign markets in India than to such markets beyond India. The principle now acted upon, of levying as much of the Excise duty as the trade will bear, or none, if the smallest levy would close the trade, ought not, as I think, to regulate the question. It follows that, in my opinion, this charge should also be discontinued; its proceeds are not considerable; in the four years from 1849-50 to 1852-53 they have amounted to the annual average sum of Rupees 21,075.†

The rate would seldom be prepaid. 422. It may be observed also, that if this rate were continued, it is to be apprehended that practically it would seldom be prepaid. Exporters to the Malabar Coast frequently go from one Port to another in search of the most favorable market. Upon this plea they would generally, if not always, in order that the Salt might go free, take delivery for Export to the British Ports, and so evade payment of the rate until they produced, long afterwards, their landing Certificates from the Foreign Ports.

The checks to guard against illicit traffic in transit should be generally the same as for Exports to British Ports on the same Coast. 423. The checks upon illicit traffic by the way should be precisely those recommended, at para. 413, for Exports to British Ports of the Madras Presidency, excepting that in the case of these Foreign Ports the inquiries into deficiencies, in the quantity landed, in excess of the prescribed percentage, must necessarily be made by the Bombay Authorities, or it might be better to relinquish them altogether; and as it seems to be supposed that false landing certificates are sometimes produced, some check should be established to secure their authenticity. This might be effected by requiring a monthly or quarterly return of the Imports from the British Residents at the Courts in question.

Finally. Exports to Foreign Ports beyond India should continue free, as now. 424. Finally on this subject, Exports to Foreign Ports beyond the Continent of India are now free, and should continue to be so, in common with Exports to all Foreign Ports; but in these cases no preventive precautions are practicable, beyond the exaction of a landing certificate, as now required.

Protective Laws. These do not operate with undue severity. The process of adjudicating cases of contravention described. 425. The laws which have been enacted for the protection of the Salt Revenue, viz., Acts I. of 1838 and XXXI. of 1850, have been noticed in paras. 99 to 107 and 145 to 151. The more stringent provisions, which are contained in the last-mentioned Act, were passed after much consideration and a long experience of their absolute necessity, as shown in paras. 139 to 144. My inquiries do not lead me to conclude that they operate with objectionable severity, or that, in cases of contravention of the Law, undue inconvenience is felt from the paucity or distance of the adjudicating Authorities. The course usually followed in such cases is this. The head local Native Officer examines the offenders and witnesses, and forwards the papers, with a report on the case, to the Assistant Commissioner in charge of the circle, whose head-quarters are seldom more than thirty or forty miles distant. If the Assistant Commissioner thinks the charge not substantiated, he can in all cases quash it; if, on the other hand, he considers the charge proved, he proceeds, without calling on the parties to attend, to make his award, provided the case is not so important as to require its transmission to the Deputy Commissioner of the Division. Cases referred to this functionary are usually adjudicated on the written evidence taken by the local Officer, and if necessary, the case is returned to that Officer for

further evidence. In very rare instances, when difficulties arise, the parties themselves are made to attend on the Assistant or Deputy Commissioner, as the case may be, and in those instances in which the offence falls under the jurisdiction of a Magistrate, the Salt Officer forwards the parties to the local Police Authority.

426. From the description given at para. 309, it seems clear, that the half duty contributed by the Nuwab of Cambay, on account of Salt manufactured in his Territory, is in fact a Customs and not an Excise levy. The British Government compounds with the Nuwab for half duty on all Salt produced at his pans, in place of establishing a Frontier line of chowkies and levying full duty on Salt that passes it, considering that to be a more convenient, and on the whole, an equally profitable arrangement. In this view, the Cambay tier Salt charges Salt, and the Revenue derived from it, should appear, not in the Excise but in the Customs Statement, under the head of Imports by Land, the Salt being in fact Foreign Salt, passed by Land into the British Territories on payment of duty settled by composition. The proportion of the cost of Frontier Establishments charged against the Salt Revenue should also be exhibited in the Customs and not in the Excise Statement. The distinction in the Bombay Salt Returns between the results belonging to the Island of Bombay and those belonging to the remainder of the Presidency, called the Continental portion, is useless, and should be abolished.

Cambay Half Duty—is a Customs levy, and should be exhibited as such. Frontier Salt charges should be debited to Customs. The distinctive exhibition of the Inland and Continental results should be discontinued.

Section IV.

ON THE RATE OF DUTY.

The rates of duty at different times proposed.

427. It has been seen that the rate of duty originally proposed by Mr. Bruce, in 1826, in planning the Salt Excise, was equivalent to 6 annas 4 pie per Indian maund.* It was computed, however, that the return from this rate would make up only the greater part, and not the whole, of the deficiency in the Revenue which would arise from the abolition of the Transit duties, different substitutes having been proposed for the remaining portion. The Bombay Government of the day, and the Court of Directors in 1829, approved of this rate.† The Customs Committee in 1836 would also have suggested it under ordinary circumstances, but as the state of the Indian finances was then such that the Transit duties could not be relinquished unless an equivalent was found from some other source, they recommended the adoption of the rate of 8 annas a maund, as the lowest that could be expected to yield the required amount of commutation.‡ The Bombay Government objected to this rate as unnecessarily high, and strongly advocated its reduction to six annas.§ but the Government of India disallowed the objection, on the ground that a lower rate than eight annas would not be sufficient to provide an equivalent for the Transit duties,|| and that rate was accordingly adopted in Act XXVII. of 1837, introducing the Excise upon Salt. It did not, it has been seen, yield a Revenue equal to the receipts from the Transit duties.¶ In 1844, more obnoxious taxes were abolished, and the Excise duty on Salt was raised to the present rate of 12 annas per maund. This commutation has also been a losing one so far.** The Law raised the rate to one Rupee per maund, and that is still the rate by enactment, but the levy has always been confined, by notification, to 12 annas per maund.

The expediency of working towards greater equality between the Bengal and Bombay rates of duty, by lowering the former and raising the latter, to a certain point, considered.

428. The high rates of duty prevailing in the Bengal Presidency, as compared with the rates in Madras and Bombay, have some times suggested the expediency of working towards greater equality, by lowering the former and raising the latter to a certain point. The soundness of this view may be doubted. A lower rate of duty must of necessity be fixed for Madras and Bombay, because of the greater natural cheapness of the article in those Presidencies, otherwise so high a bonus would be afforded to smuggling as to render its suppression impossible. The Bengal rate of tax, it is true, is in itself more than three times higher than the Bombay rate, but proportionately to the cost of production the latter rate is very much higher than the former. Taking the present average cost of production in Bengal at 8 annas a maund, the duty of Rupees 2-8 a maund is equal to 500 per cent. on the value of the article. Taking the average cost of producing Salt in the Bombay presidency at 1½ anna per maund, which is perhaps a high average,†† the duty of 12 annas a maund is equal to 1,000 per cent. on the value of the article. If the Bengal tax were reduced to Rupees 2 per maund, the Bombay rate would still bear reducing to 5 annas, or less than half its present amount, in order to place both rates in equal ratio to the cost of production. It may be admitted that the disparity in the tax ought not to be regulated wholly by the relative cost of production, though in a considerable degree it must of necessity be so; but as the case stands at present, though the Bengal rate might of course be worked down, there seems to be no room for working the Bombay rate up, 1,000 per cent. on the value of the article being probably as high a rate of tax as it would be possible to exact without offering too high a bonus to smuggling.

The lowering of the Bombay rate of duty the only question to be entertained.

429. Indeed, the evidence collected in paras. 330 to 347, in illustration of the working of the Excise hitherto, sufficiently indicates that the only question to be entertained at present, in regard to the Bombay rate of duty, is not whether it admits of being raised, but whether it ought not to be lowered.

The only two points to be considered in the determination of this question stated.

430. For the determination of this question, the only two points to be considered are, first, whether the tax presses with undue severity on the mass of the consumers, and second, whether the Revenue would benefit by a reduction in the rate, since any sacrifice of Revenue, as a matter of relief, beyond any amount which may be required to alleviate oppressive privation, seems scarcely to be called for, in the face of the pressing wants of the Indian treasury, until the tax yields a Revenue equal to the amount of the abolished duties for which it was commuted.

The latest information and opinions on these points where to be found.

431. The latest information and opinions on these points are contained in the papers of the inquiry alluded to in paragraph 335, undertaken, throughout the Presidency, expressly to elucidate them, in pursuance of orders of the Court of Directors. A concise summary†† of these papers, comprising all that is essential, will be found in the Appendix.

The opinions of the local Officers and of the Government on the first

432. As regards the first point, viz., whether the tax presses with undue severity on the mass of the consumers, it will be seen from the papers in question, that generally the local officers were of opinion

* See para. 60. † See paras. 63 and 68. ‡ See para. 78. § See para. 95. || See para. 96. ¶ See para. 114.

** See para. 130.

†† Note. The average probably does not exceed 1 anna per maund. Salt can be manufactured at Penn, South Konkan, for a trifle less than ½ anna per Indian maund. See paras. 45 and 51.

‡‡ Appendix S.

that the increase of the tax from eight annas to twelve annas per maund had tended to diminish the consumption among the poorer classes. Some thought that the rate of consumption had not been sensibly, or at all, affected; one or two believed the tax to press so lightly as not to be felt, but all agreed that the increase had not had the effect of placing the article beyond the reach of any class of the population in any injurious degree, except the Collector of Broach, and perhaps also the Collector of Belgaum, who stated that "its attainment by the poorer classes of Natives for their own consumption is a matter of no slight difficulty."

433. To pass from opinions to facts and figures,—it has already been shown that the quantity of licit Salt actually consumed per head cannot be fixed.* Both the elements necessary to the calculation are wanting, viz., first, the total quantity consumed within the limits of the Presidency, and, second, the accurate number of the population. If the total deliveries of Salt consumed in the Interior, within and beyond the limits of the Presidency, be divided by the supposed number of the population of the Presidency, a consumption of 2½ lbs per head is obtained, and if it be assumed, according to Mr. Bruce's† computation in 1826, that one-half the deliveries go to supply a foreign population, a consumption of 12½ lbs per head is deduced for the population of the Presidency. But all this is mere conjecture, and may not be even an approximation to the truth.

434. Again, supposing that the licit consumption per head were known, and that it exhibited an inadequate quantity, that fact would not be conclusive evidence of the undue severity of the tax, for the licit consumption might not be the actual consumption; the illicit consumption superadded might exhibit a sufficient rate, and it might be that the illicit consumption was induced by the laxity of prevention rather than by the excessive pressure of the duty.

435. But leaving this maze of uncertainties as to the actual consumption per head, its sources and the influences affecting them, it is easy to fix the cost of an adequate supply of the article per head, and a sufficient estimate may also be formed of the pressure of that cost on the wages of labor.

436. The price of Salt to consumers in the neighbourhood of the Salt pans, that is, on or near the coast, or in the vicinity of the inland Salt-works of the Runn and Guzerat, is scarcely more than the aggregate of the sale price at the Works and the Excise Duty. The sale price of Salt at the different Works ranges from 9 pies, or ¾th of an anna, to two annas per Indian maund.‡ It is probable, therefore, that the highest of these rates (two annas) sufficiently represents the average price to consumers, and this price being added to the Excise duty of 12 annas, gives 14 annas as the average cost of a maund of Salt to the consumers. A maund being 82½ lbs., and one anna, at the exchange of two shillings for the Rupee, being equal to 1½d., it follows that the price per pound is as nearly as possible one farthing, there being 84 farthings in 14 annas. At this rate, and allowing 12 lbs. for the consumption per head per annum, each consumer's annual supply of Salt would cost him three pence or one and a half anna, and this cost, assuming the average wages of agricultural labor at three Rupees per mensem, which is equal to 36 Rupees or 72 shillings per annum, would amount to the 288th part of his yearly earnings, or a tax upon his income of between a quarter and a half per cent., supposing he had only himself to provide for.

437. Again, raising the price to the consumer to one Rupee per maund, which is allowing four annas for the cost of the Salt, exclusive of the duty, or double the highest selling price at the Works, and reducing the laborer's wages to Rupees 2-8 per mensem, his annual supply of 12 lbs. of Salt would cost him about 3½d., or the 216th part of his yearly income, on which it would thus be a tax of something more than a half per cent.

438. But 12 lbs. there is no doubt, is much beyond the quantity of Salt absolutely necessary for the annual consumption of a full-grown man. In the Bombay Jails the allowance of Salt per head is only seven lbs. per annum, and that is found sufficient. 8 lbs. per head per annum could scarcely therefore be considered an inadequate, though it might be thought a stinted supply, and the cost of this quantity would amount to a tax of about a half per cent. on an income of only two Rupees per mensem.

439. Finally, supposing a family of five persons, adults and children, to consume, at the rate of 8 lbs. each all round, 40 lbs. of Salt per annum, and to earn between them only three rupees per mensem, and to pay the highest of the prices above assumed for their Salt, viz., one Rupee per maund of 82½ lbs., the cost of the whole supply, even in this extreme case, would amount to only the seventy-second part of the yearly earnings, or an income tax of scarcely more than 1½rd per cent.

440. These calculations prove that, on the coast, and in the neighbourhood of the Salt-works, even a liberal supply of Salt is procurable, by the most numerous classes, on easy terms, and I am not aware that there is any element in the calculations which can be accounted fallacious.

* See para. 330.

† See note to para. 332.

‡ See para. 253.

§ Sudder Adawlut to the Government of Bombay, No. 637, dated the 1st March 1852.

In that neighbourhood, even a liberal supply of Salt is procurable, by the most numerous classes, on easy terms.

The cost and pressure to consumers at a distance from the Salt Works.

441. In the Inland Districts, the distance from the Salt-works chiefly rules the price of Salt to the consumer. A table* is appended showing the wholesale and retail prices current in different cities, and the distance of those cities from the place of supply. Excluding Indore, which is not in the Bombay Presidency, the prices vary from a small excess over the highest assumed price on the coast, viz., one Rupee per maund to double that rate; but the tax is in no wise accountable for this additional cost, which arises from the natural consequences of situation, and is due to Transit expenses, interest on capital, wastage and the other ordinary charges of trade, which unavoidably fall upon the more remote consumers. The Salt that costs two Rupees per maund at Sholapore, for instance, the price on the coast being one Rupee per maund, would still cost one Rupee per maund, even if it were obtained free at the place of supply. In considering the burden of the tax, therefore, regard should be had only to the wholesale price in the neighbourhood of the Salt-works. At the same time, as the retail price seems nowhere to exceed two Rupees—indeed is in every instance save one considerably below that amount—the cost for a family of five persons, each consuming—on an average 8 lbs., cannot, according to the calculation given in para. 139, press more heavily anywhere than as an income tax of less than 3 per cent.; and it is to be borne in mind, that the additional cost to the Inland consumers is compensated for by the discontinuance of the Transit duties, that is, it is probable that the Transit duties used to add as much to the price of the Salt, in the case of these consumers, as the Excise duty now does.

The conclusion arrived at on the first point.

442. The conclusion I arrive at upon this point, then, is the conclusion to which the Bombay Government came, viz., that the rate of duty does not require to be lowered on the score of its pressing with undue severity on the mass of the consumers.

Opinions of the local Officers, and the tendency of the evidence, on the second point, viz. whether the revenue would be benefitted by a reduction of the duty.

443. With respect to the other point, viz., whether the Revenue would be benefitted by a reduction of the duty, some of the local Officers, it will be seen, advocated a return to the old rate of 8 annas per maund, being of opinion that, since the increase to 12 annas, the use of Salt had been so much economized, and illicit Salt had been introduced to such an extent that the measure would be attended with increased consumption and an improvement in the Revenue; and certainly, the evidence in paras. 330 to 347, already referred to, tends to show that, while individual consumption may have been economized since the increase in the rate of duty, on the whole extensive smuggling must be supposed, the deliveries having declined in the succeeding ten years, notwithstanding that the population must have progressively increased, so that while the tax had been raised 50 per cent, the increase in the Revenue had amounted to less than 33 per cent.†

444. On the other hand, the same evidence shows that, until lately, the Law has been so insufficient, the Establishments so weak and ill paid, and the control so lax, that it is not possible to judge whether the decreased consumption of licit Salt and the extensive smuggling are due to these causes or to the enhancement of the duty.

The majority of the local Officers, and the Bombay Government, decided against a return to the former lower rate of duty, without further experience.

445. It will be seen from the Summary† appended, that upon the above considerations, the Bombay Government, and the majority of the local Officers, came to the conclusion that it was not advisable, in a financial view, to revert to the 8 annas rate of Excise without further experience; and that the Government informed the Court of Directors that they would carefully watch the future effects of the present higher rate of duty, with a view to reducing it to the former rate, as authorized by the Court of Directors, if that measure should at any time appear to be necessary or expedient.

Commissioner's acquiescence in this decision, and the reasons for it.

446. In this decision I am disposed to acquiesce. Until August 1850, the Law for the protection of the Salt Revenue was, as had been repeatedly objected during the six preceding years, inadequate, and the defective arrangements of the system have only now begun to be amended. The weakness of the local Establishments and the insufficiency of the system of control had been frequently represented and admitted, and a complete revision of the existing arrangements had been contemplated for years, but no measure of reform was entered upon until March last year; up to that period the Establishments, and all the other parts of the scheme, had remained almost precisely as they stood when they were first organized, on the introduction of the Excise, without the aid of experience or of any practical knowledge of the subject. If after a reasonable trial of the new arrangements in progress, and of the other measures of reform which have now been recommended, the revenue should not exhibit a marked improvement, no further time should be lost in reducing the duty to its former amount of 8 annas per maund.

* Appendix T.

† Gross Revenue.

‡ Appendix S.

1852-53,	2,462,262
1843-44... .. .	1,860,503
Increase Rupees	601,699

Section V.

ON THE SUPPLY OF SALT FOR THE PROVINCE OF SINDE

447. Sinde is an outlying Province of the Bombay Presidency. On the North it is bounded by the Punjab and Beloochistan, on the East by the Bhawalpoor Territory and the Rajpootana States, on the South by the Province of Cutch, South-West by the upper part of the Indian Ocean, and on the West by Beloochistan. It extends from a little to the South of Mittunkote, the place of junction of the Five Rivers of the Punjab, to the mouth of the Koeree for about 380 miles North and South, and the river Indus flows through the Province, discharging itself by several mouths into the Indian Ocean.

Boundaries of the Province.

448. This Province is of recent acquisition, having been wrested from the Ameers of Sinde, or Talpoor Rulers, in 1843, by Sir Charles Napier, under whom it was constituted, for a time, an independent Government, but since 1847 it has been attached to the Bombay Presidency, and its administration is now conducted by a Commissioner, acting in subordination to that Government.

Acquisition of the Province.

449. The Province consists of Upper and Lower Sinde, and is divided into three Collectorates; Shikarpoor in Upper Sinde, and Hyderabad and Kurrachee in Lower Sinde.

Districts.

450. In all parts of Sinde there are extensive tracts of barren and unculturable land, so impregnated with Salt that it effloresces naturally on the surface, and in some of the Southern Districts of Lower Sinde the saline efflorescence is so abundant as to allow of the Salt being gathered at once, without any artificial process, in large crystallized lumps called in Sinde *Loon Gundra* or *Gunder*.

In all parts of Sinde, Salt may be produced artificially, and in the Southern parts of Lower Sinde it is produced naturally.

451. This is especially the case in the Hyderabad Collectorate, on the left bank of the main stream of the Indus, in the tract of country lying on the Western bank of the Koeree branch of that river. The existence of extensive Salt beds in this part of Sinde appears to have been first brought to notice by Captain Baker, Superintendent of Canals and Forests, in 1844, and a partial examination was made in November 1845 of the country, from Allah Bund to the Scer mouth of the Indus, occupied by these Salt beds.

The existence of extensive Salt beds in Lower Sinde, on the left bank of the Indus, brought to notice by Captain Baker in 1844.

452. Subsequently, in 1846, Lieutenant Burke, of the Bombay Engineers, in travelling by Land from Kurrachee in Sinde to Lukput in Cutch, on his way to Bombay, came accidentally upon these same beds of Salt, and supposed it to be a new discovery. According to a pamphlet published by him in 1847, the deposit consists of two vast fields of crystallized Salt, which adjoin each other, the Kotree field and the Juggee or Seergunda field.

The same deposits again brought to notice by Lieutenant Burke, in 1846, as consisting of two vast fields, viz. the Kotree field and the Juggee or Seergunda field.

453. Lieutenant Burke crossed the Kotree field, which lay on his route, from Goonee to Kotree, and estimates its extent at twenty miles in length and fifteen in breadth, with a mean thickness of clean workable Salt of three feet. On these data, he calculates that the produce of this field alone would be equal to 1,484,151,430 tons, a quantity sufficient, at an annual allowance of 20lbs a head, to supply a population of 100 millions for one thousand six hundred and sixty-two years. Lieutenant Burke, according to his own showing, is very imperfectly acquainted with the extent of this field, but his estimate is not thought by the Sinde Authorities to be overrated.

Extent of the Kotree field.

454. The Seergunda field was not crossed by Lieutenant Burke, but from the best information he could collect, he supposes it to be even more extensive than the Kotree field.

The Seergunda field supposed to be even more extensive.

455. In the opinion of Lieutenant Burke, these fields have been formed by capillary attraction, that is, the Salt-water with which the Salt-desert is saturated, has, by capillary attraction, been drawn to the surface, and thereon crystallized by the rays of the sun. He also believes that the process of absorption of Salt-water from the sand, and the process of crystallization by the sun, are still going forward, and that if the old bed were removed, the unassisted powers of nature would cause it to be rapidly or gradually renewed.

These fields supposed to have been formed by capillary attraction.

456. The country in which these Salt fields are situated is a dreary waste, destitute, for the most part, of drinkable water, and of other means of supporting a fixed population. The only symptoms of vegetation seen by Lieutenant Burke were two Mimosa trees and sundry small spreading branches, a few inches in height, of Capparis. Between Raj and Goonee, a distance of 24 or 25 miles, he found neither habitation, shelter, fresh water, nor even Salt water. At Goonee, near which the Kotree field commences, there was a single hut, where a Government peon was stationed, but where the only supplies procurable were a few bundles of rotten grass for his horses, and not quite a pint of fetid water for himself. At Kotree, the other

The country in which they are situated is a dreary waste.

extremity of the field, distant 16 or 17 miles from Goonee; there was a solitary house situated on the Western bank of the Koeree Creek, and distant by water about sixteen miles from Lukput, a town in Cutch, situated on the Eastern bank of the same creek. In this house, a supply of fresh water is kept for travellers, which is brought from Lukput by boat.

The quantity of Salt collected is in consequence limited. 457. Such being the nature of the country, the quantity of Salt collected is limited. Even in the Southern portion of the Hyderabad Collectorate, where the Salt fields lie, not above six or seven thousand maunds are supposed to be annually consumed; and very little, it appears, is used in that Collectorate to the North of a line drawn about 40 miles South of the city of Hyderabad.

458. Another reason which prevents the more extended use of this naturally formed Salt is the impression that it induces cutaneous eruptions, an idea which is so prevalent in the Northern part of the Collectorate, that in the city of Hyderabad scarcely a maund is procurable.

459. Nor is there, in the price at which this natural Salt is sold, anything to cause an increased consumption of it in preference to the use of manufactured Salt; for the former sells for about three annas and one pie per maund while the latter is procurable for less than four annas; the difference, therefore, is not enough to tempt people to purchase that kind against which a prejudice exists, the other being manufactured to any extent which may be required.

460. Notwithstanding this prejudice, the Salt of these fields has been proved to be of good, wholesome and marketable quality, by the analysis of a professional gentleman who reported upon it as follows. "It is just the same as the Salt obtained by evaporating Sea water, the Salt that called Baysalt; it is not so pure as Rock-salt, because it contains a little sulphate of soda, very little and of no consequence, and also some muriate of magnesia, which latter renders it a little bitter, but it can readily be removed by washing the Salt in fresh water. As it is, I have no doubt it would find a ready market; for it is very much cleaner than what is made in the Government Salt pans about Bombay."

461. In one of the Delta districts on the right bank of the Indus, between Watejee and Ghara in the Tattal district, Salt may also be procured almost as easily as on the other side of the river. This district is strongly impregnated with Salt, and by merely digging pits into which the Salt-water at spring-tides is allowed to flow, a deposit of Salt is obtained ready for use without any further process; but the same prejudice is entertained against this Salt as exists against the natural Salt found on the Eastern side of the river; consequently its use is confined to the district where it is produced.

462. Salt of similar quality is produced more or less along the shores of all the numerous tidal creeks and backwaters from Sukput to Cape Mouze; any spot which is covered with Salt-water only at high spring-tides, becomes a natural pan and produces Salt, which is scraped into heaps, and carried away by any one who takes the trouble to fetch it. It sells apparently for little more than the hire of the men and animals employed in collecting and carrying it.

463. The production of natural Salt is confined to Lower Sindh, and its consumption is limited, as has been seen, to the districts where it is produced, and their more immediate neighbourhood; but Salt is manufactured by artificial processes in both divisions of the Province.

464. The mode of manufacture differs but little throughout the Province. The method, as described by Captain Dunsterville, Deputy Collector of the district of Jurruck in the Kurrachee Collectorate, is to sink wells by the sides of which "shallow troughs are prepared, with bottoms made of twigs and wood, so placed that water can pass through freely, and lined with common mats; a layer of sand is spread over these, and then the trough is partly filled with Salt earth, which is changed daily; the water is then drawn from the adjacent well, generally by means of a basket attached to a long pole worked like a lever, and is thrown plentifully on the Salt earth in the trough, through which it drops, and is received in trenches cut below for the purpose from which it is conveyed into earthen pans, and exposed to the air; in a few days the whole (water) is evaporated, leaving a residue of salt."

465. But little labor is required, and the expense incurred is trifling, but the profits are so small that none but the poorest classes are employed in the manufacture.

466. In the district of Jurruck the cost of production is estimated at from two to three annas for a maund, which is subsequently sold at an advance of one anna; in another district of Lower Sindh the cost is as low as

1½ to 2 annas, and the produce is sold on the spot for about six pies or half-an-anna additional per maund. In Upper Sindh the selling price is stated to be about 1½ anna per maund.

467. In every pergunnah there is one or more of these Salt Works; the manufacturers usually retail the Salt themselves at the neighbouring villages, to which they carry it upon donkeys. It is calculated that a man and his donkey do not earn more than 2 annas and 2 pies per diem by their labor, so that, taking into consideration the wear and tear of the earthen pans, some 300 of which are required at every Salt Work, and also that the season of production is limited, the profit to be obtained by the manufacture of Salt is very small.

468. The manufacture during the rains is stopped altogether, and during the cold season but little Salt is produced, and that of inferior quality. It is only during the hot weather that Salt can be manufactured in any quantity, and the makers are during other seasons compelled to resort to selling wood for a livelihood.

469. The data for estimating the total quantities of Salt manufactured and consumed in the Province are so defective that no return can be made on these heads which would be of the slightest value even as an approximation. No data exist for even an approximate estimate of the total quantities manufactured and consumed in the Province.

470. It is, however, stated that the production does not exceed the demand in the Kurrachee Collectorate, which embraces the country on the right bank of the Indus from a point beyond Sehwan to the mouth of the river, while the consumption in the Hyderabad Collectorate, on the other bank of the Indus, is supposed to exceed the quantity produced, and to be supplied to the extent of about 2,400 maunds annually by importations from other districts.

471. This extra supply is probably received chiefly from the neighbouring State of Khyrpoor, where large quantities are manufactured, although an *ad valorem* duty of Rupees 5 per cent. is imposed upon all Salt crossing the Frontier into the British Territories; this tax is too light to be of much consequence, even when the price is nearly doubled, as is sometimes the case at the season for catching and curing the Pulla fish; the Frontier duty, which comes to only about six pies on every ten maunds, would scarcely be felt at all.

472. In like manner, the production in the Collectorate of Shikarpoor does not appear to exceed the demand in that Collectorate.

473. There is at present no duty of the nature of an Excise or otherwise upon Salt in Sindh; its manufacture and sale is wholly unrestricted, and with the exception of two small farms of Salt Works in the Kurrachee Collectorate, yielding about Rs. 100 annual revenue, the Government derives no income from Salt throughout the Province.

474. If it should be considered advisable at any future time to raise a Revenue from Salt in Sindh, it will no doubt be proper to introduce some form of Excise, adapting it to the peculiar circumstances of a country possessing such vast fields of natural Salt, and also such great facilities for producing the manufactured article.

475. Some inquiry was made by the late Select Committee on Indian Territories as to how far the natural produce of the Sindh Salt fields is capable of coming into competition in India with English or other Foreign Salt, or with the manufactured Salt of the three Presidencies in their own markets. It is spoken of in the inquiry as "Cutch" Salt, but there can be no doubt that the Salt deposits of Kotree and Seergunda in Sindh, described by Lieut. Burke, are intended.

476. The Kotree deposit lies on the Western bank of the Koeree branch of the Indus, the Seergunda field on both banks of the Goongra the next branch of the Indus Westward of the Koeree, which empties itself into the ocean by the Seer mouth of that river.

477. Lieut. Burke is of opinion that Sindh can supply all India with Salt, probably at a cheaper rate than Cheshire can, and also that in the article of Salt, Sindh can perhaps compete with Calcutta and Bombay.

might supply all in their own markets. He calculates that the Salt of the Kotree field could be shipped at the Koeree mouth India with Salt of the Indus for 1s. 6d. a ton; and landed at Panwell, the ordinary landing place for goods going inland cheaper than from Bombay, at 5 shillings a ton, all expenses included. On the other hand, he calculates the cost of a ton of Cheshire can, and might compete with Calcutta and Bombay in their own markets. of Bombay manufactured Salt at Panwell at 6 shillings and 5 pence, showing a difference of 1 shilling and 5 pence a ton in favor of the Sindh importation, in addition to which the greater value of the article, on account of its cleaner and superior quality, has to be taken into consideration, and as Bombay manufactured Salt finds a profitable market in Calcutta, it is argued that it is *a fortiori* probable that Sindh Salt might also be taken there at a profit.

Lieut. Burke's opinion as to the capability of Sindh Salt competing with Bombay Salt from the want of a sufficient depth of water, and even supposing that a suitable place of shipment might be found below Kotree on the Western bank of the river, it seems very questionable whether Lieut. Burke, in estimating the expenses, has made any sufficient allowance for the very great difficulties which exist, according to his own showing, from natural causes, such as the total want of population and the means of supporting one, in the way of quarrying and shipping the Salt. It was the opinion of the Collector of Customs at Kurrachee that he had very considerably underrated the expense of shipping the Salt at Kotasir, which is the port of Lukput in Cutch, below Kotree, on the Eastern bank of the Koeree.

479. Salt can be produced in different parts of the Bombay Presidency, to any extent, at a cost ranging from, say, half-an-anna to an anna-and-a-half per Indian maund, or from 1s. 8½d. to 5s. 1½d. per ton, taking an anna at 1½d. and a ton at 27,225 Indian maunds. Unless, therefore, the naturally produced Salt of Sindh could be exported, all charges of quarrying, shipping and sea freight, for say 500 miles included, for the minimum cost of 1s. 8½d. per ton, it is clear that it would not find a market *everywhere* in the Bombay Presidency, and if it could not be exported for the maximum cost of 5s. 1½d. per ton, it would find a market *nowhere* in that Presidency. Thus, even at Lieut. Burke's calculation of 5s. per ton, as the total cost of landing Sindh Salt, from the Kotree bed, at Panwell, that Salt could scarcely compete with Bombay manufactured Salt anywhere in that Presidency.

480. Again, Salt can be produced in the Penn districts, distant about 23 miles South-east from Bombay, to any extent for less than half-an-anna a maund, or 1s. 8½d. a ton. Unless, therefore, the Sindh Salt can be quarried and shipped at a less cost than that amount, it is to be presumed that the other parts of the Bombay Presidency would rather be supplied from the Penn districts than from Sindh. Even Lieut. Burke's estimate of the cost of quarrying and shipping the Salt of the Kotree bed, *viz.* 1s. 6d. per ton, which is pronounced by a Sindh authority to be "certainly very considerably underrated," is but little less than the production cost of Salt in the Penn districts of the Bombay Presidency.

481. But the question is not left together to conjecture. It appears from a Memorandum by the Collector of Customs at Kurrachee, that in November 1845, when these deposits were first examined, an attempt was made to ascertain their value. It was found that no sea-going vessel can go higher up the Koeree than Kotasir. The expenses attendant on procuring a cargo were found more considerable than was anticipated; camels, water, and forage had to be sent from Lukput to some distance inland from Kotree, where the article was shipped on boats and sent to Kotasir; there it was transhipped into a Malabar vessel. The Cutch Authorities made a heavy claim for anchorage, which had to be met, and the proceeds realized at Mangalore were not sufficient to induce another speculation. It is stated, however, in the same Memorandum, that a vessel can be laden in the Goongra river at a comparatively small expense, so that the Surgunda Salt possesses an advantage, for exportation, over the Kotree Salt.

482. Again, in August 1845, when a failure took place in the annual supply of Salt in the Malabar Collectorate of the Madras Presidency, tenders were called for in Sindh for the supply of the deficient amount, and but one was received, which was six Rupees the garce,* beyond the rate tendered by the Malabar merchants.

483. Now the supply of Salt for the Malabar Coast is habitually drawn, in chief measure, from the Salt Works of the Bombay Presidency. If therefore, the naturally produced Salt of Sindh cannot compete with the manufactured Salt of that Presidency, in the markets of the Malabar Coast, it follows that it cannot possibly compete with Bombay Salt in its own market.

* A garce is 120 Indian maunds.

484. Finally, it is stated by the Collector of Customs at Kurrachee, that the price of common Salt in the Kurrachee bazar is, for a camel-load of from five to six Bengal maunds, ten annas, or say, 2 annas per maund. If this be the price in Scinde, at no great distance from the Salt formations, the price of the same Salt in the Bombay markets would of course be very considerably higher, but the price of Bombay Salt at the Pans is said not to exceed two annas, and to range as low as nine pie, per maund.

485. If Scinde Salt could not compete with Bombay Salt on the West or Malabar Coast of the Madras Presidency, much less could it compete with Madras Salt on the East or Coromandel Coast of that Presidency, inasmuch as it would have to be carried further and to a cheaper market, for Salt can be produced to any extent on the Coromandel Coast at a less cost than on the Bombay Coast.

486. Scinde Salt might no doubt compete with Bengal Salt, at the present high rates of production, in the Calcutta market; whether it could compete, in that market, with Bombay Salt, or with all Foreign Salt, is questionable, but it certainly might be kept out by Madras Salt, for under an equal system everywhere of free manufacture, and free and unrestricted exportations, such as ought to exist, it is impossible that any Salt, Indian or Foreign, could compete with Madras Salt in supplying Bengal.

487. On the whole, there seems little room for the expectation that Scinde Salt would find a considerable market in any other part of India, even admitting its alleged superior quality.

488. Nevertheless, as appears from the Scinde newspapers, a Salt Company on a small scale has been started at Kurrachee, in the hope of creating a trade in Salt.

489. The object of this Company is to collect and store Salt at Kurrachee, where it is estimated it can be laid down at one-and-a-half anna per Indian maund, and to sell it both for home consumption and for export.

490. If the naturally produced Salt of Scinde cannot be stored at Kurrachee at a less cost than one-and-a-half anna per maund, it seems impossible that it can compete with Bombay Salt in the markets of that Presidency, or even in the markets of the Malabar Coast.

491. Nor does Scinde seem to possess, in the prime cost of its Salt, an advantage over Bombay for the Calcutta market, while it has at the same time to be carried a greater distance.

492. But it is to be observed that it can never pay to carry Salt except as ballast, which must be carried at all events. Considered as an article of merchandize, a whole cargo of it would not pay a profit, though it might avert, or go some way towards averting, a loss; an export trade in Salt depends therefore not so much upon the prime cost of the article, or upon the length of the voyage, as upon the quantity of spare tonnage available and the facility of obtaining a profitable return cargo.

493. It appears that the English vessels trading to Kurrachee, not being able to procure a return cargo there, are compelled to visit the other Indian ports for a profitable freight, and it pays better to take a full cargo of Salt to those ports, provided its price is not so high that it cannot be carried without a dead loss, than to go only in ballast. Under these circumstances, some shipments of Salt have lately been made from Kurrachee to Calcutta, and it is stated that, in one instance, the article was laid in even at so high a rate of purchase as 3½ annas per maund.

494. It is possible, therefore, that under the existence of the more important influences mentioned, there might be a greater export of Salt from Scinde to Calcutta than from other places in or out of India, where the article is produced, and could be procured, cheaper, but where the other influences in question might not be present or might not exist to the same extent. But there is no reason to suppose that Scinde possesses in fact any advantage in these respects: on the contrary, it seems certain that from the same causes, the exports to Calcutta of English and other Foreign Salt, and of the manufactured Salt of the Bombay and Madras Presidencies, must for a very long time to come be much more considerable than the exports from Scinde.

495. It appears that generally the same Duties and rules prevail in Scinde, in respect to the export and import of Salt, as have been described in paras. 214 to 225 of this Report, as being in force in the other

tural or manufactured Salt of Scinde, the export and import of the article should also be rendered wholly free and unrestricted.

The Government ought not to be concerned in any project for supplying the rest of India with Salt from Scinde, but that it should be entirely left as has been decided, to private enterprise to work the deposits in that Province in any manner which may be thought best.

Section VI.

RECAPITULATION.

497. It will be convenient to recapitulate, in conclusion, the measures which have been recommended in the course of the foregoing observations. They are as follows :

Recapitulation of the measures recommended in the course of the Report.

First.—The full enforcement of the provisions of Section VII. Act XXXI. of 1850, by the immediate suppression of all Salt Works producing a less quantity of Salt than 5,000 maunds yearly, which are not so grouped with larger Works as to allow of their being supervised without any additional expense.

Detached Salt Works producing less than 5,000 maunds to be suppressed.

Second.—The adoption of the method of measuring the produce into store, and adjusting the stock account, which prevails in the Madras Presidency, in substitution of the present practice of booking up the produce, and taking stock, by estimate only.

Produce to be measured into store.

Third.—The consolidation of the Law relating to the Salt Excise in one new enactment, on the basis of the Draft appended, prepared by the Law Officers of the Bombay Government ; the opportunity being taken, *first*, to alter the rate of Excise Duty from one Rupee per maund, as fixed by Section II. Act XVI. of 1844, to 12 annas per maund, as fixed, and now levied, by a Notification of the Bombay Government ; *second*, to authorize the removal of Salt taken for export by Sea beyond the Presidency, without the levy of the Excise Duty, in modification of the present provisions of Act XXVII. of 1837 ; and *third*, to provide for the levy of the Excise Duty optionally by weight or measure, in place of by weight only, as now required by Section II. Act XVI. of 1844.

The Law relating to the Salt Excise to be consolidated in one new enactment, with certain amendments.

Fourth.—The practice of remunerating the Native Superintending Officers, *viz.*, the sir-karkoons and darogahs, partly by a commission on the gross Excise collections, to be discontinued, and fixed salaries, on a graduated scale proportioned to the extent of the several charges, and of liberal amounts to be substituted.

Remuneration by commission to be discontinued, and fixed salaries substituted.

Fifth.—A higher scale of salaries to be assigned to the suzadars and nakadars, being the Officers in immediate charge, respectively, of a group of Salt Works and of the preventive posts surrounding them.

Higher salaries to be assigned to the suzadars and nakadars.

Sixth.—The practice of partially unloading and re-weighing Salt covered by a Permit, as it passes the preventive chowkies, to be discontinued, and the check confined to comparing the number of packs, and the quantity of Salt noted on each, with the entries in the Permit.

Salt covered by a permit not to be re-weighed at the chowkies.

Seventh.—The present practice of interfering with Salt in transit, or in store, beyond the preventive line, to be relinquished as illegal, except in illicit Salt Works. The Permit to provide for a protection only to the chowkies, and to be there taken and cancelled.

Salt beyond the preventive line not to be interfered with.

Eighth.—The Government to withdraw entirely from the manufacture at once, closing their Works if they cannot sell them at five years' purchase of the profits, or let them on lease, or if the coorumbies or manufacturers should be unwilling to take over the Government share of the produce, with its liabilities, on the conditions, *first*, of paying the usual rate of ground-rent for the Works, and *second*, of keeping them in repair, and restoring them in as good condition as when they received them.

The Government to withdraw entirely from the manufacture at once.

Ninth.—The Government to endeavour also to exchange their Works for detached Works of private owners, producing a larger quantity of Salt than 5,000 maunds yearly, with the view of suppressing such of these detached Works as offer, at present, an obstacle to concentration of the manufacture.

The Government to endeavour to exchange their Salt Works for detached Works of private owners, with the view of suppressing the latter.

Tenth.—The rent derived from Government Salt Works let on lease, and the sale-proceeds of the Government share of the produce of Salt Works belonging to Government, managed by its own Officers, to be credited uniformly, in part to Land Revenue as ground-rent, and the remainder as a profit of the Salt Department, distinct from the Excise Revenue.

The rent and proceeds of Government Salt Works to be uniformly credited in part to Land Revenue and the remainder to the Salt department.

Eleventh.—All exports of Salt by Sea beyond the Presidency, to ports or places in India or beyond India, to be free from the payment of the Excise Duty, and from the execution of bonds for payment of the same.

Exports by Sea beyond the Presidency to be free.

Exports to Bengal to pay the full Customs Duty at the port of import.

Exports to British Ports of the Madras Presidency the same.

The charge of a 1 of an anna per maund now levied on these latter exports, to be discontinued.

The levy of one anna per maund, now taken on exports to Foreign ports under the Madras Presidency to be discontinued.

The half duty contributed by the Nuwab of Cambay to be credited to Customs. The cost of Frontier Establishments to be debited to the same. The distinction between the results of the Island of Bombay and those of the Continent to be abolished.

The existing rate of duty, viz. 12 annas per Indian maund, to be maintained for the present.

If it should be desired at any time to tax Salt in Scinde, a system of Excise to be adopted.

Exportation of Salt from Scinde to be free from duty.

Importation of Salt into Scinde to be free from duty so long as no tax is levied on the Salt of the Province.

The Government not to be concerned in any project for supplying the rest of India with Salt from Scinde.

Twelfth.—On exports to Bengal, the full Customs Duty to be levied at the port of import, to credit of the Bengal Revenue on the quantity actually landed, subject to whatever rules may be in force at the port.

Thirteenth.—On exports to British Ports of the Madras Presidency, the full Customs Duty to be levied at the port of import, to credit of the Madras Revenue, the production of landing certificates within six months from the date of export being exacted as at present, and the exporter being required in every case in which the quantity landed exhibits a deficiency in excess of 10 per cent. on each shipment, to account for the excess deficiency to the satisfaction of the Collector at the port of import, or pay the full Bombay Excise Duty thereon. The decision of the Madras Authorities to be final, and the connection of the Bombay Authority with the Salt to cease from its export. Any duty levied on deficiencies in excess of the authorized percentage to be credited to the Madras Revenue.

Fourteenth.—The charge of a quarter of an anna per maund, now levied on Salt exported to British ports of the Madras Presidency, to cover a proportion of the expenses of the Establishments entertained at the several Salt Works to watch the manufacture and keep an account of the produce, to be discontinued, as an illegal and unauthorized cess, and no such charge to be levied on any Salt manufactured in the Bombay Presidency.

Fifteenth.—The levy of one anna per maund, now taken as a reduced Duty on Salt exported to Foreign ports under the Madras Presidency, to be discontinued, and no such levy to be made on Salt exported to any Foreign port in or beyond India. The production of landing certificates within six months from the date of export to be exacted, as at present, in the case of exports to all Foreign ports. The inquiries into deficiencies in the quantity landed in excess of the authorized percentage to be made, in the case of exports to Foreign ports in India, by the Bombay Authorities, or relinquished altogether. A monthly or quarterly Return of imports to be required from the British Residents at such ports, as a check to secure the authenticity of the landing certificates.

Sixteenth.—The half Duty contributed by the Nuwab of Cambay, on account of Salt manufactured at Works in his Territory, to be exhibited not as Excise, but as Customs Revenue. The proportion of the cost of Frontier Establishments charged against the Salt Revenue to be debited to the Customs and not to the Excise Revenue. The distinction in the Accounts and Returns between the results belonging to the Island of Bombay and those belonging to the remainder of the Presidency to be abolished.

Seventeenth.—The existing rate of Duty, viz. 12 annas per Indian maund, to be maintained for the present; but if, after a reasonable experience of the new arrangements in progress, and of the other measures of reform which have now been recommended, the Revenue should not exhibit a decided improvement, no further time to be lost in reducing the Duty to its former amount of 8 annas per Indian maund.

Eighteenth.—If it should be considered advisable at any future time to raise a Revenue from Salt in Scinde, a system of Excise to be adopted.

Nineteenth.—The exportation of Salt from Scinde, by sea or land, to be entirely unrestricted, and free from the levy of any Duty.

Twentieth.—The importation of Salt into Scinde, by sea or land, to be entirely unrestricted, and free from the levy of any Duty, so long as no tax is levied on the Salt manufactured, or naturally produced, in the Province.

Twenty-first.—The Government not to be concerned in any project for supplying the rest of India with Salt from Scinde; but to leave it entirely to private enterprise to work the deposits in that Province in any manner that may be thought best.

PART II.

ON THE SUPPLY OF SALT FOR THE PRESIDENCY OF MADRAS.

Section I.

ON THE RISE, PROGRESS, AND PRESENT STATE OF THE SALT REVENUE SYSTEM.

498. In the Appendix will be found a Memorandum* containing full particulars on the subject of this Section, prepared by the Madras Board of Revenue, in pursuance of letters,† specifying the information desired, addressed by me to the Madras Government. The Reports‡ of the several local Officers of the Presidency, upon which the Memorandum is chiefly founded, are also given in the Appendix. Appendix B. contains full particulars on the subject of this Section.

499. It would be superfluous to recapitulate the contents of these papers at any length in the body of the Report; they will therefore be used more as a text for my commentaries.

500. The question of introducing a Salt Monopoly in the Madras Presidency, similar to that which prevailed in Bengal, was first mooted in paragraphs 453 to 467 of a letter§ to the Government from the Board of Revenue, dated the 2nd of September 1799, the Board advocating its introduction. At that period, the only Salt-producing Territory belonging to the Company were the Northern Circars, comprising the Districts of Ganjam, Vizagapatam, Rajahmundry, Masulipatam, and Guntour, and the Jagheer comprising the District of Chingleput. The question of introducing a Monopoly first mooted and advocated by the Board of Revenue in 1799.

501. Accordingly, in permanently assessing the Land-tax, in 1802, the Company having in the mean time acquired the Carnatic and the Territory of the Nuwab of Arcot, by treaties, the exclusive right of manufacturing Salt was reserved|| to the Government, but it was not until 1805 that the Salt Monopoly was established on its present footing, to meet the expenses of the new Judicial Establishments. In permanently assessing the Land-tax in 1802, the exclusive right of manufacturing Salt reserved to the Government.

502. Previous to that year the manufacture was either farmed out or managed by the Officers of Government, upon what system the records do not clearly show. The gross Revenue, according to the most authentic estimate extant, amounted, on an average of five years previous to the Monopoly, to 80,000 Star Pagodas, or Rupees 2,80,000, exclusive of all charges, and the average sale-price at the pans was 6 Pagodas 6 Fanams, or a little more than 21 Rupees per garce of 120 maunds. In the year preceding the Monopoly, the gross receipts amounted to Rupees 2,21,607, and the charges of Establishment to Rupees 11,467. The system, gross Revenue, charges, and sale-price, previous to the Monopoly.

503. The Board of Revenue, to whom the question was referred, declared the introduction of a Monopoly impracticable, and advocated the imposition of a high Duty on all Salt,¶ manufactured or imported, the home manufacturers being required to take out permits, and register their Pans. The Collectors in general also preferred a fixed Duty to a Monopoly. All Salt exported by Sea, the Board thought, should be exempt from Duty, and they forwarded the draft** of a Law framed in accordance with their views. The Board of Revenue declared the introduction of a Monopoly impracticable, and advocated a system of Excise, which was also preferred by the Collectors in general.

504. One of the Members (Mr. Falconar) dissented from these views of his colleagues; he considered the establishment of a close Monopoly, as in Bengal, practicable and necessary, and recorded a Minute†† on the policy of adopting that measure in preference to leaving the manufacture free. Mr. Falconar, one of the Members of the Board of Revenue, dissented, and advocated a close Monopoly as in Bengal.

505. The Madras Government, without entering in the least into the merits of the question, upon the simple ground that the introduction of a Monopoly of Salt on the part of the Company, on the principles of that established in Bengal, had been prescribed by the orders of the Governor General in Council, rejected the Excise proposition of the Board of Revenue, and directed such modifications to be introduced in the draft Law as might be necessary to adapt it to the plan of a Monopoly.‡‡ The Madras Government, without examining the question, rejected the Excise proposition in favor of a Monopoly.

506. The draft of a Law for regulating the Revenue derivable from Salt, on the plan of a Monopoly, was accordingly prepared and submitted to the Government of India,§§ by whom its general principles were approved; and ultimately Regulation I. of 1805 was passed on the 13th of September of that year, establish-

* Appendix B.

† Appendix A.

‡ Appendices C, and E, Nos. 18 to 32.

§ Appendix E, No. 1.

|| Section 4, Regulation XXV. of 1802.

¶ Appendix E, Nos. 2 to 10.

** Appendix E, No. 11.

†† Appendix E, No. 12.

‡‡ Appendix E, No. 13.

§§ Appendix E, No. 14.

ing the Monopoly in all the Provinces of the Presidency except Malabar and Canara, to which it was afterwards extended by Regulation II. of 1807.

Subsequent Laws relating to, and present Rules for the management of, the Salt Revenue. 507. The subsequent Regulations and Acts relating to the Salt Revenue, passed up to the present time, are Regulation V. of 1831 and Act VI. of 1844. They do not at all affect the original plan of the Monopoly as laid down in Regulation I. of 1805. The Revenue is further protected by the Rules for the management of the Salt Department circulated by the Board of Revenue, for the guidance of Collectors, on the 23rd of December 1850. These Rules,* with all the subsequent modifications and additions, will be found in the Appendix.

Peculiarity of the system. 508. The peculiar feature of the system is that the manufacture is conducted exclusively on account of the Government. The manufacturers contract to furnish Salt at a fixed price; and the Government dispose of the Salt also at a fixed price through their own Agents, to the dealers and others, who resort to the Government stores for their supplies; but beyond this first sale, the Government do not meddle. The manufacturer can only make for Government, and the purchaser in the first instance must buy from Government, but afterwards he may sell his Salt where and as he pleases, without further interference.

Laws relating to the Salt Revenue. Section III. Regulation I. of 1805. Sections II. and IV. Regulation II. of 1807. 509. The manufacture, sale, and transit of Salt within the limits of the Madras Presidency, excepting on account of Government, or with their sanction, is expressly forbidden; and all Salt manufactured, sold, and conveyed contrary to the provisions of Regulation I. of 1805 is liable to seizure and confiscation. The system established in Canara and Malabar differed from the general plan in so far as to leave the inhabitants of those Districts at liberty to carry on the manufacture of Salt as before; but the sale of the Salt so manufactured, except to the Government, was prohibited.

Sections VIII. and XIII. Regulation I. of 1805. Section III. Regulation II. of 1807. Sections II. III. and IV. Regulation V. of 1831. 510. Proprietors of Estates, or other persons in charge of lands, clandestinely manufacturing Salt, or wilfully omitting to give immediate notice of Salt manufactured in their lands, are liable, on conviction in the Criminal Courts, to a fine not exceeding Rupees 200, commutable to imprisonment not exceeding the term of two years, or to punishment by the Magistrates by a fine not exceeding 50 Rupees, commutable to imprisonment not exceeding one month. Any manufacturer or other person in Canara and Malabar selling Salt to any other than the Officers of Government, or others authorized by Government to purchase it, are liable to the same penalties, and all other breaches of the Salt Laws are punishable in like manner.

Section XII. Regulation I. of 1805. 511. The removal of Salt from the Depôts without a Rowannah, or Pass, is prohibited. Persons in charge of Salt are required to keep their Passes with the Salt. Any Salt found in transit anywhere within the limits of the Presidency unprotected by a Pass, or in excess of the quantity specified in the Pass, is liable to seizure and confiscation.

Section XVIII. Regulation I. of 1805. 512. Any person convicted of engaging in any clandestine or fraudulent transaction concerning Salt is liable to permanent exclusion from the Service of the Company.

Punishments for embezzlement, breach of trust, &c. 513. As regards embezzlement, breach of trust, &c., the Laws that apply generally to Revenue servants (Regulation IX. of 1822, and Act XIII. of 1850) can be enforced; and further any Salt Mearasidar conniving at fraud forfeits his privileges and is deprived of his Pans.

Original and present administrative system and agency. 514. The administration of the Monopoly was, originally, subject to the immediate direction and control of a General Agent† acting over the Collectors, and in subordination to the Board of Revenue. In 1808, the Office of General Salt Agent was abolished, and a commission of 1½ per cent. on the Salt Revenue was granted to the Collectors and their Head Assistants, in the proportion of two-thirds to the former and one-third to the latter. In 1836, the commission was finally discontinued, and the management of the Salt Revenue constituted, as it now is, one of the ordinary duties of the Collectors in subordination as before to the Board of Revenue.

515. Excepting in the Madras Collectorate, there is no Agency between the Collector and the Native Establishment. The immediate charge of the Salt Duties is generally entrusted to the Collector's Head Assistant. In the Madras Collectorate it is entrusted to an Uncovenanted Assistant entertained for the purpose in consequence of the large transactions in that locality, the distance of the Pans from the Depôt, and various other reasons demanding the personal services of a man of activity, intelligence, and integrity.

* Appendix F.

† Sections II. and IV. Regulation I. of 1805.

516. The Native Establishments are of two classes, fixed and temporary, the latter being called in chiefly for preventive service at the season of manufacture and storing. The details differ in each District; but generally each Depôt is under an Ameen, Peshkar, or Thannadar, who is assisted by a Deputy, with Native Writers, Accountants, Inspectors, and a guard of Peons under a Duffadar. A detailed list of the Native Establishment in each District, with a specification of the designations and duties of the several Officers and servants composing it, as condensed from the Returns of the Collectors, will be found in Appendix B (Enclosure No. 12). The total charge for subordinate Establishments in the year 1852-53

Fixed,	1,42,003
Temporary,	12,490
Total, ..	1,54,493

amounted to Rupees 1,54,493, as shown on the margin. The Native Establishments are considered to be certainly under-paid in proportion to their responsibilities.

517. The Regulation establishing the Monopoly fixed the sale price of Salt at Rupees 70 per garce,* including Duty and all cost of manufacture. In November 1809, the price was raised to Rupees 105 per garce, but the Revenue, which ought to have increased more than 50 per cent., did not reach quite 30 per cent.—

	Rupees
The Revenue in 1808-9 being	18,82,009
And in 1811-12	23,66,936
Showing a nett increase of	4,84,929

518. About the year 1813-14 abuses crept into the administration of the Salt Revenue, especially in the Districts of Nellore and Guntur, which caused a gradual decline in the public Revenue. It appears that for certain considerations, the Native Officers who had charge of the Salt gave over-measurement to the merchants, to so large an extent as 75 per cent. of their purchases. The Madras Government, in 1820, were induced to think that the amount of the tax had led to the abuses in question, and reduced the wholesale price at the Stores to the original rate of Rupees 70 per garce.

Reduced in 1820 to the original rate of 70 Rupees.

519. In 1822, Mr. Cochrane, the Senior Member of the Board of Revenue, strongly recommended that the price should be again raised to Rupees 105, as he was persuaded that the decline of the Salt Revenue, which induced the Government to reduce the price, proceeded solely from the abuses of the Salt Officers, which, Mr. Cochrane stated, had subsequently been corrected by requiring the Salt delivered into Store "to be struck and not heaped in the measure." He was further of opinion that the decline of the Salt Revenue from 1813-14 to 1816-17, did not proceed in any degree from the inability of the people to provide themselves with Salt at the former price of Rupees 105 per garce; for it appeared by Returns obtained from the Interior that the consumers had not received the benefit of a reduction of price. The Government did not see reason to comply with Mr. Cochrane's recommendation.

Proposition by the Board of Revenue in 1822 to raise the price again to the former rate of Rupees 105 negatived by the Government.

520. The Board, in their Annual Reports for 1824 and 1825, again earnestly recommended the measure proposed by Mr. Cochrane in 1822. In the Report for 1825, they stated that the "additional experience they had acquired, since February 1822, had tended to confirm them in the opinion that the price of Salt should be raised to the former rate of Rupees 105 per garce." The Board proposed, however, "to allow another year to elapse, by which time the reduced Monopoly price would have been in operation five years, a term sufficiently long to enable the Government to form a conclusive opinion in regard to the effect which had been produced on the retail prices of Salt throughout the country." They at the same time stated, that since the reduction of the Monopoly price in 1820, the consumption of Salt had considerably increased, the quantity of Salt sold since 1821 in each year having exceeded the quantity sold in 1819-20 by 9,354 garces, but that, to secure the same amount of Revenue from the reduced tax, it was necessary that the average sales should exceed the quantity sold in 1819-20 by 12,827 garces.

The Board of Revenue again advocated the increase in 1824 and 1825.

521. In June 1828, the Board of Revenue again recommended that the Monopoly price of Salt should be raised to its former standard of Rupees 105 per garce. The Board had called for Returns from the Collectors, showing the consumption of Salt within the Madras Provinces. It appeared from those Returns that the consumption had not fallen off, as the Government had been led to suppose had been the case in 1820; but, on the contrary, that the average consumption of three years, when the price was Rupees 70 per garce, namely, from 1806 to 1809, if compared with the three last years of high price, namely, from 1817 to 1819 inclusive, showed an increase of consumption during the latter period of about 21 per cent. The Board

And again in 1828.

* 120 maunds.

hence inferred that the increase of the tax had not, as supposed by Government in 1820, materially affected the comforts of the inhabitants of the Madras Provinces. They observed that the sales of Salt for home consumption had steadily kept pace with the increase of population, while the demand for the supply of Foreign States had fluctuated as much since 1820 as it did under the high price of preceding years.

522. The Board referred to Statements showing the degree in which the inhabitants of the Madras Provinces had benefitted from the reduced rate established in 1820. The amount of that reduction was 33½ per cent, or Rupees 35 per garce; but in eighteen Districts the average reduction in the consumption price had only been about Rupees 22 per garce. In Cuddapah and Coimbatore there had been an increase instead of a decrease in the consumption price. In Gunttoor, Nellore, North Arcot, South Arcot, Tanjore, Canara, Salem, and Trichinopoly, the decrease did not exceed half of the reduction in the Monopoly price. In Masulipatam, Chingleput, and Tinnevely, the decrease exceeded the half, but was less than the whole amount of the reduction; and in Ganjam, Vizagapatam, Rajahmundry, Madura, and Malabar, the decrease exceeded the whole of the reduction of 33½ per cent.

523. After a detailed examination of the probable effects of the proposed increase of price on the comfort of the consumers, the Board remarked that they had no reason to apprehend "that a return of the former Monopoly price would be attended with hardship to the people, or lead to a diminution of the present average demand."

On this occasion, the Government acquiesced, and the sale price was raised to Rupees 105 per garce, at which rate it remained for 16 years. 524. The Government stated, that "had the opinion of the Board of Revenue on this important question been merely speculative, and had their conclusions not been drawn from accurate returns and supported by ascertained facts, the Governor in Council would have deemed it incumbent on him to defer giving effect to the Board's recommendation until the orders of the Court of Directors could be received; but from the clear and comprehensive view of the subject, in all its bearings, which was taken in the Board's proceedings, the known result of the reduction of price, and the absence of all objection to its increase, the Governor in Council felt assured that the present would be viewed by the Court of Directors as a legitimate occasion for the exercise of a just discretion, where delay and further reference could have no other effect than that of involving a further sacrifice of Revenue, estimated at Rupees 14,00,000 per annum." The Government accordingly resolved, that the Monopoly price of Salt should be raised to the former rate of Rupees 105 per garce, at the earliest practicable period. This Resolution was communicated to the Revenue Board on the 20th of June 1828.

525. The price remained at this rate until the 31st of March 1844, the average sales per annum for the sixteen years from 1828-29 to 1843-44 having been very considerably below those of the preceding eight years, when the price was Rupees 70 per garce.

Transit Duties abolished through- out the Presidency by Act VI of 1844, and the price of Salt raised to Rupees 180 the maund, or Rupees 180 the garce. 526. By Act VI. of 1844, the levy of Transit or Inland Customs Duties was abolished throughout the Madras Presidency, from the 1st of April of that year, and the price of Salt was raised, from the same date, to 1 Rupee 8 annas the maund,* or Rupees 180 the garce, with the view of compensating for the Revenue relinquished by the abolition of the Transit Duties, and in consideration of the relief afforded to the people by that measure.

But reduced in the same year by order of the Court of Directors to 1 Rupee the maund, or Rupees 120 the garce, which has ever since been and still is the rate. 527. The Madras Government had remonstrated against the price being raised to this extent, and had represented that the highest amount which it would be safe or reasonable to impose would be Rupees 127½ per garce, or Rupees 1-1 per maund, which price they were also of opinion would be more than sufficient to meet the loss of Revenue which would be occasioned by the entire abolition of the Transit Duties. The Court of Directors concurred in the objections of the Madras Government, and considering also that each increase in price had been regularly followed by a decrease in the sales, directed, in a Dispatch dated the 3rd of July 1844, No. 9, the immediate reduction of the rate to 1 Rupee per maund, or Rupees 120 per garce, which has ever since been and still is the price of Salt under the Madras Presidency.

Amount of Revenue relinquished by the abolition of the Transit Duties. 528. The nett Revenue relinquished by the abolition of the Transit Duties was about thirty-one lakhs per annum.

529. In the Madras Presidency, marine Salt is made exclusively by solar heat. The Sea water is let by gradations into small shallow beds, and after evaporation the Salt is scraped off and dried. The process is fully described in paras. 56 to 78 of Appendix B—* and in Enclosure No. 4 of that Appendix. It differs in no material respect from the Bombay method. The Attiput Pans, in the neighbourhood of the Town of Madras, mentioned in para. 61 of Appendix B, were visited by me. The Right Hon'ble, the Governor, Lord Harris, then lately arrived, took the opportunity of visiting them also, accompanied by the Chief Secretary, Sir Henry Montgomery. A plan† of those Pans, laid down according to actual survey, accompanies.

530. The manufacture commences in the beginning of January, and continues ordinarily till July, when the rains put a stop to it; but the season is occasionally such that the manufacture goes on till September. It is carried on only in certain selected localities along the whole line of the Coromandel Coast, and on the Canara portion of the Malabar Coast, determined on generally as being the old grounds previous to the Monopoly, and sometimes fixed with reference to the convenience of the community. It is however considered more desirable, in order to concentration, to extend the manufacture at one place than to open a new ground.

531. The quantity of Salt to be made is settled by the Officers of Government with reference to the probable demand, and advances are occasionally given to the manufacturers, estimates being submitted by the Collectors for sanction of the Board; but the system is discouraged, the total advances in the latest year, 1852-53, or Fusly 1262, having amounted to only Rupees 29,834, as shown in detail of Districts, in para. 102 of Appendix B.

532. During the period of manufacture, the persons engaged in making Salt are required to leave the Pans by a prescribed route about sunset, so as to pass the watching Peons, who are appointed to guard the Salt and prevent smuggling.

533. When the manufacturers have prepared Salt fit for delivery, it is received from them by measurement, without any allowance for wastage, and is paid for as soon as the whole produce has been measured into store. Each manufacturer's account is kept separately, but all the Salt delivered is secured indiscriminately in one common store at the Depôts, on platforms of raised earth, in heaps of 10 or 20 garce each, of a regular shape, and covered with a good thatch to prevent wastage. The advances and final payments to the manufacturers are made, whenever practicable, in the presence of an European Officer either at the Collector's Office or at the Pans.

534. The Stores are periodically inspected by the Collector, or one of his Assistants, when some of the heaps are measured, and a record of the results kept.

535. In the Collectorate of Madras the great Depôt is close to the Town, at a distance of from 6 to 10 miles from the Pans, and there is a second Depôt close to the beach at Ermore, 10 miles North of Madras, but in all the other Districts, except Canara and Malabar, there are no Depôts except close to the Pans.

536. The platforms at the Depôts are rectangular, and raised 3 or 4 feet above the level to which water usually rises in the monsoon. The earth taken to raise them is dug in such a manner as to form a deep ditch round each of them, leaving only one broad entrance; in the centre of each is a hut for the watching Peons, erected on a raised mound of earth. The platforms are made as large as possible, it being an object to secure as many heaps as practicable upon the same platform, and to limit the number of platforms, with the view of saving the expense of watching. The platforms are further surrounded with palisades or hedges of prickly pear and aloes, or some other kind of defence, and the entrance is guarded by a gate. Within the enclosure of each platform a separate space is set aside for the express purpose of measuring and loading Salt.

537. Each heap of Salt is marked with the quantity it contains, and the heaps are sold in order of the number attached to them, to prevent a heap being opened until the one previously opened has been sold off.

538. In all possible cases the wholesale dealers are encouraged to take off an entire heap at a single purchase, and to induce them to do so they are allowed, in the case of such purchases, a discount of 5 per cent. on the established price.

* Appendix B, paras. 56 to 78; and Enclosure No. 1.

† Plan No. 6.

The whole of each heap to be sold by the same servants: Rule 15.

539. Under whatever Superintendent and Accountant a heap of Salt may be opened, the whole of that heap is, if possible, sold off under the same servants.

540. Immediately on the completion of the sale of each heap of Salt, the Accountant of the Pans supplies the Collector with a special account of its produce, signed by the Superintendent. If the heap should produce a smaller quantity of Salt than it was known to contain, the Accountant and Superintendent are liable to be dismissed, unless they can prove that the deficiency was caused by unavoidable circumstances.

Minimum quantity which may be sold. Delivery by weight or measurement optional. Rules 17 and 18.

541. The purchase of Salt from the Government Depôts, whence alone the sales are made, is free to every body, in as small quantities, ordinarily, as 5 mercials or $1\frac{1}{2}$ maunds, but the minimum quantity which may be sold to one person has been reduced in Rajahmundry to fractions of a mercial, and in Nellore and Madras to 1 mercial or 12 seers. Salt purchased for exportation by Sea is delivered by weight at the rate of 1 garce for 120 Indian maunds. In the District of Rajahmundry it is also sold by weight; but in all other cases the delivery is measured by the mercial at the rate of 400 mercials to a garce, a mercial being held to be equal to three-tenths of a maund, or 12 seers. The purchasers are allowed the option (to keep within the Law) of having their Salt weighed, but they never have recourse to this.

No sales allowed between sunset and sunrise: Rule 19.

542. No Salt is allowed to be sold before sun-rise nor after 5 o'clock in the evening,—all persons, even the servants belonging to the Salt Pans, being excluded from the enclosures round the platforms from sunset to sunrise.

Mode of conducting the sale transactions at the Depôts.

543. The mode in which the sale transactions are conducted at the Depôts is particularly described in para. 163 of Appendix B. The object aimed at is to guard against fraud, by making it necessary that, if it should be attempted, it should involve so many parties as to render it more easy of detection. A Rowannah or Pass is delivered to the purchaser with the Salt, specifying the quantity purchased and its destination, the amount paid, the number of carts or bullocks, the time within which only the Pass is to be valid, and the number of bags in which the Salt is packed; and it is the duty of the watching Peons not to permit any Salt to be removed at any time from the platform until the Rowannah or Pass is produced to him.*

Remaining chief local precautions.

544. The other chief local precautions for the prevention of fraud are, to place watchers over the Pans during the manufacture; to make the manufacturers collect and pile the day's produce into small heaps close to the Pans; to dry before it is removed to the Depôt; to secure these heaps with some clay stamp to prevent their being tampered with; to estimate their contents and report the quantity daily to the Collector; to insist on the produce being brought to the Depôt as soon as dry; to take delivery by equable not by heaped measurement; to allow no sales to go on where Salt is being stored; to have all Returns entered originally in books with each page previously stamped and numbered by the Collectors; to report periodically what Rowannahs or Permits have been issued, specifying the date and number of each, also the quantity it covers; to have daily returns of every mercial of Salt brought into Store, and every mercial sold, specifying in this latter case the number of the heap; to watch any fluctuations in the extent of manufacture, sale, wastage, &c., and to inquire into the causes.

Cost price of the Salt to Government investigated.

545. The cost price to Government of the manufactured Salt of the Madras Presidency is investigated in paragraphs 175 to 187 of Appendix B. The items of cost price and Revenue charges respectively, per garce of 120 maunds, in each District of the Coromandel Coast, are shown in the following Table:

* Rule 20.

DISTRICTS.	COST PRICE.			REVENUE CHARGES.				GRAND TOTAL.	Cost of manufacture and Revenue charges per garce in each District of the Coromandel Coast.
	Coodeewarum.	Repairs, measuring, &c.	Total.	Establishment.	Extra charges and Saderward.	Roosooms.	Total.		
1	2	3	4	5	6	7	8	9	
	Rupees.	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Ganjam - - - -	5	0	5	$1\frac{1}{2}$	$\frac{1}{4}$	0	2	7	
Vizagapatam - - -	6	$0\frac{1}{2}$	$6\frac{1}{2}$	5	0	0	5	$11\frac{1}{2}$	
Rajahmundry - - -	6	$1\frac{1}{2}$	7	4	$1\frac{1}{2}$	0	$5\frac{1}{2}$	$12\frac{1}{2}$	
Masulipatam, { Sea -	5	$1\frac{1}{2}$	$6\frac{1}{2}$	0	0	0	0	$6\frac{1}{2}$	
{ Swamp -	1	$0\frac{1}{2}$	$1\frac{1}{2}$	0	0	0	0	$1\frac{1}{2}$	
Guntoor - - - -	7	$0\frac{1}{2}$	$7\frac{1}{2}$	$2\frac{1}{2}$	0	0	$2\frac{1}{2}$	$10\frac{1}{2}$	
Nellore - - - -	$7\frac{1}{2}$	1	$8\frac{1}{2}$	5	$\frac{1}{4}$	0	$5\frac{1}{4}$	$13\frac{1}{4}$	
Chingleput - - - -	$13\frac{1}{2}$	$0\frac{1}{2}$	$13\frac{1}{2}$	$4\frac{1}{2}$	0	0	$4\frac{1}{2}$	$18\frac{1}{2}$	
South Arcot - - - -	$9\frac{1}{2}$	$0\frac{1}{2}$	10	$3\frac{1}{2}$	0	$0\frac{1}{2}$	$4\frac{1}{2}$	$14\frac{1}{2}$	
Tanjore - - - -	10	0	10	3	0	0	3	13	
Madura - - - -	$10\frac{1}{2}$	$0\frac{1}{2}$	$10\frac{1}{2}$	$4\frac{1}{2}$	$\frac{1}{4}$	0	5	$15\frac{1}{4}$	
Tinnevely - - - -	10	0	10	$4\frac{1}{2}$	$\frac{1}{4}$	$0\frac{1}{2}$	$5\frac{1}{4}$	$15\frac{1}{4}$	
Madras (Town) - - -	10	$6\frac{1}{2}$	$16\frac{1}{2}$	1	0	0	1	$17\frac{1}{2}$	
Total - - - -	$100\frac{1}{2}$	$12\frac{1}{2}$	$113\frac{1}{2}$	$39\frac{1}{2}$	3	$1\frac{1}{2}$	44	$157\frac{1}{2}$	
Average - - - -	7-12-0	As. 15-5	8-11-5	3-1-0	As. 3-8	As. 1-6	3-6-0	12-1-6	

546. According to this Table, the average cost of manufacture, or cost price of the Salt, as shown in column 4 is Rupees 8-11-5 per garce: the average Revenue charges, as shown in column 8, amount to Rupees 3-6 per garce; and the average total cost, as shown in column 9, is Rupees 12-1-6 per garce; but these proportions are not exactly correct, for some portion of the charge for Establishment should be deducted from the Revenue charges and added to the cost of manufacture, and some charge for loss by wastage should also be added to this latter head: on the other hand, the charges borne by Government in shipping Salt for exportation, which have been included by the Collectors of the shipping Districts, viz., Rajahmundry, Nellore, and Madras, in column 3, ought to be excluded from the cost price, while the payments to the French Government, and in compensation for Pans abolished, should be added to the Revenue charges. These alterations would however make but little difference in the averages either way, or on the whole.

547. In Chingleput, where the expense is highest, the total cost per maund is about 2 annas 5 pic. Highest and lowest total cost per maund.

In Ganjam and Masulipatam, where the expenses are lowest, the total cost is below an anna a maund for Sea Salt, while the total cost of the swamp Salt of the latter District, at the rate of 1 Rupee 8 annas per garce of 120 maunds, is $2\frac{1}{2}$ pic, or less than a quarter of an anna, per maund.

548. Excluding Malabar and Canara, the total charges on account of the Salt Revenue, in the year 1852-53, amounted to Rupees 5,04,480 against a sale of 45 lacs of maunds, or 37,500 garces. This gives an average total cost of Rupees 13.4 per garce, apportioned by the Board of Revenue as follows:—

	Rupees.
1. Salary of Establishment, - - - -	3-182
2. "Extra Charges" and Saderward, - - - -	122
3. Roosooms, - - - -	1-252
4. Hire to manufacturers, - - - -	8-301

Total charges, excluding Malabar and Canara, and average total cost per garce.

	Rupees.
5. Repairs, - - - - -	18
6. Charges of export, - - - - -	4
7. Shipping charges, - - - - -	59
8. Compensation for Pans, - - - - -	90
9. "Indemnification" to the French, - - - - -	372
Total, - - - - -	<u>13400</u>

Average cost to Government (including all charges whatever) per garce, per 100 maunds, and per 5 pie per maund, as will hereafter be shown.

549. Five per cent. being added for wastage, the cost is raised to Rupees 14.1 per garce, or Rupees 11.7 per 100 maunds, equal to about 1 anna 10 pie per maund, and this, the Board state, may be considered the average cost to Government (including all charges whatever) of Salt on the Coromandel Coast. The average cost in Canara, the only District on the Malabar Coast where Salt is manufactured, is about 3 annas maunds, and per 5 pie per maund, as will hereafter be shown.

Average cost of manufacture, or cost price to Government, consists, according to the above details, of the two items (4 and 5) of "Hire to manufacturers" and "Repairs," and amounts to Rupees 8.3 cost price to Government, per garce. The actual cost of production, that is, the price that a Salt Meerasidar generally gives to those who cultivate his Pans for him, is said to be Rupees 6 per garce.

Meerasidars, or manufacturers different Districts, being higher in the Southern Districts of the Carnatic and in Canara, where, on assuming having a private monopoly, the Government recognized a Meerasce, or private right of property in the Pans, than in the Northern Circars, where no such right was acknowledged. In the former case, the Government bound themselves to maintain the shares previously paid as wages to Meerasce manufacturers from the proceeds of sale, converting the shares in kind into their value in money.* The prices thus fixed are much higher than would otherwise be necessary, and greatly enhance the cost of the Salt in these cases. The fixed prices paid to the manufacturers bear the general designation of Coodeewarum, and are charged in the Accounts under that term. In the Minute† of Mr. Goldingham, Member of the Board of Revenue, the price paid to the manufacturers is said never to exceed 10 Rupees per garce, but according to the Table at para. 545 the price paid in Chingleput is 13 Rupees 4 annas, and in Madura 10 Rupees 8 annas, per garce.

Compensation for the limitation, or abolition, of the manufacture at any place.

552. The Government further pledged themselves to grant compensation, in the event of its being deemed expedient to limit the quantity usually manufactured, or to suspend the manufacture entirely, at any of the usual places of manufacture.‡ The compensations paid under this pledge in Fusly 1262, or 1852-53, amounted to Rupees 2,215.§ In opening new Pans, the Government now reserve the right, under written agreements, to close them whenever it may be deemed expedient, without awarding compensation.

Russooms, or perquisites.

553. In addition to the compensations, there are sundry old russooms, or perquisites of the Native Government still chargeable on the Salt Revenue.¶ The payments on this account, which are now made in money, amounted in Fusly 1262 or 1852-53, to Rupees 4,638.¶

Manufacturers—their rights and condition.

554. The persons who make the Salt are either the descendants of the original manufacturers or have acquired their holdings by purchase, or are the descendants of purchasers. In Masulipatam the Salt is made by hired laborers paid by the Government at the rate of 2 annas per diem, but with this exception, the Salt manufacturers are in the possession of rights and privileges more or less valuable, according as their Pans are situated in the Southern Districts and in Canara, or in the Northern Circars. Socially they are in the same position as the ordinary village Ryots, but in general they are, or ought to be, in better circumstances, inasmuch as a Salt Pan is more valuable property than an ordinary grain land occupancy of the same extent. Their labor is entirely voluntary,** and the climate of the Coast where they work is exceedingly healthy. Every proprietor of a Pan is registered;†† and when the Government extend the manufacture in any locality, the preference of the new Pans is usually offered to the villagers of that locality.

* Clause I. Section IV. Regulation I. of 1805. † Appendix E. No. 23, para. 13. ‡ Clause I. Section V. Regulation I. of 1805. § Appendix B, (Enclosure No. 16). ¶ Clause II. Section IV. Regulation I. of 1805. ¶ Appendix B, (Enclosure No. 46.)

** Section VII. Regulation I. of 1805. †† Clause III. Section IV. Regulation I. of 1805.

555. Some idea may be formed of the general size, and value in Salt, of the holdings from a Statement* given in the Appendix. In the area called "Pau" is included, in the ordinary acceptation of the term, not only the evaporating beds from which Salt is scraped, but the reservoir and brine beds. The whole is designated an Ullum, corresponding with the Bombay Agur, but this latter seems to cover, in general, a much larger space of ground than the Madras Ullum. Every collection of Pans or Ullums, which has a separate platform set apart for storing the Salt manufactured in them, is generally held to constitute a distinct Salt Work, although the Pans of one village may, in fact, be at some little distance from those of another belonging to the same platform. Sometimes the platforms are regulated by Cotaurs, and sometimes by villages, that is, a Platform is attached to each Cotaour or village, a Cotaour being a set of Pans under a separate Establishment. But, properly speaking, every Ullum, or at all events all the Ullums in one place belonging to the same Owner, must be held to constitute a distinct Salt Work, and all the Ullums congregated in one place belonging to several owners thus constitute a group of Salt Works, called in Bombay a Sura.

556. My desire was to prepare a Statement which should show the number of distinct Pans or Ullums at each place of manufacture in each District, the highest, lowest, and average number of Pans or Ullums held by a single owner or set of owners in partnership at each place, and the highest, lowest, and average amount of Coodeewarum or purchase-money paid by the Government for Salt manufactured by one owner or set of owners in partnership; but the very late period at which the reports and returns of the several local Officers were transferred to me, and the numerous points in them requiring to be cleared up before the details could be depended upon, precluded the preparation of a Statement showing more than the aggregate particulars for each District, and even in this case I am not satisfied that the Statement strictly represents what it is intended to exhibit; for instance, it seems probable that under the head "Number of Pans" some of the local Officers have entered the number of "Ullums," and others the number of "evaporating Beds," but the information abstracted is sufficiently accurate, and to the point, to admit of an approximate estimate being formed of the amount of capital ordinarily required to work a Salt holding in the Madras Presidency, under the existing state of such property, which was the purpose for which I desired to prepare the Statement. This question will come to be noticed in considering the practicability of substituting an Excise for the Monopoly.

557. No objection, it would appear, can be taken to the quality of the Monopoly Salt. In Appendix B (Enclosure No. 11) a very complete paper will be found drawn up by Dr. Mayer, Professor of Chemistry, on the analysis of 22 specimens of Sea Salt taken from the bazars of 22 towns and villages in the Inland District of Cuddapah, 100 miles distant, on an average, from the nearest Salt Depôts. The specimens being dried at the temperature of boiling water, until they ceased to lose weight, averaged as follows:

Moisture, - - - - -	7 per cent.
Sand and dirt, - - - - -	3 "
Chloride of Sodium, or pure Salt, - - - - -	89 "
Muriates of Magnesia and Lime, - - - - -	1 "
	<u>100</u>

that is, deducting the remaining moisture, 89 parts out of 93, or 95½ per cent., was found to be pure Salt.

* Total quantity received into store,	56,90,377
Deduct supplied from Bombay for Malabar,	3,02,544
Ditto for Canara,	1,20,723
	<u>423,267</u>
Remains manufactured,	52,67,110
† Total sales,	52,86,779
Deduct sales of Bombay Salt in Malabar,	3,33,119
Ditto in Canara,	1,20,723
	<u>4,53,842</u>
Remain sales of manufactured Salt	48,32,937

558. The total produce of the Madras Pans in 1852-53 was 52,67,110 maunds.* The total sales of home produce in the same year amounted to 48,32,937 maunds.† Full particulars for each Depôt of each District will be found in Appendix B, (Enclosure No. 9.)

Supply of Salt for the District of Malabar. 559. The foregoing narrative is not altogether applicable to the Districts of Canara and Malabar. The climate, soil, and brine of the latter District were found to be unsuitable for the production of Salt of a good quality at a moderate price, and the manufacture was finally relinquished in 1823, having, in fact, been driven out by the Salt imported from Bombay for the service of the Monopoly when both that Salt and the manufactured Salt of the District were offered for sale at an equal profit to the Government. At present, the whole supply for Malabar is brought by Sea from Bombay by merchants who contract to land a certain quantity for a certain sum. It is then stored at Depôts along the Coast, and at the heads of the navigable rivers, and sold from thence to all purchasers in as small quantities as one maund on the Coast and half a maund Inland, at the Monopoly price of 1 Rupee per maund, except at certain Depôts along the Cochin Frontier, where the prices have been reduced, under orders of the Madras Government dated the 9th of March 1852, to 9½ annas and 13½ annas per maund, in consequence of the low rate at which Salt sells in Cochin, the Cochin Government having agreed at the same time not to lower their rates till the close of Fusly 1264, or 12th July 1855. The cost price to Government of the Bombay Salt imported for the service of the Monopoly in Malabar, at the latest date, was Rupees 32½ per garce of 120 maunds; the Revenue charges thereon amounted to Rupees 7 per garce, and the total cost to Rupees 39½ per garce, or 5½ annas per maund. The total supply received in 1852-53 was 3,02,544 maunds, and the total sales in the same year amounted to 3,33,119 maunds. The correspondence relating to the cessation of the manufacture in Malabar, and the substitution of a supply from Bombay, will be found in Appendix B, (Enclosure No. 7.)

Supply of Salt for the District of Canara. 560. In Canara, the chief supply is manufactured in the District, under a system of licences to produce certain estimated quantities; a portion is purchased, as in Malabar, from Bombay, by contract, and the remainder is imported by Land from the Portuguese Territory of Goa, which adjoins the District on the North, on payment of a Customs Duty of 12 annas per maund, which is considered to be equal to the profit on the manufactured Salt of the District. The proportions supplied from these sources respectively in Fusly 1262, ending 11th July 1853, were as follows:—

Manufactured in Canara, - - - - -	4,31,454
Purchased from Bombay, - - - - -	1,20,723
Total, Government Stock, - - - - -	5,52,177
Imported from Goa on payment of Duty, - - - - -	64,147
Total Supply, - - - - -	6,16,324

The sales in the same year from the Government stock amounted to 4,60,278 maunds. The supply from Goa finds its way to the consumer without passing through the hands of the Government. The cost price to Government of the Salt purchased from Bombay and manufactured in Canara, respectively, is nearly the same, being in the one case 25½ Rupees, in the other 25½ Rupees per garce, equal in either case to about three annas five pic per maund. The particulars are given below. The remission of the *Beriz*, or land assessment, on the Salt Pans appears to be an item of cost peculiar to Canara, and in fact raises the *Coodeewarum*, or price paid by Government to the manufacturers for Salt, in that District, to about 15½ Rupees per garce:—

ITEMS OF COST.	Salt imported from Bombay.			Salt manu. actured in Canara.		
	Rupees	As.	P.	Rupees	As.	P.
Nett purchase price, - - - - -	23	0	6	11	5	5
Beriz, or Land assessment on Salt Pans, } remitted, - - - - - }	0	0	0	4	1	10
Fixed Establishment, - - - - -	0	9	7	4	2	8
Saderward, - - - - -	0	0	5½	0	1	5
Extra Establishment, - - - - -	0	3	6½	0	9	1½
Pattimar and Boat freight, - - - - -	1	10	6	4	5	9
Repairs of Cotays or Store-houses, &c. - - - - -	0	3	9½	0	13	5½
Total - - - - -	25	12	4	25	7	8

561. Up to the year 1838, the Salt for the service of the Monopoly in Canara, in aid of the home manufacture, was purchased from Goa. Since that year the additional supply has been drawn exclusively from Bombay. The immediate cause of the change was the failure of the supply from Goa. The cost of the Goa Salt was apparently much the same as the present cost of the Bombay Salt.

562. The manufacture in Canara is confined to the Northern half of the District, comprising the talooks of Ankola, Honore, and Cundapore; and even in this portion it is in some degree driven out by the private importations from Goa paying a Customs Duty of 12 annas per maund on crossing the Frontier. As in Malabar, the Government stock, both manufactured and imported, is stored at Depôts along the Coast, and at the heads of the navigable rivers, from whence it is sold to all purchasers in as small quantities as one mercial, or twelve seers, at the Monopoly price of 1 Rupee per maund. The whole stock imported on contract from Bombay is at one Depôt, at Buntwal, situated on a navigable river in the Southern portion of the District, whence it is transported for consumption Inland. The Salt is delivered by the contractors at the Port of Mangalore, and is carried from thence to the above-mentioned Depôt at the expense of Government. It is said to be much preferred to the home manufactured Salt. Correspondence concerning the supply of Salt in Canara will be found in the Appendices specified on the margin, and a Map* of the Salt trade of the District accompanies, showing the places of manufacture, the sites of the Depôts, and the principal lines of traffic both existing and required.

B, Enclosure No. 8.
C, No. 15.
E, Nos. 15, 16, 17 and 30.
G, No. 9.
J, Nos. 8 to 11.

563. In some Districts Salt spontaneously produced in marshy swamps is partially collected, stored, and sold in the same manner as manufactured Salt, and partially destroyed. In other Districts Salt so produced is altogether destroyed. This swamp Salt might be collected in the Districts of Tanjore and Masulipatam more especially, to almost any extent, of fine quality and at a small charge, probably, on an average, for about four *tuques* per garce of 120 maunds, or half an anna per maund. In Masulipatam it is collected, as has been seen,† for about one Rupee eight annas the garce, or less than one-fourth of an anna per maund. The great swamp to the North and West of Point Calymere in Tanjore extends Westward for upwards of 30 miles, and the Salt spontaneously produced in it is said to be very white and of peculiarly fine crystals. The reasons given for not turning this spontaneous Salt, as it is called, to greater account, are the facilities for smuggling, and because the places where it is produced are isolated and inconvenient of approach in the present state of Inland communication. The mode of destroying the produce is generally by treading it down with cattle.

Swamp or spontaneous Salt.

564. In addition to marine Salt, earth Salt is made in the Interior of the country and used by the poorer classes. The manufacture is recognized only in the Districts of Bellary, Cuddapah, and Kurnool, but there can be little doubt that it is carried on more or less in all the Inland Districts. The process of manufacture is described in Appendix B, (Enclosure No. 5,) and also in a foot-note to para. 42 of Appendix E, No. 12. A mound or hillock of common earth is raised, and brine is obtained by lixiviating earth impregnated with Salt, which is collected in the vicinity and thrown into a hollow in the summit of the mound. The water poured on this earth dissolves the Salt, and filters through a narrow drain into a reservoir at the foot of the mound constructed to receive it. The brine thus obtained is then treated, in small beds, with solar heat, until the aqueous part evaporates and only Salt remains. The method of saturating the brine, though somewhat different in detail, is in fact in principle precisely the same as in the Bengal Agencies; and in Mysore the Salt appears to be obtained, not by solar heat, but by boiling the brine, just as Bengal Pungah Salt is produced.

Earth Salt. Process of manufacture.

565. It has long been a question, whether earth Salt is a wholesome condiment, or whether it contains substances injurious to the health of the consumers. This question, on which so much difference of opinion continues to exist, has now been satisfactorily solved by the results of a very careful analysis of ten specimens of earth Salt from Bellary, Cuddapah, and Kurnool, recently completed by Professor Mayer. These results show that the earth Salt of those Districts contains no deleterious matter whatever. The analysis of the 10 specimens will be found in Appendix B, (Enclosure No. 6.) It gave, on an average,—

Quality.

Moisture, - - - - -	7
Sand and dirt, - - - - -	5
Chloride of Sodium, - - - - -	81
Bases and Acids, - - - - -	7
	<u>100</u>

The acids and bases showed (qualitatively) nitrates of potash or soda, or both, "but too insignificant to act in any other way than as a slight stimulant to the renal organs." The Salt is finest in Bellary, where the manufacture has existed from time immemorial; the next in quality is made in Cuddapah, and the worst in Kurnool.

Produce in Bellary and Kurnool. 566. In Bellary and Kurnool a tax is levied on the manufacture under the head of Mohturfa. In the former District, earth Salt is manufactured in 800 villages, the number of mounds or places of manufacture being about 2,800, producing about 1,100 garces of Salt and yielding an annual Revenue of about 13,000 Rupees. In Kurnool the manufacture is very limited, there being only 60 modas or mounds, producing about 37 garces of Salt, and yielding a Revenue of less than 400 Rupees per annum.

In Cuddapah. 567. In Cuddapah no tax is levied. The manufacture was prohibited in 1812, but has been continued ever since notwithstanding the prohibition. In April 1848, the Salt hillocks were reckoned by the Collector to be 1,708 in number, of which 906 were said to produce the better sort of Salt, and 802 an inferior kind, double in quantity, but worth only half the price. The value of the whole produce was estimated at Rupees 76,852. In January 1849, the same Collector computed the consumption of earth Salt in the District to be 383 garces, of which he supposed 47 to be the manufacture of the District and 335 to be imported, chiefly from Bellary. In 1851 the Board of Revenue adhered to the estimates of 1848. I am unable to account for the apparent contradiction between the Statements of 1848 and 1849, except upon the supposition that almost all the earth Salt produced in Cuddapah is exported.

Average cost of manufacture. Sale price. Profit. 568. In a Minute* of Council by the Hon'ble Mr. Elliot, dated in May 1851, the produce in Bellary is taken at 1,330 garces, and Cuddapah at 1,315 garces. The average cost of manufacture is assumed to be Rupees 17, and the average price to the consumers in both Districts to be Rupees 100 per garce, showing a profit to the manufacturer of Rupees 83 per garce.

Mode of taxation. 569. The modals or hillocks are worked in some cases both by men and buffaloes, in others by manual labor only; and they are classed, and the manufacturers taxed, according to the number of men and cattle employed upon them; but, like all other items of Mohturfa, the tax is arbitrary, regulated on no fixed principles, and as various in its details as are the classification of the mounds and the means by which they are worked.

Schemes for placing the manufacture under a more defined system of regulation, and for taxing the produce moderately, in place of levying Mohturfa on the manufacturers. 570. In 1845 the Court of Directors, in approving of the refusal of the Government to enforce the provisions of the Monopoly Law in Bellary, observed that if the manufacture was to be permitted it would be desirable to place it under a more defined system of regulation, and instead of levying Mohturfa on the manufacturers, to tax the produce moderately.

571. In pursuance of these views, the Board of Revenue proposed a mode of assessing the modas in different classes, according to their productiveness; but the Government considered the plan too complicated, and suggested licensing or farming out the manufacture. The Board, however, upon a renewed consideration of the subject, came to the conclusion that it was more expedient to continue the Mohturfa assessment, re-adjusting it more equitably, than to adopt either of the systems suggested in substitution, and they recommended its extension to Cuddapah, pending such further measures as might appear advisable hereafter, there being no good reason why the earth Salt produced in that District should remain entirely exempt from taxation while a Revenue was derived from it in Bellary. The Government agreed with the Board that it was better not to disturb the Mohturfa mode of assessment in Bellary and Kurnool for the present, but objected to extend the tax to Cuddapah; and the Court of Directors, in a Despatch† dated the 10th of November 1852, No. 16, acquiesced in this view, but at the same time desired that it might be ascertained whether it would be practicable to introduce into the Interior Districts of the Madras Presidency a system similar to that which had worked so advantageously, both for the interests of the Revenue and the welfare of the Molunghees, in the Salt manufacturing Districts of the Bengal Presidency.

572. The Government of Bengal being applied to, in consequence, for information as to the system in question, transmitted in reply a letter from the Board of Revenue dated the 23rd of June 1853, No. 546, purporting to convey it; but it is clear that the Board entirely misapprehended the point on which information was desired: they supposed it to relate to the dealings of the Government with the Molunghees in Bengal, whereas the Court of Directors intended to indicate the system of retail sales of Salt in the Coast Districts of that Presidency.

* Appendix G, No. 4.

† Appendix G, No. 8.

573. A complete series of correspondence and papers relating to the manufacture, consumption, and taxation of earth Salt, condensing all the material information on that subject from the earliest to the latest period, will be found in the Appendix.*

574. It has always been an object of the Madras Government to induce the Bengal Government to draw their supply of Salt for the service of the Monopoly in that Presidency as much as possible from the Coromandel Coast, but the Bengal Government have always evinced a disinclination to avail themselves of that source of supply to a greater extent than might be absolutely necessary, partly from a desire to encourage the Bengal manufacture, and partly on the ground that a prejudice existed in Bengal against the Coast Salt. The Madras Government appear, however, to have opposed the chief obstacle to the consummation of their own object, by pricing the Salt at as high a profit to the Madras Revenue as they could obtain, in place of supplying it at its actual cost.

575. In 1779 the Bengal Government imposed a Duty of Sicea Rupees 30 per 100 maunds on all imported Bay-salt, and shortly afterwards prohibited its importation altogether. In 1795 the Madras Government succeeded in procuring the partial removal of this embargo. On the establishment of the Monopoly by Regulation I. of 1805, it was provided by Section XIX. of that Law that the usual annual supply of Coast Salt required by the Bengal Government should be furnished to contractors, and to persons desirous of exporting it on permit, at the prices heretofore paid for Salt so furnished and exported. In 1810 the annual supply for Bengal was fixed at 12 lakhs of maunds; in 1814 it was reduced to five lakhs. In subsequent years the supply was a matter of the greatest caprice, varying according to the success or failure of the manufacture in Bengal, the utmost possible quantity being required at one time and the total suspension of importation being proposed at another. Of late years, the supply at any time required for the service of the Bengal Monopoly has been drawn on indents for Calcutta and Chittagong. The indents for Calcutta were discontinued in 1845, as the Government Warehouses then contained a very large stock of Madras Salt, and it was expected that the demand would be supplied by private importations from the Coast, Bombay, and other quarters. For eight years no Salt was exported to Calcutta on Government indent; but in the year 1853-54 the stocks in Bengal had run so low, owing to a sudden falling off in the importations of Foreign Salt, that it became necessary to indent for a supply of five lakhs of maunds of Coast Salt for that year, and of 10 lakhs of maunds for the following year 1854-55. The greatest difficulty was experienced in obtaining tonnage for these supplies, and I doubt if the indents have yet been completed; the last orders from Bengal were that every endeavour should be made to bring up the remainder of the Salt, whatever might be the rate of freight which the Government might have to pay for its carriage.

576. For several years, the charge made by the Madras Government for Salt exported to Calcutta, on indents from Bengal, was Rupees 70 per 100 maunds, of which Rupees 35 was the price of the Salt, the profit to the Madras Revenue at this price being Rupees 20. In 1845, the Madras Government intimated their willingness to reduce the price to Rupees 25, making the total charge at Calcutta Rupees 60 per 100 maunds; and they are now prepared to forego all profit to the Madras Revenue, and to supply the indents at the average actual cost of manufacturing the Salt and putting it on board, estimated at present at Rupees 15 the 100 maunds. The Salt consigned to Calcutta on the Bengal indents is actually sold to the owners or commanders of the vessels, previously to its being shipped; and on the delivery of the Salt at Calcutta the owners or commanders receive the fixed price for all Salt which may be received in store in good condition, the difference between the price charged for the Salt at Madras and the price paid for it at Calcutta constituting the freight.

577. The supply for Chittagong is confined to the quantity required for consumption in that District and in a portion of the adjoining District of Bhulloah. These indents commenced in 1826; they were suspended in the years 1852 and 1853, but were renewed in 1854. A lakh and a half to two lakhs of maunds is the quantity ordinarily required. The Salt is brought to Chittagong in vessels belonging to that Port, and under contracts entered into by the owners with the Salt Agent. The risks of transport are borne by the contractor, who purchases the Salt on board at its actual average cost to the Madras Government of Rupees 15 the 100 maunds, and undertakes to deliver it at Chittagong at a fixed remunerative price, with an allowance of 2½ per cent. for wastage. The contract price in the past year, 1854-55, was 46 Rupees per 100 maunds. Until last year, the price charged for the Salt at Madras was 25 Rupees, and the contract price payable at Chittagong 40 Rupees, per 100 maunds. The profit to the contractors has thus been more than doubled, having risen from 15 to 31 Rupees the 100 maunds.

* Appendix G.

Supply for private exportation. 578. Salt for private exportation by Sea has always been supplied at its actual average cost to the Government of 15 Rupees the 100 maunds, including shipping charges; but the quantity of Salt exported on private account has generally, and more especially of late years, been very insignificant. In the year 1852-53, the whole amount to Calcutta and all other places was only 12,600 maunds. Salt exported to Calcutta on private account pays an Import Customs Duty there of Rupees 2-8 per maund, or Rupees 250 the 100 maunds, that being the rate of tax at present imposed on the manufactured Salt of Bengal. This Duty being paid, the owner is at liberty to dispose of the Salt as he pleases.

Mode of providing Salt for exportation, whether on indent from Bengal or on private account. 579. The rule with respect to the provision of Salt for export, whether on indent from Bengal or on private account, is to set apart certain quantities, regulated in the former case by the indents and in the latter by past demands, at certain places, and to advertise these quantities and localities in the *Gazette*, together with the terms on which indent Salt may be taken. The Districts in which it has been usual to set apart Salt for export are, ordinarily, Madras, Chingleput, Nellore, and Rajahmundry, to which are added South Arcot, Tanjore, Musulipatam, and other Districts as occasion arises. The indents for Chittagong are supplied exclusively from Nellore, the Salt of that District being most in request.

All vessels at present privileged on Bengal indent or on private account, was confined to square-rigged vessels of not less than 200 tons burthen. 580. Until last year the privilege of exporting Salt from the Coromandel Coast to Calcutta, whether then. This limitation was imposed in 1840, and its intention was to restrict the trade in Madras Salt to vessels taking pilots, the risk of smuggling from smaller craft being considered very great. All restriction in regard to tonnage has now been removed. Vessels bringing Salt from Madras to Calcutta, either for Government or private parties, of above 200 tons burthen, are treated precisely like vessels bringing any other cargo, receiving on board a Preventive Officer from the Custom House; if under 200 tons burthen, they are required to carry continually on their passage up the Hooghly distinguishing flags, for Government and private Salt respectively, and an Officer of the Salt Department goes on board on the entrance of the vessel into the Port of Calcutta, and remains on board till the cargo is discharged.

Average charge per 100 maunds vessels barely covers the cost of manufacture and shipping in some places, while in other places it is in excess of that cost. 581. It is to be observed, that the charge of 15 Rupees per 100 maunds for Salt put on board export vessels barely covers the cost of manufacture and shipping in some places, while in other places it is in excess of that cost. In some of the Northern Districts, where the Coodeewarum, or price paid to the manufacturer, is not so high as in the Southern Districts, the charge might be reduced to 12 Rupees. The expense of putting the Salt on board varies from 2 to 4 Rupees per 100 maunds, according to the distance of the Depôt from high-water mark, and the facility of obtaining boats.

Quantity of Salt exported by Sea. 582. The quantities of Salt exported by Sea in each year from 1822-23 to 1852-53, on Bengal indents and on private account respectively, are exhibited in a Statement* in the Appendix.

Importation of Salt—Import duties formerly levied. 583. By Section III. Regulation I. of 1805, the importation of Salt into the Madras Territories by Sea or Land was prohibited. By Regulation II. of 1818 the importation of Foreign Salt was permitted, subject to the payment of a Duty of 100 Pagodas, or 350 Rupees, per garce of 120 maunds. The above Regulation was rescinded by Act VI. of 1844, which imposed a Customs Duty of 3 Rupees per maund, or Rupees 360 per garce of 120 maunds, on all Foreign Salt imported into the Madras Territories by Sea or Land; but in 1849, an exception was made in favor of Goa Salt, admitting it into Canara by Land at a reduced Duty of 12 annas per maund, or 90 Rupees the garce.

Measures for the admission of all Salt at Madras should be placed, as far as possible, on the same footing as in the other Presidencies, that Foreign Salt to equal competition with the manufactured Salt of the Presidency. 584. In a Despatch dated the 30th July 1851, No. 8, the Court of Directors desired that the trade in Salt at Madras should be placed, as far as possible, on the same footing as in the other Presidencies, that is, that all Foreign Salt should be admitted into the Madras Territories on payment of a Customs Duty equal to the profit derived from the manufactured Salt of the Presidency. In pursuance of the Court's views the Madras Government proposed, in May 1852, to admit Europe Salt throughout the Presidency, and Salt from Goa and Arabia into the Districts of Canara and Malabar, at a reduced Duty of 12 annas the maund. The Government of India, in June 1852, objected to this limitation, and pointed out that it would be in every way preferable, and more in accordance with the instructions of the Court of Directors, to make the contemplated reduction in the Import Duty general, than that it should have any partial operation.

585. On re-consideration, the Madras Government acquiesced in this view, and in July 1853 proposed to admit all Foreign Salt at a reduced Duty of 12 annas the maund, but to restrict the privilege to such Ports as might from time to time be fixed by that Government, explaining, with reference to this restriction, that the number of Ports, and the small Establishments at many of them, rendered it desirable for the better

regulation of the trade generally, and prevention of illicit practices, to limit the places at which Salt might be landed, but that care would be taken that they should be such, both in number and position, as amply to meet all the requirements of the trade.

586. The Government of India having sanctioned this measure in August 1853, the Madras Government in November following proposed, in modification of it, to impose a differential Duty of 14 annas the maund on all Sea imports of Goa Salt, the reason assigned being, that at a duty of 12 annas Sea imports of Goa Salt would supersede the Monopoly sales in Canara. It was not urged that the profit or duty on Canara Salt was higher than 12 annas, and the proposition was therefore negatived by the Government of India.

587. At present, therefore, all Foreign Salt is admitted to equal competition with the manufactured Salt of the Presidency at certain specified Ports, the import Duty being fixed at 12 annas the maund, because that rate represents the average nett profit per maund accruing on the Monopoly sales.* The correspondence and papers relating to the equalization of the Duty on all imported Salt with the profit derived from the manufactured Salt of the Presidency will be found in Appendix J, and from a Government Notification† in that Appendix, it will be seen that the specified Ports embrace every District and are sufficiently numerous.

At present all Foreign Salt is admitted on payment of an import customs Duty equal to the average nett profit accruing on the Monopoly sales, viz 12 annas per maund.

588. As was to be expected, no Foreign Salt has ever been imported into the Madras Presidency on private account except a small quantity from Goa, across the Land Frontier, at the exceptional Duty of 12 annas the maund. The general Duty of 3 Rupees per maund was, of course, quite prohibitory. The only attempt ever made to import Foreign Salt was apparently in 1846, when an English ship brought a cargo to Madras, which was purchased by the Government at 20 Rupees the garce, to prevent its being thrown into the Sea. The only other importations, besides those from Goa above-mentioned, have been from Bombay into Canara and Malabar, for the service of the Monopoly, under contracts with the Government. The total importations in these ways amounted in Fusly 1262, ending with the 11th of July 1853, to 4,87,414 maunds, as follows:—

No Foreign Salt has ever been imported into the Madras Presidency on private account, except a small quantity across the Goa Frontier. Total importations on private and public account.

From Goa,	-	-	-	-	-	64,147
From Bombay,	-	-	-	-	-	4,23,267
Total	-	-	-	-	-	4,87,414

What the effect of the reduction of the Import Customs Duty generally, to a rate equal to the average nett profit derived from the Monopoly Salt, may be, remains to be seen.

589. By a Convention between Great Britain and France, signed at London on the 7th of March 1815, the French Government engaged to farm to the British Government in India, for the annual sum of 4,00,000 Sicca Rupees, the exclusive right of purchasing at a fair price, to be regulated by the prices in the neighbourhood of the French Possessions on the Coasts of Coromandel and Orissa, all the Salt manufactured in the French Possessions for the domestic use and consumption of the inhabitants of those Possessions, and upon the further condition of receiving, at prime cost, the quantity of Salt necessary for the consumption of the inhabitants of the French Settlement of Chandernagore in Bengal. It was further agreed, with a view to the prevention of smuggling into the British Territories, that Salt should be sold in the French Possessions at prices nearly equivalent to the East India Company's Monopoly rates. No right was reserved to either of the contracting parties to withdraw from any of the terms of this engagement.

Convention between Great Britain and France—First Convention, by which the French Government engaged to farm to the British Government in India, for the annual sum of 4,00,000 Sicca Rupees, the exclusive right of purchasing all the Salt manufactured in the French Settlements, except the quantity required for home consumption.

590. It being found desirable to suppress the manufacture in the French Possessions altogether, it was arranged by a second Convention, between the Governments of Madras and Pondicherry, signed at Pondicherry on the 13th of May 1818, that the manufacture of Salt should cease throughout the whole of the French Establishments in India during the continuance of the Hon'ble Company's Charter then existing, the French Government guaranteeing the further adoption of all such measures as depended upon them for ensuring the effectual prevention of the contraband trade in Salt, and the Madras Government engaging to pay to the French Government, as an indemnification to the proprietors of the Salt Pans, the sum of 4,00,000 Star Pagodas, or Sicca Rupees 14,000, per annum, this payment being in addition to the compensation of 4,00,000 Sicca Rupees payable under the previous Convention of 1815. The British Government agreed also

Second Convention, for the total suppression of the manufacture of Salt in the French Settlements, in consideration of an annual payment by the British Government of 14,000 Sicca Rupees.

* Appendix J, No. 4.

† Appendix J, No. 6.

to furnish the supply of Salt required for the consumption of the French Settlements in India at prime cost, the French Government engaging, as before, to sell their supply at prices nearly the same as the Monopoly rates.

Third Convention. 591. The foregoing Convention was renewed by a third Convention between the Governments of Madras and Pondicherry, signed at Pondicherry on the 1st of June 1837, and ratified on the 18th of July following. By this Convention it was further agreed that the expenses incurred for the transport of the Salt supplied for the consumption of the French Settlements should be borne equally, as heretofore, by the two Governments, and that it should be optional with either Government to withdraw from this third Convention on giving twelve months' previous notice. The effect of the withdrawal would obviously be a reversion to all the terms of the original Convention of 1815.

Quantity of Salt supplied to the French Settlements, under the second and third Conventions, at prime cost. 592. The quantity of Salt supplied to the French Settlements in the Madras Presidency, under the second and third Conventions, in each year from 1822-23 to 1852-53, will be found in a Statement* in the Appendix. The average annual shipments, and the prices, have been as follows :—

	Maunds.	Price per Garce.
From Rajahmundry to Yanam, - - -	1,560	6 Rupees.
From South Arcot to Pondicherry, - - -	30,000	8 and 14½ Rupees.
From Tanjore to Karikal, - - -	12,500	13 Rupees.
From Malabar to Mahé, - - -	1,000	
Total - - -	45,000	

At the rate paid in Malabar for the Bombay Salt purchased by the Government for the service of the Monopoly.

Salt used in the French Settlements for curing fish subject to the Monopoly price. 593. In 1846, some of the Salt supplied to the French Authorities at Mahé was furnished by them to parties engaged in curing fish for export, who thus evaded the Madras Monopoly and Export Duties. This was objected to by the Madras Government, and it was ultimately arranged that the Salt so used should be accounted for to the British Government at the Monopoly rates, including carriage.

The payment under the first Convention charged entirely against the Bengal Salt Revenue.—The payment under the second and third Conventions charged against the Madras Salt Revenue. 594. It is to be observed, that the French Government have never held any Possessions in the Bengal Presidency where Salt could be manufactured, either on the Coast of Orissa or elsewhere. Its possessions on that Coast have been confined to the portion of it which is attached to the Madras Presidency, the Settlement of Yanam or Yanam being situated on the Orissa Coast of the Rajahmundry District. It is true that the French held a lodge or "comptoir" at Balasore, on the Bengal Coast of Orissa, a "comptoir" being the name given to a factory or isolated Establishment where France had the right to have her flag flying and to form factories, &c. This however was always a nominal possession, was abandoned in 1830, and never afforded the means of manufacturing Salt. Notwithstanding this, by a unaccountable anomaly, as it appears to me, the whole compensation of Sicca Rupees 4,00,000, paid to the French Government under the first Convention of 1815, has always been, and still is, charged against the Bengal Salt Revenue, and no portion of it against the Madras Salt Revenue. On the other hand, the sum of Sicca Rupees 14,000 paid under the Convention in 1837 for the suppression of the manufacture in the French Settlements, is, and has always been, (and properly so,) a charge on the Madras Salt Revenue.

Salt account for the latest year, 1852-53. Receipts into Store and total Stock. 595. According to a Statement† in the Appendix, the Stock of Salt on hand in the Presidency at the commencement of the year 1852-53, the latest year to which the Statement extends, was 37,13,921½ maunds, and the quantity manufactured during the year amounted to 58,63,108§ maunds, giving a total stock for the year of 95,77,029 maunds. The quantity exhibited as manufactured includes, I presume, the importations from Goa and Bombay, amounting, as shown in para 588, to 4,87,414|| maunds, which being deducted from that quantity leaves 53,75,694* maunds, as the quantity produced in the Presidency. This quantity is a little more than a lakh of maunds in excess of the quantity brought out as the home produce in para 538, which was obtained from the detailed Returns of the Collectors exhibited in Appendix B, (Enclosure No. 9.) The difference is of no importance in the present examination.

* Total Receipts,.....	58,63,108
Deduct Importations,.....	4,87,414
Home Produce,....	53,75,694

* Appendix L, Column 9. † Appendix L, ‡ Column 2. § Column 3. || Column 4.

596. The total deliveries of the year, including the wastage belonging to them, amounted to 53,82,255 maunds,* distributed as follows :—

	Maunds.
For consumption in the District of sale, (Appendix B, Enclosure No. 19.) - - -	23,66,353
For consumption in other Districts of the Presidency, (Ditto,) - - -	10,28,793
Total deliveries for consumption in the Presidency, - - -	33,95,146
For Inland consumption beyond the limits of the Presidency, exclusive of the French Settlements, (Appendix B, Enclosure No. 19.) - - -	17,41,440
For the consumption of the French Settlements, (Ditto and Appendix L, column 9,) - - -	58,128
Total deliveries for Inland consumption beyond the limits of the Presidency, - - -	17,99,568
For exportation by Sea on Bengal Indents, (Appendix L, column 10,) - - -	79,466
Ditto on private account, (Ditto column 11,) - - -	12,600
Total deliveries for exportation by Sea, (Ditto, column 12, and Appendix B, Enclosure No. 19,) - - -	92,066
Wastage on the deliveries, (Appendix L, column 13,) - - -	95,475
Total deliveries, (Appendix L, column 14,) - - -	53,82,255

597. The distribution has been derived partly from Appendix B, (Enclosure No. 19,) in which the details will be found for each District, and partly from Appendix L, the entries in columns 5 to 7 of the latter not sufficiently distinguishing the deliveries for Home and Inland Foreign consumption respectively. The distribution, however, as regards those deliveries, is not to be depended upon. It is formed entirely upon the statements of the purchasers when taking out their Rowannahs or Passes; but Salt merchants, to gain time, often take out a Rowannah for a distant District of the Presidency, and sell their Salt *en route* in the same or some nearer District; or they take out a Pass for a place beyond the limits of the Presidency, and sell their Salt *en route* within the Presidency. Under these circumstances the quantities exhibited as delivered for consumption in the several Districts of the Presidency, may be in the case of some Districts very much below, and in other cases very much above, the quantities of licit Salt actually consumed in them. On the other hand, it may be presumed, that the total quantity delivered for consumption in all the Districts either represents, pretty nearly, the actual consumption of licit Salt within the Presidency, or a less amount than the quantity actually consumed; for though Salt taken out for places beyond the Presidency might often be sold *en route* within its limits, it would seldom happen that Salt taken out for places within the Presidency would be carried beyond it.

* Receipts,.....	58,63,108	598. The total deliveries of the year were less than the total receipts of the year by 4,80,853 maunds,* and being deducted from the total stock, left a balance in store at the end of the year of 41,94,774 maunds,† or less than a year's consumption by 11,87,481 maunds.‡	Balance of stock
Deliveries,.....	53,82,255		
Excess Receipts,....	4,80,853		
+ Total Stock,.....	95,77,029		
Deliveries,.....	53,82,255		
Balance in Store,....	41,94,774		
+ Deliveries,.....	53,82,255		
Balance in Store,.....	41,94,774		
Excess Deliveries,....	11,87,481		

599. The total cash receipts amounted to Rupees 49,94,124,† which gives less than the Monopoly rate of 1 Rupee per maund on the deliveries, amounting, exclusive of wastage, to 52,86,780§ maunds, because the Salt supplied for the consumption of the French Settlements, for exportation by Sea, and at certain depôts along the Cochin Frontier, was sold either at prime cost or at rates considerably below the Monopoly price.

§ Total Deliveries,.....	53,82,255
Deduct Wastage, (Column 13,).....	95,475
	5,236,780

* Column 14. † Column 15.

Charges and their distribution.

600. The total disbursements of the year, of all descriptions, exclusive of recoverable advances, amounted to Rupees 7,04,359,* which may be distributed between the charges of manufacture, or cost price of the Salt to Government, and the charges of collecting and protecting the Revenue, approximately as follows:—

	Rupees.
Coodeewarum, or price paid to the manufacturers for their Salt, - - - - -	3,12,529
Price paid for Salt purchased from Bombay, - - - - -	1,40,848
Repairs, thatching, measuring, &c., - - - - -	1,315
Hire of boats, - - - - -	13,506
Total charges of manufacture, or cost price of the Salt to Government, - - - - -	4,68,198
Fixed Establishment, - - - - -	1,42,003
Extra Subundy or Corps of Peons, (in Canara,) - - - - -	3,007
Extra charges, (including Temporary Establishments,) and Saderward, (petty incidental charges,) - - - - -	59,774
Roosooms, or perquisites, - - - - -	4,638
Compensation for abolished Pans, - - - - -	2,215
Indemnification to the French, - - - - -	21,000
Shipping charges of Salt sold for exportation, - - - - -	3,386
Other charges of Export, - - - - -	138
Total charges of collection and prevention, - - - - -	2,36,161
Total of all charges, Rupees, - - - - -	7,04,359

Remarks on the same.

601. The charges for each District, in detail, will be found in Appendix B, (Enclosure No. 16). The distribution exhibited in Appendix M does not altogether correspond with them, and was probably not adjusted with the same attention to accuracy. No portion of the salaries of the Collectors or their Assistants is included in the charges, though a small proportion ought perhaps to be debited rateably both to the cost of manufacture and the charges of collecting and protecting the Revenue. The cost price to Government of the Salt lost by wastage should also be charged to the cost of manufacture.

Nett profit to the Government, or gross Salt Revenue.

602. Deducting the cost price of the Salt, as above obtained, from the total receipts, there remains a nett profit to the Government, or gross Salt Revenue, of Rupees 45,25,926,† and deducting from this the charges of collecting and protecting the Revenue, also as above obtained, their remains a nett Salt Revenue of Rupees 42,89,765.	
† Total Receipts,	49,94,124
Deduct cost price,	4,68,198
Net profit, or gross Salt Revenue,	45,25,926
Deduct charges of Collection,	2,36,161
Nett Salt Revenue, (Column 17,)	42,89,765

Average nett profit per maund of Salt.

603. The total nett profit calculated on the total deliveries gives an average profit of a little less than 13½ annas per maund, and the average profit obtained on this principle of calculation would represent the uniform rate per maund of Import Customs leviable on all Foreign Salt, in order to put it on an equality with the manufactured Salt of the Presidency.

Average cost to Government (including all charges) per 100 maunds of Salt.

604. The total of all charges, calculated on the total produce, gives about 12 Rupees§ per 100 maunds, as the average total cost of the Salt to Government, and the total cost obtained on this principle of calculation would represent the uniform price chargeable on all Salt sold for exportation by Sea.

Average cost of manufacture alone, or cost price to Government, per garce and maund of Salt.

605. The total charges of manufacture alone, calculated on the total produce, gives about 9½ Rupees|| per garce of 120 maunds, or about 1½ anna per maund, as the average cost price of the Salt to Government.

* Column 16.

606. The charges of management, that is, of collecting and protecting the Revenue, amount to about 5½* per cent. on the nett profit to Government, or gross Revenue; and to about 5½* per cent. on the nett Revenue; while the cost of Excise management in the Bombay Presidency amounted for the same year as has been seen,† to nearly 8 per cent. on the gross collections; but upon an accurate adjustment of the charges which should be debited to Revenue, including the omitted items alluded to in para. 601, the cost of management in the Madras Presidency would probably be found to be not less than six per cent. on the gross Revenue.

* Obtained by charging Rupees 2,36,161, on Rupees 45,25,926 nett profit, and Rupees 42,89,765 nett Revenue, respectively.

607. It is however to be borne in mind, in reviewing Statements of the present kind, that though they exhibit the disbursements of the year, these do not necessarily represent the charges actually belonging to the year; for instance, the amount charged as the price paid for the Salt produced at home and purchased from Bombay may not be, strictly, the exact price of the Salt received in the year. It may to some extent represent the price disbursed in the year for Salt received in a previous year, and include only the disbursed portion of the price payable for the Salt of the year, which may not be the whole price payable; and so with the other items constituting the charges of manufacture.

608. In the same way, the charges for Establishment, Compensations, Russoms, Indemnification to the French, and the other items constituting the charges of collection, may not represent the actual expenses of the year on those several accounts, but the disbursements made in the year under those heads, in part only for the year of account and partly for a previous year. For instance, the amount of the annual indemnification payable to the French is 14,000 Rupees, but the amount charged in the year under examination (1262 Fusly) was 21,000 Rupees, a half year's payment, on account of the previous or following year, having been disbursed, and therefore charged in the year above-mentioned. Accordingly, in the previous year (1261), the amount charged was only Rupees 7,000,‡ while in the year before that (1260) it was, as in the following year (1262), Rupees 21,000.‡

609. It may be presumed, however, that taking one year with another, the charge disbursed under each head, in any year, represents with sufficient approximation the actual expense of the year under that head. A closer approximation might be obtained by taking the average of the expenses under each head for a series of years, and in the present instance the calculations might have been founded on the average of the results exhibited in the Statements given in the Appendix§ for the three years from 1260 to 1262, in place of being derived from the Statement for the latter year only; but the charges for 1262, on the whole, and separately for the expenses of manufacture and collection, respectively, as well as for most of the items under each of these heads, exceed the averages, according to the same classification, of the above-mentioned three years; and it seemed desirable, in considering the charges, to take the highest amounts.

Percentage cost of management.

The charges reviewed in the foregoing paras. do not necessarily represent the actual expenses of the year.

But they probably approximate with sufficient closeness to the amounts actually payable under each head.

† Paras. 319 and 353.

‡ Appendix B, (Enclosures Nos. 15 and 14.)

§ Appendix B, (Enclosures Nos. 14 to 16.)

Section II.

ON THE PRACTICABILITY OF SUBSTITUTING, FOR THE MONOPOLY, A SYSTEM OF
EXCISE UPON THE MANUFACTURE.

The Salt Monopoly in the Madras Presidency not open to much practical objection; its precise value to the Government. The question to be determined in considering the practicability of substituting an Excise.

610. Regarded simply as a plan for the realization of an indispensable Revenue, the Salt Monopoly under the Madras Presidency, as at present constituted, does not, it must be admitted, afford much room for practical objections. Salt, of good quality, is abundantly supplied by the Government at a moderate fixed price, and the Revenue is easily and cheaply collected; the exportation of Salt by Sea is now free from Duty and all restrictions; and all Foreign Salt is admitted to competition with the home-made article on terms of perfect equality. Only the manufacture and first sale of the Salt are a Government Monopoly. This is so far objectionable that a Government Monopoly in a great article of consumption, in any form or degree, and any participation of a Government in the business of a trader, are such deviations from true principle as cannot fail to be productive, directly or indirectly, of evil consequences; but, the price of the Salt being fixed, the Government possess no power of deriving a profit from the exclusive manufacture which they might not equally exercise under a free manufacture, and are only interested in maintaining the Monopoly on the consideration that the same amount of Revenue could not be raised so cheaply and with so little inconvenience to the community in any other manner. Whether this plea for continuing the Monopoly is or is not well-founded appears to me to constitute the whole question to be determined in considering the practicability of substituting a system of Excise upon the manufacture.

The evidence and opinions afforded by the official documents relating to the subject examined.

611. In the Appendix* will be found a collection of all the official correspondence and papers, from the earliest to the latest period, relating to or bearing upon the question of the comparative merits of the two systems of Monopoly and Excise, in their application to the manufacture of Salt in the Madras Presidency, together with the Parliamentary papers relating to the same question; and I proceed, in the first place, to a brief but sufficient examination of the evidence and opinions afforded by these documents.

When the question of introducing a Monopoly was first considered, a majority of the Collectors and of the Board of Revenue pronounced dry,† observed, "I have but one objection to the imposition of a Duty, which if it can be obviated, will render that plan the better, inasmuch as it is equally profitable, more simple, and less expensive. My objection is that it leaves the poorer class of Inhabitants in the Interior of the country at the mercy of the richer in an article indispensably necessary to their existence." But this objection was obviously only tenable on the supposition that the Government in instituting a Monopoly would not confine their sales to the Pans, but would establish Depôts or Warehouses for the sale of Salt throughout the Interior of the country. This, however, the Government did not do and did not propose to do. The only objection which went at all to the point was raised by the Collector of Madura,‡ who represented, with respect to that District, that the owners of the Salt Pans were indigent ryots, and that their "want of funds to prosecute the manufacture would either cause them to relinquish the pursuit, or the cultivation would be continued on so confined a scale that the price of Salt must of course rise in proportion to the yearly decrease of the produce, and to the incalculable injury and distress of the poor." This ground of objection will be examined in the sequel in its relation not to a particular District but to the whole question.

The Board of Revenue submitted the draft of an Excise Law to the Government, and recommended its adoption, on the ground that an Excise would equally with a Monopoly be productive of Revenue, while it removed objections.

612. The first notable fact is, that when the question of introducing a Salt Monopoly in the Madras Presidency, similar to that which prevailed in Bengal, was first considered, and it may be presumed closely examined in all its bearings, a majority of the local Collectors and of the Board of Revenue pronounced against a Monopoly and in favor of excising the manufacture. Of the Collectors who preferred a Monopoly not one gave as a reason, or seemed to entertain the opinion, that there would be greater difficulty or expense in realizing an equal Revenue under a system of Excise. One of them, the Collector of Rajahmundry, observed, "I have but one objection to the imposition of a Duty, which if it can be obviated, will render that plan the better, inasmuch as it is equally profitable, more simple, and less expensive. My objection is that it leaves the poorer class of Inhabitants in the Interior of the country at the mercy of the richer in an article indispensably necessary to their existence." But this objection was obviously only tenable on the supposition that the Government in instituting a Monopoly would not confine their sales to the Pans, but would establish Depôts or Warehouses for the sale of Salt throughout the Interior of the country. This, however, the Government did not do and did not propose to do. The only objection which went at all to the point was raised by the Collector of Madura,‡ who represented, with respect to that District, that the owners of the Salt Pans were indigent ryots, and that their "want of funds to prosecute the manufacture would either cause them to relinquish the pursuit, or the cultivation would be continued on so confined a scale that the price of Salt must of course rise in proportion to the yearly decrease of the produce, and to the incalculable injury and distress of the poor." This ground of objection will be examined in the sequel in its relation not to a particular District but to the whole question.

613. The Board of Revenue,§ while they saw no superiority in a Monopoly, were, on the other hand, of opinion that many objections would be removed by levying an Excise Duty on the manufacture equal to the intended Monopoly profit. In particular, the interference with hereditary privileges enjoyed by Meerasidars, which the introduction of a Monopoly would render necessary, was considered to present a great difficulty, and a very serious objection to the measure. Upon the conviction, therefore, that the levy of a Duty was preferable to the establishment of a Monopoly, the Board prepared and submitted to the Government the draft of a Regulation,|| upon the former principle, which, equally with a Monopoly, they said, would be productive of Revenue, while it removed embarrassments, and left the manufacture and sale to be conducted in the manner they had hitherto been without any infringement of individual rights.

* Appendix E. † Appendix E, No. 3. ‡ Appendix E, No. 5. § Appendix E, No. 10. || Appendix E, No. 11.

614. Mr. Falconar, the dissentient Member of the Board of Revenue, in advocating a close Monopoly in preference to leaving the manufacture free, objected that the establishment of a Monopoly, besides being sanctioned by the advice, and corroborated by the example, of Bengal, seemed to be the only efficient mode of deriving an increased Revenue from Salt. His argument apparently was, that if the manufacture were free the quantity produced would continue greatly to exceed the demand, and that in proportion to the excess prepared would smuggling be facilitated, the Duties eluded, and the Revenue impaired. I can find nothing more definite or pertinent than this, in his long Minute,* to show why a system of Excise, leaving the manufacture and sale free, should be a less efficient mode of raising a Revenue than a Monopoly limiting the manufacture and restricting the freedom of sale.

615. The Monopoly was not preferred by the Government† of Madras to the Excise plan recommended by the Board of Revenue upon its merits, or upon any examination of the question, but was blindly adopted simply because the Supreme Government had prescribed the establishment of a Monopoly. This blind obedience would seem, however, to have been quite unsuited to the occasion. The Supreme Government specified a Monopoly because that was the method of realizing a Revenue from Salt which prevailed in Bengal, and on the supposition that the same method would be equally appropriate for the Madras Presidency, but the manufacture in that Presidency being totally different in all its circumstances, and this difference having induced the Board of Revenue to recommend another and, as they thought, a more suitable plan, the Madras Government ought obviously to have given the Board's proposition their best attention, and to have brought it fully and fairly under the consideration of the Supreme Government. This however, as far as appears, they did not do.

616. The Excise Law drafted by the Board of Revenue in 1804 appears to have been framed in all respects upon correct principles. The manufacture and sale of Salt were to be left as far as possible free; the established Duty was to be levied on earth as well as Sea Salt; Salt carried by Sea was to be exempted from Duty; and all Foreign Salt was to be admitted at the same rate or terms as the Excise Duty.

617. The next notable fact is that the present Board of Revenue, after the Monopoly has been fifty years in operation, fully admit the practicability of substituting a system of modified Excise. The Minute‡ of Mr. Goldingham, the Second Member, goes to show that the substitution would be at once easy and beneficial. Mr. Maltby, the Third Member, would prefer continuing the present system, if an option were allowed, but he objects to the change, as appears from his Minute,§ not because it might not be possible to secure the same amount of nett Revenue, with as little inconvenience, under a system of Excise, but for the following reasons, viz.,—first, because the interest of the consumer will not be advanced; secondly, because the present system is generally satisfactory to the Meerasidars or proprietors of the Salt Pans, and because it will be necessary, if a change takes place, to re-open and re-adjust the claims of numerous holders of hereditary offices and rooms; thirdly, because a mere alteration of system seems inadvisable in itself on account of the difficulties and embarrassments by which it must at first be accompanied, and because any unavoidable change is to be especially deprecated when a large amount of Revenue is at stake, and the interests of the community are not advanced; fourthly, because our Conventions with the French Government oppose obstacles to a change.

618. All the Collectors of the Salt manufacturing Districts, with the exception of Mr. J. H. Cochrane, the Collector of Chingleput, and Mr. F. N. Maltby, the Collector of Canara, object to the change. Their Reports|| are appended. It is clear from these Reports that the Collectors generally, having no knowledge of the system in operation in the Bombay Presidency, formed their opinions, not upon any defined plan of a modified form of Excise, but in ignorance of the extent to which the manufacture might be placed under restrictions, if not upon the supposition that it was to be left absolutely free.

619. The objections urged may be reduced to the following heads:—

- 1st. The present Meerasidars, or proprietors of Salt Pans, would be injured.
- 2nd. The price would not be reduced to the consumer.
- 3rd. The supply would be deficient and uncertain.
- 4th. The quality of the Salt would deteriorate from the present standard.
- 5th. The injury to the Revenue from smuggling would be infinitely greater.
- 6th. The cost of collecting and protecting the Revenue would be inordinately increased.
- 7th. The inquisition of the Excise Officers would be intolerable.

Their objections stated.

* Appendix E, No. 12. † Appendix E, No. 13. ‡ Appendix E, No. 33. § Appendix E, No. 34. || Appendix E, Nos. 10 to 32.

The Board of Revenue do not consider these objections to be insuperable, and observe upon them as follows* :—

"If the manufacture is limited to certain localities, the Establishment necessary for preventive purposes will, it is expected, not increase in a larger proportion than the Revenue it is designed to protect. The above explanation disposes also of the objection to having an army of Chowkeydars. There appears nothing in the system itself (independently of the extent of country where it prevails) to necessitate a heavier outlay in the way of Establishment than is now required under a Monopoly.

"It is possible that at first, till the system becomes understood, the supply might not be quite so plentiful as it is now; but this would rectify itself on the principle of the supply meeting the demand.

"The Meerisidars would probably be somewhat hampered at first; but the Government would be as ready to assist them as any other ryots as far as is consistent; and the objection is not one that should weigh much against other reasons.

"It might be necessary at first to make the change by degrees, but eventually the Government would participate as little in any Salt transactions as they do in Bombay or Calcutta.

"The Board are inclined to believe that Salt manufactured by private parties, under an Excise, would be quite as good as it is now: competition would induce this."

The Collector of Chingleput is also in favor of the advantages of a system of Excise, which he seems to think might be substituted without any restriction upon the freedom of manufacture, at no greater expense, and with very little change in the present details of management.†

The Collector of Canara is also in favor of an Excise, and first raised the question, with reference to that District, in 1851. 622. The Collector of Canara, Mr. F. N. Maltby, is of opinion that a system of modified Excise, by granting licences to manufacture Salt at stated localities, might with great advantage be substituted for the present system. The substitution, he observes, would be attended with difficulties, but not of an insuperable nature.‡ The question of throwing open the Salt manufacture in Canara, under Excise Regulations, first forced itself upon Mr. Maltby's consideration in 1851,§ and in a letter|| to the Board of Revenue, dated the 10th of November 1852, he reported fully upon it, showing the advantages of the measure and how it might be carried out.

The evidence given before Parliament examined. 623. The evidence given before Parliament remains to be noticed. I do not find that any has ever been taken on this question with respect to the Madras Presidency, except before the Select Committee of the House of Commons in 1832. On that occasion, Mr. David Hill and Mr. Malcolm Lewin, both of the Madras Civil Service, were examined, and letters from Mr. Hill and Mr. Dalzell, also a Member of the Madras Civil Service, were put in, in which their opinions on this question were stated.

Mr. David Hill's evidence and opinions. 624. Mr. David Hill, in his evidence¶ and in his letter,** expressed himself altogether in favor of the Monopoly. He did not see what good end would be answered by substituting an Excise system, and had no idea that the same amount of Revenue could be raised from Salt in any other manner bearing less heavily upon the people, the proprietors of Salt Pans, the traders in Salt, or the consumers of the article. There was no reduction in the price of manufacture, he stated, that could materially affect the selling price; therefore the benefit to the people in that respect would be trivial. Mr. Hill further objected, that the change would be positively injurious to the consumer, but as these objections proceeded on the supposition that the manufacturers would be required to pay the Excise Duty before selling the article, which is not necessary and is not contemplated, they need not be noticed.

Mr. Lewin's evidence. 625. Mr. Lewin, on the other hand, stated in his evidence,†† that it would be a great improvement to allow the manufacture to take place under an Excise Duty, inasmuch as it would certainly save a great expense in the Establishments entertained at the Salt Stores and for the protection of the manufacture.

Mr. Dalzell's opinion. 626. Mr. Dalzell stated in his letter‡‡ that it did not occur to him how the Revenue derived from the Monopoly of the manufacture and first sale of the Salt could otherwise be realized with so little inconvenience to the community.

* Appendix B, paras. 293 to 297. † Appendix E, No. 25. ‡ Appendix E, No. 30. § Appendix E, Nos. 15 and 16. || Appendix E, No. 17. ¶ Appendix E, No. 35. ** Appendix E, No. 36. †† Appendix E, No. 35 A. ‡‡ Appendix E, No. 36 A.

627. It may at once be conceded, that it is not practicable to render the manufacture of Salt absolutely free, under Excise Regulations, in the Madras Presidency, any more than it was found practicable to do so in the Bombay Presidency, where, as has been seen,* the attempt was made and failed; but the feasibility of substituting for present arrangements a modified form of Excise, similar to that which now prevails in the Bombay Presidency, under which the Government would cease to be connected with the manufacture and sale of Salt, appears to me to admit of no question. The process of manufacture, the nature of the country in which it is carried on, and the constitution of the Salt Works, being identical in both Presidencies, there is no conceivable reason why a mode of collecting the Revenue which is effectual in the Bombay Presidency should not be equally effectual in the Madras Presidency.

628. But, apart from this proof, it is impossible to understand, as already argued in the Bombay Part,† why if the manufacture were restricted to stated localities, as it now is under the Monopoly, the mere alteration of the manufacturers being left at liberty to make Salt in unlimited quantities, and to sell it to any person, instead of being tied down to make it in restricted quantities exclusively for the Government, the Duty being taken at the time of the private sale, in place of the price at the time of the public sale, need be attended with any new or increased difficulties, inquisition or expense in the protection and collection of the Revenue. Such an alteration, it is obvious, involves no new facilities for smuggling and no new difficulties of collection; consequently the same description of Agency, and the same strength of Establishments as have now to be employed in watching production and store, and in collecting the Revenue, would be equally efficient, with no greater degree of inquisitorial interference, for precisely the same purposes, if the proposed free system were substituted for the present exclusive system. In fact, no material change in the details of local management, or in the general administrative system, would be needed.

629. This is admitted and illustrated in the Memorandum of the Board of Revenue, in Mr. Goldingham's separate Minute, in Mr. Cochrane's Report, in Mr. E. Maltby's Report, and in Mr. E. N. Maltby's several communications. This is shown by the Board of Revenue, Mr. Goldingham, Mr. Cochrane, Mr. E. Maltby, and Mr. F. N. Maltby.

The observations of the Board have been already quoted.‡

Mr. Goldingham writes§—"Under an Excise some degree of surveillance is necessary, and there seems little difficulty in substituting that system for the present Monopoly."

He then shows in juxtaposition the working of the Monopoly, and what would be the working of a system of Excise, and makes the following among other remarks upon the comparison:—

"Supposing then that the Excise is levied at the time of sale, the only change in passing the Monopoly to an Excise will be freedom of manufacture and freedom of sale; the details of management, such as watching the Salt during its manufacture that it may not be clandestinely sold, and its custody on the platform previous to sale, will be the same. The term Monopoly will no longer exist. The system of administration in many respects will be the same."

Mr. Cochrane writes||—"The unrestricted freedom of manufacture would only lead to the extension of the Pans at the present Salt stations, and to the establishment of the new Pans at a few adjoining localities, all of which could conveniently be brought under the control of the same Establishment as at present employed to superintend the manufacture and sale of the article under the Monopoly."

Again,— "It will be necessary to consider the arrangements that should continue to be adopted for the prevention of smuggling under the proposed system, and as the abolishment of but few Rules as at present in force appears to me desirable, it may not be out of place briefly to refer to the course now pursued to guard the public Revenue."

Having described this course, he writes,—

"I am of opinion that the Excise should be levied at the place of manufacture on the quantity of the article ascertained to have been raised, and at a fixed amount per garce; and that the quantity and mode of manufacture should be left to the discretion of the producers. The other arrangements in force under the present Monopoly, as above detailed, might with slight modifications be reasonably insisted on under the system of Excise now under contemplation."

* See paras. 351, 355 and 356. † See para. 328. ‡ See para. 620. § Appendix E, No. 33. || Appendix E, No. 25.

And again,—“ Under either system, some thefts, it must be expected, will occur during the period of manufacture, while against the more serious evil of connivance of the Government servants in these frauds, the jealousy which will naturally exist in some degree between them and the manufacturers, the vigilance of the police employed serving as a preventive Establishment, and the offer of rewards to them and to the community at large for the detection of frauds, will operate as a combined check. The jealousy among the manufacturers must necessarily be greater under a system of general competition amongst private traders than under a Government Monopoly. I have been induced to enter into these details, more with the view of exhibiting the practicability of an Excise on Salt than of laying down any definite Rules for its introduction, which must eventually be determined on a reference to those in force at Bombay, where the system of Excise appears already to be in successful operation.”

Mr. E. Maltby's observations. Mr. E. Maltby observes,*—“ In other respects the arrangements now prevailing agree closely with the Excise system of Bombay. There are the same Establishments of servants to keep accounts of the Salt, and watch the Pans and Store-heaps, to guard against smuggling. Passes or Rowannahs are given to protect the Salt on its being sold, and the Government Authorities are equally able to prevent the Establishment of new Salt Works, or suppress those which are no longer required.”

Mr. F. N. Maltby's observations. Mr. F. N. Maltby,† in his letter of the 3rd of December 1851, writes,—

“ The Excise which the Court of Directors state prevails in the Bombay and Bengal Presidencies may, I think, be advantageously introduced into this District; at least I am not aware of any peculiarities in the manufacture of this District which renders this impracticable.”

And in his letter‡ of the 10th of November 1852, as follows:—

“ It does not appear to me that the system of Excise holds out any temptation to manufacture illicitly beyond that afforded by the present system. It seems to be the opinion of my Native Cutcherry that it does so, but I cannot see in what manner. The result depends upon the vigilance of those appointed to watch the manufacture. Our object now is to bring all that is manufactured to the Government store; the object then will be to bring all that is manufactured to the place where it is excised. All that is now smuggled out is worth 120 Rupees, by the new system it will be worth only Rupees 100, so that on the whole the temptation is, I think, diminished, and the attention of the Government Establishment will be concentrated on the one object of preventing the export of unexcised Salt.”

“ At present there is no doubt that much Salt is clandestinely sold. So much is this the case, that the Government sales fall off in proportion as the season is favorable for manufacture. I do not think that under an Excise there would be any greater opportunities for illicit sales.”

Mr. Maltby does not go into any details on the question of Establishment, but as far as he notices the subject, his opinion seems to be, that, under a proper concentration of the manufacture, the expense on that account would not be increased, but is susceptible of being reduced.

On the other hand, the Collectors who object that the substitution of an Excise upon the manufacture would be attended with great risk to the Revenue from the increased facilities for smuggling, greater expense for Establishments, and more vexatious interference on the part of a horde of untrustworthy excisemen, whose abuses of authority on the one hand, and connivance at frauds upon the Revenue on the other, it would be impossible to check, do not enter into any details to show in what way, or for what reasons, the change would be attended with these effects, having in fact formed their opinions, as already observed, without being precisely aware of the description of Excise scheme contemplated.

Comparative cost of managing the Excise in Bombay and the Monopoly in Madras. 630. It may be urged that the cost of managing the Excise in Bombay is actually higher than the cost of managing the Monopoly in Madras, inasmuch as the charges on the gross Revenue amount to nearly 8 per cent.§ in the former Presidency against something below 5½ per cent. in the latter; but the higher percentage in Bombay is caused principally by the expenses being charged against a lower amount of Revenue,—the Revenue being lower chiefly because the average rate of Duty levied on Bombay Salt is much

below the average rate of profit realized on Madras Salt. The Bombay Duty averages a little over 9½ annas, and the Madras profit a little under 13½ annas, per maund, so that while the deliveries of Salt in the Bombay Presidency are only about one-fifth less, the gross Revenue§ is nearly one-half less, than in the Madras Presidency. The rate of Duty or profit being different in the two Presidencies, the cost of management ought obviously to be compared with reference to the quantity of Salt delivered, and not to the amount of gross Revenue collected, in each. This being done, it will be found that, in proportion to the deliveries, the charges are scarcely higher in Bombay than in Madras; for if the deliveries of Madras Salt be rated at a profit, not of 13½ annas, but at the Bombay profit of only 9½ annas per maund, the gross Revenue is reduced from Rupees 45,25,926 to Rupees 31,95,714, and the rate of the charges¶ on the gross Revenue rises from a little below 5½ to a little above 7½ per cent., or to within ½ per cent. of the Bombay rate; and, *vice versa*, if the Bombay deliveries be rated at a profit, not of 9½ annas only, but at the higher Madras profit of 13½ annas, per maund, the gross Revenue rises from Rupees 25,62,474 to Rupees 36,14,767, and the rate of the charges¶ on the gross Revenue is lowered from nearly ½ per cent. to a little over 5½ per cent, or scarcely more than the Madras rate of about 5½ per cent.

632. It is further to be borne in mind, that proportions of the cost of the Covenanted and Uncovenanted European Agency, and of the Frontier Customs Establishments, are included in the Bombay, but not in the Madras charges.

Certain items are included in the Bombay but not in the Madras charges.

633. Moreover, the cost of managing the Salt Excise in Bombay is greatly enhanced, as has been seen,** by the scattered position of the Works; but this is a cause of expense which is not chargeable to the system; for the same degree of concentration must, it is evident, be equally practicable under either system. In Bombay, when the Excise was introduced, no provision was made for concentrating the existing manufacture, which was found spread all over the country; on the contrary, the Regulations first enacted, in leaving the manufacture altogether free,†† were calculated to extend the evil of dispersion. This absolute freedom of manufacture continued in operation for thirteen years, and it was not until the year 1850 that the Authorities were empowered by Law to place any restrictions, in the way either of prohibition or suppression, upon it.‡‡ In Madras, on the other hand, in establishing the Monopoly, the fullest power was reserved in the hands of the Authorities of determining in what places Salt might be manufactured, and of suppressing the manufacture at any place.§§ so that it is probable that in the fifty years which have since elapsed, very much, if not all, has been accomplished in the way of concentrating the Works in the best localities.

Cost in Bombay greatly enhanced by the dispersion of the Works.

634. Whether the Excise in Bombay is as effectual as the Monopoly in Madras in securing the Revenue will best be considered in the sequel, when examining, in connection with the question of the rate of Duty, to what extent the Salt consumed in the latter Presidency is licitly or illicitly supplied.

The comparative efficiency of the Excise in Bombay and the Monopoly in Madras will be considered in the sequel.

635. It is objected, that from the general poverty of the manufacturers it is probable that the supply would be deficient and uncertain, unless the Government continued to advance funds as at present. Mr. Goldingham observes¶¶ that “ the manufacturers are poor and unable at once to take the sale into their own hands, or to wait for a return to their labor and capital till the Salt is sold. Their poverty also sometimes requires that advances should be made to them previous to manufacture.” He thinks it desirable, therefore, that it should be “ left optional with the owners of the Salt on the platforms to sell it on their own account, or to make it over to Government after it is received into store, receiving from Government a fair value similar to the manufacturer's share, as at present.” Mr. E. Maltby observes¶¶¶ that the Meerasidars “ are seldom men of such capital as to be able to wait long for a return for their outlay and labor in making the Salt, and they would be apt to be alarmed at the novel responsibility of having to sell it themselves. Unless therefore precautions are taken to inspire them with confidence, such as making them occasional loans or advances on the security of the Salt, they might be discouraged at first from continuing the manufacture.” The Board of Revenue collectively think that, at first, the supply might not be quite so plentiful as it is now, and that the Meerasidars might require assistance, which they conclude the Government would be as ready to afford to them as to other ryots. Their observations are quoted in extenso at para. 620.

The alleged probability of a deficient and uncertain supply from the want of capital considered.

* See para. 310. † See para. 403. ‡ Rupees 2,36,161, see para. 600. ¶ Rupees 2,93,895, see para. 311. ** See para. 453. †† See para. 355. ‡‡ See para. 351. §§ See Clause 1, Section V, Regulation I. of 1845. ¶¶ Appendix E, No. 33, para. 17. ¶¶¶ Appendix E, No. 34, para. 3.

There seems no 636. I see no reason to apprehend that, under a free system, there would not be found many individuals who would be willing to invest their capital in undertaking the supply of Salt. The same objection of the possibility of a deficient supply, in consequence of want of capital, was made prior to the introduction of the Excise in Bombay, but the supply, as has been seen,* has always been abundant in that Presidency without the aid of any advances from the Government to the manufacturers. No large amount of individual capital would be required, as the particulars exhibited in the Statement† noticed in paras. 555 and 556 serve to show. The Collector of Ganjam states,‡ “The outlay required for the manufacture of Salt is by no means large. It costs Government less than 7 Rupees per garce; private individuals will produce it for less; so that a man of very moderate means could rent a Pan producing, say 200 garce; and from what I can learn, there would soon be a great competition among renters for these Pans.” The Collector of Guntur observes,§ The “Board are aware that the ryots who are engaged in the Salt manufacture in this Province are as well off as those who follow other pursuits, and many are also employed in the cultivation of land, the Salt being manufactured at a season when their agricultural labors are suspended. Permission to make Salt is eagerly contended for, and the Pans are generally saleable.” And the Collector of Chingleput writes,|| “Arguments might with greater reason be advanced against the system of unlimited manufacture, as tending, on the other hand, to so great a reduction in profits as not to render it a matter of sufficient inducement to furnish the market with a sufficient supply of the article; but as there is every reason to believe that the operations of the Salt Trade will be very extensive, I can see no grounds for giving these arguments any undue weight. The producers will be disposed to raise as much Salt as they can, as the cost of manufacture is trifling, and as they will not be called upon to pay the heavy Duty on the article until they find purchasers to remove it from the stores, on what they consider profitable terms.” Nor, as the Salt produced sells readily under the Monopoly, can there be the least ground for apprehending that the manufacturers would not be able to effect quick returns under a free system. Moreover, the fact that for the manufacture, in the latest year, 1852-53 or Fusly 1262, of 58,63,108 maunds, the advance made amounted to only 29,834 Rupees, and that in the year 1850-51, or 1260 Fusly, the advances amounted to only 10,925 Rupees, appears to me to afford conclusive proof that even at present, under the Monopoly, the manufacturers do not really require to be assisted, in any degree, with funds from the State purse to enable them to carry on their operations.

Under the Excise system, the Government ought not to be at liberty, even at first, to purchase Salt for resale, or to supply funds on the security of the Salt, and the present system of advances ought to be discontinued wholly and at once.

The details of the Excise system to be substituted, and the mode of introducing it, may safely be left to the Board of Revenue. Generally, the system in force in the Bombay Presidency should be followed.

637. I am clearly of opinion that, in substituting a system of Excise for the present Monopoly, the Government ought on no account to be left at liberty, even at first and for a time, to purchase Salt from the manufacturers for re-sale, as proposed by Mr. Goldingham, or to make loans or advances on the security of the Salt, as proposed by Mr. Maltby and the Board collectively. So far from assistance in either of these modes being necessary or desirable, it appears to me that even now, under the Monopoly, the system of making advances to the manufacturers from the Government Treasury might be, and ought to be, discontinued wholly and at once.

638. It is not necessary that I should elaborate the details of the Excise system to be substituted, or enter into particulars of the mode of introducing it. These details may properly and safely be left to the Board of Revenue, who fully admit the practicability of the substitution, and are quite prepared to carry it out. It is sufficient to observe, generally, that the existing system should be assimilated to the system in force in the Bombay Presidency, which, as has been seen, it already very closely resembles in its details, though not in its principles. Complete materials exist in the present Report and its Appendices for the determination of the plan and the preparation of a set of rules; and a comparison between the details of the two systems will indicate the improvements which might be adopted from each for the benefit of the other. For instance, the weak point in the Bombay system is, that a sufficiently correct account of the stock of Salt in hand is never secured, which might be remedied by the adoption of the Madras method of measuring into store and taking stock.¶ And again, on the important point of storage, it is certain that in the Bombay Presidency the stock might be much more effectually and economically guarded, and much less wastage would take place, if the Salt were all stored at one place in the immediate neighbourhood, of the Pans, within raised enclosures, as at Madras, in place of being scattered in small heaps all over the Works.** It might be necessary, in furtherance of this object, to require that all individual produce below a certain quantity should be heaped in common up to a certain quantity; but such a rule, affecting only small producers, might, as it appears to me, be very reasonably insisted upon. The point is noticed by Mr. E. Maltby, the Third Member of the Board of Revenue, in the 9th para. of his Minute†† dated the 24th of June 1854. He there proposes, with the view of obviating the additional expense which would be incurred in extending the platforms, and employing extra servants to guard them, if each proprietor's small stock of

Salt were stored separately, that the system of storing the Salt in 10 garce* heaps should be continued, and that the several small proprietors should elect among themselves an individual to represent them in disposing of the Salt. As the quantity contributed by each to the heap would appear in the Depot Accounts, disputes, he observes, would seldom occur and be easy of settlement. Mr. Maltby overlooks that the varying quality, and consequently value, of the produce would constitute the real ground of objection on the part of the proprietors to store their Salt in common; but I do not think that this objection should be allowed to weigh in the case of very small parcels; nor would it be a difficult matter, as it appears to me, to construct the heaps very much according to quality.

639. As the transition will be simple, it should be entered upon at once, and though the change must be in a measure gradual, no long period need intervene before it is fully carried out. In the District of Malabar, where the Monopoly manufacture was finally relinquished in 1823, and the whole supply of Salt is now obtained from Bombay, private manufacture under an Excise should at once be permitted. In like manner the remnants of the expensive Monopoly manufacture in Canara should at once be relinquished, and private manufacture under an Excise permitted,—the whole quantity of Salt required for the consumption of the District, and not supplied by private manufacture or private importations, being purchased, as the additional supply for the service of the Monopoly now is, from Bombay. The Reports‡ of Mr. F. N. Maltby, the Collector of the District, prove conclusively the expediency of this course, and show that he is a very fit person to carry out the change. The cost of manufacturing a garce of Salt in Canara, for the service of the Monopoly, is now Rupees 25-8. If the manufacture were thrown open, a garce, Mr. Maltby believes, might be made for Rupees 5, that being about the cost of producing a garce of Salt in the adjoining Goa Territory.† The change might also, as it seems to me, be introduced at once, and without any difficulty, in the Madras Collectorate, where it would have the advantage of being carried out under the eye of the Board of Revenue and the Government.

* 1,200 maunds. † Appendix E, Nos. 15, 16, 17 and 30. ‡ See Appendix C, No. 15; Replies to Queries 12 and 13.

The substitu-
tion should be
entered upon at
once. In the Dis-
trict of Malabar,
where there is no
Monopoly manu-
facture, private
manufacture under
an Excise should
be immediately
permitted; so
also, in Canara, the
remnants of the
Monopoly manu-
facture there being
relinquished.—The
Excise system
might also be sub-
stituted at once in
the Madras Collec-
torate.

* See para. 399. † Appendix D. ‡ Appendix E, No. 19, para. 4. § Appendix E, No. 23, para. 3. || Appendix E, No. 25, para. 10.

¶ See paras. 353 to 362 and paras. 533 and 534. ** See paras. 170, 533, 535 and 536. †† Appendix E, No. 34.

Section III.

ON VARIOUS QUESTIONS CONNECTED WITH THE PRESENT STATE OF THE SALT REVENUE SYSTEM.

Notice of the more prominent questions connected with the existing system.

640. I proceed to notice, briefly, the more prominent questions connected with the existing system and its administration.

Swamp Salt 641. *Swamp Salt*.—See para. 563. The attention of the Authorities should be directed to turning should be turned the Salt spontaneously produced in marshy swamps to greater account, by renting out the swamps under to greater account Excise Regulations, in place of destroying their produce.

The manufacture of earth Salt 642. *Earth Salt*.—See paras. 564 to 573, and Appendix G. The simple and appropriate solution of the difficulties relating to earth Salt, since it has been proved to be a perfectly wholesome condiment,* appears to me to be to authorize the manufacture under Excise Regulations, imposing the same rate of duty on that Salt as on Sea Salt, as was provided by the Excise Law drafted by the Board of Revenue in 1804.† In the Bombay Presidency, the Salt produced in the Deccan by washing different saline earths has recently been subjected to the same Excise Duty as all other Salt.‡

Any Excise Regulations which can be applied to the manufacture of marine Salt in Bengal, may be equally applied to the manufacture of earth Salt in the Madras Presidency. 643. It is objected that the licensing system is incompatible with the habits and condition of the people, but this is certainly not made out. It is further objected that as the Works are on a small scale, and are, or might be, scattered over a vast extent of remote and uncleared country, the manufacture could not be excised without disproportionate expense and very vexatious interference. But the structure of the brine-works, and the method of obtaining the brine, are, as has been seen,§ precisely the same as in the range of uncleared country than the Bengal manufacture. It therefore follows that any Excise Regulations which can be applied to the manufacture of marine Salt in Bengal may be equally applied to the manufacture of earth Salt in the Madras Presidency.

The Excise Regulations which have been proved by experiment to be suitable to the Bengal manufacture will be described in the sequel, and ought, in my judgment, to be adopted at once in Bellary and Kurnool, in supersession of the Mohturfa tax now levied on the manufacturers of earth Salt in these Districts; in Cuddapah, where no tax is at present levied on the large manufacture which is known to exist; and in every other District in which earth Salt can be produced; all manufacture except under an Excise licence being strictly prohibited. Measures should at the same time be taken to prevent, or to levy customs upon, the importation of earth Salt into Tanjore and Madura from the intermediate independent State of Poodocotta, and into Canara from Mysore.

The same rate of Duty should be levied on earth Salt as on Sea Salt. 645. The Board of Revenue collectively would levy a lower rate of Excise on earth Salt; but one of the Members, Mr. E. Maltby, would apparently levy a higher rate. The Excise on earth Salt, he says, should be so fixed as to prevent its having a "preponderating advantage over the rival article."¶ I cannot agree in either of these opinions. There should obviously, as in Bombay, be no differential rate. The Board of Revenue, in their proposed Excise Law of 1804, rightly placed Salt produced from the Sea and Salt extracted from the earth on precisely the same footing.

If an Excise upon the manufacture of earth Salt should be impracticable, the Mohturfa now levied on the manufacturers should nevertheless be relinquished. 646. If it should be found impracticable to introduce an Excise upon the manufacture of earth Salt, I am of opinion that the Mohturfa now levied upon the manufacturers, in the Districts of Bellary and Kurnool, should nevertheless be relinquished. I can see no reason why the manufacturers in those Districts should be taxed, while the manufacturers in Cuddapah, and wherever else earth Salt is produced, are exempted from taxation; nor any reason why, if all other items of Mohturfa are to be abolished throughout the Madras Presidency, the Mohturfa on manufacturers of earth Salt should be anywhere retained.

The true alternative, no doubt, lead, it seems to be apprehended, to disturbances; ** otherwise there can be no question, that if earth Salt is strictly to suppress the manufacture of the former.

* See para. 565. † See para. 616. ‡ See para. 187. § See para. 591. ¶ See Appendix B, para. 215. ** See Appendix E, No. 1, para. 12. ** See Appendix G, No. 6, para. 8.

648. At present, the consumption of earth Salt produced in the Districts of Bellary and Kurnool ostensibly displaces the consumption of Sea Salt to the extent of about 1,137 garces, yielding a Mohturfa Revenue of about 13,400 Rupees per annum,* which is an insignificant sum; but it is probable that, in reality, a much larger quantity of earth Salt is produced in these Districts; and if the manufacture were permitted, and entirely exempted from taxation, no doubt it would be greatly extended, not only in these Districts, but wherever else it exists, or could be introduced. Still, if the manufacture can neither be taxed under a well regulated system, nor totally suppressed, there seems to be no middle course; the only other alternative is to leave it absolutely free.

649. *Exportation of Salt by Sea*.—See paras. 517 to 527 and Appendix H. It was the unanimous opinion of all parties, however much they differed on other questions concerning Salt, that under an open trade and equal Duties, Bengal would be chiefly supplied with Salt from the Coromandel Coast; but, contrary to all expectation, scarcely any Salt is exported from Madras to Bengal by private enterprise, notwithstanding that it is the nearest country, that Salt can be manufactured there more cheaply than anywhere else, and that it stands in constant need of what Bengal can supply in return, viz., corn.

650. The private trade in Salt to Bengal first showed a tendency to advance in 1835, in which year 2,34,858 maunds of Foreign Salt were imported; and the differential Duty being abolished in the following year, the quantity continued steadily to increase until 1851-52, when it amounted to 31,71,340 maunds, or more than half of the whole quantity† of Salt taken out for consumption in Bengal in that year. While, of this large supply, 18,50,762 maunds were imported from Great Britain, 4,18,877 maunds from Bombay, and 4,39,886 from the Gulf, only 1,40,017 maunds were imported from Madras. In the following year, 1852-53, out of Foreign Importations amounting, in the aggregate, to 28,53,700 maunds, only 69,256 maunds came from Madras.‡ And, it must be remembered, that these quantities from Madras include, not only the Salt imported for private sale, but also the Salt received on Indents of the Bengal Government. According to a Statement in the Appendix,§ the private Exports of Salt from Madras to Bengal, and all other places, amounted in the year 1851-52 to 1,76,090 maunds, and in 1852-53 to only 12,600 maunds,—the quantities exported in the preceding years, from 1835-36, though generally larger, having also been on the whole quite insignificant. The figures in this Statement are not however reconcilable with those shown in a Statement annexed to para. 122 of the Memorandum|| of the Board of Revenue, which professes to distinguish the Exports on private account to Bengal alone. According to this latter Statement these Exports amounted in 1851-52 to 1,53,000 maunds, and in 1852-53 to 92,066 maunds.

651. On this state of the private trade, the Madras Board of Revenue remark as follows:¶

"As to private trade, it does seem that a larger Export might be expected. The price at which Salt can be landed in Calcutta by private trade is as follows, for every 100 maunds—

"Can be put on board on the Coast for	- - - - - Rupees	15 per 100 maunds
"Freight, say 10 Rupees per ton, or	- - - - - "	367 "
		517
"Import Duty at 2½ Rupees per maund,	- - - - - "	250
		3017 per 100 maunds."

"According to Mr. Worthington,** the expense from England would be:—

"Can be put on board at Liverpool for 13s. per ton, or	- - - - - Rupees	238 per 100 maunds.
"Freight at 25s. per ton, or	- - - - - "	460 "
		698
"Import Duty,	- - - - - "	250
		3198 per 100 maunds.

"—and even at this price it has greatly affected the Government sales, and yet, when Coast Salt can be landed for Rupees 52, less than a lakh of maunds were imported against 29½ lakhs, chiefly from England, at 80 Rupees."

* See para. 566. † 60,61,553 maunds. § Appendix L, column 11. ¶ Appendix B. ** See Appendix B, paras. 125 to 127. ** Parliamentary Paper, 4th Report, Indian Territories, 1853, page 183.

"It is not easy to state the true cause of this. Much is owing, no doubt, to the fact of the Salt in England being the private property of persons who can supply any quantity, are men of capital, and anxious by every exertion to find a market: whereas in India, it is more of a speculation, as the parties selling the Salt have first to buy it, and convey it there in their own vessels, or take their chance of getting freight, which is very fluctuating at this Port; and the mercantile connections of Madras and Calcutta are not so extensive as those between England and Calcutta."

The restrictions which appear to the Commissioner chiefly to account for the state of the private trade.

652. To these causes may be added the following, as I think, much more important influences, viz.:

First,—That Salt for export is procurable only at certain places of manufacture on the Coromandel Coast, and only in limited quantities at those places.

Second,—And more especially, that the privilege of exporting Salt to Bengal from the Coromandel Coast has been confined to square-rigged vessels of not less than 200 tons burthen.

These restrictions practically nullify, in the case of the Madras Presidency, the concession of an open and equal trade in Salt to Bengal. In either case, intending shippers are subjected to disappointment, and this uncertainty of the supply is of course fatal to the establishment of a steady trade. The Government profess to regulate the supply to the demand, but no Government is in a position to regulate the export trade in any article. At the same time, the limitation in regard to tonnage shuts out the very class of vessels best calculated for the Salt trade, and most likely to engage in it, both for its own profits and for the sake of the return trade in corn, viz. the native Dhonies, or vessels employed in the coasting trade, a class of shipping which it has always been considered politic to encourage, in order that in time of need it might supply Madras with grain, but which, it may be supposed, has been materially discouraged by this exclusion from the Salt trade.

When the Bengal Government indent upon Madras for a supply of Salt, tonnage cannot be procured for its conveyance.

654. The diversion of the Madras shipping from the Salt trade is, in consequence, so complete, that when the Bengal Government find it necessary to indent upon Madras for a supply of Salt, tonnage cannot be procured for its conveyance. Thus, in 1854 and 1855, when the stocks of Salt had fallen very low in Bengal, owing to a sudden decline in the shipments from England, all attempts to obtain freight for the conveyance of a supply from Madras failed for a long time, if not altogether, and this, at a period when there was almost a famine at Madras from drought, and notwithstanding that, in order to encourage the import of grain from the abundant stores of Bengal, for the relief of this scarcity, the restriction in regard to the tonnage of vessels to be employed in the transport of Salt was for the time removed.

The practice of supplying the Bengal Government with Salt at a profit to the Madras Government, is, of course, unsound, and becomes wholly unintelligible when, at the same time, no profit is taken on Salt supplied for private export. The present Board of Revenue are sensible of this, and no longer object to supply the Bengal Government at the same rate as private exporters, that is, at the uniform price of 15 Rupees (instead of 25 Rupees and formerly 35 Rupees) the 100 maunds, that being the actual average cost of the Salt, including the charges for putting it on board. It is however still an error to charge the average instead of the actual cost.

The practice of obliging the carriers to purchase and pay for the Salt supplied to the Bengal Government, equally unsound.

656. Equally unsound is the practice of obliging the carriers to purchase and pay for the Salt supplied to the Bengal Government, equally unsound. It is not surprising that it should be a matter of great difficulty to procure the means of transport upon such terms, independently of any question of the rate of freight.

The reforms recommended by the Commissioner.

657. Under these several circumstances, I am of opinion that Madras Salt should at once be made available for private exportation by Sea, not at certain Ports only, but wherever it is manufactured, and not at one average price for the whole Presidency, but at its actual cost at each place. In like manner, Salt required for the service of the Bengal Monopoly should be debited to that Presidency at its actual cost at the place from whence it may be supplied, its conveyance being separately contracted for, or effected by taking up vessels for the purpose; and finally, the restriction in regard to the tonnage of vessels to be employed in the transport of Salt, temporarily removed in consequence of a distressing scarcity of grain in Madras and of an apprehended dearth of Salt in Bengal, should never be reimposed. It may be, that notwithstanding these measures of relief, the Salt trade from Madras to Bengal may still not expand, but it will, at all events have fair play, which, as it appears to me, it has never had yet.

658. *Importation of Foreign Salt.*—See paras. 583 to 588 and Appendix J.—The principle at present observed in the treatment of Foreign Salt is to admit all such Salt to equal competition with the home-made article, the Import Duty having been fixed at 12 annas the maund, because that rate was supposed to represent the average net profit per maund accruing on the Monopoly sales.

659. In recommending the reduction of the Customs Duty leviable under Schedule A. Act VI. of 1844, on all Salt imported by Sea into the Madras Territories, from Rupees 3 to 12 annas per Indian maund, in order to carry out the wish of the Court of Directors that the trade in Salt at Madras should be placed "as far as possible on the same footing as in the other Presidencies," the Madras Government evidently misapprehended the principle of the measure. They supposed "that the levy of this Import Duty would bring Foreign Salt into the market at about the same price as that (1 Rupee per maund,) now charged on the produce of the Monopoly, and that the home manufactured article and that introduced on private trade would thus compete on nearly equal terms."

660. It was thus proposed to reduce the Import Duty to 12 annas per maund, not because that rate represented the average profit derived from the Native Salt, but because it was calculated that, on an average, that rate would bring up the price of Foreign Salt to an equality with the price of the Native Salt. Upon this principle, supposing the calculation to have been that Foreign Salt could be imported, on an average, at 1 anna per maund, and that the average profit on the Native Salt was 12 annas, the Import Duty would have been fixed not at this latter rate, but at 13 annas, in order that Foreign Salt might come into the market at the same price (one Rupee per maund) as the home article; and *vice versa*, if it had been calculated that Foreign Salt could be imported, on an average, at 8 annas per maund, the Import Duty would not have been fixed at the profit rate of 12 annas, but at 20 annas per maund, in order, as before, to equalize the starting price in the market of home and Foreign Salt.

661. The Madras Government consider that competition on equal terms is secured by this mode of equalizing prices, but, obviously, in the former case, the home article, and in the latter case, the foreign article, would be favored. Competition on equal terms is promoted not by forcing prices to an equality by the imposition of differential Duties, but by leaving prices to operate naturally by levying equal Duties. The supposition that equal competition is compatible with differential Duties involves a palpable contradiction and confusion of terms.

662. Accordingly, after the Government of India had sanctioned the reduction of the Import Duty to 12 annas per maund, on the supposition that that rate represented the average profit derived from the Native Salt, the Madras Government, in conformity with their interpretation of the Hon'ble Court's wishes recommended the imposition of a special differential Duty of 14 annas per maund on Salt imported by Sea from Goa, expressly on the ground that Goa Salt could be brought into the Canara market so cheaply, that, at a Duty of only 12 annas, it would under-sell and drive out the Native Salt. It was not argued that the profit on Canara Salt exceeded 12 annas per maund. The confessed object was to deprive Goa Salt of its natural advantage of greater cheapness "by the imposition of such a special Duty as would bring it into the market on equal terms with the Salt manufactured on account of Government." "Twelve annas a maund," said the Government, would, as appears from the Collector, be too low a rate of Duty. One Rupee would be too high. Taking 14 annas a maund, this would give 105 Rupees per garce; and if to this be added 13½ Rupees for prime cost, charges, and profit, the Salt might be sold at Rupees 118½ per garce "or at a trifle below the Monopoly rate, Rupees 120."†

663. This misapprehension and proposed perversion of the true principle of the measure which had been sanctioned was carefully explained in the reply of the Government of India,‡ and the proposition was dropped; but from the Minutes§ of the Members of the Madras Government, it is evident that the object in view is still misunderstood, and supposed to be not free competition under a system of equal Duties, but the equalization of prices by the imposition of differential Duties.

664. The understanding and argument of the Madras Government seem to be that the home manufacture being shackled by its subjection to a Monopoly is in fairness entitled to protection by the imposition of a differential Duty on Foreign Salt to such an extent as would bring both Salts into the market at the same price. This, however, is not what the Hon'ble Court desire, and the Madras Government profess to establish, viz. free competition, but exactly the reverse—to wit—protection for the Monopoly, not indeed to a prohibitory degree, as when the Duty was 3 Rupees per maund, but to the extent

The principle observed in the treatment of foreign Salt stated.

In recommending the reduction of the Sea Customs Duty on imported Salt from Rs 3 to 12 annas per maund, the Madras Government misapprehended the principle of the proposed measure.

The rate of 12 annas was proposed not for the purpose of equalizing the tax on all Salt but in order to equalize the price of all Salt.

The Madras Government consider, but, it is obvious, erroneously, that competition on equal terms is secured by this mode of equalizing prices.

Accordingly, the Madras Government subsequently proposed to levy a special differential Duty of 14 annas on Salt imported by Sea from Goa, expressly to deprive it of its natural advantage of greater cheapness.

This misapprehension and proposed perversion of the true principle was carefully explained by the Government of India, but the object in view is still misunderstood by the Madras Government.

The Madras Government seem to argue that the home manufacture is entitled to protection by reason of its being shackled by a subjection to a Monopoly.

* See Appendix J, No. 8, para. 1. † Appendix J, No. 8, para. 5. ‡ Appendix J, No. 9. § Appendix J, Nos. 10 and 11.

of preventing Foreign Salt from entering the market at a cost below the Monopoly price. The desire of the Hon'ble Court simply is that, as in the Bengal and Bombay Presidencies, all Salt, whether imported or of Native manufacture, should be subjected, as nearly as possible, to the same rate of Duty. If in the competition on these terms, the Monopoly manufacture should in any case be driven out by foreign importations, the legitimate course in such a case would be, not to bolster up the Monopoly by raising the Duty on the successful Salt, to the extent of its advantage in the market, but to relieve the Native Salt from its shackles as a Government manufacture and allow it to contend with the foreign article under Excise Regulations.

It now appears that the present Sea Import Duty of 12 annas per maund was not only calculated on a wrong principle, but does not represent, as it was supposed to do, the average net profit derived by the Government from the Native Salt. The average cost price to Government of Salt manufactured on the Coromandel Coast, exclusive of any charge for wastage, is Rupees 8-3 per garce of 120 maunds.* Five per cent. being added for Wastage, the cost is raised to Rupees 8-60½† or say Rupees 8-10. On the Malabar Coast, the cost of manufactured Salt in Canara is Rupees 25-8 per garce,‡ and of Bombay Salt imported into Malabar for the service of the Monopoly Rupees 32-8.§ The total of these three items of cost is Rupees 66-10, giving an average cost per garce of 120 maunds, for the whole Presidency, of Rupees 22-3-4, which sum being deducted from Rupees 120, the Monopoly price of a garce of Salt, at 1 Rupee per maund, leaves Rupees 97-12-8 as the net profit to the Government on each garce of 120 maunds, or 13 annas per maund, instead of 12 annas the net profit assumed in reducing the Sea Import Duty to that rate.

Omitting imported Salt and confining the calculation to manufactured Salt, the net profit is 13 annas 8 pie per maund.

665. Again, omitting the cost of the Salt imported into Malabar from Bombay on account of Government, as not legitimately entering into the calculation, the total cost price to Government of Salt manufactured for them on the Coromandel and Malabar Coasts amounts to Rupees 34-2 per garce, giving an average for the two Coasts of Rupees 17-1,|| which sum being deducted from Rupees 120, the Monopoly price of a garce of Salt, leaves Rupees 102-15 as the net profit per garce to the Government, or 13 annas 8 pie per maund, instead of 12 annas.

On the Coromandel Coast, taken alone, the net profit is nearly 15 annas per maund. On the Malabar Coast, taken alone, the net profit, including imported Salt in the calculation, is a little over 12 annas per maund; excluding imported Salt it is 12 annas 8 pie per maund.

† Sale price of a garce,	Rupees 120 0
Deduct cost price,	" 8 10
Net Profit,	Rupees 111 8

** Sale price of a garce,	Rupees 120 0
Deduct Cost Price,	"
Malabar,	Rupees 25 8
Canara,	" 25 8
Total,	Rupees 53 0
Average,	Rupees 29 0
Net Profit,	Rupees 91 0

†† Sale price of a garce,	Rupees 120 0
Deduct cost price in Canara,	" 25 8
Net Profit,	Rupees 94 8

or 12 annas 8 pie per maund, instead of 12 annas, as before, in each case.

668. In order to a strict assimilation of the rate of Customs Duty on imported Salt to the net profit derived by Government from the Native Salt, instead of taking one average of net profit for the whole Presidency, the Duty should be separately fixed for each Salt-producing district, but this would create an

* See para. 550. † See paras. 543 and 540. ‡ See para. 560. § See para. 559.

inconvenient number of import rates, not materially differing from each other on either Coast of the Presidency. If a single average were taken, the rate would be 13 annas 8 pie, or (say) 14 annas per maund, that being the average net profit, according to the calculation given at para. 666, derived from the manufactured Salt of the whole Presidency. It is however essential to take two averages, one for the Coromandel Coast, the other for the Malabar Coast, as it is clear, from the calculations given at para. 667, that the general average of 14 annas would, on the former Coast, be unduly favorable, and on the latter unduly prejudicial, to the importer. The average on the Malabar Coast should be taken only on the manufactured Salt of Canara, and not also on the imported Salt of Malabar.

669. I have therefore to recommend, in conformity with the foregoing views and calculations, that the rate of Sea Customs on Foreign Salt imported into the Madras Territories be fixed for the Coromandel Coast at 15 annas, and for the Malabar Coast at 12 annas 8 pie or (say) 13 annas per maund, in substitution of the present rate of 12 annas per maund for both Coasts.

670. If it be deemed more convenient to fix a single rate for the whole Presidency, then the rate above proposed for the Malabar Coast only, namely 13 annas, should be adopted. A scrupulously nice adjustment of the rate for the Coromandel Coast is of no practical consequence, for it is altogether improbable that any Foreign Salt will ever be brought to that Coast; but it is otherwise on the Malabar Coast; there, it is I think certain, that, under an open trade and equal Duties, Salt imported from Bombay, Sind, Arabia, Ceylon, and Goa, by private enterprise, will very soon supersede the necessity for purchasing Salt from Bombay for the supply of Malabar and Canara, and drive out the Native manufacture in the latter district altogether, especially if the Bombay Salt Export Trade to British Ports of the Madras Presidency be placed on the footing recommended in a former part of this Report.*

671. The Land Customs on Foreign Salt imported into the Madras Territories is still 3 Rupees per maund, as fixed by Act VI. of 1844, except in the case of Goa Salt, which is admitted into Canara at a reduced Duty of 12 annas per maund. This anomaly should now be remedied by assimilating the Land Customs now leviable on Goa Salt and all other Foreign Salt to the lower rate of Sea Customs proposed for the Malabar Coast, namely, 13 annas per maund.

672. *Conventions with the French Government.*—See paras. 589 to 594. The object of the British Government in entering into the first Convention of the 7th of March 1815, in so far as it relates to the trade in Salt evidently was the protection of the Madras Salt Revenue. It could have been nothing else. The British Government, it must be supposed, were content to pay the sum of 4 lacs of Sicca Rupees† annually, for the exclusive right to purchase all the Salt manufactured in the French Possessions, beyond the quantity required for domestic consumption, because it was regarded as, on the whole, the best measure that could be adopted for preventing the illicit introduction of French Salt into the British Territories. Mr. Peacock, of the India House, in a paper‡ given in to the Select Committee of 1836, describes the payment as belonging "to the purchase of the good-will of the Monopoly," and consider it debitable neither to charges of manufacture, nor to charges of collection, but to the general Revenue. I cannot however discover any ground for this view, either in the Convention itself or elsewhere. The charge appears clearly to have been incurred with a view to the prevention of smuggling, and to be therefore debitable to charges of collection. The object of the first Convention seems to be interpreted in the second Article of the second Convention, in which the French Government, in guaranteeing the strict observance of the stipulation to close the manufacture in their Possessions, guarantee further the "adoption of all such measures as depend upon them for ensuring the effectual prevention of the contraband trade in Salt."

673. The arrangement seems to have been an expensive one. It was also faulty; inasmuch as while the French continued to manufacture, almost the same facilities for smuggling existed as before. The suppression of the manufacture throughout the French Settlements was therefore cheaply purchased, under the second Convention, at the cost of a further annual payment of 14,000 Sicca Rupees§; but the Convention was chiefly defective in not providing that it might be terminated at the option of either of the contracting parties. In place of this, it is expressly declared by Article X. to be permanent until dissolved by the "mutual consent" of both contracting parties. The East India Company would therefore be bound to pay this sum of 4 lacs of Sicca Rupees annually even if the Salt Revenue should be relinquished altogether.

* See paras. 499 to 519. † Equal to Company's Rupees 4,26,667. ‡ Appendix No. 77—Parliamentary Report of 1836. § Equal to Company's Rupees 14,933.

The propriety of debiting the payment as heretofore, to the Bengal Presidency, examined.

674. This payment is debited to the Bengal Presidency, under orders of the Madras Government, dated the 30th of December 1816, on the ground that it is "a supposed equivalent for an advantage principally, if not wholly, derived to the Government at Fort William by the Monopoly of Salt and Opium." The orders were communicated to, and it may be supposed were acquiesced in by the Government of India, but I have not been able to discover any sufficient foundation for the supposition on which they were made to rest. The Convention, it is true, contains a stipulation concerning Opium to the effect, that France shall have 300 cases of that drug at the average price brought at the periodical public sales at Calcutta; but, under Article V., the payment in question is made "in consideration of the stipulation expressed in the preceding Articles," which relate exclusively to Salt, and the whole advantage under those Articles is derived to Madras Salt, for, as already shown, the French have never held any Possessions in the Bengal Presidency, or any where except in the Madras Presidency, where Salt could be manufactured.

In the opinion of the Commissioner, the payment ought in future to be debited altogether to the Madras Presidency.

675. I am therefore of opinion, that the Bengal Salt Revenue is unfairly charged with this heavy payment, which amounts to nearly 38 per cent. of the total expense incurred in collecting that Revenue,* and that it should in future be debited altogether to the Madras Presidency.

Average cost of collecting the Bengal Salt Revenue for the three years ending with the past year 1854-55, as shown in Column 17, Appendix T.	
Bengal Part	Rupces 11,21,403
Proportion charged under the first Convention with the French Government	4,26,067

The Conventions with the French are not considered to present any obstacles to the substitution of an Excise.

676. The Board of Revenue say, that, in the event of an Excise being introduced, it will be necessary to consider the British engagements with the French Government;† and Mr. E. Maltby, a Member of the Board, gives as one of the reasons why, if an option had been allowed, he would have preferred to continue the Monopoly system, that the Conventions with the French Government oppose obstacles to a change to an Excise.‡ I cannot however perceive that these Conventions in any way touch the question of substituting an Excise for the present system. The Madras Authorities, under an Excise, would still only have to supply the French Government with a certain quantity of Salt, which might easily be purchased for the purpose.

In the opinion of the Board of Revenue, Rowannahs or Passes should only be required within a limited range.

677. *Rowannahs or Permits.*—This subject is noticed in paras. 164 to 169 of the Memorandum prepared by the Board of Revenue.§ It has been seen that any Salt found in transit any where within the limits of the Presidency, unprotected by a Rowannah or Pass, or in excess of the quantity specified in the Pass, is by Law liable to seizure and confiscation;|| but since the removal of the chokies in the interior, consequent on the abolition of Transit Duties by Act VI. of 1844, no machinery has existed for the examination of Salt in transit. Adverting to this fact, and to the annoyances and exactions to which traders were exposed when the chokey system was in force, the Board of Revenue state, that they "would ere this, have recommended the abolition of Rowannahs altogether, had it not been that they were necessary under the Regulation;" and they conclude their notice of the subject with the following observations:

"That Rowannahs, when the roads were guarded under the old Sayer system, were a great protection to the Salt Revenue, is admitted; and even now they are a check to a certain extent, but however unobjectionable a Pass or Permit within a limited range as in the case of Abkaree Permits; yet to subject traders to an inquisitorial visit from every Native Police Officer they may meet during a journey of some weeks, must operate to the prejudice of the traffic and be accompanied by so many evils, that it seems desirable to put an end to the present practically *effete* system, and leaving the merchant free on transit, use every exertion to prevent smuggling at the place of manufacture."

The Commissioner entirely concurs in the objections of the Board to an unlimited range of inquisition and is of opinion that a Pass should only be required to clear the Salt of the Works where it is manufactured and sold.

678. I entirely concur in the Board's objections to an unlimited range of inquisition, such as that to which Salt is now liable by law. My views on this question have been stated already, in paras. 389 and 390 in connection with the Bombay Law on the subject. Whether under the present Monopoly or the proposed Excise system, the Establishment within and immediately surrounding the Works should be made strong enough to detect the first attempts at smuggling; the Permit should provide for a protection only to the limits of the Establishment; there it should be taken and cancelled; and beyond those limits no interference whatever should be allowed with Salt in transit, or in store except in illicit Salt Works. Mr. Maltby would require Passes within a range of 30 miles from the Salt Works, but obviously the checks should rather be concentrated in strength on the manufacturing ground. In the Bombay Presidency, the preventive chokies are placed at commanding spots generally within half a mile or a mile of the Works.¶

† Appendix B, para. 219.

‡ Appendix E, No. 34 para. 2; see also para. 14.
§ See para. 511.

§ Appendix B.

¶ See para. 263.

679. *Laws relating to the Salt Revenue.*—These are noticed in paras. 509 to 513; and all that need be said on this head is, that the existing enactments are of very old standing, and will require to be remodelled and adapted to the proposed new system.

680. *System of Management.*—It has been shown in paras. 514 and 515, that the management of the Salt Revenue constitutes at present one of the ordinary duties of the Collectors, and that no uncovenanted agency is employed, except in the Madras Collectorate, where there is a single Uncovenanted Assistant. In a Despatch to the Madras Government, dated the 31st of August 1852, the Court of Directors stated, that, considering the nature and weight of the duties which the Collectors and Magistrates are primarily required to discharge, they feared that it would be vain to expect from them that scrutinizing control over the Native Officers employed in the Salt and Abkaree Departments, which is essential to the efficient administration of those branches of Revenue. They therefore desired the Madras Government to take into their consideration, whether the control of the departments in question might not, with advantage, be withdrawn from the management of the Collectors, and entrusted, as in Bengal, to that of separate Officers, to be designated Superintendents of Salt and Abkaree Revenue; and if they should be of opinion that some such arrangement would be advisable, to place themselves in communication on the subject with the Government of Bengal. In furtherance of these instructions, the Madras Board of Revenue called for, and had received, the necessary information on the subject from the Calcutta Board of Revenue, but at the time of my visit to Madras, no further progress had been made in the matter.

681. It appears to me, that the measure suggested by the Hon'ble Court is very deserving of a trial. From all I could learn the Madras Collectors are greatly overworked. The Ryotwaree system entails upon them a constant amount of minute labor, such as no Collector in Bengal has to undergo, and they are not only Collectors but also Magistrates. It is impossible under these circumstances that their duties in the Salt Department can receive that degree of attention at their hands which is essential to the proper development of that branch of the Revenue. The Salt Department is conducted by a distinct class of Covenanted and Uncovenanted Officers not only in Bengal but in Bombay, and I have little doubt that if the Salt and Abkaree Revenue of the Madras Presidency were placed under separate management, upon the plan of the Salt system which now prevails in Bombay, or of the Abkaree system which was lately in force in Bengal, the expense of the measure would be counterbalanced, as desired by the Hon'ble Court, by the greater efficiency of the administration.

The Salt laws are of old standing and will require to be remodelled.

Suggestion of the Court of Directors to place the Salt and Abkaree Departments under separate management.

The suggested measure appears very deserving of a trial.

Section IV.

ON THE RATE OF DUTY.

A collection of papers relating to the question of price will be found in the Appendix.

682. A narrative describing the changes in the price of Salt at the Government Stores, from the establishment of the Monopoly to the present time, has been given in paras. 517 to 527 of this Report, and in the Appendix* will be found a collection of papers relating to the question of price.

Changes in the Monopoly price of Salt.

683. The narrative shows that the Regulation establishing the Monopoly, passed towards the close of 1805, fixed the sale price of Salt at the Government Stores on the Sea-coast at Rupees 70 per garce of 120 maunds; that in November 1809 the price was raised to Rupees 105 per garce; that in 1820 it was again reduced to Rupees 70, and in 1828 again raised to Rupees 105; that in 1844 the price was raised to Rupees 180, and in the same year reduced to Rupees 120, and that this last has ever since been, and still is, the price of a garce of Salt at the Government Stores.

The effect of the changes upon consumption and upon the nett Revenue.

684. The effect of the changes upon the consumption of licit Salt, and upon the net Revenue derived therefrom, is exhibited in the following Table prepared from a Statement in the Appendix:—†

YEARS.	Number of years.	Price per garce.	Average sales or licit consumption per annum.	Average nett Revenue per annum.
		Rupees.	Indian Maunds.	Rupees.
1806-7 to 1808-9	3	70	34,14,560	16,08,072
1809-10 to 1819-20	11	105	31,74,908	23,37,958
1821-22 to 1826-27	6	70	47,77,769	21,95,967
1828-29 to 1842-43	15	105	42,09,476	31,81,998
1845-46 to 1852-53	8	120	48,46,681	41,61,636

In the above Table, sales for exportation by Sea, and the years 1820-21, 1827-28, 1843-44 and 1844-45, in which two prices prevailed, have been excluded.

In 1844, the Court of Directors directed the immediate reduction of the price from Rupees 1-8 per maund, to which it had been raised by Act VI. of that year, to one Rupee per maund, on the ground that every increase of price had been followed by decrease of consumption.

685. On the occasion of the price being raised to Rupees 1-8 per maund, or Rupees 180 per garce, by Act VI. of 1844, the Court of Directors, in a Despatch dated the 3rd of July of that year, reviewed a Statement of the Salt Revenue extending to the year 1841-42, and observing that whenever the price had been raised, a considerable falling off had been apparent in the sales, or licit consumption, directed the immediate reduction of the Duty to one Rupee per maund or Rupees 120 per garce.‡

In 1847, the Court of Directors finding that up to the year 1842-43 the average consumption had fallen considerably, under an increase of price from Rupees 70 to Rupees 105 per garce, desired that the Board of Revenue might be called upon for a full Report on the Salt Revenue.

686. In a Despatch dated the 31st of December 1847, the Court of Directors again reviewed certain Statements of the Salt Revenue. These Statements showed, that in the period, from 1820-21 to 1827-28, when the price of Salt was Rupees 70 per garce, the average annual supply to all the inhabitants of the Madras Presidency and of the Native States in the interior dependent for their Salt on the produce of the Coasts of Coromandel and Malabar, was 39,266 garces; while in the subsequent period, from 1828-29 to 1842-43, when the price was Rupees 105 the garce, the average consumption had fallen to 34,772 garces per annum. This decrease of 4,494 garces, or at the rate of 11-4 per cent. on the annual consumption, without allowing for the natural increase of population, was considered by the Hon'ble Court to be very unsatisfactory and to lead to the conclusion that the increased price had either rendered it impossible for the people to obtain a sufficient supply; or that they had been supplied through illicit channels; or had had recourse to the impure and unwholesome article obtainable from saline earths; and they feared that the further increase in the price, from Rupees 105 to 120 per garce, which had since taken place, had still further aggravated the evil. They therefore desired that the Board of Revenue might be called upon to supply a general Report on the subject, exhibiting the bearing of the Salt tax on the inhabitants of the

* Appendix K.

† Appendix B, Enclosure No. 8.

‡ Appendix K, No. 1.

different districts under the Presidency, and particularizing, as far as circumstances would permit, the rate of consumption, and the extent of population, whether British or Foreign, who were dependent for their supply of Salt on the produce of the Madras Coasts.*

687. The Board of Revenue, after collecting the opinions of the district Officers, submitted a full Report on the subject to the Government on the 4th of July 1850, extending to the results of the year 1847-48.† The Collectors, generally, it appeared, were in favor of a reduction of the price. It was shown that the sales of Salt had risen with the price at Rupees 70 and fallen with the augmentation in the rate to Rupees 105, but that latterly the sales had increased, and were not at the time materially below the highest sales effected when the price stood at Rupees 70. It was also shown that the consumer had not been called upon to pay in proportion to the increased price at the Government Stores, but that the profits of the dealer had been *pro tanto* reduced.

688. With respect to the relation borne by the sales to the population, the Board, assuming 6 measures, or 18 lbs., to be the rate of consumption, taking old and young, per head, per annum, and the population of the British Territory under the Madras Presidency to be 20 millions, including the Army and persons not permanently resident, showed that the total sales for the consumption both of British and Foreign Territory exceeded the quantity required according to the above calculation, for the population of the British Territory alone, by only 564 garces.‡

689. Again, taking individual consumption at 6 measures, or 18 lbs. as before, it was shown that the consumption of a family consisting of 6 persons would be 36 measures, or 4½ mercahs, annually, and that the cost of this quantity at the prevailing price of Rupees 120 per garce was Rupees 1-5-7. This sum the Board stated, might be said to represent the monthly earnings of persons in the interior subsisting on wages; and from these calculations they deduced that with charges of conveyance and profits of trade superadded to the prime cost, Sea Salt must be beyond the reach of many.

690. The conclusion the Board came to upon these data was that, "Revenue alone being had in view," it was obvious that a reduction of the price was not called for, and that as the existing price of Rupees 120 per garce had been in operation only since 1845-46, sufficient data were not at hand to enable them to decide whether the increase from Rupees 105 had been attended with such effects as to call for a reduction on other grounds. In this latter opinion the Government concurred.§

691. Mr. Elliot, one of the Members of the Government, demonstrated that, in proportion as the price was low, the merchants intercepted a part of the benefit intended for the consumer; and argued that, as there had been an increasing demand since the Monopoly price was raised to Rupees 120, the augmentation had not put it beyond the means of the ordinary Salt consumers to use Salt to the same extent as they had been accustomed to do. With respect to the consumption of Salt per head, Mr. Elliot pointed out that the Board's estimate was more than double the highest estimate|| arrived at by Sir Thomas Munro, when Collector of the Ceded Districts; and as the population in 1824-25 had been computed at less than 14 millions, he expressed himself sceptical of the Board's estimate of 20 millions and of the calculations founded upon it.¶

692. Mr. Thomas, another Member of the Government, dissented from his colleagues. He came to the conclusion apprehended by the Hon'ble Court, namely, that the increased price had placed Marine Salt in a great degree beyond the reach of large classes of the people, and had induced them to seek the supply of their wants through illicit channels, or driven them to the use of impure and unwholesome Earth Salt of the country. He therefore advocated a reduction of the price to Rupees 70 per garce, and the formation of Salt Depôts at all the large towns in the interior. Mr. Thomas was not disposed to think that the Board's estimate of the consumption per head had been taken too high at 6 measures, or 18 lbs. annually, but supposed the population not to exceed 15 to 16 millions.**

693. The Court of Directors considered the information furnished to them on the Board's Report, in reply to the call made in their Despatch of the 31st of December 1847, to be satisfactory, inasmuch as it afforded evidence that the increase of the price from Rupees 105 to Rupees 120 per garce had not been followed by any

* Appendix K, No. 2.

† Appendix K, No. 3.

‡ Appendix K, No. 4.

§ Appendix K, No. 5.

|| Appendix K, No. 6.

decrease of consumption, but on the contrary, that the quantities of Salt disposed of in the maritime districts

	Garces.
• 1845-46	27,664.
1846-47	38,231.
1847-48	38,231.
1848-49	38,930.
1849-50	39,876.
† 1859-60	37,562.
† Average from 1821-22 to 1826-27	39,494.

had been steadily increasing since the change,* exceeding in every year the largest quantity ever delivered when the price was Rupees 105 the garce,† and in the last year (1849-50) exceeding the average annual quantity delivered during the period when the price was Rupees 70 the garce.† Under these circumstances and having regard to the apparent tendency to an increase of consumption at existing prices, the Court, in a Despatch dated the 31st August 1852, concurred with the Madras Government in opinion that there was no necessity for any alteration.‡

The question of reducing the Monopoly price now examined further.

694. It thus appears that the question of reducing the price has undergone elaborate inquiry and consideration at a comparatively recent period. It admits however of further examination; and the first point to be considered is, whether the present Monopoly price is so high as to debar the people from a sufficient supply of Salt. In order to show that this cannot be the case, it might be sufficient to refer to the observations and calculations contained in paras. 435 to 442 of this Report, relative to the pressure of the Bombay Duty, since the price of Salt at the Government Stores at Madras, namely, 1 Rupee a maund, is certainly not more than from 2 to 3 annas a maund higher than the selling price of Salt at the Bombay Pans including the Excise Duty of 12 annas a maund. The cost of manufacture in both Presidencies is about the same, but in Madras the average profit on the Monopoly price is 2, or at the most from 2 to 3 annas a maund in excess of the Excise Duty in Bombay, the one being about 14 annas the other 12 annas a maund.

The pressure of the Monopoly price upon maritime consumers investigated.

695. The outside average price in Bombay of a maund of Salt to consumers on or near the Coast was taken to be 1 Rupee; the outside average price in Madras to the same class of consumers may therefore be taken to be Rupees 1-3 per maund. At this rate, and allowing 12 lbs for the consumption per head, per annum, each consumer's annual supply of Salt would cost him 2½ annas, or in English money 4d; and this cost, assuming the average wages of agricultural labor at the lowest rate taken for Bombay, namely, Rupees 2 per mensem, which is equal to Rupees 24 per annum, would amount to the 140th part of his yearly earnings, or a tax upon his income of something less than two-thirds per cent. Assuming 8 lbs. as the annual consumption, the Cost would be reduced to 1 a. 10 p., or in English money 2½ d., and the pressure upon the income to less than ½ per cent.

696. Again supposing, as in the Bombay case, a family of 5 persons, adults and children, to consume, at the rate of 8 lbs. each all round, 40 lbs. of Salt per annum, and to earn between them only 3 Rupees per mensem, and to pay the outside average price for their Salt, viz. Rupees 1-3 per maund, the cost of the whole supply, even in this extreme case, would amount to only the 60th part of the yearly earnings or an income tax of one two-thirds per cent.

697. The Board of Revenue estimate that 18 lbs. per head per annum is the average quantity of Salt that would be consumed if the price were not a hindrance,|| but this is certainly much beyond a necessary quantity for a full grown man. Six seers or 12 lbs. a head has usually been considered a full allowance. Sir Thomas Munro's highest estimate, it has been seen, gives less than 9 lbs., and in the Bombay Jails 7 lbs. is found to be a sufficient allowance. The Board also estimate the average wages of a laboring man at Rupees 1-8 per month,¶ but even Rupees 2 is probably a low average; at all events, supposing the average earnings of a single laborer to be only Rupees 1-8, Rupees 3 cannot, even upon that estimate, be considered too high an average for the monthly earnings of a family of 5 persons.

The pressure of the Monopoly price upon inland consumers investigated.

698. In the interior, the price of course rises in proportion to the distance from the Coast. This, however, is due not to the Monopoly price but to the cost of transit. The average retail prices which have ruled in every district, in every year from 1816-17 to 1852-53, are shown in a Statement in the Appendix** The district in which the price was highest in the latest year 1852-53, as in all the previous years, was Bellary. The average price in that year was Rupees 251 per garce of 120 maunds, but at this rate, supposing Salt were obtained free on the Coast, it would still cost, in expenses of transit, 131 Rupees per garce, on an average, in Bellary. Nevertheless, at the above price, which is equal to Rupees 2 for a little more than 38 seers, or (say) a maund, the price in Bellary to a single consumer of 12 lbs. per annum is only 4½

* Appendix K, No. 10.

|| See Appendix B, paras. 131 and 141.

¶ See Appendix B, para. 215.

** Appendix B, Enclosure No. 26; see also Appendix B, paras. 110 and 111

annas, and to a family of 5 persons, consuming 8 lbs. each all round, or 40 lbs. per annum, it is only 15 annas 10 pie, equal, in the former case, to a tax of 1½ per cent. on an income of Rupees 24 per annum, and in the latter, to a tax of less than 3 per cent. on annual earnings to the amount of Rupees 36.

699. It cannot be said, therefore, that, either on the Coast or inland, the present Monopoly price of Rupees 120 per garce, or 1 Rupee per maund, is so high as to debar the people from a sufficient supply of Salt. On the contrary, it must be admitted that, as in the Bombay Presidency, a liberal supply is procurable even in the dearest inland districts by the most numerous classes at a moderate expenditure in proportion to their earnings; or, if it is not, that the cause does not lie in the grievous pressure of the Monopoly price.

The conclusion the Commissioner arrives at is that the present Monopoly price of one Rupee per maund does not operate grievously upon any class of consumers.

700. It is also always to be remembered that the Monopoly price was raised from Rupees 105 to Rupees 120 per garce, or from 14 annas to 1 Rupee per maund, with the view of making up the Revenue relinquished by the entire abolition of the Transit Duties, and in consideration of the relief afforded to the people by that measure. The net Revenue relinquished exceeded 31 lacs of Rupees.* The net increase

† Net Revenue in the latest year (1852-53) at Rupees 120 per maund	42,59,768
Net Revenue in the latest full year (1812-43) at Rupees 105 per maund	33,58,850
Increase	9,00,918

in the Salt Revenue has not been 9½ lacs,† and a portion of this increase it may be supposed would have accrued, by increased consumption,‡ if the price had not been raised, so that the whole cannot be placed to the higher price. In addition to the above, the Tobacco Monopoly in Malabar and Canara, yielding a net Revenue of nearly 8 lacs of Rupees, was abolished on the 1st of January 1853,§ and it is in contemplation to relinquish the Moturpha tax, yielding a net Revenue of nearly 12 lacs of Rupees.¶ The population of the Madras Presidency have thus been relieved already, since 1844, of very vexatious taxes to the net amount of about 39 lacs of Rupees, and when the remaining measure of abolishing the Moturpha collections has been carried into effect, will have been eased of upwards of 51 lacs, or more than half a million, of much more oppressive and burdensome taxation than the impost on Salt. The Transit Duties alone, it is probable, used to add as much to the price of Salt in the interior as the Monopoly profit now does.

It is always to be remembered that the population of the Madras Presidency have been relieved, since 1844, of 39 lakhs, and are about to be relieved of an additional 12 lacs, in all of upwards of half a million, of taxation much more grievous than the impost on Salt.

701. It has next to be considered whether a reduction in the price, by stimulating consumption and checking smuggling, might be expected eventually to benefit the Revenue.

The question whether a reduction in the Monopoly price would eventually benefit the Revenue, investigated.

702. The actual consumption of licit Salt per head per annum in the Madras Presidency cannot be fixed, because, even supposing the latest Census of the population, taken in 1850-51, could be relied on as approximately accurate,¶ the other element in the calculation, namely, the proportion of the total quantity sold, consumed, within the limits of the Presidency, is entirely wanting, except upon data not to be trusted. The total sales in the latest year 1852-53, exclusive of Salt sold for exportation by Sea, amounted to 51,94,713 maunds, but how much of this quantity was carried inland beyond the Madras Presidency to other Territories, British and Foreign, dependent for their supply on the produce of the Madras Coasts, cannot, as explained in para. 597, be distinguished with sufficient accuracy for any practical purpose, though the distribution has been set down in the Accounts, as shown in para. 596, in the proportions given on the margin

703. Supposing that the whole quantity sold (51,94,713 maunds) were consumed within the limits of the Presidency, the annual consumption per head, taking the population at 22,301,697, as shown by the Census of 1850-51,** would be a little over 9½ seers or 18½ lbs., but it is certain that a large proportion goes to

	Maunds.
Consumed within the Presidency	33,95,149
Supplied for inland consumption beyond the Presidency ..	17,99,567
Total	51,94,713

†† Mysore, 3,300,000
Nizam's Dominions, 10,666,080
Nagpore, 4,850,000
S. W. Frontier, viz. Sumbulpore, &c., 2,627,456
Total, 21,243,536

In the copy of the Tables furnished to me the population of Mysore is set down at only 300,000, but this must be a clerical error for 3,300,000.

* See Appendix B, para. 221. † See Appendix B, Enclosure No. 3. ‡ See Appendix B, para. 222. § See Appendix B, para. 223.

¶ The Court of Directors have lately seen reason to mistrust the accuracy of the Madras Census. See letter to Government of India, No. 29, dated the 29th of August 1855, para. 4.

** See Appendix N.

†† See para. 423.

Such data as there are, show the consumption per head, within the limits of the Presidency, to be a little over 12 lbs.

supply foreign consumption. To notice only the larger tracts dependent for Marine Salt on the produce of the Madras Coasts, these are Mysore, Hyderabad, Nagpore, and the hilly country lying between the Province of Cuttack and Behar, the population of which is set down, in Tables prepared at the India House, from the latest estimates, and sent out to India in August last at 21,243,536,†† being a number nearly equal to the population of the Madras Presidency. In the Bombay Presidency a similar calculation gives 24½ lbs. as the average annual consumption per head, of which one-half or 12½ lbs., is the computed consumption per head within and beyond the limits of the Presidency respectively.‡‡ In the Madras Presidency,

about one-third, or 17,99,568 maunds, of the total quantity sold is assigned to foreign consumption, and the remaining two-thirds, or 33,95,146 maunds, to the consumption of the Presidency. Taking this to be approximately correct, as it possibly may be on the whole, though no reliance is to be placed on the details, the present average annual consumption per head within the Presidency may be $6\frac{1}{2}$ lbs. or a little over 12 lbs., which must be considered a fair rate, especially if regard be had to the very extensive recourse to Earth Salt, which is supposed to supply at least three-fourths of the illicit consumption of the Presidency, consumed, however, not because the people are driven by the pressure of the Monopoly price to the use of an impure and unwholesome substitute for Marine Salt, but because it is a good and wholesome condiment, the manufacture of which, though prohibited by law, is suffered from necessity, and which is every where untaxed, except lightly in the district of Bellary.

The licit consumption has increased in the 47 last years from 1806-7 to 1852-53, but, apparently, not in the ratio of the increase of population. 704. The average annual quantity of Salt sold in the first three years of the Monopoly from 1806-7 to 1808-9, at the price of 70 Rupees the garce, was 31,14,560 maunds. The average annual quantity sold in the last eight years, ending with 1852-53, at the price of Rupees 120 the garce, has been 48,46,681 maunds,* showing an average increase in the forty-seven years from 1806-7 to 1852-53, both inclusive, of 14,32,121 maunds, which quantity, at an individual supply of 6 seers, or 12 lbs. per head, is sufficient for the consumption of 95,47,473 persons. I do not know that the rate of increase of population for India has ever been satisfactorily calculated; but I should suppose that the population dependent for its supply of Salt on the produce of the Madras Coasts must have increased to a greater extent than $9\frac{1}{2}$ millions in the period of forty-seven years; and, if this be so, the rate of consumption has not been maintained; but to what extent it has fallen off (supposing it has fallen off, and not indeed increased,) it is impossible with no satisfactory knowledge of the number of the population at the two ends of the period, or of the ratio in which population increases in India, to determine.

In the last 8 years, since the Monopoly price was raised to Rupees 120 per garce, or one Rupee per maund, the consumption has increased in greater ratio than the population. 705. In like manner, the average quantity of sold Salt in the eight years, terminating with 1852-53, since the price was augmented to Rupees 120 per garce, has risen from 42,09,476 maunds, the average of the previous fifteen years, when the price was 105 Rupees per garce, to 48,46,681 maunds,† giving an increase of 6,37,205 maunds, which quantity at an individual supply of 6 seers, or 12 lbs. a head, is sufficient for the consumption of 42,48,033 persons. In this last period of eight years, therefore, I suppose that the consumption has been more than maintained, that is to say, has increased in greater ratio than the population, as it is scarcely possible that the population can have increased to the extent of $4\frac{1}{2}$ millions in eight years.

The Commission-er is of opinion that the rate of Excise for the Madras Presidency should be fixed at 12 annas a maund, and that in the mean time the Monopoly price should be reduced to 14 annas a maund, or Rupees 105 per garce, so as to equalize the net profit in Madras with the Excise Duty in Bombay. 706. There is certainly, as it appears to me, no call, in any point of view, for any sacrifice of the Madras Salt Revenue; but as the rate of Excise Duty in the Bombay Presidency is 12 annas per maund, and as a reduction of the Madras net profit to that rate will not be attended even with immediate loss, if Earth Salt be brought under Excise Regulations nor, I think, with eventual loss, if it be not, I am of opinion that the rate of Excise for the Madras Presidency should be fixed at the rate prevailing in the Bombay Presidency, namely, 12 annas per maund; and that the Monopoly price should, in the mean time, be brought down to the old rate of Rupees 105 a garce, or 14 annas a maund, so as at once to equalize the net profit in Madras with the Excise Duty in Bombay. This involves a reduction of one-seventh, or about 14 per cent. on the present average net profit of 14 annas per maund, and a sacrifice of net Revenue to the amount of Rupees 5,82,629, on calculating the percentage on the average net receipts of the last eight years, namely, Rupees 41,61,636; but this sacrifice on Marine Salt should be very much more than made good by the proposed Excise on Earth Salt. I cannot but think that an Excise upon Earth Salt in common with Sea Salt would be a very proper measure to introduce, especially at a time when the population have been relieved of 8 lacs, and are about to be relieved of an additional 12 lacs, of vexatious taxation. At the same time, this extension of the tax to Earth Salt affords in itself a sufficient ground for a general reduction of the price. And, finally, the Board of Revenue are "in favor of a reduction of the price, being under the conviction that the consumption would be

"much greater, and that it would supersede, to a considerable extent, the use of Earth Salt which, as far as it is consumed, detracts from the Salt Revenue."‡ Mr. Goldingham, the second Member of the Board of Revenue, would apparently reduce the Monopoly price, not the net profit, to 12 annas a maund, or 25 per cent.§ but that would bring the net profit 16½ per cent. below the Bombay Excise Duty, which appears to me to be quite uncalled for. Mr. Maltby, the third Member, does not state the reduction he would advise, but contemplate, apparently, the same or a greater diminution.||

707. If the reduction of the price to 105 Rupees a garce, or 14 annas a maund, now proposed should be carried out, the Sea Import Duty on Foreign Salt should be fixed, in modification of the rates proposed in paragraphs 669 and 670, in Excise Districts at 12 annas a maund, and in other Districts pending an Excise at 13 annas per maund on the Coromandel Coast, and 12 annas a maund on the Malabar Coast, or if a single rate be preferred, at the lower rate of 12 annas a maund for all Ports on both Coasts; the Land Import Duty being fixed at 12 annas a maund, in modification of the rate of 13 annas proposed in para. 671. The Monopoly price being reduced to 14 annas a maund corresponding reductions should be made in the rates of sea and land import Duty.

708. It has been from time to time a question, whether the pressure of the Monopoly price on the land population ought not to be lightened, either by the allowance of a drawback on Salt conveyed a certain distance into the Interior, or by the establishment of Government Depôts in various parts of the country, at which Salt should be sold at the Monopoly price. The subject is fully discussed in paras. 188 to 197 of the Memorandum of the Board of Revenue.* The formation of Depôts is also advocated in a minute of Council by Mr. Thomas,† and is favored by the Court of Directors.‡ I entirely concur in the objections taken by the Board of Revenue to both these measures, and in the pertinent remarks of Mr. Dalzell on the subject in his reply to the letter circulated by the Commissioners for the Affairs of India in 1832.§ I can recognize no title that the Inland population have to be relieved from the natural consequences of situation by special arrangements in their favor. It is the transit charges, interest on capital, slower returns, insurance against loss, and wastage for longer distances, that necessarily fall on the more remote consumers, and on what principle the Government should interfere to relieve them from these unavoidable consequences of position I am at a loss to comprehend. The Hon'ble Court, though they now seem favorable to Mr. Thomas's proposition for the formation of Depôts, appear to me to have taken exactly the correct view, in 1823, when they objected to a scheme for allowing drawbacks on the ground that it was equivalent to defraying the cost of carriage to the more distant consumers, and that no good reason existed why this should be done in the case of Salt, more than in that of any other article of equal importance.||

709. Nor do the Inland population, for whose benefit these measures are advocated, in fact, labor under any disadvantage. On the contrary, inquiry has now shown that, in the article of Salt, they are better off than the maritime population, inasmuch as in earth Salt they, preferentially, consume as good a condiment as Sea Salt, tax free. The proper course unquestionably appears to be to bring the manufacture of earth Salt everywhere under Excise Regulations so long as the tax on Sea Salt is maintained, the one article being as pure and wholesome as the other. The Inland population do not at present labor under any disadvantage in the article of Salt, but the contrary.

710. It has been seen that, with the view of superseding the use of earth Salt, the Court of Directors desired the Madras Government to ascertain, in communication with the Government of Bengal, whether it would be practicable to introduce into the Interior Districts of the Madras Presidency the system of retail sales of Salt by the Government at reduced prices in force in the manufacturing Districts of Bengal.¶ The measure is scarcely different from the proposition to establish Government Depôts, and is open to the same objections. Moreover, it would not, I think, be practicable. To carry it out, it would be necessary to establish Government shops, at a distance from the manufacturing grounds, all over the Interior of the country. It seems scarcely desirable that the Government should be concerned in such petty transactions and interference with the trade, and it may be doubted, I think, whether the system has worked so advantageously in Bengal for the interests of the Revenue and the welfare of the Molunghees as the Hon'ble Court believe, and as is generally supposed. On these grounds, I propose to consider in the Bengal part of this Report whether it would not be better at once and entirely to abandon the system of retail sales even in Bengal. The introduction of a system of retail sales of Salt by the Government into the interior districts considered objectionable.

711. In a natural state of things, such as it is proposed to establish by the abolition of the Monopoly and the substitution of a system of Excise upon the manufacture, there would be no room for such expedients as drawbacks, Depôts and retail sales; the Inland consumer would necessarily have to pay more for Sea Salt than the maritime consumer, and this latter would be compelled to pay the same rate of tax as all other Salt consumers. The legitimate and the surest mode of cheapening the price of Salt in the Interior of the country, and of increasing the Revenue derived from its consumption, is to improve the communications from the Coast and throughout the Interior. This has been well shown in paras. 400 to 406 of the first Report of the Madras Public Works Commissioners.** Under a system of Excise, there would be no room for such expedients as drawbacks, depôts and retail sales; the proper measure is to improve the communications.

* See the Table at para. 634. † See the Table at para. 634. ‡ See Appendix B, para. 217.
§ See Appendix E, No. 33, paras. 21 to 23. || See Appendix E, No. 31, paras. 7 and 8.

* Appendix B. † Appendix K, No. 6, paras. 29 to 22. ‡ Appendix K, No. 10, para. 9. § See Appendix K, No. 12.

¶ See Appendix B, para. 103. ** See paras. 571 and 572; also Appendix G, No. 8, para. 16, and K, No. 13, para. 12.

** See Appendix G, No. 9.

Section V.

RECAPITULATION.

- Recapitulation of the measures recommended in the foregoing Sections.
712. The following are the measures which have been recommended in the foregoing Sections of this part of the Report, relating to the Madras Presidency.
1. The immediate and total discontinuance of the present system of making advances to the manufacturers of Salt.
 2. Immediate measures for the gradual substitution, throughout the Madras Presidency, of a system of Excise upon the manufacture of Salt, upon the general plan of the Bombay Salt Excise, in lieu of the Monopoly.
 3. Immediate permission to manufacture Salt under Excise Regulations in the District of Malabar.
 4. Immediate relinquishment of the Monopoly manufacture, and simultaneous permission to manufacture under Excise Regulations, in the District of Canara, the whole quantity of Salt required for the consumption of the District, and not supplied by private manufacture or importations, being purchased, as the additional supply for the service of the Monopoly now is, from Bombay.
 5. Immediate measures for the substitution of the Excise system in the Madras Collectorate.
 6. Salt swamps to be rented out under Excise Regulations.
 7. The manufacture of earth Salt to be brought under Excise Regulations, upon the Bengal plan, in the Districts of Bellary and Kurnool, in suppression of the Mohturfa tax now levied on the manufacturers in Cuddapah, and in every other District in which earth Salt can be produced; all manufacture, except under an Excise licence, being strictly prohibited.
 8. Simultaneous measures to be taken to prevent, or to levy customs upon, the importation of earth Salt into the Districts of Tanjore and Madura from the intermediate independent State of Poodocotta, and into the District of Canara from Mysore.
 9. The same rate of Excise Duty to be levied on earth Salt as on Sea Salt.
 10. If it should be found impracticable to introduce an Excise upon the manufacture of earth Salt, or to suppress the manufacture altogether, the Mohturfa now levied on the manufacturer in Bellary and Kurnool to be nevertheless relinquished, and the manufacture to be left absolutely free.
 11. Madras Salt to be at once made available for private exportation by Sea, not at certain Ports only, but wherever it is manufactured; and not at one average price for the whole Presidency, but at its actual cost at each place.
 12. Madras Salt required for the service of the Bengal Monopoly to be debited to that Presidency at its actual cost at the place from whence it may be supplied, its conveyance being separately contracted for, or effected by taking up vessels for the purpose.
 13. The restriction in regard to the tonnage of vessels to be employed in the transport of Madras Salt, temporarily removed, not to be re-imposed.
 14. The rate of Sea Customs on Foreign Salt imported into the Madras Territories to be fixed, for the Coromandel Coast at 15 annas, and for the Malabar Coast at 13 annas, per maund, in substitution of the present uniform rate of 12 annas per maund.
 15. If it be deemed more convenient to fix a single rate for the whole Presidency, the lower rate of 13 annas per maund to be adopted.
 16. The rate of Land Customs on all Foreign Salt imported into the Madras Territories to be fixed at 13 annas per maund.
- The system of advances to be discontinued.
- The same in Canara, the Monopoly manufacture being relinquished.
- Excise to be substituted at once in the Madras Collectorate.
- Swamp Salt to be brought under Excise Regulations.
- Earth Salt to be brought under Excise Regulations.
- Importations of Earth Salt from Poodocotta and Mysore to be prevented or taxed.
- Earth Salt to be Excised at the same rate as Sea Salt.
- The manufacture of Earth Salt to be left free if it cannot be Excised, and the manufacture to be left absolutely free.
- Salt to be offered for exportation by sea wherever it is manufactured at its actual cost at each place.
- Bengal indents to be supplied at the actual cost at each place.
- The restriction in regard to tonnage not to be re-imposed.
- The rate of Sea import Duty to be raised to 15 annas and 13 annas per maund.
- Or, if a single rate be desired, at 13 annas.
- The rate of land import Duty to be fixed at 13 annas per maund.

17. The annual payment of 4 lakhs of Sicca Rupees, made to the French Government under the Convention of the 7th of March 1815, not to be debited in future to Bengal, but altogether to Madras. The annual payment to the French Government to be debited in future to Madras.
18. The unlimited range of inquisition to which Salt is now liable by Law to be curtailed. The permit to provide for a protection only to the limits of the Establishment; to be there taken and cancelled; and beyond those limits no interference whatever to be allowed with Salt in transit, or in store, except in illicit Salt Works. The unlimited range of inquisition to which Salt is now liable by law to be curtailed.
19. The Laws relating to the Salt Revenue to be remodelled, and adapted to the proposed new system. Salt laws to be remodelled.
20. The control of the Salt and Abkaree Revenue to be withdrawn from the management of the Collectors, and entrusted to that of separate Officers, upon the plan of the Salt system which now prevails in Bombay, or of the Abkaree system which was lately in force in Bengal. The control of the Salt and Abkaree Revenue to be placed under separate management.
21. The rate of Excise Duty for the Madras Presidency to be fixed at the rate prevailing in the Bombay Presidency, namely, 12 annas per maund. The rate of Excise Duty to be fixed at 12 annas per maund.
22. The present Monopoly price of 120 Rupees per garce, or 1 Rupee per maund, to be reduced at once to the old rate of 105 Rupees per garce, or 14 annas per maund, so as to equalize the nett profit in Madras with the Excise Duty in Bombay. The present Monopoly price to be reduced to 14 annas per maund.
23. If the Monopoly price should be lowered, as now proposed, to 105 Rupees a garce or 14 annas a maund, the Sea Import Duty on Foreign Salt to be fixed, in Excise Districts, at 12 annas a maund; and in the other Districts, pending an Excise, at 13 annas a maund on the Coromandel Coast, and 12 annas a maund on the Malabar Coast, or if a single rate be preferred, at 12 annas a maund for all Ports on both Coasts, the Land Import Duty being fixed at 12 annas a maund. If the Monopoly price should be lowered to 14 annas per maund, the Sea and Land Import rates of Duty to be altered to correspond.
24. A system of drawback on Salt conveyed a certain distance Inland, or of Government Depôts at all the large towns, or of Government retail shops in all the Interior Districts, not to be introduced. A system of draw-back, or of Inland depôts, or of retail Sales in the interior, not to be introduced.
25. The communications from the Coast to the Interior to be improved. Inland communications to be improved.

PART III.

ON THE SUPPLY OF SALT FOR THE PRESIDENCY OF BENGAL.

Section F.

ON THE RISE, PROGRESS, AND PRESENT STATE OF THE SALT REVENUE SYSTEM.

The system on which the Revenue from Salt is now derived in Bengal is in strict conformity with the recommendations of a Select Committee of the House of Commons, which was appointed in 1836 "to inquire into the supply of Salt for British India," but which in fact restricted its Report to the Salt Revenue system of the Lower Provinces of the Bengal Presidency.

The system and rates of tax under the Mahomedan Government. The first system and rates of tax under the East India Company's Government.

714. Under the Mahomedan Government an *ad valorem* Duty of 5 per cent. was levied from Hindoos, and one of 2½ per cent. was levied from Mahomedans, upon all Salt passing the Town of Hooghly on its way into the Interior of the country. This must have included nearly all the Salt consumed in the Lower Provinces, excepting what was consumed in the Eastern Districts of Bengal Proper. After the Company's Government acquired possession of the District in the neighbourhood of Calcutta, it imposed a Salt tax in the double form of ground-rent for the Khalaries, or Salt Works, and Transit Duty; but these were soon afterwards, viz. about the year 1762, consolidated into one Duty of 30 Rupees upon every Khalary, the estimated produce of each Khalary being from 250 to 300 maunds of Salt. To this Duty was subsequently added a further tax of 10 Rupees on every hundred maunds of Salt manufactured. The quantity of Salt paying this Duty annually was about 25,00,000 maunds, on which the Duty should have amounted to something less than 20 Rupees for every hundred maunds. But owing to malversation and mismanagement, there is no doubt that a small proportion only of this Duty ever reached the exchequer. At that time the Company's servants, and other British subjects (described as free merchants and others), claimed and exercised the privilege of trading with the Interior of the country without paying the Duties levied by the Native Government on Native traders. The principal articles of which this privileged trade consisted were Betelnut, Tobacco, and Salt; but it is worthy of note that Salt was considered so far an exceptional article, that on it, and on it alone, a Duty was paid to the Native Government even by these privileged traders. On Salt over and above the Duty that was or ought to have been paid to the Company, a Duty of 5 per cent. *ad valorem*, (raised for a short time to 9 per cent.) lowered afterwards by a Treaty with Jaffier Ali Khan, the Subahdar, to 2½ per cent., was paid to the Native Government on its transit into the Interior of the country. In February 1764 the Court of Directors ordered this privileged system, which had of course given rise to the most extreme abuses, to be strictly confined to their own servants of five years' standing and upwards, and to be duly regulated in their case. This privilege was regarded as an emolument of office. In a Despatch dated the 1st of June 1764, the Court of Directors ordered these instructions to continue in force "until a more equitable and satisfactory plan" could be formed and adopted; and their Government in Bengal was further ordered, having "a particular regard to the interest and entire satisfaction of the Nuwab, both with respect to his Revenues and the proper support of his Government," to form and submit for approval "a proper and equitable plan for carrying on the said trade," such plan to be settled with the Nuwab's free will "and consent, and in such a manner as not to afford any just grounds for complaint."

Constitution, by Lord Clive's Government, of the "Exclusive Company" for Inland trade in Betelnut, Tobacco and Salt; and the Court's disapproval of the same.

715. In the year 1765, after the assumption, under the Emperor's Firman, of the Dewanee of Bengal, Behar, and Orissa, (which was in effect the assumption openly of the direct administration of these Provinces,) Lord Clive's Government constituted an "Exclusive Company," managed by a Committee nominated by Government, for Inland trade in Betelnut, Tobacco, and Salt; the whole profits of which were divisible, as official emoluments, in certain specific shares, varying according to the seniority of the sharers, amongst the servants of the Company, including all classes, viz. Civil, Military, Medical, and Ecclesiastical. This measure constituted a complete Monopoly of trade in these three articles over these Provinces; and in the article of Salt, it seems to have also constituted in effect a Monopoly of manufacture. A Duty was assigned to the East India Company, payable by the "Exclusive Company," of 10 per cent. on the prime cost of Betelnut, 25 per cent. on the prime cost of Tobacco, and 35 per cent. *ad valorem* on Salt, valuing Salt at Arcot Rupees 90 for every hundred maunds. The Court of Directors wholly disapproved of the formation of this Company. They observed that it was neither consistent with the honor nor the dignity of the East India Company to promote such an exclusive trade, and they repeated the opinion they had formerly expressed that every one concerned in the Inland trade, even before the receipt in India of their Orders of June 1764,

had been guilty of a breach of his covenants. Their Despatch on this occasion, dated the 17th of May 1766, contains the following passage, which shows the principle by which they required their Government in Bengal to be guided: "We consider it as too disgraceful, and below the dignity of our present situation, to allow of such a Monopoly; and were we to allow of it under any restrictions, we should consider ourselves as assenting and subscribing to all the mischiefs which Bengal has presented to us for these four years past. At the same time we do not mean that the ancient Duties upon those commodities which constitute part of the Revenues of Bengal should be abolished; but we leave the adjustment of those Duties to your judgment and consideration."

716. Under these orders the "Exclusive Company" ceased to have any concern with the trade of Betelnut and Tobacco from the 1st of September 1767; but under certain changes of system the Monopoly of that Company in the trade of Salt was continued by Lord Clive's Government for another year. By this new arrangement, it was provided that Salt should be sold wholesale to the public at Calcutta and certain places of manufacture at a price not exceeding 2 Rupees a maund, and all Europeans, whether servants of the East India Company or not, and the servants of all Europeans, were prohibited from being concerned in the sale of Salt, except in the first sale, at the specified places, on account of the "Exclusive Company." The Duty payable to the East India Company was at the same time raised from 5 to 50 per cent., and an abortive attempt was made to fix in the Districts of the Interior, respectively, maximum rates at which Salt was to be sold by Native retailers. The profits remained divisible in certain shares amongst the Company's servants.

717. This arrangement was also disapproved by the Court of Directors, who, in a Despatch dated the 11th of November 1767, insisted that no European, whether in or out of the Company's Service, should be allowed to have any concern in the manufacture of any more than in the trade in Salt; and that the manufacture and trade should be perfectly open to all Natives, provision being made for the payment of such a tax on Salt as should not raise its wholesale price beyond Sicca Rupees 140 for every 100 maunds.

718. Under this plan a Revenue of £1,00,000 a year at least, which was not to be allowed to exceed 1,20,000 a year at most, was anticipated. This, it will be observed, was equivalent to an order to introduce the system of free manufacture and trade under an Excise tax. Regulations for carrying these orders into effect were promulgated by the Bengal Government on the 7th of October 1768; under which the only restrictions imposed on manufacturing were that (with a view to the prevention of Monopoly) no one person could make more than 50,000 maunds; and that all the Salt manufactured should be brought to one or two specified places, to be there taxed with the Excise Duty, which was fixed at 30 Sicca Rupees every 100 maunds. Under this open and free system the Salt trade continued till 1772; but the result, owing to the very unfavorable to the Government Revenue, which fell from £118,926 in 1766-67, the last year in which the "Exclusive Company" had the exclusive manufacture of Salt, to £16,907 in 1769-70; £9,914 in 1770-71; £61,663 in 1771-72; and £45,027 in 1772-73. The Salt Revenue of 1768-69, the year in which the "Exclusive Company" were authorized to manufacture Salt, is not distinguishable. But a very large part (if not the whole) of this decrease of Revenue must be attributed to the malversations of the "Exclusive Company," which long after its authority to manufacture had ceased, on pretence of selling its old stock of Salt, interfered with the business of the honest private trader; and in which, in six years in its constitution in 1765, smuggled Salt to such an extent as to defraud the Government of Duty to an aggregate amount estimated by the Committee of Secrecy in 1773 at upwards of 40 lakhs of Rupees.

719. In 1772, in order to restore the Revenue, Mr. Hastings' Government resolved again to assume management of the manufacture of Salt, for the benefit of Government. For this purpose a complicated system of Regulations was introduced. Under these Regulations the Salt merchants were required year by year to agree beforehand to take a certain quantity of Salt at certain manufacturing places, advancing one-fourths of the cost. The Salt Works were leased for a term of five years to farmers who undertook, receiving the said advances, to supply on account of Government the quantity of Salt annually specified, on condition of paying a penalty for supplying less and receiving a premium for supplying more. Orders for delivery of the Salt when made were given to the Salt merchants, on their paying the balance of the price the Duty put upon it. Under this system the Revenue realized was £229,192 in 1773-74, and £130,206 in 1774-75. But in 1775-76 there was a loss of £1,473. This failure must be attributed mostly to the option of the chief local Officers, who reserved particular Salt farms for their own use, and divided profits amongst themselves and their Assistants.*

Changes of system under which the Monopoly of the "Exclusive Company," in the trade of Salt, was continued for another year, notwithstanding the Court's prohibition.

The Court of Directors still disapproved; and insisted that the manufacture of and trade in Salt should be perfectly open to all Natives subject to the payment of a moderate tax on the article.

The open and free system, ordered by the Court, was introduced in 1768 and continued till 1772; but the result, owing to the continued malversations of the "Exclusive Company," was very unfavorable to the Government Revenue.

In 1772, Mr. Hastings' Government again assumed the management of the manufacture of Salt, for the benefit of Government; but the complicated farming system introduced failed.

* See Report of the Select Committee of the House of Commons, prepared in 1783.

In 1777, the simple farming system was adopted. The Salt Mehals, each Mehal including a number of Khalarics or Salt Works, were farmed on the best terms procurable,—the system of advances, required from the merchants and given to the manufacturers, being put an end to. Under this plan the Revenue was £139,012 in 1776-77; £54,160 in 1777-78; £63,697 in 1778-79; £32,237 in 1779-80; and £8,427 in 1780-81.

In 1780, Mr. Hastings framed a new Agency system of operation, fundamentally, at the present day. 721. Under the leasing system, the Molunghees, as the Salt-makers in Bengal are called, suffered severely from the oppressions of the farmers; but with the year last mentioned above the continued abuses and the succession of failures, which had characterized from the commencement of the administration of the Salt Revenue in Bengal, came to an end. In a Minute dated the 9th of September 1780, Mr. Hastings framed a system, which is fundamentally the same as that in operation at the present day. Under this scheme, the Salt-producing tracts were divided into distinct Agencies, over each of which a Civil Officer of rank presided being himself made subject to a Comptroller to whom the whole department was subordinate. The Comptroller and the Agents, in addition to their salaries, were allowed a commission of 10 per cent. on the net profit derived by Government under their management, and they were restricted by oath to their authorized allowances. The Molunghees received advances from the Agent at the beginning of the season, stipulating to deliver their Salt, when made, to him, on account of Government, at a price agreed upon, and being prohibited from selling it to any other person. The Agent stored the Salt, and sold it to wholesale dealer at a price to be fixed from year to year by Government. The difference between the contract price agreed upon by the Molunghees and the fixed price at which it was delivered from store to the Salt merchants, was in effect the Duty taken upon the Salt. The Salt cost Government 8, 12 or 14 annas a maund, according to the agreements with the Molunghees at the different places of manufacture; the sale price to merchant was fixed at 2 Rupees a maund; so that the Duty was from 1 Rupee 2 annas to 1 Rupee 8 annas a maund.

This assumption of a strict Monopoly was thus gradually forced upon the Government. 722. This assumption of a strict Monopoly over the manufacture, as well as the sale of Salt, would thus appear to have been gradually forced upon the Government, partly for the improvement of the Revenue and partly for emancipating the Molunghees from the cruel oppressions of the Native capitalists, who previously to the system introduced by Mr. Hastings, in 1780, contracted to manufacture Salt on account of Government.

The new system was completely successful. In 1788 Lord Cornwallis established the Salt Sales by Public Auction in Calcutta. 723. The new system was completely successful. The nett Revenue at once rose from £8,427 in 1780-81 to £296,013 in 1781-82, and in 1784-85 the receipts reached the unprecedented amount of £625,745. But having declined in the two subsequent years to £457,687, Lord Cornwallis, in 1788, established the Salt sales by public auction, at Calcutta, and from this period the Revenue continued to rise.

In the same year a set of Regulations were promulgated for the protection of the Molunghees. 724. In the same year a set of Regulations were promulgated by Lord Cornwallis's Government, which as observed by the Select Committee of the House of Commons on the Affairs of the East India Company in their Fifth Report, "do not alter the general plan of the Monopoly, as above introduced, but are calculated to remove all compulsion from the manufacturers, and to guard them from the imposition of the immediate Native Agents standing between the European Covenanted Servants of the Company and the laborers in the manufactory." In the same Report, written in 1812, the Committee notice with satisfaction that the average nett Revenue of the last three years, under the new system, had risen to 8 Rupees 17,25,700 or £1,360,180.*

The Salt Laws enumerated. 725. The Regulations of 1788, with some improvements, were enacted into the Code of 1793 as Regulation XXIX. of that year. This Regulation has been repealed, but its more important provisions have been re-enacted, and are still in force. The subsequent Regulations passed, bearing upon this subject, the following:—

Of	1793	Regulation	XXIX.	Repealed.
"	1795	"	LII.	Ditto.
"	1798	"	IV.	Ditto.
"	1800	"	IV.	Ditto.
"	1801	"	VI.	Ditto.
"	1801	"	XII.	Ditto.
"	1803	"	XLVIII.	Ditto.

* See Appendix D, No. 1.

Of	1804	Regulation	VI.	Repealed.
"	1804	"	VII.	Ditto.
"	1806	"	IX.	Ditto.
"	1810	"	IX. Section 18	Ditto.
"	1810	"	XVII.	Ditto.
"	1814	"	XXII.	Ditto.
"	1817	"	XV.	Ditto.
"	1819	"	X.	
"	1824	"	I.	
"	1826	"	X.	
"	1829	"	XVI.	Repealed.
"	1835	Act	IX.	
"	1838	"	II.	Repealed.
"	1838	"	XXIX.	
"	1843	"	XIV.	
"	1848	"	XVI.	
"	1849	"	XIII.	
"	1851	"	III.	

726. A large part of the increase of nett Revenue noticed above was not due merely to the improved system introduced by Mr. Hastings's Government; it was also owing to the substitution, by Lord Cornwallis's Government, of a plan of quarterly sales at auction, to the highest bidder, of limited quantities for the plan of sales to unlimited extent, at fixed prices. The grounds for this change of plan, and its results, are thus explained in a Note by Mr. Secretary Prinsep dated the 20th of June 1837. "It used then to be a common speculation for great capitalists to club together, and buy at once all the Salt in the Golahs of certain divisions of the country. It was in order to break down the species of Sub-Monopoly, and to obtain for Government the further profit realized under it, that the Government in 1789 or 1790* hit upon the expedient of auction sales in lots of 500 maunds, and their gradual effect has been to screw up the tax from 1 Rupee or 1 Rupee 8 annas, the rate assumed by Warren Hastings to 3 Rupees, the rate latterly realized on Pungah or boiled Salt; and this enhanced rate has been realized not only without any attempt on the part of Government to operate on the supply and demand by diminishing the quantity given out for consumption in order to raise prices, but accompanied by a regularly increased supply, the Government having deemed itself to be under obligation to extend the supply to the utmost, and having pushed this principle so far that when at last it was deemed expedient to revert to sales at fixed prices, there was an entire half year's supply† in store and paid for in advance, for which the purchasers had yet found no market." It is to be observed, that the Duty of 3 Rupees mentioned in this extract is a Duty of 3 Sicca Rupees; the equivalent of which was roughly taken at 3½ Company's Rupees.

727. The system of auction sales of limited quantities of Salt entirely failed to break down any Sub-Monopoly. On the contrary it established a Sub-Monopoly upon a large and firm basis, such as would have been impossible under a system of fixed prices and really unlimited quantities. But it had the effect of obtaining for Government, at the expense of the consumers, a share of the profit of the Sub-Monopoly in the enhanced sale prices of Salt.

728. Under the auction system, great fluctuations occurred in the sale price, in the quantities annually exposed to sale, and in the stock of purchased but uncleared Salt in hand at the close of the year. In 1790, at the commencement of the auction system, the annual quantity sold was 31,09,000 maunds, which was all cleared out within the year, at the average price of Sicca Rupees 243-8 per 100 maunds. In 1794 the quantity sold was 34,00,000 maunds at the average price of Sicca Rupees 301-12; but 3,79,000 maunds were left uncleared at the close of the year. In 1795 the quantity sold was 36,00,000 maunds, at the average price of Sicca Rupees 287-4; and 2,01,076 maunds were left uncleared at the close of the year. The quantity sold, the price, and the uncleared stocks, all continued to increase up to 1822, when the quantity sold was 46,00,000 maunds at the average price of Sicca Rupees 419, and 12,96,445 maunds were left uncleared at the close of the year. The maximum amount sold was in the three following years, in each of which 50,00,000 maunds were sold at auction, at average prices varying in each year from Sicca Rupees 391-12 to Sicca Rupees 352-12; the uncleared stock increasing to 17,38,848 in 1826. From this

* Should be 1789.

† Twenty-two lakhs of maunds.

Great fluctuations also occurred in the Sale price, in the quantities annually exposed to Sale, and in the stock of purchased but uncleared Salt in hand at the close of the year; and in 1835-36 the large and increasing imports of Foreign Salt, for private Sale, presented a new element of difficulty.

time the demand gradually fell off until 1834, when only 44,00,000 maunds were sold, at the average price of Rupees 372, and the uncleared stock of sold Salt amounted to 22,51,755 maunds, equal to more than half a year's consumption at the rate of consumption then existing. In the year 1835-36 a new element of difficulty began to affect the system of auction sales, namely the importation for private sale of large (2,84,858 maunds in that year) and rapidly increasing quantities of Foreign Salt. The Government, of course, had no means of limiting the quantity of *this* Salt thrown into the market in any year.

In 1827, the Court of Directors questioned the soundness and expediency of the Auction system, which was abandoned in February 1836, and Mr. Hastings' original system of Sales at fixed prices, in unlimited quantities reverted to. The rate of Import Duty, and the range of fixed Sale prices at the time, stated.

729. In a Despatch dated the 11th of July 1827, the Court of Directors wrote as follows: "We wish you to consider whether, instead of periodical sales, the public might not be supplied, on demand, with Salt from the Government Ware-houses, at a price, to be fixed from time to time by the Government, whereby the subordinate Monopoly of the Salt merchants who now purchase the Salt in large quantities at those sales, would be prevented, and Salt would not be liable to those excessive fluctuations in supply and in price to which the article is now subjected. We only throw out these suggestions for your consideration. We are most anxious that a limit should be put to the rate of the tax, and that the people should have the benefit in reduction of price, of any increase of sale which the progress of demand may produce." In consequence of these suggestions, there had been, during the latter years of the period above-mentioned, much discussion regarding the soundness and expediency of the auction system. But in 1835-36 this system was admitted on all hands, to be untenable; and in the month of February 1836, auction sales were discontinued; and Mr. Hastings's original system of sales at fixed prices, in unlimited quantities, was reverted to. The Duty on the importation of Foreign Salt for private sale had been fixed at 300 Sicca Rupees per 100 maunds in 1817, by Regulation XV. of that year; before which time such importation was altogether prohibited; and this Duty (by the Customs Act No. XIV. of 1836) was converted into the nearly equivalent Duty of 325 Company's Rupees, about the time when sales at fixed prices were re-introduced. When this measure was resolved upon, the sale prices of Bengal Salt were fixed at various rates, according to the average auction prices of the Salt of the different Agencies for the last ten years; and varied from Company's Rupees 469 to Company's Rupees 385 per 100 maunds.

In this position of things the Report of the Select Committee, bearing date the 2nd of August 1836, was received in this country, with a Despatch of the Hon'ble Court dated the 4th of January 1837.* The Select Committee, in this Report, state that they have not been convinced by the evidence before them, that the same amount of Revenue that is realized by the Bengal Salt Monopoly may not be collected, with equal security and with great advantage to the consumer and to the commerce, by a combined system of Customs and Excise; they express a conviction that however modified the Monopoly may be, the evils of the system can never be eradicated but by its extinction; and they commend to the early and serious attention of the Government, as a measure by which they believe that the interests of the consumer and of the Revenue will both be ultimately best secured, "a considerable reduction of the Duty, under a system of free competition." Though holding these opinions, they say that they do not wish to go further at that time than to call upon the Government to give to the Excise and Customs system most serious and early attention. But they submit, with confidence, certain recommendations for the modification of the details of the system understood by them to be then in force; which recommendations in the Hon'ble Court's Despatch above-mentioned are thus analysed and set out in order. The Hon'ble Court say: "The practical recommendations of the Committee are—

"First.—That the system of public periodical sales should be abolished.

"Secondly.—That the Golahs should be kept open at all times for the sale of Salt in quantities not less than 100 maunds.

"Thirdly.—That the price to be paid by the purchaser should be fixed at the cost price to Government, added to a fixed Duty.

"Fourthly.—That the import into Calcutta of Salt manufactured in any other country than the Districts subject to the Bengal Monopoly should be permitted, such Salt to be sold at such times as the proprietors may please in quantities not less than 100 maunds.

"Fifthly.—That such imported Salt should be subject only to the same Duty, as that sold by the Company, and no other Duty or charge whatever, except a fair and reasonable rent on such Salt as may have been bonded.

* See Appendix D., No. 3.

Lastly.—That the Duty to be imposed should not exceed the average rate of the nett profit of the any's Monopoly for the last ten years."

731. The above narrative has shown that the main feature of the modifications recommended by the Select Committee had been spontaneously adopted in India about six months before the Committee made their Report. As regards the first and second points enumerated above, the system of public periodical sales had been abolished; and the Salt Golahs (or storing places) had been thrown open at all times for the sale of Salt, in unlimited quantities, at fixed prices. The minimum quantity to be sold in one lot had been originally fixed at 250 maunds, but it was soon afterwards reduced to 100 maunds. It may be noticed in passing that this quantity is now reduced to 50 maunds. As regards the fourth point, the import and unrestricted sale of Foreign Salt had been allowed for many years. As regards the fifth point, no other Duty than the fixed Customs Duty had ever been charged on Foreign Salt, and the bonding rules were even more liberal than was recommended, for no Golah rent for Foreign Salt in bond was then taken. The Customs Duty had been fixed originally at the rate that was considered necessary, and no more than necessary, to maintain the average prices of Bengal Salt. It remained to carry into effect the recommendation on the third point, before this rate of Customs Duty could be altered. The recommendations on the third and sixth points, were all that had not been anticipated by the spontaneous action of the Bengal Government. A rate of Duty to which the Customs Duty should be assimilated, had to be determined upon, which should not exceed the average rate of the nett profit of Government upon Bengal Salt for the last ten years; and the cost to Government of that Salt had to be ascertained, in order to fix, by the union of these two elements, the sale price of Bengal Salt. Considerable difficulties were found in carrying this recommendation into practice; and the principles on which the calculations should be made became matter of prolonged discussion. But this was the less important as the Customs Duty of Rupees 325 per 100 maunds, was known not to be far from the amount representing the nett profit upon Bengal Salt; and judging from the rapid and enormous increase of the importations of Foreign Salt, that rate could not, at all events be unfair upon the importer. The difficulties were so great in practice, that it was not until 1847 that the Government found itself in a position to adjust the sale prices of Bengal Salt in strict conformity with the recommendations of the Select Committee.

732. From 1836 to 1844 the regulation of wholesale prices was left entirely to the Salt Board. They set out by adopting the scale of prices produced by auction competition, and they went on changing the prices of different kinds of Salt, according to what they conceived to be the relation of supply to demand. Their object seems to have been as stated in a letter from the Secretary to the Government of Bengal dated 6th November 1833, "to equalize the demand for Salt in all directions, and to prevent what is called a dearth of Salt or a Sub-Monopoly at some particular Agencies where the supply is deficient." Under this system the average wholesale price of all kinds of Salt rose from Rupees 407 the 100 maunds in 1837 to Rupees 423 the 100 maunds in 1844; and when the Government in 1844 reduced the Duty from Rupees 3-4 to Rupees 3 a maund, and declared that there should be no alteration either in Duty or price for a certain period, it simply made a reduction of Rupees 25 a 100 maunds in the prices which at that time had been fixed by the Board.

733. The following Extract from a Despatch of the Hon'ble Court, dated the 20th September 1843, will show the principle upon which the adjustment was finally made: "The only point in these Reports which appears to require observation is that which relates to the manner in which the Duty to be imposed upon Salt under the recommendations of the Select Committee of the House of Commons (as communicated to you in our Despatch dated the 4th January (No. 1, 1837) should be calculated. The principle therein laid down for your guidance was that while the nett Salt Revenue was to be maintained at its present average amount, the Duty to be imposed should not exceed the average rate of the nett profit of the Company's Monopoly for the last ten years. This distinction between the nett profit and the nett Revenue was advisedly made, the former being the proceeds of the Salt after deducting the charges incidental to the manufacture, such as the price paid to the Molunghees, Aurung, and transportation charges, &c., all of which would become extinct in the event of the abolition of the present system of manufacture, while to arrive at the nett Revenue, a further deduction must be made of all those charges, such as the maintenance of a preventive establishment, payments to the French and Danish Governments and others, which would have to be incurred under any system whatever by which a Revenue should be derived from the article of Salt." Accordingly in 1847, on the occasion of a general reduction of Duty on Salt, the charges which, being deducted from the sale proceeds of Salt, were considered to bring out the "nett profit" of the Department, were added to the Duty to constitute the fixed sale price of the Salt; and a separate calculation was made, and a distinct price was fixed, in the case of the Salt of every Agency respectively. A similar calculation and consequent settlement of the fixed prices of Salt was made in 1849; and the process has

been annually repeated ever since. At the commencement of every year the Board ascertains and publishes the average cost of the Salt manufactured at each Agency, including the cost of transport to the place of sale, according to the latest accounts; and this cost, in each case, added to the Duty, constitutes the sale price for the following year.

First reduction of Duty, in October 1844, from Rupees 3-4 to Rupees 3 per maund; and its effect.

734. It has been shown that the Duty originally fixed in 1817 was 3 Sicca Rupees a maund, afterwards converted into 3 Company's Rupees and 4 annas. This Duty remained unaltered until the end of October 1844, when a reduction of 4 annas (equal to one-thirteenth or 7-7 per cent.) was made. Simultaneously a corresponding reduction of Rupees 25 per 100 maunds was made in the sale price of Bengal Salt. This reduction was not made because it was thought that the Duty was more than the former nett "profit" of the Department, but by way of an experimental step towards a material reduction of taxation; whereby it was hoped that a twofold advantage might be gained; namely, *first*, "the provision of an adequate supply of a necessary of life to the people, at a price so moderate as to prevent the necessity of their having recourse to illicit or unwholesome substitutes; and *secondly*, the greatest stability and probable extension of the public Revenue by encouraging the consumption of Salt by the mass of the population at a cheap price instead of restricting it to portions of it, only, by a dear price." In taking this step it was admitted by the Governor General in Council "that practical results are less likely to be produced speedily by cautious reductions conducted on a moderate scale, than by extensive measures boldly carried into execution;" nevertheless it was considered that it was "impossible to hazard large reductions at once, owing to the enormous amount of Revenue that would be risked by their adoption." It was calculated that supposing the reduction to have no effect in increasing the consumption of licit Salt, the amount of Revenue that would be lost by this reduction might be assumed at about 12 lakhs of Rupees.* An increase of 4 lakhs of maunds in the consumption was required to make good this deficiency of Revenue. In the first twelve months after this reduction of Duty, the quantity of licit Salt of all sorts consumed was 58,98,538 maunds against 57,66,729 maunds in the preceding twelve months, being an increase of 1,31,804 in twelve months. In the second twelve months afterwards the quantity of licit Salt of all sorts consumed was 60,86,998 maunds, being an increase of 3,20,169 maunds. In the twelve months before the reduction, with which this comparison is made, the consumption had been very unusually high, being by nearly 2½ lakhs of maunds in excess of the consumption during the twelve months preceding them. Again the consumption from November 1845 to October 1846, the second twelve months after the reduction, exceeded that from November 1842 to October 1843, the second twelve months before it, by 5,72,135 maunds.

* Letter from Secretary to Government of India Financial Department, dated 18th October 1844, to Secretary to Government of Bengal.

Second reduction of Duty, on down to Rupees 2-12 a maund. This was a further reduction of one-twelfth, or 8-33 per cent. of the remaining the 1st of April 1847, from Rupees 3 to Rupees 2-12 per maund; and first reduction in effect of this combined measure was to reduce the sale price of Bengal Salt by Rupees 35 the 100 the cost prices, and their effect.

735. On the 1st of April 1847 a further reduction of 4 annas a maund was made bringing the Duty down to Rupees 2-12 a maund. This was a further reduction of one-twelfth, or 8-33 per cent. of the remaining the 1st of April 1847, from Rupees 3 to Rupees 2-12 per maund; and first reduction in effect of this combined measure was to reduce the sale price of Bengal Salt by Rupees 35 the 100 the cost prices, and their effect.

† Board to Deputy Governor of Bengal, 22nd January 1849.

Duty and the fixed sale prices should remain unaltered for two years. I give the result of this second reduction in the words of the Board, when discussing the question of a further reduction twenty-two months afterwards. "By the combined adjustment of price and alteration of Duty in 1847, the wholesale price of Salt was reduced by Rupees 35 the 100 maunds, that is to say, Rupees 25 on account of Duty and Rupees 10 on account of cost of production, and the Duty on imported Salt by Rupees 25 the 100 maunds. Now the quantity sold by wholesale during the twenty-one months ending with December 1846 was 63,58,141 maunds; and the quantity imported on payment of Duty during the same period was 26,74,620 maunds. Therefore, supposing the consumption to have remained stationary, the loss in Revenue arising from the change, in the corresponding twenty-one months ending with December 1848, would have been Rupees 23,25,349† on home-made Salt and Rupees 6,68,655§ on imported Salt, or Rupees 29,94,004 in all. But the actual result of the operations of the last twenty-one months compared with those of the corresponding months of the previous two years has been an increase of sales to the extent of 2,35,003 maunds, and of imports to the extent of 2,64,826 maunds, making a total increase in the consumption of twenty-one months, of 4,99,829 maunds, or at the rate of 23,801 maunds a

† 63,58,141 × $\frac{25}{100}$

§ 26,74,620 × $\frac{25}{100}$

"month!" This has been accompanied by a falling off in the gross proceeds of sale amounting to Rupees 14,07,199, against which it is to be set an increase in the receipts from Duty of Rupees 1,88,911. So that the actual loss to the Department in these twenty-one months has been only Rupees 12,18,288, or in other words less by Rupees 17,75,716 than might have been anticipated from the change."

736. On the 1st of May 1849 a further reduction of 4 annas a maund was made, bringing the Duty down to Rupees 2-8 a maund. This was a further reduction of one-eleventh or more than 9 per cent. of the remaining Duty. Simultaneously the same reduction of 4 annas was made in the Allahabad differential Duty, bringing that Duty down to 8 annas a maund; and the fixed sale prices of Bengal Salt were again adjusted in conformity with this reduced Duty, and a new settlement of cost price was made according to the latest Accounts. By this new settlement, owing to more economical management, the price to the consumer of the Salt of most of the Agencies was still further reduced by from Rupees 2 to Rupees 9 per 100 maunds. From that date the adjustment of cost price has been made annually, but no further reduction of Duty has yet been made.

737. The following Table shows the sale prices per 100 maunds of the Salt of every Agency, as fixed in October 1844, and as fixed by the last annual adjustment of cost and Duty on the 1st of May 1855.

	October 1844.	1st May 1855.	
HIDGELLEE—Kallanuggur, - - Pungah, - - - - -	Rupees 375		
Kissennuggur, - - - - -	370		
Terropeyhea, - - - - -	390		
Bamnuggur, - - - - -	360		
TUMLOOK.—Narainpore, - - - - -	395		303
24-PERGUNNAHS, - - - - -	395		x
	At the Agency Ghauts		
	at Sulkea, - - - - -	x	245
Chittagong Agency, - - - - -	387		319
Arracan, - - - - -	382		328
SULKEA.—Madras, - - - - -	365		
	1st Quality, - - - - -	362	314
	2nd " - - - - -	360	
	3rd " - - - - -	413	329
Cuttack, - - - - -	418		313
Balasore, - - - - -	419		
Khoorda, (Pooree,) - - - - -	424		329
Chilka, - - - - -	x		300
Chilka, - - - - -			

738. The total reduction of Duty since 1844 has been from Rupees 3-4 to Rupees 2-8 a maund, being more than 23 per cent. The average annual consumption of licit Salt of all sorts for the three years, (1841-42 to 1843-44) preceding the reduction was 55,69,244 maunds; that for the last three years (1852-53 to 1854-55) was 64,64,138 maunds; showing an increase of 8,94,894 maunds, or something more than 16 per cent. The average annual nett Salt Revenue of the former period was Rupees 1,59,03,903; that for the last period was Rupees 1,41,46,755, showing a decrease of Rupees 14,57,148, or something more than 9 per cent. The consumption of licit Salt last year (1854-55) was the largest on record, namely, 66,07,100. An increase of 4½ lakhs beyond this quantity would fully restore the Revenue to what it was before the first reduction of Duty.†

739. It has been said that Foreign Salt for private sale began to be imported largely about the year 1835, when 2,84,858 maunds of such Salt were imported. From that time the quantity increased with much regularity year by year until 1851-52, when it amounted to 29,26,866 maunds, being nearly equal to half the whole quantity of Salt of all sorts consumed in that year. The quantity has since fallen to an average of 19,51,796 for each of the last three years. This Salt is allowed to be bonded, on arrival, under rules which will be detailed in a subsequent Section. As importations increased, the quantity of Bengal Salt manufactured was of course reduced. For this reason the Salt Agency of the 24-Pergunnahs was abolished in 1848, and manufacturing in the Chittagong Agency was suspended in 1852. But the reduction of the stock which followed in consequence of the increased consumption and diminished importations of the last three years, rendered it necessary to re-commence manufacturing in Chittagong in 1853, and to re-open the 24-Pergunnah Agency in 1855.

* Exclusive of the imports of western Salt which passed the Allahabad Custom House under Rowannah, and which increased in the same comparative period from 8,41,901 to 9,22,995 maunds.

† See Appendix T.

Increase and decrease in the importations of Foreign Salt and their effects.

Number of Salt Agencies now in work; the quantity of Salt made in the last season, in Section. It will suffice here to say that all, but the first-named of these Agencies, Pungah, or boiled Salt, is each; and the only Salt made. The quantity of this Salt made at each of these Agencies in the last season of manufacture, ending in June 1855, and the Taidad, or quantity arranged for with the Molunghees in the current season, are shown in the following Table:—

	Made in 1854-55.	Taidad of 1855-56.
Pooree,*	2,77,693	3,00,000
Cuttack,	2,11,999	4,50,000
Balasore,	4,40,690	7,00,000
Hidgellee,	8,33,449	11,00,000
Tumlook,	7,67,936	9,00,000
24-Pergunnahs,	-	†6,00,000
Chittagong,	6,55,839	8,00,000
	<u>31,87,606</u>	<u>48,50,000</u>

Manufacture and local consumption of Kurkutch Salt in the District of Pooree. Storage and Sale of Pooree and Madras Kurkutch at the Sulkea Golahs, and their prices.

741. At Pooree, besides Pungah Salt, Kurkutch Salt or Salt produced entirely by solar evaporation, is manufactured chiefly for local consumption in the District where it is sold at Rupees 1-8 a maund, whereof Rupees 1-2 may be considered as Duty, and 6 annas as cost price. In the year 1854-55, 4,05,250 maunds of this Salt were manufactured at the Pooree Agency; of which, and of the previous storage, 2,67,385 maunds were consumed in the District. A certain quantity of this Kurkutch Salt is transported annually from Pooree, or from the Madras Coast (where this is the only sort of Salt made or consumed,) or from both places, and stored in the great Salt Golahs at Sulkea, opposite Calcutta; where, like all other Salt, it is sold at the actual cost price, including of course the charges of carriage, plus the Duty of Rupees 2-8 a maund. The following Table shows the quantity of Kurkutch Salt sold at Sulkea in the year 1854-55, and the quantity in store at Sulkea on the 1st of May 1855. The Madras Kurkutch was priced for 1854-55 at Rupees 320 per 100 maunds; which price was reduced on the 1st May 1855 to Rupees 314 per 100 maunds. No Pooree Kurkutch was for sale in 1854-55; but from the 1st May 1855 it has been sold at Rupees 300 per 100 maunds.

	Stock on 1st May 1854.	Sales in 1854-55.	Stock on 1st May 1855.
		Maunds.	Maunds.
Pooree or Chilka Kurkutch,	None	None	1,01,639
Madras Kurkutch,	All cleared	5,450	2,84,952

Storage of Arracan Pungah at the Chittagong Agency, for the local consumption of the Province.

742. At the Chittagong Agency, Pungah Salt is sometimes procured from the Island of Ramree in the Arracan, where it is manufactured on the free system for the local consumption of the Province. In the year 1854-55, 25,940 maunds of Arracan Salt were thus procured at Chittagong; the cost of which was annas 12-64 a maund, being by annas 1-76 more than the cost of Chittagong Salt.

Supply derived from the Narainpore and Goordah English Works, under a system of Excise.

743. There is still one more small source of supply in the private Works of Narainpore and Goordah, where Pungah or boiled Salt is made by the English method, under an Excise equal of course to the Salt Duty for the time being. These Works have never produced more than a small quantity of Salt. The largest quantity ever made by them in a year, under the Excise system, was in 1853-54 when 43,550 maunds were thus produced. At the Narainpore Works manufacturing under the Excise system was commenced in 1848-49 when 16,450 maunds were produced. The average annual production of the last three years at both Works was 27,250 maunds. I have prepared a particular account of these Works, and of the Excise system under which they are, which will be found as No. 4 of Appendix C; and to which I beg to refer for information upon every detail concerning them.

* The Taidad in Pooree for Kurkutch is 4,00,000 maunds.

† The 24-Pergunnahs Agency Taidad was fixed at 6,00,000 maunds, but the Agent does not this season expect a larger produce than 3,50,000 maunds.

744. The following Table shows the supply and, inclusive of wastage, the consumption of Native Salt from all these sources in the year 1854-55.

	Stock on 1st May 1854.	Supplies in 1854-55.	Consumed in 1854-55.	Stock on 1st May 1855.
	Maunds.	Maunds.	Maunds.	Maunds.
Bengal Agency Pungah, (including Arracan Salt,)	20,87,743	37,23,524	49,12,931	8,98,336
Private manufacture Excised,	15,792	32,975	15,600	33,167
Kurkutch, (Madras and Pooree,) -	Nil	3,92,061	5,450	3,86,611
Total of Native Salt,	<u>21,03,535</u>	<u>41,48,560</u>	<u>49,33,981</u>	<u>13,18,114</u>

745. By deducting from the above quantity of Native Salt consumed, the amount of wastage, viz., 1,26,881 maunds, the remainder, viz., 48,07,100 maunds shows the quantity of Native Salt sold for consumption in 1854-55; and by adding to this last amount the quantity imported, that is to say taken for consumption paying Customs Duty in the same year, viz., 18,00,000 maunds, the total consumption of every sort of licit Salt paying Duty in that year is obtained, viz., 66,07,100 maunds.

746. The following Statement shows the fiscal results of the year 1854-55.* It will be seen that the Revenue is realized at a charge of about 9½ per cent. on the nett amount, and 8½ per cent. on the gross collections.† In examining the Table in the Appendix from which the following Statement is derived, it is necessary to bear in mind the fact, that the charges of manufacture in any year are for the most part properly attributable to the Salt sold in the following year, and that the yearly provision is far from uniform, as it must vary according to the stock in hand; which again depends upon the quantity imported as well as upon the quantity consumed in the course of the past year:

Proceeds of wholesale sales of Native Salt, including cost and a Duty of Rupees 2-8 a maund,	1,21,00,000
Proceeds of retail sales in the saliferous Districts at various prices realizing a smaller rate of Duty,	18,15,000
Excise of Rupees 2-8 a maund on private manufacture,	48,000
Customs Duty of Rupees 2-8 a maund on Foreign Salt imported by Sea for private sale,	42,00,000
Miscellaneous credits to the Department,	84,000
Total of the Receipts of the Salt Department,	1,82,47,000
Deduct.	
Charges of manufacture, being the cost of the Government Salt,	27,06,000
Gross Salt Revenue,	1,55,41,000
Deduct.	
Charges of Prevention, Collection, &c. being Revenue Charges Proper,	13,53,000
Nett Salt Revenue,	1,41,88,000

* See Appendix T.

Table of supply and consumption of Native Salt from all sources in 1854-55.

Total consumption of all licit Salt, paying Duty, Native and Foreign, in the same year.

Fiscal results of the year 1854-55.

Section II.

ON THE PRACTICABILITY AND EXPEDIENCY OF SUBSTITUTING FOR THE MONOPOLY,
A SYSTEM OF EXCISE UPON THE MANUFACTURE.

Before entering upon the discussion of this question, it will be well to narrate what has already been done towards the substitution of a system of Excise upon the manufacture. 747. The practicability and expediency of introducing, instead of the manufacture exclusively for sale to Government, a system of free or licensed manufacture by private persons, who should be allowed to sell their Salt to whomsoever they please, and at whatever price they please, on payment of the fixed Duty under an Excise system, have been the subject of much discussion. In my opinion the arguments of those who support an Excise system, under such restrictions and regulations as are necessary to prevent evasion of the tax, are conclusive: but before entering upon the discussion of the question, it will be well to narrate what has already been done in the way of allowing the manufacture and sale of Salt by private persons, on their own account, under an Excise; for from this narrative it will appear that the Bengal Government have already adopted measures which, in fact, amount to a practical solution of the question in the affirmative, inasmuch as they have thrown open the manufacture, under an Excise, to any one who will submit to the necessary regulations.

In 1835-36, the Government agreed to assist and support an experiment, proposed by Mr. George Prinsep, to make, for sale to Government, Salt by the English process. 748. In the year 1835-36, Mr. George Prinsep proposed to make, for sale to Government, Salt by the English process of condensing brine from Sea water by means of solar evaporation, and boiling the brine in large iron vessels, instead of by the Native process of the infiltration of Salt water through earth impregnated with Salt, and boiling the brine so obtained in little earthen pipkins. The Government of that day, thinking that if by this English process the experimenter should succeed in making better and cheaper Salt than that made by the Native process, it would be a great benefit to Government, agreed to assist and support the experiment. An advance of Company's Rupees 32,000 was made to Mr. Prinsep, upon the security of his Works, and it was agreed to take over from him all the Salt he should make, not exceeding 2 lakhs of maunds in a year, at 12 annas a maund, that being the price then paid in the 24-Pergunnahs Agency for the Salt made by the Molunghees. Mr. Prinsep bound himself to show all his Accounts, that the Department might have the means of ascertaining by the result of his experiment, whether it would be expedient for Government to adopt the process on a large scale; and he became bound to instruct two persons in the process, if required to do so. Besides the prospect held out by Mr. Prinsep of better and less costly Salt, the new process had the manifest advantages of a large manufacture within a small space, easily watched and guarded by Preventive Officers.

Mr. Prinsep, in consequence, established Salt Works, at Narainpore, a place about 20 miles N. N. E. from Calcutta, where from the year 1837, Salt has been made and still continues to be made by the English process. 749. Accordingly Mr. Prinsep established Salt Works, at Narainpore, a place about 20 miles N. N. E. from Calcutta, where from the year 1837, Salt has been made and still continues to be made by the English process. The quantity made at these Works has never been considerable. Between March 1837 and June 1840, 1,26,159 maunds of Salt were produced, being an annual average of 31,539 maunds. The experiment promised well at first; and the advance of Company's Rupees 32,000 has been all re-paid eventually; but in 1841 the Board reported that the experiment had been too little successful to warrant the establishment of similar Works on account of Government. The Salt made at Narainpore, however, was decidedly better than the Salt made by Molunghees, and sold for more than the common Agency Salt. And it seems probable that at the high price of 12 annas a maund, there must have been at least some small profit on the manufacture, even, although, the manufacturer derived no advantage from the superior quality of his Salt; for after the death of the original speculator, his executors asked for and obtained an extension of the original term of agreement for five years from 1841; which additional term was afterwards again extended at their request for two years more.

The formation of the Bengal Salt Company. 750. In December 1838, Mr. George Prinsep, the proprietor of the above-mentioned Narainpore Works, proposed to set up another Salt Work on the same system at Goordah, another place in the same Agency, to be conducted either by himself or by a Company; but instead of selling the Salt to Government at a fixed price, he asked to be allowed to sell it on his own account, under an Excise system. Mr. Prinsep died soon afterwards, but the Company he had contemplated was formed, under the designation of the "Bengal Salt Company," and set up Works at Goordah. Their capital was intended to have been 30 lakhs of Rupees; and their design was to manufacture, by the English process, and if possible under an Excise system, a large proportion of the Salt consumed in Bengal. The senior Member of the Salt Board, Mr. H. M. Parker, who had ever been the most prominent opposer of all projects for imposing a system of Excise upon the manufacture of Salt according to the Native process, in substitution of the Monopoly, strongly supported this scheme, which he thought would, if it succeeded, be a great benefit both to the people and to the Government. The Government of that day went fully into the question. A system of Excise, wherever practicable without vexa-

tious interference, was admitted on all hands to be greatly preferable in every point of view to any system of Government Monopoly; and the Government came to the conclusion that no practical difficulty existed in the way of realizing the Revenue by means of an Excise, where Salt is made in large quantities within one small circumscribed space, in such a manner as to be easily watched throughout the whole process of manufacture and storing, as is the case where Salt is made according to the English process. The Government, however, thought that the introduction of an Excise was too important a change to be with propriety introduced without the previous consent of the Hon'ble Court; wherefore they did no more than recommend the measure for the sanction of the Home Government.*

751. The introduction of an Excise was negatived by the Honorable Court, who replied to the recommendation of the Government of India in the following words†: "The first of these letters relates to a project set on foot by the late Mr. George Prinsep, the proprietor of the Narainpore Salt Works, for the organization of a Company, to be called the Bengal Salt Company, having for its object the supply of a large proportion of the Salt consumed in the Monopoly Provinces from Works constructed and worked like those at Narainpore: the Salt to be removed from the Works on payment of the regulated Duty instead of being prepared for and delivered to Government: a scheme in fact involving the substitution of an Excise for a Monopoly system. We see no objection to your permitting the establishment of new Works at Goordah or elsewhere, on the same principles which have been successfully adopted at Narainpore, as noticed in our Despatch to Bengal, dated the 29th January, No. 1 of 1840, (paras. 2 and 7,) and to your receiving the Salt so manufactured on any terms which you may consider conducive to the interests of the Salt Department. But we are not disposed to sanction any change in the system under which the Salt Revenue is at present administered."

752. Salt was for some years manufactured at Goordah for sale at a fixed price to Government; but the experiment there was unsuccessful. For the first three years the Bengal Salt Company made no more than 21,070 maunds of Salt there annually, on an average. This Company, as proprietors of the Goordah Works together with the proprietors of the Narainpore Works, petitioned in 1841 to be allowed to have the benefit of all excess in the sale price to merchants of their Salt beyond the Government Duty on imported Salt, which was then fixed at Company's Rupees 3-4 a maund; which would have been, in fact, equivalent to sanctioning an Excise. But this was refused on the grounds that the Government already paid 1 anna more for this Salt, than for the Salt of the same Agency generally, which had been reduced from 12 to 11 annas between 1837 and that time; and that a separate Preventive Establishment was maintained for these Works. The Bengal Salt Company soon afterwards dissolved itself, and sold its Works at a heavy loss to Dr. Mitchell, who carried them on for a few years until his death, when they were closed.

753. In 1847, the proprietors of the Narainpore and Goordah Works again petitioned to be allowed to sell their Salt under an Excise system. The Board supported the petition, and submitted in detail a set of rules for regulating the storing and sale of the Salt under an Excise; and the whole measure was sanctioned by the Deputy Governor of Bengal, on the 25th of August 1847. It does not appear from the records that the Deputy Governor on this occasion had before him the negative given by the Honorable Court in 1840, to the same scheme when proposed by the President in Council. It is to be observed, however, that in 1847 the refusal to permit the free sale of Salt from these Works, under an Excise, would have been tantamount to closing the Works, for there was at that time an excessive stock of Salt in the Government Stores; and at about the same time the principle of selling each description of Salt at a price, composed of the true cost thereof added to the fixed Duty, was put into force, the whole Salt of the 24-Pergunnahs Agency, by reason of its high cost price, was becoming unsaleable; and of all the Salt of that Agency the Narainpore and Goordah Salts were the dearest. The Government could not have fairly refused to take the Molunghees' Salt at 11 annas a maund, and continued to take Narainpore and Goordah Salt at 12 annas a maund; and any Salt so taken would have remained upon its hands for want of purchasers. At the same time, it would have been unjust to close Works such as these, which had cost originally large sums of money, whose proprietors were willing to go on at their own risk, if allowed to do so. The 24-Pergunnahs Agency was soon afterwards, viz., at the close of the year 1847-48, abolished; but Salt was still allowed to be made to any quantity at Narainpore and Goordah, under an Excise; and these Works are open under this system to the present day.

* Letters of President in Council to the Hon'ble Court, dated 12th March, 10th July, and 23rd September 1839.

† Honorable Court to Governor General in Council, dated 15th July 1840, No. 3.

But the Court of Directors negatived the introduction of an Excise.

In 1844, the Bengal Salt Company, together with the proprietors of the Narainpore Works, petitioned to be allowed to have the benefit of all excess in the Sale price of their Salt beyond the Government Duty on imported Salt; but this was refused, and soon afterwards the Bengal Salt Company dissolved itself.

In 1847, the Proprietors of the Narainpore and Goordah Works again petitioned to be allowed to sell their Salt under an Excise system. This was now sanctioned by the Bengal Government, in concurrence with the Salt Board, and these works are still open under this system.

The continued manufacture of Salt on Saugor Island, on account of certain grantees who sold it to the Government being disallowed in 1848-49, the Agent of the Grantees petitioned, in the following year, to be allowed to renew the manufacture, on a limited scale, still by the Native process, but under an Excise system.

754. When the 24-Pergunnahs Agency was abolished in 1847-48, Salt was still allowed to be manufactured on Saugor Island, which was a portion of that Agency, for one year longer, as a special indulgence. The Salt on this Island was not manufactured, as usual, by Molunghees who sold it on their own account to Government, but by Molunghees on account of certain grantees, who sold it to Government. The Board had been continually objecting, even during the existence of the 24-Pergunnahs Agency, to the manufacture of Salt in that part of the Agency, for departmental reasons; and towards the close of 1848-49,* they again pressed the Bengal Government to stop the manufacture on Saugor Island. On this occasion one of the main arguments used by the Board was that "an unchecked manufacture such as is there carried on, away from the presence of any Officers of the Department, affords facilities for smuggling which ought not to exist, and which may go far to neutralize the efforts that are now being made to put a stop to illicit manufacture and transport of Salt in the Western Sunderbunds." On this recommendation, the petition of the Agent of the grantees (who were resident in Europe) to continue the manufacture after 1848-49, was rejected by Government. After declining to avail himself of an offer to re-commence manufacture on terms which the nearest Salt Agent thought necessary for security, the Agent of the grantees again came forward, in 1849-50, with a petition to be allowed to re-commence the manufacture on Saugor Island; but this time the proposal was to manufacture, on a limited scale, still by the Native process, but under an Excise system.

This application was supported by the Salt Board, but negatived by the Bengal Government.*

755. The Board supported this application, being willing to give this system which was that already in force at Bombay, a trial. The Deputy Governor, observing that the Board's proposal opened a very wide general question, (as this permission, if accorded to the grantees of Saugor Island could not justly be refused to any one else,) negatived the application. It seems to have been felt as a special objection to Saugor Island as a place of manufacture, that it had not been shown how to overcome the risk of smuggling, on which the objections of the Board in February 1849 had been founded. But in regard to the general question of an Excise on the manufacture, by the Native process, the grounds of this decision seem to have been the above-mentioned refusal of the Court of Directors in 1840 to sanction "any change in the system under which the Salt Revenue is at present administered;" and the imprudence of introducing so important a change of system, without such mature consideration as the subject had not then received. No special rules applicable to the Native process, for so regulating manufacture and storing as to prevent evasion of the tax, had been suggested by the Board; and the practical difference between a scheme of Excise for such Works as those at Narainpore, and one where the manufacture and storing of Salt is carried on over a large tract of country covered with small Native Khialaries, was pointed out. At the same time the Deputy Governor, whilst noticing the difference between the two cases, and what appeared to him practical difficulties in the case of the existing method of Native manufacture, expressly guarded himself from being understood as pronouncing against the possibility of overcoming those difficulties, or of eventually applying an effective system of Excise to the Native process.

State of things at the end of the year 1853, as shown by the foregoing narrative, summarized.

756. This then was the state of things at the end of the year 1853. At the Narainpore and Goordah Works, where Salt was made by the English process, the manufacture was allowed upon an Excise system; and doubtless any number of persons wishing to establish similar Works elsewhere would have been allowed the same privilege as a matter of course, while persons making or wishing to make Salt by the Native process were not allowed to do so, otherwise than on the Monopoly system; although the extension of an Excise system to such manufacturers also had been mooted, and was treated as a question open to consideration, but not capable of settlement in the affirmative without the previous consent of the Honorable Court.

In December 1853, shortly after the receipt of the Court's Despatch dated the 3rd of October preceding, the Bengal Government suggested to the Salt Board the expediency of trying the experiment of manufacturing on the Excise system in one of the aurguns of the late 24-Pergunnahs Agency.

757. The Despatch of the Honorable Court dated the 3rd of October 1853, mentioned in para. 7 of this Report, was received towards the close of that year; and on the 16th of December 1853, shortly after the receipt of that Despatch, the Bengal Government, in pointing the attention of the Board to the fact that there was every prospect of the stock of Salt being reduced to a dangerously low quantity before the commencement of the next manufacturing season, made the following suggestion: "His Honor desires me to observe that the present is a favorable opportunity of trying the experiment of manufacturing on the Excise system in one of the Aurguns of the late 24-Pergunnahs Agency, and that steps might very properly be taken to ascertain whether private persons are willing to engage in the manufacture under such checks as it may be necessary to impose for the security of the Revenue."† In promising their immediate attention to this suggestion, the Board stated that they did not anticipate that satisfactory arrangements could be made that year (i. e. in the season of 1853-54) for trying the experiment.‡

In consequence of the great reduction in the supply of imported Salt from Liverpool, the Board recommended the immediate re-opening of the

758. On the 12th of May 1854, the Board made their Annual Report to Government on the supply and consumption of Salt, and the probable stock at the commencement of the next manufacturing season, with their usual recommendations as to the *taidad* or quantity to be agreed for with the Molunghees as the manufacture of the approaching season. In consequence of the reduction of stocks, and the increased consumption of Agency Salt, which had been induced by the reduction of the supply of imported Salt from

Liverpool, the Board recommended the immediate re-opening of the Salt Agency of the 24-Pergunnahs. In making this recommendation the Board said that they had not lost sight of the suggestion above-mentioned, for trying the experiment of manufacturing under an Excise; and that they would be prepared shortly with a plan for carrying out that object; but they observed that any measure of this kind could only have "a very limited and partial effect" in supplying an immediate deficiency of Salt, and would not supersede the (immediate) necessity of manufacture on a large scale on account of Government.*

759. The Lieutenant-Governor, however, feared that re-opening the 24-Pergunnahs Agency might probably prove detrimental to the success of the Excise scheme, the introduction of which he regarded as of the utmost importance.† The Board in a letter dated 31st May 1854, fully agreed with the Lieutenant-Governor as to the importance of the experiment, and they submitted the outline of the plan under which they thought the experiment might be made with best prospect of success. But they thought that the stock of Salt being then so low as to occasion the most serious uneasiness, it would be impossible with safety to give up the whole extent of the 24-Pergunnahs Agency, to an experiment which might or might not eventually succeed, but which under the most favorable contingencies could not come into immediate operation on so large a scale as to supply with any degree of certainty the certain deficiency. They proposed, therefore, to devote a portion of this Agency exclusively to this experiment, and to re-commence the Government manufacture in the remainder of it.‡ On this point the Lieutenant-Governor asked for the instructions of the Governor General of India in Council, expressing his own opinion to be adverse to the re-opening of the Agency for the then coming season. He thought that the present was a most favorable opportunity for trying the experiment of an Excise system; and that the abandoned Agency of the 24-Pergunnahs afforded the most favorable field for trying it; whilst he observed that he saw plainly that if the present opportunity were lost, it might become (from the further reduction of stocks) too hazardous next year to try it; in which case the experiment would be indefinitely postponed. He did not agree with the Board in thinking that there was room in the 24-Pergunnahs for Excise and Agency manufacture, both on any considerable scale, except upon a large scale, and he was of opinion that it was futile to try the experiment of an Excise system at all. He argued that it was important, not only to give the experiment in reality the very best chance of success, but also to afford no ground for others to question the fair intention of Government; and he did not believe the danger of a short supply of Salt to be quite so imminent as the Board apprehended. For these reasons the Lieutenant-Governor recommended the reservation of the whole extent of the old Agency of the 24-Pergunnahs for the experiment of private manufacture under an Excise. In this view the Governor General in Council concurred; and the Lieutenant-Governor was vested with full power to entertain whatever establishment might be found necessary for the experiment in question.§

760. Accordingly this experiment was tried in the manufacturing season of 1854-55 under every facility which it was in the power of the Government and of the Authorities of the Department to afford it. The regulations and arrangements under which the manufacture and sale of Salt in the 24-Pergunnahs were thrown open, will be found in complete detail in the papers in the Appendix.||

761. Under this plan three persons applied for licences, of whom two only actually took out their licences, and commenced the manufacture. The result of the first year's experiment was reported by the Board on the 14th of May 1855. The gross quantity of Salt manufactured under licences in the season of 1854-55 was estimated a few days before the close of that season at no more than from 20,000 to 25,000 maunds. No definite expectations of new applications for licences for next season were entertained; though it was expected that both the licensed manufacturers already in the field would increase their manufacture next season. The extra or special cost of prevention came to about 6 per cent. upon the Duty; whilst "the extra preventive charge on Agency Salt, that is the total of the Agency charges not included in the cost price of the Salt, is a little more than 2½ per cent." But this excess of preventive charge must not be regarded as any argument whatever against the Excise system, as it is fairly attributable to the smallness of the scale on which the licensed manufacturers operated. The proportionate amount of the special preventive charge will be greatly reduced, as the manufacture under this system becomes enlarged.

762. "On the whole," the Board report, "no considerable extension of operations can be looked for under the Rules for manufacture in the Soonderbunds, and storage at Baugundy. It would perhaps be premature to say that the plan has failed, but the prospect of success is so doubtful and remote, that "it should not," the Board think, "be allowed to stand in the way of any arrangements for the extension of manufacture on the part of Government which the exigencies of the Department may suggest."¶

Salt Agency of the 24-Pergunnahs, without prejudice to the proposed experiment of manufacturing, in a portion of the same Agency, under an Excise.

But the Bengal Government, fearing that re-opening the 24-Pergunnahs Agency might prove detrimental to the success of the Excise scheme, recommended the reservation of the whole extent of the old Agency for the experiment of private manufacture under an Excise, which was sanctioned by the Government of India.

The experiment was accordingly tried, in the manufacturing season of 1854-55, under every facility which it was in the power of the authorities to afford it.

The result of the first year's experiment, as reported by the Board on the 14th of May 1855, described.

On the whole, the Board thought that the prospect of success was so doubtful and remote, that the experiment should not be allowed to stand in the way of other arrangements for the extension of manufacture on the part of Government.

* Appendix G, No. 3.

† Appendix G, No. 4.
‡ Appendix G, Nos. 9 to 17.

§ Appendix G, No. 5.
¶ Appendix G, No. 18.

§ Appendix G, Nos. 7 and 8.

* Letter dated 28th February 1849.

† Appendix G, No. 1.

‡ Appendix G, No. 2.

766. The Lieutenant-Governor of Bengal did not coincide in the views of the Board. In asking the Government differed instructions of the Government of India, he reviewed the calculations of the Board, and stated, founding from the Board, chiefly on his hope of increased importations of Foreign Salt, that, exclusive of any supply from the 24-Per-gunnahs Agency, a supply of Salt from all quarters might be anticipated, which would leave a stock of 15 lakhs of maunds at the end of the year. He thought that there was "really less reason for apprehending a scarcity of Salt than there was last year." He expressed himself, therefore, averse to re-opening the 24-Per-Salt than there had

The principal objections to an Excise, in Bengal, upon Salt manufactured by the Native process, stated, under four heads.

That under a system of private manufacture, the supply of Salt in the interior of the country would be deranged.

That under a system of private manufacture, a few capitalists would obtain a Monopoly of the supply.

That under a system of private manufacture, there would be more evasion of the tax by illicit manufacture and sale, than there is under the present system of Government manufacture.

That the preventive system necessary under an Excise would be more expensive to Government, and more vexatious to the Molunghees, than the present plan of Government manufacture.

I will discuss these arguments in order.

Discussion on the first head. No derangement of the supply in the interior of the country would be apprehended. 772. *That under a system of private manufacture, the supply of Salt in the Interior of the country would be deranged.*—This argument assumes that there is some specialty in respect of Salt which prevents the effective operation of the great natural laws which regulate the supply of all other main articles of consumption. But no one has attempted to show in what such specialty consists; and it is in my judgment certain that there is no such specialty. No derangement of the supply in the interior of the country occurs at Bombay; where the system of private manufacture is exclusively in operation; and there is no reason why the result in Bengal should be different from what it has been in Bombay.

Probable origin of the objection. 773. Probably this objection owes its rise to a consideration of what would be the first effect of an abrupt abolition of the present artificial system of manufacture, before private speculators, in sufficient numbers to supply the void in the market, were prepared effectually to commence operations. Doubtless this consideration is very important, and is sufficient to condemn any abrupt and inconsiderate cessation of the Government manufacture. It is sufficient, in my judgment, to condemn any such law as was contained in that Clause of the Bill of 1853 which was expunged by the House of Lords, set forth in paragraph 3 of this Report. But it is no argument whatever against any well-prepared and gradually-enforced change of system; or against the permission of private manufacture to any extent under Excise, which is the system now actually in force.

Discussion on the second head. The supply. 774. *That under a system of private manufacture a few capitalists would obtain a Monopoly of the supply.*—This objection is untenable as the last. While the Salt trade in Bengal is left to its natural course, (which is the case at present in every respect, except in respect of internal manufacture,) any real Monopoly is as impossible in the article of Salt, as it is in the article of cotton cloth, or any other commodity which is both largely produced in the country, and largely imported from abroad. We have seen more than supply, considered half the year's consumption of Salt imported within the year, from distant places beyond Sea. Salt may be procured from the neighbouring Coasts of Madras, Bombay, and Scinde in any quantities. The whole seaboard of Bengal, from the Chilka Lake to Arracan, with its innumerable creeks of Salt channels, is available for internal manufacture. The Salts of Western India meet the Bengal Salt in the Province of Benares, and divide the market there; and the price of Bengal Salt could not be raised by Monopolists, or by any other means, for a day, without bringing Western Salt downwards to supersede it, more or less, in proportion to the rise of price.

Probable origin of the objection. 775. Probably this objection arises from the recollection of the unsuccessful struggle against Monopolists, which was a main feature of the Salt Revenue system from the earliest times until the abolition in 1836 of the plan of auction sales of limited quantities. Whilst the Board attempted the impossible task of determining before hand what was the precise quantity of Salt that ought to be made available to the people for the wants of the coming year, and limited the quantity purchasable by wholesale to the amount so arbitrarily fixed, the wholesale dealers became of necessity Monopolists. But when any person was allowed, on any day of the year, and to any extent he pleased, to purchase Salt from the public stores at a fixed price, all real Monopoly became impossible. The only Monopoly that ever existed was the direct and unavoidable consequence of a false system of restriction; and there can be nothing likely to revive that Monopoly in a change, the effect of which is to do away with all restrictions whatsoever.

Discussion on the third head. The manufacture and sale. 776. *That under a system of private manufacture, there would be more evasion of the tax by illicit manufacture and sale than there is under the present system of Government manufacture.*—The arguments in support of this proposition are, that a private capitalist, for whom the Molunghees would work, and with whom they would be connected by the system of advances, would have greater facilities for smuggling by the help of the Molunghees than the Molunghees alone now have; and that the fact of the

Molunghees now being in the service of Government is a check upon them, which would be removed on their entering the service of private capitalists, who would have no object in preventing Government from being defrauded. The first of these arguments applies only to cases in which collusion between the capitalist and the Molunghee is to be apprehended, and the second applies also to cases where no such collusion is to be apprehended.

777. That careful provision must be made against collusion is not to be denied. A small capital is all that is required to work a single Khalary, and the severe penalties which may be enough to render smuggling a rare offence in the case of a great capitalist, working on an extensive scale, will not prevent petty Native manufacturers from being constantly on the watch to evade the Duty. Although the Molunghees without assistance are, and under any reasonable system would be, incapable of putting into execution, any plans for a very extensive evasion of the Duty, which would always require a previous, very extensive, clandestine manufacture, it is not to be controverted that the presence of the master manufacturer, who makes the advances to the Molunghees, or of his servants, is the introduction of a new Agency, which will be often employed in assisting the Molunghees in passing off Salt on which no Duty is paid, unless the manufacture is successfully watched. But it is an Agency which comes in place of the Native Officers of the Salt Agent, whose propensity to smuggle, with the aid of the Molunghees, under the existing system, is not at all doubtful. The places of these Native Officers would be supplied, under the proposed system, by Native Preventive Officers. The effect of the change would be, therefore, that whilst two parties must combine in order largely to evade the Duty now, it would be necessary for three parties to combine, in order to do so under the proposed system. I do not see how the result can be to give new facilities to clandestine manufacture, and to the consequent evasion of Duty by secretly passing off the Salt so manufactured.

778. That the fact of the Molunghees being now in the service of Government, acts in any degree upon them as a check to their propensity to defraud Government, is in my opinion quite an imaginary safeguard. The Molunghees wish not to offend the Native Officers of the Salt Agency; but whether this wish operates to encourage or discourage them in clandestine manufacture, depends only upon whom they intend to make the sharers in the consequent profit. The interests of a master manufacturer, who does not actually collude with the smuggler and share his profits, will always be strongly against permitting the Molunghees secretly to pass off any Salt that does not pay Duty, for he loses his profit upon all such Salt; and it must always be his interest to obtain as much of the manufactured article as he possibly can for his advances. Unless in a case of collusion, the master manufacturer of Salt will no more consent to his Molunghees passing off to others the Salt for which he has made advances than the Indigo Planter consents to his ryots disposing of their plant to other Factories.

779. On the whole, therefore, it appears to me, that collusion between all the parties who must collude in order to any very extensive evasion of Duty will be less likely to take place, and more likely if it takes place to be discovered under an Excise system than under the present system; and that where there is no collusion, there will be, under an Excise system, one additional safeguard against smuggling. For these reasons I see no weight in this objection.

780. *That the preventive system necessary under an Excise would be more expensive to Government, and more vexatious to the Molunghees than the present plan of Government manufacture.*—In support of this proposition, it is argued that the Bengal Salt is made in many remote parts of the country difficult of access; and that each Salt Work produces but a small quantity of Salt, so that the manufacture is scattered over a great extent of territory: that an immense number of Preventive Officers, at an extravagant cost, would be required to guard all these scattered Works, whom it would be impossible properly to overlook and check; that this interference of an immense body of Native excise-men with the Molunghees, would subject the latter to extreme oppression, and would be contrary to the recognized maxim, that in India the people should be freed as much as possible from the interference of Native Revenue Officers; and that the restrictive and penal Regulations which the circumstances of the manufacture would render it necessary for the preservation of the Revenue to impose, would operate to enhance the price of manufacture.

781. Some of these reasons are, in my opinion, conclusive against any system under which the manufacture and sale of Salt in Bengal should be "absolutely free, subject only to such Excise or other Duties as may now, or from time to time, be levied upon such Salt so manufactured;" if by this expression it be meant that, subject to such Duty, any person might make Salt in any quantity and at any time and place. Under such a system of free manufacture the collection of any Duty would be simply impossible; for no number of Excise Officers that could be employed could watch a free manufacture over the many

solately free;" but thousand miles of banks along the rivers, creeks, and channels in the jungles of the Soonderbuns alone. none of them have any strength as against a system of "modified Excise."

Many of those who have advanced these arguments seem to have had in mind some free system of this sort, when objecting generally to any Excise system. But none of these arguments appear to me, when thoroughly analysed, to have any strength as against a system of private manufacture, in particular places, under such restrictions and rules as may be necessary for the security of an Excise Revenue, but free so far as to be open to all speculators who satisfy the necessary conditions; which is what I understand by "a system of modified Excise, such as that of granting licences to private persons to manufacture Salt at stated localities." Every system of Excise, of which I am aware, imposes more or less of restrictions of this nature; and it would be impossible to collect the Revenue, even under the existing system of a Government manufacture of Salt, if restrictions as to the places of manufacture, the persons authorized to manufacture, and the manner of manufacture and storing, were not in force. I do not understand that any of those who have argued in favor of an Excise intended to recommend an *unregulated* private manufacture. It is upon this understanding that I proceed to discuss the question.

Question discussed in the aspect of a system of "modified Excise," in other words, a system of private manufacture in particular places, under such restrictions and rules as may be necessary for the security of an Excise Revenue, but free so far as to be open to all speculators who satisfy the necessary conditions.

782. I have no doubt that, under an Excise system, measures must be taken for keeping the higher Government Officers as fully informed of the capacity of production, and of the daily progress of work in every Khalary, as they are now. For this purpose there must be the same, or an improved system of contraction of the places of manufacture, and the work must be carried on under licences, which should only be granted where the production will be sufficient to enable the Department to secure the Revenue from the manufacture in raud without disproportionate expense. Also I have no doubt that, as at present, measures must be taken for the secure storing of Salt between the time of manufacture and the time of sale, whether the sale take place at the Khalary or at some central Golah. But measures for all these purposes are taken now, and must be taken equally whether the Salt is made on account of Government or on account of a private person. In either case precisely the same danger has to be guarded against, by precisely the same means; and in either case precisely the same result follows any laxity of administration. It is not possible that, all other circumstances being the same, a Molunghee can find it less easy to manufacture Salt clandestinely, and to pass it away from the Works secretly, because he is pretending to be making Salt only for Government, than he would find it if he were pretending to be making Salt only for a private person, to be stored and registered by Government.

Considered in that aspect, there is nothing valid in the whole objection.

783. On this understanding of the question, therefore, I have no hesitation in giving my opinion, that the scattered character of the present manufacture will be no greater evil, and will be as easily remedied under a regulated Excise as under a Government manufacture; that the overlooking of the daily work of production, and the prevention of smuggling, will not be more costly, for an equal degree of security under such a system than it is at present; that no greater restrictions on the Molunghee need be imposed under such a system, than are in fact now imposed upon him; that under good management there is no ground to fear that oppression will be inflicted on the Molunghee, who under the proposed system will have the master manufacturer to support him; and that as no restrictions or interference will be requisite under such a system which is not indispensable at present, there is no reason to fear that any well-considered Excise regulations will enhance the cost of making Salt, beyond the cost under the present system. There is, therefore, in my opinion, nothing valid in the whole objection.

Not necessary to analyse the arguments of those who support the introduction of an Excise system.

784. It would lengthen this Report unnecessarily, to analyse the arguments of those who support the introduction of an Excise system. These arguments are founded upon general principles which, as such, are universally recognized. The burthen of proof is admitted to be on the other side of the question, on those who maintain that, in this instance, a Government should be concerned in the production of one of the first necessities of life. On this side of the question there has certainly been much exaggeration of the practical inconveniences of the present system. But the principle of the argument is sound; and I have given above my reasons for refusing to admit that it does not apply as fully to the case of Bengal Salt, as to the case of any other staple.

The arguments against an Excise common Native process, are condensed, it may be said, in a Minute* by Mr. H. M. Parker, Junior Member of the Salt Board, dated the 2nd of November 1835. Mr. Parker's Minute was written expressly to meet the Parliamentary Inquiry of 1836, and his name is not to be mentioned without respect in the discussion of any question concerning the Bengal Salt Revenue; for, certainly, no other servant of the Bengal Government ever labored so zealously, or effected so much, for the improvement, and improved administration, of 1836. These arguments, it is thought, have

* Appendix E. No. 8.

of that Revenue; but I venture to think, that in the foregoing observations all the objections and arguments advanced against an Excise in the Minute in question have been essentially answered.

786. The giant champion on the other side of the question, in favor of an Excise, was Mr. J. Crawford, formerly of the Bengal Medical Service, the well-known and persevering opponent of the Salt Monopoly, in times past, by pamphlets, in periodicals, and before Parliamentary Committees, and more especially before the Parliamentary Committee on Salt in 1836.* His complete knowledge of the subject, and masterly treatment of it, gave great weight to his opinions even in those days; and it is impossible at the present time not to acknowledge that, however much he may have exaggerated (unintentionally of course) the practical inconveniences of the Monopoly, his views as to the expediency and practicability of substituting for it a combined system of Excise and Customs were perfectly sound in principle and essentially correct in the exhibition and treatment of details.

787. Mr. Parker's Minute being sent home, reached England just as the Committee of 1836 was closing its labors. Mr. Peacock, however, of the India House, was again called in as a witness, and he put in this Minute. Upon this, Mr. Crawford was also again called in, and gave in a reply to Mr. Parker's Minute. But neither of these very important documents containing a full discussion, upon opposite sides of the question, by the two persons best informed upon it, appear to have been placed on the records of the Committee; at all events, they were not published in the Appendix of the Committee's Report, although at the close of the evidence given by Mr. Peacock and Mr. Crawford, respectively, it is stated that the documents were handed in, and the Appendix is referred to.† Nor have I been able any where to obtain a copy of Mr. Crawford's paper. Another very valuable paper by Mr. Crawford referred to in Question 678, is given in the Appendix of the Committee's Report, but not the reply to Mr. Parker's Minute, referred to in Question 1277.

788. From information derived from Mr. Crawford himself, now residing in London, it seems certain that his paper in question was never printed. His impression is, that it was refused by the Committee as coming too late; upon which he asked that, in fairness, Mr. Parker's Minute should not be recorded, and this seemed to be at once conceded. The original paper was destroyed when the Houses of Parliament were burnt and Mr. Crawford kept no copy. There is, therefore, every reason to believe, that the paper is not any where in existence. It is much to be regretted that these two documents were not included in the Appendix of the Committee's Report. Had they been so, it is probable that the Excise question would have been brought under consideration again, and settled long before the present day.

789. Upon the whole question my opinions coincide with those of the Board of Revenue, as conveyed in their Secretary's letter to my address which will be found in the Appendix.‡

790. I refer in support of my opinion to the generally successful result of the proposed system in the Bombay Presidency, where it has been for several years in operation. Improvements in the administration of the system there, especially in the matters of concentration, and discontinuance of small detached Works, I have reported to be advisable; but no one has ever proposed to abolish the system. It is true that Salt at Bombay is produced by solar evaporation, without boiling; but the descriptions§ I have given of the two methods of manufacture which will show that a Bengal Khalary is as limited in extent as a Bombay Salt Work and therefore as easily watched and guarded. I think therefore that all the arguments I have used in Section II, Part II. of this Report, in favor of converting the Monopoly manufacture under the Madras Presidency into an Excise, apply with equal force to the Bengal Presidency.

791. It seems now probable that the desired change will introduce itself gradually, as speculators become prepared to take the field. When the Government stocks are replenished, still more than has yet been done to encourage the private manufacture may be safely done, by gradually giving up to speculators portions of the best Salt Districts, such as Tumlook and Hidgelee. But at the present moment the Government appear to me to have done all that can be done, without incurring the risk of a dearth of Salt.

* See Minutes of Evidence, pages 23 to 29 and 31 to 53, and Appendix No. 76, pages 185 to 212.

† See Minutes of Evidence, Questions 1262 and 1277.

‡ Appendix A, No. 2.

§ For the descriptions of the Bengal method, see the Notes on the Agencies, Appendix B, and Appendix C, Nos. 1 to 3.

Section III.

ON VARIOUS QUESTIONS CONNECTED WITH THE PRESENT STATE OF THE SALT REVENUE SYSTEM.

Notice of the more prominent questions connected with the existing system.

A minutely detailed account of the Agencies will be found in the Appendix, and Maps of them accompany.

792. I proceed, as in the case of the other Presidencies, to notice, briefly, the more prominent questions connected with the existing system and its administration.

793. *The Agency system.*—A minutely detailed account of the system under which Salt is manufactured for the Government at the several Agencies in Bengal will be found in Appendix B, and Appendix C, Nos. 1, 2 and 3.* This account describes also the method in which the Salt when made is transported from the manufacturing grounds to the local Depôts and stored there; how in the case of some of the Agencies it is transported for storage and sale to the central Golahs or Warehouses at Sulkea, on the right bank of the River Hooghly, opposite Calcutta; and how after being stored it is sold and delivered from the central and local Depôts. The obligations which the Government has incurred to the Zemindars in each Agency and the compensation it allows them, whether for the use of fuel and manufacturing lands or for loss either of profits from the manufacture of Salt or of Revenue, are also fully set forth in these papers; and Maps† of the several Agencies accompany exhibiting all topographical information.

In its general features, the system of manufacture and sale is every where alike.

794. It is not necessary here to advert further, in detail, to the system of manufacture thus described, or to note the varieties of practice which the different circumstances of each Agency in many, and perhaps in most, instances render unavoidable. It will suffice to observe that in its general features the system is every where alike; that except in the case of the manufacture, by solar evaporation, on the banks of the Chilka Lake, the Salt is produced by boiling; that the land on which the Salt is made is held by Government by virtue of payments, either past or present, made to the Zemindars; that except in Chittagong where the fuel is purchased by the Molunghees from private traders, lands on which fuel is produced are held by the Government on similar terms and the fuel supplied gratis to the Molunghees; that a portion of the cost of the Salt is advanced to Molunghees at the commencement of the season before the manufacture begins; that a further advance is made to them during the season, and that the Accounts of each Molunghee are punctually and finally settled by the Agent at the close of the season after all the Salt has been delivered; that the Salt is made under the surveillance of Government Officers, and delivered as made into the hands of Government Officers by whom it is despatched to the Agency Depôts where it is weighed and stored under the personal superintendence of the Agent or his Assistant; that from thence with the exception of the quantity retained to supply the local demand, it is either transported by contract to the central Depôt or delivered to purchasers on the production of assignments issued by the Board of Revenue in Calcutta.

The main business of the Agents described.

795. The main business of the Agents is to enter into contracts with the Molunghees for the manufacture of the full quantity of Salt required to meet the estimated demand for the year; to provide them with funds and with the means of obtaining fuel to carry on the manufacture; to supervise the operations of the Molunghees so as to ensure at once purity of manufacture and the delivery of the whole produce to the Government; to see that on the one hand the advances are fairly worked out and that on the other hand the Molunghees are fully paid for all the Salt they make and deliver; to provide for the transport of the Salt to the Agency Golahs and its storage there; and to superintend its delivery either to purchasers who have obtained assignments from the Board, or, in the case of the Western Agencies, to contractors who have engaged to convey it on account of Government to the central Depôt at Sulkea.

The rates of contract with the Molunghees are various, depending upon local circumstances.

796. The rate at which contracts are made with the Molunghees for the manufacture of Salt, varies in the several Agencies according to local circumstances, the chief of which may be considered the value of labor, the facilities for obtaining fuel, and the situation of the manufacturing grounds with reference to a supply of brine. Where labor is cheap and abundant, where an inexhaustible supply of fuel can be had by simply cutting the jungle in the immediate neighbourhood, and where the manufacturing grounds can be copiously saturated with sea water undiluted by the fresh water drainage of the country, the rate is low. Where it is the reverse of all this, the rate is high. In Chittagong the contract rate of manufacture includes the price of fuel which in that Agency is brought from a distance and sold to the Molunghees. In the other Agencies fuel is collected without payment by the Molunghees themselves from the Government lands upon which the manufacturing grounds are situated.

† Maps 8 to 10.

797. The rates are adjusted from time to time by the Board so as to afford the Molunghees a sufficient inducement to manufacture the quantity of Salt required for the year's supply, and yet not to give them an undue profit at the expense of the consumer. The other expenses of the Agency are also so regulated as to confine both the Revenue and manufacturing charges of the Department within the narrowest limits consistent with true economy, and thus at once to secure the State from needless expense and the public from being charged more for their Salt than is absolutely necessary. As no compulsion whatever is used, and as the Molunghees generally are engaged in Agriculture, and do not depend for subsistence on the manufacture of Salt alone, it is clear that any attempt to reduce the contract rate below the point at which it will yield a fair profit must very soon lead to a cessation of the manufacture, and thus work its own remedy. On the other hand the Molunghees are naturally prone to combine, not only among themselves but with the inferior Officers of the Agency, to raise the rates; and to prevent such combination and its consequences requires on the part of the Agent considerable firmness and address.

798. There is room to doubt whether the pay of the Native Officers employed by the Government to superintend the manufacture is liberal enough to place them above the temptation, or even the necessity of adding to their authorized emoluments by practices which not only augment the charges of manufacture and entail loss of Revenue, but tend to demoralize the Department, to expose those concerned, both in the manufacture and the purchase of Salt to unjust exactions, and to bring the administration into discredit. The time has gone by when Native Officers employed in the Salt Department could make large fortunes by plundering in turn the Government and the public. The present system of supervision and management is too strict and close to admit of malversation on a large scale, but still there can be little doubt that the low salaries paid to the subordinate Officers of the Agencies are such as to encourage peculation or at least to afford an excuse to those who practice it. A general revision of the Agency Establishments is a measure which should receive early consideration, as the manufacture on account of Government is likely to be continued for some time.

799. *Excise system as at present existing.*—An account of the manner in which Salt is made at the Narainpore and Goordah private Works, under a system of Excise, will be found in Appendix C, No. 4, and will be read with interest, as indicating the conditions under which the manufacture on this system is carried on at present. Where by the application of capital, a large quantity of Salt can be produced in a comparatively small space, first by exposure to the sun's rays and eventually by boiling in iron pans, the operations of the private manufacture can be easily supervised, and the Revenue collected with comparatively little expense or inconvenience. It is where the manufacture is carried on after the Native fashion, by boiling the brine in small quantities, at a large number of different places, scattered over the country for the convenience of gathering fuel, that the difficulty of securing the Revenue in any other way than by purchasing the Salt on account of Government presents itself in full force. A plan* of the Narainpore Works accompanies.

800. *The Preventive system.*—The measures adopted for preventing illicit manufacture and the smuggling of Salt either from the Government manufacturing grounds, from ships in the River Hooghly, or from places beyond Sea, are fully described in Appendix C, No. 5, and a Map† of the Salt Preventive Superintendencies accompanies, exhibiting all topographical information. The operations of the preventive Establishment are confined to a narrow strip of saliferous land on the Sea Coast, extending from the District of Chittagong on the East, along the head of the Bay of Bengal to the Province of Cuttack on the West; and Salt once passed beyond those limits, whether it have paid Duty or not, is free from molestation.

801. The Preventive Agency is for the most part separate from and independent of the Agency employed in the manufacture of Salt on account of Government, the one acting as a check upon the other; but this is not the case in Tumlook and the Province of Cuttack, where the Agents are also the Superintendents of the preventive force, and the advantage derived from the principle of mutual check is in a great measure lost. It is in contemplation to separate the two functions in Tumlook and to extend the authority of the Superintendent of the Midnapore Preventive Chokeys to that District. The adoption of this plan in Tumlook cannot fail to be attended with the same benefit that has accompanied it in other places, and the system should also be extended to Cuttack. In the case of Tumlook it will enable the Superintendent to withdraw some of his posts from the more northern of the guarded tracts in the District of Midnapore, and will restrict still further the area within which the interference of Government Officers is necessary. The whole preventive force in Tumlook and Cuttack should be placed under the authority of the Controller of Salt Chokeys.

* Plan No. 12.

† Map No. 11.

The general rule which should regulate the distribution of the preventive Agency.

802. As a general rule the preventive Agency should be concentrated in the neighbourhood of actual Government manufacture, where the inducements to smuggling and the facilities for carrying it on exist in a far greater degree, and distributed more sparingly over those parts of the country where manufacture is not authorized and where attempts to undertake it are easily detected. The River Hooghly and the channels of the Soonderbuns by which Salt may be smuggled from abroad require to be closely watched. On the other hand it can hardly be doubted that in the delta of the Gauges, and especially in the District of Backergunge, the guarded tract might be still further limited by the abandonment of some of the northern Chokeys most distant from the Sea.

The practice of endorsing the protective documents has been substituted for that of measuring the cargoes of boats carrying Salt by the principal routes, and might itself be abandoned.

803. The practice of "cooting," that is of measuring at several fixed stations on the principal routes the cargoes of boats carrying Salt upon which Duty has been paid and which is protected by Rowannah, was formerly considered an important and essential part of the preventive system and its observance is authorized and enjoined by law; but it has now been entirely abandoned and instead thereof the protective documents are examined and endorsed by the Chokey Officers, and the number of stations at which even this process is observed has been considerably reduced. No less to the Revenue or other evil consequence has been found to arise from this relaxation, which has been productive of great relief to the trade; and there is every reason to believe that the modified plan of examining and endorsing the protective documents might also be entirely given up, and the interference of the protective Officers confined to those cases in which there is reason to suspect an attempt to smuggle or otherwise evade the payment of Duty.

The pay of the subordinate officers of the Preventive Establishment is considered to be on too low a scale.

804. The remarks already made in respect to the pay of the subordinate Officers of the Agencies, are applicable also to that of the subordinate Officers of the preventive establishment. It is generally on too low a scale and sufficient attention has not been paid to the reward of meritorious services by gradual advancement and increased allowances. If the suggestions above made be adopted, it is probable that a diminution in the number of the preventive Officers, consequent on the concentration of the force and the further limitation of the guarded tract, might afford the means of increasing the emoluments of those whose continued employment is really necessary, without any additional charge to the State. I agree in the opinion expressed by the Board of Revenue* that, under a system of Excise upon the manufacture, no considerable change will be found practicable in the strength and distribution of the existing preventive force.

The system of retail sales is fully described in a note in the Appendix, and the Maps of the Agencies and Chokey Superintendencies illustrate it.

805. *Retail Sales by the Government at Reduced Rates of Duty.*—An account of the system of retail sales, under which Salt is sold in small quantities and at reduced prices for consumption within the guarded tract described under the preceding head, will be found in Appendix C, No. 6. There is also a collection of papers on the subject in Appendix L; and all topographical information concerning these sales is exhibited in the Maps† of the Agencies and Preventive Superintendencies.

The system of retail sales adopted in aid of the preventive measures in force, to prevent smuggling.

806. Except in Cuttack, where the circumstances are peculiar, and where an attempt is made to supply the hilly country lying between that Province and Behar with Salt somewhat less heavily taxed than that consumed in Bengal, and thereby to keep out the still more lightly-taxed Salt of Ganjam, the system of retail sale is adopted in aid of the preventive measures in force to prevent smuggling, the object being to induce the inhabitants of the saliferous tracts to consume Salt upon which some Duty is paid instead of making untaxed Salt for themselves and supplying it to others, and to obtain a Revenue from the consumption of Salt in places where, from the facility of smuggling, if the full amount of Duty were imposed no illicit Salt would be consumed.

The principles which ought to govern the sale of Salt by retail, described.

807. The principles which ought to govern the sale of Salt by retail, are the same as those by which the distribution of the preventive force is regulated, that is to say, the sales should be confined to those tracts in which manufacture on account of Government is carried on; and Districts in which Salt can be made, but where the manufacture is prohibited, should be left to the operations of the regular trader. In such Districts it is easier to prevent the illicit manufacture of Salt altogether, or at least to put a stop to traffic in untaxed Salt, than it is to prevent the cheap retail Salt from finding its way beyond the Frontier of the guarded tract, and thereby at once competing at an advantage with the Salt on which the full Duty has been paid, and injuring the public Revenue.

It is questionable whether any advantage is gained by the system of retail sale.

808. Even in the manufacturing Agencies it may be a question whether more harm is not done in this way than advantage gained by the sale of cheap Salt to the people. It is by no means certain that it would not be more directly profitable to the Revenue to leave even these tracts to be supplied by the regular trader with Salt upon which the full Duty has been paid than to supply them with cheap Salt which, in spite of all

precautions, is carried beyond the Frontier and there interferes with the sale of full-priced Salt. In neither case can the actual manufacturers of Salt be expected to refrain from eating of the Salt which they themselves have made, and in the former case, though it would be more difficult, yet it would be by no means impossible to prevent the manufacturers from supplying untaxed Salt to others. The real objection to the discontinuance of retail sales at a cheap rate in the manufacturing Districts is, that the manufacturers would be constantly tempted to sell, at a small advance, to consumers and smugglers a portion of the Salt which they had made for the Government; and that the Officers of the Department would be as strongly tempted by a share of the profit, to connive at such practices, but it may well be doubted whether the effect of discontinuing retail sales would not be rather to change the character of smuggling than to increase its amount, and whether, if they were discontinued, the Government would lose more by smuggling than it does at present by smuggling added to the voluntary sacrifice of Revenue involved in the sale of Salt at low prices.

809. If an Excise system were substituted throughout Bengal and Cuttack for the present system of manufacture on account of Government, the retail sale of Salt by the Government must of necessity cease, and it may be well to consider whether, with a view to this contingency, as well as to relieve the Government from its connection with such petty transactions, and from the odium, not readily susceptible of explanation to those who are unacquainted with the details of the Department, of under-selling the merchant who has paid full Duty upon his Salt, the system of retail sale ought not to be abandoned even while the manufacture on account of Government is continued. With the abolition of retail sales and the concentration of the preventive force around the sources of illicit supply, as recommended under the previous head, the limits of the guarded tract might be still further contracted, the machinery of protective documents and the interference of Government Officers with the merchants and dealers would be restricted in a commensurate degree, and the trade in Salt throughout Bengal and Orissa would be really free. It would in this case be necessary to retain part of the Salt manufactured at the Cuttack Agencies in the local Depôts for sale at the usual wholesale prices, being the fixed Duty added to the cost of production.

810. With regard to the sale of Salt in Cuttack at low prices for the supply of the hilly country between Cuttack and Behar, it may in like manner be doubted whether it would not be better to leave the traders, upon whom the inhabitants of that part of the country depend for their supplies, to purchase Salt at the full price from the Government Golahs either at Sulkea or in Cuttack. The chief difficulty in the way of such a change consists in the fact that Kurkutch Salt is sold at Ganjam under the Madras Regulations at 1 Rupee a maund, and it is supposed that in a great part of the country referred to, this Ganjam Salt would be consumed if it were not competed with by Salt sold almost as cheaply at the local Depôts on the Cuttack Frontier. But it must be remembered, on the other hand, that the sale of cheap Salt at Cuttack limits the operations of the Bengal traders who purchase their Salt either from importers or from the Government Depôts on the River Hooghly, and who but for this limitation would supply a great portion of this country, for which the Grand Trunk Road, and to a certain extent the Railroad, gives them considerable facility. The additional profit obtained by selling Kurkutch Salt at Pooree for the interior consumption, at Rupees 1-8 a maund, cannot be compared with the loss of Revenue caused by the supply of Pungah Salt in Balasore and Cuttack at prices varying from 1 to 2 Rupees a maund below the price paid for the Salt with which Midnapore is supplied. And it seems on the whole better that on the one side Ganjam Salt at one Rupee a maund should find its way wherever the expense of carriage or the taste of the people do not oppose obstacles to its consumption; and that on the other hand, the Salt of Bengal and Cuttack, at the full price consisting of cost and duty, should be left to penetrate by the usual course of trade to wherever there is a demand for it, than that the Government should interfere to prevent the consumption of either one kind, or the other, by the sale of Salt at intermediate prices on the Cuttack Frontier. It may be said that this would lead to an increase in the price of Salt at some places in the interior, but so long as the Duty on Bengal Salt is Rupees 2-8 a maund, there seems no reason why the inhabitants of any part of the Presidency of Bengal should be preferentially exempted from the payment of any part of that Duty, or why the inhabitants of Chota Nagpore should be supplied with Bengal Salt cheaper than those of Rungpore or Behar. The true remedy for any partial inconvenience of this kind consists in a further general reduction of Duty in which all would participate.

811. On the whole then, notwithstanding the strong opinion expressed by the Board of Revenue, that so long as Government continues to manufacture, local sales from Government Depôts should be continued in the manufacturing localities,* I incline greatly to the conclusion, that it would be proper, practicable, and profitable to abandon the system of retail sales in Bengal, and of local sales at reduced prices, in addition to retail sales, in Orissa, at once.

It may be well to consider whether the system of retail sale ought not to be abandoned at once.

In like manner, it is questionable whether the system of local sales in the Province of Cuttack, at reduced prices, ought not to be abandoned at once.

On the whole, the Commissioner inclines strongly to the conclusion that it is desirable to abandon the system both of retail sales and of local sales, at reduced prices at once.

* See Appendix A., No. 2, para. 8 to 11.

On the subject of smuggling, the Commissioner concurs generally in the opinions expressed by the Board of Revenue.

812. *Smuggling*.—This subject is treated generally in paras. 12 to 15 of a letter from the Board of Revenue, dated the 16th of September 1854, which will be found in the Appendix.* In another paper in the Appendix,† the system of smuggling from the manufacturing ground is described through all its stages, the illicit Salt being traced to its origin, and followed until it reaches the consumer. I believe with Mr. Ricketts, that smuggling from the manufacturing localities prevails to a much greater extent than his colleague, Mr. Currie, has been led to conclude, and I agree with the Board in their opinions on the subject generally.

The principle upon which the wholesale prices of Government Salt are adjusted.

813. *Principles and Method on which the Manufacturing Cost to the Government of the Home-made Salt is ascertained and fixed*.—The principle upon which the wholesale prices of Government Salt are adjusted has been explained in para. 733. In accordance with the Resolution of the Select Committee of the House of Commons in 1836, and the orders of the Court of Directors consequent thereupon, the fixed Duty is added to the cost price of the Salt produced at the different Agencies as shown on an average of three years, and the total of these two items in each case is the wholesale price. But there has always been a question as to what proportion of the expense incurred by the Government in the production of Salt is fairly to be considered a charge of manufacture, and therefore to be included in the cost price of the Salt, and what proportion must be held to be incurred for the prevention of smuggling and collection of the Revenue, and therefore to be excluded from the cost price of Salt, and made a charge on the general Revenue of the Department.

The adjustments are probably as satisfactory as the nature of the case admits of.

814. The question has been fully discussed in the papers which will be found in Appendix P, Nos. 1 to 3. The principle of separating purely manufacturing from purely Revenue Charges, and including only the former in the cost price of the Salt, has been universally recognized, and is unquestionably sound. But there are some items of charge of a mixed character, of which it is difficult to say with precision whether they would still have to be incurred under any method of administration, or whether they are necessarily incident to a system of manufacture. The Report of the Accountant, contained in Appendix P, No. 3, goes minutely into each item, and the results that have been arrived at are probably as satisfactory as the nature of the case admits of. It seems certain that the tendency of these results is to include in the cost price every item that can with reason be classed in that category, so as to obviate any imputation of unfairness as towards the importer of Salt from abroad, or the producer of Salt under Excise.

The necessity for modifying the principle laid down for observance in the pricing of Government Salt.

815. There appears to be a clear necessity for modifying the principle laid down for observance in the pricing of Government Salt. The documents bearing on this part of the subject will be found in Appendix P, Nos. 4 and 5. Owing to the somewhat superior quality and much greater cheapness of some kinds of Salt which are brought for sale to the Sulkea Depôt, and especially of the Balasore Salt, the arrival and storage of a batch of Salt of this kind is eagerly looked for, and even before it is declared ready for delivery, the Board's Office is beset by applications to an extent many times greater than the actual quantity available, and these chiefly from jobbers and speculators, whose only object is to get a portion of the Salt assigned to them and turn an immediate profit by disposing of it to a regular Salt merchant at its market value, the market value being generally a little higher than the wholesale price of the most expensive Government Salt in store. Many expedients have been resorted to in order to correct this state of things, which was productive of much inconvenience and gave rise occasionally to scenes of confusion and disturbance not altogether creditable to the public Office in which they occurred, and at present the difficulty has been met, though at the sacrifice of a rule laid down for the guidance of the Government by putting up the Salt in convenient lots to auction, and selling them to the highest bidder.

The Board have from time to time objected to offering Salt of this description at prices considerably below its market value.

816. The Board have from time to time objected to the practice of offering Salt of this description at prices considerably below its market value. also because it practically makes the more expensive and less esteemed kinds of Government Salt in store unsaleable. To this second objection but little weight has been attached by the Government, since it is necessary that there should be a reserve stock of some kind of Government Salt in store; and, as it has never been satisfactorily shown that Salt deteriorates by keeping, it is not only a matter of no consequence whether the old Salt is sold or not, but there may be even an advantage in keeping such Salt in reserve for occasions when a possible scarcity would naturally compel recourse to Salt of a dearer and inferior description. But the first objection is a reasonable one, and though it has been temporarily met by resorting to auction sales, yet this practice besides being not altogether in accordance with the recommendation of the Select Committee, as giving to the Government a higher rate of profit than the fixed Duty of Rupees 2-8 a

* Appendix A, No. 2.

† Appendix O.

maund, is so far disadvantageous to the consumer, that it tends to confirm an evil arising out of the present system of pricing the different kinds of Salt, and that is, that the general market price of all kinds of Government Salt is forced up to the price fixed for the most expensive kind, instead of being kept down, as it might be, under a different system to an equality with the general average price of all Salt offered for sale at Sulkea.

817. There seems to be no objection, either in principle or practice, to fix one general price for all kinds of Salt hereafter conveyed for sale to the Sulkea Depôt, whether it be brought from any one of the Cuttack Agencies, from Tumlook, from Hidgelee, or elsewhere. There can be no greater reason against fixing one price for the Salt of different Agencies offered for sale at the same Depôt than for fixing one price for all the Salt of any given Agency. The actual difference of cost between the produce of different parts of the same Agency is frequently as great as that between the produce of two different Agencies, and if the price be fixed on an accurate average calculation of the price of the whole, it makes no difference of principle whether that calculation embraces a large or a small quantity, the Salt of several Agencies or of several parts of the same Agency. On the other hand, by fixing one general price for all Government Salt sold at Sulkea, the inconveniences complained of under the present system would be removed; and the market price instead of being regulated by the cost of the dearest kind of Government Salt in demand would be regulated by the average cost of the whole.

818. *Bonding Rules*.—On this head it is unnecessary to do more than to refer to the papers contained in Appendix Q, and especially to No. 4 of the collection. A considerable portion of the Ware-houses at Sulkea is set apart for the use of importers who desire to bond their Salt, on payment of a moderate rent. Imported Salt may also be bonded in private Ware-houses. Duty is not levied until the Salt is cleared, and on Salt bonded at the Sulkea Depôt there is allowed a wastage of 2½ per cent. on the quantity delivered from the ship. It is believed, that the Rules as they now stand, give complete satisfaction.

819. *Treatment of Molunghees*.—This part of the subject is exhausted in the note prepared by Mr. Parker and laid before the Select Committee of the House of Commons in 1836, which will be found in Appendix R, No. 1. It need only be added that there is nothing on record to indicate, or the slightest reason to suppose, that the Molunghees are subject to the least degree of coercion, or that their condition is in any respect worse than that of any class of laborers in Bengal. They are generally eager to receive advances from the Agents and engage in the manufacture to the full extent of the annual provision, and any diminution in the quantity required rarely fails to call forth their remonstrances. At the same time it is to be remembered that they are usually engaged in agriculture, and that the discontinuance of the manufacture of Salt, though it might limit their resources, would by no means, deprive them of subsistence.

820. I agree with the Board of Revenue* that, in substituting a system of Excise no special regulations for the protection of the interests of the Molunghees would be needed. As a class, they are quite able to take care of themselves, and may well be left to do so, and to make their own terms with the manufacturers.

821. *Pressure of the Salt Laws*.—A petition was some time ago presented to the Government by the British Indian Association, a body consisting almost exclusively of Zemindars, complaining of the undue severity and injustice of the Salt laws as bearing upon the interests of that class.† Their objections, though stated at some length, were in effect confined to a Section of Act No. XXIX. of 1838, which provides that a land-holder who shall knowingly omit to give information of illicit Salt Works established in his Zemindarie, shall be liable, on conviction before a Judge, to a fine of 500 Rupees for every such Work and that "such knowledge shall not be required to be established by direct proof but may be inferred from circumstances at the discretion of the Judge." The Board of Revenue, who were required to report on this petition, showed conclusively that it was absolutely necessary to hold the Zemindars responsible for the construction of illicit Salt Works on their estates and that this responsibility had attached to them from the time of the permanent settlement. They also showed that the law was never enforced except in "glaring" cases of encouragement and that it had been leniently administered. But they took the opportunity of laying down certain precise rules, which will be found in Appendix S, No. 2, limiting still further the application of the law, and with these rules it is understood the Association is satisfied.

* Appendix A, No. 2, para. 4.

† Appendix S, No. 1.

Section IV.

ON THE SALT TAX GENERALLY AND THE RATE OF DUTY.

822. Those who have urged the expediency of a reform in this branch of the Revenue, have not raised the abstract question of the propriety of imposing any tax whatever upon a necessary of life, such as Salt. Mr. Crawford, who has for many years been foremost in the opposition to the Monopoly system, and who is, perhaps, in theory the least favorable to a Salt tax of all those who have written and given evidence against the present system, proposes no more than the freedom of the manufacture, and the reduction of the Duty.*

823. It has been argued in favor of the tax, which it is admitted partakes in some respects of the nature of a capitation tax, that in India "the great mass of the people, with few exceptions, are nearly in the same condition," and that therefore "there is no injustice and little inequality," in such a tax. Mr. Crawford shows that amongst the humbler ranks of society, without pushing the comparison into the upper classes, the inequality of income is very great in India, quite as much so as in other countries, and as each individual's consumption of Salt varies little in those ranks, he demonstrates that as a general tax upon the consumption of the humbler classes, the Salt tax is unequal. But even Mr. Crawford admits the advantages of the tax, the facility with which it is levied, and the difficulty of pointing out a more productive source of Revenue whereby to meet the exigencies of the State. The tax is very productive, and it is raised at a small proportionate cost. Over the greater part of the territory subject to it, that is to say over the whole of the interior of the country, the tax is raised without the intervention of any Revenue Officers, or preventive establishment, an object which is no where of greater importance to the comfort of the people than in India. It is justly argued by Mr. Tucker, in his Review of the Financial Situation of the East India Company, published in 1824,† that in this respect the Salt tax in India partakes of the advantages of a Frontier Duty, and is so far preferable to any tax levied directly throughout the whole territory. Apart from the questions of the rate of Duty and the manner of levying it, and presuming the amount of the Duty upon Salt to be moderate with reference to the circumstances of the people, the whole of the evidence on both sides of the question of Monopoly goes to this, that no less objectionable tax can be pointed out.‡ The people are accustomed to it, and pay it without complaint, and though it does press upon the laborer more severely than upon a man of the classes above him, in proportion to the respective means of each, it is the only tax, direct or indirect, of any description, which laborers and other poor people in India are obliged to pay:—

824. This last point should never be lost sight of, in considering either the general question of the propriety of any Salt tax at all in India, or the more special question of the rate at which such a tax can properly be imposed. An Indian laborer, if he chooses to take spirits or intoxicating drugs, pays a tax to the Abkarree Department, and if he chooses to wear English cotton cloth instead of country cloth, he pays a trifling tax to the Customs Department. I am not aware that there are any other taxes to which he could contribute, even if he had a mind to do so, and the two last are certainly paid voluntarily, by those who pay them at all.

825. It has been argued that it is grievous to tax Salt in India, because Salt is the only condiment an Indian laborer consumes with his food, which is of such a nature that without Salt it would be unbearably insipid. But this is a mistake of fact, Dr. Bedford's paper on the Income, Expenditure and Food of the poor classes in Bengal,§ shows that dear as Salt is in Bengal, usually as much is spent by these very classes upon pepper and other untaxed spices, (exclusive of the very important item of oil also untaxed,) as upon Salt, and food is a mistake of fact. The Indian laborer is of dhal, fish, meat, spice, green vegetables, milk, and oil, besides rice and Salt. This paper also shows that usually half as much is spent by the poorer classes on tobacco (also untaxed) as on Salt. The Indian laborer then, when the facts of his case are ascertained, is found to be much more fortunate in the fiscal system under which he lives than the English laborer. I am not aware what condiment except Salt, the latter can enjoy untaxed. In tobacco alone, I imagine many laborers in England contribute more to the Revenue of their country in proportion to their income, than the Indian laborer does in Salt; and those English laborers who may consume occasionally sugar, coffee, tea, malt liquor, pepper, or other spices, and the like small luxuries corresponding with the spice, milk, or dye, oil, and tobacco of the Bengalee, pay very heavy taxes, to which there is nothing corresponding in the Indian fiscal system as it affects any class of people. Mr. T. L. Peacock, in his evidence before the Select Committee of 1836, says:—"I think the English laborer's taxes bear a greater proportion to his wages" (than the Salt tax paid by the Bengal laborer bears to his wages); and speaking of the English system of taxation, he says:—"Almost all the taxes that fall

* See Appendix H, No. 1.

† Appendix J, No. 7.

‡ See Appendices II. and J.

§ Appendix M, No. 3.

"upon the (English) laborer are out of the necessities of life; many taxes have been taken off of late years; the taxes are taken off soap, leather, and candles; formerly there was scarcely any thing that was not the subject of taxation to the poor man in England."* I have not observed that any witness in 1836, or on any other occasion, has controverted this statement.

826. Thus when the question of the propriety of a Salt tax in India is investigated, it is found to resolve itself into the question of whether it is proper, or not, to lay directly, or indirectly, any tax whatsoever upon the mass of the community. I have not found the negative of this question maintained in any of the discussions upon the Salt question to which I have obtained access. And this consideration accounts for the unanimous opinion in favor of a Salt tax, which all Indian Authorities have pronounced when interrogated on the subject. I agree with those who are of opinion, that it is impossible to point out any equally productive source of Revenue in India, less objectionable, all things considered, than a moderate Salt tax.

827. It remains to consider the amount of the Duty on Salt at present levied in Bengal, which, as has been said, is now 2½ Rupees a maund.

828. In the first Section of this part of my Report,† I have described the several reductions that have been made in this Duty, within the last twelve years, namely, from 3½ Rupees its highest point, to 3 Rupees in October 1844; to 2½ Rupees in April 1847; and to the present rate in April 1849; on which last occasion it was announced that no further change of Duty should be made before the 1st of May 1854. In the same place I have also shown the increase of consumption, taking all sorts of licit Salt together, which has followed these reductions: and their effect upon the nett Revenue of the Department.

829. In March 1854 the Board of Revenue laid the results of the last reduction before the Bengal Government. They represented that up to the close of 1852-53, the annual Revenue by the increased consumption of Salt at a Duty of 2½ Rupees a maund had recovered nearly half the amount lost by the reduction of the Duty by 12 annas a maund upon the quantity consumed in 1844; that is to say, that it had recovered, by their computation, 17½ lakhs of Rupees out of 35½ lakhs of Rupees.‡ After observing that the question of further reduction was a financial question, to be determined mainly on financial considerations, they said:—"Generally the information with which the Board has been furnished goes to show that since the late reductions, Salt is supplied to the people at a cheaper rate and in a much purer state than was the case formerly. It cannot, however, be doubted that in some parts of the country the price is still so high as greatly to restrict the use of the article, if not to place it altogether out of the reach of the poorer classes, and apart from financial considerations, it would be most desirable that further reduction should be made. But if the Board be permitted to offer a suggestion, they would say that if any change is determined on, it should be to lower the Duty at once to Rupees 2 per maund, the rate which prevails in the North-Western Frontier, instead of making only a 4 annas abatement as heretofore. By so considerable a reduction there would be a much greater probability of the price being at once reduced to the consumer, and a stimulus in consequence given to consumption, than if an intermediate rate of Rupees 2-4 were adopted. Such a measure, however, would involve a present sacrifice of Rupees 27,00,000 with the prospects only of some portion of it being gradually made up hereafter by increased consumption. Fully to make up the amount just mentioned, would require at Rupees 2 a maund an increased consumption of 13½ lakhs of maunds, and judging from past experience more than one-third of this increase could not, the Board think, be reasonably expected within the next five years. It is for the Government to judge what course should be adopted; but the Board would venture to remark that the present moment, when the Government stocks are very low and importation is

* Appendix J, No. 4.

† Paras. 734 to 738.

‡ The Board state, that if they could have included the year 1853-54, the result would have been more favorable; which however was a mistake, the result of 1853-54 turned out below the average. Nevertheless the Board's Report shows the result of the last reduction in 1849 in very much too unfavorable a light. They should not have made any comparison with 1844-45, as the first reduction was made in the middle of that year. They give a series of triennial averages from which they infer that both the first and second reductions were followed by a very large increase of consumption, but that since the last reduction, the increase has been comparatively inconsiderable. This conclusion was derived from a comparison of averages very erroneously made. The penultimate triennial period, with which the last triennial period is compared, includes thirteen months of the reduced Duty, by which its average was very greatly raised above the average of the biennial period which ought to have been taken as the standard of comparison. The last reduction took effect on the 1st of April 1849; and the deliveries of the year from 1st May 1849 to 31st April 1850 were 56,10,692 maunds against 49,13,315 maunds in the preceding twelve months, which include one month (April) of very large deliveries immediately following the reduction. In reality, the result of the last reduction has been fully as successful as that of the two first reductions; as will be seen by a reference to the Statement forming Appendix T.

In examining the Board's Statements it should be borne in mind that they exclude the retail sales in the manufacturing Districts, where the general rate of Duty is not enforced, and that the columns of "Processals" in their Enclosure A, have no financial significance.

The Commission-
er agrees with
those who are of
opinion that it is
impossible to point
out any equally
productive source
of Revenue, in In-
dia, less objection-
able than a mode-
rate Salt tax

The amount of
the Duty on Salt
considered

In March 1854,
the Board of Re-
venue expressed
an opinion that a
reduction of the
Duty to Rupees 2
per maund would
be a desirable mea-
sure.

"more slack than it has been for many years past, is not peculiarly favorable for a change which might have the immediate effect of causing a sudden increase of demand."

But the Bengal Government considered any reduction at that time inexpedient.

In April 1855, the Government of the N. W. Provinces suggested the abolition of the differential Duty levied at Allahabad on Western Salt, but the suggestion was not favorably received.

830. The Most Noble the Governor of Bengal considered it inexpedient, under all the circumstances of the case, to make any alteration in the Duty at that time.†

831. It has been explained that the Duty upon Salt in the North-Western Provinces and in the Punjab being 2 Rupees a maund, a line is drawn at Allahabad, below which Western Salt cannot pass without payment of a differential Duty of 8 annas a maund, to put it upon a par with Bengal Salt, which meets Western Salt and divides the market with it in the Province of Benares. In April 1855 the Lieutenant-Governor of Agra suggested the abolition of this differential Duty, in order to the relief of the people of the Province of Benares; but the suggestion was not favorably received by the Bengal Authorities, for the obvious reason that, besides the financial result of the loss of 8 annas Duty on the 6½ lakhs of maunds which now annually pass Allahabad, a further loss would be incurred at the same rate on an unknown, but certainly very large, quantity of Sea-borne and Bengal Salt, which would be displaced by the lower taxed Salt from the westward.‡ The Government of India adopted the same view.

The abolition of the differential Duty at Allahabad is in itself a very desirable measure; but that it is certainly one that ought not to be taken otherwise than simultaneously with such a reduction of the Bengal Duty as will equalize it with the Duty charged in the North-Western Provinces upon Western Salt. There is no reason why the people of the permanently-settled Province of Benares should pay less Salt tax than the people of the permanently-settled Province of Behar; and besides the general financial consideration, there is a very sufficient reason why low taxed Salt ought not to be allowed to compete with high taxed Salt, in the same Province; viz. that whilst Government will lose all the difference of tax upon all the high taxed Salt that would be superseded by the low taxed Salt, the consumer would not be benefited in a corresponding degree, because more or less of the difference would be wasted in transporting the low taxed Salt beyond the natural Frontier between Western and Coast Salt.

832. It appears to me that the abolition of the differential Duty at Allahabad is in itself a very desirable measure; but that it is certainly one that ought not to be taken otherwise than simultaneously with such a reduction of the Bengal Duty as will equalize it with the Duty charged in the North-Western Provinces upon Western Salt. There is no reason why the people of the permanently-settled Province of Benares should pay less Salt tax than the people of the permanently-settled Province of Behar; and besides the general financial consideration, there is a very sufficient reason why low taxed Salt ought not to be allowed to compete with high taxed Salt, in the same Province; viz. that whilst Government will lose all the difference of tax upon all the high taxed Salt that would be superseded by the low taxed Salt, the consumer would not be benefited in a corresponding degree, because more or less of the difference would be wasted in transporting the low taxed Salt beyond the natural Frontier between Western and Coast Salt.

833. The advocates of a reduction of Duty, whose arguments will be found collected in Appendix H, for and against a support their proposal on two grounds; first, that the present rate of Duty is so high as to operate positively as a very heavy and grievous burthen upon the laboring population; and secondly, that by stimulating consumption and checking smuggling a large reduction of Duty will not permanently injure the nett Salt Revenue, but on the contrary will eventually improve it. Both propositions are denied by gentlemen of experience and ability, whose arguments will be found collected in Appendix J. A middle course is taken by several of the witnesses who have been examined upon the question; who are of opinion, that although the rate of Duty does not amount to what can fairly be called a heavy and grievous burthen upon the laboring population, it is still positively too high; and that a reduction of Duty will increase consumption and diminish smuggling in a material degree, although it will not do so to such a great extent as some of the advocates of reduction expect. I will discuss each point separately.

Mr. Crawford's estimate that an sixth part of the yearly earnings of the family upon the single article of Salt, whence he infers that a tax, ordinary Bengalee laborer, with an average family, spends one sixth part of the yearly earnings of the family upon the single article of Salt, must be set aside as wholly erroneous.

834. Mr. Crawford contends that an ordinary Bengalee laborer, with an average family, spends one-sixth part of the yearly earnings of the family upon the single article of Salt, whence he infers that a tax, ordinary Bengalee laborer, with an average family, spends one sixth part of the yearly earnings of the family upon the single article of Salt, must be set aside as wholly erroneous.

§ The tax has been reduced since by nearly 24 per cent., but even so, it must be admitted that if it affects one-sixth part of a laborer's expenditure, it is, at least, for India an excessive tax. But Mr. Crawford's estimate of the proportion of a laborer's income required for his supply of Salt alone is quite erroneous. It assumes that 2 Rupees a month, or about 1 anna a day, is a fair average income for a laborer's family of five souls, of such an age as to require monthly each on an average one pound weight of Salt with his food. To say nothing of Salt, spices, oil, fuel, clothing, and all miscellaneous expenses whatsoever, this whole income would not afford each individual of the family a pound weight of rice a day. Now we know that a working cooly himself consumes more than two pounds of rice besides from a quarter to half a pound of pulse, (which is more nutritious than rice and nearly twice as dear,) and besides fish, spices, fresh vegetables, milk, oil, and Salt,|| Mr. Crawford's estimate must thus be wholly set aside, as one that cannot possibly be true. In fact the earnings of the head of the family are taken too low by half, the earnings of the rest of the family are omitted altogether, which, as each individual is assumed to be old enough, to require on an average a pound of Salt a month, is a great omission, and the cost of the estimated

* Appendix K, No. 1. † Appendix K, No. 2. ‡ Appendix K, Nos. 3 to 5. § Appendix H, Nos. 1, 5 and 6. || See Dr. Bedford's Tables in Appendix M, No. 3.

quantity of Salt consumed is greatly overrated. The retail price of Salt in the interior, at a high average, may fairly be taken now at about 1½ anna a seer. At this rate the price of Mr. Crawford's yearly allowance of 30 seers is Rupees 2-13 not Rupees 4 as Mr. Crawford makes it.

835. Taking Dr. Bedford's Domestic Statistics of one hundred families, which are probably the best that have yet been obtained, the average monthly expenditure of each family on Salt is annas 2 pies 9, being no more than Rupees 2-1 a year. But these families are for the most part very much above the common laborer or cooly, the greater number of them deriving some income from the produce of land and keeping more than one cow.* The total income of these families was on an average nearly Rupees 5-2, a month, or Rupees 61-8 a year. Their average expenditure on Salt therefore is about 1-30th of their income. Taking the present tax at 500 per cent. of the prime cost, of Salt at the factory, and at five-eighths of the average retail price in the interior, it cannot, I think, be fairly said that the lower classes in Bengal, considering that this is the only tax they are compelled to pay, are oppressed by "a heavy and grievous burthen" of taxation. The highest retail price of Pungah or to any one else, Salt given in the latest Returns of the prices of Salt at different towns in the interior, is at Gyah (Behar), where it is set down as a trifle above 2 annas a seer; equal to a little more than 5 Rupees a maund.† Of this the present tax is 50 per cent. The result is, that the whole population of Gyah, whether laborers or the employers of labor, are in much the same case, in regard to the article of Salt, that they would be in, if they were twice as far away as they are from the place of manufacture, and there were no tax at all upon Salt. In this supposed case, all that could justly be said on the subject would be, that the whole population of that place, whether laborers or employers of labor, must set against such advantages of situation as they may have, this disadvantage, viz. the very high price of Salt in their Province. So it appears to me this is all that can justly be said of the high price of Salt at Gyah in the actual state of things. The cause of the high price is practically immaterial to the consumer. The real question seems to be, is the disadvantage of living where the price of Salt is so high, over-balanced by the advantage of living under the protection of a settled Government, in the case of the poorer classes who pay no other price for this advantage than in the high price of Salt, or not? I cannot hesitate in answering this question in the affirmative; and therefore I cannot hesitate in refusing to admit that the Salt tax, even at its present high rate in Bengal, is, all things considered "a heavy and grievous burthen" to the laboring man, or to any one else, living under the protection of the British Government.

836. But although I have been unable, after studying the true facts of the case in detail, to come to any other conclusion than that the opponents of the existing system have magnified the pressure of the tax beyond just limits, I am very strongly of opinion that the tax is positively too high, even at its present reduced rate. A tax of 500 per cent. appears to me a very high tax to impose upon any one article of consumption, when naturally the article in question is comparatively very dear in the territory to which the tax applies. Salt on the Coast of Bengal, where it cannot be made by solar evaporation alone, is naturally, three or four times dearer than Salt on any other Indian Coast. A very heavy tax upon a single article, which is naturally dear, cannot fail to operate, materially, as a discouragement to the use of that article, and an encouragement to adulterate it largely, and to supply its place by inferior and less wholesome substitutes. I believe it to be certain that when the tax was by three tenths higher than it is now, it operated in this manner to a material extent. It appears to me, that unquestionably, Mr. Crawford is right in his general argument, that between 1793 and 1836 the consumption of Salt did not increase nearly in the same ratio as the population of the country must have increased, in the same interval; and that there is no way of accounting for the deficiency, otherwise than by reason of the very high price to which the fiscal system of those days, partly by direct taxation, partly by raising up a Sub-Monopoly, and partly by excessive charges of manufacture, had raised the retail price of Salt in the interior of the country. Nor can I account for the greater part of the increased deliveries of Salt since 1836, otherwise than by the progressive reduction of the retail price of Salt in the interior of the country, which the measures commenced in that year have effected, partly in the suppression of all real Sub-Monopoly, partly in successive reductions of Duty, and partly in greater economy of manufacture.

837. But largely as consumption has increased since the improved system commenced in 1836, it does not appear to me to have reached its natural limit. Nor am I aware of any reason why a peasant in Bengal should be taxed a fourth more than the peasant of the North-Western Provinces.

838. For these reasons, I fully agree with the Board of Revenue in thinking that, apart from financial considerations, it is very desirable that further reductions of Duty should be made.

* Appendix M, No. 3.

† Appendix N.

The second 839. I come now to the second ground on which a reduction of Duty is advocated; namely, that by ground on which stimulating consumption and checking smuggling even a large reduction of Duty will not permanently injure a reduction of Duty the nett Salt Revenue, but on the contrary will eventually improve it. is advocated, discussed.

The Revenue under successive reductions from 1843-44 has recovered itself to the extent of 28 lacs special rates of Duty, which are not affected by any general reduction of Duty was 46,67,653 maunds. of Rupees a year. Omitting 1843-44, as the first reduction was made exactly in the middle of that year, the average of the out of 35 lacs, succeeding three years was 50,93,531 maunds. Then a second reduction was made, and the average of the unrecovered. At succeeding two years was 52,75,372 maunds. Then a third reduction was made, which has been six years the past rate of in operation, and the yearly average of the first half of this period was 53,82,837 maunds; whilst the yearly annually increasing consumption, smallest consumption was in the first year of the series (1841-42) in which of Rowannah Salt, that is, Salt it will take less than four years more to recover in the last year of the series (1854-55), in which of Rowannah Salt 56,99,290 maunds were consumed.* this difference.

The ultimate reduction of 12 annas a maund of Duty upon 46,67,653 maunds, amounts to about 35 lakhs of Rupees a year, by which amount the consumers have benefitted; and requires an increased consumption of 14 lakhs of maunds to restore the Revenue to its former amount. At the average of the last three years the increased consumption has passed 9½ lakhs of maunds, and the increased consumption of the last year has passed 11½ lakhs of maunds. The Revenue already recovered may now be taken fairly at 28 lakhs of Rupees, and that still unrecovered at 7 lakhs of Rupees. Taking three quarters of a lakh of maunds a year as the rate of annually increasing consumption deducible from the results of the last six years, it will take less than four years more to recover this difference.

The population has doubtless increased in the four-teen years since the first reduction of Duty was made, but not in the ratio of the increase in the consumption of Rowannah Salt. 841. I may remark that the population has doubtless increased within this period of fourteen years; but it cannot have increased in any thing approaching the ratio of 24 per cent. which is about the ratio of the increase in the consumption of Rowannah Salt.

If any reduction be made, I am strongly of the opinion expressed by the Board of Revenue he made, the Com- in the passage of their last Report on this subject set forth at large above,† that a reduction of 8 annas missioner is should be made at one leap. Besides the greater chance which such a decided reduction would have strongly of the opi- of giving the consumer immediately the full benefit of the measure, and so of stimulating consumption in the nion expressed by the Board of Ro- most rapid manner possible, such a reduction would enable the Government at once to save the cest venue, that a re- amounting annually to about half a lakh of rupees, of the Preventive line established at Allahabad to secure, duction of eight annas should be made at one leap. the differential Duty. Indeed it would seem hardly feasible either to retain a Preventive line for so small a Duty as 4 annas a maund, or to abolish the line without equalizing the Duty on either side. The only legitimate alternative, therefore, to reducing the Bengal Duty by 8 annas, if any reduction of it be made at all, will be to raise the North-Western Province Duty by 4 annas, and this I presume will not be approved. The reduction of the Bengal Duty by 8 annas at one step will have this further advantage, that it will probably enable the Government to abolish the system of retail sales at reduced special rates of Duty, now prevailing in the neighbourhood of the manufacturing tracts; and so to have one strong preventive line drawn around the places of manufacture, instead of two weaker lines.

It is to be considered, however, that a reduction of Duty by 8 annas a maund, will involve an immediate loss of Revenue according to the deliveries of last year, amounting in Bengal to upwards of 33 lakhs of Rupees a year, and taking Bengal and Benares together to upwards of 36 lakhs of Rupees a year.† Doubtless some of this large loss would be made up from the very first by increased consumption; but fully to make good the loss, the consumption must increase by more than 18 lakhs of maunds, and after reviewing the result of previous reductions, the conclusion is inevitable that a great many years must be expected to elapse, before so wards of 36 lacs of large an increase of consumption takes place. Rupees a year.

* These figures are taken from Appendix T, by deducting those in column from those in column 7. † Para. 826.

844. At the rate of six seers of Salt a head, including men, women and children, which has been con-

* Total Salt delivered in 1854-55, as per column 7, Statement T, maunds	66,07,160
Add Salt passing Allahabad,	6,50,000
Total maunds	72,57,160

Total seers divided by 6	2,30,284,666
Population at a consumption of 6 seers each	43,350,666

is not very far from the truth. We do not know the population of the tract of country supplied with Bengal and Seaborne Salt; but the population of Bengal, Behar, and Orissa has seldom been taken at more than 40 millions. It is set down at 37,262,163 in Tables prepared at the India House from the latest estimates, and sent out to the Government of India with the Hon'ble Court's Despatch in the Statistical Department, No. 2, of the 29th of August 1855. The population of the province of Benares is given in the same Tables at 9,437,270. The whole of this population, aggregating by this Estimate 46,699,433 pays a Duty of 2½ Rupees on the Salt it consumes. Assam is estimated in the same Tables to contain 1,180,935 inhabitants which raises the total to 47,880,368. The hill countries surrounding Lower Bengal supplied from the Coast, though very extensive, are thinly populated. It is to the number by which the whole of this population together exceeds 48½ millions, and to the quantity (if any) by which the six seer estimate may fall short of the truth; and to whatever quantity of good alimentary Salt it may be found economical to give to cattle besides the impure Earth Salts now given; to which we must look for increase of consumption.

845. On the whole, therefore, although I am convinced that a reduction of Duty by 8 annas a maund would be followed by a large increase of deliveries of licit Salt, I am unable to admit the second argument for a reduction of Duty to its full extent, because I believe that many years must elapse before the consumption would increase so largely as to replace the annual loss of Revenue from a reduction of 8 annas a maund.

846. But there is a third argument for reduction that should not be passed over unconsidered.

847. The Select Committee of 1836 recommended "that the Duty to be imposed shall be fixed at the "lowest rate consistent with the maintenance of the Revenue, and not exceeding the average rate of the nett "profit of the Company's Monopoly for the last ten years." It has been supposed that the intention of this passage was to recommend that the average aggregate amount of Revenue from the Salt Tax for past years, should not be exceeded in future years, so that as the Revenue would tend to rise by reason of the increasing population and wealth of the country, it should be kept down from time to time by a constant and indefinite reduction of Duty. And the words may perhaps bear this meaning; although (what seems to me more probable) the intention may have been no more than that the rate of Duty should be fixed on the maund of Salt, according to the average nett profit derived during the past ten years from every maund consumed.

+ Year.	Nett Profit.
1825-26	1,15,19,593
1826-27	1,52,39,696
1827-28	1,53,24,002
1828-29	1,13,32,058
1829-30	1,23,34,754
1830-31	1,28,30,406
1831-32	1,25,95,797
1832-33	1,07,16,853
1833-34	1,05,32,552
1834-35	1,21,70,359
Total	12,81,06,705
Average	1,28,19,670

848. If the former interpretation of the recommendation be adopted, and the principle be accepted as sound, then there can be no doubt that a further reduction of the rate of Duty is due to the people as of right, for the average annual nett profit of the Salt Tax for the ten years immediately preceding 1835-36 was only Rupees 1,28,19,670†; whilst for the last three years it has been Rupees 1,44,46,755.

849. But I am unable to see the soundness of the principle. As the wealth and population of a country increases, so also the legitimate expenditure of Government for the protection of the people, the administration of justice, and all the other duties which a Government owes to its subjects, increases. The Salt Tax, like every other Tax, should be judged on its own merits, whether the country be more or less populous. If no less objectionable source of Revenue can be shown than a moderate tax on Salt, a moderate tax on Salt ought to be imposed, and when imposed, the more productive it is, the better. If any

The sources from which increase of consumption may be looked for, and its extent examined.

ed.

Dr.

Bedford's

Tables, which have been often referred to in this

Section, show that a full allowance for a working man greatly

exceeds that quantity; but probably when old men, women,

and children are included, the estimate of six seers a head

is not very far from the truth.

We do not know the population of the tract of country supplied with

Bengal and Seaborne Salt; but the population of Bengal, Behar, and Orissa has seldom been taken at more

than 40 millions. It is set down at 37,262,163 in Tables prepared at the India House from the latest estimates, and sent out to the Government of India with the Hon'ble Court's Despatch in the Statistical Department, No. 2, of the 29th of August 1855. The population of the province of Benares is given in the same Tables at 9,437,270. The whole of this population, aggregating by this Estimate 46,699,433 pays a Duty of 2½ Rupees on the Salt it consumes. Assam is estimated in the same Tables to contain 1,180,935 inhabitants which raises the total to 47,880,368. The hill countries surrounding Lower Bengal supplied from the Coast, though very extensive, are thinly populated. It is to the number by which the whole of this population together exceeds 48½ millions, and to the quantity (if any) by which the six seer estimate may fall short of the truth; and to whatever quantity of good alimentary Salt it may be found economical to give to cattle besides the impure Earth Salts now given; to which we must look for increase of consumption.

On the whole,

the second argu-

ment for a reduction

of Duty inad-

missible to its full

extent.

A third argument

for reduction, con-

sidered.

It has been sup-

posed that the Se-

lect Committee of

1836 intended, by

a certain passage

of their Report, to

recommend that

the average aggre-

gate amount of Re-

venue from the

Salt tax for past

years, should not

be exceeded in fu-

ture years.

If the above in-

terpretation of the

passage in ques-

tion be adopted,

and the principle

be accepted as

sound, the people

have a right to a

further reduction

of the Duty.

But the sound-

ness of the princi-

ple is not percepti-

ble.

less objectionable tax can be imposed, the Salt Tax ought to be re-placed by such less objectionable tax, without reference to its absolute productiveness, or the comparative density of the population at different times.

The true principle, as laid down in a Despatch from the Court of Directors, is in opposition to the notion of a positive and permanent fixity in the Salt Revenue. 850. The following explanation upon this point of the Hon'ble Court, contained in their Despatch of the 2nd of May 1838, lays down what appears to me the sound principle of action; and is in opposition to the notion of a positive and permanent fixity in the Salt Revenue. "In the closing paragraphs of your Despatch under reply, you observe that we have laid it down that no increase is to be sought in the net average Salt Revenue of the Bengal Presidency. You remark that since the year 1831-32, the realizations from this source have been progressively diminishing, so that an average framed for this period will not be the true index of the Revenue obtainable from Salt under the existing system properly administered; and you submit that if through an increased consumption at the same, or reduced prices as compared with past averages, and by reductions in the cost and charges of manufacture, you can restore this branch of the public resources to its maximum, you trust you may be permitted to do so. Our object in the instruction to which you have here referred was to guard you, in framing a new scheme for the administration of the Salt Revenue, against increasing the burthen on the consumer under the former system, and we by no means intended to prohibit you from benefiting by any increase of Revenue to be derived from increased consumption. Any increase obtained by this means forms, we think, a legitimate source of profit to the State, and one which, as you observe, should only be relinquished, if on a comparison of the burthen imposed by our different imposts this is deemed that which is most vexatious, and the first on that account for remission. We think differently with regard to savings effected by the reduction of the cost and charges of manufacture. Our desire is, that all Salt, whether imported or of Native manufacture, should be subjected as nearly as possible to the same rate of tax. Now it is evident that if the prices at which Salt is delivered from the Golahs be in the first instance fixed on that principle, and that subsequently reductions are effected in the cost of manufacture, while the sale prices are still maintained at the same amount, the effect will be that Salt of Native manufacture will be taxed more highly than imported Salt, and an undue advantage will thus be given to the importer. The Golah prices should be open to periodical revision, so that the consumer may profit by any reduction which you may be enabled to effect in the charges of manufacture, leaving the Government to benefit by any increase of consumption which may follow the diminution of price."

On the whole question the Commissioner's opinion is, that, whilst the Salt Tax in Bengal is an unobjectionable source of Revenue, the rate of Duty is still too high. 851. On the whole question discussed in this Section, my opinion is, that whilst the Salt Tax in Bengal is an unobjectionable source of Revenue, the rate of Duty is still too high, and should be reduced at once to two Rupees a maund, or double the Excise rate prevailing in the Bombay and proposed for the Madras Presidency, without ultimate injury to the Revenue. If the finances are considered capable of bearing the loss, which the measure would cause for several years to come, I am of opinion that the rate of Duty ought to be reduced at once from its present amount of Rupees 2-8 per maund to the rate which prevails in the North-Western Provinces, viz. 2 Rupees per maund, the special additional Duty of 8 annas per maund, now levied on the Allahabad line of those Provinces, for the protection of the Bengal Revenue, being of course discontinued at the same time, and the line abolished. This reduction of 20 per cent. is probably as much as the finances will immediately bear; but, in course of time, the rate of Duty might, I think, be further reduced throughout the Bengal Presidency and the Punjab, to Rupees 1-8 per maund, or double the Excise rate prevailing in the Bombay and proposed for the Madras Presidency, without ultimate injury to the Revenue.

Section II.

ON THE SUPPLY OF SALT FOR THE PROVINCE OF ARRACAN.

852. The Province of Arracan lies on the eastern side of the Bay of Bengal. It is bounded on the North by the District of Chittagong in Bengal; on the South by a portion of the Province of Pegu transferred to it from this Province; on the East by the great Yooma Range of Mountains which separate it from Burmah and Pegu, and on the West by the Bay of Bengal. Its inhabitants are called Mughs. **Boundaries.**

853. This Province has been scarcely 29 years under British rule, having been acquired in 1826, partly by conquest and partly by cession under the provisions of the Treaty of Yandaboo, entered into between the British and Burmese Governments, on the termination of the first Burmese war. It is attached to the Bengal Presidency and its administration is conducted by a Commissioner acting in subordination to the Government of Bengal. **Acquisition and Administration.**

854. The Province is divided into four Districts, viz., Akyab, Aeng, Ramree, and Cheduba Islands, and Sandoway, each constituting the jurisdiction of a Principal Assistant to the Commissioner. **Districts.**

855. Salt is manufactured almost entirely in the District of Aeng, (Head Quarters at Kyonk Phyoo) and in the Island of Ramree. It is obtained by the combined process of solar evaporation and boiling, the method being identical in all the former Burmese Possessions, as will be seen from the Sections on the Tenasserim and Martaban Provinces and the Province of Pegu. **Localities and process of the Salt manufacture.**

856. The hard clayey banks of the tidal creeks, which abound in the Province, when cleared and exposed to dry in the sun become dense and compact, and almost impervious to water; advantage is taken of these for the formation of a series of shallow Pans into which the Salt water from the creek is let; when, after passing through two or three of these Pans, the water has been evaporated by the action of the sun's rays to the required degree of consistency or density, the brine is run off into a well to precipitate all impurities in solution. The clarified brine is then boiled in common earthen pots, which are built up with considerable ingenuity to form an arched furnace. If the ground selected for the Pans be unfavorable, the Salt will either be of a dirty color or possess a reddish tinge, indicating the presence of iron in the soil.

857. In December, as soon as the rice crops have been reaped, the manufacturer proceeds to cut, collect and dry his fuel, which grows all around his Salt Pans; but he does not commence making Salt before March, and ceases to manufacture at the setting in of the rains, generally about the end of April. It is said that a man, his wife, and their son can make as much as 300 maunds of Salt in the season. **Period of manufacture.**

858. The manufacture and sale of Salt is entirely free throughout the Province, subject to no restrictions or tax whatever. Any person is at liberty to make it and sell it anywhere, in any quantities, no account whatever being taken of the manufacture or sale. **Freedom of manufacture and sale, and absence of all tax.**

859. By a rule which has prevailed from the first acquisition of the Province, the storage of Salt, or its possession, in larger quantities than may be necessary for the immediate use of families, is not allowed on or near the Naaf River, which is the boundary between the Province of Arracan and the District of Chittagong; and the private export of Salt to Bengal is totally prohibited. **Prohibitions as to Storage and Export.**

860. These are the only prohibitions. Salt may be stored in any other part of the Province in any quantities, and may be exported, free of Customs Duty, to any other place than Bengal. Salt may also be imported from any other place free of Duty.

861. When the Province of Arracan was first annexed, great expectations were held out of its ability to provide Salt of excellent quality, at very low prices, for import into Bengal, and an Agency was accordingly established to manufacture, store, and export the article. **Establishment of an Agency.**

862. This plan failing, public Golahs or Ware-houses were established at Kyonk Phyoo, in 1832, at which Salt was received, on the part of the Government, for export to Chittagong, from any persons who might manufacture it on their own account, and paid for on delivery, at a fixed price, ultimately raised to 6 annas per maund. At the same time, it was left optional with private parties to export Salt to the Chittagong Golahs at their own expense and risk, delivering it there at the price fixed for the local manufacture, then 13 annas a maund. **Abolition of Agency and establishment of Public golahs.**

Abolition of Public golahs, and relinquishment of the exportations to Chittagong to private enterprise. 863. In 1835, it was considered unnecessary that the Government should be at the expense and risk of maintaining Ware-houses at Kyouk Phyoo and transporting the Salt; the Receiving Golahs were therefore abolished, and the export of Salt to Chittagong was left entirely to private enterprise.

Description of the system of export by private enterprise, designated the Ryotwaree system. 864. The system was designated the ryotwaree system, and was this:—The exporters purchased and loaded the Salt, in coasting boats or sea going vessels, at the doors of the ryots who manufactured it, and carried it under the protection of a Rowannah or Pass to Chittagong where it was received into store by the Salt Agent, and paid for on delivery at the price paid at the time for Salt manufactured in that Agency. The Salt was not weighed into the boats or vessels in the presence of any Government Officer, the Rowannahs being granted for such quantities as the exporters declared.

Proposition to prohibit export by private enterprise and to revert to the system of Public golahs. Board's argument in favor. 865. In 1837, it was believed that under this system a great deal of Salt was smuggled from Arracan into Bengal, in the shape of excess cargo, and it became a question whether the system ought to be allowed to continue. The Salt Board argued that it afforded full facility for smuggling in the mode in question; that the only method of guarding against an excess cargo was to have the Salt weighed on board in the presence of a trustworthy Government Officer; it being impossible, after a vessel or boat was laden, to ascertain, with sufficient approximation to exactness, the quantity on board; and that under a system of export from any place, of manufacture this method was impracticable, from the great expense involved in the necessity for employing numerous Officers to see the Salt weighed at many places. They therefore proposed to prohibit export by private enterprise altogether, and to revert to the system of receiving Salt into Government Golahs and shipping it thence on the public account, as the only effectual remedy.

Commissioner's objections to the proposition. 866. The Commissioner of the Province at first entirely concurred in these views of the Board, but afterwards saw occasion to modify his opinions. He conceived that smuggling was not carried on so extensively as he had supposed; in fact was confined to a few thousand maunds annually; and that it was much more easy to suppress smuggling, even with the ryotwaree or private export system in force, than he had formerly imagined. He accordingly proposed to permit the export of Salt by private enterprise on sailing vessels of European rig, and on Mugh goodoes or junks, carrying not less than 800 maunds, debarring only the small boats, from whose activity he apprehended the greatest smuggling; afterwards he abandoned that part of the above plan which admitted of the employment of Mugh boats of a certain tonnage, and proposed to restrict the transport solely and entirely to square-rigged vessels; and finally he was prepared to acquiesce in the total suppression of the system of export by private enterprise, provided the price of the Salt to be received at the proposed public Golahs was fixed at 8 annas per maund instead of 6 annas.

Precautions proposed by the Commissioner to prevent smuggling under a modified Ryotwaree system. 867. The essential precautions, on which the Commissioner principally relied, for the prevention of smuggling, in the event of the private exportation of Salt on square-rigged vessels being allowed, were these:—The probable weight of the fresh water ballast and every thing that was on board, the estimated quantity of Salt, as well as it could be ascertained without unloading it, and the draught of water were to be specified in the Rowannah. The Salt was to be stamped all over, and the hatches were to be sealed down.

Considered by the Board to be insufficient. 868. The Board however contended that these precautions would not be sufficient; that the only effectual check was weighment of the Salt in the presence of a Government Officer; that carrying excess Salt under cover of a Rowannah was a description of smuggling from which infinitely greater injury to the Revenue was to be apprehended, and had indeed been received, than from any open export of Salt without any Permit or protective document whatever; and that independently of the question of injury to the Revenue, the dealers in Government Salt had a right to expect that if there were two plans, one for the partial, and the other for the complete, suppression of smuggling, the latter should be adopted without reference to any cost or any trouble within reason.

Proposition adopted. 869. The Government concurring in the views of the Board, the export of Salt by private enterprise was prohibited altogether, and public Golahs were re-established at Kyouk Phyoo in 1840, for the receipt of Salt at 6 annas per maund, to be thence carried on freight to Chittagong, on the public account, by respectable contractors. In after years, however, the price was raised to 7 and even 8 annas per maund.

Question as to allowing the free local transit of Salt. 870. In the course of the discussion, an objection was raised that, for bringing the Salt from the interior to the Government Golahs, free local transit without a Rowannah was apparently contemplated, and that if this method of conveying Salt to the Depot were allowed, a door would be opened to all the evils apprehended by the Board from the ryotwaree or private export to Bengal. The Board, however, showed that the Chokey boats might be relied on for the seizure of Salt-laden boats attempting to run their cargoes without a Rowannah, in place of delivering them at the Government Golahs.

871. In June 1847, the quantity of Government Salt in store in the Kyouk Phyoo Golahs being more than sufficient to afford the usual necessary supply for Chittagong, the surplus was made available to the public, in quantities of not less than 50 maunds, at the rate of Rupees 327 for every 100 maunds, being equal to the fixed Duty of Rupees 275 added to the cost of production. Payment for the Salt was received into the General Treasury in Calcutta or into any one of certain specified local Treasuries, and Rowannahs for the delivery and protection of the Salt were issued from the Office of the Salt Board on the production of Treasury receipts, or certificates of payment, granted by the Local Collectors. In September of the same year, authority was given for the issue of Rowannahs from the Office of the Principal Assistant to the Commissioner at Kyouk Phyoo, in charge of the Golahs, instead of from the Board's Office.

872. In 1848, owing to a great accumulation in the Stock of Arracan Salt, both at Kyouk Phyoo and Chittagong, purchases on account of Government in the ensuing year 1849 were interdicted.

873. A question then arose, in the latter part of the year 1849, whether it might not be advisable to allow the export of Salt to Bengal by private enterprise, as well to benefit the Province as to check smuggling from it into the Bengal Districts.

874. It was argued that if, as had been reported, Salt continued to be produced in excess of the local demand, notwithstanding the suspension of purchases on account of Government, to close all legal outlets for the surplus produce must tend to give rise to a large increase of smuggling. Even if it were exported to other places, it was supposed that it must be in very small quantities, and that the great inducement to export must always come from Bengal.

875. The Board of Revenue were therefore not indisposed to support a scheme for the legal export of Salt from Arracan to Bengal under proper regulations, and proposed to permit its export to Calcutta in square-rigged vessels of 200 tons burthen and upwards, and in cargoes of not less than 2,000 maunds, subject only to the restrictions which prevailed at other ports, the quantity being ascertained and entered in a manifest under the signature of the Principal Assistant of the District, and a copy of the manifest being sent by the Post to the Board's Office. The Duty, it was proposed, should be levied in Calcutta, as in the case of all other imported Salt.

876. It did not appear to the Board that permission could be safely given to export Salt to the eastern Districts of Bengal in any class of vessels or boats, or to Calcutta in other than square-rigged vessels of 200 tons burthen and upwards, except on terms similar to those prescribed for the delivery of Salt from the Government Golahs at Kyouk Phyoo; that is to say, under Rowannahs granted by the Principal Assistants of Districts, after payment of the full Duty into the local Treasuries; and even this, it was held, could only be allowed provided there were means at command in the Province for ascertaining the quantity of Salt for which Rowannahs might be granted.

877. Further, as no seizures of Salt could lawfully be made at Sea, and as it was a matter of extreme difficulty, if not altogether impossible, effectually to guard the numerous channels with which the Sunderburs are intersected, the Board considered it essential for the protection of the Revenue that the transport of Salt, except under Rowannah, within the waters of the Province, in quantities exceeding 100 maunds, should be prohibited and made punishable by suitable penalties. Some arrangement of this kind was held to be an indispensable condition to the Establishment of an authorized free export of Salt under Rowannah.

878. It was concluded, however, after inquiry, that the quantity of Salt made in the Province in 1849 had not exceeded, as had been reported, the local demand, and that no systematic smuggling of Salt into Bengal was carried on; so that, if the export of Salt to Bengal, by private enterprise, were to be permitted otherwise than, as was then allowed, from the Government Golahs at Kyouk Phyoo, on payment of Duty, it could only be for the purpose of extending the local manufacture beyond its existing limits, and not with the view of affording a legitimate outlet for Salt already manufactured.

879. The local Authorities further represented, that no satisfactory plan could be devised, under which the export of Salt in Native boats could be safely permitted; the difficulty of measuring the tonnage of such boats with sufficient approach to accuracy, or their cargoes without such expense and delay as would absorb the profit of the venture, presented an insuperable obstacle; it would therefore be necessary, they stated, to confine the privilege to square-rigged vessels of 200 tons burthen and upwards, so that, practically, the exports would be limited to the Ports of Calcutta and Chittagong. It was at the same time supposed that few owners of such vessels would find it profitable to engage in the trade.

Sale of surplus Salt from the Kyouk Phyoo golahs.

Purchases on account of Government in 1849 interdicted.

Proposition to allow the exportation of Salt by private enterprise under proper regulations.

Question argued and examined.

880. The Salt Trade by boats to Bengal being prohibited, the Commissioner of the Province was of opinion that no preventive rules would be necessary regarding the transport of Salt within the Arracan waters.

881. Restricted, therefore, as the exports must thus have been, both as to the destination of the Salt and the description of vessels employed in carrying it, the Board came to the conclusion that the privilege would be no real gain to the province, and might probably give facilities for smuggling, by furnishing an excuse for keeping on hand stores of Salt ready for shipment. It might also necessitate, as the Board thought, the adoption of preventive restrictions within the limits of the province, where the manufacture and transport of Salt were then perfectly free.

Proposition neg- 882. Upon these considerations, the Board recommended that no change should be made in the exist-
gated. ing practice, and the Government concurring in their views, the export of Salt from Arracan to Bengal by private individuals, unless the Salt was purchased from the Government Dépôt at Kyouk Phyou, continued to be, as it still is, totally prohibited.

Renewal of pur- 883. In 1851, Salt was again purchased for Government to a limited extent, namely, 1 lakh of
chases in 1851, and maunds, at the rate of 6 annas per maund. In 1852 no purchases were made, and it was determined to re-
discontinuance of duce the establishment at the Kyouk Phyou Golahs when the undelivered Salt of the previous year had been
the same in 1852. received and stored, and to abolish it altogether when the Salt in store had all been exported, as it seemed improbable that purchases would ever again be made on account of Government.

Renewal of pur- 884. But, owing to an apprehended deficiency in the supply for the Lower Provinces, from a sudden
chases in 1854 and decrease in the importations of Foreign Salt, the Board found it necessary to order purchases to be made in
continuance of the Arracan to the extent of 2 lakhs of maunds in the past year (1854), and again to the same extent in the present
same in 1855. year (1855), at the rate of 7 annas per maund, since raised to 8 annas, payable on delivery of the Salt at the Kyouk Phyou Golahs. Up to the present time, however, only 25,788 maunds have been stored on account of both indents, of which 21,788 maunds have been shipped to Chittagong, to which place the whole quantity ordered is to be transported, as heretofore. It is found not to be easy to revive the manufacture at a moment, and to be still more difficult to obtain the means of transporting the Salt to the Golahs, all the boats in the province finding more profitable employment in connection with the Akyab-rice trade, for the purposes of which they are still insufficient. It is understood that about 3 lakhs of maunds will be manufactured for the Government, but it seems to be quite uncertain when even any considerable portion of it can be delivered at the Kyouk Phyou Golahs.

Description of 885. The Government operations in Salt, in Arracan, under the Golah system, are of the simplest kind.
the golah system. The Salt is either purchased at once from the manufacturers, or contracts are made with them for its manu-
facture, by an Officer employed for the purpose under the control of the Principal Assistant to the Commis-
sioner. No advances are made, the Salt is paid for on delivery at the Government Golahs at Kyouk Phyou
at a fixed price, and is transported thence to Chittagong, usually in craft belonging to the latter Port, and
under contracts entered into by the owners with the Salt Agent, the present rates of freight being 3 annas
per maund. When the quantity of Salt in store is more than is required for the Chittagong supply, the
surplus is made available to the public, for export under Rowannahs granted by the Principal Assistant to the
Commissioner on payment of a fixed price per 100 maunds, consisting of the Duty added to the cost of
production.

Capacity of the 886. The Golahs are capable of containing 2 lakhs of maunds, and the establishment attached to
Kyouk Phyou go- these costs Rupees 315 per mensem, as follows:—
lahs, and cost of
the establishment
attached to them.

	Rupees.
Superintendent, - - - - -	200
Head Mohurir, - - - - -	25
2nd Ditto, - - - - -	15
Treasury Mohurir, - - - - -	15
Four Weighmen, at 7 each, - - - - -	28
Two Chowkeedars, at 6 each, - - - - -	12
Four Chuprassies, at 5 each, - - - - -	20
Total, Rupees	315

887. When the inquiry into the extent of the manufacture in 1849 was made, the consumption of the Salt consumption
whole province was estimated not to exceed 54,000 maunds per annum, as follows:—The population of Ar- of the Province.
racan amounted on the 1st of January 1845 to 3,21,522 souls, one-fourth being deducted for infants and
young children, there remained, in round numbers, say 2,40,000 persons who ate Salt; 9 seers was consid-
ered to be a fair average annual quantity for each person which would give a total annual consumption as
above of 54,000 maunds. The province is, however, capable of producing a large quantity of Salt at a low
rate of cost.

888. Arracan has no Salt trade except with Pegu and an occasional shipment to Mauritius. The Salt trade of the
exportations to Pegu amounted last year (1854) to between 40 and 50,000 maunds. This trade arose Province.
only two years ago. It was entirely brought about by the almost total cessation of the manufacture in
Pegu in 1853 owing to the country being in a state of war, and must terminate as soon as the country
becomes settled and the Peguers have quiet to make their own Salt. Indeed, the trade, it is said, has
come to an end already.

889. Two questions arise on a consideration of the foregoing narrative. One is, whether it would The Commis-
be proper to levy a tax upon Salt in Arracan. The other, whether it would be proper to allow the ex- sioner's observa-
portation of Salt to Bengal otherwise than from the Government Dépôt at Kyouk Phyou. tions and opinions.

890. On the first question, it is to be observed, that Arracan is the only portion of the Bengal Pro-
sidency which is exempt from the Salt Tax. When the province was conquered, there was no Salt Tax, and
it appears not to have been thought necessary or expedient, hitherto, to impose one. It rests with the Go-
vernment to determine when, if ever, it would be proper to raise a Revenue from Salt in Arracan. I am
not prepared to recommend the measure at the present time.

891. On the other question, I am clearly of opinion, that the prohibition to export Salt to Chittagong
and the eastern Districts of Bengal, except from a Government Dépôt, should be strictly maintained. In
whatever class of vessel the Salt was conveyed, whether in boats or sloops or larger craft, it would be im-
possible, otherwise, except at an enormous expense, either by precautions taken in the province before the
Salt was shipped, or by preventive measures on the Coast, to guard against Salt being landed *en route*. In
like manner, and for the same reasons, the exportation of Salt to Calcutta by way of the Soonderbunds should
continue to be strictly prohibited. It is obvious that there is no analogy, in respect of such exportations as
these, between Arracan and Madras or Bombay. But, I can see no reason why the exportation of Salt by
the Sea route to Calcutta should not be allowed from Arracan as freely as from either of those Presidencies.
The supposition that the privilege would be no real gain to the Province is not a sufficient objection. The
option should be allowed.

892. I have therefore to recommend, in relaxation of the prohibition to export Salt from Arracan to
Bengal, that private parties be allowed to ship Salt for transport to Calcutta, by the Sea route, in any part
of the province, in vessels of any tonnage, without let or hindrance, the Duty on such Salt being levied in
Calcutta, as in the case of all other imported Salt.

Section VI.

ON THE SUPPLY OF SALT FOR THE TENASSERIM AND MARTABAN PROVINCES.

Acquisition and Administration. 893. The Tenasserim Provinces were made over to the British Government by the King of Burmah, in 1826, after the first Burmese war, in accordance with the provisions of the treaty of Yandaboo. The province of Martaban was added to them in December 1852, having been acquired by conquest from the Burmese, in the late war. These provinces are attached at present to no Presidency, their administration being conducted by a Commissioner in subordination to the Government of India.

Boundaries and Districts. 894. These provinces form the northern portion of the Malayan Peninsula and extend in a narrow strip along the eastern Coast of the Bay of Bengal. They are bounded on the North by Burmah; on the East by the Siamese Mountains, which separate them from the Siamese Territories; on the South by the Pakchan River, which separates them from Malaya, or the southern portion of the Malayan Peninsula; and on the West by the Salween River, which separates them from Pegu and falls into the Gulf of Martaban, from whence the Bay of Bengal is the western boundary. They are divided into four principal jurisdictions, Martaban, Amherst, Mergui, and Tavoy, locally administered by a Deputy Commissioner and Assistant Commissioners. With exception, perhaps, of the newly-acquired province of Martaban, the country is very thinly populated and very little cultivated.

Localities of the Salt manufacture. 895. Salt is manufactured in the Districts of Amherst and Tavoy, but not with any regularity, or in any great quantities. In some seasons, numerous persons will undertake the manufacture, in others, few or none. They are guided by the scarcity or otherwise of the article in the markets, and the consequent prices they may obtain for their produce. In Mergui no Salt at all is made, which, considering the great extent of Sea Coast and the long period of dry weather, is a remarkable circumstance. It is probable that Salt is also manufactured in the newly-acquired District of Martaban.

Process of manufacture. 896. The Salt is obtained, as in the Provinces of Pegu and Arracan, by the combined process of solar evaporation and boiling. The method is fully described in the Sections on those provinces, which, like the Tenasserim Provinces, were formerly Burmese Possessions. The quality of the Salt is styled by the Commissioner in one of his letters as "superb."

Freedom of the manufacture and sale. 897. The manufacture and sale of Salt in the Tenasserim Provinces is absolutely free, subject only to the payment of an Excise Duty, as in Pegu, the system is essentially the same as in Pegu, and is conducted under the following rules:—

System of Excise. 898. Persons wishing to manufacture Salt are required to apply for a licence to the Assistant Commissioner of the District, giving notice at the same time to the head of the village where they propose to work, and if no other claim to the land to be worked on, exist, the licence is granted without fee or cost.

899. On receiving the licence, the manufacturer is required to state the number of iron or earthen boilers he intends to use; this number is inserted in his licence, and on that number he has to pay the Duty, whether he uses them or not. A copy of the licence is furnished to the head man of the village.

900. If the manufacturer should be desirous of increasing the number or size of his boilers during the season, he can do so, but he is first required to state his intention one day before hand to the head man of the village, and also to report it, personally or in writing, to the Assistant Commissioner in charge of the District, when, if no other party's rights conflict, a further licence is given.

901. The village Officers are responsible for the observance of the Rules, and the collection of the Revenue, and can demand free access to the Salt Works at all times.

Rate of Excise. 902. The rate of Excise is 4 annas per earthen pot and 1 Rupee per iron boiler, of the customary size.

903. The Revenue at present derived from the Salt Excise is extremely insignificant, as will appear from the following Statement of the collections in Amherst and Tavoy, during the last ten years, exhibiting an annual average of only Rupees 2,638-15-4½. Excise Revenue.

	Rupees	As.	P.
1844-45	1,415	8	0
1845-46	2,116	12	0
1846-47	2,403	12	0
1847-48	1,969	8	0
1848-49	1,714	12	0
1849-50	3,017	2	0
1850-51	3,067	2	0
1851-52	3,652	8	0
1852-53	3,536	12	0
1853-54	3,465	14	0
Total in 10 years, - - -	26,389	10	0
Annual average, - - -	2,638	15	4½

904. The last year's Revenue, Rupees 3,465-14, at 4 annas tax per pot, gives 12,863 pots, as the total number worked in that year, and this number of pots, calculating that each pot yielded a daily produce, as in Pegu, of 7-30 lbs. for four months of 30 days each, or 120 days, gives a total produce for the season of 1,47,583 maunds. Extent of the manufacture.

905. In 1840, the Board of Revenue recommended the abolition of the Salt Tax as yielding a Revenue quite inconsiderable, while the smallness of the consumption seemed to show that low as the price of the article was, it was still beyond the means of a very large portion of the population, but the Government were of opinion that the tax should be maintained. Propositions to abolish the tax. negatived.

906. In 1850, the Commissioner of the Province, again recommended the abolition of the Salt Tax, considering it objectionable in principle, and, from the insignificance of the collections, undeserving of retention as an item of Revenue. He observed, that, although the rate of 1 Rupee per iron boiler, and 4 annas for each earthen pot, per month, might appear to be reasonable, it was in fact a very heavy impost; and as it was necessary for every person desirous of making Salt to apply to the Assistant Commissioner of the District for a licence, and to give notice of all intentions of increasing the number of his pots during the working season, and as also the village Officers were responsible for the close observance of the rules, the system was not free from vexatious meddling.

907. The Government, however, saw no reason to depart from their Orders of 1840, directing the maintenance of the tax, and it may be observed that the Commissioner seems to have been in error in supposing the tax to be a monthly levy, instead of for the season.

908. I have only to observe, that the Salt Tax, having existed under the Burmese Government, ought not, while it is levied elsewhere in India, to be relinquished in these provinces because of its insignificant amount; but that attention should rather be turned to the improvement of the Revenue from this source, upon the present simple system of excising the manufacture, the rate of Excise being raised to that which now prevails in the adjoining Province of Pegu, namely, 8 annas per earthen pot. This rate, it will be seen, would still be very light.* A drawback of the Excise Duty should be allowed on Salt exported by Sea, and Foreign Salt should be admitted on payment of a Customs Duty equal to the Excise Duty.

* See paras. 926 and 923, Section VII, Pegu.

The Commissioner's observations and opinions.

Section VII.

ON THE SUPPLY OF SALT FOR THE PROVINCE OF PEGU.

Acquisition and Administration. 909. The Province of Pegu was acquired by conquest from the Burmese in December 1852. It is attached at present to no Presidency; its administration being conducted by a Commissioner, in subordination to the Government of India.

Boundaries. 910. The British Possessions are bounded on the North by Burmah; on the South by the Bay of Bengal; on the East by the Sitang River; and on the West partly by the Province of Arracan, but principally by the Bay of Bengal.

Districts. 911. The Province is divided into four Districts, viz. Rangoon, Bassein, Prome, and Sarwah, each constituting the jurisdiction of a Deputy Commissioner.

Localities of the Salt manufacture. 912. Salt is manufactured in the two Districts of Bassein and Rangoon, the Works being situated principally on the banks of creeks in the numerous Islands forming the delta of the Irrawaddy, and in the townships along the mouth of the Sitang River. In the District of Bassein they are scattered over an area of about 150 square miles. In the District of Rangoon they are spread over a line of about 120 miles of Sea Coast, varying in breadth from 1 to 10 miles.

Period and process of manufacture. 913. The manufacture is carried on for four months in the year, viz. from January to April, and the Salt is usually obtained by the combined process of solar evaporation and boiling. Sea water being conducted into suitable shallow beds, expressly prepared for the purpose, is allowed to stand for some days, until sufficiently condensed by the rays of the sun, when the brine thus formed is run into a deeper pit or reservoir, whence it is transferred to earthen or iron pots to be boiled. Sometimes Sea water is boiled at once, without being subjected to previous condensation by solar evaporation.

914. The Works, in addition to the evaporating beds and brine reservoirs, consist of kilns of brick-work, built up in the form of an arch, having a small central furnace for the fuel, and with holes above, usually in double lines, into which the pots of earth or iron, in which the brine is boiled, are set. The kilns are of various sizes, holding from 50 to 225 pots, but under the Burmese Government kilns of 350 pots were not uncommon.

915. The furnaces when once lighted are kept burning night and day, being attended to by relays of men. The fire is kept at a gentle heat, and the Salt granulates and sinks to the bottom of the pot in from 3 to 5 hours, according to the size of the kiln; it is then withdrawn, and thrown in a heap in the sun, upon shelving boards, to allow the bittern or mother water to drain off; in two or three days it becomes dry and ready for sale. After each boiling there adheres to the bottom and sides of the pot a white calcareous substance which, from the brittle nature of the pots, cannot be detached; and after about 30 boilings the kiln has to be renewed with pots, the stony crust within the pots having by this time grown so thick as to render them liable to be burnt and fall away. A kiln of 50 pots requires two men, and one of 225 pots, six men, to keep it at work.

Produce per earthen pot. 916. The pots are generally of uniform size, and produce, in the Bassein District, on the average, 1 viss or 3.65 lbs. of Salt at each boiling. In the Rangoon District, it is estimated that one pot produces, during the twenty-four hours, not less than 5 viss, or 18½ lbs. of Salt, in 3 boilings.

Quality. 917. The quality of the Salt is said to be far from pure; no second solution or crystallization is attempted, nor do the Burmese appear to have any method of clarifying the brine, or skimming off the frothy scum which rises to the surface in the process of boiling.

Cost of production. 918. The cost of production may be approximately obtained as follows:—

919. A kiln of 50 pots, calculating upon two boilings per diem, and that each pot will produce 1 viss at a boiling, will yield 100 viss in a day, 3,000 viss in a month of thirty days, and 12,000 viss in the season of four months; 12,000 viss being equal to 43,800 lbs. or 532 Indian maunds. The produce of a single pot in the season would thus be 10 maunds and about 24 seers.

920. The expenses would be, for the labor of two men, for four months, at 6 Rupees each per mensem, which includes the cost of cutting fuel on the spot, 48 Rupees, and for the price of earthen pots for the whole season Rupees 39-7-5, as follows:—The price of an earthen pot is 1 anna 7 pie, calculating that a pot would last for 30 boilings, each pot, at 2 boilings per diem, must be changed twice a month, 100 pots would therefore be expended in a month, and 400 pots in the season of four months, the cost of which, at 1 anna 7 pie per pot, would be Rupees 39-7-5 as above-mentioned.

921. The whole expenses of the season being thus Rupees 87-7-5, and the whole produce 532 Indian maunds, the cost of production per maund would be about 2 annas and nearly 8 pie.

922. The question of right in the Salt Works must depend upon the establishment of any right to the land on which they are situated. At present, the sites where the manufacture is carried on remain the **Right in the Salt Works.** *quasi* property of the party in possession, as long as he occupies the ground and pays the Government demand on the Salt Works. The right of occupancy is frequently rented and mortgaged, and sometimes sold, but many of the Salt Works have descended in one family for several generations, and there is a general disinclination to alienate them permanently by absolute sale.

923. The actual manufacturers are generally the people of the lower country, though some come from a distance to make Salt during the season. At other seasons, they follow the occupations of cultivators, fishermen, &c. They are either hired by the proprietors of Works as laborers, on fixed wages, or on the agreement that they shall receive a certain proportion of the profits of the season, or the proprietor transfers his Works to the actual manufacturer for one or more seasons on rent, mortgage, or loan. **Actual manufacturers, and terms on which they labor.**

924. The manufacture and sale of Salt in Pegu is absolutely free, subject only to the payment of an Excise Duty. Any person may establish a kiln on application to the Myo-oke, or chief Native Officer of the township, or other Government Officer. **Freedom of the manufacture and sale.**

925. The Burmese levied a tax of 7 annas, for the season, on every pot of which a kiln was composed, and also a ghaut tax, or transit Duty, of 4 annas the 100 viss at the ghaut from which the Salt was embarked. The Burmese method of Excise has been maintained. The local village Officers, who collect the land, capitation, and other taxes, are also responsible for the Salt Excise. At the commencement of the season, or early in March, the Thoogyee, or head man of a cluster of villages, proceeds with the Goungs, or heads of each of the villages in his circle, to examine the kilns. He makes, with their assistance, a Roll, showing the name of each Salt manufacturer, the situation of his Salt Works, and the number of pots of each description, earthen and iron, they contain; these Rolls when completed are given to the Myo-oke, or head of the township, who forwards them to the Office of the Deputy Commissioner of the District. There, stamped receipts are prepared from the Rolls for the amount of tax payable by each manufacturer, and these receipts are delivered to the Myo-oke, who distributes them to the several Thoogyees in his township, and they collect the Revenue and pay it to the Myo-oke, who pays it into the Deputy Commissioner's Treasury. **System of Excise.**

926. The Excise for the past year 1853-54, was fixed so low as 4 annas per earthen pot. This was because the disturbed state of the country during the previous year 1852-53, had cut off the ordinary supply of labourers, and almost entirely stopped the manufacture of Salt throughout the whole delta. It was therefore considered desirable to place a low rate at first on the manufacture, and thus give it time to revive. It was proposed in the present year 1854-55, to raise the rate to 8 annas per pot, when the Duty would still be, on the whole, slightly below the double tax, that is, on the manufacture and transit, levied by the Burmese Government. The rate on the few iron cauldrons that are used is Rupees 2-8 for the season. **Rate of Excise.**

927. The suppression of illicit manufacture and the protection of the Revenue, depend entirely, according to the description of the system given at para. 925, upon the honesty and vigilance of the village Officers, in making a correct return of the number of pots contained in each of the licensed kilns, and in seeing that no kilns are established without permission. **Protection of the Revenue.**

928. The Salt is sold by the manufacturers as soon as, or soon after, it is made, to merchants, Salt-fish curers and others. The market price is from Rupees 2 to Rupees 2-8 per 100 viss. The profit of the manufacturer and the pressure of the Excise are therefore easily ascertained by a continuation of the calculations given at paras. 919 and 920 as follows:— **Sale of the Salt—Price in the market—Profit on the manufacture,—and pressure of the Excise.**

929. The value of 12,000 viss of Salt at the mean of the above amounts, Rupees 2-4 per 100 viss, would be Rupees 270. The season's tax on a kiln of 50 pots, at 8 annas per pot, would be Rupees 25,

which being added to the expenses amounting to Rupees 87-7-5, gives a total outlay of Rupees 112-7-5, which being deducted from the value of the produce, leaves a profit, supposing the Salt to be bought at the kiln, of Rupees 157-8-7 or about 140 per cent. on the outlay, the amount taken as tax being equal to about 22½ per cent. of the expenses and scarcely 16 per cent. of the profit. The rate of tax per maund, at 8 annas a pot, taking a pot to produce in the season 10 maunds and (say) a half, would be about 9 pie or three-fourths of an anna.

Quantities produced—consumed in the Province—and exported.

930. As the Revenue is not collected on the amount of produce, no account is taken of the quantity of Salt made; but kilns containing 16,600 pots were worked in the District of Bassein during the past season 1854, which, on a calculation of two boilings a day for four months, and supposing each pot to yield 1 viss, or 3·65 lbs. of Salt at a boiling, or 7·30 lbs. daily, would give a total produce for the season of 1,81,770 maunds. It is supposed, however, that the actual produce was considerably below that quantity, which is estimated on the assumption that two boilings of each pot was made every day for four months. This, with a people of steady, industrious habits, would not be much, but it is thought to be more than the Peguers were fitted to accomplish. About one-third of the above estimated quantity is said to have been exported across the Frontier to the Ava Dominions, and the remainder to have been consumed in the Province.

931. The number of pots worked in the Rangoon District has not been stated, but an estimate of the quantity of Salt produced there may be similarly derived from calculations based on the amount of Excise Revenue collected. This is stated to have been Rupees 10,000 as nearly as possible, which, at the rate of 4 annas Excise per pot, would give a total of 40,000 pots, and these at two boilings each per diem, for four months, and a daily produce of 7·30 lbs. would yield a total produce for the season of 4,18,889 Indian maunds. How much of this quantity may have been exported out of the Province, and how much consumed within it, does not appear. The total produce of the year for the whole Province, according to the foregoing calculations, would be 6,00,659 maunds.

Gross Excise Revenue charges—and nett Revenue.

932. The gross Revenue collected on account of the Salt Excise, for the past year 1853-54, was Rupees 14,263-4-0.* The only charge on this was a commission of 10 per cent. to the village Thoogyee, which he receives on all Revenue collections made by him. Deducting this commission, the nett Revenue amounted to Rupees 12,837.

* Rangoon District,	10,000	0	0
Bassein ditto,	4,263	4	0
Total	14,263	4	0

Excise Revenue previously collected by the Burmese in Bassein.

933. From papers captured during the war, it appears that the Revenue collected, and paid into the Royal Treasury, on Salt, by the Burmese Authorities in Bassein, during the four previous years, amounted annually to 102 viss and 71 ticals of silver, equal to Rupees 13,552.†

Imports by Sea and Customs Revenue thereon.

934. The imports by Sea of Foreign Salt during the year amounted to 42,294 maunds,† nearly the whole of which came from Arracan. The Import Duty on Salt is, at present, 6 annas per maund—a Customs Revenue of Rupees 15,860 was therefore collected on the imports. There is no doubt that the deficiency in the home supply, necessitating foreign importations, was entirely caused by the almost total cessation of the manufacture in the previous year, 1852-53, owing to the country being in a state of war, and that in times of internal peace the Province will be altogether independent of any foreign supply of the article. There were no imports by land, nor, from the situation of the Province, are such importations to be expected.

† Rangoon District,	35,529
Bassein ditto,	6,765
Total	42,294

Exports by Sea and Land.

935. The exports by Sea amounted to 4,800 maunds; the whole from the District of Rangoon. At present there is no Duty on the Sea export; but northwards, a Frontier Duty of 1 Rupee the 100 viss (about 4½ maunds) is levied on the Land export. No account has been received of the quantity of Salt exported across the land Frontier into the Ava Dominions, or of the amount Revenue collected thereon. The Bassein Revenue, as shown on the margin of paragraph 932, certainly does not include any Customs Revenue on land exports, because the number of pots worked (16,600) gives, at only the Excise rate of 4 annas per pot, almost exactly the amount Revenue collected, viz. Rupees 4,263-4-0; but whether any Customs Revenue on land exports is included or not in the Rangoon Revenue of Rupees 10,000, seems not certain. If any is, then the calculations of produce given at paragraph 931 are vitiated, inasmuch as they proceed altogether on the Excise Duty of 4 annas per pot, the produce of a pot per season, being, according to the calculations at para. 919, 240 viss, whereas the Customs Duty on export by land is 1 Rupee per 100 viss, or a little more than 9½ times higher than the Excise rate on the home consumption.

936. As the Ava Dominions would seem to be entirely dependant on the Pegu Coast line for their supply of Salt, it may be expected that a brisk trade in Salt will spring up between the lower and upper countries of the Valley of the Irrawaddy which, under an effective system should be productive of a considerable Revenue to the Province at the expense of the foreign consumer.

937. On a consideration of the foregoing narrative, I come to the following conclusions:

The Commissioner's opinions.

First.—That a drawback of the Excise Duty should be allowed on Salt exported by Sea.

Second.—That no Customs Duty should be levied on the exportation of Salt by land; consequently that the Duty of one Rupee the 100 viss, or 4½ maunds, now taken on Salt exported across the Frontier, which is nearly five times higher, according to the calculations above given, than the Excise Duty of 8 annas per pot, should be relinquished.

Third.—That the Customs Duty of 6 annas per maund, now levied on imported Salt, should be reduced to the Excise rate per maund which, at 8 annas per pot, amounts, according to the calculations above given, to only 9 pie or three-fourths of an anna per maund.

† There are 100 ticals in a viss, and a viss is equal to Rupees 131-½.

Section VIII.

ON THE SUPPLY OF SALT FOR THE NORTH-WESTERN PROVINCES OF THE
BENGAL PRESIDENCY.

The system on which the Revenue from Salt is now derived in the North West Provinces, and sources of supply. 938. It is not necessary to enter into the past history of the Salt Revenue system in these Provinces. At present the manufacture of alimentary Salt in them is strictly prohibited under the provisions of Act XIV. of 1843, and the consumption is supplied partly by Rock Salt from the Punjab mines, and partly by Marine Salt from the Lower Provinces of Bengal, manufactured in India or imported from abroad, but chiefly by Salt, produced by solar evaporation, from the Sambhur Salt Lake in Rajpootana, and other localities on the western side of India. The Punjab Salt, having paid the Excise Duty of Rupees 2 a maund at the mines, passes free into the North-West Provinces, as does the Salt from Bengal after having paid the Excise or Import Duty of Rupees 2-8 a maund. The Sambhur and other Western Salts, being produced not in British but in Native Territory, are intercepted by a Customs line, stretching along the entire western Frontier, on crossing which they are subjected, in one part, to a Duty per maund of 2 Rupees; in another part of 1 Rupee 8 annas; and in a third part of 1 Rupee; the Salt crossing that portion of the line on which a Duty of 2 Rupees is levied being subjected to a further Duty of $\frac{1}{4}$ a Rupee per maund on transmission to the Eastward of Allahabad; thus coming into competition with the Salt from Bengal, which meets the Western Salt and divides the market with it in the Province of Benares, under an equal Duty of Rupees 2-8 a maund.

Relative quality of the different Salts consumed. 939. The Marine Salts of Bengal are superior in quality to the mineral Salt of the Punjab, and this Salt is superior to all the western Salts. Among these latter, the best is that which comes from the Sambhur Lake situated near Ajmere, on the mutual Frontier of the Jeypore and Joudpore States. The least pure kind is collected without any previous preparation, on the retirement of the Salt waters of the lake. During the rains, the lake overflows, and when the waters subside, a deep incrustation of Salt is deposited on its shores for several miles round. A better kind is composed of the Salt deposited in large enclosures formed with wattles and mud, which become filled with water upon the rising of the lake, and upon its retirement the process of evaporation commences; and the purest of all is that which crystallizes upon branches of trees, with which these enclosures are strewed for the purpose. As the Salt water is to be had in any quantity without any further expense than that which is involved in the arrangements above described, all these processes of manufacture are extremely cheap. But the Salt in most common use is imported from the Bhurtapore Territory, and other Native States on the South bank of the Jumna, and is known as Salumba, Balumba, &c. Being produced by evaporation from well water, it costs more in making than the Sambhur; but this is counterbalanced by the circumstance of the manufactories being near the Frontier. The foregoing account is taken, principally, from Mr. Trevelyan's Report on the Inland Customs, published in 1834, page 104.

Position of the Customs line on the Western frontier, and breadth of Customs jurisdiction. 940. The Customs line on the Western Frontier commences on the extreme North, at Fazilka or Fazilpore, on the eastern bank of the Sutlej, the point of junction with the Punjab preventive line on that river, which starts from Umarokee Ghant on the opposite or western bank, and is carried down that bank to the termination of the river opposite Mittunkote on the Indus. From Fazilka the line passes by Sirsa, Hissar, and Hansi, and skirting the Jhujgur Territory to Pulwul, runs in the direction, but at some distance West, of the Jumna, until it reaches the junction of the Rivers Jumna and Scinde. From that point, the line runs through the Districts of Jaloun, Jhansi, Chundeyree, Saugor, and Nursingpore, to a point on the River Nerbudda at or near the South-eastern Frontier of the State of Bhopal, and thence along the left bank of the Nerbudda to the western boundary of the Territory above-mentioned, where it terminates.* From Fazilka to the junction of the Rivers Jumna and Scinde, Custom House jurisdiction extends for a breadth of 10 miles, and from thence, to the termination of the line to a breadth of 15 miles, or over all Territory in British possession within those spaces; save and except that the cities and marts of Delhi, Bindrabun, Muttra, Agra, Jhansi, and it may be some other towns are excluded from Customs jurisdiction, the space so excluded being a circle of two miles from the Cotwalee or Chief Police Station of each town; but where these tracts are so excluded, the breadth of the line is extended in a correspondent measure to the westward and southward, so that the breadth may in no place be less than 15 miles.

Duties levied on the Western frontier line. 941. On this line, from Fazilka to the junction of the Rivers Jumna and Scinde, Duty is levied not only on the import of Salt, but also on the import of cotton and the export of Sugar, the import of this latter article being prohibited. From the junction of the Rivers Jumna and Scinde to the termination of the

line, on the extreme South, a Duty is levied on the import of Salt only. On that portion of the whole line which lies more than 10 miles North of the Town of Saugor, the Duty on Salt is 2 Rupees per maund; from that point, southwards, to the Nerbudda, the Duty is $1\frac{1}{4}$ Rupees per maund; and on the remainder of the line it is 1 Rupee per maund.

942. The line from the junction of the Rivers Jumna and Scinde, southwards, is a new line established by the Lieutenant-Governor, under the power vested in him by Section III. Act XIV. of 1843, by a public Notification,* dated the 9th of May 1855. Previously the line continued to run from the above-mentioned point, in the direction of the Jumna, till it reached the boundary between the Banda and Allahabad Districts, whence it ran in the direction of the Southern Frontier of the Allahabad and Mirzapore Districts, till it met the Soane River, across which it extended southwards, to the furthest limit of British Singrowlee, where it terminated. On the whole of this line, Duty was levied not on Salt only, as now on the new line, but also on cotton and sugar.

943. The Notification provided that, after the expiration of six months, from the date of its publication, so much of the existing line as extended from the junction of the Rivers Jumna and Scinde along the line of the Jumna, and thence southwards to the Frontier of the Mirzapore District should be abolished. In the mean time the old line was maintained in addition to the new one.

944. From the wording of the above Notice, it would seem that the whole of the old line, from the junction of the Rivers Jumna and Scinde, has not been abolished, but that a portion, from the Frontier of the Mirzapore District to Singrowlee, remains; and yet the object of retaining this isolated portion is not immediately apparent. If it were united to the special line which is drawn at Allahabad, for levying the differential Duty of 8 annas a maund on all Western Salt passing to the eastward of that line, it might be supposed that it was retained in aid of the purposes of that line, but there seems to be a considerable gap between the Frontier of the Mirzapore District and the head of the Allahabad line, which appears to have crossed a point on the old line a long way higher up than the Mirzapore Frontier; and this gap would, seemingly, neutralize any benefit which might otherwise be afforded to the Allahabad special line by its extension to Singrowlee; but, possibly, the defect is in the wording of the Notice, and the old line has, in fact, been abolished as far as Singrowlee.

945. The Allahabad special line, for the levy of the differential Duty on Salt only, proceeds from the fortress of Allahabad, due South to the Rewah Frontier, and due North to the Oude Frontier, and thence along the eastern boundary of the Oude Territory, till it reaches the Nepal Frontier, where it terminates.† The Customs jurisdiction on this line extends for a breadth of 10 miles, except where the line skirts the Oude Frontier, where the jurisdiction extends for a breadth of 13 miles.

946. The administration of the Customs Revenue is at present entrusted to a single Commissioner, acting in subordination to the Board of Revenue, and having his head-quarters at Agra. Until the late alteration in the Western Frontier Line, the Customs jurisdiction was divided into nine Collectorships, the Customs Houses being located at Sirsa, Hansi, Delhi, Horul, Agra, Calpee, Rajapore, Allahabad, and Mirzapore. By the Notification altering the line, Customs Houses were established at Jhansi, Saugor, and Hoshungabad, and a Collector stationed at Saugor, was appointed to the charge of the whole new line with one Deputy at Jhansi and another at Hoshungabad. In pursuance of this arrangement, it may be presumed that the Calpee and Rajapore, and possibly, the Mirzapore Collectorships have been abolished. The Sirsa Division is controlled by the Superintendent of the Bhutte Territory, who is ex-officio Collector of Customs. The Collectors and Deputy Collectors of the other Divisions are Uncovenanted European Officers, employed exclusively in the Customs Department. They are of three grades. In the first there are two, who receive salaries of Rupees 600 a month; in the second, two, who receive Rupees 500; and in the third, four, who receive Rupees 400 a month each. Promotion takes place as vacancies occur, three years' approved service being the condition of advancement. Originally, the rule was that the incumbents should receive an increase of Rupees 100 a month after every five years' service, without reference to vacancies.

947. A Mofussil Establishment of Patrols, Assistant Patrols, Superintendents, &c., is attached to each Collectorship. The Patrols and Assistant Patrols are mostly European Officers. The grades subordinate to these are filled by Natives. The Patrols enter on a salary of Rupees 200 per mensem, which is increased progressively to Rupees 250, Rupees 300, and finally to Rupees 350, after three years' approved service in the first grade, two years' in the second, and three years' in the third. The Assistant Patrols receive first Rupees 100 a month, which is increased after three years' approved service to Rupees 125, and finally, after two years' further approved service to Rupees 150.

* Appendix U.

† See Map No. 1.

* See Map No. 1.

Establishments, 948. The following Tables, (Nos. 1 and 2,) exhibit the numerical strength of the Mofussil Establishments, and the cost of the entire Customs Establishment, Sudder and Mofussil, as they stood before the late change in the Western Frontier line. That change may have caused some alteration in the details, but the aggregate strength and cost have probably remained the same, or nearly the same.

TABLE No. 1.

Numerical Strength of the Mofussil Establishment.

Designation of Officers.	Rates of Pay per mensem.	Number of Officers.
	<i>Rupees.</i>	
Commissioner, - - -	3,166-10-8	1
Collectors and Deputy Collectors - - -	400 to 600	9
Patrols, - - -	200 to 350	32
Assistant Patrols, - - -	100 to 150	53
Superintendents, - - -	50	37
Darogahs, - - -	20, 25, 30	48
Mohurirs, - - -	10, 15, 20	146
Weighmen, - - -	5 and 6	72
Kotegushis, - - -	10	55
Jemadars, - - -	5, 6, 7, and 8	748
Chuprassies, - - -	4 and 5	5,386
Manjees, - - -	4 and 5	3
Dandees, - - -	3 and 4	9
	Total -	6,590

TABLE No. 2.

Monthly and Annual Cost of the entire Customs Establishment, Sudder and Mofussil.

Description of Establishment.	Monthly charge.			Annual charge.		
	Rs.	A.	P.	Rs.	A.	P.
Commissioner of Customs, - - -	3,166	10	8	38,000	0	0
His Office Establishment, - - -	1,161	0	0	13,932	0	0
Collectors and Deputy Collectors, - - -	3,800	0	0	45,600	0	0
Their Office Establishments, - - -	4,473	0	0	53,676	0	0
Mofussil Establishment of Patrols, &c., - - -	53,357	0	0	6,40,284	0	0
Total, - - -	65,957	10	8	7,91,492	0	0

Salt Laws.

949. Until lately Act XIV. of 1843 was the only Salt law of the North-Western Provinces, but on the 21st of December last, another law, Act XXXVI. of 1855, was passed for the better protection of the Salt Revenue.

Act XIV. of 1843 950. By Act XIV. of 1843, the manufacture of alimentary Salt throughout the North-Western Provinces, without the express sanction of Government, is prohibited.

Sec. IV.**Sec. IV.**

Persons engaging in, or preparing for, and proprietors of land, or their agents, conniving at, illicit manufacture, are liable, on conviction by the Magistrate, to a fine not exceeding 500 Rupees, commutable to imprisonment not exceeding six months, with or without hard labor. The illicit Works to be destroyed, and any Salt stored thereat to be confiscated.

Sec. V.

Collectors of Customs and Land Revenue are empowered to destroy all illicit Works, to seize the Salt in store, and to apprehend and make over to the Magistrate, for trial, all persons concerned in the illicit manufacture of Salt.

All Salt, imported without payment of Duty, or in contravention of any orders issued under the provisions of the Act, and all boats, carriages, and conveyances, and all animals used in transporting the same, are liable to seizure and confiscation. **Sec. VI.**

All persons evading, or attempting to evade, the payment of Duty, or aiding or abetting such evasions or attempts, or in any manner contravening the Act or any order issued under its provisions, and all proprietors of land, or their agents, wilfully conniving at such evasions or attempts, or aiding such acts, are liable, on conviction by a Magistrate, to the punishment specified in Section IV. **Sec. VII.**

All Customs Officers are empowered, upon reasonable grounds of suspicion, to search any carriages and conveyances, and any packages, for contraband Salt, and to detain all such Salt. **Sec. VIII.**

Collectors, and Deputy Collectors of Customs, and Land Revenue, are required to report such seizures without delay, for the determination of the Commissioner of Revenue, who may confiscate the Salt or impose a lesser penalty. **Sec. IX.**

All Customs Officers are empowered to apprehend any person upon reasonable grounds of suspicion that he has committed a breach of the Salt laws, and to make him over to the Magistrate for trial. **Sec. X.**

Any Customs Officer searching, or apprehending, without reasonable grounds of suspicion, is liable, on conviction by the Magistrate in the one case, to a fine not exceeding Rupees 250, commutable to simple imprisonment not exceeding three months, and in the other case, to a fine not exceeding 500 Rupees, commutable to simple imprisonment not exceeding six months; the fine in both cases being payable to the party aggrieved. **Sec. XI.**

Appeals lie from the sentences passed, in pursuance of the Act, by Magistrates, or persons exercising the powers of Magistrate, as in ordinary cases. **Sec. XII.**

All Officers of Police, and all Officers of the Government engaged in the collection of the Land Revenue, are required to aid the Customs Officers in the execution of the act. **Sec. XIII.**

951. The Act does not apply to the Saugor and Nerbudda Territories, or to the District of Ajmere, but has been made applicable to the new line established in the former by the Notification of the 9th of May 1855. **Extension of the provisions of the Act to the new line in the Saugor and Nerbudda Territories.**

952. Act XXXVI. of 1855 empowers Officers of Customs or Land Revenue to search houses and other enclosed places for contraband Salt, that is, Salt manufactured or stored contrary to the provisions of Act XIV. of 1843. **Act XXXVI. of 1855 and its provisions—Preamble.**

It indicates the Officers empowered to search, and lays down the rules of search. **Secs. I to IV.**

Search can only be made within the limits of Customs jurisdiction. **Sec. I.**

No search can be made between sun-set and sun-rise. **Sec. II.**

No Salt stored in any house or place, not being Salt unlawfully manufactured thereat, can be treated as contraband unless the quantity exceeds 5 seers in weight. **Sec. V.**

The purification or refinement of impure Salt, obtained in the manufacture of Saltpetre, so as to produce alimentary Salt, is declared to be a manufacture of Salt within the meaning of the Act and of Act IV. of 1843. **Sec. IX.**

Penalties are enacted for Police Officers refusing or neglecting to attend, or aid in search or seizure; and also for vexatious search, and for wilfully and maliciously giving false information. **Secs. VI. & VII.**

953. The following Extracts, taken from pages 95 to 99, of a work published in 1854, by Mr. Hickie, Collector of Customs at Delhi, entitled "a Brief Review of the Old and New Systems of levying Customs Taxes on the trade of the North-West Provinces," contain a full description of the working of the Customs lines and the duties of the Establishments employed upon them. **Working of the Customs Lines, and duties of the Establishments employed upon them.**

"From the lowest subordinate upwards to the Collector, each grade is subjected to a series of checks by which no neglect of Duty or other irregularity can be committed without being brought to light. A high road runs along the Chokies, and when on duty at night, the Chuprassies are posted a quarter of a mile from each other, and required to walk up and down that space. Every Jemadar has the supervision of one mile of road, over which he patrols to see that the men are vigilant, to superintend the relief of the watches, and in the morning to examine the plains and fields on either side, for the purpose of discovering any trace that may exist of the uninterrupted passage of smugglers during the night. A daily report of the result of these examinations is sent up verbally to the Patrol or Assistant Patrol. The Jemadars are in turn checked by the Orderly Establishment, who take up positions, under the line, as it is commonly styled, to catch all that may happen to slip through. In the morning they proceed to the line and make an examination similar to that which the Jemadars are supposed to have previously made, the result being in the same way reported to the Patrol. Then, to prevent either the Jemadars or the Orderlies from concealing any instances of neglect or probable collusion they may have detected, or from being remiss themselves, the Patrols and Assistant Patrols make unexpected excursions along their respective beats at all hours of the night and morning. The activity of these Officers again is maintained under influence of the necessity of recording and reporting daily to the Collectors of Customs the work they have performed, which is done by means of the diary; and a further stimulus to exertion in all grades on the line is supplied by the formation of permanent patrolling parties North and East of the line. These parties are composed of drafts from the Chokie Establishment, of which, however, they are entirely independent, and with whom they are prohibited from holding intercourse unless when duty renders it unavoidable. Their instructions require them to patrol in different directions North and East of, but two or three miles distant from, the line; and when they make a seizure to follow up the track of the smugglers to the point of the line at which they crossed, reporting the circumstance to the Patrol or Assistant Patrol, who receives charge of the captured Salt, and with whom rests the further prosecution of the investigation."

"In the performance of their preventive duties, the Establishment are aided in many beats by a thick thorny hedge composed of 'bya bushes,' and raised sufficiently high to prevent its being surmounted without being broken through, and so creating an alarm, which speedily brings the men on duty in the vicinity to the spot. On some parts of the line, the Patrols have commenced sowing a live hedge, and others have it in contemplation to adopt the same plan, so that in the course of a few years we may calculate upon having an impenetrable and permanent barrier to head-load smuggling across a large portion of the North-West Frontier line."

"Until within a late period it was exceedingly difficult to prove against any particular Chuprassy the neglect by which a gang of smugglers might have escaped. There was the trail; but as the night is divided into several watches, each man would deny that the passage had been effected in his, so that the only alternative was to punish the innocent with the guilty or to allow the delinquent to go unpunished."

"The difficulty has been removed by a very simple method, on all parts of the line where the soil is loose and sandy. It is this: before setting the first night watch, a large branch of a tree, or a light frame work of bamboos and grass, is required to be dragged along the quarter mile beat of each Chuprassy. On the relief taking place, the drag is repeated, and two broad lines, a few feet apart, are thus marked on the sand. If the smugglers have passed in the first watch, the first line only will be intersected by their footsteps; if in the second, both will bear the foot-prints; and in either case the man chargeable with neglect stands convicted. Should there be a greater number of watches than two, the same process has only to be gone through at each relief to secure the same results."

"It is extraordinary with what accuracy long practice enables the Native subordinates to determine the number of head-load smugglers that have crossed the line in a body at any one time, by an examination of their track; which to an inexperienced eye would seem a confused heap of footsteps, defying conjecture as to whether they represented the feet of 5 men or of 50, but from which the chokie people learn, without difficulty, the actual strength of the gang. A very fair presumption can be formed also from the appearance of the footsteps, as to whether there has been collusion, or negligence merely, on the part of the Establishment in failing to seize the dispatch. In the former case the impression of the foot at the heel is deep, betraying the heaviness of the load carried, and if the steps are those of shod feet, the probability of connivance is still stronger, for it is well known that smugglers never come heavily laden, or with their feet burthened with shoes, unless they have previously bought over the Establishment and secured an uninterrupted passage. On the other hand, when the footsteps are shallow and those of naked feet, the case is seldom one in which any thing but neglect can be imputed to the men on duty, the smugglers having come with light loads and bare-footed to be prepared for a run in the event of being

"intercepted. On these occasions, they adopt the precaution of halting and laying down their bags a short distance from the line while one of the gang creeps forward to see if the road is clear. To meet and prevent this manœuvre, which would give them considerable advantage, short excursions are made to the South and West of the line by the Jemadar and a Chuprassy at the relief of every watch, and now and then between the watches."

"With respect to the open posts which give passage to the legal trade, the great check consists in having the register of trade written up and closed with the seal and signature of the examining Officer every evening, and in the punctual transmission to the Sudder Office, of a copy of each day's registry. The cancelled Rowannahs for the same date are sent in at the same time and marked off in the Register of Issue kept up at the Collector's Office, as having been brought into use, a process by which we prevent attempts at employing forged Rowannahs. The issue of Rowannahs by the Collectors of Customs is checked by an account prepared in the Office of the Commissioner of Customs, in which the Duty value of the trade shown by the Patrol Returns to have been imported and exported during the year, is compared with the amount of Duty credited to Government in the books of the Collectors. In short, no fraud can possibly be committed either in the Collectors' Offices, or at the Patrols' posts, without a combination so wide-spreading that its very extensiveness would alone ensure its ultimate exposure."

954. The following Table exhibits the Collections on each article for each of the nine years from 1844-45, the first full year after the passing of Act XIV. of 1843 to 1852-53, the latest year of which I have an account. It exhibits also the total Collections, the Charges, and nett Customs Revenue of each year:—

YEAR.	SALT.		Collections on Sugar.	Collections on Cotton.	Total Collections including miscellaneous Receipts.	Charges.	Net Customs Revenue.
	Quantity.	Duty.					
1844-45,	20,88,951	48,26,974	5,24,589	4,08,892	57,74,399	6,72,636	51,01,763
1845-46,	17,58,023	37,93,016	6,58,387	5,29,267	49,88,474	6,58,312	43,30,162
1846-47,	23,68,321	52,82,026	6,02,825	5,40,518	64,55,240	7,53,989	57,01,251
1847-48,	22,84,606	49,29,001	6,86,790	5,24,523	61,67,074	9,53,945	52,13,129
1848-49,	21,61,240	46,69,994	6,36,572	3,60,555	56,92,861	9,99,723	46,93,138
1849-50,	25,56,812	54,84,901	7,24,579	5,24,796	67,65,583	8,92,783	58,72,750
1850-51,	18,64,500	39,76,664	7,08,748	6,42,316	53,66,720	9,24,909	44,41,811
1851-52,	22,14,574	47,14,270	6,89,331	6,01,898	60,17,219	8,09,926	52,07,293
1852-53,	22,60,376	48,42,448	6,96,434	4,99,101	60,46,416	8,11,347	52,35,099
Total,	1,95,57,405	4,25,19,294	59,28,255	46,31,866	5,32,73,966	74,77,570	4,57,96,396
Average,	21,73,045	47,24,366	6,58,695	5,14,652	59,19,330	8,30,841	50,88,483

In the latest year, 1852-53, the Charges amount to something less than 15½ per cent. on the gross Collections and about 15¼ per cent. on the nett Revenue. On the average of the nine years, they amount to a little more than 14 per cent. on the gross Collections and a little more than 16 per cent. on the nett Revenue.

955. With reference to the great falling off in the Collections from Salt in the year 1850-51, as compared with the previous year 1849-50, amounting to Rupees 15,08,237,* Causes of the great falling off in the collections from Salt in the year 1850-51. The Lieutenant-Governor's opinions.

* 1849-50, 54,84,901
 1850-51, 39,76,664
 Decrease, 15,08,237

Customs line, and transfer to the Bengal Receipts, in consequence of the increased consumption of Eastern Salt in the Benares Division, in the respective proportions noted in the margin, but with the reservation that a part of the falling off in the consumption of Western Salts within the Benares Division might be the result of the introduction of untaxed Sambhur Salt. He was further of opinion that the consumption of the Rock Salt of the Punjab would increase in the western markets, and also that the Sea-borne Rock Salt from Europe would find its way

Excessive importations, 3,96,276
 Transfer to Punjab Receipts, 5,79,816
 Ditto to Bengal Ditto, 6,22,145
 Total, 15,08,237

more and more into the central Provinces. Both these causes, he observed, would occasion a diminution of apparent receipts, whilst the preventive Establishments must still be retained in their full efficiency. This, however, he went on to remark, would afford no ground for regret. The people would be furnished with a purer and more wholesome Salt than heretofore, and the Duty upon it would find its way into the Lahore and Bengal Treasuries, instead of into those of the North-West Provinces. It must only be remembered that the Customs Establishments of the North-West Provinces keep a market for the Bengal and Punjab Salts, and that their costliness is not to be judged simply by a reference to the receipts from Salt which crosses the Customs line.*

The opinions of the Calcutta Board of Revenue. 956. But the Calcutta Board of Revenue considered that the abolition of the Punjab Frontier Duties, with the excessive importations of the previous year, were fully sufficient to account for the falling off, and that it was not necessary to look for special causes affecting particular localities. There was no doubt, they observed, that the consumption of Eastern Salt was increasing in the Eastern Districts of the Benares Province, but it was reasonable to suppose that the increase had been, and would continue to be, very gradual, and they saw no ground whatever for assuming that any considerable part of the difference between the North-Western collections of 1849-50 and 1850-51 was due to that increase.†

The opinion of the Commissioner of Customs. 957. Mr. Smith, the Commissioner of Customs, held that the falling off arose more from temporary causes,‡ and he would seem to have judged rightly, for in the following year the collections regained their level. There can be no doubt, however, that the receipts at the Punjab mines must now displace so much of the Customs receipts of the North-West Provinces as used, before the abolition of the Jullunder Customs line, to be derived from the consumption of Punjab Salt; but this transfer to the Lahore Treasury must be attended with some little loss, inasmuch as the Excise Duty taken at the Punjab mines is less than the Customs Duty levied in the North-West Provinces by the amount of the mining expenses, estimated at 2 annas per maund.

Rates of Duty. 958. By Act XIV. of 1843, the Duty leviable on all Salt imported into the North-Western Provinces is 2 Rupees per maund; but the Duty levied on one portion of the Customs line on the Western Frontier, it has been seen, is 1½ Rupees per maund, and in another portion is 1 Rupee a maund. These rates have been fixed by the Lieutenant-Governor's Notification of the 9th of May 1855.§ Being confined to that portion of the line which extends Southwards, from a point 10 miles North of the Town of Saugor, they do not encroach upon the consumption of any part of the country previously, as now, taxed at 2 Rupees a maund. The effect of the measures carried out by the Notification above-mentioned was, by throwing forward the old line from the junction of the Rivers Jumna and Scinde, and extending it farther South, to subject the consumption of a large additional tract, partly to the full tax of 2 Rupees, and partly to lower rates of Duty. The Districts of Humeerpore and Banda, and nearly the whole of Bundelkund, previously exterior to the Customs line, that is, lying on the same side of it as the Salt-producing tracts, have now been subjected to the full tax, and nearly the whole of the Saugor and Nerbudda Territories, to the lower rates, in one part, of 1½ Rupees, and in another part, of 1 Rupee per maund. It seems to me questionable, however, in the first place, whether, as the Saugor and Nerbudda Territories are specially exempted from the operation of Act XIV. of 1843, by its last Section, the provisions of Section III. of that law can be taken to convey any power to the Lieutenant-Governor in respect of those Territories, notwithstanding they are now attached to the Government of the North-Western Provinces; and, in the next place, whether those provisions empower the Lieutenant-Governor, in any case, to impose any other rate of Duty on Salt imported into the North-Western Provinces than 2 Rupees a maund. If these objections be well founded, so much of the Notification of the 9th of May 1855, as affects the Saugor and Nerbudda Territories, wants authority.

Relation borne by the cost of an adequate supply of Salt to the wages of labor. 959. The following extract from an article in the *Delhi Gazette*, of the 8th November 1851, condenses an authentic information regarding the price of the Salt consumed in the North-Western Provinces:—

"In the North-West Provinces Salt is imported principally from the independent Native States on the South bank of the Jumna, from Lahore, and from the Sambhur Lake near Ajmere. The Duty paid on all Salt crossing the Frontier is Rupees 2 a maund, 4 shillings for 80 lbs. Salt may be carried throughout the Provinces to the North without paying further Duty; but there is another line to the Eastward, drawn

* Letter from the Secretary to the Government of the North-West Provinces, to the Financial Secretary to the Government of India, dated the 7th of November 1851, No. 3879.

† Letter of the Calcutta Board of Revenue to the Bengal Government, dated the 16th January 1852, No. 35.

‡ Letter from the Commissioner of Customs, North-West Provinces, to the Board of Revenue, North-West Provinces, dated the 15th of February 1854, No. 19 B.

§ See Appendix U.

"from Jounpore, South, through Allahabad to Rewah, beyond which Salt cannot be carried without paying a special Duty amounting to 12 annas* more. We find in the Revenue Report for 1848-49, that Sambhur Salt (the best quality of Salt brought to market) sells in twenty-seven Districts at prices averaging from 4½ seers per Rupee to 26 seers, that is, from 9 lbs. to 52 lbs. for 2 shillings, according to the distance the Salt has to be carried, the District in which the Salt is dearest being that farthest from the Frontier; but even there the price of this article is only 2 shillings for 9 lbs., or 2½ pence per lb., the common Salt being much cheaper. The Salt imported from the Bhurtpore Territory, known as Salumba, Balumba, Bhurtpore, &c., sells at 20 seers per Rupee, after it has crossed the Frontier some distance—this is about 1½ lb. per penny, but this common Salt cannot be carried so far as Benares and Jounpore, although the favorite Sambhur is taken as a luxury. These Districts are supplied with common and cheap Salt from neighbouring Districts. Jounpore receives Salt from the Oude Territory, and Benares imports Katearee at prices not exceeding 20 seers per Rupee. In short, the laboring population of the North-Western Provinces can always procure good Salt at a price not exceeding one pound and-a-quarter for the equivalent of 1 penny in Indian money. In many Districts they can buy it much cheaper."

To the mass, then, of the population, the price of Salt may be taken at 1 penny, or, in Indian money at 8 pie, or two-thirds of an anna, for a pound and-a-quarter. At this rate, the annual cost to a single person consuming 6 seers, or 12 pounds, would be, as nearly as possible 9½ pence, or 6½ annas; and this cost, assuming the average wages of agricultural labor at only Rupees 2 per mensem, or Rupees 24 per annum, would amount to the sixtieth and one-third part of his yearly earnings, or a tax upon his income of one and two-thirds per cent. At the same price, the annual cost to a family of five persons, adults and children, consuming on the average 8 lbs. of Salt each, or in the aggregate 40 lbs., would be Rupees 1-5-4; and this cost, supposing such a family to earn between them only Rupees 3 per mensem, or Rupees 36 per annum, would amount to the twenty-seventh part, or three and two-thirds per cent. of their yearly earnings. The wages of labor have here been assumed at a very low average, still the cost of an adequate supply of Salt cannot be regarded as burdensome to the laborer, especially when it is considered, that the Salt tax is, as I have before shown,† the only tax, direct or indirect, of any description, which he is obliged to pay. Much less can it be said that an adequate supply of good wholesome Salt is beyond his reach.

960. The Table at para. 954 shows that there was no material increase in the importations of Salt in the nine years from 1844-45 to 1852-53. Nor do the importations of those years exhibit, on an average, an advance of so much as a lakh of maunds on the average importations of the preceding six years, from 1838-39 to 1843-44. In fact, the importations during the fifteen years from 1838-39 to 1852-53 may be said to have been stationary. The number of the population who were dependent for their supply of Salt upon the importations across the Customs line on the Western Frontier of the North-Western Provinces, as it stood before the recent alteration, not being known, it is impossible to arrive at any trust-worthy approximation to the relation borne by the licit consumption to that population. There can be no doubt, however, that it is very small. In the Tables prepared at the India House, and transmitted to the Government of India on the 29th of August last, the population of the British Possessions, in the North-Western Provinces, derived from a very careful and minute Census taken on 1st of January 1853, is set down at 30,872,766 as shown on the margin. The only Native States lying within the Customs line appear to be Rampore in the Bareilly Division, containing a population of 3,20,400, and the province of Oude, the population of which is set

Divisions.	Population.
Delhi,	2,195,189
Meerut,	4,522,165
Rohilkund,	5,217,567
Agra,	4,373,159
Allahabad,	4,526,997
Benares,	9,437,270
Non-Regulation Provinces,	6,00,891
Total,	30,872,766

down at 2,970,000. These numbers being added to the population of the British Possessions give a total of 34,163,166.‡ But from this total the population of the Districts of Humeerpore and Banda, among the Regulation Districts; and of Kote Kasim, Ajmere, and British Nimaar, among the Non-Regulation Provinces, numbering 15,56,861, as shown on the margin, must be deducted, because all that tract was exterior to the Customs line. In like manner, a proportionate deduction should be made from the population of such Districts as were intersected by the line, but in these cases it is impossible to determine what proportion of the total population inhabited the tract on either side of the line. It is probable also that the consumption of Oude is supplied, in chief part, by Salt produced in the Province. On the other hand, Salts

British Possessions,	30,872,766
Rampore,	320,400
Oude,	2,970,000
Total,	34,163,166
Humeerpore,	5,48,604
Banda,	7,48,872
Kote Kasim,	13,767
Ajmere,	2,21,891
British Nimaar,	25,727
Total,	15,56,861

* Now 5 annas.

† See paras. 823 and 824.

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crossing the Western Frontier are largely consumed in the Cis-Sutlej and Trans-Sutlej Divisions of the Punjab, and credit should be taken, on this account, for perhaps the larger proportion of the Cis-Sutlej population, numbering 2,311,969 and a considerable proportion of the Trans-Sutlej population, the number of which is not known. On the whole, balancing the deductions to be made against the additions, it may, perhaps, be safely assumed that the number of the population who were dependent for their supply of Salt upon the importations across the Customs line on the Western Frontier was not less than the number inhabiting the British Possessions, viz. 30,872,766. This population, at an individual consumption of 6 seers, or 12 lbs., would consume 46,30,915 maunds of Salt; but the quantity imported in the latest year, 1852-53, was only 22,60,376 maunds, or less than half the quantity required for human consumption alone. Either, therefore, the population consume, on an average, less than a half allowance of Salt, which is not probable, or, as may be more safely assumed, the difference is supplied through illicit channels, that is, either by smuggling from abroad or by illicit production at home, but for which, the importations should be 46,30,915 maunds, instead of only 22,60,376 maunds; and the collections more than 96,84,896 Rupees, instead of only 48,42,448 Rupees, or more than double their present amount; the quantity of Salt on which Duty is evaded being thus 23,70,539 maunds, and the loss sustained in the collections more than 48,41,948 Rupees. In other words, not half the quantity of Salt consumed is brought under contribution, and not half the Revenue is collected that ought to be collected; and this without taking into calculation Salt consumed by cattle, or in the preparation of hides and such like purposes.

The modes in which the illicit consumption is supplied. 961. The illicit consumption is said to be supplied in some part by head-load smuggling across the line, in a greater part by smuggling across the Oude Frontier, and in chief part by illicit manufacture.

Head-load smuggling. 962. It is supposed that very little untaxed Salt finds its way across the line above the confluence of the Rivers Jumna and Chumbul, and that head-load smuggling prevailed chiefly below that point; across that portion of the line which was known as the Mirzapore line. Throughout this lower Section, the Establishment was much weaker than it is on the upper Section. On the latter, the Chuprassies, when on duty at night, are posted at distances of only a quarter of a mile apart, and every mile of the line is supervised by a Jemadar. On the former, the Chokies were in many places from 1½ to 6 miles apart, with only a Jemadar and two Chuprassies attached to each. It appears to me that it would have been better to have had no line than one so weakly guarded as this. It has been seen, however, that this portion of the line has now been abolished, and a new line substituted, the Establishment on which, it may be presumed, has been placed on a proper footing.

Smuggling across the Oude frontier. 963. With respect to smuggling from Oude, it appears that the revised Rules of the 10th of February 1844, for giving effect to the provisions of Act XIV. of 1843, prescribed the formation of a line, for the levy of a Duty on Salt only, along both the Western and the Eastern boundary of the Oude Territory, but no line has ever been established on the Western boundary; on that Frontier the Duty of preventing the importation of Salt into British Territory is entrusted to the ordinary Officers of Revenue and Police; while, on the Eastern side, the Customs posts are represented to be weak and inefficient. It seems to have been a great error, considering the high value of Salt in the British Possessions on either side, to leave the Oude Frontier almost entirely unguarded; but as that State has now been incorporated with the British Territories, and as the Salt produced in it is said to be of a very inferior quality, the course to be followed under existing circumstances is, not to strengthen the posts on the Eastern border, nor to establish a line on the Western side, but to abolish the former, and to prohibit the manufacture of Salt in Oude, extending Acts XIV. of 1843, and XXXVI. of 1855, to that Territory.

Illicit manufacture. 964. Illicit manufacture is carried on, not in remote and uninhabited tracts, as in Bengal, but in the villages and within the dwelling-houses. The earth all over the country is impregnated with Salt, which sprouts out on the surface of the ground. Some of this earth is scraped up and taken by the villagers to their houses; there it is thrown into water, and the brine thus produced is exposed to the rays of the sun on the tops of the houses, until the water evaporates and only Salt remains; or, in wet weather, the Salt is obtained by boiling the brine, within enclosures. It has further been established, by an inquiry undertaken for the purpose, that illicit Salt is very extensively produced in Works ostensibly employed in manufacturing only Saltpetre. In order to check the illicit production of Salt in these ways, a draft Act for "regulating the manufacture of alimentary Salt at Saltpetre manufactories and elsewhere, within the limits of the North-West Provinces," was drawn up in 1847, and submitted in the following year to the Supreme Government. This draft was, however, finally rejected in 1852, principally on the ground that the surveillance to which it was proposed to subject the Works at which Saltpetre is manufactured, might seriously affect the production of that staple article; and an amended draft, subsequently submitted, was, in like manner, rejected; but the means of check have now been supplied in the provisions of Act XXXVI. of 1855, which, as has been seen,

empower Officers of Customs or land Revenue in the North-West Provinces to search houses and other, enclosed places for contraband Salt, including alimentary Salt produced in Saltpetre manufactories.

965. That portion of the Customs Line, which lies above the confluence of the Jumna and the Chumbul, and formerly constituted the 1st or Delhi Division, has long been known to be exceedingly efficient. It was formed, and for many years superintended, by Mr. G. H. Smith, the late Commissioner of Customs, in the North-West Provinces. That portion which constituted the 2nd or Mirzapore Division was not so efficient, owing to a weaker Establishment. Towards the end of 1852, the two Divisions were united, and the whole line was superintended by Mr. Smith, until his retirement from the Service in the early part of 1854. By this union an annual saving of between 30 and 40,000 Rupees was effected in the charge for Establishments. Mr. Smith was attached to the Customs Department, of the North-West Provinces, for nearly the whole period of his service. He was employed in it for 22 years, without interruption; and there can be no doubt, as was acknowledged by the Lieutenant-Governor, that the existing Customs system in those Provinces, by which a large Revenue is collected, with very small hindrance to the general trade of the country, on three staples, and principally on Salt in place of a smaller Revenue on more than 300 articles, owes its present development to that gentleman. He was its untiring advocate, against the most galling antagonism and discouragement, and his energetic efforts have mainly produced the great comparative success which has attended it.

966. But though the comparative improvement has been great, the collections on Salt alone, it has been seen, are still very inadequate in proportion to the consumption, and it is obvious that, under the combined operation of the advanced and extended line, the annexation of the Oude Territory, and the increased powers lately conferred by the Legislature for the suppression of illicit manufacture, a further very marked improvement should now take place in the Salt Revenue.

967. At present a Duty on sugar and cotton is levied only on the line above the confluence of the Jumna and the Scinde. The Duties which used to be levied on those articles on the old line below that point appear to have been relinquished about six months ago, when that portion of the old line was abolished, consequent upon the formation of the present new line from the junction of the rivers above-mentioned. Whenever the increased collections on Salt reach the aggregate amount of the remaining collections on sugar and cotton, I am of opinion that the Customs on those articles should be altogether abolished, and a Duty levied on Salt alone throughout the North-West Provinces.

968. It has been seen that the preventive line maintained at Allahabad, to secure the differential Duty on Western Salt, might be abolished at once, if the Duty on Bengal Salt were reduced, as I have recommended, to Rupees 2 per maund, and so equalized with the rate of Duty levied on Salt in the North-West Provinces and the Punjab; but not otherwise. The abolition of the Allahabad line would be attended with a saving of nearly half a lakh of Rupees per annum, which might advantageously be applied to strengthening the new line on the Western Frontier, below the junction of the Jumna and Scinde, if the Establishment on that line has not already been placed on the same footing as the Establishment on the line above that point, of which it is the continuation.

Observations and opinions of the Salt Commissioner. Services of Mr. G. H. Smith, late Commissioner of Customs, in the North-Western Provinces.

A marked improvement should now take place in the collections on Salt.

The abolition of the Customs on Sugar and Cotton recommended, whenever the amount of the remaining collections on those articles is covered by increased collections on Salt.

The Allahabad special line might be abolished if the Duty on Bengal Salt were reduced to Rupees 2 per maund, but not otherwise.

Section IX.

ON THE SUPPLY OF SALT FOR THE PUNJAB.

Extent of the Salt Range of the Punjab. 969. The famous Salt range of the Punjab* commences near the River Jhelum, and runs thence due West, right athwart the Soinde-Sagur Doab (separating the Doab into two Divisions) till it reaches the Indus. Then leaving at Khalabagh a narrow channel for the river to pass through, it crosses the Trans-Indus region, till it meets at right angles the Sulimancee Ridge, which runs from North to South.

Salt wealth of the Range and quality of the Salt. 970. The Salt in this range is either found cropping out in all directions, or else lies in a strata, commencing near the surface, and extending downwards in deep veins of inexhaustible fecundity. The mineral, when excavated, can be brought up to the mouth of the mine for less than 2 annas a maund. It is extracted in a pure state, requiring, for consumption, no preparatory process except pounding. It is of excellent flavor and purity, of transparent brilliancy and consistency; but it assumes a reddish hue when, as is sometimes the case, veins of iron lie adjacent to the saline strata. It is in this latter respect that the Salt of the Cis-Indus portion of the range may be distinguished from that of the Trans-Indus. The latter species of Salt has a darkish tinge, and is generally of inferior quality to the former.

The common Bay and Mundee Salts. 971. Besides the Salt range excavations there were no mines or manufactories of any note or importance in the Punjab Territories. The common bay Salt might, indeed, be made in many localities, but not cheaply or easily; and in all parts of the country the ground is occasionally impregnated with a saline efflorescence, resembling Saltpetre. In the Alpine Principality of Mundee, an impure Salt is produced, but it is strongly mixed with earthy ingredients, and its consumption is confined to the limits of the Principality.

Seikh management of the Salt Revenue. 972. Under the Seikh Government, Salt was one among 48 articles liable to Custom, Excise, Town or Transit Duties.†

Cis-Indus Mines. 973. The Seikh Government did not establish any systematic management for their Salt Revenue; no scale of Duties was fixed. The Cis-Indus Mines were farmed out to individuals of rank and eminence. The farmer, as long as he paid in the amount of his contract, enjoyed a Monopoly of the sale. He was under no restrictions as regards time, place, or price. He might sell, whole sale or retail, at the mine or at distant markets. He might regulate his proceedings by the state of prices or markets, by the briskness or sluggishness of the demand; or, if he preferred, he might hoard up the Salt in Depôts or Entrepôts.

Trans-Indus Mines. 974. The Trans-Indus mines were managed differently or rather were not managed at all. They were held by the fierce Mountaineers of Kohat; no speculator would be rash enough to set up a concern there, and even the Government would have to collect its Revenue with the sword; so the matter was compromised by surrendering the mines to some local chieftain, on the payment of a small annual tribute; but the Salt, when in transit, was liable to Town Duties at Peshawur and other cities.

Reforms introduced under the Regency. 975. When the Seikh Government passed under British control, after the Sutlej Campaign, the Lahore Council of Regency acquiescing in arrangements proposed by the British Resident, abolished the Duties on 27 articles, chiefly the products of domestic industry, indigenous agriculture or internal commerce, and also reduced the Duties on 9 articles. All the interior lines were swept away and the Town and Transit Duties were abolished. The three grand Frontier lines were kept up: one along the Indus, to intercept goods coming from the West, one along the Western bank of the Beas and the Sutlej, for goods, chiefly British, coming from the East, and the third running along the base of the Himalaya range to meet the imports from Cashmere and Jummoo. The Province of Mooltan was excluded from these arrangements, which took effect during the year 1847.

976. To compensate for the deficiency in the Revenue occasioned by these remissions and reductions of Duties, amounting together to upwards of 6 lakhs of Rupees, a moderate toll on ferries was introduced, the Excise on drugs and spirituous liquors was improved by a system of licences, and the Salt Revenue was reformed. A fixed Duty of 2 Rupees on the Punjabee maund was demanded on this article from the merchants at the Cis-Indus mines. But these Duties were levied by a new contractor who bore the cost of management and collection, and paid to the State an annual Revenue of 6 lakhs of Rupees, being an increase of 2 lakhs on the previous out-turn. No alteration was made in the management of the Trans-Indus mines.

* Punjab Report, 1849-50 and 1850-51, para. 301.

† Punjab Report, 1849-50 and 1850-51, para. 301 and 302.

‡ Punjab Report, 1849-50 and 1850-51, para. 304.

977. After the annexation of the country to the British Empire in India* in March 1849, the Customs and Excise Duties levied in it under the reformed arrangements introduced by the Council of Regency in 1847, were taken into consideration. Under those arrangements Duties were still levied under 20 heads. They comprized Duties of Customs, both of import and export, Excise Duties on spirituous liquors and drugs, fines, seigniorage on mints, tolls on ferries, contract of the Salt mines, and other things.

978. From the year 1850, the whole of these Duties were abolished, excepting three, namely, the ferry tolls, the spirit Excise and the Salt Excise; and one new tax was added, the Stamp Duty.

979. In connection with this measure, the three existing Customs lines, viz: the Indus line, the line on the Western bank of the Sutlej and the Beas, and the Jummoo line were abolished. A portion of the North-West Province Customs line, namely, that running from Sirsa via Kote Kapoora and Ferozepore along the Eastern bank of the Beas, commonly called the Jullunder line, was also removed, and a new line was extended from Sirsa to Fazilka on the Eastern bank of the Sutlej; and carried down the Western bank of that River from Umrookee Ghant, the point of junction with the Sirsa line, to opposite Mittunkote,† to prevent any importation in that direction, of Soinde or Rajpootana Salt into the Punjab, and of the latter Salt into the North-West Provinces, and so to compensate in respect of these provinces, for the abolition of the Jullunder line. The Mooltan Duties were at the same time repealed.

980. On this occasion, an entire change was made in the system, under which the Revenue from Salt was derived during the Regency. Instead of letting the Salt mines by contract, the Government took the management of the Cis-Indus mines into its own hands, levying an Excise Duty at the mouth of the mine of Rupees 2 per Company's maund on the Salt delivered, to cover all charges, and allowing the Salt after this payment to pass free throughout the British Dominions, subject, however, to the additional Duty of 8 annas per maund levied on all Salts passing the special line at Allahabad, for the protection of the Bengal Duty, which is Rupees 2-8 per maund. The manufacture of alimentary Salt in the Punjab, was at the same time prohibited.

981. The line on the Western bank of the Sutlej, from Umrookee Ghant to opposite Mittunkote, is purely a preventive line to keep out Foreign Salt, the exportation of Punjab Salt being permitted. It is a Punjab line, and is superintended by the Commissioner of the Mooltan Division.

982. With respect to the Trans-Indus mines, it was resolved, on political and social considerations, to impose a light Duty of 2 annas per maund at the Bahadoor Kheyl mine, and 4 annas at the other mines, and to allow certain perquisites to the local Khuttuk chieftain with a view to reconcile the hill chiefs to the new system.

983. In 1851, in order to guard against the influx of this lightly-taxed Salt across the Indus to the detriment of the Revenue derived from the produce of the Cis-Indus mines, a system of prevention, resembling that which obtained under the Seikh Government, of watching the ferries of the Indus, was introduced. Under this system, parties are stationed at each ferry on the Eastern bank of the Indus, from Attock on the North, to Leia on the South, controlled and watched by a roving party constantly moving up and down the line; the Establishments on the upper portion of the line, between Kalabagh and Attock, being superintended by one European Officer, those on the lower portion, between Kalabagh and Leia, by another.

984. In the same year, and at the same time, a question arose as to the expediency of extending the preventive line on the Sutlej from Mittunkote up the Indus, so as to prevent the Rajpootana and Soinde Salts, and the manufactured Salt of the Derajat, from crossing the Indus; but such a line was not considered necessary, and from a report subsequently received from the Commissioner of Soinde, who was called upon for his opinion, it clearly appeared that there was no reason to apprehend, in the present condition of the Salt manufacture and trade in Soinde, that any quantity could be exported from that Province for use in the Punjab, so as to call for an expensive line of Frontier posts or for any other preventive measure.

985. The supply of Salt for the Punjab, East of the Indus, is derived from the Cis-Indus mines, in the Soinde-Sagur Doab, and from the mines at Kalabagh. All other Salt, in the country between the Indus to the West and the Beas and Ghara to the East and South, is contraband.

* Punjab Report, 1849-50 and 1850-51, para. 305 to 310 and other sources.

† See Map No. 1.

‡ See Map No. 1.

Administration and collection of the Salt Revenue—Cis-Indus Mines.

986. The mines lie within the jurisdiction of the Commissioner of the Jhelum Division, who is in charge of the Salt Revenue Department, the administration and collection of the Revenue being vested in a Collector, acting under the superintendence and control of that Officer as regards the mines and the Indus preventive line, and of the Commissioner of the Mooltan Division in respect of the Sutlej line.

Establishment and their cost. 987. The cost of the Establishments entertained at the mines amounts to Rupees 7,495 per mensem, or Rupees 89,940 per annum.

988. The Sudder Department comprises the Collector, on a salary of Rupees 800 per mensem. And an Establishment at " " 810 "

Total, Rupees 1,610 per mensem.

989. The Mofussil Department consists of the Deputy Collector in charge of the mines, and the Establishment of Officers employed for working them, and for the protection of the Revenue, viz. :—

	Rs.
A Deputy Collector, - - - - -	500
3 Patrols, at 300 each, - - - - -	900
4 Assistant ditto, 1 at 225, 2 at 200, and 1 at 150, - - - - -	775
	2,175
Native Establishments, - - - - -	3,710

Total, Rupees 5,885 per mensem.

990. The total cost of the Establishment entertained for the Sutlej Preventive line, is Rupees 6,537 per mensem, or Rupees 78,444 per annum, as follows :—

	Rs.
A Deputy Collector, - - - - -	500
Establishment, - - - - -	390
	890
4 Patrols, 2 at 400, and 2 at 300, - - - - -	1,400
4 Assistant ditto, 2 at 250, 1 at 225, and 1 at 200, - - - - -	925
Subordinate Native Establishments, - - - - -	3,322
	5,647

Total per mensem, Rupees 6,537 × 12 = 78,444 per Annum.

991. And of the Establishment entertained for the Indus Preventive Line, Rupees 1,424 per mensem, or Rupees 17,088 per annum, as follows :—

	Rs.
2 Patrols, 1 at 300, and 1 at 200, - - - - -	500
Subordinate Native Establishments, - - - - -	924

Total per mensem, Rupees 1,424 × 12 = 17,088 per Annum.

At the Mines,	89,940
Sutlej Line,	78,444
Indus Line,	17,088
Total, Rupees	1,85,472

992. The total cost of the Salt Establishments in the Punjab thus amounts to Rupees 1,85,472 per annum, as shown on the margin. The present cost may be a little more or less than the above amount, in consequence of recent changes, but the difference either way cannot be material.

Scale of allowances for Patrols. 993. A scale of allowances for Patrols and Assistant Patrols has been sanctioned with special reference to the peculiar hardships to which such Officers are exposed in the Punjab, and from which the same class in the North-Western Provinces, are in a great measure, exempt. The scale sanctioned is contrasted below with that prevailing in the North-Western Provinces.

ASSISTANT PATROLS.

	Punjab.	North-West Provinces.
At first, - - - - -	150	100
After 3 years' good service, - - - - -	200	125
After 3 years more, - - - - -	250	150

PATROLS.

At first, - - - - -	300	- - - - -	200
After 5 years, - - - - -	350	{ After 3 years, - - - - -	250
		{ After 2 years more, - - - - -	300
After 5 years more, - - - - -	400	{ After 3 years more, - - - - -	350

994. For the repression of illicit manufacture and smuggling, the penal provisions of Regulation XIV. of 1843, have been introduced, with certain modifications to suit the Punjab. The prohibitions and penalties to be enforced under these modifications, and the duties and powers of the Salt Excise and Preventive Officers, have been embodied in a set of Rules, a copy of which is appended.* A copy of parts of a Memorandum, showing the duty and arrangement of the patrolling force on the Sutlej preventive line, from which a general idea of the patrolling system may be formed, is also appended.†

995. Under the Sikh Government, the Revenue derived from the Salt farm amounted to 4 lakhs of Rupees per annum. Under the Regency it was raised to 6 lakhs. When the present Excise system was introduced, in October 1849, it was estimated that the sales would amount to 6 lakhs of Indian maunds, and the gross receipts, at Rupees 2 per maund, to 12 lakhs of Rupees. The actual results have been as follows :—

YEARS.	Maunds of Salt sold.	Gross Receipts.
From October 1849 to end of April 1850, -	4,03,426	8,06,852
1850-51, - - - - -	7,68,703	15,37,406
1851-52, - - - - -	6,40,647	12,81,295
1852-53, - - - - -	8,42,108	16,84,216
1853-54, - - - - -	9,75,267	19,50,535

996. The interruption to the progressive increase in 1851-52,† was owing to partial failure of harvest combined with general lowness of prices, and also to over-speculation. The present increase is attributed, not only to exportation, but also to increased consumption within the Punjab. The exportations, however, across the Beas and the Sutlej must be taken to have displaced to a corresponding extent the Salt Revenue of the North-Western Provinces. The transfer from the North-Western Provinces Customs receipts, on account of Salt, to the Punjab receipts, from this cause, in 1850-51, the first year after the abolition of the Jullunder Customs line, was computed at Rupees 5,79,816.§

997. The gross receipts from the sales in the past year, 1853-54, amounted to Rupees 19,50,535. Receipts and From this must be deducted Rupees 1,21,908, being at the rate of 2 annas per maund on the Salt sold, for charges. expenses of excavation, leaving a nett profit of Rupees 18,28,627, from which Rupees 1,85,472 being further deducted, for cost of Establishments, there remains a nett Revenue for the year of Rupees 16,43,155. The cost of Establishments, constituting the charge of collection, amounts on the nett Revenue to a little more than 11 per cent; on the nett profit to a little more than 10 per cent; and on the gross receipts to nearly 9½ per cent.

998. The Trans-Indus Salt mines are not included in these calculations. The Salt of those mines is contraband to the East of the Indus, and is kept out by the preventive line on that river. It is sold for consumption in the Kohat and the other country West of the Indus, at the rates before mentioned at para. 982. That country is, in fact, not included, at present, in the Salt Revenue system of the Punjab, the manufacture of Salt in the Derajat, and the consumption of other Salts than Government Salt, not being prohibited. A time may come when it will be practicable and expedient to raise the Duty on the Salt of the

* Appendix V., No. 1.

† Appendix V., No. 2.

‡ Punjab Report 1851-52 and 1852-53, para. 257.

§ Letter from the Secretary to the Government of the North-Western Provinces to the Financial Secretary to the Government of India, dated the 7th November 1851, No. 3579, para. 8.

Trans-Indus mines; to forbid the manufacture in the Derajat; and to draw a preventive line from Mittun-kote due West to the Soliman Range, in order to keep out the importation of Sainde and Rajpootana Salts in that direction, and to confine by these measures the consumption of Salt, within the entire Punjab, to the produce of the Government mines on both sides the Indus.

Improvement of the Mines.

999. In 1850, very soon after the mines were taken under the direct management of the Government, measures were proposed by the Collector of Salt Revenue, having in view the creation of greater facilities for working the mines, the improvement of the condition and health of the miners, and the promotion of the comforts and convenience of the Government Establishments and the merchants resorting to the mines.

1000. In that portion of the Salt range* which borders the River Jhelum, near the city of Pind Dadun Khan, there are some eight localities whence Salt has been or is extracted. Of these, the two principal are the Sojcewala and the Buggce mines, both near the village of Khewra, about 6 miles from Pind Dadun Khan. The improvements which have been effected have been confined to the Sojcewala mine; those of the

Mukrach.
Surdee.
Wurcha.
Kalabagh.

Buggce mine are as yet only in design. The other mines appear to be situated in the vicinity of the places specified in the margin, the Kalabagh mines lying, apparently, immediately on the opposite or Western bank of the Indus.

1001. The necessity† for improvement was manifold. The transit from Pind Dadun Khan to Khewra was difficult, and still more so from the village to the mine. The passage through the hill side to the vault was crooked and dangerous. The atmosphere within the cavernous chamber of the mine was fetid and oppressive, and the temperature high. The miners were a wretched short-lived race; in former days, their shrunken, cadaverous appearance, their squalid houses, and their early deaths, formed a theme for the description and commiseration of travellers. The Salt merchants were liable to long detention at the Depot, owing to the difficulties of transit and the scarcity of labor; and they, in common with the inhabitants, suffered from the deleterious nature of the water, the springs being all more or less impregnated with Salt.

1002. The improvements which have been effected for the removal of these evils consist in the construction of a gallery, an aqueduct, and a road.

1003. The gallery has been fully completed.‡ It is 250 feet long, 10 feet broad, and 10 feet high. The tunnel is faced with masonry on all its sides. The windlass, intended to be used at its mouth, to facilitate the exist of the Salt, remains to be fixed. This work proves beneficial not only to transit but to ventilation. The old passage, though abandoned, is still kept open, and acts as a kind of chimney to the new gallery; and has now become an excellent ventilator. The atmosphere of the chamber is no longer oppressive its mean temperature has been reduced from 82° to 75°, indeed, it is now a cool subterranean retreat.

1004. The aqueduct is also complete.§ The villagers, the miners, the merchants, and the cattle were supplied with water from a stream which, though pure at its source, crossed, in its passage down the hill side, a stratum of Salt, and consequently became brackish. To obviate this, a largo dam, fortified by masonry, has been erected at the crest of the gorge, where the water is uncontaminated. The water thus collected is thence conducted by a wooden trough, supported by brick pillars, to the village. Since January 1853, it has been regularly delivered at the village. The supply is 8,000 gallons per hour.

1005. A masonry tank,|| 100 feet square and 11 feet deep, has been constructed at the Depot for the use of the merchants and their cattle. It is fed by hill torrents; a similar tank has also been constructed by the District Authorities in the same vicinity. The road from Pind Dadun Khan to Khewra is in most respects completed. From Khewra to the mines, it has been perfected.

Cost of improvements.

1006. The cost of these works has been as follows¶ :

Gallery,	Rupees	13,771
Aqueduct,	"	13,555
Tank,	"	5,345
Road,	"	911
Establishment and Contingencies,	"	5,798
		<u>39,380</u>

* Punjab Report 1851-52 and 1852-53, para. 380. † Para. 381. ‡ Para. 382. § Para. 383. || Para. 384. ¶ Para. 385.

1007. The tendency of these improvements is to concentrate the trade on the two Khewra mines,* as will appear from the following statistics of the Salt trade at these mines:—

Maunds of Salt sold.

1851-52.	1852-53.	1853-54.
3,84,426	5,29,149	6,43,753

1008. The Surdee mines it was proposed to close, as soon as all the projected improvements at the Khewra and Mukrach mines had been completed; and it was supposed that the Kalabagh mines would also be much less resorted to then. The Buggce mine belongs apparently to the Mukrach group.

1009. The consequences of these Works have been in every way beneficial.† The health of the miners has rapidly revived under the influence of fresh air and fresh water. The mines have become so easy to work that other classes of laborers, besides the miners, who formerly held a Monopoly, have been introduced. The mineral itself, from the admission of air, has become more consistent and less liable to fall in masses. There is, consequently, less danger of accidents, and a greater facility for excavating the Salt by means of blasting. The convenience of the merchants has been vastly promoted, and they are now able to take ten trips instead of four.

Consequences of the improvements.

1010. From the foregoing narrative it appears that, in that portion of the Punjab which lies to the West of the Indus the trade in Salt is altogether open and untaxed. The mines are the property of the Government, and Salt is sold from them at a low profit, but at the same time any person is at liberty to manufacture and sell the article in the Trans-Indus limits, or to import it for sale, within those limits, from abroad. On the other hand, the supply of Salt in that portion of the Punjab which lies to the East of the Indus, and to the West and North of the Beas and Ghara Rivers, is a close Government Monopoly, the manufacture of alimentary Salt within that tract being strictly prohibited, and its importation prevented. It is obvious, however, that if a Revenue is to be derived from Salt in the Punjab, no simpler or less objectionable mode of raising it could be established than to confine the first transactions in the article exclusively to the mouth of the mines. In the hands of the Government, the arrangements at the mines are conducted with liberality and humanity; and nothing would be gained by allowing private manufacture under Excise licences, in addition to sale from the Government mines, at all commensurate with the additional expense and inquisition which that measure would render necessary. In all its parts, the system, as it now exists, has been carefully and judiciously organized; and the efficiency which characterizes the Punjab Administration in its other branches is equally manifest in the management of the Salt Revenue.

Observations and Opinions of the Commissioner.

No simpler or less objectionable mode of raising a Revenue from Salt in the Punjab could be established.

1011. It is true that the price of Salt at the mines is now considerably higher than the prices which used to be levied by the farmers under the Sikh Government; but, in commutation for this increase, all Duties whether export or import, town or transit, on all other articles, which were leviable in the British Possessions West of the Rivers Sutlej and Beas, were abolished, the entire trade of the Punjab, with the single exception of the traffic in Salt, having thus been set free. By this commutation the people unquestionably gained a great advantage. Nor is the tax on Salt, though higher than formerly, so high as in the adjoining provinces; for the price of the Salt at the mines being 2 Rupees the maund, and the mining expenses being estimated at 2 annas the maund, the net profit, representing the Duty, is only 1 Rupee 14 annas the maund, or 2 annas (equal to about 3 per cent.) below the rate of Customs levied on the Foreign Salt which supplies the North-Western Provinces. It is therefore a question for consideration whether, in order to equalize the tax in the Punjab and the North-Western Provinces, the price of Salt at the mines in the former ought not to be raised to Rupees 2-2 a maund.

It is a question whether the price of Salt at the Mines ought not to be raised to Rupees 2-2 a maund.

1012. As regards the relation borne by the cost of an adequate supply of Salt to the wages of labor, taking the price, in the markets most distant from the mines, at the highest quotation, namely, 1 Rupee for 25 lbs.,‡ the annual cost to a family of 5 persons, adults and children, consuming, on the average 8 lbs. of Salt each, or in the aggregate 40 lbs., would be about 1 Rupee 10 annas; and supposing such a family to earn between them only 3 Rupees per mensem, or 36 Rupees per annum, the cost, namely, 1 Rupee 10 annas, of their annual supply of Salt, would amount to the 22nd and a quarter part, or 4½ per cent. of their yearly earnings. This is a somewhat higher rate of pressure than has been obtained for the North-West Provinces; but the case put is an extreme one in all its parts.

Relation borne by the cost of an adequate supply of Salt to the wages of labor.

* Para. 386 and 387. † Para. 388. ‡ See Report on the Punjab for the years 1849-50 and 1850-51, para. 316.

Relation borne
by the licit con-
sumption to the
population

1013. It has been seen that the quantity of Salt sold at the mines has greatly increased, and is progressively increasing, but the relation borne by the sales to the population cannot be fixed, because the number of the Punjab population supplied by the sales is not known, nor what proportion of the total quantity of Salt sold is consumed within the British limits of the Punjab. In the India House Tables already referred to, the total population of the British Possessions in the Punjab is set down at 11,465,178, as shown on the margin,

but of this number it is probable that, perhaps, the larger proportion of the Cis-Sutlej population, and a considerable proportion of the Jullunder Doab or Trans-Sutlej population, consume Sambhur and other Salt crossing the North-Western Frontier Customs line. The total quantity of Salt sold at the Cis-Indus and Kalabagh mines in the latest year, 1853-54, was 9,75,267 maunds, which quantity, at an individual supply of 6 seers or 12 lbs. per head, per annum, is sufficient for the consumption of 6,501,780 persons, and

* 9,153,200
6,501,780
2,651,420

this number, being less by 2,651,429* than the total population of the Punjab, exclusive of the Cis-Sutlej portion of it, is probably even below the population of that portion of the Punjab Proper which lies between the Indus on the West and the Sutlej and the Beas on the East, within which all other Salt than that of the mines above-mentioned is

contraband. But it has been shown that a considerable quantity of the Salt sold at the mines in question is exported across the Beas and the Sutlej into the Cis, and more especially, into the Trans-Sutlej Divisions

BHAWULPORE,.....	Cis-Sutlej,.....	600,000
GOLAS SINGH'S DOMINIONS,.....	Punjab,.....	750,000
HILL STATES,.....	Cis-Sutlej,.....	631,620
DITTO,.....	Trans-Sutlej,.....	120,617
SEIKH PROTECTED STATES,.....	Cis-Sutlej,.....	1,935,154
	Total,.....	4,055,191

of the Punjab; and it may be supposed that a small quantity finds its way into some of the Native States of the Punjab, containing, according to the same India House Tables, an aggregate population of 4,055,191 as shown on the margin.

The Salt Revenue
apparently
susceptible of
much greater de-
velopment.

1014. It thus seems certain that the sales, though increasing, are, at present, in low proportion to the population which they may be supposed to supply, and that, under a continuance of efficient management, the Salt Revenue of the Punjab admits of much greater development than it has yet attained. It might be well, therefore, if inquiries were directed towards a more exact ascertainment of the relation borne by the sales to the population supplied by them, with a view, if it proved as low as my estimates indicate, to the discovery and cure of the causes.

Section X.

RECAPITULATION.

1015. The following is a Summary of the conclusions arrived at in the foregoing Sections of this part of the Report, relating to the Bengal Presidency.

1. The re-opening of the Eastern portion of the Agency of the 24-Pergunnahs does not operate as any interference with the Excise experiment now in progress in the Western portion of the same District.

2. Under a system of private manufacture, the supply of Salt in the interior of the country would not be deranged.

3. Under a system of private manufacture, a few capitalists would not obtain a Monopoly of the supply.

4. Under a system of private manufacture, there need be no more evasion of the tax by illicit manufacture and sale, than there is under the present system of Government manufacture.

5. The preventive system necessary under a regulated Excise need not be more expensive to Government, or more vexatious to the Molunghees, than the present plan of Government manufacture.

6. It is not practicable to establish any system under which the manufacture and sale of Salt in Bengal should be "absolutely free, subject only to such Excise or other Duties as may now, or from time to time, be levied on such Salt so manufactured;" if by this expression it be meant that, subject to such Duty, any person might make Salt, in any quantity, and at any time and place.

7. A system of private manufacture, in particular places, under such restrictions and rules as may be necessary for the security of an Excise Revenue, but free so far as to be open to all speculators who satisfy the necessary conditions; which is what is understood by "a system of modified Excise, such as that of granting licences to private persons to manufacture Salt at stated localities," is perfectly feasible.

8. The regulations and arrangements under which the manufacture and sale of Salt have been thrown open in the 24-Pergunnahs should be extended gradually, as private speculators become prepared to take up the field now occupied by Government. If the change be not introduced gradually, there will be a risk of the supply of Salt failing; but there is no reason why the Excise system should not be eventually extended so as, in course of time, to admit of the Government withdrawing altogether from any direct interference with the manufacture.

9. When the Government stocks are replenished, private manufacture may safely be encouraged further, by gradually giving up to speculators portions of the best Salt Districts, such as Tumlook and Hidgelee. But at the present moment the Government have done all that can be done, without incurring the risk of a dearth of Salt.

10. A general revision of the Agency Establishments, with a view to increasing the pay of the Native Officers employed by the Government to superintend the manufacture, is a measure which should receive early consideration, as the manufacture on account of Government is likely to be continued for some time.

11. In Tumlook and the Province of Cuttack, the preventive Agency should be separated from, and made independent of, the Agency employed in the manufacture of Salt on account of Government, and the whole preventive force in those tracts should be placed under the authority of the Controller of Salt Chokies, in accordance with the system which prevails in all the other Salt producing localities.

Summary of
conclusions
arrived at in the
going Sections.

BENGAL.
The re-opening
of the Eastern
portion of the
Agency of the
24-Pergunnahs
does not interfere
with the
Excise experiment
now in progress in
the Western portion.

Under a system
of private man-
ufacture, the sup-
ply of Salt would
not be deranged.

Nor would a
few capitalists
obtain a Monopoly.

Nor need there
be more evasion
of the tax.

Nor, under a
regulated Excise,
need the preven-
tive system be
more expensive
or more vexatious
than at present.

It is not pra-
cticable to render
the manufacture
and sale of Salt in
Bengal absolutely
free.

A system of
modified Excise is
perfectly feasible.

The Excise sys-
tem commenced in
the 24-Pergunnahs
should be extend-
ed gradually, as
speculators be-
come prepared to
take the field.

At the present
moment, the Go-
vernment have
done all that can
be done, to en-
courage private
manufacture, with-
out incurring the
risk of a dearth of
Salt.

The Agency Es-
tablishments
should be revised,
and the pay of the
Native Officers
employed in super-
intending the ma-
nufacture increas-
ed.

In Tumlook and
the Province of
Cuttack, the pre-
ventive Agency
should be separa-
ted from the ma-
nufacturing Agency,
as elsewhere.

preventive should be strength of the Go-ent man- and the ded tract be still fur- limited.

12. As a general rule, the preventive Agency should be concentrated in the neighbourhood of actual Government manufacture, and distributed more sparsely over those parts of the country where manufacture is not authorized. The River Hooghly and the channels of the Soonderbunds require to be closely watched. On the other hand, in the delta of the Ganges, and especially in the District of Backergunge, the guarded tract might be still further limited by the abandonment of some of the Northern Chokies most distant from the Sea.

practice of sing rowan- might be en- abandoned.

13. The practice of examining and endorsing Rowannahs, protecting the cargoes of boats carrying Duty-paid Salt by the principal river routes, might be entirely abandoned.

the pay of the subordinate Off- of the preven- establishment should be raised.

14. The pay of the subordinate Officers of the preventive Establishment is generally on too low a scale, and should be raised. The saving consequent upon the greater concentration of the force, and the further limitation of the guarded tract, might afford the means of increasing the emoluments of these Officers without any additional charge to the State.

Under the pro- posed system of Excise, probably no great change will be practicable in the Preventive arrangements.

15. Under the proposed system of Excise, it is probable that no considerable change will be found practicable in the strength and distribution of the existing preventive force.

The system of retail and local sales, at reduced prices, should be abandoned at once.

16. With respect to sales from Government Depôts, at reduced prices, in certain localities, the conclusion arrived at, on the whole, is that it would be proper, practicable, and profitable to abandon the system of retail sales in Bengal, and of local sales at low prices, in addition to retail sales, in Orissa, at once.

The wholesale prices of Govern- ment Salt are ad- justed with as much accuracy as is possible.

17. The wholesale prices of Government Salt are adjusted with as much accuracy as the nature of the case admits of, and it seems certain that the tendency of the adjustments is to include in the cost price every item that can with reason be classed in that category, so as to obviate any imputation of unfairness as towards the importer of Salt from abroad, or the producer of Salt under Excise.

One general price should be fixed for all kinds of Salt conveyed for sale to the Sulkea Depôts.

18. There is a clear necessity for modifying the principle laid down for observance, in accordance with the recommendation of the Select Committee of 1836, in the pricing of Government Salt; and in order to meet this necessity, there seems to be no objection, either in principle or practice, to fix one general price for all kinds of Salt hereafter conveyed for sale to the Sulkea Depôt, whether it be brought from one of the Cuttack Agencies, from Tumlook, from Hidgelee, or elsewhere. The intense avidity with which the cheap Salt is bought up, as soon as advertised, proves the desirableness of some such measure as this. The difference of quality in the different descriptions is small compared with the difference of price, and it so happens that, under the present system, what difference there is, is in favor of the cheapest Salt.

The present Bond- ing Rules give full satisfaction.

19. The Rules for bonding Salt, as they now stand, are believed to give complete satisfaction.

The treatment and condition of the Molunghees are open to no ob- jection.

20. There is nothing on record to indicate, or the slightest reason to suppose, that the Molunghees are subject to the least degree of coercion, or that their condition is in any respect worse than that of any class of laborers in Bengal.

Nor, under the proposed system of Excise, do the Molunghees need to be specially pro- tected.

21. Under the proposed system of Excise, no special regulations for the protection of the in- terests of the Molunghees are needed.

The Laws for the protection of the Salt Revenue do not operate with undue severity.

22. The laws for the protection of the Salt Revenue, in the Lower Provinces of the Bengal Pre- sidency, are not considered to operate unjustly, or with undue severity, upon any class.

The Salt tax is the only tax which laborers in India are obliged to pay.

23. The Salt tax is the only tax, direct or indirect, of any description, which laborers and other people in India are obliged to pay.

Salt is not the only condiment an Indian laborer consumes with his food.

24. The argument that Salt is the only condiment an Indian laborer consumes with his food, which is of such a nature that without Salt it would be intolerably insipid, is a mistake of fact.

The Indian la- borers live under a less burdensome fiscal system than the English la- borers.

25. The Indian laborer, when the facts of his case are ascertained, is found to be much more fortunate in the fiscal system under which he lives than the English laborer.

26. The whole of the evidence on both sides of the question of Monopoly goes to this, that it is impossible to point out any equally productive source of Revenue in India, less objectionable, all things considered, than a moderate Salt tax.

27. The Salt tax, even at its present high rate in Bengal, is not, all things considered, "a heavy and grievous burthen" to the laboring man, or to any one else, living under the protection of the British Government.

28. At the same time, the tax is positively too high, even at its present reduced rate, and, apart from financial consideration, it is very desirable that further reductions of Duty should be made.

29. If any reduction be made, it should be a reduction of 8 annas per maund at one leap.

30. The recommendation of the Select Committee of 1836, "that the Duty to be imposed shall be fixed at the lowest rate consistent with the maintenance of the Revenue, and not exceeding the average rate of the nett profit of the Company's Monopoly for the last ten years," was not intended to convey that the average aggregate amount of Revenue from the Salt tax for past years should not be exceeded in future years; but, rather, that the rate of Duty should be fixed on the maund of Salt, according to the average nett profit derived during the past ten years from every maund consumed.

31. If the finances are considered capable of bearing the loss which the measure would cause for several years to come, the rate of Duty ought to be reduced at once from its present amount of Rupees 2-8 per maund to the rate which prevails in the North-West Provinces, namely, Rupees 2 per maund, the difference of 8 annas per maund, now levied on the Allahabad line of those Provinces, for the protection of the Bengal Revenue, being, of course, discontinued at the same time, and the line abolished.

32. In course of time the rate of Duty might be further reduced, throughout the Bengal Presi- dency and the Punjab, to Rupees 1-8 per maund, or double the Excise rate prevailing in the Bombay and proposed for the Madras Presidency, without ultimate injury to the Revenue.

33. The extension of the Salt tax to Arracan does not appear necessary or expedient at present.

34. The prohibition to export Salt from Arracan to Chittagong and the Eastern Districts of Bengal, except from a Government Depôt, should be strictly maintained.

35. In like manner, the exportation of Salt from Arracan to Calcutta by way of the Soonder- bunds should continue to be strictly prohibited.

36. But private parties should be allowed to ship Salt for transport to Calcutta, by the Sea route, in any part of the Province, in vessels of any tonnage, without let or hindrance, the Duty on such Salt being levied in Calcutta, as in the case of all other imported Salt.

37. The Salt tax ought not, while it is levied elsewhere in India, to be relinquished in the Tenas- serim and Martaban Provinces; but attention should rather be turned to the improvement of the Revenue from Salt, upon the present simple system of Excising the manufacture.

38. The rate of Excise should be raised to that which now prevails in the adjoining Province of Pegu, namely, 8 annas per earthen pot.

39. A drawback of the Excise Duty should be allowed on Salt exported by Sea, and Foreign Salt should be admitted on payment of a Customs Duty equal to the Excise Duty.

No less objec- tionable tax than the Salt tax can be pointed out.

The Salt tax even at its present high rate in Bengal is not "a heavy, and grievous bur- then" to the labor- ing man.

At the same time the tax is positive- ly too high.

The tax should be reduced eight annas per maund, if at all.

The Select Com- mittee of 1836 did not intend to re- commend that the Salt Revenue should be kept down to a fixed amount.

The rate of Duty should be reduced at once from its present amount of Rupees 2-8 per maund to the rate which prevails in the North-West Provinces, namely, Rupees 2 per maund, the difference of 8 annas per maund, now levied on the Allahabad line of those Provinces, for the protection of the Bengal Revenue, being, of course, discontinued at the same time, and the line abolished.

In time, the rate of Duty might be reduced, through- out the Bengal Pre- sidency and the Punjab, to Rupees 1-8 per maund.

ARRACAN. The extension of the Salt tax to Arracan not expedient at present.

The private ex- portation of Salt from Arracan to Dis-

a Govern- ment Depôt.

Nor to Calcutta, by way of the Soon- derbunds.

But private ex- portation to Cal- cutta, by the sea route, should be freely permitted.

TENASSERIM and MARTABAN PROVINCES.

The Salt tax should not be re- linquished in these Provinces.

The rate of Excise should be raised to that which now prevails in the adjoining Province of Pegu, namely, 8 annas per earthen pot.

On export by sea, a drawback should be allowed. On import, Customs should be levied at the Excise rate.

PEGU.

In Pegu, a drawback should be allowed on Salt exported by sea.

No Customs Duty should be levied on the exportation of Salt by land.

The Customs Duty on imported Salt should be reduced to the Excise rate.

40. In Pegu, a drawback of the Excise Duty should be allowed on Salt exported by Sea.

41. No Customs Duty should be levied on the exportation of Salt by land; consequently the Duty of 1 Rupee the 100 viss, or 4½ maunds, now taken on Salt exported across the Frontier, which is nearly five times higher than the Excise Duty of 8 annas per pot, should be relinquished.

42. The Customs Duty of 6 annas per maund, now levied on imported Salt, should be reduced to the Excise rate per maund, which, at 8 annas per pot, amounts to only 9 pie, or three-fourths of an anna, per maund.

NORTH-WEST PROVINCES.

The Lieutenant-Governor's Notification of the 9th of May 1855, in so far as it affects the Saugor and Nerbudda Territories, appears to want authority.

The Salt tax in the North-Western Provinces is not burdensome to the laboring man.

Not half the Salt consumed pays the tax.

The Salt laws of the North-Western Provinces should be extended to Oude.

A very marked improvement should now take place in the collections from Salt in the North-Western Provinces.

Eventually, the Customs on sugar and cotton should be abolished.

The reduction of the Bengal Duty to Rupees 2 per maund.

The saving by the abolition of the new line on the Western frontier.

PUNJAB.

No better system could be established in the Punjab.

Nothing would be gained by allowing private manufacture.

It is a question whether the price of Salt at the mines should not be raised to Rupees 2-2 per maund.

43. It seems questionable whether the provisions of Section III. Act XIV. of 1843 can be taken to convey any power to the Lieutenant-Governor of the North-West Provinces in respect of the Saugor and Nerbudda Territories; and also, whether those provisions empower the Lieutenant-Governor, in any case, to impose any other rate of Duty on Salt imported into the North-West Provinces than 2 Rupees a maund. If these objections be well founded, so much of the Lieutenant-Governor's Notification of the 9th of May 1855 as affects the Saugor and Nerbudda Territories, wants authority.

44. The cost of an adequate supply of Salt cannot be regarded as burdensome to the laborer in the North-West Provinces. Much less can it be said that an adequate supply of good wholesome Salt is beyond his reach.

45. It is calculated that not half the quantity of Salt consumed in the North-West Provinces is brought under contribution; consequently that not half the Revenue is collected that ought to be collected.

46. The Customs line on the Eastern Frontier of Oude should be abolished, and Acts XIV. of 1843, and XXXVI. of 1855, should be extended to that Territory.

47. Under the combined operation of the advanced and extended Customs line on the Western Frontier, the annexation of the Oude Territory, and the increased powers lately conferred by the Legislature for the suppression of illicit manufacture, a very marked improvement should now have taken place in the Salt Revenue of the North-West Provinces.

48. Whenever the increased collections on Salt reach the aggregate amount of the remaining collections on sugar and cotton, the Customs on those articles should be altogether abolished, and a Duty levied on Salt throughout the North-West Provinces.

49. The Customs line maintained at Allahabad, to secure the differential Duty on Western Salt, cannot be abolished unless the Duty on Bengal Salt be reduced, as recommended, to Rupees 2 per maund.

50. If the Allahabad line be abolished, the saving might advantageously be expended in strengthening the new line on the Western Frontier, if that line has not already been placed on the same footing as the line above the junction of the Jumna and the Scinde, of which it is the continuation.

51. In the Punjab, no simpler or less objectionable mode of raising a Revenue from Salt could be established than the existing system of confining the first transactions in the article exclusively to the mouth of the mines.

52. Nothing would be gained by allowing private manufacture under Excise licences, in addition to sale from the Government mines, at all commensurate with the additional expense and inquisition which that measure would render necessary.

53. It is a question for consideration whether, in order to equalize the tax in the Punjab and the North-Western Provinces, the price of Salt at the mines in the former ought not to be raised to Rupees 2-2 a maund.

54. The pressure of the Salt tax on the laborer in the Punjab is about the same as in the North-West Provinces, and cannot be regarded as severe.

The Salt tax does not press severely on the laboring man.

55. Though the sales of Salt in the Punjab are increasing, they are, at present, in low proportion to the population, and the Salt Revenue admits of much greater development than it has yet attained.

The sales, at present, are in low proportion to the population.

56. Enquiries should therefore be directed towards a more exact ascertainment of the relation borne by the sales to the population, with a view, if it proved as low as the estimates indicate, to the discovery and cure of the causes.

The causes of this disproportion should be investigated and cured.

Section XI.

CONCLUDING OBSERVATIONS

The completion of the Report delayed by the ill-health of the Commissioner.

1016. In forwarding the Bombay Part of the Salt Report and its Appendix, together with the Maps and Plans of the entire Report, 12 in number, to the Government of India, on the 3rd of November last, I fully expected to be able to despatch the Madras Part and its Appendix in time for its transmission to England from Calcutta by the first Mail in December, and the last instalment, consisting of the Bengal Part and its Appendix, to Bombay, in time for its transmission from thence to England by the first Steamer in January. The Bombay Part and its Appendix, together with all the Maps and Plans, were despatched from Calcutta by the second Mail in November; the first Section of the Madras Part, together with the entire Appendix of that Part, by the first Mail in December; and the Bengal Appendix complete by the second Mail in that month; but I was prevented by failing health from completing the remainder of the Madras and Bengal Parts so as to despatch it to Bombay in time for its transmission to England from thence by the first Mail in January; and from the same cause I was afterwards able to make only very slow progress with that remainder, I therefore thought it better, in my then state of health, and as the Report was urgently called for by the Home Authorities, to despatch the concluding portion, in some shape, by the next Mail from Bombay, rather than incur any further delay.

For the same reason, the Report was temporarily closed on the 30th of January last.

1017. With this view I closed the Report on the 30th of January last, temporarily, from the point to which it had been transcribed, with the expression of my naked opinions on the remaining essential questions, leaving its more elaborate completion, upon the plan of the preceding portion, to be supplied afterwards, as quickly as the state of my health might permit. The remainder of the Report, closed in its temporary form, was forwarded to the Home Authorities by the Mail from Bombay of the 2nd of February last.

But has now been finally completed in full execution of the original design.

1018. For some time, my health continued so weak as entirely to incapacitate me from performing the Salt Report in addition to the performance of my other laborious duties. But the Report has now been finally completed, in faithful execution of the original design described in the introduction. The small remainder of the second Section of the Madras Part was forwarded to England by the first Mail from Bombay of the 28th of April; the remaining three Sections of the Madras Part, and the four first Sections of the Bengal Part were transmitted by the following Mail of the 12th of May; and the remaining seven Sections of the Bengal Part, completing the Report, will be forwarded by the next Mail of the 28th instant. A duplicate copy of the Report and Appendices has also been transmitted to Calcutta, on various dates. All but the last four Sections of the Bengal Part of the Report, which are now about to be despatched.

The only deviation from the original design explained.

1019. The only deviation from the original design has been this, that questions common to all the Presidencies, such, for instance, as the rate of Duty, have not been considered separately, as imperial questions, as I at first proposed, but under each Presidency; because it was found more convenient, on the whole, to treat them in that manner.

For a year past the Salt Commissioner has performed the duties of Commissioner of the Province of Nagpore, in addition to the business of the Salt Commission.

1020. In estimating the time occupied by the Commission, I beg that it may be considered that besides that my health began to fail me in the early part of December, I have, for a year past, performed the duties of Commissioner of the Province of Nagpore in addition to the business of the Salt Commission. On the 25th of May last year, I was ordered to proceed, without delay, to Nagpore, and to take the Salt papers with me. A week was occupied in bringing these papers and the Report into a state in which I would admit of my dispensing with as many as possible of the former; three days in the journey; and on the 19th of June, after a rapid journey of 900 miles in the hottest season, I took charge of the Commissionership of Nagpore from my *locum tenens* Captain Elliot. I had completely broken down under the pressure of the duties of that Office.

The time occupied in travelling.

1021. From the 19th of February 1854, the date on which I left Calcutta for Bombay, and may be said to have entered upon my Commission, to the 3rd of June, I was occupied in visiting the Presidencies of Bombay and Madras, and from that date to the 1st of July in visiting the Tamluk and Hidgelee Salt Agencies, and some of the manufacturing localities of those Agencies. In this interval, I could, of course, do no more, besides making some personal inquiries and local observations, than inspect the records of the two Presidencies above-mentioned, and indicate the information and the papers I required. The Madras papers followed me to Calcutta, and were not finally received until the beginning of July. Some of the Bombay papers I brought with me, but a very large and material portion of them did not reach me, notwithstanding repeated requisitions, until the middle of October. This I have reason to believe was owing to the illness of the Chief Secretary, Mr. Goldsmid, who shortly afterwards died.

1022. On my return to Calcutta from Hidgelee on the 1st of July, the whole of the Bombay and Madras papers had still to be digested, all the previous time having been occupied in travelling, and in collecting them, and the Bengal papers had still to be sought out and collected. While I was in Calcutta, I was incessantly occupied, from morning till evening, and generally for a part of the night, in digesting the materials collected, in collecting further materials, and in making considerable progress in the preparation of the Report and the Appendices. After my arrival at Nagpore, by dint of laboring daily from morning till evening and for many hours of the night, until my health failed me, and obliged me to relax for time, and in a measure, I managed to make constant progress in the Salt Report, and have now completed it, simultaneously with the discharge of my heavy duties as Commissioner of a new province. I do not state these facts for the purpose of vaunting my own labors, very far from it, but in order that it may not be supposed that I have been loitering over the Salt Report, when I have, in fact, during half the period of my Commission, been performing, by extraordinary exertions, the duties of two Offices, namely, those of the Commissionership of a new province, which were alone sufficient to tax all my energies and my whole time, always during ordinary hours, and often beyond them, and those of the Salt Commission which still required, for their proper completion, some six months of continuous application and keen mental exertion.

1023. The Report embraces the whole subject of the supply of Salt for every part of British India, and is fitted to be a text-book, for future reference, on the whole subject. The Bombay Part contains a complete history of the Salt Revenue system of that Presidency from the earliest discussion and legislation to the latest. There is no material paper from 1816 to 1854, that has not been consulted and condensed, and no material part of the system that has not been carefully investigated and discussed. The same may be said of the Madras Part, but in this case the records were consulted from 1793. The Bengal Part is equally complete, and involved scarcely less research of the records. No adequate notion can be formed from the Report, in its finished state, of the difficulties experienced in tracing out the sources of information, of the mass of official and unofficial papers consulted, and of the intricate labor of picking out and condensing from the reserved portion of the official mass all the information on the same point promiscuously scattered through every part of it.

1024. The Appendix contains a great deal of original matter, such as the Notes on the Agencies, the Nagpore, and Goordah English Works and the Preventive and Retail systems, not less difficult of preparation than the Report itself, besides Summaries of Correspondence and many figured Statements. It contains a mass of information, evidence and opinions, on all points, and on all sides, drawn from the earliest period to the latest, and classified, as far as it was possible to classify them.

The time occupied in the preparation of the Maps occupied much of my personal attention. There is no topographical information for all India which they do not illustrate. The labor of compiling even the figured Statements, and chiefly, on myself personally; so also the calculations and all the accessories of indexing the paragraphs, with whatever else was necessary to fit the Report and the Appendices, in every particular, for the Press. The nature of the Commission was such that I could derive, but scanty aid from any subordinate Assistant except in the mere matter of copying and such other work.

1025. The first Report of the Madras Public Works Commission occupied three stationary Commissioners two years uninterruptedly. The Post Office Commission occupied three Commissioners, one for each Presidency, for fourteen months and a-half. In the Salt Commission I have been alone. I had, of course, no knowledge whatever of the subject in the Presidencies of Bombay and Madras (nor had any one else in Bengal) and had, for the most part, as regards those Presidencies, to trace out even the sources of information. In Bengal, I had never been employed in the Salt Revenue Department; consequently, though I had some general acquaintance with the subject there, I possessed no really serviceable knowledge of it, even in respect of that Presidency. The subject itself was of greater magnitude than the Post Office Question, and having undergone much more discussion, necessitated much more research and reading than the inquiry on that question. The bulk of the Salt Report is also, as well as I can judge in comparing manuscript with print, twice, if not thrice, the bulk of the Post Office Report; and the Appendices of the former exceed in bulk the Appendices of the latter in the same proportion. These comparisons are made for no other purpose than to show that, all things considered, the time occupied by the Salt Commission has not been excessive. It should be remembered also that the Report, including its Appendices, has been placed gradually in the hands of the Printer since November last, and will therefore be published almost simultaneously with its completion.

Possibly the Commission may have been executed on a more comprehensive scale than was required. 1027. Possibly I may have conducted my inquiries and framed my Report on a more comprehensive scale than was required. If so, I trust that the gratuitous labor I have undergone, from a desire to dispose of the subject once for all, will be deemed a sufficient penalty, and the completeness of the work a sufficient compensation, for the mistake required.

Acknowledgement of assistance afforded. 1028. In conclusion, I beg to express my obligations to Mr. H. Young, then Commissioner of Customs, Salt and Opium, now Chief Secretary to Government, for the assistance afforded me at Bombay, and to Sir H. Montgomery, then Chief Secretary to Government, now a Member of Council, Mr. W. H. Bayley, then Secretary to the Board of Revenue, now a Member of that Board, and Mr. J. D. Sim, Deputy, Secretary to Government, for the assistance afforded me at Madras.

I have the honor to be,

Sir,

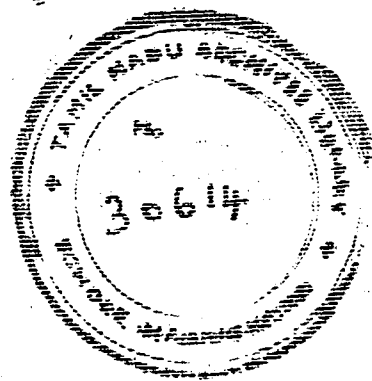
Your most obedient Servant,

GEO. PLOWDEN,

Commissioner of Inquiry on Salt.

NAGPORE,
The 24th May 1856. }

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