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.

Presented to both Houses of Parliament by Command of Her Majesty.
1856.

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SECTION I.

On the Rise, Progress, and Present State of the Salt Revenue System.

SECTION II.

On the Practicability of Substituting for the Monopoly a System of Excise upon the Manufacture.

Report by G. Plowden, Esq., Commissioner of Inquiry on Salt.

SIR, *Nagpore*, [*] *November* 1, 1855.

WITH reference to the letters addressed to me from the Home Office, bearing the dates noted on the margin,† I have now the honour to lay before the Most Noble 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.

† Dated 16th December, 1853.
Dated 16th February, 1854.

Origin of the Inquiry.

2. It will be convenient to state at the commencement the particulars of the 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 Merchandize, Stores, and Effects, at home and abroad, distinguished in their Account Books as Commercial Assets, and all their Warehouses, 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

To the Secretary to the Government of India,
Home Department.

* [Finished January 30, 1856.]

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 Court of Directors, adverting 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 dispatch 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 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, and the sale of Salt at fixed prices, on account of Government.

9. The Court stated that they were aware that the present system was of long standing, and had been maintained, after frequent consideration, as the safest mode 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 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; and that they should rejoice in the addition of comfort which would thus be afforded to the population of Bengal.

12. The 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 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 favourable 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 Court's dispatch, 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.

Local visits of the Commissioner.

17. In obedience to the orders of Government I proceeded at once to Bombay and Madras, travelling by the Peninsula 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 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.

* [Spelt Hijlee in the Maps.]

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 south-west 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.

Commissioner's understanding of his instructions.

20. Construing the instructions issued to me by the guidance of the Court's dispatch 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.

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

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 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.

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.

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

Third. 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.

Fourth. 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.

* Map No. 1.

PART I.

ON THE SUPPLY OF SALT FOR THE PRESIDENCY OF BOMBAY.

SECTION I.

PAST HISTORY AND ADMINISTRATION OF THE SALT REVENUE.

The Bombay Salt Revenue, originally very inconsiderable.

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 various modes of management which prevailed in the several Collectorates.

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 Collectorates, 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 Saltpans 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 :—

Island of Bombay.

30. 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 porterage incurred in conveying the Company's share on board the boats; no direct Revenue was derived from the private Saltpans, 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.

Ahmedabad.

31. 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.

* A rass is equal to 1120 Indian maunds of 82 lbs. avoirdupois per maund.

Kaira.

32. 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 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.

Broach.

33. 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.

Surat.

34. 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 manufacture was carried on under the superintendence of a Government Karkoon. The workpeople'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.

Northern Konkan.

35. 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 Saltpans paid land Revenue, independently of the duties to which the article was subject on exportation 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.

Southern Konkan.

36. 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

* 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 2¾ Indian maunds.

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, on 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 vexations 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 Revenue was derived.

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.

Second. By the rent of Salt Works the property of Government farmed out.

Third. By a duty paid on the produce of some private Salt Works.

Fourth. By a proportion of the sale proceeds of the produce of some private Salt Works.

Fifth. By a Land Revenue assessed on the Saltpans in some places, and by a quit rent taken in others.

Sixth. 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 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 2,35,242 rupees; the charges are set down at 26,710 rupees; the net Revenue, therefore was, 2,08,532 rupees; 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.*

First inquiries on the question of realizing an improved Revenue from Salt.

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 dispatch 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 abovementioned dispatch, 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.

Extent to which the Revenue was supposed to be susceptible of increase.

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—

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

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 two annas, or fifty reas, for twelve and a half Bombay maunds of 28 lbs. to the maund, equal to a little more than four maunds and one quarter of a maund of the present Indian standard of $82\frac{2}{7}$ lbs. 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.

* 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 lacs of rupees, and that the receipts derived from the Transit Duties on Salt were estimated at about two lacs more.

46. The quantity required for the consumption of the Deccan was computed at 4,47,37,720 lbs.

	Rupees.	Rupees.
The value of that quantity at 45 lbs. for 1 rupee, which was considered a good experimental rate to begin with, would be	....	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 net Revenue of Rupees	....	7,74,172

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 12,000 rupees to two lacs per annum, assuming the price of the annual supply to each individual at 91 reas, or a little more than 3 annas 7¾ pies, only.

48. And it was argued that, if a profit of upwards of 7 lacs of rupees were derivable from the consumption of Salt in the British Territories in the Deccan, at the moderate rate of 45 lbs. 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 favourable, 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 pies per Indian maund.

51. By duty it may be presumed price was intended; assuming, therefore, the cost of manufacture at a trifle less than half an anna per maund, according to the calculations at paragraph 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.

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

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

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.

Renewed 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 paragraph 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, without 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 increased 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.

Proposition to commute the Transit Duties of the Deccan and Konkan for an additional duty on Salt.

58. In an intermediate Minute dated the 5th of August, 1825, relative to the high rates of Customs levied upon the Deccan and Konkun 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.

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

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 Saltpans 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 were the Saltpans 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 new Saltpans 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.

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 3,00,000 rupees),* to be made good by an increased rate of duty on Salt,

	Rupees.
* Gross annual collections under the head of Transit Duties in the Deccan and Konkan on an average of 3 years ending with 1824-25	6,68,299
Deduct proportion estimated as derived from Salt alone	2,00,000
Remains	4,68,299

Of which 3,00,000 rupees to be made good by an increased duty on Salt, and the remainder (1,68,299 rupees) by means of Town Duties, and a Frontier Duty on Grain.

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 of 1 rupee and 30 reas per bullock load of six Surat maunds, equivalent to 6 annas 4 pies 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 pies 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 of 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 of June, 1828, together with the subsequent proceedings thereon, to the Court of Directors, leaving the whole question open to their examination and decision, with advertence to the scope of the reasoning contained in their dispatch of the 11th of February, 1824, before mentioned at paragraph 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 of September,

* 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 3,00,000 rupees	6,10,666

1828, forwarded to the Government of India, who, in their reply dated the 16th 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 suggested that the Bombay Government should transmit to England, for the approval and confirmation of the Home Authorities, the Draft of a short Regulation, fixing the rate of duty to be levied, and the mode of its realization; subsidiary details being left for distinct consideration.

A maximum duty of 13 annas, 3 pies per Indian maund, proposed by the Bombay Government.

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 ten annas on that measure of capacity termed the phurra, capable of containing ten and a-half puheelees of Salt, or for any smaller quantity in the said proportion. The puheelee* is a measure capable of containing a little more than $5\frac{6}{7}$ pounds avoirdupois; consequently the maximum rate of duty proposed by the Bombay Government was equivalent to a little more than 13 annas and 3 pies per Indian maund.

The Court of Directors express their approval of the proposed measure and rate of duty, viz., 6 annas 4 pies per Indian maund.

68. In their dispatch of the 10th of June, 1829, the Court pointed out to the Bombay Government, that as the draft which that Government had forwarded with its letter of the 4th of 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 favour, 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 mis-government 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

* [Spelt Pylee in the Glossary.]

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 favour 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 the 5th of March, 1828, corresponds with the amount specified in his remarks on Section 14 of the proposed Regulation, namely, 1 rupee and 30 reas per 6 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 annas 3 pies per Indian maund.

69. In a subsequent dispatch, dated the 11th of August, 1830, the 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 first clause of Section 4, 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 recognise 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 of 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 abovementioned 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 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 Customs' 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."

Views and reasonings of the Customs' Committee on the question.

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, 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.

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 82$\frac{2}{7}$ 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.

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

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 Court, viz.:—1 rupee 30 reas per bullock-load of 6 Surat maunds, or 6 annas 4 pies 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.

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 10 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 preventive 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 recognised 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, and 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, 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.

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 10½ lakhs gross, and in Guzerat to less than 3½ 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-bhureet, or Export, Dues, and a few items in the Southern Mahoratta 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 apprehend that the whole of the

* SOUTHERN DIVISION.

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

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 9 lakhs net 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 8 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.

All Inland Customs' Duties in the Konkan abolished.

92. The Government of Bombay having reported that they had come to the resolution of abolishing provisionally all Inland Customs' Duties in the Konkan, and had issued orders to carry the measure into effect, the Supreme Government replied, in a letter dated November 16, 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 meantime, however, the urgent necessity for similar measures of relief in other parts 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 favourably 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.

Bombay Government 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

95. In compliance with this invitation the Bombay Government forwarded to the Government of India, with a letter dated the 24th of 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

Salt Excise at 6 annas instead of 8 annas, as recommended by the Committee.

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.

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.

96. The Supreme Government in their reply of the 24th of 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 Bombay 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.

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

97. With a subsequent communication dated the 31st of 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 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.

Principle 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:—

Section I.

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

Section 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.

Section III.

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

Section 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.

Section VII.

104. The Governor in Council might establish chowkeys near Salt Works, and authorize officers stationed thereat, to stop Salt irregularly removed; to search any suspected load passing any such chowkey, and to take and cancel any Salt Pass.

Sections 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.

Sections X and 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.

Sections XII and 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.—Act I of 1838.

[a] Section II.

Section IV and Schedule A.

Sections VII, VIII, and Schedule A.

108. 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[a] 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.

Salt, once excised, paid no further duty.

Section VII and Schedule B.

Section V and Schedule B.

Section XLIII.

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.

Committee appointed by the Bombay Government 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 Saltpans, 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 consider exemption from, or a 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 favour of any other class than that engaged in preparing and curing salt-fish.

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

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.

Value of the foregoing exemption.

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.

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

114. In a financial view, the measure of substituting an Eight-anna Excise upon Salt, in commutation of the Transit Duties, appears

* Act VII of 1848.

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

to have resulted in an annual loss of Revenue to the amount of rupees 2,51,607, as follows :—

		Rupees.
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.		2,48,404
Net Revenue annually derived from Salt prior to the Eight-anna Excise, see paragraph 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 Eight-anna Excise upon Salt, on an average of six 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 Eight-anna Excise, has been derived from the Parliamentary return mentioned at paragraph 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.

Comprehensiveness of the measure abolishing the Transit Duties.

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.

Amount of other taxes relinquished prior to the abolition of the Transit Duties.*

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.

Determination of the Government of India to raise the Salt Excise from 8 annas to 12 annas on the Indian maund, in commutation of the Town Duties, Mohturpha, and other vexatious taxes still levied.

119. By Section III, Act I of 1838, the Town Duties of the Presidency, were specially reserved, when the Transit or Inland Customs' Duties were abolished.

120. Very soon after, however, the Town Duties, Mohturpha, or taxes on trades and professions, and other irregular local cesses of the same class, were taken into consideration, and the Reports of Messrs. Borrodaile and Langford, who were successively commissioned to

	Rupees.
* Kaira	16 194
Surat	14 689
Tannah	3,09.892
Khandeish	1,71,930
Ahmednuggur	42.063
Poona, including Sholapoor	1,00,860
Belgaum	2,323
Dharwar	3,615
Rutnagherry	16,746
Total ..	Rupees 6,78,312

investigate the subject, were communicated to the Government of India, by the Bombay Government in letters dated, respectively, the 22nd of June, 1840, and the 22nd of October, 1841.

121. The whole net Revenue realized throughout the Presidency, from the above sources was estimated at the time at 9,10,119 rupees, realized in about equal proportions from Town Duties, and from the Mohturpha 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 even 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 Mohturpha.

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 equalise 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.

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

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.

Provisions of the Law.

128. By this Bombay Act, the Excise and Import Duty on Salt was raised from 8 annas per maund of 3,200 tolahs, as fixed by Section 1, 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 reenacted, 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.

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

129. Shortly after the Act was passed, and before the date on which it was to take effect, a dispatch, dated the 3rd of July, 1844, was received from the 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 dispatch 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.

Duty reduced accordingly to 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.

Law passed abolishing Town Duties, and other specified taxes of a vexatious kind, throughout the Presidency.—Act, No. XIX, of 1844.

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, a 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, Kussub Veeras,* Mohturphas,† 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.

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

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, on the contrary, the measure would everywhere have been hailed as an act of enlightened and beneficial policy.

* 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 Mahratta country.
‡ Taxes on the hereditary village officers and artisans.

The reduction of the duty from 1 rupee to 12 annas per Indian maund, was not a compromise yielded to the disturbances at Surat, as stated in Campbell's "Modern India."

133. In Campbell's "Modern India" (page 386,) 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 the 3st of August, founded on the Court's dispatch, 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.

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:—

	Rupees.
Town Duties	5,16,995
Mohturpha and Kussub Veeras	3,16,411
Ballootee	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
	10,90,384
Add Annual Compensations to Huckdars..	54,903
	11,45,287
Deduct charges of collection saved ..	56,786
Net Annual Revenue relinquished ..	10,88,501

Amount increase of Revenue derived from the increased Excise on Salt.

135. On the other hand, the net 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 Twelve-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.

	Rupees.
Gross Revenue Annually derived from the 12 annas rate, on an average of 8 years from 1845-46, to 1852-53	23,17,859
Deduct the average Annual charges for the same period	1,76,867
Net Revenue	21,40,992
Deduct net average Revenue Annually realized, previously under the Eight-annas Rate—(See paragraph 114)	14,09,272
Net Annual increase under the Twelve-annas Rate	7,31,720

E

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 Eight-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 Eight-annas Rate, and of rupees 6,08,388 under the Twelve-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 paragraph 118, relinquished without compensation, prior to the introduction of the Salt Excise, the deficiency under the Eight-annas Rate would be increased to rupees 9,29,919, under the Twelve-annas Rate to rupees 12,86,700, and the present deficiency to rupees 11,69,426.

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.

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 recognised 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.

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

140. But, ultimately, the Government of India, in their letter dated the 14th of 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.

		Rupees.
* 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 paragraph 114)		2,51,607
Total Annual deficiency		6,08,388

		Rupees.
† Amount of Taxes relinquished on the introduction of the Eight-annas Excise—(See paragraph 114) ..		16,60,879
Ditto, on the introduction of the 12 annas rate—(See paragraph 134)		10,88,501
Total Taxes relinquished		27,49,380
Gross Revenue of the Salt Excise for 1852–53	24,62,261	
Deduct charges	2,03,995	
Net Revenue		22,58,266
Present Annual deficiency		4,91,114

Proposition revived.

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 a 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.

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 1,000 Indian maunds of Salt.

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

143. In continuation of their letter above mentioned, the Bombay Government submitted, with a letter dated the 25th of 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.

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

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 of 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.

Provisions of the Law.

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.

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 3 months, or fine not exceeding 500 rupees, 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 7 Act 27 of 1837, which provides for the establishment of Chowkeys 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. 1 of 1852 repealed specifically Act No. 1 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 one 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.

Process of manufacture and quantity of Salt produced.

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.

Two classes of Salt manufactured, viz., Sea or Coast Salt, and Inland Salt.

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.

Coast Salt where manufactured.

156. The manufacture of Sea Salt is carried on in the Island of Bombay, and more or less in every district on the sea board of the

Presidency, from Rairee 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.

Inland Salt where manufactured.

Plans of Coast and Inland Salt Works, and drawings and models of implements used in the manufacture.

157. Accompanying are four Plans,* laid down according to actual survey, two of Salt Works on the Coast, situated respectively in the villages of Jeao 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.

Appendix A.

General features of the localities in which Salt Works occur.

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.

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 out-fall 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 Nullas, 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.

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.

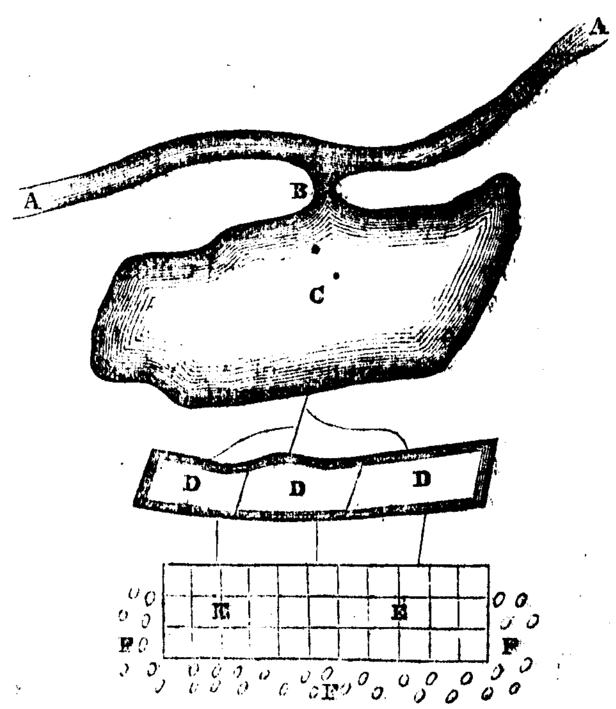
164. The size and cost of the embankments by which the sea is excluded from these tracts, are of course dependent on the circumstances of varying level, and exposure to the force of the ocean waves. Occasionally, the embankments and sluices are of masonry; but, generally speaking, being erected in sheltered 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 Saltpans, 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, are common to all, and 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 Saltpans 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 pandhurrun 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 "pandhurrun" or "khuzeenah." 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 into the series of smaller reservoirs, marked D, called "tapownee."

The tapownee or brine pits.

167. The depth of water admitted into the tapownee or brinepits, is from about 9 to 18 inches, and it is allowed to remain exposed to the sun and air for a period of 10 or 14 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.

The koondies or evaporating beds—their preparation.

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 "koondies," and consist of a series of rectangular compartments of varying sizes up to 400 feet by 100 feet, 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.

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.

Their use.

170. The koondies 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 14 to 20 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 paragraph 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 Chowkeys 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

Removal of the Salt.

Storage of the Salt.

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

* Appendix A.

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 coloured with red ochre.

Relative size of the component parts of an "Agur."

171. The principal several parts which constitute an Agur are these:—

First.—Pandhurrun, or khuzeena, (the large reservoir.)
Second.—The tapownee, (heating place,) or smaller reservoirs.
Third.—The koondies or evaporating pans.

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

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

173. In the course of the season, there are generally from four to six crops of Salt taken from each Saltpan, or koondee. The quantity of the produce of a given area of Saltpans 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 1 maund of Salt to every 10 square feet of koondie or evaporating pans. Supposing then, that 6 crops are secured each season, this will give about $1\frac{1}{4}$lbs. avoirdupois, as the amount yielded at each crop by 1 square foot of koondee.

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

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.

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 its 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.

176. In order to give an accurate idea of the 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 average annual number of Indian maunds of Salt which each Suza produces. In the Island of Bombay, the Saltpans, with the exception of one set at Dadlaee, are contiguous to each other, and confined within an area of 3 miles. In the Konkan, the works are, in many instances, detached in small groups over a district, at distances of from 1 to 5 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 Konkan is the produce of works on the Coast and Islands within 35 miles of Bombay. The Salt

Salt Works to what extent concentrated or detached in the different localities.

* Appendix B.

Works of the Island of Bombay, and those at the village of Coorla, in the Island of Salsette, were inspected by me.

Salt Works visited by the Commissioner.

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.

Inland Salt Works of the Runn.

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 60 miles from the sea, it reaches from south-east to north-west, a distance of 50 miles. This is the Little Runn of Cutch, so called to distinguish it from a similar, but much more extensive, desert situated further to the north and west.

Situations of the Little and Great Runns of Cutch.

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.

Their general aspect.

180. On the eastern verge of this desert and north-west of Ahmedabad, are situated the towns of Patree, Ooroo, Jhoonjoowarra, Futtehpoor, and Anwarpoora; and in the immediate neighbourhood of these towns, are five distinct sets of Salt Works.

Situation of the Runn Salt Works.

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 10 to 12 feet. There appear to be Salt pits also at Dhundoocka in the Ahmedabad Collectorate. The only Salt Works on the western side of the Gulf of Cambay are at this place and Gogo; the former lying about 25 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.

Brine obtained by digging pits.

Situation of the Inland Salt Works in Guzerat.

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 "Chanch," 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 koondies, or evaporating pans, which are prepared in exactly the same manner as on the coast.

Process of manufacture.

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 $\frac{1}{8}$ to $\frac{1}{4}$ 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 flaky or imperfectly formed

Superior quality and value of the Runn Salt, and the causes.

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.

Deterioration of the brine pits.

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.

Relative position and importance of the Runn and Guzerat inland Salt Works.

185. The Table* mentioned at paragraph 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 35 Talookas of the Bombay Presidency, comprising 531 distinct Salt Works grouped into 126 sets of Works.

Survey of the Salt 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.

Earth Salt, scarcely any manufactured.

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.

Proprietary interests connected with the Salt Works.

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.

Government, the lord of the soil.

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 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.

Salt lands when reclaimed by individuals, not the freehold of the reclaimers.

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 the absolute property of Government. Others, the property of individuals, but subject to the payment of land rent, excepting when the right of rent has been formally alienated.

192. It results that there are certain Salt Works in which Government is the sole proprietor, that is, in addition to its original proprietary claim as Lord of the Manor, it has a further interest as having at its own cost reclaimed the land from the sea; and that there is also another class consisting of Salt Works which have been reclaimed by individuals, or by village communities. The original right of Government in these lands has not been suffered to lapse; but in every case some arrangement or other has been agreed upon, by which the State receives payment, or rent, as Lord of the soil, except when its rights have been formally alienated.

* Appendix B.

Land rent of the Salt Works altogether independent of the Excise Duty.

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 freelands, 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 Fuzundars.

199. The holders of Salt Works not reclaimed by Government are, in the Konkan Districts usually called Fuzundars. 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 Beega.

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.

Freeholdings pay no land rent.

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

Hucks, or dues, of district and village officers, levied on the property in Salt Works, generally abolished, and a compensation substituted.

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 Mahratta rule, to certain payments on account of the Hucks of district and village Officers, such as Deshmooks, Deshpandyas, Canoongoes, Patells, &c. These Hucks have now been generally abolished, their recipients being awarded compensation as in the Land Revenue Department.

The actual manufacturers, who they are, and their circumstances.

204. The actual labourers or manufacturers belong to the various agricultural classes of all castes, principally Coolies, Fishermen, Coonbies, Bhundarees, 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 rate of their remuneration in Government and private works, respectively.

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 Fuzundaree 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 Salt of each manufacturer separately stored.

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 koondies in which he labours. Hence it becomes necessary to store the salt of each koondie, 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 manufacture is subject to a duty, and to some other restrictions.

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 principle of the restrictive enactments.

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.

Restrictions.

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.

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,

* Appendix C.

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

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 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 Chowkeys 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.

Rate of Excise Duty.

211. The Excise Duty, payable by law, is one rupee on every Indian maund weight of Salt that may be delivered from any Salt Work; but the rate actually levied is twelve 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 Court of Directors before mentioned, at paragraph 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 ¼ 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 Saltpans. 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 1 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

* Letter to Collector of Customs, Bombay, dated 6th of July, 1829.

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.

Four months' credit allowed for the payment of the Excise on Salt exported to the Bengal Presidency.

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.

Registers kept of such Salt.

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.

In all other cases, the full Excise is levied before the removal of the Salt from the Works.

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.

All foreign Salt admitted to competition with the Salt of the Presidency on equal terms.

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.

Collection and management of the Excise in what authorities vested originally.

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 intrusted 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.

Change made in 1852.

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.

In what authorities vested at the time of the Salt Commissioner's visit in March, 1854.

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 the Island of Bombay, no separate European Agency was employed in aid of the Collector.

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.

On the Continent, a Deputy Collector and five Assistant Collectors were entertained under 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.

Duties of the Collectors.

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 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, Caranja 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 underpaid, 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 three deputies and ten 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 Collectors 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 a European Establishment consisting of three Deputy-Commissioners, of whom two are Covenanted and one is Uncovenanted, and 10 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 six 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 Talooks.

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 Caranja, 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 Talooks; the head quarters of one being at Bassein, of the other at Vingorla. He has also himself the direct charge of a circle of Talooks, 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 Runn 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 Talooks; one stationed at Gogo, the other at Surat; and himself manages a circle of Talooks without the intervention of an Assistant.

The limits of the personal charges of the several European officers and their duties.

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 Saltpans, compare the stock at each with the books, and see that all the heaps are numbered and entered.

Saving by the change in the European portion of the Agency.

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 rupees18, 396 per annum, as shown in a Statement† annexed.

Difference in other respects between the old and new arrangements.

243. In other respects, the difference between the old and the new arrangements may be generally described as follows:—

Superseded system described.

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 regarded 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.

New 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

* Appendix D. † Appendix E.

now retained are, from circumstances, necessarily connected solely with Customs. Where at a distance from any seaport, the Establishment retained at the Salt Works performs no Customs' duties; and lastly, where Saltpans are in the near neighbourhood of a seaport, 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 seaports, and there of course the Establishments have no Customs' duties to perform.

Advantages of the new system.

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.

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 1,15,491 rupees 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.

The amalgamation and re-organization of the Native Establishments for the most part still in progress.

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.

System of management at the Works, and designations and duties of the native officers employed at them.

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:—

Over each large Salt Work, or several small ones, a double establishment, one for the manufacture, the other for prevention, superintended respectively, in each Talooka or district, by officers termed Inner and Outer Darogas.

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 Darogas. The Establishment of the Inner Daroga 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 Daroga is the Preventive Establishment, stationed at Chowkeys, established, under the provisions of Section 7, 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 Talooks Patree and Ooroo, by way of example.

252. I annex a statement in detail of one of the Talook Establishments, there entertained for the Salt Works of Talooks 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 paragraph 157, on which are shown the position of the Chowkeys, 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 Talooks yield an annual Revenue of rupees 2,42,223. They are managed, it will be seen, with one Inner Daroga for both Talooks, and an Outer Daroga 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 Talooks Patree and Ooroo, in the Collectorate of Ahmedabad, in the Province of Guzerat.

INNER ESTABLISHMENT.						
1 Daroga	117	0	0			
1 First Cutcherry or Office Karkoon	22	8	0			
1 Ditto ditto	18	0	0			
2 Subordinate ditto at 12 rupees 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 12 rupees each ..	24	0	0			
1 Ditto ditto	10	0	0			
Tolat—none—Vide paragraph 258, showing the duties performed by the Tolat.						
2 Stampers at 4 rupees each	8	0	0			
25 Peons at rupees 4 : 8 each	112	8	0			
1 Jemadar	12	12	0			
1 Havilda	6	8	0			
1 Ditto	6	0	0			
1 Naique †	5	0	0			
1 Hulkara	4	8	0			
1 Water Supplier	12	0	0			
1 Ditto	10	0	0			
1 Fursh	4	0	0			
1 Sweeper	1	0	0			
Petty supply	15	0	0			
				450	12	0
OUTER ESTABLISHMENT FOR THE PATREE WORKS.						
1 Daroga	43	0	0			
1 Tolat or Weighman	8	0	0			
3 Nakadars at 6 rupees 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 Daroga	41	0	0			
1 Tolat or Weighman	8	0	0			
2 Nakadars at 6 rupees 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 Darogas are partly paid by a commission of eight annas per cent. on the Excise recovered. The commission is included in their salaries above shown; their fixed salaries being as follows :—

Inner Darogas	.. ..	40 rupees per month.
Outer Darogas	.. ..	30 rupees each.

Inner Establishment.—Daroga.

Duties of the Inner Daroga.

254. 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 Talook; for collecting the Excise Duty, Land Rent, and all other monies, and for keeping an account of the same. He pays his collections from time to time into the nearest Government

* Nos. 4 and 5.

† [Spelt also Naick.]

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.

First and Subordinate Cutcherry or Office Karkoons.

Duties of the office Karkoons.

255. These are the Office Clerks and Accountants, who perform the Book-keeping, make up the periodical statements, and conduct the correspondence of the Daroga, all in the vernacular language, whether Mahratta or Guzerati. The first or head Karkoon, in the absence of the Daroga on other duties, is empowered to receive money, and perform other necessary routine duties. These functionaries receive from 8 to 30 rupees a month.

Agur or Suza Karkoons.

Duties of the Agur or Suza Karkoons.

256. 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 Daroga, 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 rupees 8 to rupees 20 per month.

The Shroff.

Duties of the Shroff.

257. 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 Daroga'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 Daroga, 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 rupees 6 to rupees 15 per mensem.

Tolāt or Weighman.

Duties of the Tolat or Weighman.

258. The duty of a Tolat, whose pay varies from rupees 6 to rupees 8, is to weigh or measure Salt with a steel-yard or in a measure, but at the works on the Runn the Brinjaries 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 Daroga's Establishment at the Works of Patree and Ooroo.

Stampers.

Duties of the Stampers.

259. 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.

* 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 Daroga is prohibited from delivering Salt until the receipt of the Sir Karkoon of Customs has been produced.

Peons.

Duties of the Peons.

260. These are posted as guards at the Chowkeys 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 Daroga's kutcherry 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 rupees 4 to rupees 6 per mensem.

Jemadars, Havildars, and Naiques.

Duties of the Jemadars, &c.

261. These have to look after the Peons, to go the rounds at night, and see that the men under them at the Chowkeys are on the alert. The pay of a Jemadar is from rupees 8 to rupees 12, 12 annas; of a Havildar rupees 6 to rupees 9, and of a Naique rupees 5 to rupees 7, 8 annas per mensem.

Menial Servants.

262. The remainder are Menial Servants, whose duties need not be explained.

Outer Establishment. Daroga and his Subordinates.

Duties of the Outer Daroga and his Establishment.

263. The Outer Establishment, stationed outside the Works, is quite independent of, and intended to act as a check upon, the Inner Establishment employed within the Works. The Daroga is the head of the Preventive Establishment entertained for the Salt Works of the Talook. His Chowkeys or Preventive Stations are situated at commanding spots, generally within half a mile or a mile of the Works. These Chowkeys 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 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 Daroga patrols the Chowkeys under his charge at all times, and sees that his subordinates are at their stations and on the alert. The salary of the Darogas varies from rupees 15 to rupees 102 per mensem, according to the extent and responsibility of their charge. The salary of the Nakadars or Karkoons varies from rupees 6 to rupees 15 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 seaports do the duty of a Daroga in conjunction with their duties in the Customs' Department.

Establishment and 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 3 miles, is upon a somewhat different system. There are no Darogas. The works used to be under the immediate charge of a European Assistant Collector of Customs, and the whole Native Establishment, manufacturing and preventive, is superintended by a single Karkoon, receiving a salary of rupees 200 per mensem.

Cost of the entire Establishment of the Salt Excise Department.

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:—

	Rupees.
Cost of Establishment for the Island of Bombay	1,141
Ditto for Guzerat and the Konkan	11,939
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 Darogas, in addition to their fixed salaries..	864
Total per mensem	13,944
	12
Total per annum	1,67,328

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 paragraph 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.

Measurement of the Salt as thrown into the heaps not possible without great additional expense.

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 whole 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.

If it were possible, the object, viz., securing a correct account of stock, would not be attained, owing to wastage and casualties.

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.

Such as wastage from dampness of the atmosphere.

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.

Loss from penetration of rain.

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.

Loss by bursting embankments.

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.

The account of stock is, therefore, kept by estimate.

275. From these causes it has been found, it is stated, quite impossible to keep an account of the stock of Salt sufficiently accurate

* Appendix F.

to serve as a perfect check on the deliveries; hence the alleged necessity of keeping instead an account of estimated stock.

The Estimate Book.

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

The Day and Delivery Books.

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."‡

Periodical examinations and adjustments of Stock.

278. At the close of the manufacturing season, in May, the balance of stock is examined by a Committee consisting of 3 or 4 Karkoons, and 1 or 2 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 of August, and a third examination takes place on the cessation of the south-west monsoon, 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 the European Officer in charge of the district, to whom each case of excess or deficiency is separately reported, has been obtained.

Salt not removeable without a Permit.

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.

Process of obtaining a Permit.

281. Parties desiring to purchase Salt at the pans must, in the first instance, address to the Inner Daroga, 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. 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 9 pies to 2 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

* Appendix F, No. 1. † Appendix F, No. 2. ‡ Appendix F, Nos. 3, 4, and 5.
§ Appendix F, No. 2. ‖ Appendix F, No. 6. ¶ Appendix F, No. 7.
** Appendix F, No. 8. †† Now Commissioner or Deputy Commissioner.

localities. In some cases he is the Sir Karkoon or Head Native Officer of Sea Customs; in others, he is the Inner Daroga 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 Saltpans. 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.

Process of delivery.

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 Khurda," 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.

Process after delivery.

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 "Rozkhird," or "Day Book,"‖ and there terminates his concern with the Salt.

Removal of the Salt—process and precautions.

293. The Salt, protected by the Permit, is now removed from the Agur. When the removal takes place in boats for trans-shipment 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

* Appendix F, Nos. 9 and 10. † 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.

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.

Checks of the Preventive Chowkeys on Salt in transit from the pans.

294. The Salt now comes under the check of the Preventive Chowkeys. These Chowkeys are so placed as to command all access to the Saltpans, 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 10 per cent. of the whole is re-weighed. If found correct, the Permit is endorsed by the Karkoon of the Outer or Preventive Daroga'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 Chowkeys 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$\frac{1}{16}$ 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.

Additional check on the delivery of Salt exported by sea.

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.

Patrols to prevent Smuggling.

298. Besides the guard kept at the several Chowkeys, nightly patrols are made by the Preventive Daroga, 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.

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

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 Chowkeys, 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.

Salt once beyond the Chowkeys not liable to question, except upon strong suspicion.

300. The Preventive Chowkeys, as has been seen, are placed close around the Salt Works, and Salt once beyond the Chowkeys, whether in transit or in store, is not liable to examination or 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 9, Act No. XXVII of 1837 is followed; but such cases seldom arise.

Frontier Customs' Chowkeys.

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 Chowkeys are maintained on the frontiers of the Portuguese territories subject to Goa and Damaun, and on the north-western frontier of the Presidency.

The Customs' Chowkeys on the Portuguese Frontiers, some preventive, some for the collection of duty on Salt and other goods.

302. The Chowkeys, or Posts, 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 trifling, less than a thousand rupees per annum, as, in consequence of the Salt being inferior to that which is produced at the works in the British Territories, little or no Salt is brought to the Customs' Stations in Guzerat for the payment of duty. But, on the Goa frontier, a Revenue of rupees, 89,874 is realized as Customs on Salt brought from the Portuguese Territory.

* Appendix F, No. 7. † Appendix F, No. 15.

Extent and direction of the N.W. Frontier Customs' line.

303. The north-west 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 Patree 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 "Ghussialoon," being obtained partly by scraping the soil, but the name is also applied to Salt of a superior description, spontaneously produced in 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 "Lonee," 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 partly for the collection of the duty on Salt, but principally preventive against Salt only.

306. The Establishment on the Kattywar frontier is partly for the collection of the Duty on Salt, but 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.

Particulars of the Frontier lines.

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

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 paragraph 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.†

Arrangement with the Nawaub of Cambay, by which the Bombay Government is entitled to a duty of 5 annas 11¼ 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, 11$\frac{1}{4}$ pies, 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 the British Government is interested, as having succeeded to the Mahratta chouth, or tribute. His Excellency the Nawaub of Cambay, on the introduction of the Salt Excise, refused

* Appendix G.

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

* 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 rupees 16,115, and rupees 1,93,380 respectively.

to make any alteration in the rates levied at his Saltpans. The Bombay Government thereupon placed a line of frontier Chowkeys, 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 Nawaub agreed to levy the Bombay rate of Excise, if he might appropriate one-half. This was acceded to, as, on the whole, an advantageous compromise. Under this arrangement, the Bombay Government is entitled to an Excise Duty of 6 annas per Indian maund on all the Salt produced at works in Cambay; but the Nawaub established a claim to an additional huck, or due, amounting to $\frac{3}{4}$ 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, $11\frac{1}{4}$ 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.

Total deliveries of Salt from the Works of the Bombay Presidency, and those in Cambay, in the year 1852-53, with particulars of the same.

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, $11\frac{1}{4}$ pies, 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, amounted 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 $\frac{1}{4}$ anna per maund, to cover expenses, amounted to 4,31,576 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 1 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.

Gross Revenue—Charges—Net Revenue.

311. The total gross Revenue for the year amounted to rupees 24,62,262, the charges to rupees 2,03,995,† and the Net Revenue to rupees 22,58,267. The gross Revenue gives an average Excise rate of nearly $9\frac{1}{2}$‡ annas per Indian maund on the total deliveries, and the charges are equal to about $8\frac{1}{4}$§ per cent. on the gross collections. The gross Revenue of the Island of Bombay was rupees 2,23,781; the

* Appendix H.

				Rupees.
† Establishments	..	..	..	1,90,322
Other charges	..	..	..	13,673
	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.

charges rupees 20,496, or $9\frac{1}{6}$ per cent. on the collections, and the Net Revenue; rupees 2,03,285. The gross Revenue of the continent was rupees 22,38,481; the charges 1,83,499, or $8\frac{1}{5}$ per cent. on the collections; and the Net Revenue, rupees 20,54,982.

Discrepancies between the charges for establishment exhibited in the statement, and those shown at paragraphs 266 and 308 explained.

312. The charges for Establishment, as exhibited in the Statement* under consideration, are not however reconcilable with the cost of Establishments, as shown at paragraphs 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, were rupees 2,03,995, of which only rupees 1,90,322 were for Establishments, and the remainder, rupees 13,672, were 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.†

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

* Appendix H, column 23.

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

‡ 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 been since ascertained that this assumption is correct.

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 41,50,553 maunds, the deliveries for Home, or Interior, consumption amounted to 28,56,801 maunds, and for Foreign, or Exterior, consumption to 12,93,752 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 of 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, should rather be exhibited in this Statement.

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 in the other, Statement, as being a charge against the Customs on Salt, and not against the Excise on that article.

Total net Revenue by Excise and Customs derived from Salt, and per centage rate of charges.

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 25,62,474,‡ and the Net Receipts to rupees 23,58,478.§ The rate of the charges on the gross collections is at the same time reduced from about $8\frac{1}{4}$ to nearly 8‖ per cent., and the average rate of duty realized is raised from a little under to a little over $9\frac{1}{2}$¶ annas per maund.

* Appendix J.

	Maunds.
† Home deliveries	41,50,553
Foreign Imports	1,33,615
Total	42,84,168

	Rupees.
‡ Excise	24 62 262
Customs	1,00,112
Total	25,62,474
§ Excise	22,58,266
Customs	1,00,112
Total	23,58,478

‖ Obtained by charging rupees 2,03,995 on rupees 25,62,474.

¶ Obtained by dividing rupees 25,62,474, gross collections, as above, by maunds 42,84,168, total deliveries, as above.

SECTION III.

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

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

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.

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.

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.

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, Mohturpha 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 11,69,126, or £116,912. 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 net 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 of 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.

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

On this point, the chief test is the extent to which the Salt consumed pays, or evades, the duty. This test 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 smuggling 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, viz., from 1850-51 to 1852-53, amounted for one year to 27,35,866 Indian maunds, equal, at 82⅔ lbs. to a maund, to 225,122,688 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;† 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," 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 24⅖ 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.

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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 Sambhur Lake, and from Madras. The points to which the supply extends have been ascertained approximately to be Oujein 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

* Appendix K, column 8.

† Collectorates	7,638,383
Island of Bombay	566,119
Total	8,204,502
‡ Regulation Provinces	8,151,048
Non-regulation Provinces, excluding Sinde ..	1,059,224
Total	9,210,272

§ See Chapman's "Cotton and Commerce of India," Pages 316 and 317.

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.

The Imports of Salt into the Island of Bombay in 1852-53, give a low rate of consumption per head in that quarter, and indicate a lower rate elsewhere.

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.

In 1846 and 1848, the Court of Directors draw the attention of the Bombay Government to the progressive decline in the deliveries of Salt from 1843 44 to 1846-47.

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.

The inquiry, extending to 1850, made in consequence, showed the local officers to be generally of opinion that the contraband trade had increased.

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.

The Members of the Government took the same view, and attributed the existence of the extensive smuggling, supposed to exist, chiefly to the inefficient superintendence of the Collector.

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's opinion.

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's opinion.

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

* In 1826, Mr. Bruce computed that not less than one-half of the whole quantity of Salt procured in the Bombay Presidency was consumed in Foreign territories, dependent upon that Presdency 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.

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.

"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 Demaun frontiers."

Mr. Blane's opinion.

Mr. Blane wrote—"Adverting to 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 Honourable 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 Revenue were detected, and severe strictures were passed on the lax supervision of the Collector.

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 5,66,000, 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 11¼ 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

1st, by 88,832 maunds;
2nd, „ 29,511 ditto; and,
3rd, „ 54,319 ditto.

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 82⅔ 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."

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

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

"The illicit removal of Salt from the Saltpans 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."

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.

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 eight-annas rate of Excise than they have been in any subsequent year at the higher rate of twelve 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 11 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, proportioned 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 three years ending with 1853, indicate activity of smuggling, rather than efficiency of prevention.

346. The appended Statements of all contraband cases officially inquired into, during the 3 years ending with 1853, appear also rather to indicate the activity of smuggling than the efficiency of prevention.

* Appendix K. † Appendix H.

347. It will be seen that 1498* 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 3 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 and diversity 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 paragraphs 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.¶

		No. of Cases.	Quantity Seized.
* Guzerat	.. .. ..	1,083	2,800
Konkan	.. .. ..	415	821
Total	.. ..	1,498	3,621

† Appendix L.

		No. of Cases.	Quantity Seized.
‡ Guzerat	.. .. ..	162	418
Konkan ..	.. .. ..	694	9,656
Total	.. ..	856	10,075

§ Appendix M.

‖ See Paragraphs 235 to 248.

¶ Appendix K.

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

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 laboured 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 50 and 60 lacs of rupees, and Establishments numbering nearly 4000 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.

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

353. It has been shown, at paragraph 319, that the expense of realizing the Salt Revenue in the latest year, 1852-53, amounted to nearly 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 three 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 parties in any way to control, or regulate, the manufacture.

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

354. I proceed to record, as briefly as possible, some 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.

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,

* See Paragraph 242.

† Sections 2 and 3, Act XXVII of 1837.

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.

The power of suppressing Salt Works producing less than 5,000 maunds yearly, should be more fully exercised.

357. 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. The weak point in the system is, that a sufficiently correct account of the Stock of Salt on hand is never secured.

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 remarks on the consequences of this defect.

"* * * Wanting this, we have no means of bringing our officers to book, and we are obliged therefore, in some measure, to place ourselves in their hands. European Agency in carrying out the details of the storing and delivery of Salt is out of the question; and all that we can do is to create as many checks and counter-checks 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 permit traders to remove a percentage more than they are entitled to; intentional errors in the tally, or overweight 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 to weighing or measuring the produce into store considered insufficient. The adoption of the Madras method of weighing into stock, and adjusting the stock account, recommended.

359. The causes which operate to prevent a sufficiently accurate account being kept of the Stock of Salt are described in paragraphs 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 casualties would constantly vitiate the stock account.

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 1200 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.

* Sections 6 and 7, Act XXXI of 1850.

361. The mode in which stock is periodically taken and adjusted has been described in paragraphs 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.—The levy of duty below the amount fixed by Law, and after removal of the Salt from the pans, declared by the Law Officers of the Bombay Government to be illegal.

363. It has been seen that the rate of Excise Duty fixed by Law is one rupee per Indian maund, and that this rate has been reduced by a notification of the Bombay Government to 12 annas a maund. It has also been seen that the Law requires that the Excise shall be levied before the Salt is removed, and that in cases of Salt taken for export to Bengal this rule is not observed, 4 months' credit being allowed, under a bond, for the payment of the Duty. In some cases also of export by sea beyond the Presidency, a much less duty than 12 annas is levied, and in other such cases, free export is allowed. In 1852, 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 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.

But their opinion questioned. A consolidation of the Law in one new enactment nevertheless desirable.

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.

Weighing and Measuring.—By Law, the Excise on Salt is leviable by weight, but measurement is also in use. Reason for the mixed practice.

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 steel-yard, and the tare of the packs being deducted.

* Appendix K, Column 15. † Appendix N.
‡ Section 2, Act XVI of 1849.

366. This explanation would not be intelligible without the further explanation that, for preventive purposes, the number and weight are marked on each pack or parcel of Salt conveyed on bullocks, or otherwise, by land. Except for the purpose of facilitating checks 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.

Lieutenant De Lisle's experiments to test the relative merits of weighing and measuring Salt. Balance of advantages in favour of measuring.

367. In 1851, two series of very complete and exact experiments were carried out by Lieutenant De Lisle of the corps of Engineers, under the orders of the Bombay Government, for the purpose of ascertaining 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 favour 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."

Lieutenant De Lisle's Reports appended.

368. Lieutenant De Lisle's Reports* are given in the Appendix, as containing, I believe, the only complete 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.

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

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 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 weighment, 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 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

* Appendix O, Nos. 1 and 2.

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, on a consideration of Lieutenant De Lisle's reports, decide that weighment is more suitable in Bengal; the Board's Paper appended.

371. Lieutenant De Lisle'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 weighment, 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 weighment.

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 De Lisle'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, weighment 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 a 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 trans-shipment 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-weighment 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 Permit. 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 De Lisle'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 De Lisle'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

* Appendix O, No. 3. † Appendix O, No. 3.
‡ See Paragraphs 263 and 294.

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 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.

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

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 weighment 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.

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.

376. The merits of the double system of Inner and Outer Darogas 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 35 Talooks, or districts, of the Bombay Presidency, Talook being a minor territorial division of a Collectorate, and that these districts comprise 126 groups of Salt Works, each group consisting of one or more distinct sets of Saltpans, 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 21 groups of works, composed of 88 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 Daroga, and over the latter a similar officer called the Outer Daroga.

Mr. Shaw would dispense with the Inner and Outer Darogas, and intrust the whole superintendence to the Sir Karkoon or Head Customs' Officer.

380. Mr. Shaw, the Revenue Commissioner of the Northern Division, was at first of opinion, that both the Inner and the Outer Darogas 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.

Mr. Blane would dispense with the outer Establishment altogether, substitute a roving preventive force, and improve and strengthen the inner Establishment.

381. Mr. Blane, 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 must 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.

* Act II of 1852.

† See Paragraphs 235 to 248. ‡ Appendix P.

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

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 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 removal 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 Daroga, 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 much 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 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 Darogas partly by a Commission should be discontinued, and liberal fixed salaries substituted. The appointment of a higher class of officers as Suzadars and Nakadars indispensable.

387. In reorganizing the Establishments, the opportunity should be taken of discontinuing the practice of remunerating the Native Superintending Officers—viz., the Sir Karkoons and Darogas—partly by a commission of 8 annas, or a-half 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 Chowkeys should be abandoned, and the check confined to the examination indicated in Paragraph 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 Chowkeys 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 weighment by another set. This practice ought, in my opinion, to be discontinued, and the check confined to the examination indicated in paragraph 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.

Present practice of interfering with Salt beyond the Chowkeys illegal, except in illicit Salt Works, and should be relinquished, and the Permit should be taken and cancelled at the Chowkey.

389. It has been seen that the Permit covering a dispatch 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 indorsed 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.

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.

* See Paragraph 300.

Efficient supervision on the part of the European agency indispensable to successful management.

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.

Government Salt Works.—Their sale ordered by the Court of Directors in 1829.

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 on 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.

And again by the Bombay Government in 1846 and 1852.

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.

Their present disposition.

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.‡

No sales effected hitherto.

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 of 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 net profits of the proprietary right, and a quit rent being reserved to Government. No sales, however, had been effected up to the latest accounts.

The Government should no longer delay to withdraw from the manufacture. Modes of doing so, and of disposing of the works, suggested.

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 Coorumbees 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 of ground rent at the same rate as private pans; and second, that they should be kept in good repair, and delivered back in as good order as when the Corumbees 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 Coorumbees, and they were sanctioned by the Government of that day. If the Corumbees should be unwilling to take over the whole produce of the pans, instead of receiving only the labourer's share, on these terms, I am of opinion that the works should rather be closed than that the Government

* See Paragraph 336. † See Paragraphs 68 and 69.
‡ See Paragraphs 192 to 198.

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 paragraph 353, a great obstacle to concentration.

Mode of selling the Government produce. Proper mode of crediting the proceeds of the Government Works, in produce and rent, pointed out.

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 on lease, and the sale proceeds of 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 Land Revenue, partly as ground-rent and partly as a miscellaneous receipt (Sayer Bab). In the Island of 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 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 favour 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.—The rules considered.

400. The law and the practice in respect of the levy of the Excise Duty have been defined in paragraphs 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. The simple rule should be to allow free Export, and to levy the full Import Duty at Calcutta, on the quantity actually landed, to credit of the Bengal Salt Revenue.

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.

* Appendix K, Columns 14 and 17.
† Paragraphs 220 and 221. ‡ See Paragraphs 222 and 223.

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 labours 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, for a Statement* appended shows that in a great majority of cases an excess is landed, but there is no reason why the exporter from Bombay should be liable to the risk more than the exporter from any other place; on the contrary, it seems very anomalous that the home article should be made specially subject to disadvantages from which all Foreign Salt is free.

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 11 years from 1842-43 to 1852-53, have averaged about 4,50,000 maunds,† which must be considered a very

* Appendix Q. † Appendix K, Column 9.

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.

Exports to British Ports of the Madras Presidency; confined to the Districts of Canara and Malabar; present practice.

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 1 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 signature of the authorities at the ports of import, within six months from the date of export.† An allowance up to 10 per cent is made on each shipment for wastage; and the full Excise Duty of 12 annas per maund is leviable at Bombay on any deficiency in the quantity landed, in excess of that per centage, unless it can be satisfactorily accounted for.‡

Mr. Young would assimilate the rules to those he advocates for Exports to Bengal.

409. Mr. Young, as has been seen,§ would realize the full Excise Duty on these exports also before the removal of the Salt from the pans, in place of levying only the quarter anna charge above mentioned. Setting aside the facilities of smuggling, the present practice, he observes, gives rise to perpetual disputes with traders, as to differences between the quantity of Salt exported and the quantity landed at the port of import. He would therefore assimilate the practice, in respect to these exports to the Madras Presidency, to the practice he advocates in respect to exports to Bengal; that is, he would levy the full Excise at the pans, giving no credit, and throwing all wastage and sea-risks on the exporters, by allowing a drawback of the Excise Duty, at the port of import, only on the quantity (not in excess of the shipment) actually landed.

This proposition was made in 1851, and rejected on the objections of the Madras Government.

410. It was proposed in 1851 to introduce this very system, and a very long correspondence ensued on the subject between the Bombay and Madras Governments, which terminated in a resolution to leave the practice as it now stands, the Madras Government being very averse to the proposed change. They objected that it would complicate the accounts, and impede the supply by shutting out every small trader, without in any degree securing the objects in view, viz., the suppression of smuggling, and of troublesome cases of dispute regarding the quantities shipped and landed respectively; inasmuch as it would not be possible altogether to ignore sea-risks beyond the wastage allowance of 10 per cent.

To assimilate the rules for Madras to those advocated for Bengal, as proposed, would be to extend a vicious system.

411. The Madras Government, it appears to me, took quite the sound view of the question. From the opinions I have already expressed, it will have been seen, that, to assimilate the practice in force in respect to these exports to the Madras Presidency, to the practice which Mr. Young advocates for exports to Bengal, would be, in my judgment, to extend a vicious and not to introduce an improved system. The two cases are precisely parallel, excepting that the risk

* See Paragraph 217.
† See Paragraph 219.
‡ See Paragraph 220.
§ See Paragraph 402.

of smuggling is much greater in the case of Salt exported to the Madras Presidency, because it is carried in open coasting-craft, which keep much nearer to, and more frequently communicate with, the shore. The same principles should, therefore, govern the practice in both cases, with only so much deviation in the rules as would suffice to meet the greater risks of smuggling in the one case than in the other.

Free Export should be allowed, the monopoly rate, or the Customs' Duty, being levied at the Port of Import.

412. Entertaining these views, my opinion is, that Salt taken for export to British Ports under the Madras Presidency should be allowed to go free, the monopoly rate, or the Customs' Duty, as the case may be, being levied at the port of import, to credit of the Madras Salt Revenue.

The checks which should be applied to guard against illicit traffic in Transit described.

413. As checks upon illicit traffic by the way, the production of landing certificates, within six months from the date of export, should be exacted as at present, and in every case in which the quantity landed exhibited a deficiency in excess of 10 per cent. on each shipment, the exporter should be required 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 authority should be final. The connection of the Bombay authority with the Salt should cease with its export. The present practice of inquiring into the deficiencies at Bombay, of course complicates and delays the decision, besides creating disputatious correspondence between the authorities of the two Presidencies. In short, these inquiries, which might be simple and summary enough if conducted and concluded at the time and place of import, become complex and tedious if delayed and carried back to the place of export, the traders being harassed, and the time of the authorities being wasted, in profitless litigation, for, practically, the demands of full Excise on Salt, deficient in excess of the prescribed percentage, and said to have been lost at sea, have invariably been resisted, and seldom, or never, substantiated. At the same time, it would seem that there can hardly be, in fact, much smuggling or many disputes, since it appears from a Statement* appended, taken from papers received from Madras, that out of 95 cargoes shipped to Canara in the year 1851-52, 9 only had a deficiency, on delivery, exceeding 10 per cent.

414. The landing certificates should be compared with the Register of Exports, and additional preventive measures should be resorted to on the coast, whenever the comparison created a suspicion of the Salt having been landed. It matters very little which Presidency receives credit for the duty levied on deficiencies in excess of the authorized percentage. Strictly speaking, Bombay is entitled to the credit, and the levies might be transferred in account, but the amount would be so trifling as not to be worth the trouble of the transfer, for any practical purpose, and the Madras Government might much more conveniently be allowed to retain the credit. In some exceptional cases, it seems that bonds with sureties are still taken at Bombay for the payment of the full amount of the Excise Duty, unless the landing certificate is produced within six months. These exceptional cases are not defined, but I am of opinion that the practice should wholly cease.

The objections to the proposed system of free Export, on the score of the facilities for illicit traffic in Transit, considered and met; and the advantages to be expected from free Exports described.

415. As the facilities afforded for smuggling, under the system I propose to maintain, and render more free, are much insisted on, I may observe further, with reference to that objection, that the risk of Salt being relanded on the coast, in transit, is no greater in the case of exports to British ports under the Madras Presidency than in the case of exports to foreign ports on the Malabar coast, and to the Straits of Malacca, and other places beyond the Continent of India, to which ports the Salt is also carried, for the most part, if not altogether, in country craft. In the first of these last-mentioned cases, the exports are subject to a levy of only one anna a maund, and in the other case they are wholly free and unrestricted; but if the necessity of keeping

* Appendix E.

the full Excise Duty at the pans on exports to the Madras Presidency is, as is argued, imperative, in order to suppress smuggling, then, to be consistent, either the full Excise should also be levied on exports to the foreign ports in question, or such exports should be altogether disallowed, since Salt may as easily be thrown on to the coast from both these exports, as from those to the British Ports. There seems to be no escape from this dilemma; but neither of the above alternatives would be admissible, nor is either of them proposed; on the contrary, Mr. Young, in conceding that the exportations to the foreign ports in question are open, in some degree, to the same objection, as regards affording facilities to smuggling, says he is not prepared to advocate any change in these instances. In short, in the case of such exportations, the authorities have no choice but to trust to the ordinary safeguard of preventive precautions on the coast.

416. Again, Foreign Salt is admitted to British Ports on the Malabar coast, on payment of a Customs' Duty of 12 annas per maund, that being the computed rate of profit realized on the monopoly Salt of the Madras Presidency. Encouraged by this free-trade rule, Salt is brought to those ports from Goa, Arabia, and Ceylon, either in country craft, or in a class of vessels from which it would be as easy to carry on illicit traffic with the coast; but, in these cases, no precautions are available except the ordinary measures of prevention on the coast.

417. On the other hand, it is clearly objectionable, that the home trade should be hampered with disadvantages from which the foreign trade is free. The system I have proposed appears to me to comprise every legitimate precaution against smuggling, without unduly shackling the export trade, and its effect, I am satisfied, will be so to expand the private ventures from Bombay, especially if bonding were permitted, as it should be, that, in a very short time, they will not only supersede the contracts now necessary for the service of the Madras monopoly in Canara and Malabar, but will drive out the remnants of the more expensive monopoly manufacture in the former district, to the great advantage of all parties, viz., the two Governments, the traders and the consumers. The monopoly manufacture died off in Malabar in 1823, the whole supply for the service of the monopoly in that district being now obtained from Bombay under contracts. The monopoly manufacture in both these districts being unable, by reason of its high cost, to compete with foreign Salt, and having, in consequence, been closed wholly in one of them, and partially in the other, free manufacture upon a system of Excise ought, long since, to have been permitted in them, as will more fully appear in the Madras part of the Report.

The charge of a quarter anna per maund levied on these Exports considered. Mr. Young's reasons for maintaining this charge, and extending it to all free Exports.

418. There remains to be considered the charge of a quarter anna per maund levied on the exports under notice, viz:—on Salt exported to British Ports of the Madras Presidency. The principle on which this demand is made is stated to be, that, in order to relieve the Government of a dead charge, Salt exported free of Excise Duty should contribute its proportion towards the expenses necessarily incurred in watching and superintending the whole manufacture, and Mr. Young is of opinion that, if the exportation of Salt beyond the Presidency, free of Excise Duty, were generally allowed, it would be proper to levy this charge on all such exportations, to cover a proportion of the expenses of Establishment, because Salt can, under the existing law, be made in the Bombay Districts only on the condition that it is watched and kept account of by Government, and the charges incurred for these objects ought, therefore, he thinks, to be held to form a component part of the cost of production. The rate of a quarter anna per maund would, it is believed, be a near approximation to the cost of supervision and watching, which it is intended to cover.

Mr. Young's reasons considered untenable, and the discontinuance of the charge recommended.

419. I am unable to acquiesce in this view of the question. It appears to me that hitherto this charge has been an unauthorized cess, in these particular cases, in excess of the Excise Duty, inasmuch as Salt exported to British Ports of the Madras Presidency, has contributed, either in the monopoly price of the article, or in Customs' Duty to the Revenue of that Presidency, the equivalent of the Bombay Excise; and as, in future, Salt, exported to Madras and Bengal, free of Excise Duty, would pay the Customs' Duty at the port 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; present levy; reasons for it.

420. I proceed, in the third place, to consider the charge of 1 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 paragraph 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 favourable 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 the British Ports on the same coast.

423. The checks upon illicit traffic by the way should be precisely those recommended at paragraph 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

* Appendix H, Column 11. † Appendix H, Column 13.

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 paragraphs 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 paragraphs 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 30 or 40 miles distant. If the Assistant-Commissioner thinks the charge is 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 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 or authority.

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 Island and Continental results should be discontinued.

426. From the description given at paragraph 309, it seems clear that the half Duty contributed by the Nawab 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 Nawab for half Duty on all Salt produced at his pans, in place of establishing a frontier line of Chowkeys, and levying full duty on all Salt that passes it, considering that to be a more convenient, and, on the whole, an equally profitable, arrangement. In this view, the Cambay 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 a 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.

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 pies 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 8 annas would not suffice 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 sometimes 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 $1\frac{1}{4}$ anna per maund, which is, perhaps, a higher 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

* See Paragraph 60. † See Paragraphs 63 and 68.
‡ See Paragraph 78. § See Paragraph 95. ‖ See Paragraph 96.
¶ See Paragraph 114. ** See Paragraph 136.

†† The average probably does not exceed one anna per maund. Salt can be manufactured at Penn, South Konkan, for a trifle less than half an anna per Indian maund.—See Paragraphs 45 and 51.

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 paragraphs 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 of these points, viz., whether the tax presses with undue severity on the mass of the consumers.

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 that the increase of the tax from 8 annas to 12 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."

The consumption per head per annum cannot be fixed.

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 24½ 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 12¼ lbs. per head is deducted for the population of the Presidency. But all this is mere conjecture, and may not be even an approximation to the truth.

If the licit consumption per head were known to be an inadequate quantity, that fact would not be conclusive evidence of the undue severity of the tax.

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.

The cost of an adequate supply of Salt per head, and the pressure of that cost on the wages of labour, investigated.

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 labour.

The cost and pressure to consumers in the neighbourhood of the Salt Works.

436. The price of Salt to consumers in the neighbourhood of the Saltpans, that is, on, or near, the coast, or in the vicinity of the inland

* Appendix S. † See Paragraph 330.
‡ See Note to Paragraph, 332.

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 ¾ths of an anna, to 2 annas per Indian maund.* It is probable, therefore, that the highest of these rates (2 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 consumer. A maund being 82²⁄₇ lbs, and 1 anna, at the exchange of 2 shillings for the rupee, being equal to 1½*d.*, it follows that the price per lb. is as nearly as possible one farthing, their 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 3*d.* or 1½ anna: and this cost, assuming the average wages of agricultural labour at 3 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 ¼ and ½ per cent. supposing he had only himself to provide for.

437. Again, raising the price to the consumer to 1 rupee per maund, which is allowing 4 annas for the cost of the Salt, exclusive of the duty, or double the highest selling price at the works, and reducing the labourer'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 ½ 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 7 lbs. per annum, and that is found sufficient.† Eight 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 ½ per cent. on an income of *only 2 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 3 rupees per mensem, and to pay the highest of the prices above assumed for their Salt, viz., 1 rupee per maund of 82²⁄₇ 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 1⅓ per cent.

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

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.

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., 1 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 2 rupees per maund at Sholapore, for instance, the price on the coast being 1 rupee per maund, would still cost 1 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 no where to exceed 2 rupees, indeed, is in every instance, save one, con-

* See Paragraph 283.
† Suddur Adawlut to the Government of Bombay, dated the 1st March, 1852.
‡ Appendix T.

siderably below that amount, the cost, for a family of 5 persons, each consuming, on an average, 8 lbs., cannot, according to the calculation given in paragraph 439, 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 benefited by a reduction of the Duty.

443. With respect to the other point, viz., whether the Revenue would be benefited 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 paragraphs 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 10 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 Eight-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.

* Gross Revenue.

		Rupees.
1852-53	.. .. ..	2,462,262
1843-44	.. .. ..	1,860,563
Increase ..	Rupees	6,01,699

† Appendix S.

SECTION V.

ON THE SUPPLY OF SALT FOR THE PROVINCE OF SINDE.

Boundaries of the Province.

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 Bhawulpoor 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 Koree for about 380 miles north and south, and the River Indus flows through the Province, discharging itself by several mouths into the Indian Ocean.

Acquisition 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.

Districts.

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.

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

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 "Gundir."

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

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 Koree 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 Seer mouth of the Indus occupied by these Salt-beds.

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.

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.

Extent of the Kotree Field.

453. Lieutenant Burke crossed the Kotree Field, which lay in his route from Goonee to Kotree, and estimates its extent at 20 miles in length, and 15 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 20 lbs. a head, to supply a population of 100,000,000 for 1,662 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.

The Seergunda Field supposed to be even more extensive.

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.

These fields supposed to have been formed by capillary attraction.

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 absorptions 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.

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

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 extremity of the field, distant 16 or 17 miles from Goonee, there was a solitary house situated on the western bank of the Koree creek, and distant by water about 16 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 6,000 or 7,000 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.

A further reason for its limited use is the impression that it induces cutaneous eruptions.

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.

Moreover, it is scarcely cheaper than the manufactured Salt.

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 at about 3 annas and 1 pie per maund, while the latter is procurable for less than 4 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.

Notwithstanding the prejudice against the natural Salt, it has been proved by analysis to be of good and marketable quality.

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 is called Bay Salt; 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 be readily 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."

Salt may also be procured almost as easily in one of the Delta Districts on the right bank of the Indus, but the same prejudice is entertained against it as exists against the natural Salt of the left bank.

461. In one of the Delta Districts on the right bank of the Indus, between Wuttejee and Ghara, in the Tatta 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.

Salt is produced naturally along the whole coast from Lukput to Cape Monze.

462. Salt of similar quality is produced, more or less, along the shores of all the numerous tidal creeks and backwaters from Lukput to Cape Monze. 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.

The production of natural Salt confined to Lower Sinde; but Salt is manufactured in both divisions of the Province.

463. The production of natural Salt is confined to Lower Sinde, 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.

Mode of manufacture.

464. The mode of manufacture differs but little throughout the Province. The method as described by Captain Dunsterville, Deputy Collector of the District of Jurruk 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."

Cost of production and profit.

465. But little labour 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 Jurruk the cost of production is estimated at from 2 to 3 annas for a maund, which is subsequently sold at an advance of 1 anna; in another district of Lower Sinde, the cost is as low as 1¼ to 2 annas, and the produce is sold on the spot for about six pies, or half an anna, additional per maund. In Upper Sinde, 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 labour, 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.

Season of manufacture.

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.

No data exist for even an approximate estimate of the total quantities manufactured and consumed in the Province.

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.

In Lower Sinde, the consumption is supposed to exceed the quantity manufactured.

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.

The deficiency is probably supplied chiefly from the neighbouring State of Khyrpoor.

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 five 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.

In Upper Sinde also, the manufacture does not appear to exceed the demand.

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

No duty upon Salt in Sinde.

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

If it were desired to raise a Revenue from Salt in Sinde, some form of Excise would be the best mode.

474. If it should be considered advisable at any future time to raise a Revenue from Salt in Sinde, 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.

Question as to how far Sinde Salt is capable of competing in India with Foreign Salt, or with the manufactured Salt of the three Presidencies in their own markets, considered.

475. Some inquiry was made by the late Select Committee on Indian Territories as to how far the natural produce of the Sinde 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 Sinde, described by Lieutenant Burke, are intended.

476. The Kotree deposit lies on the western bank of the Koree branch of the Indus, the Seergunda Field on both banks of the Goongra, the next branch of the Indus westward of the Koree, which empties itself into the Ocean by the Seer mouth of that river.

Lieutenant Burke's opinion, that Sinde might supply all India with Salt cheaper than Cheshire can, and might compete with Calcutta and Bombay in their own markets.

477. Lieutenant Burke is of opinion that Sinde can supply all India with Salt, probably at a cheaper rate than Cheshire can; and also, that, in the article of Salt, Sinde can, perhaps, compete with Calcutta and Bombay in their own markets. He calculates that the Salt of the Kotree Field could be shipped at the Koree mouth of the Indus for 1*s.* 6*d.* a ton, and landed at Panwell, the ordinary landing place for goods going inland from Bombay, at 5*s.* a ton, all expenses included. On the other hand, he calculates the cost of a ton of Bombay manufactured Salt, at Panwell, at 6*s.* 5*d.*, showing a difference of 1*s.* 5*d.* a ton in favour of the Sinde 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 Sinde Salt might also be taken there at a profit.

Lieutenant Burke's opinion, as to the capability of Sinde Salt competing with Bombay Salt in its own market, controverted.

478. It is probable that the naturally produced Salt of Sinde could be taken to any part of India so as to undersell English, and, perhaps any other foreign, Salt; but it admits of doubt whether it could compete with Bombay manufactured Salt in its own market.

* See Evidence of F. W. Prideaux, Esq., 4th Report, 1853. Questions and Answers, 7,316 to 7,321, Pages 204 and 205. Also 7,676, Page 233.

Kotree, it is allowed, is not suitable as a place of shipment, 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 Lieutenant 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 under-rated the expense of shipping the Salt at Kotasir, which is the Port of Lukput in Cutch, below Kotree, on the *eastern* bank of the Koree.

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 1*s.* $8\frac{1}{2}d.$ to 5*s.* $1\frac{1}{2}d.$ per ton, taking an anna at $1\frac{1}{2}d.$, and a ton at 27·225 Indian maunds. Unless, therefore, the naturally produced Salt of Sinde could be exported, all charges of quarrying, shipping, and sea freight for, say, 500 miles included, for the minimum cost of 1*s.* $8\frac{1}{2}d.$ 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 5*s.* $1\frac{1}{2}d.$ per ton, it would find a market *nowhere* in that Presidency. Thus, even at Lieutenant Burke's calculation of 5*s.* per ton, as the total cost of landing Sinde 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 1*s.* $8\frac{1}{2}d.$ a ton. Unless, therefore, the Sinde 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 Sinde. Even Lieutenant Burke's estimate of the cost of quarrying and shipping the Salt of the Kotree bed, viz., 1*s.* 6*d.* per ton, which is pronounced by a Sinde authority to be "certainly very considerably under-rated," 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 altogether 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 Koree 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 in boats and sent to Kotasir; there it was trans-shipped 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 Seergunda 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 Sinde for the supply of the deficient amount, and but one was received, which was 6 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.

* A Garce is 120 Indian maunds.

If, therefore, the naturally produced Salt of Sinde 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.

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 5 to 6 Bengal maunds, 10 annas, or, say, 2 annas per maund. If this be the price in Sinde, 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 2 annas, and to range as low as 9 pies per maund.

Much less could Sinde Salt compete with Madras Salt in its own market.

485. If Sinde 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 Eastern 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.

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.

486. Sinde 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.

On the whole, Sinde Salt not likely to find a considerable market in any other part of India.

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

Nevertheless, a Salt Company has been started at Kurrachee.

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

Object of the Company.

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 annas per Indian maund, and to sell it both for home consumption and for export.

Export by this Company to Bombay, or even to the markets of the Malabar Coast, at a profit, seems impossible.

490. If the naturally-produced Salt of Sinde 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.

Profitable Export to Calcutta, in competition with Bombay Salt, doubtful.

491. Nor does Sinde 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.

The circumstances upon which an Export trade in Salt depends.

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.

Under the influence of those circumstances, some shipments have been made by the Kurrachee Company to Calcutta.

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 $3\frac{1}{4}$ annas per maund.

But it seems certain, that, from the same causes, the Exports to Calcutta of Bombay and Madras Salt, and of English and other Foreign Salt, must, for a long time, greatly exceed the Exports from Sinde.

494. It is possible, therefore, that under the existence of the more important influences mentioned, there might be a greater export of Salt from Sinde 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 Sinde 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 Sinde.

No Duty being levied on the natural or manufactured Salt of Sinde, the Export and Import of the article should also be rendered wholly free and unrestricted.

495. It appears that, generally, the same duties and rules prevail in Sinde, in respect to the export and import of Salt, as have been described in paragraphs 214 to 225 of this Report, as being in force in the other territories of the Bombay Presidency. But as no duty is levied on the Salt manufactured, or naturally produced, in Sinde, it is clear, upon acknowledged principles, that both 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 Sinde.

496. It is scarcely necessary to argue, in the present day, that the Government ought not to be concerned in any project for supplying the rest of India with Salt from Sinde; 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.

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

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:—

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

First. The full enforcement of the provisions of Section 7 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.

Produce to be measured into store.

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.

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

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 1 rupee per maund, as fixed by Section 2 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 2 Act XVI of 1844.

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

Fourth. The practice of remunerating the Native Superintending Officers—viz., the Sir Karkoons and Darogas—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 amount, to be substituted.

Higher salaries to be assigned to the Suzadars and Nakadars.

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.

Salt, covered by a Permit, not to be re-weighed at the Chowkeys.

Sixth. The practice of partially unloading and re-weighing Salt covered by a Permit, as it passes the preventive Chowkeys, 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 beyond the preventive line not to be interfered with.

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 Chowkeys, and to be there taken and cancelled.

The Government to withdraw entirely from the manufacture at once.

Eighth. The Government to withdraw entirely from the manufacture at once, closing their works if they cannot sell them at 5 years'

purchase of the profits, or let them on lease; or if the Coorumbees, 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 endeavour to exchange their Salt Works for detached Works of private owners, with the view of suppressing the latter.

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 rent and proceeds of Government Salt Works to be uniformly credited in part to land revenue, and the remainder to the Salt Department.

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.

Exports by sea beyond the Presidency to be free.

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 to Bengal to pay the full Customs' Duty at the Port of Import.

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.

Exports to British Ports of the Madras Presidency the same.

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 authority 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 per-centage to be credited to the Madras Revenue.

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

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.

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

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 per-centage, 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.

The Half Duty contributed by the Nawab 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.

Sixteenth. The half duty contributed by the Nawab 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.

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

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 revenues 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.

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

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

Exportation of Salt from Sinde to be free from Duty.

Nineteenth. The exportation of salt from Sinde, by sea or land, to be entirely unrestricted, and free from the levy of any duty.

Importation of Salt into Sinde to be free from Duty so long as no Tax is levied on the Salt of the Province.

Twentieth. The importation of Salt into Sinde, 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.

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

Twenty-first. The Government not to be concerned in any project for supplying the rest of India with Salt from Sinde, 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.

Appendix B contains full particulars on the subject of this Section.

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.

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.

The question of introducing a monopoly first mooted, and advocated, by the Board of Revenue in 1799.

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 Guntoor, and the Jagheer, comprising the District of Chingleput.

In permanently assessing the land-tax in 1802, the exclusive right of manufacturing Salt reserved to the Government.

501. Accordingly, in permanently assessing the Land Tax in 1802, the Company having, in the meantime, acquired the Carnatic and the Territory of the Nawab 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.

The system, gross revenue, charges, and sale price previous to the monopoly.

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 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.

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

* Appendix B. † Appendix A. ‡ Appendices C and E, No. 18 to No. 32.
§ Appendix E, No. 1.
‖ Section 4, Regulation XXV. of 1802.
¶ Appendix E, Nos. 2 to 10.

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.

Mr. Falconar, one of the members of the Board of Revenue, dissented, and advocated a close monopoly, as in Bengal.

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.

The Madras Government, without examining the question, rejected the Excise proposition in favour of a monopoly.

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.

Establishment of the 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, establishing 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 3, Regulation I of 1805. Sections 2 and 4, 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 8 and 13, Regulation I of 1805. Section 3, Regulation II of 1807. Sections 2, 3, and 4, 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, is liable to the same penalties;

* Appendix E, No. 11. † Appendix E, No. 12.
‡ Appendix E, No. 13. § Appendix E, No. 14. || Appendix F.

and all other breaches of the Salt Laws are punishable in like manner.

Section 12, 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 18, 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 Meerassidar 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 ⅘ to the former, and ⅕ 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.

Native Establishments—their duties and cost.

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, Peshcar, or Tannadar, 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, amounted to rupees 1,54,493 as shown in the margin.† The native Establishments are considered to be certainly underpaid in proportion to their responsibilities.

Monopoly prices of Salt; Sale price originally rupees 70 per garce of 120 maunds; raised in 1809 to rupees 105.

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 net increase of	4,84,929

* Sections 2 and 4, Regulation I of 1805.

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

‡ 120 Maunds.

Reduced in 1820 to the original Rate of 70 rupees.

518. About the year 1813-14, abuses crept into the administration of the Salt Revenue, especially in the Districts of Nellore and Guntoor, 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.

Proposition by the Board of Revenue, in 1822, to raise the price again to the former Rate of rupees 105, negatived by the Government.

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.

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

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 5 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.

And again in 1828.

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 3 years, when the price was rupees 70 per garce, namely, from 1806 to 1809, if compared with the 3 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 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 benefited from the reduced rate established in 1820. The amount of that reduction was $33\frac{1}{3}$ per cent., or rupees 35 per garce; but in 18 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 Guntoor, 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 Tinnevelly, 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 $33\frac{1}{3}$ 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 throughout the Presidency by Act VI. of 1844, and the price of Salt raised to rupees 1, 8 annas 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 one rupee eight 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 one 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 $127\frac{1}{2}$ per garce, or 1 rupee 1 anna 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 one 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 net Revenue relinquished by the abolition of the Transit Duties was about 31 lacs per annum.

Manufacture of Salt. Process.—Appendix B. paragraphs 56 to 78, and Enclosure No. 4.

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 paragraphs 56 to 78 of Appendix B, and

* Section 43, Act VI. of 1844.

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 paragraph 61 of Appendix B, were visited by me. 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.

Seasons and places of manufacture.

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.

Quantity to be made.—Advances.

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 the 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 paragraph 102 of Appendix B.

Rules for the management of the Salt Revenue, Appendix F. Manufacturers to leave the pans about sunset, Rule 2.

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.

Receipt and storage of the Salt, and payment of the manufacturers, Rules 1, 3, 4, 8, 11.

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 a European officer, either at the Collector's office or at the Pans.

Periodical inspection of the stores, Rule 8.

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.

Situation of the Depôts.

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 Ennore, 10 miles north of Madras; but in all the other districts, except Canara and Malabar, there are no depôts except close to the pans.

Storage platforms,—Rules 5, 6, 7.

536. The platforms at the depôts are rectangular, and raised three or four 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.

Registry and sale of the heaps, Rule 13.

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

* Plan No. 6.

a heap being opened until the one previously opened has been sold off.

Sales of entire heaps, Rule 14.

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.

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.

Account sale of each heap, Rule 16.

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 everybody, in as small quantities, ordinarily, as 5 mercals 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 mercal, and in Nellore and Madras to 1 mercal, 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 mercal at the rate of 400 mercals to a garce, a mercal being held to be equal to $\frac{3}{10}$ths 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 sun-set and sun-rise, Rule 19.

542. No Salt is allowed to be sold before sunrise, nor after five o'clock in the evening; all persons, even the servants belonging to the Saltpans, 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 paragraph 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 mercal of Salt brought into store, and every mercal 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

* Rule 20.

Cost of manufacture and Revenue charges per garce in each district of the Coromandel coast.

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:—

DISTRICTS.	COST PRICE. Coodeewarum.	COST PRICE. Repairs, measuring, &c.	COST PRICE. TOTAL.	REVENUE CHARGES. Establishment.	REVENUE CHARGES. Extra Charges, and Saderwared.	REVENUE CHARGES. Roosooms.	REVENUE CHARGES. TOTAL.	GRAND TOTAL.
1	2	3	4	5	6	7	8	9
	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.
Ganjam	5	..	5	1½	½	..	2	7
Vizagapatam ..	6	½	6½	5	..	..	5	11½
Rajahmundry ..	6	1	7	4	1¾	..	5¾	12¾
Masulipatam Sea ..	5	1½	6½	..	..	..	..	6½
Masulipatam Swamp	1	½	1½	..	..	..	..	1½
Guntoor	7	¾	7¾	2¾	..	..	2¾	10½
Nellore	7½	1	8½	5	¼	..	5¼	13¾
Chinglepat	13¼	¼	13½	4¾	..	..	4¾	18¼
South Arcot ..	9½	½	10	3¾	..	½	4¼	14¼
Tanjore	10	..	10	3	..	..	3	13
Madura	10½	¼	10¾	4¾	¼	..	5	15¾
Tinnevelly	10	..	10	4¼	¼	¾	5¼	15¼
Madras (Town) ..	10	6¼	16¼	1	..	..	1	17¼
Total	100¾	12½	113¼	39¾	3	1¼	44	157¼
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

Average cost of manufacture, and Revenue charges, per garce.

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 annas, 5 pies per garce, the average Revenue charges, as shown in column 8, amount to rupees 3, 6 annas, per garce, and the average total cost, as shown in column 9, is rupees 12, 1 anna, 6 pies, 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.

Highest and lowest total cost per maund.

547. In Chingleput, where the expense is highest, the total cost per maund is about 2 annas, 5 pies. 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 rupee 1, 8 annas, per garce of 120 maunds, is 2⅕ pies, or less than ¼ of an anna per maund.

Total charges, excluding Malabar and Canara, and average total cost per garce.

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 saderwared	·122
3.	Roosooms	1·252
4.	Hire to Manufacturers	8·301
5.	Repairs	·18
6.	Charges of Export	·4
7.	Shipping Charges	·59
8.	Compensation for Pans	·90
9.	Indemnification to the French	·372
	Rupees ..	13·400

Average cost to Government (including all charges whatever) per garce, per 100 maunds, and per maund.

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 pies 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 5 pies per maund, as will hereafter be shown.

Average cost of manufacture, or cost price to Government, per garce, and cost of production.

550. The 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 per garce. The actual cost of production, that is, the price that a Salt Meerassidar generally gives to those who cultivate his pans for him is said to be rupees 6 per garce.

Meerassidars, or manufacturers having a private right of property in the pans. Coodeewarum, or fixed prices paid to the manufacturers.

551. The cost of manufacture, as shown by the table in paragraph 545, varies, sometimes considerably, in different districts, being higher in the southern districts of the Carnatic, and in Canara, where, on assuming the monopoly, the Government recognised a Meerasee, 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 Meerassee 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 Coodewarum, 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 paragraph 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.

Roossooms or perquisites.

553. In addition to the compensations, there are sundry old roossooms, 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 as the descendants of purchasers. In Masulipatam, the Salt is made by hired labourers, 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 Saltpan is more valuable property than an ordinary grain land occupancy of the same extent. Their labour is entirely voluntary,** and the climate of the coast where they work is exceedingly healthy.

* Clause 1, Section 4, Regulation I of 1805.
† Appendix E, No. 33, Paragraph 13.
‡ Clause 1, Section 5, Regulation I of 1805.
§ Appendix B, Enclosure No. 16.
‖ Clause 2, Section 4, Regulation I of 1805.
¶ Appendix B, Enclosure No. 16.
** Section 7, Regulation I of 1805.

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.

General size, and value in Salt, of the holdings. What may be considered to constitute a Salt Work and a group of Salt Works.

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 "Pan" 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 cotaur or village, a cotaur 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 "Suza."

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.

Quality of the Salt.

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 bazaars 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	,,
	100	

that is, deducting the remaining moisture, 89 parts out of 93, or 95½ per cent. was found to be pure Salt.

* Clause 3, Section 4, Regulation I of 1805.

† Appendix D

Total produce and sales of home manufactured Salt.

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 9_6th annas and 13¾ 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 of 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 5¼ 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 licenses 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 the 11th of 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

* Total quantity received into store		56,90,377
Deduct supplied from Bombay for Malabar	3,02,544	
Ditto for Canara	1,20,723	
		4,23,267
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	
		4,53,842
Remain sales of manufactured Salt		48,32,937

cost price to Government of the Salt purchased from Bombay and manufactured in Canara, respectively, is nearly the same, being in the one case 25¾ rupees, in the other 25½ rupees per garce, equal in either case to about 3 annas 5 pies per maund. The particulars are given below. The remission of the Beriz or land assessment on the Saltpans 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 manufactured in Canara.		
	Rs.	As.	Pie	Rs.	As.	Pie
Net purchase price	23	0	6	11	5	5
Beriz or land assessment on Saltpans, remitted ..	0	0	0	4	1	10
Fixed Establishment	0	9	7	4	2	8
Saderwared	0	0	5¼	0	1	5
Extra Establishment	0	3	6¼	0	9	1½
Pattimar and Boat freight	1	10	6	4	5	9
Repairs of Cotays or Storehouses, &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 Cundapoor; 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 1 mercal, or 12 seers, at the monopoly price of 1 rupee per maund. The whole stock imported on contract from Bombay is at one depôt, at Buntwall, 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.

Swamp, or spontaneous, Salt.

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 4 rupees per garce of 120 maunds, or ½ an anna per maund. In Masulipatam, it is collected, as has been seen,‡ for about 1 rupee 8 annas the garce, or less than a ¼ of an anna per maund. The great swamp to the north and west of point Calimere, 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 communications. The mode of destroying the produce is generally by treading it down with cattle.

* B, Enclosure No. 8. C, No. 15. E, Nos. 15, 16, 17, and 30. G, No. 9. J, Nos. 8 to 11.

† Map No. 7.

‡ Paragraph 547.

Earth Salt—Process of manufacture.

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 recognised 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 paragraph 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.

Quality.

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:—

Moisture - - -	7
Sand and dirt - -	5
Chloride of sodium -	81
Bases and acids - -	7
	100

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 Mohturpha. 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 modahs, 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 1708 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 76,852 rupees. 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 Mr. Elliot, dated in May 1851, the produce in Bellary is taken at 1330 garces, and in Cuddapah at 1,345 garces. The average cost of manufacture is assumed to be 17 rupees, and the average price to the consumers in both districts to be 100 rupees per garce, showing a profit to the manufacturer of 83 rupees per garce.

Mode of taxation.

569. The modahs or hillocks are worked in some cases both by men and buffaloes, in others by manual labour 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 mohturpha, 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 Mohturpha 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 mohturpha on the manufacturers to tax the produce moderately.

571. In pursuance of these views, the Board of Revenue proposed a mode of assessing the modahs 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 mohturpha assessment, readjusting 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 mohturpha 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 dispatch† 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, 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.

Correspondence and papers relating to Earth Salt.

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.‡

* Appendix G, No. 4. † Appendix G, No. 8. ‡ Appendix G.

Exportation of Salt by sea. Supply for the service of the monopoly in the Bengal Presidency.

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.

Bengal indents. Supply for Calcutta.

575. In 1779, the Bengal Government imposed a duty of Sicca 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 19 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 lacs of maunds. In 1814, it was reduced to 5 lacs. 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 5 lacs of maunds of coast Salt for that year, and of 10 lacs 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.

Charge made for Salt supplied to Calcutta.

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 35 rupees was the price of the Salt, the profit to the Madras Revenue at this price being 20 rupees. 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 15 rupees 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 the 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.

Supply for Chittagong.

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 Bulloogh. These Indents commenced in 1826; they were suspended in the years 1852 and 1853, but were renewed in 1854. A lac and a half to two lacs 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 15 rupees 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 contractor has thus been more than doubled, having risen from 15 to 31 rupees the 100 maunds.

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, Masulipatam, and other districts, as the 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 to carry Salt, without restriction in regard to tonnage.

580. Until last year, the privilege of exporting Salt from the Coromandel Coast to Calcutta, whether on Bengal indent or on private account, was confined to square-rigged vessels of not less than 200 tons burthen. 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 Customs' 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 maunds made for Salt put on board export vessels. Rates of shipping charges.

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.

* Appendix L, Columns 10 to 12.

Importation of Salt. Import Duties formerly levied.

583. By Section 3, 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 favour 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 Foreign Salt to equal competition with the manufactured Salt of the Presidency.

584. In a dispatch dated the 30th of 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 European 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 reconsideration, 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 of 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.

At present all Foreign Salt is admitted on payment of an Import Customs' Duty, equal to the average net profit accruing on the monopoly sales, viz., 12 annas per maund.

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 net 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.

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.

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

* Appendix J, No. 4. † Appendix J, No. 6.

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 :—

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 net profit derived from the Monopoly Salt, may be, remains to be seen.

Conventions 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.

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 neighbouring districts, all the Salt manufactured in the French possessions on the Coasts of Coromandel and Orissa, subject, however, to a reservation of the quantity required 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.

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.

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 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 Saltpans, the sum of 4,000 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 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, in renewal of the second 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 12 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

* Appendix L, Column 9.

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.
„ South Arcot to Pondicherry ..	30,000	8 and 14½ rupees.
„ Tanjore to Karical	12,500	13 rupees.
„ Malabar to Mahé	1,000	At the rate paid in Malabar for the Bombay Salt purchased by the Government for the service of the monopoly.
Total	45,000	

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 Yanaon, 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 an unaccountable anomaly, as it appears to me, the whole compensation of 4,00,000 Sicca rupees, 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 37,13,921 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 paragraph 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 lac of maunds in excess of the quantity brought out as the Home produce in paragraph 558, 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.

* Appendix L. Columns 2, 3, and 4.

	Maunds.
Total receipts	58,63,108
Deduct Importations	4,87,414
Home Produce ..	53,75,694

Deliveries and their distribution.

596. The total deliveries of the year, including the wastage belonging to them, amounted to 53,82,255 maunds, distributed as follows:*—

	Maunds.	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, 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

Remarks on the distribution.

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.

Balance of Stock.

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.§

* Appendix L., Column 14.

		Maunds.
† Receipts		58,63.108
Deliveries		53,82,255
	Excess Receipts ..	4,80,853

		Maunds.
‡ Total Stock		95,77,029
Deliveries		53,82,255
	Balance in Store ..	41,94,774

		Maunds.
§ Deliveries		53,82,255
Balance in Store		41,94,774
	Excess Deliveries ..	11,87,481

Gross cash receipts.

599. The total cash receipts amounted to 49,94,124* rupees, 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.

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.	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 Sibbendy, or corps of Peons (in Canara)	3,007	
Extra charges (including temporary Establishments), and Saderwared (petty incidental charges)	59,774	
Roossooms, 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		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.

Net profits 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 net 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, there remains a net Salt Revenue of rupees, 42,89,765.§

Average net profit per maund of Salt.

603. The total net 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

* Appendix, Column 15.

	Maunds.
† Total Deliveries	53,82,255
Deduct Wastage (Column 13) ..	95,475
	52,86,780

‡ Column 16.

	Rupees.
§ 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
Net Salt Revenue (Column 17) ..	42,89,765

‖ Obtained by dividing rupees 45,25,920, the total net profit, by maunds 53,82,255, the total deliveries.

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, rupees 12* 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, give about rupees, $9\frac{1}{2}$† per garce of 120 maunds or about $1\frac{1}{4}$ anna per maund, as the average cost price of the Salt to Government.

Percentage cost of management.

606. The charges of management, that is, of collecting and protecting the Revenue, amount to about $5\frac{1}{4}$ per cent. on the net profit to Government, or gross Revenue; and to about $5\frac{1}{2}$‡ per cent. on the net Revenue; while the cost of Excise management in the Bombay Presidency, amounted, for the same year, as has been seen,§ to $8\frac{2}{3}$ 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 paragraph 601, the cost of management in the Madras Presidency would probably be found to be not less than 6 per cent. on the gross Revenue.

The charges reviewed in the foregoing paragraphs do not necessarily represent the actual expenses of the year.

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, roossooms, 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.‖

But they probably approximate with sufficient closeness to the amounts actually payable under each head.

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

* Obtained by dividing rupees 7,04,359, the total of all charges, by maunds 58,631, the equivalent in hundreds of 58,63,108 maunds, the total produce.

† Obtained by dividing rupees 4,68,198, the total cost of manufacture, by 48,859 garces, the equivalent of 58,63,108 maunds, the total produce.

‡ Obtained by charging rupees 2,36,161, on rupees 45,25,926 net profit, and rupees 42,89,765 net Revenue, respectively.

§ Paragraphs 319 and 353.

‖ Appendix B, (Enclosures Nos. 14 to 16).

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.

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 objection. 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 against it, and in favour of excising the manufacture.

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 the Revenue pronounced against a monopoly, and in favour 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

* Appendix B, (Enclosures Nos. 14 to 16).

Appendix E.

Appendix E, No. 3.

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 Saltpans 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 would remove many objections.

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 Meerassidars, 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 sales to be conducted in the manner they had hitherto been without any infringement of individual rights.

Dissent of Mr. Falconar, a member of the Board of Revenue, and his reasons for preferring a monopoly to an Excise.

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.

The Madras Government blindly adopted the plan of a monopoly, without examining or bringing under consideration the Excise proposition of the Board of Revenue.

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.

* Appendix E, No. 5. † Appendix E, No. 10.
‡ Appendix E, No. 11. § Appendix B, No. 12.
‖ Appendix E, No. 13.

The Draft Excise Law of the Board of Revenue appears to have been framed on correct principles.

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 exported by sea was to be exempted from duty; and all Foreign Salt was to be admitted at the same rate of Customs as the Excise Duty.

The present Board of Revenue admit the practicability of substituting an Excise.

617. The next notable fact is, that the present Board of Revenue, after the monopoly has been 50 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 net 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; second, because the present system is generally satisfactory to the Meerassidars, or proprietors of the Saltpans, and because it will be necessary, if a change takes place, to re-open and readjust the claims of numerous holders of hereditary offices, and roosooms; third, because a mere alteration of system seems unadvisable 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; fourth, because our Conventions with the French Government oppose obstacles to a change.

The Collectors generally object to the substitution of an Excise.

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.

Their objections stated.

619. The objections urged may be reduced to the following heads.

First. The present Meerassidars or proprietors of Saltpans would be injured.

Second. The price would not be reduced to the consumer.

Third. The supply would be deficient and uncertain.

Fourth. The quality of the Salt would deteriorate from the present standard.

Fifth. The injury to the Revenue from smuggling would be infinitely greater.

Sixth. The cost of collecting and protecting the Revenue would be inordinately increased.

Seventh. The inquisition of the Excise officers would be intolerable.

The Board of Revenue do not consider the objections of the Collectors insuperable.

620. But 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.

* Appendix E, No. 33. † Appendix E, No. 34.
‡ Appendix E, Nos. 19 to 32.
§ Appendix B, Paragraphs 203 to 207.

"The Meerassidars 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 altogether in favour of an Excise.

621. The Collector of Chingleput, Mr. J. H. Cochrane, argues altogether in favour of the practicability and the advantages of a system of Excise, which he seems to think might be substituted without any restrictions 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 favour 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 favour 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 Saltpans, 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 consumers; 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.

Absolute freedom of manufacture impracticable, but a modified form of Excise, similar to that which prevails in Bombay quite feasible.

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.

* 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.

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.

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.

This is shown by the Board of Revenue, Mr. Goldingham, Mr. Cochrane, Mr. E. Maltby, and Mr. F. N. Maltby.

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. F. N. Maltby's several communications.

The observations of the Board have been already quoted.‡

Mr. Goldingham's observations.§

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 juxta-position, 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 platforms 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's observations.‖

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 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."

* See Paragraphs 351, 355, and 356.
† See Paragraph 328.
‡ See Paragraph 620.
§ Appendix E, No. 33.
‖ Appendix E, No. 25.

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."

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 observes—

Mr. E. Maltby's observations.*

"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 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 favourable 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.

* Appendix E, No. 26. † Appendix E, No. 16.
‡ Appendix E, No. 17.

On the other hand, the Collectors who object do not show how an Excise would be attended with any new or increased risk, inquisition, or expense.

630. 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.

631. 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 $5\frac{1}{4}$ per cent.† in the latter; but the higher per centage 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 $9\frac{1}{2}$ annas,‡ and the Madras profit a little under $13\frac{1}{2}$ 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 $13\frac{1}{2}$ annas, but at the Bombay profit of only $9\frac{1}{2}$ annas per maund, the gross Revenue is reduced from rupees 45,25,926 to rupees 31,85,714, and the rate of the charges** on the gross Revenue rises from a little below $5\frac{1}{4}$ to a little above $7\frac{7}{8}$ per cent., or to within $\frac{1}{8}$ per cent. of the Bombay rate; and *vice versâ*, if the Bombay deliveries be rated at a profit, not of $9\frac{1}{2}$ annas only, but at the higher Madras profit of $13\frac{1}{2}$ 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 8 per cent. to a little over $5\frac{5}{8}$ per cent., or scarcely more than the Madras rate of about $5\frac{1}{4}$ per cent.

Certain items are included in the Bombay, but not in the Madras charges.

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.

Cost in Bombay greatly enhanced by the dispersion of the Works.

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 dispersion.

* See Paragraph 319. † See Paragraph 606.
‡ See Paragraph 619. § See Paragraph 603.

			Maunds.
‖ Bombay	..	(Paragraph 319)	.. 42,84,168
Madras	..	" 596	.. 53,82,255
			Rupees.
¶ Bombay	..	(Paragraph 319)	.. 25,62,474
Madras	..	" 602	.. 45,25,926

** Rupees 2,36,161, see Paragraph 600.
†† Rupees 2,03,995, see Paragraph 311.
‡‡ See Paragraph 353. §§ See Paragraph 355.

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.

The comprative efficiency of the Excise in Bombay, and the monopoly in Madras will be considered in the sequel.

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 alleged probability of a deficient and uncertain supply from the want of capital considered.

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 labour 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 Meerassidars are seldom men of such capital as to be able to wait long for a return for their outlay and labour 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 Meerassidars 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 paragraph 620.

There seems no ground for apprehending that the application of capital to the manufacture of Salt, under a free system, will not be ample, or that the manufacturers will not be able to effect quick returns.

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 paragraphs 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 Guntoor 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

* See Paragraph 351.
† See Clause 1, Section 5, Regulation I of 1805.
‡ Appendix E, No. 33, Paragraph 17.
§ Appendix E, No. 34, Paragraph 3.
‖ See Paragraph 399.
¶ Appendix D.
** Appendix E, No. 19, Paragraph 4.
†† Appendix E, No. 23, Paragraph 3.

in the cultivation of land, the Salt being manufactured at a season when their agricultural labours are suspended. Permission to make Salt s 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 advances 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 coclusive 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 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.

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.

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638. In forwarding the Bombay part of the Salt Report, and its Appendix, to the Government in November last, I fully expected to be able to dispatch 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 were dispatched 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 ill health from completing the remainder of the Madras and Bengal parts so as to dispatch it to Bombay in time for its transmission to England from thence by the first mail in this month; and, from the same cause, I have since been able to make only very slow progress with this remainder. I have therefore thought it better, in the present state of my health, and as the Report is urgently called for by the Home authorities, to dispatch the concluding portion, in some shape, by the mail from Bombay of the 2nd proximo, rather than incur any further delay.

639. With this view I proceed to close the Report temporarily, at once, from the point to which it has here 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

* Appendix E, No. 25, Paragraph 10.

portion, to be supplied hereafter, as quickly as the state of my health may permit.

Madras—Excise.

640. First, as regards the Madras Presidency. The transition from the Monopoly arrangements to a system of Excise upon the manufacture will require to be effected gradually. The Bombay plan should be generally followed. The details may, properly and safely, be left to the Board of Revenue, who fully admit the practicability of the change, and are quite prepared to carry it out. In the Districts of Malabar and Canara, the Excise system might be introduced at once, Salt being purchased from Bombay for the supply of both districts, to such extent as might be necessary, until the demand was fully met by private importations of foreign Salt, or by the Excised manufacture of the two districts, or from both sources combined.

Earth Salt.

641 The simple solution of the difficulties relating to Earth Salt appears to me to be to Excise the manufacture, imposing the same rate of Duty upon that Salt as upon Sea Salt, as was provided by the Excise Law drafted by the Board of Revenue in 1804. (See paragraph 616.)

Swamp or spontaneous Salt.

642. Arrangements should be made for turning the Salt spontaneously produced in marshy swamps to greater account, by renting out the swamps under Excise regulations, in place of destroying their produce.

Drawbacks and Depôts.

643. It has been from time to time a question whether the pressure of the high monopoly price on the inland 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 regular Government price. The subject is noticed in paragraphs 188 to 197 of the Memorandum* of the Board of Revenue. I entirely agree in the objections there taken to both these measures. I can recognise no title that the inland population have to be relieved from the natural consequences of situation by special arrangements in their favour. Transit charges, interest on capital, slower returns, insurance against loss, and wastage for longer distances, are charges 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 wholly at a loss to comprehend.

Exportation of Salt by sea.

644. The exportation of Salt by sea is now very properly free from duty and all restrictions. Salt for exportation is, however, available only at certain places, and is everywhere sold at the uniform price of 15 rupees the 100 maunds, that being its actual average cost to the Government, including shipping charges; but this price barely covers the cost of manufacture and shipping charges in some places, while, in other places, it is in excess of that cost. I am of opinion that while the monopoly lasts, Salt should be made available for private exportation by sea 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.

Importation of Foreign Salt.

645. 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 being fixed at twelve annas the maund, because that rate represents the average net profit, per maund, accruing on the monopoly sales. The above rate is, however, on the Coromandel Coast, unduly favourable to the importer, to the prejudice of the home manufacturer, and in order to a greater equality between the rate of duty and the net profit in some places, while the monopoly lasts, it appears to me that, instead of striking one average of net

* Appendix B.

profit for the whole Presidency, an average should be taken for each Salt-producing District, or, at all events, separate averages for the Coromandel and Malabar Coasts, various rates of Import Duty being fixed to correspond with those averages.

Rate of Duty.

646. The average net profit at present accruing on the monopoly sales is, on the Salt of the Coromandel Coast, a little over fourteen annas per maund,* but, taking the sales of the whole Presidency, the net profit is reduced to about twelve annas per maund,† and I am of opinion that the Excise Duty should be fixed at this latter rate, viz., twelve annas per maund to correspond with the rate which prevails in the Bombay Presidency.

Bengal—Excise.

647. With respect to Bengal, I entirely agree with the Board of Revenue‡ that it is quite impracticable to render the manufacture of Salt absolutely free to all persons under Excise Regulations, but that the gradual substitution, for present arrangements, of a system of modified Excise, upon the principle of granting licences to private persons to manufacture Salt, according to the native or any other method, at stated localities, is perfectly feasible, and that such a system might be eventually extended, so as, in course of time, to admit of the Government withdrawing altogether from any direct interference with the manufacture.

648. The arguments which have been adduced in the Madras part of the Report,§ in favour of the practicability of a change from Monopoly to Excise in that Presidency, apply, generally, with equal force, to prove the practicability of a similar change in the Bengal Presidency.

649. The preponderance of the public evidence, and the strength of the controversial arguments, on the question,‖ appear to me to be greatly on the side of the change, while the objections of Mr. Parker,¶ and others who take the same view as that gentleman, apply rather to a system of absolute freedom of manufacture, under Excise Regulations, than to a sytem of modified Excise, such as is proposed.

650. It has for years (since August 1847) been open to any one to engage in the manufacture of salt, according to the English method under Excise Regulations. The only remaining question is, whether it is possible to introduce any system of Excise effectively where the common native process of manufacture is adopted. This question is now in course of practical solution. The Bengal Government with the full concurrence of the Government of India, sanctioned, in September 1854, a set of rules for granting licences to parties desirous of engaging in the manufacture of Salt, upon any method, under an Excise system; so that, in fact, in Bengal, a system, of excise has been in course of substitution for the monopoly arrangements for more than a year past. The whole correspondence on the subject will be found in the appendix,** and it appears to me that all that is necessary is to push on the present scheme through all the Salt-producing districts, as far as it depends upon the authorities to do so.

Rate of Duty.

651. I am of opinion that the duty should at once be lowered from its present amount of 2 rupees, 8 annas, to 2 rupees per maund, the rate which prevails in the North Western Provinces, the special additional duty of 8 annas, levied on the Allahabad line of those Provinces, for the protection of the Bengal Revenue, being of course discontinued at the same time. I entirely agree with the Board of

* See Paragraph 549. † See Paragraph 587.
‡ See Appendix A, No. 2, Paragraphs 2 to 6.
§ See Paragraph 628.
‖ See Appendices D, E, and F.

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Revenue,* that, 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 only a 4 annas abatement were made, as heretofore. I am not at all sure that it might not be ultimately and speedily beneficial to the Revenue, if the rate throughout the Bengal Presidency and the Punjab, were at once reduced to rupees, 1 : 8 per maund, being double the rate prevailing in the Bombay and Madras Presidencies.

I have the honour to be,
Sir,
Your most obedient Servant,
GEO. PLOWDEN,
Commissioner on Salt.

Nagpore, January 30, 1856.

To The
Secretary to the Government of India.

Appendix K, No. 1.