

# MADRAS RECORD OFFICE.

Government of Madras.

*Revenue* DEPARTMENT.

|                   |                             |
|-------------------|-----------------------------|
| G.O. No. 1344     | <u>Press</u><br><u>Mis.</u> |
| 79.80             |                             |
| Dated 5. 7. 1861. |                             |

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,  
5th July 1861.*

No. 79. Read the following Proceedings of the Board of Revenue, dated 24th June 1861, No. 3,274:—

Read the following letter from A. PURVIS, Esq., Collector of the Godavery District, to J.D. SIM, Esq., Secretary to the Board of Revenue, Madras, dated Bendamarlunka, 30th April 1861, No. 43:—

SIR,

1. I have the honor to submit an Account Current of the Salt Depôt at Manikdeokunta from May 1860 to the end of January last, received from the District Engineer Upper Godavery, in which is included Salt disposed of at other places prior to the receipt, by Captain Haig, of the Order of Government of the 12th December 1860, No. 2,379, restricting, for the present, the sales to the Depôt named.

2. The delay in the transmission of the monthly statements has, Captain Haig explains been mainly occasioned by the Superintendent, Mr. Norton, having suffered from repeated attacks of fever. Statements for the earlier months have already been transmitted, but it seems convenient that the whole of the transactions since the establishment of the Depôt, should be exhibited.

3. It will be seen that the total receipts including the advance of Rupees 4,000 to enable the Depôt to be established, amount to Rupees 10,993-2-3, and the charges to Rupees 9,698-4-4. In the latter a sum of Rupees 1,874-11-6, repaid by Captain Stoddard in part of the advance of 4,000 Rupees just referred to, is included. A sum of Rupees 1,294-13-11 was in hand, but Rupees 2,125-4-6 is still due on account of the advance. The monopoly price of the 12,000 maunds of Salt supplied is, at Rupee 1-2 per maund, Rupees 13,500. This is not exhibited

in Captain Haig's Account Current. I have, therefore, had another account\* prepared, something in the form adopted by Captain Stoddard, the abstract of which is as follows:—

|                                                                                 | RS.    | A. | P. |
|---------------------------------------------------------------------------------|--------|----|----|
| Value of Salt supplied to Manikdeokunta, 12,000 maunds at Rupee 1-2-0 each..... | 13,500 | 0  | 0  |
| Charges for its Transport, Establishment, &c., up to January 1861.....          | 7,786  | 13 | 1  |
| Total...                                                                        | 21,286 | 13 | 1  |
| Salt sold, maunds 3,684, seers 5, at Rupee 1-11 per maund.                      | 6,893  | 14 | 6  |
| Stock remaining, maunds 8,315, seers 35, at do. do.                             | 15,591 | 9  | 6  |
| Total...                                                                        | 22,485 | 8  | 0  |
| Profit.....                                                                     | 1,198  | 10 | 11 |

4. The Board are aware that the Salt Depôt at Manikdeokunta was established in March 1860. It was under the immediate control of Captain Stoddard till September last, when under the Orders of Government of the 31st July 1860, No. 1,278, Captain Haig took charge of the same.

5. This Officer in forwarding the accounts for December, and January, takes occasion to discuss the results already exhibited, and enters fully into the question of Salt Depôts in the part of the country under notice. A copy of his letter† is submitted. I need hardly commend it to the attention of the Board.

† Dated 16th March.  
Received 27th do.

6. Captain Haig states that up to September last the sales were confined to Manikdeokunta and Rudramkota. They were extended in October and November to Burapad and Badrachellam. On the receipt of the Order of Government of the 12th December 1860, the sales at the branch Depôts were stopped. The sale of the Salt on hand at Badrachellam was however, subsequently authorized.

7. The price at Kunta and Rudramkota has been all along Rupee 1-14 per maund. At Burapad and Badrachellam, the price was 4 Rupees per bag, or 2 Rupees a maund, to cover the extra expense of conveyance.

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|                             | Maunds. |
|-----------------------------|---------|
| March, April and May ... .. | 574     |
| June ... ..                 | 661     |
| July ... ..                 | 599     |
| August ... ..               | 366     |
| September ... ..            | 921     |
| October ... ..              | 316     |
| November ... ..             | 253     |
| December ... ..             | 174     |
| January ... ..              | 431     |

3,667

|                                  | Rs.   | A. | P. |
|----------------------------------|-------|----|----|
| • Freight on 3,167 maunds ... .. | 13.91 | 1  | 0  |
| Establishment ... ..             | 2.99  | 4  | 1  |
| Sandies and Contingencies ... .. | 1.207 | 10 | 6  |
| Total ..                         | 4.6-9 | 15 | 7  |

8. The aggregate quantity of Salt sold during each month from the commencement is stated to be 3,667 maunds. This, Captain Haig explains, is not quite correct, because when the Salt is sold by a bag of varying capacity, it is impossible to ascertain the quantity sold until the whole has been disposed of. The money realized by sales amounts to Rupees 6,593-13 from which, if the expenses of Rupees 4,689-15-7, which are composed of the items noted in the margin\* be deducted, there remains a profit of Rupees 2,203-13-5, or 10 Annas per maund.

9. In this calculation, however, no allowance is made for even the net cost of the Salt to Government. Captain Haig says nothing of the value of the Salt at the monopoly price, believing that all that is sold up the river to be clear gain. He considers this to be capable of satisfactory proof. I have no doubt that many people have obtained Salt at the Depôts, who otherwise would have been obliged to go without it, or to have been content with a small quantity, but that the whole is clear gain is, I think, doubtful.

10. The principal causes which, in Captain Haig's opinion, have operated to keep down the sales at the Depôt is, first, the high price at which the Salt is sold; and, secondly, the want of means whereby the dealers can exchange the produce they bring from the interior into cash at the Depôt. The latter I believe to be the great obstacle to extensive sales at Kunta.

11. Cheap Salt is a great blessing to the people, but the question is are Government prepared to grant this benefit to the inhabitants of any particular tract of country, by supplying them with Salt at a price below that at which an ordinary dealer, purchasing Salt at the stores, could afford to dispose of it? If the price we find it necessary to charge at the Depôt is so high as to make it answer better to the Brinjaries to go on, even with their unladen bullocks, to the stores at Karapa than to purchase at the Depôt, the thing is a failure, unless the cost can be reduced, and this the experience already obtained certainly does not show to be the case.

12. Captain Haig, however, in a subsequent portion of his letter explains that it is the wholesale and not the retail price that he thinks should be reduced. As regards the latter he is of opinion that the present price of 21 seers the Rupee might fairly be raised to 18 seers, and 16 at the most inland stations. This opinion was given before the late addition to the monopoly price of the article. His would, I conclude, now raise the price to a somewhat higher rate. Captain Haig thinks the price to wholesale purchasers, that is those taking 5 maunds and upwards, should be reduced from Rupee 1-14 to Rupee 1-6 the maund; this is exactly the present price at the stores, if a proportionate enhancement of the price is made Rupee 1-10 will be Captain Haig's wholesale price.

13. There can, I think, be no doubt that the retail price may be at once raised as proposed. Captain Haig shows that the salt has hitherto been disposed of at a rate below that at which a private dealer could afford to sell, but the same argument operates, as shown by the Board in their Proceedings of the 13th August 1860, No. 3,713, against unduly reducing the wholesale price. I would, however, lower, as an experiment, the price to wholesale dealers by 4 Annas a maund, fixing the selling price at Rupee 1-14 per maund or 3-12 per bag. Care must be taken to prevent petty dealers clubbing together to get the Salt at the wholesale price.

14. Captain Haig thinks, and his reasoning is to my mind conclusive, that the sales should not any longer be confined to Manikdeokunta. When this place was fixed upon for the Depôt the whole of the north bank of the river was under the Nizam, but circumstances are now altered, and Depôts should certainly be established at other points on the river, beginning, perhaps, at Badrachellam or Dümagudiam and Nöogoor, opposite to Mangayetta. There is no doubt that by far the greater number of the inland traders proceed via Badrachellam and thence to the Kunta District stores. The sales for consumption in Foreign States at Karapa, the store in this District have never been large.

Average of last three years... 1124 8,000.

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15. Captain Haig, in conclusion, refers to the inferior quality of the Salt at the store in this District. I am sorry to be compelled to endorse his remarks on this point. The greater part of the Salt made at Karapa is, notwithstanding the endeavors made to improve the quality of it, still but indifferent, when compared with Salt manufactured under more favorable circumstances. The subject continues to have my constant attention.

16. Captain Haig speaks highly of the manner in which Mr. Norton, the Superintendent, has discharged his duties.

From Captain F. T. HAIG, District Engineer, Upper Godavery, to A. PURVIS, Esq.,  
Collector of Godavery District, dated Dümagudiam, 16th March 1861, No. 347.

SIR,

1. I have the honor to forward the Accounts Current of the Salt Depôts on the Godavery for the months of December and January, together with corrected Accounts Current for the three previous months.

An error had occurred in those already sent to you for the latter period, owing to Captain Stoddard having remitted to you in September, after the transfer of the Depôts to me, Rupees 1,874-11-6 without informing me of it. I, supposing that this amount which had been sent to Captain Stoddard by Mr. Norton, according to previous custom, was held by that Officer as a deposit in his Treasury, included it in the balance in hand.

The balances in hand in the months of September, October and November, as shown in the accompanying revised Accounts Current, are therefore less by that amount than those exhibited in the originals already submitted.

2. I also enclose an abstract of receipt and expenditure at the Depôts during the Quarter ending 30th November.

It exhibits a decrease in the sales, as compared with the previous quarter, of 674 maunds.

3. The sales in each of the three Quarters, for which returns have now been furnished, were:—

|                               | Maunds. |
|-------------------------------|---------|
| Quarter ending 31st May... .. | 578½    |
| Do. 31st August... ..         | 1,596½  |
| Do. 30th November ... ..      | 921½    |

4. Up to September the sales were confined to the Depôts at Manikdeokunta and Rudramkota, but in October a small quantity, 98 bags, of Salt was sent up to Burapad, the Commissariat Depôt opposite Badrachellam, and disposed of there in the course of that and the following month. In November a second batch was sent to Badrachellam, and the sale there has continued up to the present time. On the receipt of the Order of Government, dated 12th December 1860, No. 2,379, I stopped the sale, and broke up the little establishment which had been entertained for the purpose, but when passing through Badrachellam, in the beginning of February, I found that the Daffadar who had been left in charge of the Salt had mistaken my order and continued the sale after the dismissal of the Gumáshta.

As I found that there was a considerable local demand, and as the only way of disposing of the Salt deposited there was to sell it, I gave orders to that effect, and the sale still continues to the no small relief of the neighbouring country.

5. The sales at Rudramkota ceased in compliance with the orders of Government in January. The Salt remaining in store there can be shipped either for up-river stations or for Kunta whenever required.

6. The rates of sale at Kunta and Rudramkota have continued the same as from the first, viz., Rupees 3-12-0 per bag or Rupee 1-14-0 per maund.

At Burapad and Badrachellam the rates were raised to cover the extra expense of conveyance to those points, but a difference was made between the wholesale and retail prices, the

\* 80 Seers.

† 76 Seers.

2 maund bag containing about 20 runchams\* (more generally, perhaps, averaging 19½) being sold for 4 Rupees, or 20 seers per Rupee, the purchaser taking the risk of the bag being under weight, and the retail price being 18 seers per Rupee. This was an attraction to the local petty dealers, and the sales, which I have no doubt were considerably increased in consequence, were made almost entirely by the bag.

4 *Proceedings of the Madras Government, Revenue Department,*  
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7. As the experiment of opening Depôts for the sale of Salt along the river has now been in operation for eleven months, it will be useful to notice the results. The sales during each month from the commencement have been:—

|                                  | At Kunta. | At other Depôts. | Total. |
|----------------------------------|-----------|------------------|--------|
| March, April, and May.....Maunds | 578½      | 0                | 578½   |
| June.....                        | 661       | 0                | 661    |
| July.....                        | 196       | 394              | 590    |
| August.....                      | 256       | 79               | 335    |
| September.....                   | 170½      | 122              | 292½   |
| October.....                     | 189       | 157½             | 346½   |
| November.....                    | 163½      | 180              | 343½   |
| December.....                    | 79½       | 101              | 180½   |
| January 1861.....                | 303       | 128½             | 431½   |
| Total Maunds...                  | 2,516     | 1,151            | 3,667  |

The total here given is not quite correct, but is a near approximation to the truth. When the Salt is sold by the bag of varying capacity it is impossible to ascertain the quantity actually sold until the whole has been disposed of.

The expenses have been:—

|                               | Rs.   | A. | P. |
|-------------------------------|-------|----|----|
| Freight on 3,667 maunds ..    | 1,591 | 1  | 0  |
| Establishment ..              | 2,091 | 4  | 1  |
| Sundries and Contingencies .. | 1,007 | 10 | 6  |
| Total...                      | 4,689 | 15 | 7  |

This includes under the last head many charges connected with the first Establishment of the Depôt at Kunta, which it is not easy to separate, but which ought properly to be distributed over the sales of a number of years, or at least over those of the whole quantity of Salt, 10,000 maunds, brought up. The receipts during the same period have been Rupees 6,893-13-0. The profit is, therefore, Rupees 2,203-13-5, equal to a duty of very nearly 10 Annas per maund.

The real profit would be no doubt somewhat more than 10 Annas if the contingent charges just alluded to were properly apportioned.

8. That this is all clear gain to Government, in other words, that the sales which have taken place at the Depôts have been a clear addition to the annual consumption of the article is, I think, capable of satisfactory proof. One chief object of the Depôt at Kunta, to induce the Brinjaries, the great carriers of the country, to purchase there instead of at the pans on the coast, has not been attained, or only to a very limited extent. There are two reasons for this, first, there is as yet no means by which the Brinjaries can change the produce they bring down from the interior into cash at the Depôt, and, secondly, that the price at which the Salt is there offered them is too high. They have in general nothing to offer for the Salt but grain, and unless some one is there to purchase that, they must of necessity pass on to the coast to turn it into ready money.

No merchant has yet settled himself or established an agency at Kunta. The consequence is that large numbers of Brinjaries pass the Depôt and supply themselves at the pans.

In the second place the price is too high to make it worth while for those coming from a great distance in the interior (and these form the most numerous body of the Brinjaries) to purchase. They have come, perhaps, 300 miles to Kunta.

Salt is offered them, then, at Rupees 3-12-0 the bag. They have only to go 100 or 120 miles further to get it for 2 Rupees. The extra distance is a matter of little consequence. In either case they can make but one trip in the year, and the lengthening of the time it occupies by a month is a matter of small importance compared with the advantage of purchasing at nearly half price.

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9. For these reasons the Kunta Depôt has hitherto failed to attract the great gangs of Brinjaries who yearly pass by that route to the coast. It is the resort of some smaller gangs, who have a narrower range, and it is a blessing to all the neighbouring country. The inhabitants who formerly could often not procure Salt at all, and never except at exorbitant rates, now supply themselves at a rate only 30 per cent. dearer than the retail price in Rajahmundry.

This is an inestimable boon, and the people travel 50 and 60 miles to enjoy it. Numbers went from Dâmagudiam and its neighbourhood some months ago, 50 miles to Kunta, to purchase for their families.

The Depôt must also have greatly cheapened the price and largely increased the supply of Salt within circles of 100 miles, the probable limits of the range of the petty gangs of Brinjaries, and this is also matter of congratulation.

Still it fails to affect the country further in the interior, which is supplied by the great droves which come down by that route every year about 2,000 strong. It takes about ten bullocks to carry a ton of Salt, consequently 200 tons ought to have been disposed of to these Brinjaries alone this year independently of the local sales.

The actual fact has been that while the sale has been largely of a local character, the total quantity sold in eleven months at Kunta has been only 93 tons. Some allowance certainly is to be made for the short time that has elapsed since the existence of the Depôt has become at all widely known, and also for the reluctance with which the people give up old customs and modes of trade even when their pockets are most nearly concerned. Still I think the reasons above assigned would be sufficient to induce me to act just as the Brinjaries do, so there is no need to beat about for others peculiar to the country or national character. The matter is plain enough. The Brinjaries want cheap Salt and ready money in exchange for their produce. They get neither at Kunta and therefore go on to Karapa.

It is important, however, to remark that the first want is by far the most important of the two.

Large numbers came down with empty packs who would gladly fill them at Kunta if the price were reduced.

10. I have shown that the sales at Kunta have been chiefly local, giving that term rather a wide signification, and that the native carriers who formerly were the only suppliers of Salt to the people of the interior, still purchase for the most part at the coast. The same remark applies with equal truth and greater force to the minor Depôts at Rudramkota and Badrachellam.

It follows as a necessary consequence that the Depôts' sales this past year have been almost wholly a clear addition to the consumption of the country, and that there is a *bona fide* profit to the Government on the transaction of 10 Annas a maund, and not a loss of 6.

11. The next thing which I would point out is the effect of establishing branch Depôts, in reference to the recent determination of Government\* to confine the sales to Kunta. There have been three of these, at Rudramkota, Burapad, and Badrachellam. The last was opened after the one before it had been closed, and as Burapad and Badrachellam are only two miles apart, though on opposite banks of the river, their effect was the same as if there had been only one Depôt in operation all the time. Rudramkota is only 25 miles distant from Kunta, much too near for a branch Depôt to add materially to the total sales. The large sales which took place there when the Depôt was first opened were owing to their being at that time great obstacles in the way of purchasing at Kunta, and soon fell. Now, notice the effect of these two Depôts, one of them thus badly located, on the sales.

That the Rudramkota was opened in July, that at Badrachellam not till October. The above table shows that while the sales at Kunta from July to February inclusive were 1,277 maunds, those at the other two Depôts were 1,151. The additional expense which each of the latter involve is only Rupees 30 per month, that of Kunta including the pay of the Superintendent being Rupees 163, consequently for the time they were in operation these two Depôts added 330 Rupees to the cost of establishments, that at Kunta being Rupees  $163 \times 7 = 1,141$  Rupees, for the same period. In other words while they increased the sales 90 per cent., they only added 30 per cent. to the expenses.

|                      |        |
|----------------------|--------|
| Viz.—1 Gumáshta..... | Rs. 15 |
| 2 Peons.....         | 12     |
| Sundries.....        | 3      |
| Total ..             | 30     |

6 *Proceedings of the Madras Government, Revenue Department,*  
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12. The charge for establishments, as shown above, Rupees 2,691-1-1, amounts to 9 Annas per maund on the whole quantity sold in the eleven months. Had the sale been confined to Kunta it would have amounted to Annas 11 and Pice 3 per maund, although the Rudramkota Depôt was only open for six months, and that at Badrachellam for four. If a slight extension of the field of operations has been attended with so marked an increase of profits, is it not reasonable to suppose that had these and other similar Depôts, more inland, been opened at an earlier period, and the charge per maund for superintendence been reduced in proportion to the increase of sales, the result both to the Government and to the people would have been very much more satisfactory.

13. The inference I draw from the foregoing facts is that it is a grand mistake to confine the sales to Kunta.

By so doing we diminish our own profits, largely reduce the consumption of salt, and effectually deprive ourselves of the only means of so lowering the sale price as to meet the wants of the country. So far from confining the sale to one spot we ought rather to make every effort to extend the field, by pushing the Salt stations further up-river.

I can conceive no possible objection to our doing so. If the increase of expense which this system involves is only 50 per cent. while it increases the sale 100, or 150, or 200 per cent., no petty pilfering on the part of the natives entrusted with the branch Depôts could materially affect the result. In point of fact there is little or no room for speculation.

The Superintendent delivers a certain quantity of Salt at each place, and the Gumáshta in charge has to account for it. The Superintendent would visit these stations periodically, and any speculation could hardly escape detection. The system would involve a very small increase to the present establishment and would require no more European superintendence, and would be an immense boon to the people and source of increased profits to the Government.

14. The next point for consideration is the possibility of so lowering the sale price as to meet the requirements not only of the local population, but of that of the interior.

The Board of Revenue in the discussion which took place on this question shortly before I took charge of the Depôts, expressed themselves in favor of a discriminating rate for the wholesale and retail price.

I entirely agree with the opinion expressed by Captain Stoddard on that account, that the present retail rate is quite low enough. In fact, I believe, we might raise it with very little inconvenience to the people, and secure thereby the means of reducing the wholesale price so as very greatly to extend the sale, and cheapen the price in the more inland Districts.

We are selling to this day at Kunta by retail at 21 seers per Rupee. Now, the common retail rate in the Rajahmundry bazar is only 24 seers, and assuredly the expense of carriage to Kunta and of management there must be such that no private dealer could afford to sell so near the Rajahmundry rate. If so we are violating the principle which the Government has from the first laid down, that the sale price shall not be lowered so as to exclude private enterprise; we are cheapening to an unnecessary extent the price to the local consumer, while we fail to relieve the population more remote from the coast eighteen seers per Rupee is probably the cheapest rate at which Salt can be retailed by private dealers along this part of the river for very many years to come, and it is one with which the people are perfectly contented, and which places the means of obtaining a fair supply of Salt within the reach of the poorest.

15. One obvious means, therefore, of reducing the wholesale price is to raise the retail to this rate.

Had we done so during the past year, in other words, had we charged three-fourths of the expense of establishment to the retail sales, and only one-fourth to the wholesale, we might have sold the bag at 3 Rupees instead of Rs. 3-12-0, with precisely the same financial result, even if this reduction had not, as it assuredly would have done, largely increased the wholesale sales. And had we simultaneously opened new Depôts at other points further inland, can we doubt that the price might not have been still further lowered, with an immense increase in the quantities disposed of and enhanced profits to Government.

16. I would beg, therefore, to recommend, first, that the sale should be confined to Kunta no longer, but that branch Depôts be opened at points above 50 miles apart as far up the river as the present state of the navigation and the means of carriage will admit of; second, that the retail price be raised every where to 18 seers per Rupee, and if necessary to 16 seers at the most

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inland stations, and that the wholesale price be fixed at Rupees 2-12-0 per bag, provided that the purchaser takes not less than five bags or 10 maunds at a time.

I think these rates such as the experience of the past year would warrant our trying, and it is only by actual trial that the proper remunerative rate can be ascertained.

At present we are certainly on a wrong track altogether, assuming merely that the retail sales last year would not have been materially reduced by the enhancement of price now proposed.

I have shown that even without any increase in the quantities disposed of by wholesale the rates might have been fixed at a standard only a little higher than that now proposed without any reduction of profit.

17. In this connexion it is important to point out that Kunta, though distinctly indicated as the most suitable point for a Depôt a year ago when the whole of the north bank was in the hands of the Nizam, is not situated on the line of greatest Brinjari traffic, and therefore not by any means the best place for a Depôt now that any point along the north bank of the Godavery is available for the purpose. The Brinjaries own estimate of their annual numbers, which I believe from other inquiries to be tolerably correct, is this : 4,000 to 6,000 pass down every year from the northern Nagpore country, via the Pranhita and the Godavery as far as

Kistna District. Badrachellam whence they turn off to Ellore, and having disposed of their produce there, load at the Bantumalli pans\* with Salt and return by the same route.

Not more than about 2,000 take the other route through the Bustur country, down the Sibbri, past Kunta, to the Salt pans at Karapa.

Hence it appears that the Kunta Depôt is on a secondary line of traffic, and that to intercept the principal bands of Brinjaries we must offer them Salt at Badrachellam or at some other point higher up. This is an additional reason for extending our Depôts up the main river as far as possible. All obstacles to trade on the north bank are now removed, and the further up we can place our Depôts the more remunerative the rates at which the Brinjaries will purchase, for this reason that whereas they can only make one trip in the year down to Badrachellam and the coast they can make two or three to points higher up, they will consequently be contented with a lower rate of profit and will be willing to pay a somewhat higher price.

18. There is one more point which it is necessary to notice, and that is the superiority of the Salt manufactured at Bantumilli to that made at Karapa.

The former is in large, hard, clean crystals, which bear transport much better and are attended with less waste. The latter is in small crystals dirty, and liable to waste.

The consequence is that the Brinjaries have such a decided preference for the former that they are willing to pay even higher for it, and to go much further for it than for that from Karapa, which is the only kind we have to give them, there being no communication for boats with the Bantumalli pans. I am not aware what it is in the process of manufacture, which I suppose is nearly the same at all the pans, which makes this difference, or why equally good Salt should not be made at both places, but it is at any rate a terrible hiatus in the water communications of the Delta that the principal Salt store should be still inaccessible by canal, and that the other should be so only by a very circuitous route involving the navigation of a part of the bay. The sooner our Salt boats can load at Bantumilli the better—the larger are likely to be our sales along the Godavery, and the better the price we shall get for the Salt.

I would for the present recommend Badrachellam or Dūmagudiam, Noogūr opposite Mangapet on the north bank, and some point about the foot of the second barrier, for Depôts. I would have a fourth Depôt at Seroncha, when practicable, as that place is fixed on as the head-quarters of the Deputy Commissioner of the new Tālūqs, and is likely to be a place of trade.

19. A middling sized shed is all that will be required at each place, and a Gumáshta and two Peons to manage the sale.

20. I cannot conclude this letter without reporting the efficient and zealous manner in which Mr. Norton, the Superintendent, has discharged his duties during the past year. You are aware how severely he has suffered from repeated attacks of fever and how greatly the preparation of his accounts has been delayed in consequence. The submission of those for January, now enclosed, was greatly retarded by the obstinate disobedience of the Gumáshta in charge of one of the Depôts, and still further by my own compulsory absence from my head-quarters and Office for twenty days last month.

| No. 1.                                                                                              |            |       |           | Cr.                            |     |       |     |
|-----------------------------------------------------------------------------------------------------|------------|-------|-----------|--------------------------------|-----|-------|-----|
| Account Current of the Salt Department at Kunta from May 1860 to January 1861.                      |            |       |           |                                |     |       |     |
| Dr.                                                                                                 | Rs.        | A. P. | Rs.       | A. P.                          | Rs. | A. P. | Rs. |
| To Collector for advances received at different times ...                                           | 4,000 0 0  |       | 4,963 7 0 |                                |     |       |     |
| To loading charges...                                                                               | 62 8 0     |       | 56 10 0   |                                |     |       |     |
| To money realized by sale of maunds 578, seers 20, of Salt up to May 1860, at Rs. 1-14-0 per maund. |            |       | 353 3 0   |                                |     |       |     |
| To do. do. of maunds 657, seers 7,                                                                  |            |       | 359 9 9   |                                |     |       |     |
| of Salt in June at Rs. 1-14-0...                                                                    | 1,081 11 0 |       | 401 6 6   |                                |     |       |     |
| To do. of maunds 590 in July, viz.:-                                                                | 1,232 3 3  |       | 117 11 6  |                                |     |       |     |
| 522 maunds at Rs. 1-14-0... Rs. 978 12 0                                                            |            |       | 118 1 4   |                                |     |       |     |
| 68 do. at Rs. 1-14-10... " 110 8 0                                                                  |            |       | 239 8 4   |                                |     |       |     |
| To do. do. of maunds 298, seers 39, at Rupees 1-14-0 per maund in August ...                        | 1,089 4 0  |       |           |                                |     |       |     |
| To do. do. of maunds 292, seers 30, at do.                                                          | 560 9 3    |       |           |                                |     |       |     |
| To do. do. in September ...                                                                         | 518 11 9   |       |           |                                |     |       |     |
| To do. do. of maunds 363, seers 56, at do.                                                          | 681 13 9   |       |           |                                |     |       |     |
| To do. do. of maunds 293, seers 14, at do.                                                          | 550 0 6    |       |           |                                |     |       |     |
| To do. do. of maunds 186, seers 5, at do.                                                           | 349 4 2    |       |           |                                |     |       |     |
| To do. do. in December...                                                                           | 791 7 10   |       |           |                                |     |       |     |
| To do. do. of maunds 423, seers 24, at do.                                                          | 6,891 4 6  |       |           |                                |     |       |     |
| To do. in January 1861 ...                                                                          | 1 2 0      |       |           |                                |     |       |     |
| To sale of 12 empty bags at 2 Annas each in August ...                                              | 1 2 0      |       |           |                                |     |       |     |
| To difference in the calculation of rate in May, June and August...                                 | 1 2 0      |       |           |                                |     |       |     |
| To profit and loss in July and August ...                                                           | 6,893 14 6 |       |           |                                |     |       |     |
| Total Rupees...                                                                                     | 26 11 9    |       |           |                                |     |       |     |
| GODAVERY DISTRICT, COLLECTOR'S OFFICE, }<br>BENDAMURULUNKA, 30th April 1861.                        |            |       |           | (Signed) A. PURVIS, Collector. |     |       |     |

| No. 2.                                                                                                   |             |       |           | Cr.                            |     |       |     |
|----------------------------------------------------------------------------------------------------------|-------------|-------|-----------|--------------------------------|-----|-------|-----|
| Balance sheet of the Salt Deptt at Manikotekunta from May 1860 to January 1861 in the Godavery District. |             |       |           |                                |     |       |     |
| Dr.                                                                                                      | Rs.         | A. P. | Rs.       | A. P.                          | Rs. | A. P. | Rs. |
| To Collector for 12,000 maunds of Salt at Rs. 1-2-0 per maund ...                                        | 13,500 0 0  |       | 4,963 7 0 |                                |     |       |     |
| To Collector for advances received at different times ...                                                | 4,000 0 0   |       | 56 10 0   |                                |     |       |     |
| To do. for loading charges...                                                                            | 62 8 0      |       | 353 3 0   |                                |     |       |     |
| To money realized by sale of Salt, maunds 578, seers 20, up to May 1860 at Rs. 1-14-0 per maund.         |             |       | 359 9 9   |                                |     |       |     |
| To do. do. of maunds 657, seers 7, in June at do.                                                        |             |       | 401 6 6   |                                |     |       |     |
| To do. do. of 590 maunds in July viz.:-                                                                  |             |       | 117 11 6  |                                |     |       |     |
| 522 maunds at Rs. 1-14-0 per do. Rs. 978-12-0                                                            |             |       | 118 1 4   |                                |     |       |     |
| 68 do. at " 1-10-0 do. " 110-8-0                                                                         |             |       | 239 8 4   |                                |     |       |     |
| To do. do. of maunds 298, seers 39, at Rs. 1-14-0 per do. in August...                                   | 1,089 4 0   |       |           |                                |     |       |     |
| To do. do. of maunds 292, seers 30, at do. per do. in September...                                       | 560 9 3     |       |           |                                |     |       |     |
| To do. do. of maunds 363, seers 26, at do. do. in October ...                                            | 548 14 9    |       |           |                                |     |       |     |
| To do. do. of maunds 293, seers 14, at do. do. in November ...                                           | 681 13 9    |       |           |                                |     |       |     |
| To do. do. of maunds 186, seers 5, at do. do. in December ...                                            | 550 0 6     |       |           |                                |     |       |     |
| To do. do. of maunds 423, seers 24, at do. do. in January 1861...                                        | 319 4 2     |       |           |                                |     |       |     |
| To sale of 12 empty bags at 2 Annas each in August ...                                                   | 791 7 10    |       |           |                                |     |       |     |
| To difference in the calculation of rate in May, June, July and August ...                               | 6,891 4 6   |       |           |                                |     |       |     |
| To discount on 68 maunds in July at 4 Annas per maund ...                                                | 1 8 0       |       |           |                                |     |       |     |
| To credit on 31st January 1861 ...                                                                       | 0 15 6      |       |           |                                |     |       |     |
| Total Rupees...                                                                                          | 26,581 11 9 |       |           |                                |     |       |     |
| GODAVERY DISTRICT, COLLECTOR'S OFFICE, }<br>BENDAMURULUNKA, 30th April 1861.                             |             |       |           | (Signed) A. PURVIS, Collector. |     |       |     |

10 *Proceedings of the Madras Government, Revenue Department,*  
5th July 1861.

1. Ordered that the above letter be submitted to Government.
2. It reports the operations at the Salt Depôt established by Government at Manikdeokunta on the Sebbri affluent of the Godavery, from May 1860 to the end of January 1861, and the analysis of the Account Current inserted by the Collector in his letter shows a profit of Rupees 1,198-10-11 on the transaction.
3. In this analysis, however, the Salt supplied is charged to the Depôt at Rupee 1-2 per maund, the then monopoly price, and the sale proceeds are exhibited at the Depôt rate of Rupee 1-14, but the stock in hand is assumed at the difference between the quantity supplied and that sold without any allowance whatever for wastage, and as the Salt has been conveyed a long distance by water, and as much of it has been in store for some time, this item would probably make an appreciable difference in the result.
4. The average monthly sales at the Depôt since its first opening in March 1860, have been Indian maunds 333. A sum of Rupees 1,294 was in hand for the Depôt expenditure on 31st January last, but Rupees 2,125 were still due in adjustment of the advance of Rupees 1,000 made by the Collector to start the experiment.
5. The sales were for a few months extended to three other places besides Kunta, but were subsequently again restricted to that place by Orders of Government, dated 12th December 1860, No. 2,379, and so remain at present except that the small balance of Salt remaining on hand at Badrachellam is being sold there as the best means of disposing of it.
6. The selling price at Kunta has been throughout at the rate of Rupee 1-14 per Indian maund, or Rupees 2-12 per bag averaging two maunds.
7. The sales have certainly not been so extensive, nor the eagerness of the Brinjaries to avail themselves of the Depôt so great as was anticipated, and Captain Haig in his report, forwarded by the Collector, discusses the results and their causes and proposes certain remedies.
8. In arranging his data to ascertain the actual result, Captain Haig has altogether omitted to allow any thing for the actual cost of the Salt to Government; but even thus calculated, he obtains a return of only 10 Annas per maund, instead of Rupee 1, which was the rate of duty at the time the Salt was supplied from the Kottás for the Depôt, allowing 2 Annas per maund for the cost of manufacture the duty actually levied at the Depôt sales is reduced to Annas 8; so that Government lost half a Rupee on every maund, estimating its value at the monopoly price.
9. Captain Haig does not allow that this was an actual loss, as he considers that these sales have in no degree reduced those at the coast selling places, inasmuch as the attractions of the Depôt did not suffice to stop the Brinjaries from passing on to the coast even with unladen bullocks; in fact, he admits that high as the price was, compared with the Government monopoly price, viz., Rupee 1-14-4, instead of Rupees 1-2 per maund, it was still less by Annas 8 than a merchant who had purchased the Salt from Government on the coast could have afforded to sell it at, and yet that combined with other circumstances it was not low enough to induce the Brinjaries to load there with Salt, even when their bullocks were unladen, the wholesales having been only 93 tons and those mainly of a local character, while Captain Haig's estimate of the carrying powers of the droves of pack bullocks passing by that route would alone amount to 200 tons.
10. He assigns four causes for the failure:—
  - (1.) That the price is too high.
  - (2.) That at or near the Depôt there is no local market for the grain which the Brinjaries bring down from the interior.
  - (3.) That Manikdeokunta is not on the principal line of traffic, and therefore not the best site for the Depôt.
  - (4.) That the Salt obtainable at Bantumilli in the Kistna District, whither the Brinjaries greatly resort, is far superior to that supplied from the Godavery District to the Depôt.

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5th July 1861.

11. And he proposes as remedies, first, to reduce the wholesale selling price to Rupees 2-12 per bag of 2 maunds, where 5 bags or 10 maunds are purchased, that is, to fix the selling price at the Depôt at Rupee 1-6 per maund, which is the rate now in force at the Kotars, so that Government will lose on such sales the entire cost of carriage, wastage, &c.
- (2.) To raise the retail price to 18 seers per Rupee, being equal to Rupees 2-3-6 per maund.
- (3.) To establish a number of branch Depôts, seeking out the best situations on the northern bank of the river, which was not in our hands when Kunta was selected, and he names Badrachellam or Dúmagudiam, Noogúr opposite Mungapet, and some third point near the foot of the second barrier, and eventually a fourth Depôt at Seroncha, and
- (4.) To connect Bantumilli by water with the Godavery system of canals, so that its Salt might be available for the Depôt.
12. There can be no doubt that the real cause of failure is the absence of a local market for the grain which the Brinjaries bring from the interior, and until that is created, which no doubt it will be by opening the navigation of the river, the Board do not see that the Depôt can be other than a failure. At present it benefits scarcely any one, and subjects Government to loss. Captain Haig's proposal to increase the retail, and to reduce the wholesale price would tend to lessen still further the very small local benefit which the Depôt now confers, and would in point of fact throw the whole cost of carriage on the retail purchaser, in order that the Brinjari might lade his drove of Bullocks at so low a rate as to induce him to return with unladen Bullocks from the grain market on the coast to Badrachellam or wherever the Depôt might be, for his load of Salt.
13. The Board greatly doubt whether this end would ever be attained, and even were it attained no one would benefit.
14. It was in the prospect of a local Depôt for Salt tending to encourage the use of the river for the onward carriage of goods to the coast that the experiment was promising in the first instance, but unless this is secured by a local market or agency, nothing is gained beyond improving, at considerable expense to Government, the local supply of Salt to a circle of some 50 miles radius. This slight benefit may be purchased at far too dear a price, if the interference of Government with the ordinary operations of demand and supply should tend in any way, as the Board fear it may do, to discourage enterprise.
15. While, however, they see little to encourage the further prosecution of the experiment, the Board would not counsel its immediate abandonment, especially as a large stock of Salt is on hand at the Depôt, though not, the Board fear, so large as is estimated.
16. They would recommend that the best available point on the main line of Brinjari traffic be selected for the place of sale, and that the Salt be transferred there by water from Manikdeokunta.
17. They would leave it to the Officer in charge to fix the selling prices, as was done in the first instance by Captain Stoddard, merely warning him against the temptation to favor the wholesale buyer unduly at the expense of the retail customer, and pointing out to him that the result can be only a loss to Government unless the returns cover cost of manufacture, carriage, establishment and sundry expenses, and in addition the same duty as is paid on the coast being at present Rupee 1-4 per maund or Rupee 1-6 including cost of manufacture. And unless it does even more than this and affords a fair margin of profit, it can scarcely fail to exercise an actually injurious influence on the country by checking enterprise and removing an inducement from the ordinary trader.
18. The Board would be glad to see not only Bantumilli, but all our large Salt manufacturing stations placed in communication by water or by good roads with our chief lines of communication and with our main ports, and consider that this important object should be kept constantly in view.
19. They believe that the Salt of the Godavery District has been injuriously affected by the infiltration of fresh water from the network of canals in connection with the *Anicut*, but the

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*5th July 1861.*

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Salt sold at Bantumilli is in great measure of spontaneous formation, and as the case every where in the Presidency, is of larger crystal and greater solidity than the manufactured article, and therefore better adapted for carriage. They desire to see the article brought into general use wherever found and are taking measures to that end.

20. In conclusion the Board are glad to observe the favorable terms in which Captain Haig notices Mr. Norton's performance of his duties as Superintendent of the Depot.

(A true Copy and Extract.)

(Signed) W. HUDLESTON, *Secretary.*

No. 50.

ORDER THEREON, 5th July 1861, No. 1,314.

Order to lie over.

(Signed) J. D. SIM,

*Secretary to Government.*

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Ms. A. 83.

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Brenton  
1024 1/2 Dec.  
574 July 1867