M.R.O. 1—77,006—8-6-37.

(1) Number of pages_____

(2) Date of repair_____

(3) Initials of the Referencer_____

MADRAS RECORD OFFICE.

Government of Madras.

Public works DEPARTMENT.

G.O. No. 613 Press ~~Mis.~~

479—480

Dated 22—2— 1866.

Not to be folded or roughly handled

Proceedings of the Madras Government, Public Works Department, 22nd February 1866.

No. 479. Read the following Proceedings of the Madras Government in the Revenue Department:—

Passing orders on certain correspondence regarding the insufficiency of the salt manufacture of the year at Negapatam in the Tanjore District. } (Here enter 16th February 1866, No. 415.)

No. 480. ORDER THEREON, 22nd February 1866, No. 613.

CIVIL WORKS, No. 62.

1. Communicated to the Superintending Engineer of the 6th Division, and to the Consulting Engineer for Railways.

2. Adverting to paragraph 10, the Government observe that Rupees 9,345 have been allotted for expenditure during the current year on the Vedarniem Canal, and that Rupees 20,000 have been provided for the work in the Budget of 1866-67. An additional grant will be made, if necessary, after the 1st May next, but there is at present no source from which the Government can divert money for appropriation to the Canal.

(True Extract.)

(Signed) CHARLES A. ORR, Colonel, R. E.,
Secretary to Government.

To the Superintending Engineer, 6th Division.
,, Consulting Engineer for Railways.
,, Revenue Department.

Ext. S. T. Augustin.

Proceedings of the Madras Government, Revenue Department, 16th February 1866.

Read the following:—

No. 296. Proceedings of the Board of Revenue, dated 30th January 1866:—

Read the following letter from the Collector of Tanjore, to the Secretary to the Board of Revenue, dated Point Calimere, Tritrapundi Talook, 16th January 1866, No. 10:—

1. I have the honor to bring to the notice of the Board of Revenue that the stock of salt in hand at Negapatam on the 11th instant was 289½ Garce, an amount only sufficient for about a month and a half's consumption, or till the end of February.

2. The Salt Deputy Collector informs me that but very little of the Negapatam salt which will be manufactured this year, will be available for sale there much before August. We shall have, therefore to, supply Negapatam with salt for the five months from March to July.

3. As the Board are aware, in June last, I recommended that a special discount of Rupees 12-6-0 and Rupees 20, for manufactured and spontaneous salt respectively, in addition to the usual 5 per cent., should be granted to wholesale purchasers of a heap of 10 Garce at Vedarniem, and conveyed thence to Negapatam; and that this special discount was sanctioned by Government in their Proceedings dated 11th July 1865, No. 1,590.

4. I beg now to report that this offer did not succeed in supplementing the stock of salt at Negapatam to so large an extent as I had anticipated and wished, and that only 120 Garce were brought to that place from Vedarniem.

5. This failure may, I think, be attributed to three causes:—

Firstly.—The comparative lateness of the season when the discount was asked for, and sanctioned.

Secondly.—The fact of salt being at the time actually procurable at Negapatam.

Thirdly.—The merchants at Negapatam combining together and determining not to go to Vedarniem, under the impression that if they held out, the Government would act as they did in the early part of 1864, and bring up salt from thence on their own account.

6. The first two causes will not exist any longer next month; and I am sure that the Government have only to be firm and shew the Negapatam traders that they will not do their work for them, and the result will be that the merchants will quickly go to Vedarniem and bring up salt from thence to Negapatam.

7. Mr. Ricketts, the Salt Deputy Collector, has very carefully calculated the present cost of bringing a garce of salt from Vedarniem to Negapatam by sea, and finds that it comes to Rupees 17-4-0, not including wastage, which is always a heavy item in the carriage of so perishable an article as salt. I beg, therefore, to propose that a sum of five Rupees per garce be added to the discount specified in my letter of the 29th June 1865, No. 196, and that I may be allowed to advertise as follows, viz., that a special discount of Rupees 17-6-0 and Rupees 25 per garce, for manufactured and spontaneous salt respectively, in addition to the usual five per cent., will be allowed until further orders to persons buying a heap of ten garce at Vedarniem and convey it from thence to Negapatam.

8. I respectfully request that early orders may be issued to me on this subject, as the southerly wind sets in early in February, and it is of importance that Negapatam should begin to be supplied by the beginning of March if possible.

1. Ordered to be submitted to Government, with the Board's recommendation that the proposed special rate of discount be sanctioned for wholesale purchases of Vedarniem salt by the heap, pending further orders. The Board would not insist on the condition of the salt being taken to Negapatam, feeling assured that the merchants will, for their own interests, convey it to the most advantageous point to induce purchasers to come forward, and the route that will bring it most cheaply to the best market should be preferred.

2. If the rail from Negapatam offers superior advantages it will certainly be selected, and otherwise it is not desirable that it should be so.

No. 297. Proceedings of the Board of Revenue, dated 1st February 1866.

Read Proceedings of the Madras Government, Revenue Department, dated 19th January 1866, No. 170.

1. The Board observe that the Collector has lately brought to their notice the insufficiency of the Negapatam manufacture to meet the demand, and they have now under consideration a proposal to give additional discount to wholesale buyers of Vedarniem salt to induce the merchants to proceed thither for their supplies, which proposal will shortly be submitted for the orders of Government.

2. But, meanwhile, the Board think it desirable that the Agent for the Great Southern India Railway Company should be disabused of the idea that it is any part of the duty of Government to maintain a stock of Salt at Negapatam to meet the demand for inland trade by rail.

3. The "*wants of the merchants*" at the Negapatam depôt, to which he alludes, are really that Government should, at its own cost, bring salt from Vedarniem to Negapatam, and there sell it to them for inland trade, without any addition to the usual price; in other words, that for private advantage the public revenue should suffer. There is plenty of salt at Vedarniem if the merchants choose to go there for it.

No. 298. ORDER THEREON, 16th February 1866, No. 415.

Separate Revenue, No. 16.
Salt.

1. The Government regret to learn from the papers above recorded that the manufacture of the year at Negapatam has proved insufficient. When the Collector wrote to the Board, (16th ultimo,) there was only 289½ Garce in store, and even this quantity appears to have since been bought up by the merchants.

2. In 1864 when a similar deficiency occurred, the Government sent about 500 Garce of salt to Negapatam from Vedarniem at a cost of Rupees 38 per Garce, the wastage having been more than 20 Rupees.

3. Last year the stock of salt again ran short, and on the recommendation of the Collector and Board, Government allowed a special discount of Rupees 12-6-0 and Rupees 20 per Garce on Vedarniem salt conveyed to Negapatam for sale. The lower rate was allowed on manufactured and the higher on spontaneous salt, the reason of the difference being that the latter costs the Government less and fetches a lower price in the market. This discount was in addition to the regular

discount of 5 per cent. on purchases by the heap, and it was expected that it would lead to 1,000 Garce being taken to Negapatam. In reality, however, only 120 Garce was taken there.

4. The Collector now proposes to adopt the same measures, but to raise the rate of discount to Rupees 17-6-0 and Rupees 25 respectively on manufactured and spontaneous salt.

5. The Board support the Collector's proposal except in one important respect, viz., that while he would give the discount only on salt taken to Negapatam, they would have no such restriction, but would leave the purchaser to carry it by the cheapest route to the best market. This, the Government apprehend, would lead to Vedarniem salt displacing the salt at other stations in localities where there is no scarcity. It is at *Negapatam* that salt is now wanted, and if the Government are to adopt any exceptional measures they should clearly be devised to meet that end. In their second letter above recorded, the Board think it well that the Agent of the Great Southern of India Railway should be disabused of the idea that it is the business of Government to maintain a stock of salt at Negapatam for the advantage or convenience of the Railway.

6. The Governor in Council has carefully considered the proposed measures, and has come to the conclusion that they are open to serious objection.

7. The scarcity is limited to a single locality—at Adrampatam, Vedarniem, and other stations there is an ample supply, and the wants of the District will, in the ordinary course of trade, be met from these. The trifling variation in the price of salt from month to month, as shewn in the price lists of the last three years, is proof that there has been no general scarcity of salt in the District, notwithstanding the occasional deficiencies at Negapatam. It is highly inexpedient, on general principle, that Government should divert the salt trade from its ordinary channels by holding out bounties for the conveyance of the article to particular places, and past experience in Tanjore shews that such an attempt is of little avail. The Government in fact have been yielding year after year to combinations among the salt manufacturers and the merchants.

8. Until the canal to Vedarniem is completed, every effort must continue to be used to get as much salt as possible manufactured at Negapatam, a fair price being given for salt with reference to the cost of labor and the quality of the article. Beyond this the Government are not prepared to go.

9. As regards Mr. Betts' complaints, the Government observe that it is no part of their business to provide salt at Negapatam or any particular station on the Railway for conveyance inland. There is an ample supply at the other depôts, and it will find its way into the interior by the cheapest route. As to any profit which the Government are likely to make by diverting the salt trade to Negapatam for conveyance inland by rail, and so reducing the amount of interest payable on the guaranteed capital, it is sufficient to observe that the discount proposed by the Collector would exceed the amount earned by the Company. The Government, if they sanctioned Mr. Morris' rates of discount, would in fact be paying more for the conveyance of the salt to Negapatam than the Railway would net on its carriage to Trichinopoly.

Proceedings of the Madras Government, Revenue Department,
16th February 1866.

10. The Collector will report what has been done, up to the latest date, in furtherance of the Order of Government dated 1st August 1865, No. 1,776.

11. These Proceedings will be communicated to the Public Works Department, in view to measures being adopted for the speedy completion of the Vedarniem and Negapatam canal.

(True Extract.)

Secretary to Government.

To the Board of Revenue.
,, the Public Works Department.

Exd. S. T. Augustin.

Proceedings of the Madras Government, Revenue Department,
16th February 1866

fu

me
nie

To
"

P. W. 1866 Department
Pro. of Govt. for February
No. 704
Pro: of the Madras Govt
in the Rev: Deptt.

D/ 16th
Recd. 20th } Feby 1866

No. 415

Passing orders on certain correspondence regarding the insufficiency of the salt manufacture of the year at Negapatam in the Tanjore Dist.

No. 479

No. 613 - 22nd Feby 1866

Exd. S. T. Augustin.

Public Works Dept.

No. 613

Proceedings of the Madras Government
Under date the 22nd February 1866
Read the following

Proceedings of the Madras Govt. Revenue Dept.

Passing orders on certain correspondence regarding the insufficiency of the Salt manufacture of the year at Negapatam in the Tanjore District.

(Here enter 16th February 1866 No. 415)

Communicated to the Superintending Engineer of the 6th Dn. and to the Consulting Engineer for Railways -

2. Adverting to para 10, the Government observes that Rs. 9,345 have been allotted for expenditure during

11c

during the Current year on the Vedarniem Canal, and that Rs. 20,000 have been provided for the work in the Budget of 1866/67. An additional grant will be made, if necessary, after the 1st May next, but there is at present no source from which the Government can divert money for appropriation to the Canal.

To
The Supt. Mar. 6th Bn.
The Com. Engr. for Pgs.
" Revenue Dept.

Dept. 23rd February

123

P W 1866 Department

Pro: of Govt for February

No. 613.

Pro: of the Madras Govt.

D/ 22d February /66

Salt manufacture of the year at Negapatam Tanjore District — Rgs. Rev. Dept. passing orders on certain correspondence regarding the insufficiency of — Communicated to the Supg. Engr. & Dn with certain observations.

No. 479-480