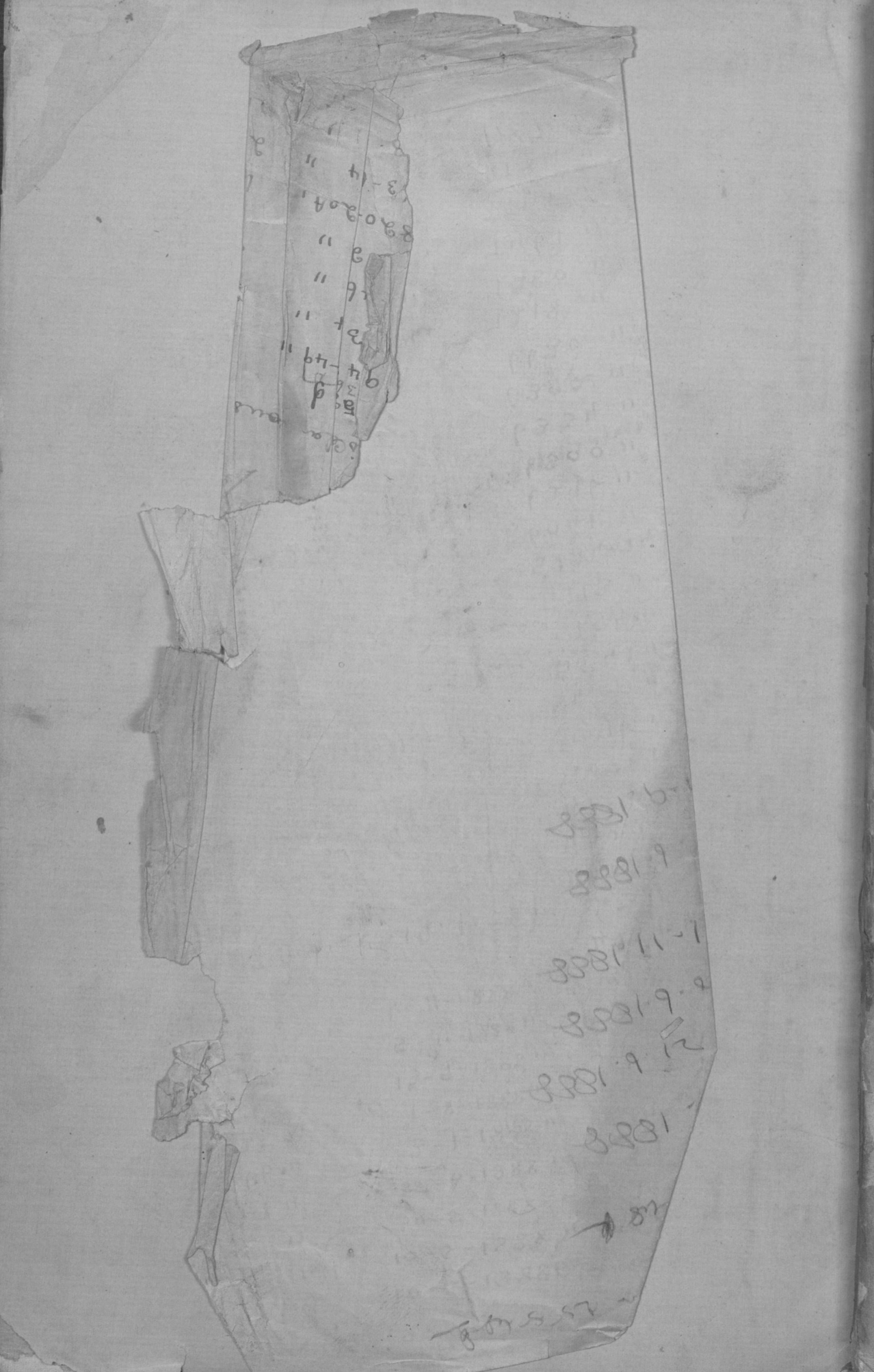

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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No. / ~~B.P. No.~~	22	Revenue	~~Press~~ / Mis.
Dated	11 — 1	1968.	

Not to be folded or roughly handled

PROCEEDINGS OF THE BOARD OF REVENUE.

READ—the following letter from H. W. BLISS, Esq., Commissioner of Salt and Abkári Revenue, to the Secretary to the Board of Revenue, dated Madras, 29th March 1886, No. 3891:—

I have the honor to submit herewith, for the consideration and orders of the Board and Government, a draft bill for the consolidation and amendment of the Salt laws of this Presidency.

2. I have entered in the margin thereof such notes and references to cognate enactments and to the conditions* of the excise licenses now in force as seem necessary, and append detailed remarks on some of the more important sections.

* Finally approved in G.O., dated 3rd Sept. 1885, No. 996, Rev., after much correspondence.

3. *Section* 3.—In the law now in force (Madras Act I of 1882) "salt" is defined as under:—

"The word 'salt' includes swamp or spontaneous salt and 'salt-earth,' meaning thereby natural saline deposits and efflorescence; and 'earth-salt,' that is, salt made from 'salt-earth' or from any earth naturally impregnated with salt."

4. This definition was framed under the instructions of Mr. Hudleston, who held that the wording I had proposed would interfere with the practice of the people on the West Coast of digging up salt mud (earth naturally impregnated with salt) for use as manure to their cocoanut trees. It is needless to recapitulate the difficulties which have arisen and the correspondence which has passed on the subject. Some persons even hold that "salt-earth," which is a pure efflorescence and never anything but an efflorescence, is "earth naturally impregnated with salt;" and it is obviously advisable to eliminate from the law such a term as "efflorescence," for which, so far as I am aware, there is no equivalent in any native language, and the full meaning of which cannot be conveyed to persons, European or native, who are ignorant of the physical phenomenon known as capillary attraction. Experience has shown that, where two constructions of the law are possible, that most adverse to the interests of the salt revenue is that most likely to find acceptance; and has shown also that the influence of errors endures long after their correction. I have no doubt, for instance, that the ideas of many persons as to what constitutes "salt-earth" are based rather on the misleading definition contained in the repealed Act II of 1878 than on the correct one contained in Act I of 1882, which repealed it; and even now from time to time incidents occur which show that the magistracy have not yet all apprehended the fact that, since the repeal of the former Act, intention is no longer an element in the most common offences against the salt laws. I have endeavoured therefore, in framing a definition of "salt," to avoid the use of all words as to the meaning of which there has ever been any doubt or dispute, and to use language which is absolutely unambiguous. It may be objected that my wording is too comprehensive, since it will prevent the excavation of the salt mud above mentioned. This is so, but I propose to issue a

departmental order exempting this practice from interference. Indeed, as the practice is quite harmless, since salt is never, so far as I know, extracted from salt mud excavated from river beds, there would be no objection to the addition to section 96 of some such words as the following :—

"Provided that the mere excavation of salt mud from the beds of rivers and estuaries and its direct and immediate application to cocoanut trees as manure shall not be considered an offence under this Act."

5. I have amended the definition of the word "manufacture" so as to make it clear that no combination of the specified processes of collection, &c., is needed, but that each one of itself constitutes manufacture. I believe this is a point on which doubts have been entertained under the existing law, which contains the word "and" between the word "lixiviation" and the word "boiling."

6. I have substituted the words "salt factory," which are those in common use, for the word "salt-work" used in the existing law; and have taken "salt-work" to mean an individual holding within a "salt factory."

7. *Chapter III.*—This is divided into three parts, containing respectively the necessary provisions of law which are common to the monopoly and to the excise systems of the manufacture of alimentary salt, and those which are peculiar to each of those systems. I propose to license all manufacturers, whether under the monopoly or under the excise system, and thus to substitute a defined system of control over the manufacturers under the former system, which can in case of necessity be enforced by law, in lieu of the vague powers now exercised by the Commissioner and his subordinates as successors to Collectors of districts in the administration of the salt revenue. I feel sure that this will be a great improvement. The day has long gone by for the exercise by any one of what used to be called the general powers of a Collector.

8. *Sections* 14 *and* 15.—These sections are of importance. But for them, it would be impossible, when a license was cancelled or suspended, as may from time to time be the case, to prevent the licensee's unworked pans from being a source of injury to the licensees of all the surrounding pans, from the drifting of the dust from the unworked pans over the salt in course of manufacture around them. In the hot weather, when pans are not worked, their surface becomes covered with an almost impalpable dust which is raised by the lightest breeze and blown over the new salt in all the pans to leeward; and it is therefore the custom in monopoly factories to give over for the season, to any one who will take them, any pans which from any cause are left unworked. It is desirable that this course should be sanctioned by law, even in monopoly factories, while in excise factories the legal power of preventing one licensee from injuring his neighbours is essential for the common benefit. Cases in which licenses are absolutely cancelled are not likely to be numerous, but when they do occur and the further use of the lands by the licensees for salt manufacture is thereby rendered impossible, provision has been made for the sale of their rights over the lands, if any, to the best advantage, and for the payment to them of the proceeds. It will be obvious that no other course could be adopted, for a person whose license has been cancelled cannot be allowed either to keep his lands unworked to the injury of his neighbours by the dust drifting therefrom, or to use them for any other purpose than salt manufacture and thereby to obtain a right of entrance within the line of fences and of guards maintained for the protection of the salt revenue. There is no analogous provision in the salt laws of any other part of India; but then there is no other part of India where aggregations of small holdings, such as are almost all our salt factories, have been brought under the excise system and their owners thereby to a great extent emancipated from the slender control previously exercised over them.

9. *Sections* 18, 21 *and* 31.—There is at present no legal provision for the grant of compensation to the registered manufacturers of an abolished monopoly salt factory. The grant of compensation to the licensees of an abolished excise salt factory is regulated by sections 26—42 of Madras Act VI of 1871, which prescribe a procedure

of a character which appears to me troublesome, unsatisfactory and cumbrous. I think that legal provision should be made for the former case, and that the procedure in the latter should be simplified.

10. The Salt Commission held generally in 1876 (*vide* paragraph 140 of their report) that the right to compensation, in the event of their pans being closed by Government, could accrue only to those manufacturers whose pans were in existence in 1805 and had since been continuously kept open and at work. Legally, perhaps, they were right, but I think their finding was a hard one. A man whose pans have been worked for thirty or forty years by himself and his predecessors in title may not have a legal, but he certainly has a moral, right to compensation, if they are closed by orders of Government because their existence causes what happens now to be considered undue expense or seems to stand in the way of some administrative improvement; and even the manufacturer of five or six years' standing may claim some consideration for capital sunk and expectations disappointed.

11. The amount of all grants of compensation must of course be based on the profits derived from abolished pans, which may fairly be taken, I think, at one-half of the *kudivaram* in monopoly, and at one-third of the sale-proceeds in excise factories. This being granted, and the rate of interest at which such annual profits as those arising from salt pans should properly be capitalised being determined, it is a simple matter to construct scales of compensation which can immediately and without difficulty be applied in all cases which may from time to time arise, all necessary calculations being based on returns and declarations which will already be on record in the departmental offices. I have constructed two such scales accordingly, based on the capitalisation of profits at 10 per cent. interest per annum, and on the grant of ten to four years' purchase according to the length of unbroken occupation by the holders of abolished pans. If the principle of this plan be approved, the scales I have prepared can of course be modified as thought desirable. They seem to me to be fair, however. I have provided that the prescribed rates shall be regarded as *maxima* rates in the case of monopoly factories, though I think they should as a rule be applied without deduction, to meet possible cases in which it may be known beforehand that some circumstance, such as the opening of a new railway, is about to occur, which cannot fail to reduce the value of the abolished pans, or in which the manufacturers are not proprietors of the pans in the same sense as excise licensees are.

12. It will be observed that the fact that the compensation is to be based on the average transactions of the preceding five years will unfavorably affect the licensees of an abolished factory, which, as has in several recent instances been the case (*e.g.*, the factories in the Madura district which have all been more or less injured by the opening of the South Indian Railway), has for some years been falling into a state of decadence from causes for which Government is not responsible, and at which the manufacture of salt has in consequence decreased. This is as it should be. Government should not be called on to pay compensation for injuries not arising from their particular action. The closing of a factory would of course not affect the ownership of the land on which the works were formed. This seems to me so obvious that I have not thought it necessary to make any provision on the subject.

13. *Section* 30.—The power herein proposed to be conferred may appear to be excessive, but it must be remembered that it would be impossible for the outturn of salt at any salt factory now existing, or likely in future to be established, in any part of the Presidency to fall to an average of 25,000 maunds per annum, unless the factory had fallen into so complete a state of decay that the right of continuing to work it would be valueless. Salt manufacture on so small a scale, with the continuing obligation notwithstanding of the maintenance of the works and of the payment of interest on the cost of their construction, would be a speculation from which the licensees might be thankful to be freed.

14. *Chapter IV.*—This chapter enacts as a part of the law itself the main provisions of the rules, sanctioned in G.O., dated 13th September 1882, No. 976, Revenue, under which the saltpetre industry is now controlled and regulated.

15. *Chapter V, Sections* 53, *B, IV.*—The power to charge licensees a portion of the cost of the establishments maintained at small factories is permissive only. It is already exercised in the case of Manambadi and its exercise is also sanctioned in the case of Manakkudi. It will be well to take general legal sanction for it.

16. *Sections* 56 *and* 57.—These sections are permissive only. They contain provisions for restricting the sale, transport and possession of salt in localities in which smuggling is frequent, and may at any time be found most useful.

17. *Chapter VII.*—This chapter in effect reproduces the existing law with a few amendments taken from the recently enacted Abkári Act. The existing law works well, and has given rise to surprisingly few *substantiated* complaints, though it has been the object of much vague denunciation by irresponsible persons. I am strongly of opinion that it should be maintained substantially unaltered.

18. *Chapter VIII.*—The provisions of this chapter, as to penalties, have mostly been adopted from the Madras Abkári Act, 1886. They present no novelty of importance.

19. *Chapter IX, Section* 112.—I propose to bar the action of the Civil Courts in those cases in which it appears to me either that the executive should have the power of final decision, which in many matters they must have if the administration of fiscal departments is to be carried on; or that the proper remedy for a person who thinks himself aggrieved is by appeal to the Government against the orders of departmental officers. I have not, I think, barred the action of the Courts in any case in which justice requires that they should have the power of interference. It will of course be remembered that no person is compelled to accept a license to work under a fiscal law, and that the position of a person who has accepted such a license has by his own act been rendered quite different from the position of an ordinary member of the community.

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ENCLOSURE No 1.

ACT No. OF 188 .

An Act to consolidate and amend the laws relating to the Salt Revenue in the Presidency of Fort St. George.

WHEREAS it is expedient to consolidate and amend the laws relating to the Salt Revenue in the Presidency of Fort St. George; it is hereby enacted as follows:— Preamble.

CHAPTER I.

PRELIMINARY.

1. This Act may be called "The Madras Salt Act, 188 :" Short Title.

It extends to the whole of the Presidency of Fort St. George; Extent.

And it shall come into force in any local area within the said Presidency to such extent and from such date as the Governor in Council by Notification shall direct. Commencement.

2. On and from that date the Enactments specified in the first schedule hereunto annexed shall be repealed to the extent shown in the third column of the said schedule. Enactments repealed.

All licenses granted, all Rules and appointments made, Notifications published, and powers conferred, under any of such Enactments, or under any Enactments thereby repealed, shall, so far as they are consistent herewith, be deemed to have been respectively granted, made, published and conferred, under this Act. Saving of Powers.

3. In this Act, unless there be something repugnant in the subject or context— Interpretation-clause.

"Salt Revenue" means revenue derived or derivable from any duty, fee, tax, fine or confiscation imposed or ordered under the provisions of this Act, or of any other law for the time being in force relating to Salt. "Salt Revenue."

Section 3, clause (1), Madras Abkári Act, 1886.

The word "Salt" includes all descriptions of chloride of sodium, however manufactured and from whatever substance derived; saltpetre; Glauber's salts; all kinds of carbonates, nitrates and sulphates of soda and of potash; all other substances manufactured from saline earth; and all kinds of earth and brine from which any "Salt."

of the above substances may be manufactured by lixiviation or by any other process whatever.

The words "Alimentary Salt" include all descriptions of Salt fitted, or subjected to any process tending to render them fit, for consumption as an article of food.

"Alimentary Salt."

The word "Manufacture" includes collection, preparation, lixiviation, boiling or any one or more of those processes; and also the separation of salt from any substance which is impregnated with it, or with which it is mixed, or in which it is held in solution.

"Manufacture."

The words "Salt Factory" include any place used, or intended to be used, for the manufacture of Salt, and all embankments, channels, reservoirs, lands, buildings, and waste places, situated within the limits thereof; lands, buildings, premises, or places on, or in, which Salt is stored or kept, or which are intended for the storage or keeping of salt, whether on account of Government, or on account of the owner thereof pending the payment of Duty; and all lands on which Salt is spontaneously produced.

"Salt Factory."

The word "Salt-work" means any defined area within a Salt Factory, which is used for the manufacture of Alimentary Salt, and which is separately registered as such in the public accounts.

"Salt-work."

The words "Contraband Salt" mean Salt manufactured without license, and Salt removed from any Salt Factory or Salt-work, stored, in transit, packed, unpacked, landed, shipped, in the possession of any person, or in any way dealt with by any person, in contravention of the provisions of any Enactment for the time being in force and relating to the Customs or Salt Revenue, or of any order or permit issued thereunder, or of any of the Rules made in pursuance thereof.

"Contraband Salt."

The words "Offence relating to Salt" mean any offence against this or any other Act for the time being in force and relating to the Salt Revenue, or against any Rule made in pursuance thereof.

"Offence relating to Salt."

The word "Commissioner" means the officer appointed by the Governor in Council under section 4, clause (*a*).

"Commissioner."

Section III, Bombay Act VII, 1873.
" 3, Indian Salt Act, 1882.
" 2, Madras Act VI, 1871.
" 2, do. I, 1882.

Section III, Bombay Act VII, 1873

Section 2, Madras Act VI, 1871.

Section III, Bombay Act VII, 1873.
" 2, Madras Act I, 1882.

Section 3, clause (3), Madras Abkári Act, 1886.

Section III, Bombay Act VII, 1873.

The word "Licensee" means a person licensed to manufacture Salt under Chapters III and IV of this Act.

"Licensee."

The words "Monopoly System" denote the system under which the Salt Revenue is realised by the imposition of a Duty on Alimentary Salt sold on account of Government.

"Monopoly System."

The words "Excise System" denote the system under which the Salt Revenue is realised by the imposition of a Duty on Alimentary Salt removed from a Salt Factory by or on behalf of Licensees.

"Excise System."

The word "Imprisonment" means imprisonment of either description as defined in the Indian Penal Code.

"Imprisonment."

The word "Maund" means a maund of eighty-two and two-sevenths pounds avoirdupois weight.

"Maund."

Indian Tariff Act, 1882, Schedule II, Article 4.

CHAPTER II.

The Appointment of Officers.

4. Notwithstanding anything contained in Regulations I and II of 1803, the Governor in Council may, from time to time, by Notification applicable to any district or local area in which this Act is in force—

(*a*) appoint an officer, who shall, either as a Member of the Board of Revenue or subject to the orders of the Board of Revenue or independently of the Board of Revenue, as the Governor in Council may direct, have the control of the administration of the Salt Department and of the collection of the Salt Revenue; and

"The Governor in Council may appoint an officer to control the administration of the Salt Department;

(*b*) withdraw from the Board of Revenue or the Collector of Land Revenue any or all of their or his powers in respect of the Salt Revenue.

may withdraw Salt powers from Board of Revenue or Collectors of Land Revenue.

5. The Governor in Council may from time to time appoint officers of the Department of Salt Revenue subordinate to the Commissioner,

Deputy and Assistant Commissioners and Inspectors.

Section 4, Clauses (*a*) and (*c*), Madras Abkári Act, 1886.

Act VII, 1873.

As the Salt Department exists, which was not the case with the Abkári Department at the time of the passing of the Madras Abkári Act, 1886, I have not followed the provisions of

under the designation of Deputy and Assistant Commissioners and Inspectors of Salt Revenue, or under such other designations as may seem fit, and may suspend, remove, transfer, or dismiss any officer so appointed.

that Act with respect to the appointment of the officers of the department, but have provided in sections 5 and 6 for the continuance of the existing practice with respect thereto.

6. The appointment of all other subordinate officers of the Department of Salt Revenue shall vest in the Commissioner, who may transfer, fine, suspend, reduce, or dismiss any subordinate officer so appointed, who shall be remiss or negligent in the discharge of his duties or unfit from any cause for the discharge of the same.

Subordinate Officers.

Section V, Bombay Act VII, 1873.

7. An appeal shall lie from all proceedings and orders of officers appointed under this Act to their respective immediate superiors, except where otherwise provided.

Appeals against orders.

Section VI, Bombay Act VII, 1873.

8. All persons holding any office or employment for the collection or protection of the Salt Revenue, or exercising any power similar to those conferred by this Act, or performing any duties similar to those imposed hereby, at the time this Act shall come into operation, shall be deemed to be appointed under this Act, and shall continue to hold such office and to exercise such powers and to perform such duties, as if they had been appointed under this Act.

Persons holding office to be deemed to be appointed under this Act.

Section VII, Bombay Act VII of 1873.

9. The Commissioner may from time to time, by Notification, authorise any officer subordinate to him to exercise in whole, or in part, all or any of the powers conferred on him by this Act, within such local area, and subject to such limitations as he may think fit; and may modify or annul any such authorisation.

Delegation of powers.

Section 1, Madras Act VI, 1878.

10. The Governor in Council may from time to time, by Notification, delegate to the Commissioner all or any of his powers under this Act.

Section 4, clause (*g*), Madras Abkári Act, 1886.

CHAPTER III.

Of the Manufacture of Alimentary Salt.

Part I.—*General.*

11. No person, not being a public servant manufacturing on behalf of Government, shall manufacture Salt unless duly licensed as hereinafter provided.

Manufacture without license illegal.

Section 3, Madras Regulation 1, 1805.
„ XIX, Bombay Act VII, 1873.

Section XX, Bombay Act VII, 1873.
Sections 3 and 7, Madras Act VI, 1871.

12. The Commissioner may grant licenses for the manufacture of Salt to such persons as he shall think fit. Each such license shall contain such particulars and conditions as the Governor in Council may from time to time prescribe. The Commissioner may at any time call for any such license, and may amend or alter it, or may issue a new license in accordance with any further conditions which may be so prescribed.

Commissioner may grant licenses;

and may call for and alter them.

13. Licenses for the manufacture of Salt may be of either of the two following kinds, that is to say;

Two descriptions of licenses.

(i) For the manufacture of Salt under the Monopoly System.

(ii) For the manufacture of Salt under the Excise System.

14. Whenever the Commissioner under Section 93 * of this Act has cancelled any license for the manufacture of Salt, he may also by notice in writing attach the lands occupied by the Salt-works to which such license refers, and on the expiration of six months from the date of the service of such notice may dispose of the same in such manner and on such conditions as he may think fit.

Commissioner may dispose of lands on cancelment of licenses.

Provided always that if the licensee claims and is decided by a competent Court, or is admitted by the Commissioner, to have any proprietary interests therein, the Commissioner shall dispose of such interests to the best advantage according to his judgment, and shall pay the proceeds thereof to the licensee without any deductions, save of expenses necessarily incurred in such disposal, and of any sum which may be due by the licensee to the Commissioner on behalf of the Secretary of State for India in Council; and such proprietary rights shall thereupon cease and determine and shall not be revived against the Commissioner or against any other person in any manner whatsoever.

15. Pending the disposal under Section 14 of lands attached on cancelment of license, and also whenever a license to manufacture Salt is suspended under Section 93 of this Act, the Commissioner may make such arrangements as he may think fit for the preven-

Treatment of lands pending disposal and during suspension of license.

* That is, on conviction of an offence relating to Salt or for breach of conditions of license.

tion of injury to the licensees of neighbouring Salt-works and of the spontaneous generation of Salt,

by granting a license to any other person to manufacture Salt on the lands referred to in the license so cancelled or suspended until the disposal thereof under Section 14 of this Act or during the period of suspension,

or by flooding the same with water,

or by any other measure whatsoever;

and he may recover the cost of such flooding or other measure from the person whose license has been cancelled or suspended.

Section XLII, Bombay Act VII, 1873.

16. Whenever any Salt Factory or portion thereof shall be closed, it shall be lawful for the Commissioner to flood such Salt Factory or portion thereof with water or to take such other measures with respect to it as he may consider necessary for the prevention of the illicit manufacture or spontaneous generation of Salt therein.

Section XLII, Bombay Act VII, 1873.

Treatment of a Factory which has been closed.

17. For the purpose of computing the compensation payable to the licensees of a Salt Factory or portion thereof closed, or taken possession of on behalf of Government, transfer by inheritance, gift, sale, or mortgage, shall not be held to constitute a break in the occupation of a licensee; but in the case of a Factory or portion thereof which has at any time been closed and subsequently re-opened, or of a Salt-work the license for which has been suspended, occupation shall be counted from the date of such re-opening, or of the expiry of the period of suspension, as the case may be.

Provided that the Commissioner may in any case direct that the period during which a license has been suspended shall not constitute a break in the occupation of the licensee.

Breaks in occupation of a licensee.

18. Whenever compensation is payable under this Act to the licensees of a Salt Factory or portion thereof closed, or taken possession of on behalf of Government, the Commissioner shall decide the amount of compensation payable according to the scales prescribed in Section 21 or 31, as the nature of the case may require.

Commissioner to award compensation.

19. All Salt Factories in existence at the date on which this Act comes into force shall be deemed to have been duly constituted Salt Factories under this Act, and every person who is registered as a manufacturer of Salt in any such Salt Factory on such date shall be deemed to be duly licensed to manufacture Salt hereunder, until a license shall be issued to him in due course.

Manufacturers in existing Factories to be deemed duly licensed.

PART II.—*Of the Manufacture of Alimentary Salt under the Monopoly System.*

It seems desirable to provide for the conversion of an Excise into a Monopoly Factory. There is at present no legal power by which this can be done.

20. The Governor in Council may by Notification designate any area of land which is the property of Government, or which the proprietor thereof shall agree to permit to be so designated, a Salt Factory under the Monopoly System, and the provisions of Parts I and II of this Chapter shall thereupon apply to such area; Provided that where such area shall already constitute a Salt Factory under the Excise System, or a part of such a factory, it shall not be designated a Salt Factory under the Monopoly System without the consent of the licensees of not less than three-quarters of the Salt-works comprised therein.

Power to establish Factories.

21. It shall be lawful for the Governor in Council to close any Monopoly Salt Factory, or any portion thereof, by prohibiting by Notification the future manufacture of Salt therein, or to assume possession for any purpose of any such Factory, or of any portion thereof, subject to such conditions as to the payment of compensation to the licensees thereof as may be deemed reasonable under the circumstances of the case. But such compensation shall under no circumstances exceed the following scale:—

Power to close or acquire Factories or lands.

Compensation payable.

To a licensee who has enjoyed unbroken occupation since the 12th day of July 1805.	five times
To a licensee who has not enjoyed unbroken occupation since that date, but who has enjoyed unbroken occupation for twenty years or more.	four times
To a licensee who has enjoyed unbroken occupation for ten years and less than twenty years.	three times
To a licensee who has enjoyed unbroken occupation for less than ten years.	twice

the amount annually received by him from Government, on the average of the five years last preceding, in respect of Salt manufactured on the Salt-work, or portion of a Salt-work, for which he may hold a license at the time at which it is closed or assumed possession of.

Section 5, Madras Regulation 1, 1805.

22. The Commissioner shall determine the Monopoly Salt Factories at which Salt shall, in each year, be manufactured, and the quantity to be made by each licensee at each such Factory.

Commissioner to determine places of manufacture each year.

23. The Commissioner may cancel the license of any licensee refusing, or without reasonable cause neglecting, to manufacture Salt according to the conditions of his license.

Power to cancel licenses of recusant licensees.

Section 6, Madras Regulation 1, 1805.

24. Licensees shall be bound at their own expense to maintain in repair their Salt-works and the minor irrigation channels which supply brine thereto, to deliver all the Salt manufactured by them into store at the place and in the manner appointed by the Commissioner, to keep the fences round the Salt Factory in repair, and to render such assistance in guarding the Salt Factory during the season of manufacture as may be required by the Commissioner. They shall also be bound, when called upon by the Commissioner, to provide labour and materials for securing Salt in store, and for executing repairs to the platforms, main channels, roads, and other works of the Factory, on receipt of payment therefor at the rates usually paid in the neighbourhood for labour and materials of a similar description.

Obligations and duties of licensees.

G.O., No. 1043, dated 12th May 1862, *vide* paras. 68 and 69 of the Report of the Salt Commission, 1876.

Of course such assistance would not ordinarily be asked for, for obvious reasons. But the power to claim it should not be abandoned.

25. In case the licensees of any Salt Factory shall fail to agree among themselves as to the proportion in which they shall execute, perform and do the several works, duties and things mentioned in the last preceding section, it shall be lawful for the Commissioner to determine the same by order to be affixed in a conspicuous place in the Salt Factory, and the licensees shall thereupon be bound to execute, perform and do such works, duties and things accordingly; and if any licensee shall refuse or neglect so to do, the Commissioner may take such steps as he may think fit for the execution, performance and doing of such works, duties and things, and may recover from any sums which may be due, or may become due, to such licensee from Government, on account of salt manufactured by him, the amount of any additional expenditure which the Commissioner may have incurred owing to such refusal or neglect; and may also cancel the license of such licensee.

Power to enforce performance of obligations by licensees.

This is a necessary corollary of the preceding section.

26. The Commissioner shall pay licensees for all Salt manufactured according to the conditions of their licenses and delivered into

Commissioner to pay for Salt manufactured.

Section 4, Madras Regulation 1, 1805.

store by them, at the rates specified in the second schedule hereto annexed, or at such other rates as may hereafter be agreed upon.

Provided that the Commissioner may authorize the immediate destruction of all Salt manufactured otherwise than according to the conditions of their licenses.

PART III.—*Manufacture of Alimentary Salt under the Excise System.*

27. The Governor in Council may, by Notification, designate any area of land which is the property of Government, or which the proprietor thereof shall agree to permit to be so designated, a Salt Factory under the Excise System, and the provisions of Parts I and III of this Chapter shall thereupon apply to such area.

Power to establish Factories.

Section 6, Madras Act VI, 1871.

28. Where such area shall already constitute a Monopoly Salt Factory or portion thereof, the Commissioner shall tender licenses under the Excise System to all persons then holding licenses to manufacture Salt within such area under the Monopoly System, and any person refusing, or neglecting for the space of one year to accept, a license so tendered, shall forfeit all right to receive the same, and it shall be lawful for the Commissioner to attach and dispose of the lands occupied by his Salt-works, in the manner provided in Section 14 for the attachment and disposal of lands on cancelment of license.

Tender of Excise licenses to Monopoly Licensees.

Section XXXIV, Bombay Act VII, 1873.
" 26, Madras Act VI, 1871.

29. The Commissioner may without compensation refuse to grant licenses, or may cancel all licenses, as the case may be, to manufacture Salt at any Salt-work at which no Salt shall have been manufactured during the three years last preceding.

Power to cancel licenses on failure to manufacture.

Section 6, Madras Act VI, 1871.
" XXI, Bombay Act VII, 1873.

30. The Governor in Council may without compensation withdraw, by Notification, all licenses to manufacture Salt at any Salt Factory, at which, on an average of the three years last preceding, twenty-five thousand Maunds of Salt shall not have been manufactured and sold yearly, and may declare the same to be closed.

Power to withdraw licenses.

31. It shall be lawful for the Governor in Council to close any other Excise Salt Factory, or any portion thereof, by

Power to close Factories.

prohibiting by Notification the future manufacture of Salt therein, or to assume possession for any purpose of any such Factory, or of any portion thereof, on payment of compensation to the licensees of the Factory according to the following scale:—

Compensation payable.

To a licensee who has enjoyed unbroken occupation since the 12th day of January 1805	Three and one-third times.
To a licensee who has not enjoyed unbroken occupation since that date, but who has enjoyed unbroken occupation for 20 years, or more.	Two and two-thirds times.
To a licensee who has enjoyed unbroken occupation for 10 years, and less than 20 years	Twice.
To a licensee who has enjoyed unbroken occupation for less than 10 years.	One and one-third times.

the annual sale-proceeds obtained by him for Salt manufactured in the Salt-works or portion of a Salt-work closed, or taken possession of, on the average of the five years last preceding.

32. Salt in store at any Salt Factory, or part of a Factory, which may be closed in the manner hereinbefore provided, or the property of any licensee whose license may be cancelled or suspended, shall be removed within six months of the date of such closing or of the cancelment or suspension of such license, for which purpose only the license shall continue in force; and the Commissioner may cause any Salt which may remain in store in any such case after the expiry of such period of six months, to be put up for sale on account of the owner thereof on condition of immediate removal, and if no price be bid for such Salt, or if the purchaser neglect to pay the duty leviable thereon and to remove it within ten days, the Commissioner may cause it to be destroyed, and may recover the cost of such destruction from the person on whose account it was put up for sale.

Removal of Salt from closed Factory.

Section XLIII, Bombay Act VII, 1873.
Condition 11 of the existing form of Excise license.

33. The Commissioner may cause guard sheds to be erected at any place in any Salt Factory, without payment of compensation for the use of the land occupied thereby.

Power to erect guard sheds.

Section XXII, Bombay Act VII, 1873.

34. The Commissioner may require the licensee of any Salt-work to protect in such manner as he shall consider sufficient, by thatch or in any other mode customary in the district in which such Salt-work may be situated, any Salt upon any embankment, platform, or place used for the storage of Salt, within the limits of the Salt Factory in

Salt to be properly stored.

Sections XLIV and XLV, Bombay Act VII, 1873.
Condition 12 of the existing form of Excise license.

which such Salt-work is situated, or to construct or repair to his satisfaction any embankment, platform, building, premises, or place situated within such Salt Factory and used for the storage of Salt on which Duty shall not have been paid, and if the licensee shall fail to comply within ten days of the receipt of such order with the requirements thereof, the Commissioner may proceed to execute the necessary works, and may recover the cost thereof from the licensee.

Section XL, Bombay Act VII, 1873.
Condition 13 of the existing form of Excise license.

35. The Commissioner may at his discretion call on a licensee to store in heaps any sifted or refuse Salt manufactured by him which may be lying unstored within the limits of the Salt Factory, or, at the option of the licensee, to destroy the same; and if such licensee shall fail either to store or to destroy such Salt within ten days of the receipt of the order so to do, the Commissioner may cause such Salt to be destroyed, and may recover the cost of such destruction from such licensee. The Commissioner shall determine whether any Salt is sifted or refuse for the purposes of this Act.

Refuse Salt to be secured.

Section XLI, Bombay Act VII, 1873.
Condition 14 of the existing form of Excise license.

36. On any heap or store of Salt being opened and a part thereof removed, the Commissioner may require the owner thereof to remove the remaining portion within ten days or to reheap and secure it in such manner as he may direct, failing which he may cause the said Salt to be put up for sale, on account of the owner thereof, on condition of immediate removal; and if no price be bid for such Salt, or if the purchaser neglect to pay the Duty leviable thereon and to remove it within ten days, the Commissioner may cause it to be destroyed, and may recover the cost of such destruction from the person on whose account it was put up for sale.

Opened heaps to be restored or removed.

Condition 8, Clause 2 of the existing form of Excise license.

37. The licensees of the Salt-works comprised within every Salt Factory shall be bound, at their own expense, to maintain in good repair to the satisfaction of the Commissioner all existing drying grounds, platforms, buildings, fences, patrol paths, gates, and all other works used for the storage of Salt, or to prevent the removal of Salt from the Factory without payment of Duty; and in case the Salt Factory shall have been a Monopoly Factory before it was constituted an Excise Factory, they shall also be bound

Licensees to maintain works in good order.

so to maintain all channels, roads, embankments, reservoirs, buildings, and all other works in existence at the time of its constitution as an Excise Factory, and intended for either of the above purposes, or for the manufacture of Salt, or for communication, or for the protection of the factory from inundations.

Conditions 9 and 10 of the existing form of Excise license.

Important works may be executed or maintained by the Salt Department.

38. Whenever it appears desirable to the Commissioner that the maintenance and repair of any such work as is specified in the preceding section should, owing to its magnitude or to the neglect of the licensees to perform the duties imposed on them thereby or to any other cause, be undertaken by the Salt Department, it shall be lawful for him, with the sanction of the Governor in Council, to cause such works as he may consider necessary for such purpose to be executed.

Provided that, in case the licensees of not less than three-quarters of the Salt-works contained in any Salt Factory, or defined part thereof, shall signify to the Commissioner in writing their desire for the construction of any new work of any of the above descriptions, which he may be of opinion will be for the general benefit of the licensees of the said Salt Factory or defined part thereof, and which, from its magnitude or any other cause, he may consider difficult or impossible of execution by the licensees themselves, he may, with such sanction as aforesaid, cause the same to be executed.

Conditions 9 and 10 of the existing form of Excise license.

Commissioner may recover the cost of works so executed.

39. It shall be lawful for the Commissioner to recover from the licensees the cost of any works executed by him under Sections 34 and 38 of this Act in such proportions as under the circumstances of the case may seem reasonable.

CHAPTER IV.

Manufacture and Refinement of Saltpetre, &c.

Section 6, clause (*a*), Indian Salt Act, 1882. Rule 1 of the Saltpetre Rules.

Governor may prohibit unlicensed manufacture of saltpetre.

40. The Governor in Council may prohibit by Notification, from a date to be fixed therein, within the limits of any defined area, the unlicensed manufacture or refinement, except by a public servant on behalf of Government, of any of the following saline substances; that is to say, saltpetre, Glauber's

Salts, and the several kinds of carbonates, nitrates and sulphates of soda and potash; and from and after such date, such manufacture or refinement shall be unlawful, and the provisions of this Chapter shall apply within such area.

5 and 7 of the Saltpetre Rules.

Commissioner may grant licenses.

41. The Commissioner may grant, or may refuse to grant, licenses for the manufacture or refinement of any of the above-mentioned saline substances, to such persons as he may think fit.

Provided that the refusal of the Commissioner to grant such a license to any person, who has not held such a license within one year from the date of such refusal, shall be subject to no appeal whatever.

Provided also, that a license shall not be refused to any person usually employed in such manufacture or refinement at the time of the publication of any Notification under Section 40, unless the Commissioner shall consider the grant of such license likely to be specially hazardous to the Salt Revenue, or likely to cause disproportionate expense to Government for the purpose of the regulation and supervision of the Factory for which it is sought.

on 6, Indian Salt Act, 1882.
3 of the Saltpetre Rules.

Two kinds of licenses.

42. Such licenses may be of either of the two following kinds:—

A. For the manufacture only of any of the aforesaid saline substances in their crude form.

B. For the manufacture and refinement of saltpetre, and the separation and purification of Alimentary Salt in the process of such manufacture and refinement.

on 6, clause (*b*), Indian Salt Act, 1882.
4 of the Saltpetre Rules.

Fees for licenses.

43. The Governor in Council may from time to time, by Notification, fix fees, not exceeding the following amounts, to be paid for the aforesaid licenses in any local area:—

A. For a license to manufacture only ... Rs. 25.

B. For a license to manufacture and refine saltpetre, and to separate and purify Alimentary Salt in the process of such manufacture or refinement ... Rs. 100.

8 and 10 of the Saltpetre Rules.

Conditions of license.

44. Each such license shall be renewable annually and shall contain such

particulars and conditions as the Governor in Council may from time to time prescribe. The Commissioner may at any time call for any such license, and may amend or alter it, or may cancel it and grant a new license in accordance with any further conditions so prescribed.

Separation of Alimentary Salt when illegal.

45. It shall not be lawful for any person licensed only to manufacture any of the aforesaid saline substances, to separate or purify Alimentary Salt in the process of such manufacture, or to submit the materials used by him in such manufacture to any process tending to result in the separation or purification of Alimentary Salt.

Disposal of materials on suspension of license.

46. Whenever any license granted under the provisions of this chapter is cancelled or suspended under Section 93,* the Commissioner may require the licensee to destroy, or to remove from the Factory the license of which is cancelled or suspended, all materials capable of being used in the manufacture of Alimentary Salt or other saline substances as aforesaid, or in the refinement of saltpetre; and in case the licensee shall fail or neglect so to destroy or remove such materials within ten days, the Commissioner may cause the same to be destroyed, and may recover the cost of such destruction from the licensee, or may sell the same and credit the proceeds to Government.

* That is, on conviction of an offence relating to Salt or on breach of conditions of license.

Payment of Duty when license is suspended.

47. Whenever any license for the manufacture and refinement of saltpetre is cancelled or suspended under Section 93, the Commissioner shall assess the Duty payable on any Alimentary Salt which may be within the limits of the Factory the license of which has been cancelled or suspended, and shall call on the licensee thereof to pay such Duty; and if the licensee neglect for the space of ten days to pay such Duty, it shall be lawful for the Commissioner to sell such Salt on behalf of Government for immediate removal on payment of Duty or to destroy it and to recover the cost of such destruction from the licensee.

Condition 2 of the Refinery license, Form B.

Licensees to construct and maintain fences and stores.

48. The Commissioner may call on any person licensed to manufacture and refine saltpetre to

construct, or maintain in good repair, fences round his Factory, and stores for the custody and protection of the materials used or produced therein, to the satisfaction of the Commissioner; and on such person refusing, or for the space of ten days neglecting, so to do, the Commissioner may cancel his license, or may suspend it until such fences or stores are constructed or repaired as aforesaid, or may execute such works or repairs thereto as he may think necessary, and may recover the cost thereof from the licensee.

Rule 15 of the Saltpetre Rules.

Licensees to store materials.

49. The Commissioner may call on any person licensed to manufacture and refine saltpetre to store, or protect in such manner as he may consider necessary, any Salt, or materials used, or capable of being used, in the manufacture of Salt, within the limits of his Factory, and on his neglecting for the space of twenty-four hours so to do, the Commissioner may cause such Salt or materials to be destroyed, and may recover the cost of such destruction from the licensee.

Rules 14 and 16 of the Saltpetre Rules.

Commissioner may direct removal of Alimentary Salt.

50. The Commissioner may from time to time cause any Alimentary Salt, then within the limits of any Factory licensed for the manufacture and refinement of Saltpetre, to be weighed and assessed for Duty, and the licensee shall thereupon be bound to pay such Duty, and to remove such Salt from the Factory, and beyond the limits of any area round the Factory which may be defined under Section 57, within such time as the Commissioner may order; and if the licensee shall fail or neglect so to do, it shall be lawful for the Commissioner to cause such Salt to be destroyed, and to recover the cost of such destruction from such licensee, or to sell the same and credit the proceeds to Government.

Rule 13 of the Saltpetre Rules.

Books to be open to inspection.

51. All diaries, registers, books of account, and similar papers connected with the business of any Factory licensed under this chapter, shall at all times be open to the inspection of the Commissioner.

Commissioner's decision whether Salt is alimentary or not final.

52. It shall be lawful for the Commissioner to decide, for the purposes of this chapter, whether any Salt is Alimentary Salt or not, and such decision shall be final and subject to no appeal whatever.

CHAPTER V.

Purchase, Removal and Possession of Salt.

Section XXV, Bombay Act VII, 1873.
„ 7, clause (*a*), Indian Salt Act, 1882.

53. No Alimentary Salt shall be removed from any Salt Factory, unless on account of Government, except under a permit granted under such Rules as the Governor in Council may from time to time prescribe under Section 113, and upon payment both of Duty at the rate per maund at which Customs Duty is for the time being levied on Alimentary Salt imported into the Presidency by sea, and of the following charges:—

Duty payable on all Alimentary Salt, &c.

Section 8, Indian Salt Act, 1882.

A—For every maund of Alimentary Salt sold under the Monopoly System within any local area, such sum as the Governor in Council may from time to time by Notification fix as the cost-price thereof: Provided that the Governor in Council may prescribe Rules for the sale of any Salt by auction, and that in such case the amount bid for such Salt shall be paid to Government in addition to the Duty, in lieu of such cost-price.

Cost-price.

B—For every maund of Alimentary Salt sold under the Excise System within any Salt Factory, such Excise Cess as the Commissioner may fix, under such general or special Rules as the Governor in Council may from time to time prescribe, as sufficient to cover all, or such portion as the Governor in Council shall deem fit, of any or all of the following charges:—

Excise Cess.

Condition 8, clause iii, of the existing form of Excise license.

I.—The rent of the land occupied by the Factory, and of the lands or buildings on or in which the Salt was stored.

Provided that the Commissioner may require the payment by licensees of such annual or monthly sum as he may from time to time prescribe, in lieu of a cess per maund of Salt sold, as rent of the lands occupied by their Salt-works, or of the lands or buildings on or in which Salt is stored.

Condition 8, clause iii of the existing form of excise license.

II.—Interest at five per centum per annum on the capital cost of the permanent works constructed by and at the expense of Government within the Factory of any of the descriptions, or for any of the purposes, mentioned in Sections 37 and 38.

III.—The cost of any works executed under Section 38.

IV.—So much of the annual expenditure incurred by the Government on the establishments maintained at the Factory or place of storage, for the purposes of guarding the Salt, and of collecting the Revenue thereon, and for transacting the business of Government in connection therewith, as may exceed five per centum on the Duty levied on the Salt therein made and sold in the official year or years next preceding, and as may not have before been recovered by Government.

Sections 19, 20, Madras Act VI, 1871.

54. Nothing in Section 53 shall be held to prevent the Commissioner from granting time for the payment of Duty, or other charges as aforesaid, on any quantity of Alimentary Salt removed from any Factory or place of storage; or from remitting, or permitting the purchaser to postpone, payment of the whole, or any portion, of the Duty payable on any such Salt exported by sea beyond the limits of the Presidency; or from remitting the Duty payable on any such Salt purchased for use in manufactures or agriculture or for the consumption of horses, sheep, goats or cattle; subject, in each case, to such conditions for the protection of the Revenue, and regarding the security to be given for payment of the Duty and other charges as aforesaid leviable thereon, as the Governor in Council may from time to time by Rule prescribe, according to the nature of the case.

Salt may be sold on credit or exported.

Section XXX, Bombay Act VII, 1873.

A most important provision. Some years ago a serious case of smuggling in the Bombay Presidency nearly fell through for want of a provision of the sort.

55. Every person removing Alimentary Salt from a Salt Factory shall be bound to superintend, either in person, or by his servant or agent, the weighing out of the same, and to prevent the removal of any quantity in excess of that for the removal of which permission has been granted; and for this purpose shall be at liberty to test the

Purchaser responsible for correctness of quantity removed.

weights and scales used in the weighment thereof.

Protected areas.

56. The Governor in Council may declare, by Notification, that no building, enclosure, premises, or place, within any local area, shall be used for the reception or storage of Salt for the purpose of sale, unless licensed by the Commissioner, under such Rules as the Governor in Council may from time to time prescribe.

Sections XXXV and XXXVI, Bombay Act VII, 1873.
Sections 58 and 79, Inland Customs Rules.
Section 6, Clauses (*d*), (*e*), Indian Salt Act, 1882.

Within such local area it shall not be lawful for any person not so licensed (not being a public servant appointed under this Act acting on behalf of Government,) to possess or transport Salt exceeding one-quarter of a maund in quantity, unless the same shall be in transit protected by a pass, or be covered by a general or special permit from the Commissioner authorising its retention for private consumption within the said limits.

Section XXXVII, Bombay Act VII, 1873.

Letter-para 16.

Possession illegal within certain areas.

57. The Governor in Council may by Notification define local areas within which it shall not be lawful for any person, not being a public servant appointed under this Act, to have any Salt in his possession, except in transit duly protected by a pass.

Section 58, Inland Customs Rules.
" 6, Clauses (*d*), (*e*), Indian Salt Act, 1882.

If any such area includes a Salt Factory, no point within it shall be more than one thousand yards from the nearest point of such Salt Factory if established under Chapter III, or more than one hundred yards from the nearest point of such Salt Factory if established under Chapter IV.

Section 77, Inland Customs Rules.

Admission into Salt Factories.

58. No person other than a public servant in the execution of his duty as such public servant shall enter or remain in any Salt Factory except during such hours and under such Rules as Government may by Notification prescribe.

Establishment of Preventive Stations in the neighbourhood of Salt Factories.

59. The Commissioner may cause Preventive Stations to be established in the neighbourhood of any Salt Factory, and may cause all Salt removed from such Factory to be there detained and examined by such officer as he shall direct, under such Rules and subject to such penalties, as the Governor in Council may prescribe by Notification under Section 113 in case such Salt be found upon such examination to be in excess of the quantity which the remover thereof is lawfully entitled to remove under Section 50.

CHAPTER VI.

Importation of Salt.

Section XXIV, Bombay Act VII, 1873.
" 27, Indian Salt Act, 1882.

Power to forbid importation.

60. The Governor in Council may by Notification forbid the import of Salt by land or sea, at any port or place within the Presidency, or by any stated route, or may permit the same, subject to such rules and conditions as to the packing and means of transport thereof as he may from time to time prescribe.

Section XXIV, Bombay Act VII, 1873.
" 14, Madras Act VI, 1871.

Power to appoint ports for importation of Salt by sea.

61. The Governor in Council may from time to time declare by Notification the Ports within the Presidency at which only it shall be lawful to import Salt by sea, and may appoint proper places therein to be wharves for the landing of Salt, and may declare the bounds and extent of such wharves, and may forbid the import or landing of Salt at any port or wharves at which such import or landing may at any previous time have been authorised.

Section XXIV, Bombay Act VII, 1873.
" 13, Madras Act VI, 1871.
" 27, Clause (*c*), Madras Act I, 1882.

Power to appoint routes for importation of Salt by land.

62. The Governor in Council may from time to time by Notification prescribe by what routes Salt shall be allowed to pass by land into any part of the Presidency out of foreign territory, or out of the territory of any Native Chief not subject to the jurisdiction of the Courts of the Presidency.

Section 13, Madras Act VI, 1871.
" 5, Clause (*a*), Indian Tariff Act, 1882.
" 6, " (*c*), " Salt Act, 1882.

Duty leviable on Salt imported by land.

63. Duty at the rate at which Customs Duty is for the time being levied on Alimentary Salt imported by sea shall be leviable on all Alimentary Salt imported by land into the Presidency from foreign territory, or from the territory of any Native Chief not subject to the Courts of the Presidency.

Provided that no Duty shall be leviable on Salt so imported on which the Government of any other part of British India has already levied a Duty not less in amount than that which would otherwise be leviable under this section.

CHAPTER VII.

Of the Powers of Public Officers for the Detection and Punishment of Offences against the Salt Laws.

Magistrate may issue search warrant on application.

64. It shall be lawful for any Magistrate, on application by a Police Officer or any other person stating his belief that contraband Salt is manufactured, sold, kept or concealed in any house, building, vessel or place within the jurisdiction of such Magistrate, to issue a warrant to search for such salt.

When Salt Officers may search without warrant; and the procedure to be observed.

65. Whenever any officer of the Salt Department of not lower rank than Sub-Inspector has reason to believe that contraband Salt is being manufactured, sold, kept, concealed, or in any way dealt with, in any house, building, vessel, or place, and that the delay occasioned in obtaining a search warrant will prevent the discovery thereof, such officer shall first record in writing (so far as may be practicable),

(*a*) the name, residence and calling of the informant (if any);

(*b*) the locality and description of the house, building, vessel or place where the officer believes the Salt is being manufactured, sold, kept, concealed or dealt with;

(*c*) the name of the person for or by whom the Salt is manufactured, sold, kept, concealed or dealt with; and

(*d*) the supposed quantity and description of the Salt with the grounds of believing the same to be unlawfully manufactured, sold, kept, concealed or dealt with;

and may then summon in writing the officer in charge of the Police Station within whose jurisdiction the house, building, vessel or place to be searched is situate to attend him;

and may then, between sunrise and sunset (but always in the presence of such officer) enter and search any house, building, vessel or place in which there is reason to believe that contraband Salt is being manufactured, sold, kept, concealed or dealt with;

and may seize and carry away all contraband Salt unlawfully manufactured, sold, kept, concealed or dealt with, and all materials, implements, and utensils used in the manufacture, sale, keeping or concealment of such Salt;

Section 33, Madras Abkári Act, 1886.

Madras Act I of 1882, Section 6.

Act XIX of 1852, Section 19.
Bombay Salt Act, Sections IX and XIV.
Opium Act, Section 15.
Indian Salt Act, Sections 16 and 17.

and may also arrest the occupier of the said house, building, vessel or place, together with all persons concerned in the manufacture, sale, keeping or concealment of such Salt or in dealing therewith; provided that any person arrested under this section shall be always admitted to bail by such officer if sufficient bail be tendered for appearance before an Inspector of the Salt Department or a Magistrate as hereinafter provided.

Before conducting a search under this section, the officer conducting it shall call upon two or more respectable inhabitants (if any) of the locality in which the house, building, vessel or place to be searched is situate, to attend and witness the search, and the search shall be made in the presence of such inhabitants (if any), and also (if practicable) of the occupant of the house, building, vessel or place searched.

Whenever it is necessary to cause a woman to be searched, the search shall be conducted with strict regard to the habits and customs of the country.

In case of resistance, entry may be made by force, &c.

66. If any officer empowered to make an entry under the provisions of the last preceding section cannot otherwise make such entry, it shall be lawful for him to break open any outer or inner door or window and to remove any other obstacle to his entry into any such place.

Head of village may search.

67. Whenever the Head of a village shall have credible information that Contraband Salt is being manufactured, sold, kept, concealed, or in any way dealt with in his village, he shall forthwith search the premises in which such Salt is believed to be manufactured, sold, kept, concealed, or otherwise dealt with, and shall seize and carry away all such Salt and all other articles liable to confiscation under this Act which he may find; and he shall forthwith forward any articles so seized, with a report of the circumstances under which, and of the person in whose possession, they were found, to the nearest Salt Factory or Police Station.

Offenders may be arrested, and contraband Salt, &c., seized, without warrant.

68. Any officer of the Police, Salt, Land Revenue, or Customs Departments may arrest without warrant in any public thoroughfare or open place any person found committing an offence relating to Salt; and in any such thoroughfare or open place may seize

and detain any Salt or other article which he has reason to believe to be liable to confiscation under this Act, and may search any person, vessel, vehicle, animal, package, or covering, upon whom or in or upon which he may have reasonable cause to suspect any such Salt or other such article to be, or to be concealed.

Madras Act I of 1882, Section 5.
Indian Salt Act, " " 20.

69. Every search conducted under this chapter shall be carried out in accordance with the provisions of the Criminal Procedure Code, so far as the same are applicable, and within twenty-four hours report thereof shall be forwarded to the Magistrate of the Division, and to the immediate official superior of the person by whom the search was made.

Procedure in case of search.

70. Whenever an officer of the Salt Department makes any arrest or seizes any article as liable to confiscation under Section 65, he shall within twenty-four hours make a full report of the particulars of such arrest or seizure to his immediate official superior.

Report of seizure.

Madras Act I of 1882, Section 8.

71. Whenever any person shall have been arrested under the provisions of this Chapter and shall not have been admitted to bail under Section 65, the person arresting him shall forthwith forward him to the officer of the Salt Department in charge of the Circle in which the arrest was made or, if such officer be not within a distance of ten miles from the place at which such arrest took place, to the nearest Police Station, with a report of the circumstances under which such arrest was made.

Persons arrested, how to be dealt with.

Madras Act I of 1882, Section 9.

72. Whenever any person who has been arrested on a charge of having committed an offence relating to Salt is brought to a Police Station, the officer in charge thereof shall either admit him to bail to appear when summoned before the officer of the Salt Department in charge of the Circle within the limits of which the offence with which he is charged is suspected to have been committed, or in default of bail shall forward him in custody to such officer.

Procedure by Police Station Officer.

Bombay Salt Act, Sections X, XI and XIII.
Indian Salt Act, 1882, Sections 20 and 23.
Madras Act I of 1882, Section 10.

73. Whenever any person charged with having committed an offence relating to Salt shall have been brought before an officer of the Salt

Procedure by Circle Officer.

Department in charge of a Circle or shall have appeared before him on bail as hereinafter provided, such officer shall, after such inquiry as he may deem fit, either release him, or forward him in custody to, or admit him to bail to appear before, the Magistrate having jurisdiction to inquire into or try the case.

Bombay Salt Act, Section X.
Madras Act I of 1882, Section 11.

74. Every person, whom, under either of the last three preceding sections, it is lawful to forward in custody to an officer of the Salt Department in charge of a Circle or to a Magistrate, as the case may be, shall be admitted to bail if sufficient bail be tendered for his appearance before such officer or Magistrate. When any such person is admitted to bail, a bond, in such sufficient but not excessive sum of money as the officer admitting him to bail thinks proper, shall be entered into by such person and by one or more sureties, conditioned that such person shall attend in accordance with the terms of the bond and shall continue to attend until otherwise directed by such officer of the Salt Department in charge of a Circle before whom he was bailed to attend, or by the Magistrate, as the case may be.

Persons arrested to be admitted to bail.

Provided that the officer admitting any such person to bail may at his discretion dispense with the requirement of a surety or sureties to the bond executed by such person.

Madras Act I of 1882, Section 12.

75. Whenever by reason of default of appearance of a person bailed to appear before an officer of the Salt Department in charge of a Circle, such officer is of opinion that proceedings should be had to compel payment of the penalty or penalties mentioned in the bond, he shall forward it to the Magistrate having jurisdiction to try the offence of which the person bailed was accused, and the Magistrate shall proceed to compel payment of the penalty in the manner provided by the Code of Criminal Procedure for the recovery of penalties in the like case of default of appearance by a person bailed to appear before his own Court.

Procedure in case of default of person admitted to bail to appear before Circle Officer.

Bombay Salt Act, Section XVII.
Madras Act VI of 1871, Section 28.
Madras Act I of 1882, " 13.

76. Any officer of the Salt Department not below the rank of Assistant Inspector holding an investigation in any matter relating to the Salt Revenue, and any officer of the

Salt Officers may summon witnesses.

Department not below the rank of Sub-Inspector holding an investigation regarding an offence relating to Salt may summon any person to appear before himself to give evidence in such investigation or to produce any document relevant thereto which may be in his possession or under his control.

Madras Act I of 1882, Section 14.

77. Summonses under the last preceding section shall be in writing and shall be signed by the officer issuing them. They shall state whether the person summoned is required to give evidence or to produce a document, or both, and shall require him to appear before the said officer at a stated time and place.

Terms of summons.

Provided that no officer of the Salt Department shall summon any person to appear at a greater distance from the usual place of residence of such person than the Governor in Council may from time to time by Rule direct.

Code of Criminal Procedure, Sections 160 and 161.
Madras Act I, 1882, Section 15.

78. Persons so summoned shall attend as required and shall answer all questions relating to such investigation put to them by such officer. Such answers may be reduced into writing.

Examination of witnesses by Salt Officers.

Madras Act I of 1882, Section 16.

79. It shall be lawful for such officer to proceed to the residence of any person who from sickness or other infirmity may be unable to attend before him, or whom by reason of rank or sex it may not be proper to summon, and there to require him to answer such questions as he may consider necessary with respect to such investigation, instead of summoning him to appear; and such person shall be bound so to answer accordingly, and the provisions of Section 78 shall apply to such answers.

When attendance of witnesses to be dispensed with, and procedure in such cases.

Madras Act I of 1882, Section 17.

80. Any person summoned merely to produce a document, shall be deemed to have complied with the summons, if he cause such document to be produced, instead of attending personally to produce the same.

Persons summoned to produce documents may send them.

This is taken by section from Section 94 Code Crim. Procedure & does not appear to be necessary

Code of Criminal Procedure, Sections 170, 173 and 191.
Madras Act I of 1882, Section 18.

81. Whenever an officer of the Salt Department in charge of a Circle forwards in custody any person accused of an offence relating to Salt

Report of Circle Officer gives jurisdiction to a competent Magistrate.

to the Magistrate having jurisdiction to inquire into or try the case, or admits any such person to bail to appear before such Magistrate, such officer shall also forward to such Magistrate a report setting forth the name of the accused person and the nature of the offence with which he is charged, and the names of the persons who appear to be acquainted with the circumstances of the case; and shall send to such Magistrate any article which it may be necessary to produce before him. Upon the receipt of such report the Magistrate shall inquire into such offence and try or commit for trial the person accused thereof in like manner as if complaint had been made before him as prescribed in the Code of Criminal Procedure.

Code of Criminal Procedure, Section 170.
Madras Act I of 1882, Section 19.

82. Whenever an officer of the Salt Department in charge of a Circle forwards in custody any person accused of an offence relating to Salt to the Magistrate having jurisdiction to inquire into or try the case, or admits such person to bail to appear before such Magistrate, such officer shall exercise all the powers conferred by the Code of Criminal Procedure on an officer in charge of a Police Station in respect to causing the appearance before such Magistrate of such persons acquainted with the facts and circumstances of the case as he considers it necessary that such Magistrate shall examine as witnesses for the prosecution of such case.

Powers of Circle Officer to cause attendance of witnesses.

Code of Criminal Procedure, Section 61.
Bombay Salt Act, Section XII.
Madras Act I of 1882, Section 20.

83. No person accused or suspected of having committed an offence relating to Salt shall be detained for a longer period than, under all the circumstances of the case, is reasonable; and such period shall not, in the absence of the special order of a Magistrate, whether having jurisdiction to inquire into or try the case or not, exceed twenty-four hours, exclusive of the time necessary for the journey of such person to the place where the officer of the Salt Department in charge of the Circle may be and from thence to the Court having jurisdiction to inquire into or try the case.

Accused not to be detained in custody for a longer period than twenty-four hours, without special authority.

Opium Act, Section 20.
Madras Act I of 1882, Section 21.

84. All officers in charge of Police Stations shall take charge of and keep in safe custody, pending the orders of a Magistrate, or of an officer of the Salt Department in charge of a Circle, all articles seized under this Act

Police to take charge of articles seized.

which may be delivered to them ; and shall allow any officer of the Salt Department who may accompany such articles to the Police Station, or who may be deputed for the purpose by his superior officer, to affix his seal to such articles or to take samples of and from them. All samples so taken shall also be sealed with the seal of the officer in charge of the Police Station.

Opium Act, Section 17.
Bombay Salt Act, Section XVI.
Madras Act I of 1882, Section 23.

Officers to assist each other.

85. All officers of the Police, Salt, Land Revenue, and Customs Departments, shall, upon notice given or request made, be legally bound to assist each other in carrying out the provisions of this Act.

Section 38, Madras Abkári Act, 1886.

Offences to be reported, &c.

86. Every officer employed by Government, other than an officer of the Salt Department, shall be bound to give immediate information to an officer of the Salt Department and every officer of the Salt Department shall be bound to give immediate information either to his immediate official superior or to an officer of the Salt Department in charge of a Circle, of all breaches of any of the provisions of this Act which may come to his knowledge ; and all such officers shall be bound to take all reasonable measures in their power to prevent the commission of any such breaches which they may know or have reason to believe are about or likely to be committed.

Section XXII, Bombay Act VII, 1873.
„ 10, Madras Act VI, 1871.

Power to post officers for supervision.

87. The Commissioner may, for the purposes of this Act, station at each Salt Factory such officers as he may consider necessary for the due supervision of the manufacture, storage, sale and removal of Salt.

Bombay Salt Act, Section VIII.
Madras Act VI of 1871, Section 10.

Commissioner to have access to Salt Factories, &c.

88. The Commissioner shall have access at all hours to every portion of every Salt Factory licensed under this Act; and of every building, vessel or place in which Salt on which Duty has not been levied is stored or kept, or which is licensed for the storage and sale of Salt under Chapter V of this Act; and of any vessel which has been, or is proposed to be, laden with Salt.

Bombay Salt Act, Section XVIII.

Salt officers may enter unlicensed Salt Factories and destroy contraband Salt, works, &c.

89. Any officer of the Police, Land Revenue, Salt, or Customs Departments, may at any time enter into any unlicensed Salt Factory, and may take possession of and destroy any contraband or spontaneously generated Salt found

therein, and may destroy any works constructed for the purpose of the unlicensed manufacture of Salt, or to cause or assist the spontaneous generation of Salt.

(1) Madras Act VI of 1871, Section 5.
(2) Indian Salt Act, 1882, Section 14.
Madras Abkári Act, 1886, Section 39.

Opium Act, Section 12.
Indian Salt Act, 1882, Section 9.

Proprietors and others to give notice of unlicensed manufacture, &c.

90. All Zemindars and proprietors, tenants, under-tenants, and cultivators of land on which there shall be any manufacture of contraband Salt or in which contraband Salt is stored, kept or sold and every servant employed by them upon such land ; every public servant ; and every servant employed by the Court of Wards shall be bound with all reasonable despatch to give notice to the nearest officer of the Department of Salt Revenue or at the nearest Police Station of any manufacture, storage, keeping or sale of contraband Salt within the limits of his Zemindari or of the land of which he may be the proprietor, tenant, under-tenant or cultivator or on which he may be employed, or within the area in which he exercises his functions as such public servant or servant of the Court of Wards.

By whom confiscations may be adjudged, &c.

91. When any person accused of an offence relating to Salt is convicted, the Court trying the case shall have power to adjudge the confiscation of all articles liable to confiscation under this Act which may have been seized or of which it may have knowledge in connection therewith.

When any such person is discharged or acquitted, but the Court trying the case may be of opinion that any article seized, or of which it has knowledge in connection therewith, is liable to confiscation under this Act, it shall cause such article to be detained pending the orders of the Commissioner, who shall have power to adjudge the confiscation thereof.

When an offence relating to Salt has been committed, or when any article liable to confiscation under this Act has been seized, and the offender or the owner of such article, as the case may be, is not known or cannot be found, the Commissioner shall have power to adjudge the confiscation thereof.

The adjudication of confiscations by the Commissioner shall be made under such Rules and subject to such conditions as the Governor in Council may by Notification prescribe.

Indian Salt Act, 1882, Section 26.

92. The Governor in Council may make Rules for the disposal of things confiscated under this Act and of the proceeds thereof. Such Rules may among other matters provide—

Disposal of things confiscated.

(*a*) that the owner or person having the charge of any animal seized and detained shall provide from day to day for its keep while detained, and that, if he omits to do so, such animal may be sold by public auction, and the expenses (if any) incurred on account of it defrayed from the proceeds of the sale:

(*b*) that when anything is seized and an order for its release is subsequently passed, and the owner does not, within a period to be fixed by such Rules, appear to claim such thing and tender the duties, penalties, and charges (if any) due in respect thereof, it may be sold by public auction, and such duties, penalties, and charges be defrayed from the proceeds of the sale:

(*c*) that the surplus proceeds of a sale under clause (*a*) or clause (*b*) of this section shall, if not claimed by the owner of the thing seized within a period to be fixed by such Rules, be forfeited to Her Majesty.

Bombay Salt Act, Section XXXIII.

93. The Commissioner may at any time cancel any license granted under this Act, if the licensee shall have been guilty of any offence relating to Salt or of any breach of the conditions of his license.

Power to cancel and suspend licenses.

Provided that he may, instead of cancelling such license, suspend it for such period as he may think fit.

No appeal shall lie from any order of the Commissioner cancelling or suspending any license granted under Section 56, nor against any order of the Commissioner suspending any other license under this Act for a period not exceeding one year.

Opium Act, Section 12, clause 2.
Indian Salt Act, 1882, Section 13.

94. Whenever any penalty is inflicted under this Act by the Commissioner by way of cancelment or suspension of a license or of confiscation of goods, it shall be lawful for the Commissioner to give the licensee or the owner of the goods which may be confiscated, the option of paying, in lieu of such cancelment, suspension or confiscation, such fine as the Commissioner may think fit. No appeal shall lie against the amount of any optional fine imposed under this section. Persons electing to pay fines under this section shall pay them within such period not being less than seven days as the Commissioner may prescribe. In case such fines be not so paid, the penalty of cancelment, suspension or confiscation in mitigation of which they were adjudged shall thereupon take effect.

Power to compound in lieu of cancelling license and of confiscation, &c.

Bombay Salt Act, Section XLVII.

95. Whenever it shall be lawful under this Act or under any Rule made in pursuance thereof for any officer of the Police, Salt, Land Revenue or Customs Departments to weigh or examine any Salt, or to examine any vessel, vehicle, package or goods, in which Salt is, or is suspected to be, it shall be the duty of the person in whose immediate possession or control such Salt, vessel, vehicle, package or goods may be to weigh such Salt, and to unload, open or unpack such vessel, vehicle, package or goods without delay and in the manner required by such officer, and whenever such person shall omit or delay to weigh such Salt, or to unload, open or unpack such vessel, vehicle, package or goods in the manner in which he is required to weigh, unload, open or unpack them by the officer aforesaid, it shall be lawful for the officer aforesaid to cause the Salt to be weighed or the vessel, vehicle, package or goods to be unloaded, opened or unpacked.

The possessor of Salt or of any vessel, &c., in which Salt is, or is suspected to be, bound to weigh and unload on demand by officer.

CHAPTER VIII.

Penalties.

Madras Act I of 1882, Section 26.

Bombay Salt Act, 1873, Section LI.

Bombay Salt Act, 1873, Section XLIX.

96. Any person—

(*a*) who evades payment of the Duties imposed by any Act for the time being in force relating to the Salt Revenue; or

Penalties for evading payment of duty, &c.

(*b*) who removes any salt without the permits rendered necessary by any such Act; or

(*c*) who imports salt by any route or at any port not legally sanctioned for that purpose; or

(*d*) who manufactures contraband Salt; or

(e) who purchases, obtains, possesses, sells, or weighs contraband Salt, knowing or having reason to believe it to be contraband; or

(f) who is guilty of any act or omission in contravention of any of the provisions of this Act or of any Rule or order made or of any license granted under this Act, and not otherwise provided for in this Act; or

(g) who attempts to commit or within the meaning of the Indian Penal Code abets the commission of any of the above acts,

shall on conviction by a Magistrate be punishable for every such offence with imprisonment for a term not exceeding six months, or with fine not exceeding five hundred rupees, or with both.

Rule 19 of the Saltpetre Rules.

Penalties for evading payment of Duty on Saltpetre, &c.

97. Any person, who, after the publication of a Notification by the Governor in Council under Section 40 of this Act, within the limits of any area defined in such Notification,

(a) manufactures Saltpetre without a license; or

(b) without a license to manufacture and refine Saltpetre and to separate and purify Alimentary Salt in the process of such manufacture or refinement, refines Saltpetre or separates or purifies Alimentary Salt in the process of the manufacture of Saltpetre; or

(c) being a person licensed to manufacture and refine Saltpetre, and to separate and purify Alimentary Salt in the process of such manufacture or refinement, or the agent or servant of such person, fails to place or cause to be placed in the warehouse set apart for that purpose all Alimentary Salt separated in the process of such manufacture or refinement; or

(d) being a person licensed only to manufacture Saltpetre, keeps any Alimentary Salt within the limits of his Factory otherwise than in combination with Earth or with Nitrous solution or with Saltpetre; or

(e) being a person licensed only to manufacture Saltpetre, sets apart or retains any refuse or mother liquor resulting from the manufacture or refinement of Saltpetre and capable of being used in the production of Alimentary Salt; or

(f) attempts to commit or abets within the meaning of the Indian Penal Code the commission of any of the above acts,

shall on conviction by a Magistrate be punishable for every such offence with imprisonment for a term not exceeding six months or with fine not exceeding five hundred rupees, or with both.

Indian Salt Act, 1882, Section 25.
Bombay Salt Act, 1873, „ LV.

Penalty for vexatious seizure or arrest.

98. Any officer of the Police, Salt, Land Revenue or Customs Departments, or any head of a village, who enters into any house, building, vessel or enclosed place, without reasonable cause for him to believe that contraband Salt is manufactured, sold, kept, concealed or otherwise dealt with in such house, building, vessel or enclosed place; or who vexatiously and unnecessarily seizes any article on the pretence of seizing or searching for contraband Salt; or who vexatiously and unnecessarily detains, searches or arrests any person or stops or detains any vehicles or vessels in transit; or who commits any other vexatious excess in the execution of his duty, shall on conviction by a Magistrate be punished with fine which may extend to five hundred rupees, or with imprisonment for a term which may extend to six months or with both.

Penalty for vexatious delay.

99. Any Salt or other officer exercising powers under this Act or any other person who vexatiously and unnecessarily delays forwarding to the officer of the Salt Department in charge of the Circle, or to the officer in charge of the nearest Police Station as required by Section 71 of this Act, any person arrested, or any article seized under this Act, shall be punished with fine which may extend to two hundred rupees.

Section 61, Madras Abkári Act, 1886.

For abetment of escape of persons arrested, &c.

100. Any officer or person who unlawfully releases or abets the escape of any person arrested under this Act, or abets the commission

of any offence against this Act, or

who acts in any manner inconsistent with his duty for the purpose of enabling any person to do anything whereby any of the provisions of this Act may be evaded or broken, or the Salt Revenue may be defrauded,

and any officer of any other department referred to in Section 85 who abets the commission of any offence against this Act,

shall on conviction before a Magistrate for every such offence be punished with fine which may extend to five hundred rupees, or with imprisonment for a term which may extend to six months, or with both.

Section 62, Madras Abkári Act, 1886.

For Salt Officer refusing to do duty, using violence, or being guilty of cowardice.

101. Any Salt Officer who without lawful excuse shall cease or refuse to perform, or shall withdraw himself from, the duties of his office, unless expressly allowed to do so in writing by the Commissioner, or unless he shall have given to his superior officer two months' notice in writing of his intention to do so; or

who shall offer any unwarrantable violence to any person in his custody; or

who shall be guilty of cowardice,

shall, on conviction before a Magistrate, be punished with fine which may extend to six months' pay, or with imprisonment which may extend to three months, or with both.

Penalty for refusal to assist by Police officer, &c.

102. Any officer of the Police, Salt, Land Revenue or Customs Departments who wilfully refuses, or without reasonable excuse neglects, to render to any other such officer, upon notice given or request made, all the assistance in his power in carrying out the provisions of this Act, shall on conviction by a Magistrate be punished with fine which may extend to two hundred rupees, or with imprisonment for a term which may extend to three months, or with both.

What things liable to confiscation.

103. All contraband Salt;

all Salt in regard to which any offence relating to Salt may be proved to have been committed;

all vessels, vehicles, materials, implements, utensils, animals, packages and coverings employed in the manufacture, purchase, sale, concealment or conveyance

of such Salt or of contraband Salt, or in otherwise dealing with such Salt or contraband Salt,

shall be liable to confiscation.

Section 64, Madras Abkári Act, 1886.

Liability of licensees for acts of servants.

104. The holder of a license or permit under this Act shall be punishable, as well as the actual offender, for any offence committed by any person in his employ and acting on his behalf, under Section 96 or Section 97, as if he had himself committed the same, unless he shall establish that all due and reasonable precautions were exercised by him to prevent the commission of such offence.

Provided that no person other than the actual offender shall be punished with imprisonment except in default of payment of fine.

Section 67, Madras Abkári Act, 1886.

Power to compound offences.

105. Any officer of the Salt Department specially empowered in that behalf may accept from any person whose license or permit is liable to be cancelled or suspended or who is reasonably suspected of having committed an offence under Section 96 or Section 97, a sum of money not exceeding two hundred rupees in lieu of such cancelment or suspension or by way of compensation for the offence which may have been committed, as the case may be; and in all cases whatsoever in which any property has been seized as liable to confiscation under this Act may release the same on payment of the value thereof as estimated by such officer.

On the payment of such sum of money, or such value, or both, as the case may be, to such officer, the accused person, if in custody, shall be discharged, the property seized shall be released, and no further proceedings shall be taken against such person or property.

Section 68, Madras Abkári Act, 1886.

Provisions of the Criminal Procedure and Indian Penal Codes applicable to offences committed under this Act.

106. The provisions of the Criminal Procedure Code relating to execution so far as the same are applicable, and Sections 67, 68 and 69 of the Indian Penal Code shall apply to all offences committed and to all persons punished under the provisions of this Act.

CHAPTER IX.

General Provisions.

107. All Rules made and Notifications issued under this Act shall be made and issued by publication in the *Fort St. George Gazette*, provided that all such Rules and Notifications whereby the doing or the not doing of anything is made punishable shall be published in three successive issues of the *Fort St. George Gazette* and for at least two months in the Official Gazettes of the districts to which, or to parts of or to places in which, it may be determined that they shall apply. All such Rules and Notifications shall thereupon have the force of law and be read as part of this Act and may in like manner be varied, suspended or annulled.

Rules and Notifications how to be published.

Section 69, Madras Abkári Act, 1886.

108. All Notifications and orders conferring powers, imposing duties and making appointments under this Act may respectively refer to the persons concerned specially by name or in virtue of their office or to classes of officials generally by their official titles; and all Courts shall take judicial notice thereof.

The conferring of powers and making of appointments.

Section 70, Madras Abkári Act, 1886.

109. Whenever under the provisions of this Act it may be necessary to serve any person with a summons or a notice, such service shall be made in accordance with the provisions of the Code of Civil Procedure regarding the service of summons, so far as they may be applicable to the circumstances of the case. Provided that a registered letter addressed to the usual residence of any person may be substituted for any other form of serving a summons or notice upon that person.

And provided also that when a notice has to be served upon the general body of the licensees of a Salt Factory it shall be sufficient to affix the notice to a prominent part of the Factory office and to keep it so affixed for not less than seventy-two hours.

Procedure as to service of Summons, &c.

Bombay Salt Act, 1873, Section XLVI.

Condition 15 of the existing form of Excise license.

110. All contraband Salt found in any house, building or place shall be presumed to be in the possession of the occupier of such house, building or place.

Presumption as to possession.

Bombay Salt Act, 1873, Section III.

Madras Act VI of 1871, Section 21.

111. All sums recoverable under this Act or in any way due to Government on account of the Salt Revenue may be retained and deducted by the Commissioner from any money owing, or may be recovered by him by the sale of any property belonging, to the person from whom such sums may be recoverable or due, which may be in the hands of the Commissioner or under his disposal or control. If not so recovered, such sums may be recovered under the law for the time being in force for the recovery of arrears of Land Revenue, and all Collectors of Districts are hereby authorized and required on application in writing being made to them by the Commissioner, to take such steps for such recovery as they are by law empowered to take for the recovery of arrears of Land Revenue accruing within their respective districts.

Recovery of sums due to Government.

112. No suit shall be maintainable in any Court to set aside or to obtain damages in respect of

i. Any amendment or alteration in a license made by the Commissioner under Section 12 or Section 44.

ii. Any order regarding the cancellation of, or the refusal to grant, a license under Section 23, Section 25, Section 29, Section 41, Section 44 or Section 48.

iii. A notice attaching lands under Section 14.

iv. Any proceedings of the Commissioner under Section 15, Section 16, Section 17, Section 18, Section 26 or Section 28.

v. Any decision of the Commissioner regarding the amount recoverable under Section 25.

vi. Any order of the Governor in Council under Section 12, Section 20, Section 21, Section 27, Section 25 30, Section 31, Section 40, Section 44, Section 56, Section 57, Section 60, Section 61 or Section 62.

vii. Any order or proceedings under Section 22, Section 32, Section 30 33, Section 34, Section 35, Section 36, Section 38, Section 39, Section 41, Section 46, Section 47, Section 48, Section 49, Section 50, Section 52 or Section 59. 35

Suits not maintainable in certain cases.

Bombay Salt Act, 1873, Section XXXIX.

113. The Governor in Council may from time to time make Rules not being repugnant to the

Power of Government to make Rules.

provisions of this or of any other Act relating to the Salt Revenue for the following purposes in addition to those hereinbefore mentioned:—

(*a*) For regulating the persons by whom and the time, manner and place at or in which anything to be done under this Act shall be done; — Indian Salt Act, 1882, Section 28 (*a*).

(*b*) The grant of licenses and the particulars and conditions to be contained therein;

(*c*) The manufacture, storage, sale and removal of Salt in and from Salt Factories and the export and import of Alimentary Salt, by sea or by land;

(*d*) The manufacture of Saltpetre and other saline substances and the refinement of Saltpetre; — Madras Salt Act, 1882, Section 27 (*f*).

(*e*) The grant of batta to witnesses and of compensation for loss of time to persons released by an officer of the Salt Department in charge of a Circle on the ground that they have been improperly arrested, and to persons charged before a Magistrate with offences under this Act and acquitted;

(*f*) The provision and sale of Salt in areas defined under Section 56 or Section 57;

(*g*) For regulating the procedure of the Police in cases of offences against the Salt Laws;

(*h*) For regulating the routes by which Salt removed from any Salt Work shall be taken to a preventive station;

(*i*) For regulating the import and export of Salt by sea and land; and — Madras Act I of 1882, Section 27 (*e*).

(*j*) Generally to carry out the provisions herein contained.

Limitation of suits for anything done in pursuance of Act.

114. No suit or other proceeding shall be commenced or prosecuted against any person, for anything done or intended to be done in pursuance of this Act, after tender of sufficient amends, nor after the expiration of six months from the accrual of the cause of suit or other proceeding. — Section 42, Madras Act VI of 1871. " 11, Indian Salt Act, 1882. " LXII, Bombay Salt Act, 1873.

Plea that act was done under order of a superior.

115. Where any legal proceedings are taken against any person for anything done, or intended to be done, under the provisions of this Act, it shall be lawful for the defendant to plead that the act complained of was done in — Section 43, Madras Act VI, 1871. " LXIII, Bombay Salt Act 1873.

good faith under the order of his superior officer, and, upon establishing such plea, the defendant shall be entitled to a decree in his favor, although the superior officer had no authority to make such order; provided always, that nothing in this section shall affect any remedy which the party injured may have against the superior officer who gave such order; provided also, that this section shall not apply where a suit is brought against the Commissioner for acts done under the order of the Government or of the Board of Revenue.

SCHEDULE I.

Number and Year.	Subject.	Extent of Repeal.
Regulation I of 1805 ..	Revenue derivable from salt.	The whole, so far as it has not already been repealed by (Madras) Act I of 1882.
Madras Act VI of 1871 ..	Excise duty on salt	Do. do.
Madras Act VI of 1878 ..	Salt Commissioner	The whole.
Madras Act I of 1882 ..	Protection of the Salt Revenue.	Do.
Madras Act IV of 1882 ..	Amending the Madras Act I of 1882.	Do.

SCHEDULE II.

Factory.	Rate per Garce of 120 Maunds. Rs.	A.	P.
Ganjam	11	0	0
Balacheruvu	11	4	0
Chinna Ganjam	10	0	0
Dugarázpatnam	9	8	0
Kattumavadi	10	10	0

RESOLUTION—dated 5th July 1886, No. 1533.

The Board resolve to submit the draft Bill, to consolidate the laws relating to the salt revenue, to Government with the following remarks

2. The Bill has evidently been very carefully drawn and, though in the opinion of the Board it needs some amendment, they consider that it will be a great improvement on the existing law. The idea of providing for the monopoly system as well as the excise system licenses, and the embodiment into the law of the saltpetre rules are excellent. The power of subordinates is distinctly defined and placed under proper control.

3. The chief point for consideration in the Bill is the definition of salt, for unless this is so worded as to put an end to the doubts which have hitherto existed as to what saline substances fall within the scope of the law, the main object of the Bill will have been lost and little or nothing will have been gained by resort to fresh legislation. The Board, however, after giving great attention to the definition proposed by Mr. Bliss and to his remarks upon the subject, cannot agree with the terms used in the Bill. It is, in the Board's opinion, a pity to introduce definitions which are non-natural or inconsistent with the English language into any enactment, and most of all into an enactment of a very penal description such as this. The word "salt" as generally used in common parlance and in most places in the Bill means "alimentary salt" and not "all descriptions of carbonates, nitrates and sulphates of potash, &c." Calling these "salt" seems a very arbitrary way of making the penalties applicable to "salt" applicable to them. In the same way in the Board's opinion "collection," which is certainly not "manufacture," is said to be "manufacture" in the Bill, and the places where spontaneous salt is gathered are said to be salt factories. This is the case only at Vedarniem. Such non-natural definitions should not, the Board think, be used unless they are absolutely necessary, and the Board do not believe that to be the case here.

4. "Salt" should be defined as "alimentary salt" including all descriptions of chloride of sodium fitted and subjected to any process tending to render them fit for consumption as an article of food. A new word might be introduced, say "saline substances," and defined as including all other descriptions of chloride of sodium, Glauber's salts, and the rest of what in the Bill is described as salt. For "saline earth" the Board would substitute "earth naturally impregnated with salt." The Commissioner is right in abandoning the word "efflorescence" which appears in the definition of the existing law. He admits that the wording of his definition is "comprehensive," but thinks that difficulties may be avoided by issuing departmental orders that persons taking mud from rivers or backwaters for use as manure shall be exempted from the operation of the Act, or by inserting a proviso in the Bill to that effect. The Board consider that a distinct section should be inserted giving the Governor in Council power to exempt all such cases from the operation of the law with such conditions as he shall deem fit. This power will be needed not only with regard to the Malabar practice above alluded to, but with regard to washing "soudu" from "soudu" soils and many other matters.

Alimentary salt.—A special definition of this expression would be unnecessary, as under the Board's suggestions the definition of "salt" would include those substances only which are included under the expression alimentary salt in the Bill as it now stands.

Manufacture.—The word "collection" should be omitted as not being "manufacture" in any natural sense. A new section can, if necessary, be introduced into the Bill making the unlicensed collection of salt or saline substances illegal, and no one will object to this; but the imposition of penalties on *collection* as *manufacture* looks harsh. The Commissioner's addition to the existing definition, which shows clearly that each of the processes by itself is "manufacture," is an improvement.

Salt factory.—If the change in the definition which the Board has suggested is made, the words "or collection" must be added after "manufacture" and the last clause, viz., "and all lands in which salt is spontaneously produced" exscinded.

Contraband salt.—This definition will have to be altered if the definition of "salt" is changed and one of "saline substances" added. The words or "saline

substances" must be added in lines 54 and 56 and the words "or place in which salt or salt products are spontaneously produced" inserted after salt work in line 57.

The word "*circle*," which occurs in the Bill, requires definition. It may be defined as an area independent charge of which for the purposes of the administration of salt revenue is vested in an Inspector or Assistant Inspector of the Salt department.

The Board also notice that the definition of *salt revenue* hardly includes the price of monopoly salt payable to Government. They would suggest that the word "price" be added to the words "duty, fee, tax, &c.," used in the present definition.

Supposing the suggestion of the Board with reference to the definition of "salt" be adopted, the word "salt" may be substituted generally throughout the Bill for "alimentary salt," and in some other parts of the Bill the words "saline substances" will have to be added to the word "salt."

4. *Chapter II, section* 4 *b.*—Collectors have no powers with regard to salt revenue now, so it is unnecessary to give the Governor in Council authority to withdraw such powers.

Section 6.—The power given to the Commissioner might be expressly restricted by words similar to those which find a place in the Bombay Act, viz., "under such orders as the Governor in Council may from time to time prescribe."

Section 8.—This section seems to be unnecessary after what is provided in the second clause of section 2.

Section 11.—If the definitions of the Bill are retained, "alimentary" must be added before the word "salt" in this and several other sections. This section, for instance, provides that no person shall manufacture salt anywhere unless duly licensed, and salt includes saltpetre (a salt of potash). In section 40 it is provided that the Governor in Council may by notification prohibit the unlicensed manufacture of saltpetre, &c., in any defined area, and this implies that till a notification issues the unlicensed manufacture is legal. The unlicensed manufacture of saltpetre is illegal at the present time, but the manufacture of some of the other kinds of salt mentioned in section 40 may not be so.

Section 12.—The marginal note requires alteration. The lower portion should be placed higher up.

Sections 14 *and* 15.—The marginal notes of these sections should be amplified; at present they appear to give the Commissioner a general power to dispose of lands, which is not given by the sections. The power is limited to the lands occupied by the salt work for which the license is cancelled.

Section 17.—This section should come after section 18.

Section 21.—The rates of compensation appear to be small and the Board do not understand why so high a rate of interest as 10 *per cent.* should be taken as the rate of capitalisation. By section 112 the jurisdiction of the civil court is barred, but the Board see no necessity for this. If the *maxima* rates are fixed, no inconvenience will be caused by a resort to the courts, and so long as the discretion of the Commissioner or the Governor in Council may fix the compensation at any amount whatever so long as the *maxima* rates are not exceeded, it seems only just that this discretion should be subject to appeal to the courts. The existing law (VI of 1871, Madras, sections 20—42) deems elaborate arrangements necessary, and the Board think that in all cases in this country where private land is compulsorily acquired by Government, elaborate arrangements, including a possible resort to the courts, are indispensable.

Section 22.—Power should, the Board think, be expressly given to the Commissioner to fix a standard for alimentary salt and with regard to the disposal of salt inferior to the standard. This could be done by the insertion of a section after section 88. The power is impliedly given as regards *monopoly salt* in clause 2 of section 20, but it should be more expressly given.

Section 28.—Section 6 of Act VI of 1871, Madras, provides that when a monopoly factory is turned into an excise factory, licenses shall be offered to all persons who have manufactured there within the last five years. This section limits the concession to those manufacturing *at the time*. The Board think some good reason should have been given for the change. If excise licenses are not taken, it is provided that the Commissioner may attach the land of the salt work. The Board consider that, for reasons above given, this is too summary and that provisions like those in sections 26—42 of Act VI of 1871 are desirable.

Section 29.—In this case there can be no objection to the delay involved in giving the licensees an opportunity of showing cause why the licenses should not be cancelled, and the Board think this should be done.

Section 30.—This section corresponds to section 6, Act VI of 1871, but it refuses compensation, whereas section 26 of Act VI of 1871 expressly gives it. The Board do not see why compensation should be refused. The Board consider that full reasons should be given to justify the increase to 25,000 maunds as the amount of manufacture which justifies the existence of a factory.

Section 31.—The remarks made above regarding the rates of compensation and the denial of the jurisdiction of the civil courts apply to this section also.

Section 32.—In this and similar cases the Board think the purchaser should be required to pay at the time of purchase, and that, *if* he does not remove the salt and it has to be destroyed, the cost of destruction should be paid from this sum. If a further amount has to be expended it may be recovered from the owner.

Section 34.—Under this section the owner of a salt work may be required to repair the factory platforms and buildings whether he uses them or not. This should be altered.

Section 36.—The remarks made with reference to section 32 apply also to this section.

Section 37.—The Board think that the words "except when the Governor in Council shall otherwise direct" should be added.

Section 40.—The remarks on section 11 apply also to this section.

Section 43.—The Board think that it would be better to leave the fees payable for licenses entirely to rules issued by the Governor in Council and not to specify the amounts in the Act.

Section 53.—The concluding sentence of section 53 (IV) from the words "as may exceed" are obscure. The expression "year or years next preceding" is indefinite and it is not clear whether the liability should depend on the quantity made or that sold. The proper course appears to be to take the sales of the year immediately preceding, but it may have been the intention to adopt an average. There should be no uncertainty as to the manner in which the charge will be computed.

Section 57.—The Board do not think that in any case the possession of salt wanted for consumption should be absolutely prohibited.

Section 64.—The Board do not approve of the proviso that a magistrate is to issue a search warrant merely because it is applied for. Section 3, Act I of 1882, Madras, provides for the magistrate examining the applicant and recording the examination. The Board think that at all events it should be provided that the magistrate shall issue the search warrant only when he has reason to believe that it should be issued and shall record this reason. Section 30 of the Abkári Act requires him to have such "reason to believe."

Section 66.—This is provided for by section 69.

Section 67.—The Board think that the last two clauses of section 65 must be made applicable to searches by village heads, and that they must report the circumstances to the magistrate.

Section 70.—Arrests and seizures by salt officers should be reported to the magistrates within 24 hours as well as to their official superiors.

Section 73.—The Board think that whenever a salt officer dismisses a charge and releases a prisoner he should send a document, similar to the police "referred charge sheet," to the magistrate. This will afford security against arrests on insufficient grounds.

Section 90.—The requirement that proprietors of land are to give information should be limited as in Act VI of 1871 to proprietors of land on which unlicensed manufacture is taking place. It is too much in the Board's opinion to bind them (under a penalty of six months' imprisonment or a fine of Rs. 1,000—section 176, Penal Code) to give notice of storage and sale of contraband salt. Whether salt is contraband or not is not always an easy matter to determine, and the storage or sale of it is not always a matter of public notoriety. The words "in the absence of reasonable excuse" might be inserted.

Section 91.—The words "of which it has knowledge" are too wide. The Board consider that a court's power to confiscate should be limited to property produced before it whether in whole or in sample.

Section 92.—It is difficult to see how rules passed by the Governor in Council under this section, with respect at all events to the subjects specifically mentioned in it, could do more than repeat the words of the Bill. The Board think they might be enacted absolutely.

Section 93.—This gives the Commissioner power to cancel licenses not only where the holder has infringed the condition of his license, but where he has been *guilty* of an offence. The word "convicted" should be substituted for the word "guilty."

Section 94.—This power of compounding is a dangerous power. It should therefore, in the opinion of the Board, be restricted. The Board think that section 105 provides for all that is desirable. Any subordinate of the Commissioner to whom he may have delegated his power under section 9 should not have the power to levy an unlimited amount by way of compounding.

Section 96.—Acts and omissions as described in clause (3) and abetments of them should be punishable with fine only as in section 63 of the Abkári Act.

Section 102.—The Board do not approve of this section. Officers of other departments not rendering due assistance to the officers of the Salt department are sufficiently amenable under the rules of their own departments, and a magistrate is hardly the best authority to determine whether they have given all the assistance in their power.

Section 104.—The Board do not think that masters should be made liable *criminally* for any act of their servants. It is quite possible that a master may not be in the position to prove that he has taken precautions against a criminal act done by his servant, when the act was not such as he was likely to foresee.

Section 105.—The remarks on section 94 apply to this section.

Section 106.— After the words "relating to execution" the words "of warrants and sentences" might be well inserted.

Section 100.—The Board do not think this section can stand as drafted. Though the word "presume," as defined in the Evidence Act, means "presume till the contrary is proved," the ordinary meaning of the word is simply "infer without actual proof." In the corresponding section of the Abkári Act (of which, however, the Board do not approve) the words "until the contrary is proved" occur. The mere presumption (in the legal sense of the term) that things found in a house belong to the occupant is undoubted and need not be mentioned. But it may be only a very weak presumption, as when an offender carrying a parcel of contraband salt has been chased passed a house standing open and empty at the time, and has been subsequently found without the parcel, whereas a parcel of the same sort is found in the house.

Section 112.—In the opinion of the Board the wholesale exemption of the acts of salt officers from the jurisdiction of the courts is unprecedented, wrong in principle, and unnecessary in the interests of the revenue. So long as the Act is carefully drawn and provides for all contingencies that are likely to occur, the exemption adds nothing to its strength. If contingencies which have not been foreseen occur, the disposal of them ought to be subject to review in the courts. The denial of all jurisdiction to the courts will add immensely to the unpopularity of the Bill, which is not likely to be popular any way. The Board consider that it would be sufficient to exempt from the jurisdiction of the courts all proceedings under section 26 and all proceedings with respect to the price to be paid for monopoly salt. These are questions in which the public revenue, pure and simple, is concerned.

Section 113 (*f*).—For "provision" possession should be read.

5. A section corresponding to section 48 of the Abkári Act is necessary in the Bill as a complement to section 72 of the Bill. That section speaks of a person being admitted to bail to appear *when summoned*, but there is at present in the Bill no section applicable to the summoning of *accused* persons.

6. No power has been taken to prevent the appropriation of any portion of a salt factory to any purpose other than the manufacture of salt. It is not likely that any licensee would erect buildings on his pans or cultivate them; but it would, in the opinion of the Board, be well to declare expressly that when any area has by notification

been designated a factory, no salt work shall be used for any other purpose than the manufacture of alimentary salt without the permission in writing of the Commissioner.

7. The Acting Commissioner of Salt Revenue has considered the Bill, as fourth member of the Board, and he differs from the Board in the opinions expressed in this resolution regarding the definition of salt and other important topics.

(True Copies and Extract.)

Acting Secretary.

To the Secretary to Government, Revenue Department.
Copy to the Commissioner of Salt and Abkári Revenue.

Exd. J. Henricus.

REVENUE DEPARTMENT.

1886.

Board of Revenue,

MADRAS

No 5569.

Printed July th.

RD. 12 July

Proceedings, 5th July 1886, *No.* 1533.

Submitting to Government, with remarks, a draft Bill prepared by the Commissioner of Salt and Abkári Revenue for the amendment and consolidation of the *Salt laws*.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—the following Proceedings of the Board of Revenue, dated 5th July 1886, No. 1533 :—

Read—the following letter from H. W. BLISS, Esq., Commissioner of Salt and Abkári Revenue, to the Secretary to the Board of Revenue, dated Madras, 29th March 1886, No. 3891 :—

I have the honor to submit, herewith, for the consideration and orders of the Board and Government, a draft bill for the consolidation and amendment of the Salt laws of this Presidency.

2. I have entered in the margin thereof such notes and references to cognate enactments and to the conditions * of the excise licenses now in force as seem necessary, and append detailed remarks on some of the more important sections.

* Finally approved in G.O., dated 3rd September 1885, No. 996, Revenue, after much correspondence.

3. *Section* 3.—In the law now in force (Madras Act I of 1882) "salt" is defined as under :—

"The word 'salt' includes swamp or spontaneous salt and 'salt-earth,' meaning thereby natural saline deposits and efflorescence; and 'earth-salt,' that is, salt made from 'salt-earth' or from any earth naturally impregnated with salt."

4. This definition was framed under the instructions of Mr. Hudleston, who held that the wording I had proposed would interfere with the practice of the people on the West Coast of digging up salt mud (earth naturally impregnated with salt) for use as manure to their cocoanut trees. It is needless to recapitulate the difficulties which have arisen and the correspondence which has passed on the subject. Some persons even hold that "salt-earth," which is a pure efflorescence and never anything but an efflorescence, is "earth naturally impregnated with salt;" and it is obviously advisable to eliminate from the law such a term as "efflorescence," for which, so far as I am aware, there is no equivalent in any native language, and the full meaning of which cannot be conveyed to persons, European or native, who are ignorant of the physical phenomenon known as capillary attraction. Experience has shown that, where two constructions of the law are possible, that most adverse to the interests of the salt revenue is that most likely to find acceptance; and has shown also that the influence of errors endures long after their correction. I have no doubt, for instance, that the ideas of many persons as to what constitutes "salt-earth" are based rather on the misleading definition contained in the repealed Act II of 1878 than on the correct one contained in Act I of 1882, which repealed it; and even now, from time to time, incidents occur which show that the magistracy have not yet all apprehended the fact that, since the repeal of the former Act, intention is no longer an element in the most common offences against the salt laws. I have endeavoured therefore, in framing a definition of "salt," to avoid the use of all words as to the meaning of which there has ever been any doubt or dispute, and to use language which is absolutely unambiguous. It may be objected that my wording is too comprehensive, since it will prevent the excavation of the salt mud above mentioned. This is so, but I propose to issue a departmental order exempting this practice from interference. Indeed, as the

practice is quite harmless, since salt is never, so far as I know, extracted from salt mud excavated from river beds, there would be no objection to the addition to section 96 of some such words as the following :—

"Provided that the mere excavation of salt mud from the beds of rivers and estuaries and its direct and immediate application to cocoanut trees as manure shall not be considered an offence under this Act."

5. I have amended the definition of the word "manufacture" so as to make it clear that no combination of the specified processes of collection, &c., is needed, but that each one of itself constitutes manufacture. I believe this is a point on which doubts have been entertained under the existing law; which contains the word "and" between the word "lixiviation" and the word "boiling."

6. I have substituted the words "salt factory," which are those in common use, for the word "salt-work" used in the existing law; and have taken "salt-work" to mean an individual holding within a "salt factory."

7. *Chapter III.*—This is divided into three parts, containing, respectively, the necessary provisions of law which are common to monopoly and to the excise systems of the manufacture of alimentary salt, and those which are peculiar to each of those systems. I propose to license all manufacturers, whether under the monopoly or under the excise system, and thus to substitute a defined system of control over the manufacturers under the former system, which can in case of necessity be enforced by law, in lieu of the vague powers now exercised by the Commissioner and his subordinates as successors to Collectors of districts in the administration of the salt revenue. I feel sure that this will be a great improvement. The day has long gone by for the exercise by any one of what used to be called the general powers of a Collector.

8. *Sections* 14 *and* 15.—These sections are of importance. But for them, it would be impossible, when a license was cancelled or suspended, as may from time to time be the case, to prevent the licensee's unworked pans from being a source of injury to the licensees of all the surrounding pans, from the drifting of the dust from the unworked pans over the salt in course of manufacture around them. In the hot weather, when pans are not worked, their surface becomes covered with an almost impalpable dust which is raised by the lightest breeze and blown over the new salt in all the pans to leeward; and it is therefore the custom in monopoly factories to give over for the season, to any one who will take them, any pans which from any cause are left unworked. It is desirable that this course should be sanctioned by law, even in monopoly factories, while in excise factories the legal power of preventing one licensee from injuring his neighbours is essential for the common benefit. Cases in which licenses are absolutely cancelled are not likely to be numerous, but when they do occur and the further use of the lands by the licensees for salt manufacture is thereby rendered impossible, provision has been made for the sale of their rights over the lands, if any, to the best advantage, and for the payment to them of the proceeds. It will be obvious that no other course could be adopted, for a person whose license has been cancelled cannot be allowed either to keep his lands unworked to the injury of his neighbours by the dust drifting therefrom, or to use them for any other purpose than salt manufacture and thereby to obtain a right of entrance within the line of fences and of guards maintained for the protection of the salt revenue. There is no analogous provision in the salt laws of any other part of India; but then there is no other part of India where aggregation of small holdings, such as are almost all our salt factories, have been brought under the excise system and their owners thereby to a great extent emancipated from the slender control previously exercised over them.

9. *Sections* 18, 21 *and* 31.—There is at present no legal provision for the grant of compensation to the registered manufacturers of an abolished monopoly salt factory. The grant of compensation to the licensees of an abolished excise salt factory is regulated by sections 26—42 of Madras Act VI of 1871, which prescribe a procedure of a character which appears to me troublesome, unsatisfactory and cumbrous. I think that legal provision should be made for the former case, and that the procedure in the latter should be simplified.

10. The Salt Commission held generally in 1876 (*vide* paragraph 140 of their report) that the right to compensation, in the event of their pans being closed by Government, could accrue only to those manufacturers whose pans were in existence in 1805 and had since been continuously kept open and at work. Legally, perhaps, they were right, but I think their finding was a hard one. A man whose pans have been worked for thirty or forty years by himself and his predecessors in title may not have a legal, but he certainly has a moral, right to compensation if they are closed by orders of Government because their existence causes what happens now to be considered undue expense or seems to stand in the way of some administrative improvement; and even the manufacturer of five or six years' standing may claim some consideration for capital sunk and expectations disappointed.

11. The amount of all grants of compensation must of course be based on the profits derived from abolished pans, which may fairly be taken, I think, at one-half of the *kudivaram* in monopoly, and at one-third of the sale-proceeds in excise, factories. This being granted, and the rate of interest at which such annual profits as those arising from salt pans should properly be capitalised being determined, it is a simple matter to construct scales of compensation which can immediately and without difficulty be applied in all cases which may from time to time arise, all necessary calculations being based on returns and declarations which will already be on record in the departmental offices. I have constructed two such scales accordingly, based on the capitalisation of profits at 10 per cent. interest per annum, and on the grant of ten to four years' purchase according to the length of unbroken occupation by the holders of abolished pans. If the principle of this plan be approved, the scales I have prepared can of course be modified as thought desirable. They seem to me to be fair, however. I have provided that the prescribed rates shall be regarded as *maxima* rates in the case of monopoly factories, though I think they should as a rule be applied without deduction, to meet possible cases in which it may be known beforehand that some circumstance, such as the opening of a new railway, is about to occur, which cannot fail to reduce the value of the abolished pans, or in which the manufacturers are not proprietors of the pans in the same sense as excise licensees are.

12. It will be observed that the fact that the compensation is to be based on the average transactions of the preceding five years will unfavorably affect the licensees of an abolished factory, which, as has in several recent instances been the case (*e.g.*, the factories in the Madura district which have all been more or less injured by the opening of the South Indian Railway), has for some years been falling into a state of decadence from causes for which Government is not responsible, and at which the manufacture of salt has in consequence decreased. This is as it should be. Government should not be called on to pay compensation for injuries not arising from their particular action. The closing of a factory would of course not affect the ownership of the land on which the works were formed. This seems to me so obvious that I have not thought it necessary to make any provision on the subject.

13. *Section* 30.—The power herein proposed to be conferred may appear to be excessive, but it must be remembered that it would be impossible for the outturn of salt at any salt factory now existing, or likely in future to be established, in any part of the Presidency to fall to an average of 25,000 maunds per annum, unless the factory had fallen into so complete a state of decay that the right of continuing to work it would be valueless. Salt manufacture on so small a scale, with the continuing obligation notwithstanding of the maintenance of the works and of the payment of interest on the cost of their construction, would be a speculation from which the licensees might be thankful to be freed.

14. *Chapter IV.*—This chapter enacts as a part of the law itself the main provisions of the rules, sanctioned in G.O., dated 13th September 1882, No. 976, Revenue, under which the saltpetre industry is now controlled and regulated.

15. *Chapter V, Sections* 53. *B, IV.*—The power to charge licensees a portion of the cost of the establishments maintained at small factories is permissive only. It is already exercised in the case of Manambadi, and its exercise is also sanctioned in the case of Manakkudi. It will be well to take general legal sanction for it.

16. *Sections* 56 *and* 57.—These sections are permissive only. They contain provisions for restricting the sale, transport and possession of salt in localities in which smuggling is frequent, and may at any time be found most useful.

17. *Chapter VII.*—This chapter in effect reproduces the existing law with a few amendments taken from the recently enacted Abkári Act. The existing law works well, and has given rise to surprisingly few *substantiated* complaints, though it has been the object of much vague denunciation by irresponsible persons. I am strongly of opinion that it should be maintained substantially unaltered.

18. *Chapter VIII.*—The provisions of this chapter, as to penalties, have mostly been adopted from the Madras Abkári Act, 1886. They present no novelty of importance.

19. *Chapter IX, Section* 112.—I propose to bar the action of the civil courts in those cases in which it appears to me either that the executive should have the power of final decision, which, in many matters, they must have if the administration of fiscal departments is to be carried on; or that the proper remedy for a person who thinks himself aggrieved is by appeal to the Government against the orders of departmental officers. I have not, I think, barred the action of the courts in any case in which justice requires that they should have the power of interference. It will of course be remembered that no person is compelled to accept a license to work under a fiscal law, and that the position of a person who has accepted such a license has by his own act been rendered quite different from the position of an ordinary member of the community.

Resolution—dated 5th July 1886, No. 1533.

The Board resolve to submit the draft Bill, to consolidate the laws relating to the salt revenue, to Government with the following remarks.

2. The Bill has evidently been very carefully drawn and, though in the opinion of the Board it needs some amendment, they consider that it will be a great improvement on the existing law. The idea of providing for the monopoly system as well as the excise system licenses, and the embodiment into the law of the saltpetre rules are excellent. The power of subordinates is distinctly defined and placed under proper control.

3. The chief point for consideration in the Bill is the definition of salt, for unless this is so worded as to put an end to the doubts which have hitherto existed as to what saline substances fall within the scope of the law, the main object of the Bill will have been lost and little or nothing will have been gained by resort to fresh legislation. The Board, however, after giving great attention to the definition proposed by Mr. Bliss and to his remarks upon the subject, cannot agree with the terms used in the Bill. It is, in the Board's opinion, a pity to introduce definitions which are non-natural or inconsistent with the English language into any enactment, and most of all into an enactment of a very penal description such as this. The word "salt" as generally used in common parlance and in most places in the Bill means "alimentary salt" and not "all descriptions of carbonates, nitrates and sulphates of potash, &c." Calling these "salt" seems a very arbitrary way of making the penalties applicable to "salt" applicable to them. In the same way, in the Board's opinion, "collection," which is certainly not "manufacture," is said to be "manufacture" in the Bill, and the places where spontaneous salt is gathered are said to be salt factories. This is the case only at Vedarniem. Such non-natural definitions should not, the Board think, be used unless they are absolutely necessary, and the Board do not believe that to be the case here.

"Salt" should be defined as "alimentary salt" including all descriptions of chloride of sodium fitted and subjected to any process tending to render them fit for consumption as an article of food. A new word might be introduced, say "saline substances," and defined as including all other descriptions of chloride of sodium, Glauber's salts, and the rest of what in the Bill is described as salt. For "saline earth" the Board would substitute "earth naturally impregnated with salt." The

Commissioner is right in abandoning the word "efflorescence" which appears in the definition of the existing law. He admits that the wording of his definition is "comprehensive," but thinks that difficulties may be avoided by issuing departmental orders that persons taking mud from rivers or backwaters for use as manure shall be exempted from the operation of the Act, or by inserting a proviso in the Bill to that effect. The Board consider that a distinct section should be inserted giving the Governor in Council power to exempt all such cases from the operation of the law with such conditions as he shall deem fit. This power will be needed not only with regard to the Malabar practice above alluded to, but with regard to washing "soudu" from "soudu" soils and many other matters.

Alimentary Salt.—A special definition of this expression would be unnecessary, as under the Board's suggestions the definition of "salt" would include those substances only which are included under the expression alimentary salt in the Bill as it now stands.

Manufacture.—The word "collection" should be omitted as not being "manufacture" in any natural sense. A new section can, if necessary, be introduced into the Bill making the unlicensed collection of salt or saline substances illegal, and no one will object to this; but the imposition of penalties on *collection* as *manufacture* looks harsh. The Commissioner's addition to the existing definition, which shows clearly that each of the processes by itself is "manufacture," is an improvement.

Salt Factory.—If the change in the definition which the Board has suggested is made, the words "or collection" must be added after "manufacture" and the last clause, viz., "and all lands in which salt is spontaneously produced" exscinded.

Contraband Salt.—This definition will have to be altered if the definition of "salt" is changed and one of "saline substances" added. The words or "saline substances" must be added in lines 54 and 56 and the words "or place in which salt or salt products are spontaneously produced" inserted after salt work in line 57.

The word "*circle*," which occurs in the Bill, requires definition. It may be defined as an area independent charge of which for the purposes of the administration of salt revenue is vested in an Inspector or Assistant Inspector of the Salt Department.

The Board also notice that the definition of *salt revenue* hardly includes the price of monopoly salt payable to Government. They would suggest that the word "price" be added to the words "duty, fee, tax, &c.," used in the present definition.

Supposing the suggestion of the Board with reference to the definition of "salt" be adopted, the word "salt" may be substituted generally throughout the Bill for "alimentary salt," and in some other parts of the Bill the words "saline substances" will have to be added to the word "salt."

4. *Chapter II, section* 4 *b.*—Collectors have no powers with regard to salt revenue now, so it is unnecessary to give the Governor in Council authority to withdraw such powers.

Section 6.—The power given to the Commissioner might be expressly restricted by words similar to those which find a place in the Bombay Act, viz., "under such orders as the Governor in Council may from time to time prescribe."

Section 8.—This section seems to be unnecessary after what is provided in the second clause of section 2.

Section 11.—If the definitions of the Bill are retained, "alimentary" must be added before the word "salt" in this and several other sections. This section, for instance, provides that no person shall manufacture salt anywhere unless duly licensed, and salt includes saltpetre (a salt of potash). In section 40 it is provided that the Governor in Council may by notification prohibit the unlicensed manufacture of saltpetre, &c., in any defined area, and this implies that till a notification issues the unlicensed manufacture is legal. The unlicensed manufacture of saltpetre is illegal at the present time, but the manufacture of some of the other kinds of salt mentioned in section 40 may not be so.

Section 12.—The marginal note requires alteration. The lower portion should be placed higher up.

Sections 14 *and* 15.—The marginal notes of these sections should be amplified; at present they appear to give the Commissioner a general power to dispose of lands, which is not given by the sections. The power is limited to the lands occupied by the salt-work for which the license is cancelled.

Section 17.—This section should come after section 18.

Section 21.—The rates of compensation appear to be small and the Board do not understand why so high a rate of interest as 10 *per cent.* should be taken as the rate of capitalisation. By section 112 the jurisdiction of the civil court is barred, but the Board see no necessity for this. If the *maxima* rates are fixed, no inconvenience will be caused by a resort to the courts, and so long as the discretion of the Commissioner or the Governor in Council may fix the compensation at any amount whatever, so long as the *maxima* rates are not exceeded, it seems only just that this discretion should be subject to appeal to the courts. The existing law (VI of 1871, Madras, sections 20—42) deems elaborate arrangements necessary, and the Board think that in all cases in this country where private land is compulsorily acquired by Government, elaborate arrangements, including a possible resort to the courts, are indispensable.

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Section 70.—Arrests and seizures by salt officers should be reported to the magistrates within 24 hours, as well as to their official superiors.

Section 73.—The Board think that whenever a salt officer dismisses a charge and releases a prisoner he should send a document, similar to the police "referred charge sheet," to the magistrate. This will afford security against arrests on insufficient grounds.

Section 90.—The requirement that proprietors of land are to give information should be limited, as in Act VI of 1871, to proprietors of land on which unlicensed manufacture is taking place. It is too much, in the Board's opinion, to bind them (under a penalty of six months' imprisonment or a fine of Rs. 1,000—section 176, Penal Code) to give notice of storage and sale of contraband salt. Whether salt is contraband or not is not always an easy matter to determine, and the storage or sale of it is not always a matter of public notoriety. The words "in the absence of reasonable excuse" might be inserted.

Section 91.—The words "of which it has knowledge" are too wide. The Board consider that a court's power to confiscate should be limited to property produced before it whether in whole or in sample.

Section 92.—It is difficult to see how rules passed by the Governor in Council under this section, with respect at all events to the subjects specifically mentioned in it, could do more than repeat the words of the Bill. The Board think they might be enacted absolutely.

Section 93.—This gives the Commissioner power to cancel licenses not only where the holder has infringed the condition of his license, but where he has been *guilty* of an offence. The word "convicted" should be substituted for the word "guilty."

Section 94.—This power of compounding is a dangerous power. It should therefore, in the opinion of the Board, be restricted. The Board think that section 105 provides for all that is desirable. Any subordinate of the Commissioner to whom he may have delegated his power under section 9 should not have the power to levy an unlimited amount by way of compounding.

Section 96.—Acts and omissions as described in clause (3) and abetments of them should be punishable with fine only as in section 63 of the Abkári Act.

Section 102.—The Board do not approve of this section. Officers of other departments not rendering due assistance to the officers of the Salt Department are sufficiently amenable under the rules of their own departments, and a magistrate is hardly the best authority to determine whether they have given all the assistance in their power.

Section 104.—The Board do not think that masters should be made liable *criminally* for any act of their servants. It is quite possible that a master may not be in the position to prove that he has taken precautions against a criminal act done by his servant, when the act was not such as he was likely to foresee.

Section 105.—The remarks on section 94 apply to this section.

Section 106.—After the words "relating to execution" the words "of warrants and sentences" might be well inserted.

Section 110.—The Board do not think this section can stand as drafted. Though the word "presume," as defined in the Evidence Act, means "presume till the contrary is proved," the ordinary meaning of the word is simply "infer without actual proof." In the corresponding section of the Abkári Act (of which, however, the Board do not approve) the words "until the contrary is proved" occur. The mere presumption (in the legal sense of the term) that things found in a house belong to the occupant is undoubted and need not be mentioned. But it may be only a very weak presumption, as when an offender carrying a parcel of contraband salt has been chased passed a house standing open and empty at the time, and has been subsequently found without the parcel, whereas a parcel of the same sort is found in the house.

Section 112.—In the opinion of the Board the wholesale exemption of the acts of salt officers from the jurisdiction of the courts is unprecedented, wrong in principle, and unnecessary in the interests of the revenue. So long as the Act is carefully drawn and provides for all contingencies that are likely to occur, the exemption adds nothing to its strength. If contingencies which have not been foreseen occur, the disposal of them ought to be subject to review in the courts. The denial of all jurisdiction to the courts will add immensely to the unpopularity of the Bill, which is not likely to be popular any way. The Board consider that it would be sufficient to exempt from the jurisdiction of the courts all proceedings under section 26 and all proceedings with respect to the price to be paid for monopoly salt. These are questions in which the public revenue, pure and simple, is concerned.

Section 113 (*f*).—For "provision" possession should be read.

5. A section corresponding to section 48 of the Abkári Act is necessary in the Bill as a complement to section 72 of the Bill. That section speaks of a person being admitted to bail to appear *when summoned*, but there is at present in the Bill no section applicable to the summoning of *accused* persons.

6. No power has been taken to prevent the appropriation of any portion of a salt factory to any purpose other than the manufacture of salt. It is not likely that any licensee would erect buildings on his pans or cultivate them; but it would, in the opinion of the Board, be well to declare expressly that when any area has by notification been designated a factory, no salt-work shall be used for any other purpose than the manufacture of alimentary salt without the permission in writing of the Commissioner.

7. The Acting Commissioner of Salt Revenue has considered the Bill, as Fourth Member of the Board, and he differs from the Board in the opinions expressed in this resolution regarding the definition of salt and other important topics.

(True Copies and Extract.)

(Signed) M. HAMMICK,
Acting Secretary.

To the Secretary to Government, Revenue Department.
Copy to the Commissioner of Salt and Abkári Revenue.

Order—dated 11th January 1888, No. 22, Revenue.

Separate Revenue No. 10.
Salt.

The Bill for the consolidation and amendment of the laws relating to the salt revenue, submitted by Mr. Bliss, has been revised, in the Revenue Department, with reference to the remarks of the Board, in communication with the Acting Commissioner. The revised Bill will be transferred to the Legislative Department, with the intimation that it is desirable that steps should be taken for introducing it into the Legislative Council as early as possible.

(True Extract.)

(Signed) H. A. STUART,
Under Secretary to Government.

To the Legislative Department, with draft Bill.
„ the Commissioner of Salt, Abkári and Separate Revenue, with draft Bill.

Exd. E. Fernandez.

60 Copies.

Govt. of {1888} Madras.

REVENUE.

Issued

Recd. *Encl.*

G.O., 11th January 1888, No. 22.

JANUARY.

The Bill to consolidate and amend the Salt laws.

Revising — and transferring it to the Legislative Department with the request that steps be taken for its early introduction into the Legislative Council.

Remarks on the Bill for the Consolidation and Amendment of the Salt Laws.

Draft Bill.	The Board of Revenue.	Mr. Galton.	Mr. Venkasami Row.	Secretary.	First Assistant.	Remarks.
General Remarks.	Consider that the bill has been carefully drawn and with some amendment will be a great improvement on the existing law. The idea of providing for the monopoly system, as well as the embodiment in the law of the saltpetre rules is excellent. The power of subordinates is distinctly defined and placed under proper control. The definitions of 'salt' and 'manufacture' are, however, non-natural. No power has been taken to prevent the appropriation of any portion of a salt factory to any purpose other than manufacture. It is not likely that any buildings would be erected on the pans or that they would be excavated; but it would be well to declare, that when any area is designated a factory, no salt work shall be used for any other purpose than the manufacture of alimentary salt without the permission of the Commissioner.	The principal object of the bill is to put an end to the doubts which have existed as to what saline substances fall within the scope of the law. In other respects the bill does little more than consolidate the existing law with such improvements and modifications as experience has dictated or the law in force elsewhere has suggested. That portion which relates to the powers of Salt Police and village officers is almost identical with the present law, Act I of 1882, only thrown into the more clearly arranged shape in which it appears in the Abkari Act. The provisions of the law are doubtless open to criticism in some respects, but they have hitherto worked well and there is not a single instance of oppression arising from the very extensive powers conferred on Salt officers. The idea of oppression has arisen from prosecutions being instituted on insufficient evidence, and the erratic decisions of the magistracy. The obscureness of the present law is to some extent responsible for this, and when the law is made sufficiently definite, and is worked with moderation, there will be no valid room for complaint.	States that the main features in which the bill differs from the existing enactments are:— i. The more extended definition of salt. ii. Modified provisions relating to compensation to pan-holders when the works are closed or licenses suspended or cancelled. iii. Prohibition within specified areas of storage, &c., of salt. iv. Exemption of acts done by salt officers from the jurisdiction of Courts. (The criticisms of the provisions under these heads are noted against the sections to which they refer). Concurs generally in the remarks and suggestions of the Board, excepting as regards matters specially noted below.	The bill is in parts exceedingly severe and stringent and if passed is likely to make the Salt Department intensely unpopular both with the salt manufacturers and the outside public.		

Draft Bill.	The Board of Revenue.	Mr. Galton.	Mr. Venkasami Row.	First Asisstant.	Secretary.	Remarks.
Section 2.	.....	.....	.....	.....	'Provided that' may be prefixed to the 2nd clause.	
Section 3. Definition of 'Salt.'	Strongly object to the use of non-natural definitions and consider that the definition of 'salt' should not include "all descriptions of carbonates, nitrates and sulphates of potash, &c." Salt should be defined as "alimentary salt" including all descriptions of chloride of sodium fitted or subjected to any process tending to render them fit for consumption as an article of food; a new term should be introduced, 'saline substances,' which should be defined as including all other descriptions of chloride of sodium, glauber's salts, and the rest of what in the bill is called salt. For 'saline earth' the Board would substitute "earth naturally impregnated with salt." The Commissioner is right in abandoning the word "efflorescence." A distinct section should be inserted giving Government power to exempt cases of mud taken from rivers, &c., for use as manure, &c. This power will be needed not only with regard to the Malabar practice of use of salt mud as manure, but also with regard to washing 'Soudu' from 'Soudu' soils and many other matters. Definition of alimentary salt unnecessary. 'Salt' should be substituted for 'alimentary salt' in the bill and 'saline substances' added to salt wherever salt other than alimentary salt is also referred to.	Considers that the definition of salt should be worded so as to put an end to doubts. The definition of salt and manufacture should be comprehensive and definite and intention should in no way be an element in the offence of dealing with contraband salt. All such dealings must be made absolutely penal. The definition in the bill fulfils these requirements, but two objections are raised:— (1.) that the wording is too comprehensive. (2.) That it is non-natural. The first objection is admitted by Mr. Bliss who proposes to remove salt mud excavated for manure from the scope of the Act. It is also pointed out that agriculturists "who operate on Soudu soils" should be protected. The difficulty lies in framing a definition neither too comprehensive nor too limited. In other Presidencies the term is not defined. The definition in Madras Act I of 1882, has proved inefficacious in consequence of the limitation of the term 'salt-earth' to "natural saline deposits and efflorescence." All earth from which saline substances can be extracted should be comprised in the definition and hardship obviated by special provisos for mud used as manure or otherwise dealt with without injury to the revenue. No other course is likely to prove satisfactory. It is advisable that Government should have power to exempt under conditions any dealings with saline substances which it may appear desirable to allow. The Board propose to restrict the term 'salt' to 'alimentary salt' and to add a new expression 'saline substances' which should be defined as including all other saline substances. The only alteration will be the separation of 'salt' into 'salt' and 'saline substances.' Much is not gained by this alteration. The definition, as it stands in the bill, is preferable.	The object of the more extended definition of salt is to render the use of ordinary salt-earth as a substitute for salt, penal. The unlicensed collection of salt-earth would then be punishable. For such an enactment Mr. Bliss has been contending from the first. Hence the more comprehensive definition now proposed. Salt or brine is now used:— (1.) As manure. (2.) In curing fish. (3.) In application to food. Mr. Bliss proposes to allow the first by a departmental order. Salt-earth will scarcely be resorted to for curing fish as salt is sold cheap for the purpose. Salt-earth is resorted to for the purpose of savouring food by those in a state of extreme poverty. This cannot be easily detected while a law which renders the possession of salt-earth an offence must leave an opening for oppression. Earth more or less impregnated with salt is always dealt with for some lawful purpose or other. It is salt artificially manufactured from saline earth or scraped from the surface that displaces taxed consumption to any appreciable extent. For these cases the existing law is sufficient and detection is easy. In no other Province of British India is salt earth defined as salt itself or the mere possession of such salt earth is made penal. It is not shown that the development of the Salt Revenue is due to the attempt to make the use of salt-earth penal. So much of the definition salt as includes all kinds of earth and brine as also all salts other than chloride of sodium should be omitted. The definition might be worded thus:—"The word 'salt' includes all descriptions of chloride of sodium or alimentary salt, however and from whatever substance derived, whether manufactured or spontaneously produced." The other salts are included in the bill as it provides for controlling the manufacture of saltpetre, &c. No difficulty has been felt in dealing with this industry under rules framed by Government under Section 27 of Act I of 1882. The whole of Chapter IV and so much of Chapter VIII as relates to other salts might be omitted. It would then be unnecessary to define alimentary salt separately. Mr. Bliss's plan seems inconsistent. He defines salt as including all kinds of salt, but in the portions relating to alimentary salt,	Refers to previous discussions which have taken place on the amendment and consolidation of the Salt laws and states that the Government have been all along unwilling to adopt the very comprehensive definition of salt now proposed by Mr. Bliss (*vide* precis of previous correspondence). Salt is found mixed up with most substances and can be extracted in small quantities with great labor which it would be worth nobody's while to undergo. All these substances are 'salt' according to the definition. The removal of 'Reh' or 'Soudu' on a ryot's field or the taking of sea water for bathing purposes for an invalid would be an offence. The Commissioner proposes to exempt from the provisions of the act, salt mud used as manure, but he considered in 1884 that it would be impracticable to work such a rule. *Vide*. B. P. dated 16th February 1884, No. 521 in G. O. 14th March 1884, No. 369. It may be that the Salt Department will not interfere with the collection of these harmless substances unless there is a real danger to the Revenue; but the law ought to be such that they could not interfere where it is not intended that they should. Another objection is that the definition is highly conventional. If it is intended to prohibit the collection of salt-earth, it is better to say that the collection of salt-earth is punishable. To say that unlicensed manufacture of salt is punishable and that 'salt-earth' is 'salt' and 'collection' is 'manufacture' is apt to mislead and has misled, as observed by the Board in their Proceedings of 27th August 1885, No. 2488. In the latter portion of the definition of manufacture the word salt is used in its natural sense. The law affects the poorest classess of the population and has to be translated into the vernacular languages. It is therefore necessary to use the words in their natural meaning throughout the act even at the risk of some repetition. It would probably sufficiently protect the revenue if unlicensed collection and possession of salt including in that term "saline deposit and efflorescence" (which is perfectly legitimate) be made penal and in the case of salt-earth which is not a "saline deposit or efflorescence" or in other words earth which does not contain any large quantity of salt, the onus of proving that its collection was for other purposes than to manufacture alimentary salt or use it as such should be laid on the accused. The	A thoroughly comprehensive definition of salt is practically impossible. Such an idea should be abandoned. Salt may be defined in a rational manner and then salt-earth and saline substances, if necessary; then the possession of salt-earth for the purpose of manufacturing contraband salt may be made a punishable offence, the onus of proof that it was not collected for manufacture being thrown on the accused. This seems a workable plan. Mr. Venkasami Row's definition of salt appears to be sufficient but it speaks of all descriptions of chloride of sodium. It is believed that there is only one description of chloride of sodium. What would be a proper definition of salt-earth, it is difficult to say, but if the suggestion of dividing the definition is accepted, the Commissioner might be called upon to define "salt-earth." He must know best what the definition ought to cover.	A word definition has after prolonged discussion & consideration been settled

Draft Bill.	The Board of Revenue.	Mr. Galton.	Mr. Venkasami Row.	First Assistant.	Secretary.	Remarks.
			he uses the word salt. The Board propose separate definitions for alimentary salt and other salts, designating the former salt and the latter saline substances. But there seems to be no need to bring in other salts at all. With the definition of salt above given, that of manufacture is not open to objection and may stand. With reference to the Board's objection it does not appear what difference it makes whether the unlicensed collection of saline substances is made punishable as unlicensed manufacture or as a separate offence and why the one should look *harsh* while the other does not.	provisions regarding saltpetre and all sulphates, &c., would be in their proper place in a consolidated bill.		
Definition of Manufacture.	Should not include "collection" as not being manufacture in any natural sense. If necessary a new section may be introduced making unlicensed collection of salt or saline substances illegal, but the imposition of penalties for collection as manufacture looks harsh. The existing definition, which shows that each of the processes is by itself manufacture is an improvement.	Nothing is gained by the addition of a special clause relating to "collection" as distinguished from "manufacture." The present Act includes 'collection.' So does the Bombay Act and the Indian Salt Act comprises within the definition "the excavation or removal of natural saline deposit or efflorescence," an expression open to the objection taken in respect of "collection." It is essential that unlicensed collection of salt in all its forms should be provided against as it is in this shape that the law is infringed.		What the Board mean is that these circuitous and unnatural definitions mislead poor people. *Vide* remarks above.	The definition in Section 3 of Indian Salt Act seems comprehensive enough and may be adopted. Clause *g* of Section 96 of the bill provides for attempts.	The original definition retained.
Definition of Salt factory.	The words 'or collection' must be added after manufacture, and the clause, viz., "and all lands in which salt is spontaneously produced" struck out.	The Bombay Act contains a provision for the inclusion of lands on which salt is spontaneously produced. The formation of salt in swamps is a natural process, but it is aided by artificial means and it is not a greater stretch of language to call the collection "manufacture," and the place where the salt is gathered a 'factory' than to apply the expression 'manufacture' to the drawing of toddy from a tree				"or Saline Substances" added after "Salt": Thereby definition unchanged.
Definition of Salt Work.	.....	.....	.....	.....	The word 'alimentary' is unnecessary.	Decided that "alimentary Salt" be retained.
Definition of Contraband Salt.	In lines 54 and 56 after 'salt,' the words "saline substances" should be inserted, and after 'salt work' in line 57 the words "or place in which salt or saline substances are spontaneously produced," inserted.	.....	No alteration need be made.			The word "or Saline Substances" inserted after "Salt": Thereby change suggested not thought necessary.
Definition of offence relating to Salt.	.....	.....	.....	.....	This seems unnecessary (*vide* Section 2 of Act XXVII of 1870 (Imperial), also (*f*) of Section 4, Code of Criminal Procedure). The only use of it would be to make a breach of rules an' offence.' This can be done by giving the rules the force of law. This is done in Section 107.	It was considered after discussion desirable to retain this
Definition of Circle.	The Board think this word which occurs in the bill should be defined. They define it as an area, independent charge of which, for the purpose of administration of Salt Revenue, is vested in an Inspector or Assistant Inspector of the Salt Department.	The Board's remark is Mr. Galton's.	Agrees with the Board.			or This been defined under above "Salt work"
Definition of Monopoly System and Excise System.	.....	.....	.....	.....	Why alimentary?	Decided that "alimentary Salt" should be retained
Definition of Salt Revenue.	The word 'price' should be added to the words "duty, fee, tax, &c.," used in the present definition, as the latter, as it stands, does not include the price paid for monopoly salt.	Agrees with the Board.	Agrees with the Board.	.....	The word "price" should be inserted between 'any' and 'duty.'	The word "price" has been inserted accordingly in the revised Draft

Draft Bill.	The Board of Revenue.	Mr. Galton.	Mr. Venkasami Row.	First Assistant.	Secretary.	Remarks.
Alimentary Salt.	.....	.....	.....	.....	There seems to be no harm in retaining this, especially as, if Mr. Venkasami Row's definition is adopted, the term is used in it.	
Section 4 (*b*)	Collectors having no powers with regard to Salt Revenue now, it is unnecessary to give Government authority to withdraw them.	The powers of Collectors have been withdrawn by notification under Act VI of 1878.	.....	.....	No necessity for this clause.	This seems probable but should be omitted as powers will cease to exist on repeal of Act VI of 1878
Section 5.	.....	.....	.....	.....	The words "fine, reduce" may be added.	The words suggested added in the revised draft.
Section 6.	The power given to the Commissioner might be restricted as in the Bombay Act by the following words :— 'Under such orders as the Governor in Council may from time to time prescribe.'	Agrees with the Board.	.....	*Vide* Board's Proceedings printed in G.O. dated 21st June 1878, No. 941.		The suggestion made has been adopted in the draft Bill.
Section 8.	This is unnecessary after what is provided in the 2nd clause of Section 2.	Agrees with the Board.	.....	.....	This is unnecessary.	This has been struck out in the revised draft Bill.
Section 9.	.....	The Commissioner should have full authority to delegate his powers. An officer of his position may be trusted not to delegate them improperly.	.....	.....	This is going too far. The proposed conferring of powers should be with the previous sanction of Government (proviso to Section I of Act VI of 1878), which Mr. Bliss has omitted.	The suggestion of the Secretary adopted.
Section 11.	If the definitions of the bill are retained 'alimentary' must be added before the word 'salt' in this and other sections. The section, as it stands, prohibits at once the unlicensed manufacture of all kinds of salt and conflicts with Section 40, which gives power to Government to prohibit such manufacture by notification.	Considers that the prohibition of the unlicensed manufacture of saltpetre may be made absolute and that throughout Chapter III wherever the word 'salt' occurs, the term 'alimentary salt' should be substituted.		.....	The Board's objection will not hold if Mr. Venkasami Row's definition is approved.	Proposed Section allowed to stand.
Section 12.	The marginal note requires alteration. The lower portion should be higher up.	Agrees with the Board.	The marginal notes are only intended for facility of reference and to indicate the subject-matter. They are not to be read as part of the Act itself.	*Last sentence* :—Are not the powers given too wide? As the marginal note, as it stands, is out of place, the Board seem to be right in their remark.		The Section allowed to stand
Sections 14 and 15.	Marginal notes should be amplified, so as to indicate that the power given to the Commissioner, is restricted to the lands occupied by the salt work, for which the license is cancelled.	The powers are wide, but necessary	*Vide* remark against Section 12.	Section 14 seems to contemplate too great an interference with private rights, as a license may be cancelled under Section 93 for a breach of condition in an unimportant matter. The Commissioner may call on the owner to see that his property does not injure his neighbours and on default may himself do the needful and recover the cost. Similar remarks apply also to Section 15.	This seems to be Mr. Bliss's own idea. He does not quote any other Salt Act in support of it. It is not quite clear whether such extreme action as the Commissioner wishes to render legal is absolutely necessary.	The Section considered by Mr. Galton to be unnecessary and has been struck out in a slightly modified form.
Section 17.	Should come after Section 18.	.....	.....	.....	Agrees with the Board.	Altered accordingly
Section 18.	.....	The jurisdiction of Courts ought not to be barred in respect of awards under Section 18. If a scale of compensation is prescribed by the Act, the necessity for the elaborate procedure of Act VI of 1871 vanishes. It is sufficient if licensees can sue to establish their claim to a higher rate of compensation.	Apart from the objection that the grant of compensation is narrowly restricted, the provisions on the subject contained in the bill present anomalies. A licensee who is evicted merely for failing to make salt or "make it according to the conditions of his license," under Sections 23 and 29 is denied the payment of the value of his proprietary interest in the land which is allowed to one guilty of an offence (Section 14). This probably is not what is intended, but the wording	The general principle of this Section, as explained in para. 11 of the Commissioner's letter, seems to be correct. In the case of pans in which the holders have the Mirasi privilege, the compensation would be the equivalent of their proprietary right. In the case of pans in which holders have no Mirasi right, it would be compensation for disturbance or more properly loss of custom. In the former case there does not appear to be any reason why the scale proposed	Mr. Venkasami Row, and the First Assistant differ. The view of the latter appears correct. They agree that the scale of compensation is low. The proposal of Mr. Bliss to exclude jurisdiction of Civil Courts in many cases is novel.	Left for discussion when the Bill is under consideration in the Legl. Dept.

Draft Bill.	The Board of Revenue.	Mr. Galton.	Mr. Venkasami Row.	First Assistant.	Secretary.	Remarks.
on the same footing as agricultural ryots (*Vide* Extract from Mr. Bayley's memo. above quoted) and the value of the holdings in either case does not vary with the length of the occupancy. The true test of an occupancy right is what the occupant is actually getting and will be deprived of by eviction. Mr. Bliss in para. 9 of his letter assumes that under the existing law a pan-holder in a monopoly factory cannot claim any compensation when a factory is closed. This is a misapprehension. Sec. 5 of Reg.. I of 1805 provides for the payment of compensation when manufacture is limited or suspended by the Revenue authorities and it is not to be supposed that it was not intended to allow any, when the factory is finally closed. The legislature apparently did not contemplate the latter eventuality and the ordinary legal remedies are open to those affected. Compensation for disturbance of rights would be held to be claimable in equity. Ten years' purchase for the very maximum is too low a rate of capitalization. The usual rate of twenty years' purchase may be adopted. For excise factories one-third of the proceeds of sale sold by the licensees is apparently too high a rate. Half the ordinary rate of Kudiwâram paidby Government under the monopoly is 9 pies, but $\frac{1}{3}$rd of the price	ing of the sections leaves no doubt on the point. As regards break in the holding, Section 17 gives a discretion to the Commissioner to allow the prior tenancy to count for compensation when the breck was caused by suspension of licence (it may be for an offence) but not when caused by a temporary closing of the factory on administrative grounds and for no fault of the pan-holder. It does not appear why in the case of monopoly factories alone the Commissioner should have power to reduce the compensation computed according to the prescribed scale. Mr. Bliss seems to think that monopoly manufacturers are not proprietors in the same sense as the excise licensees. In the case of pans opened in recent years a right to close them without compensation is reserved (extract from Mr. Bayley's memo in para. 136 of the Salt Commission report,1876). Excepting such cases compensation should be granted in all cases where the works are closed or pan-holders evicted otherwise than for default or delinquency. It is not clear why the amount of compensation should depend on the length of the occupancy. The Salt ryots are	fers and sales of pans by calling the manufacturers salt *ryots* and their wages Kudiwâram,the Government have raised expectations which cannot now entirely be ignored. This seems to be the view taken by the Salt Commission. In this view it does not seem unreasonable to make the compensation which Government chooses to grant to pan-holders for loss of custom depend upon the length of time they have been serving Government. Observes also that the objection taken by Mr. Venkasami Row to the profit of an excise manufacturer being taken at $\frac{1}{3}$rd of the sale prices realized by the licensees, does not seem to be quite tenable. No doubt owing to adventitious circumstances the excise manufacturers are making unduly large profits now, but it is to be hoped that this will not always be the case and even if it be so surely the compensation granted should have reference to *actual* loss of profits. There seems to be no reason why the rates of Kudiwâram now granted in the case of monopoly factories should be stereotyped and made applicable to excise factories worked under changed conditions.	should be considered the maximum. The scale is to some extent arbitrary and if proprietors of pans consider that they are entitled to a larger amount of compensation than the Commissioner was willing to grant they ought to be allowed to establish their claim before a Civil Court. With reference to Mr. Venkasami Row's remark that the length of occupation ought not to be an element in the consideration of the amount of compensation claimable, submits that the assumption which underlies his reasoning is that the position of a pan-holder is entirely analogous to that of an agricultural ryot. There is an essential difference between the two, except in the case of persons who had the right to manufacture salt, before salt was declared a Government monopoly and whose proprietary rights were recognised by Sections 4 and 5 of Regulation I of 1805. In the case of pan-holders who commenced to manufacture salt subsequent to 1805, they could not, strictly speaking, have acquired proprietary rights to manufacture salt because they could manufacture only *for* Government and to the extent required by the latter, though by recognising trans-		

Draft Bill.	The Board of Revenue.	Mr. Galton.	Mr. Venkasami Row.	First Assistant.	Secretary.	Remarks.
			realised by excise licensees will be 2 annas. The Kudiwârum at the old established rate may be made the basis for compensation in the case of monopoly as well as excise factories.			
Section 20.	.....	.....	.....	In view of difficulties which have recently arisen, it seems advisable to take power to establish *new* monopoly factories in tracts to which the excise system has been extended. This Section seems to make it necessary that the consent of ¾ths of the licensees should be obtained for converting an *existing* excise factory into a monopoly factory.	The condition that the change shall be subject to the consent of ¾ths of the licensees is dangerous. Mr. Bliss has not explained why it has been inserted.	The Section has been recast in the Draft Bill.
Section 21.	Rates of compensation are small. Rate of interest taken for capitalization (10 per cent.) is high. Under Section 112, the jurisdiction of the Civil Courts is barred. Maxima rates being fixed, and the Commissioner and Government having discretion to fix the compensation, no inconvenience can arise by giving jurisdiction to the Courts. The existing law (Act VI of 1871, Sections 20-42) deems elaborate arrangements including resort to Courts necessary to protect private interests, and the Board think these should be retained.	See remarks against Section 18.				See remarks against Section 18
Section 22.	The Commissioner should have power to fix a standard for alimentary salt so as to dispose of all salt inferior to that standard. This should be done by the insertion of a Section after Section 88. The power given as regards monopoly salt should be more expressly given. (Clause 2, Section 26).	It is impossible to fix a standard of quality or rather to enforce any standard of relative weight to bulk which may be approved as tending to secure a fair quality. Establishments would have to be enormously multiplied if all the salt that is manufactured had to be tested for quality at the time of storage. Under an excise system the quality must be left to be determined by the demand, just like that of any other article of commerce. Of course if salt unfit for human consumption is offered for sale, the licensees can be prosecuted under the existing penal laws.	.....	In G.O. of 8th September 1885, No. 107, the Government directed that provision should be made for prescribing the quality of excise salt made, and to take order for the disposal of salt which does not come up to the standard. The question has recently been reported on by the Salt Committee, appointed to report on measures to be taken for improvement of salt and is under consideration.	This will be unnecessary if a condition of the license be that the salt shall be up to a standard. (Section 26).	It has been decided after discussion not to proceed with the original Section.
Section 23.	.....	.....	.....	Before cancelling license, notice to show cause should be given to pan-holders.	———	The Section has been modified by allowing 15 days notice.
Section 24.	.....	.....	.....	The nature of the assistance to be rendered should be specified. The provision to require labor on payment for Government Work seems *now* unnecessary.		The Section in the Draft Bill has been modified by striking out the words from "under" to "agreed".
Section 28.	Act VI of 1871 provides that when a monopoly factory is turned into an excise one, licenses should be offered to those who have manufactured within the last five years. The present bill limits the concession to those who have been manufacturing at the time. The change should not be made without good reason. If excise licenses are not taken	The limit of time which was five years should be retained. The summary powers to attach and dispose of lands for which a license has not been taken out are necessary to prevent injury to others arising from pans remaining unutilised in the middle of a factory for reasons given by Mr. Bliss. The procedure prescribed	.....	There is no reason why when pans are taken by Government on a change of system, the pan-holder should get only such compensation as the Commissioner chooses to grant. He is entitled to get the market value which in case of dispute must be settled by Court. The provisions of Sections 27 to 40 of Act VI of 1871 should be inserted.	As observed by the Board this is too summary. It is desirable to make what will be, even if much modified, an anything but popular enactment as easy as possible.	The Section has in the Revised Draft been modified.

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	the Commissioner may attach the land. This is too summary. (*Vide* remark against Section 21).	in Sections 26 to 41 of Act VI of 1871 is not applicable.		Section 41 of the Act says all registered proprietors shall be considered full proprietors so for as Government is concerned.		
Section 29.	The licensees should be called upon first to show cause why the license should not be cancelled.	No objection to notice being given.	.....	.....	Agrees with the Board.	3 months notice allowed in Revised Draft
Section 30.	Section 6 of Act VI of 1871 grants compensation, whereas the present bill refuses it. Compensation should not be refused. Reasons should be given to justify the increase to 25,000 maunds of the minimum quantity to be manufactured to justify the maintenance of a factory.	Compensation ought to be given in a case like this. The limit has been raised because the former quantity (5,000 maunds) was considered too small. The rule is, that the cost to Government of establishments, etc., should not exceed 5 per cent. of the duty leviable on the salt manufactured. (Sec. 53, IV). The cost of establishment at the smallest factory being Rs. 4,000, the quantity required to be manufactured to satisfy the condition would be 40,000 maunds.	*Vide* remarks against Section 18.	.....	The Madras Act VI of 1871, allows compensation. The Bombay Act seems to imply that none need be given, and the limit is much lower, being 5,000 maunds in lieu of 25,000. It would be hard to deprive licensees of compensation when owing to no fault of theirs the outturn is less than 25,000 maunds. The Section gives a discretion however.	To which section provides for "with or without Compensation" Left for discussion when the Bill is before Legl Dept.
Section 31.	The remarks regarding rates of compensation and the denial of the jurisdiction of the Civil Court apply to this Section also.	See remarks against Section 18.				
Section 32.	The purchaser should be required to pay at the time of purchase and if the salt is not removed and has to be destroyed the cost of destruction should be paid from this sum. Any further amount expended may be recovered from the owner.	The purchaser will of course be called upon to pay when he has bought the salt but he may neglect to do so and then it is fair to recover cost of destruction from the owner who has failed to dispose of his salt.	.....	.....	The Board's suggestion may be approved.	Decided that the Section should stand
Section 33.	.....	.....	.....	The words 'at any place' are rather wide. What is meant is, that reasonable accommodation should be provided.		It has been decided that the words "at any place" should stand. Some 4 more should be added if necessary.
Section 34.	Under this Section the owner of a salt work may be required to repair the factory platforms and buildings whether he uses them or not. This should be altered.	Power is purposely taken to require any particular licensees to execute the necessary repairs. All are jointly liable (*vide* Sections 37 and 38). But under Section 38 an order of Government is necessary. In some cases one firm or individual having nearly the whole of the pans in its or his hands may quarrel with a few independent licensees and the necessary works may be delayed. The Commissioner should have power to call on any licensee to do what is required.	.....	.....	The Board object to this; but there seems to be no valid objection. The buildings at a factory are provided for the use of the licensee and if he does not use them it is his look out, not that of Government.	Decided that the Section as originally drafted shall stand
Section 36.	The remarks made against Section 32 apply to this also.	*Vide* remarks against Section 32.				The remark against Section 32.
Section 37.	The words "except when the Governor in Council shall otherwise direct" should be added.	The distinction between old and new factories is necessary to enable the Department to require the existing works on a change from monopoly to excise to be kept up. No objection to the proposed addition.	In the case of excise factories the licensees are bound to provide certain works and to keep them in repair. Where monopoly factories have been converted into excise factories, works already constructed by Government should be kept in repair by the licensees. Thus in either case the provision for the up-keep of the works is necessary.	The addition proposed by the Board will enable Government to make the repairs themselves, if necessary.	There is no reason for adopting the Board's suggestion.	Decided that this Section shall stand as originally drafted.
Section 39.	.....	.....	.....	.....	Section 111 provides for how this should be done.	Do.

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Section 40.	The remarks in Section 11 apply to this also.	.....	.....	.....	What Mr. Bliss quotes refers to saltpetre alone. Why he prohibits the manufacture, for instance, of sulphate of potash is not clear. This goes beyond other enactments and beyond what was prevailing in this Presidency previously. Legislation of this kind would be unnecessarily worrying.	An alteration has been made in the Draft. The manufacture of Salt-petre without a licence being also prohibited and the prohibition of the manufacture of Carbonate of Soda introduced.
Section 41.	.....	.....	.....	There is no reason why a refusal under the first proviso should not be subject to appeal.	The reason for barring an appeal is not apparent.	The proviso has been omitted in the revised Draft.
Section 42.B	.....	.....	.....	.....	If Mr. Venkasami Row's definition is adopted 'alimentary' may be omitted.	'Alimentary' retained.
Section 43.	The fees payable for licenses may be left to rules issued by the Governor in Council.	Agrees with the Board of Revenue.	.....	.....	Agrees with the Board of Revenue.	The suggestion has been adopted in the revised draft.
Section 48.	.....	.....	.....	.....	The period allowed for compliance is very short.	In the revised bill the time allowed is one month.
Section 49.	.....	.....	.....	.....	The period (24 hours) is unreasonably short, and the penalty severe.	Three days fixed in the revised bill.
Section 53. Clause	The concluding sentence of Clause IV from "as may exceed" is obscure. The expression "year or years preceding" is indefinite and it is not clear whether the liability should depend on the quantity made or that sold. The proper course would be to take the sales of the year immediately preceding, but it may have been the intention to adopt an average. There should be no uncertainty as to the manner in which the charge will be computed.	The remark of the Board is Mr. Galton's.	.....	.....	*Last clause.* It is not quite apparent how this is to be done.	The Section has been altered so as to meet this objection.
Section 55.	.....	.....	.....	.....	The Section may be retained. Indian Salt Act and Bombay Act contain these provisions. Government would not put them in force unless for special reasons.	Decided that Section may stand.
Section 56.	.....	.....	Sections 56 and 57. Power is taken to prohibit the transport, possession or sale without license or permit of even a tola-weight of salt in whole districts, provided a salt factory is not included in them. It is only then that the area needs to be limited to one thousand yards from the factory. These provisions are taken from the other enactments, but the singular order in which they are arranged is due apparently to the fact that a portion is taken from each without reference to its bearing on that taken from another. The bill, however, goes beyond those enactments. The Bombay Act exempts from the restriction imposed quantities of one maund and under. The bill, Section 56, fixes the limit of exemption at a quarter of a maund. The Indian Salt Act (Section 6—*d*) limits the area within which possession, &c., may be regulated to one hundred yards. The bill extends the	In places, where smuggling is rife, additional preventive force should be employed.	The preceding Section appears to be quite enough.	Decided that Section may stand.
Section 57.	The possession of salt, wanted for consumption should not be absolutely prohibited in any case.	The object of Sections 56 and 57 is explained by Mr. Bliss. They are based on similar provisions in the laws in force elsewhere and are intended to enable the Commissioner to regulate possession and transport in places in which smuggling is rife.		If the area does not include a salt factory there seems to be no limit to its dimensions.		Struck out in the revised bill.

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			limit to one thousand yards. Even in limited cases such an extreme measure must be mischievous in its operation. In Bombay, a regular trade in salt surreptitiously removed was carried on. Here, with the checks which the stock account in force furnishes no such trade in untaxed salt has existed. The provisions of Indian Salt Act, 1882, so far as they related to the control of traffic refer to Northern India, and have been found necessary on account of saltpetre manufactured, in the process of which, edible salt is educed.			
Section 63.	.....	.....	.....	.....	The following should be added "Provided also that where a less duty has been levied by the Government of another Presidency only the excess shall be levied."	The Section has been amended accordingly
Section 64.	The proviso that a Magistrate is to issue a search warrant merely because it is applied for, is not approved. Section 3, Act I of 1882, provides for the Magistrate examining the applicant and recording the examination. It should be provided that the Magistrate shall issue search warrant only when he sees reason to do so, and that this reason shall be recorded. Section 30 of the Abkári Act, requires him to have such "reason to believe."	Agrees with the Board.	.....	.....	The law may be made more strict. Requiring information in writing, signed by the party laying it, seems a necessary precaution.	The Section has in the Draft Bill been amended accordingly
Section 65.	.....	.....	.....	The usual provision regarding search in a place in the actual occupancy of gosha women should be inserted. *Vide* Section 4 of Act I of 1882, Madras.	.....	As was decided necessary whether the Section
Section 66.	This is provided for by Section 69.	Agrees with the Board.	.....	.....	Covered by Section 48 of C. Cr. P.; hardly necessary.	Decided that the Section should be retained as a Salt Officer is not a Police Officer
Section 67.	The last two clauses of Section 65, must be made applicable to searches by village heads who must report the circumstance to the Magistrate.	Do.	.....	.....	Board's suggestion is proper.	The Legislature adopted that this power shall also should be made to the Inspector omitted
Section 69.	.....	.....	.....	.....	For 'Magistrate of the District' 'Magistrate, having jurisdiction' should be substituted.	The Legislature amendment suggested made in the revised Draft.
Section 70.	Arrests and seizures by the Salt Officers should be reported to the Magistrate within 24 hours, as well as to their official superiors.	This would throw an enormous amount of extra labor on the officers, arrests being exceedingly numerous in some parts. The only officers who can release are men on salaries ranging from Rs. 200 to 400 and it is not seemly that their action should be subjected to revision by the subordinate Magistracy generally on much lower salaries. In cases of arrests occurrence reports are sent to the superior departmental officers, and in cases of release, the grounds are briefly stated. The work of Inspectors is supervised. Nothing would be gained by requiring report to the Magistracy. This will merely cause friction.	.....	Section 5 of Act I of 1882, provides that a report should be sent also to the Magistrate having jurisdiction. This is very necessary, as the Magistrate must have the means of controlling the action of the police in salt cases.	He should also make a report to the Magistrate, having jurisdiction. This would be a check on hasty arrests.	After considerable discussion it was decided that the Section should not be amended as suggested as it would involve a very large addition to work and not afford any effectual check.

Draft Bill.	The Board of Revenue.	Mr. Galton.	Mr. Venkasami Row.	First Assistant.	Secretary.	Remarks.
Section 71.	.....	.....	.....	.....	'Circle' not defined.	Defined in the revised draft
Section 72.	A section corresponding to Section 48 of Abkári Act is necessary as a complement to this Section. There is no section now applicable to the summoning of accused persons.	Agrees with the Board. Section 76 is restricted to witnesses.				Vide Section 75 of revised bill.
Section 73.	Whenever a Salt Officer releases a prisoner he should send something similar to the police "referred charge sheet," to the Magistrate. This will afford security against arrest on insufficient grounds.	*Vide* remarks against Section 70.	Quite approves the Board's remarks.	Magistrates having charge of small areas while Inspectors are in charge of large tracts, it will be convenient for accused persons to be placed before Magistrates at once rather than have to wait till the Inspector can take up the case and decide whether it is to be prosecuted or not. A case in point will be found in G. O. of 7th November 1884, No. 1224, where persons arrested are discharged by Salt Officers. A report similar to the Police referred charge sheet should be submitted to the Magistrate having jurisdiction. In that case even sub-Inspectors may have power to discharge arrested persons.	Agrees with the Board.	Mr. Fallon does not agree to.
Sections 80. and 83.	.....	.....	.....	.....	Taken from C. Cr. P., Sec. 94. Unnecessary. "Magistrate" to be substituted for "Court."	A pen Rd Here may stand "Court" altered into Magistrate
Section 86.	.....	.....	Requires modification. "Every officer employed by Government" is too comprehensive and it is hardly fair to require employés of departments totally unconnected with the Revenue Department, *e.g.* educational to give immediate information of breaches of a complicated revenue law and punish them for failing to do so. (Sec. 96 *(f)*). The requirement should be restricted to the Police, Land Revenue and Customs officials.			Altered - to as Includes Any Officer of Police Land Revenue & Customs.
Section 90.	The requirement that proprietors of land are to give information should be limited as in Act VI of 1871 to proprietors of land on which unlicensed manufacture is taking place. It is too much to bind them (under a penalty of six months' imprisonment and a fine of Rs. 1,000, Sec. 176 I. P. C.) to give notice of storage and sale of contraband salt. Whether salt is contraband is not easy to determine and storage or sale is not a matter of public notoriety. The words "in the absence of reasonable excuse" might be inserted.	The Section requires revision. The words "which may have come to their knowledge" appear to have been omitted (*Vide* Abkári Act and Act VI of 1871). It could not have been the intention to hold the persons concerned responsible for illicit practices of which they were ignorant.	.....	.....	Act VI of 1871 says "within ten days of the manufacture coming to his notice." Indian Salt Act, "who wilfully connives at." Abkári Act "In the absence of reasonable excuse." None of the Sections quoted are so sweepingly inclusive. The Section is too strong.	The words "which may have come to his knowledge" added in the revised bill
Section 91.	The words "of which it has knowledge" are too wide. A Court's power to confiscate should be limited to property produced before it in whole or sample.	This Section is in accordance with para. 1 of the rules relating to confiscation framed by Government. If the Magistrate is satisfied that an article is liable to confiscation though not seized, as, for instance, pack animals laden with contraband salt driven off but capable of identification, why should he not have power to adjudge confiscation?				Decided that this Section be retained with Original form.

Draft Bill.	The Board of Revenue.	Mr. Galton.	Mr. Venkasami Row.	First Assistant.	Secretary.	Remarks.
Section 92.	This Section may be enacted absolutely. It is difficult to see how rules framed under the Section could do more than repeat the words of the bill.	The points specified are only some "among other matters" for which the rules may provide, the reason for their enumeration probably being that they authorise summary disposal of property. The Section follows Indian Salt Act, Section 26. For other matters to be dealt with, *vide* confiscation rules under present Act.				The section retained as originally drafted.
Section 93.	"Convicted" should be substituted for "guilty."	Agrees with the Board.	.....	Forfeiture of license for all kinds of offences would be hard. The power should be taken only in cases in which the offence charged implies fraudulent conduct.	Agrees with the Board.	The section altered as suggested by the Bd. 12
Section 94.	The power of compounding is a dangerous power. It should be restricted. Section 105 provides for all that is desirable, A subordinate of the Commissioner to whom the power is delegated should not have power to levy an unlimited amount by way of compounding.	The Commissioner would not be likely to delegate his powers under this Section, more especially as his subordinates can be invested with the Minor powers provided by Section 105. The matter is not of any importance however.	Quite approves the Board's remark. It would be safe to restrict the power to the Commissioner himself.	The Abkári Act prescribes a limit of Rs, 200. Appeal against Commissioner's order should not be prohibited.	This Section is a good deal stronger than those quoted. There is nothing in them regarding paying fine to compound an order of cancelment or suspension of license. Nor is appeal barred in them. Section 105 seems enough.	Struck out—as the Correct Draft.
Section 96.	Acts and omissions as described in clause (*f*) and abetments of them, should be punishable with fine only, as in Section 63 of the Abkári Act.	Agrees with the Board.	.....	"Omission" should be "intentional omission."	The penalty seems severe.	A substitute Section has been amended in the Correct draft.
Section 98.	.....	.....	.....	.....	The concluding portion of Section 25 of Indian Salt Act (omitted in the bill) seems desirable. Perhaps	Decided that it is better to retain this Section.
Section 100.	.....	.....	.....	.....	Mr. Bliss thought Section 182, I. P. C. might cover such cases. It is true that it finds a place in the Abkári Act but it seems unnecessary. An offence being anything punishable by this Act, the abetment of it is punishable under the existing Criminal Law.	Decided that this should stand.
Section 101.	.....	.....	.....	.....	Though an offence under Abkári Act, cowardice seems to be a sin which may be better met by departmental punishment. Elsewhere than in Madras this seems to be the view as nothing is said of it in other salt Acts.	Allowed to stand. The Police Act contains the like provision
Section 102.	This Section is not approved. Officers of other departments not rendering due assistance are sufficiently amenable under the rules of their departments. A Magistrate is not the best authority to determine whether they have rendered all the assistance they could.	Agrees with the Board.	Quite approves the Board's remarks. Section 86 seems to require modification. *Vide* remarks against that Section.	.....	Agrees with the Board.	Considered hardly necessary: allowed to stand for consideration 13 when the Bill comes before the Legl. Dept.
Section 103.	.....	.....	.....	.....	"Relating to salt" is unnecessary as the word 'offence' covers everything.	Decided that the original draft shall stand
Section 104.	Masters should not be made criminally liable for any act of their servants. A master may not be in a position to prove that he has taken precautions against a criminal act done by his servant when the act was not such as he was likely to foresee.	Agrees with the Board.	Quite approves the Board's remarks.	.....	Taken from Abkári Act, but looks unfair. As it however applies to Abkári it is not apparent why it should not apply to salt.	This has been at the wish of Mr. Galton reserved for consideration when the Bill comes before the Leg Dept.

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Draft Bill.	The Board of Revenue.	Mr. Galton	Mr. Venkasami Row.	First Assistant.	Secretary.	Remarks.
Section 105.	The Remarks on Section 94 apply to this.		*Vide* remarks against Section 94.			A revised Section has been drafted. The alteration suggested has been adopted in the Draft Bill.
Section 106.	After execution the words "of warrants and sentences" might be inserted.	Agrees with the Board.				
Section 109.	.....	.....	.....	.....	The Bombay Act does not contain this provision. Why should not provisions of C. Cr. P. be adopted?	
Section 110.	The ordinary meaning of presume is 'infer without proof.' In the corresponding Section of the Abkári Act the words "until the contrary is proved" occur. The presumption that things found in a house belong to the owner is undoubted and need not be mentioned but it may be only a weak presumption.	Agrees with the Board.	Approves of the Board's remarks. The Board do not think the Section can stand as drafted; but they do not say how it should be amended. Probably taking the word as defined in the Evidence Act, it will be open to the owner of a house to escape penalty by proving that he was not aware of the fact that contraband salt was introduced into his house; but it does not seem fair to require a respectable person to prove his ignorance of what he cannot be aware of.	.....	This is not what the Section of the Bombay Act quoted, contains; this Section goes very much further and appears to be a dangerous provision. It is evidently intended to make salt prosecutions easier than they now are.	Section 7 revised bill modified 23
Section 112.	The wholesale exemption of the acts of Salt officers from the jurisdiction of Courts is unprecedented, wrong in principle and unnecessary in the interests of the revenue. If the Act is carefully drawn, the exemption adds nothing to its strength. The denial of all jurisdiction to the Courts will add immensely to the unpopularity of the bill. It will be sufficient if proceedings under Sec. 26 and proceedings with respect to the price to be paid for monopoly salt are exempted. These are questions in which the public revenue is concerned.	Mr. Bliss has explained the necessity for the provision, but it goes too far. It is sure to be struck out or very much restricted in its application when the bill comes under discussion. Clauses i and ii are unobjectionable. v & vi do. iii & iv objectionable except as regards Sec. 26. vii unobjectionable as regards Secs. 22, 33, 34, 38, 39, 41, 48, 52 and 59, and objectionable as regards the others. When the Commissioner's action interferes with the rights of property, appeal to the Courts should be allowed, but where it is a question of the regulations to which licensees should be subject, the interference of the Courts is not desirable or necessary. In such cases Mr. Bliss's argument appears valid and the distinction drawn above is based on these considerations.	When a legislative enactment gives the executive authorities specific powers, it is only when those powers are exceeded that the Courts can interfere and it is clearly unadvisable to shut out their jurisdiction in such cases. The Board are in favor of barring the Court's jurisdiction as regards proceedings relating to the payment of Kudiwárum (Sec. 26) and the cost price to be levied by Government (Sec. 53A.) under the monopoly system. As regards Kudiwárum the rates are specified in the Act, (*vide* Schedule 2) and as for the cost price, the Act leaves it to Government to fix it. The jurisdiction of Courts need not therefore be barred and the Kudiwárum rates may be left to be fixed by Government from time to time. It may be found necessary to vary them in particular localities. In Schedule 2, the rates are given for the existing monopoly factories alone, but it may be necessary to open new ones under that system or to reconvert any now under excise into monopoly factories (Sec. 20, and Mr. Bliss's marginal note.)	.....	Mr. Bliss does not show any sufficient cause why a special dispensation should be accorded to the Salt Department. A Land Revenue Officer may be sued. Why should not a Salt officer? It will conduce to more careful work and prevent injustice and arbitrary proceedings. Such a provision as this is not considered necessaay in legislation on other subjects. Mr. Bliss first proposes an exceedingly severe law and then suggests that a good deal of the administration of it shall be protected from the check of an appeal to the Civil Courts. In a very large number of the Sections quoted by Mr. Bliss, an action would lie only for an undue use of the powers which they confer, and it therefore does not seem right to inhibit Courts from receiving suits relating to them. When an officer is obviously right it is seldom that a suit is brought against him.	The Section in the Draft Bill has been considerably modified and appears unobjectionable 23
Section 113.	For 'provision,' 'possession' should be read.					Corrected
Section 114.	.....	.....	.....	.....	It is not stated who is to decide what sufficient amends are. Both the Madras and Bombay Acts quoted contain this provision. The Section of the Indian Salt Act quoted has no bearing on suits.	The Section relating to sufficient amends struck out of the Section in the Draft Bill.

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Minute by C. A. GALTON, Esq., Acting Fourth Member of the Board of Revenue, in connection with the bill for the consolidation and amendment of the Salt laws.

The chief point for consideration is the Definition of "Salt," for, unless this is so worded as to put an end to the doubts, which have hitherto existed as to what saline substances fall within the scope of the Law, the main object of the Bill will be defeated and nothing will have been gained by resort to fresh legislation. This is, in fact, the principal object of the present measure, and in other respects the Bill does little more than consolidate the existing law with such improvements and modifications as experience has dictated or the laws in force elsewhere have suggested. That portion, which relates to the powers of the Salt officers, Police and Village officers, is almost identical with the present law as contained in Act I of 1882, only thrown into the more clearly arranged and definite shape, in which it appears in the New Abkári Act. I need not enlarge on these points, for, although doubtless open to criticism in some respects, they have hitherto worked well and not a single instance of oppression arising from the very extensive powers conferred on Salt officers has, as far as I know, been brought to notice. As the Secretary rightly points out, the idea of oppression has arisen in a great measure from prosecutions being instituted on insufficient evidence and from the erratic decisions of the Magistracy; but the obscureness of the present law is to some extent responsible for this, and I doubt not that when it is made sufficiently definite, if worked with moderation, there will be no valid ground for complaint in future. It is absolutely necessary, that the definitions of "salt" and "manufacture" should be comprehensive and definite, and that "intention" should be in no way an element in the offence of dealing with contraband salt. All such dealings must be absolutely penal.

Now, the definition in the Bill fulfils these requirements completely, but it is objected, first, that the wording is too comprehensive; second, that it is non-natural, and strains the ordinary interpretation of the words as usually employed in the English language. As to the first objection, it is

admitted by Mr. Bliss in his covering letter, but he suggests a remedy by a proviso removing salt mud excavated for manure from the scope of the Act. It is pointed out that it will also be necessary to protect agriculturists, who may infringe the law, if the definition in the Bill is not altered, by their operation on "Soudu soils." The difficulty of drawing up a definition of "salt" which shall neither be too comprehensive nor too limited is immense. Several attempts have been made to frame a satisfactory definition for this Presidency but hitherto without success; in other Presidencies they appear to have preferred to leave the term indefinite as neither in the Indian Salt Act nor in the Bombay Act is the word defined. As Mr. Bliss points out, the definition in the Madras Act I of 1882, has proved inefficacious, principally in consequence of the limitation of the term "salt-earth" to "natural saline deposits and efflorescence." Although such definition is strictly correct as the only "salt-earth," the proportion of chloride of sodium in which is sufficient to render its use injurious to the Revenue, must be either a "deposit" or "efflorescence," the misunderstanding which has arisen renders it necessary that all earth from which saline substances can be extracted should be comprised in the definition, hardship being obviated by providing for cases in which earth impregnated with salt may be used for manure or otherwise dealt with, without injury to the Revenue, by means of special provisos. No other course is likely to prove satisfactory, but I agree with the Third Member in considering it advisable to give the Governor in Council power to exempt from the operation of the law any dealings with saline substances which it may appear desirable to allow, subject to such conditions as he may prescribe. The Third Member does not propose to limit the definition proposed in the Bill but to restrict the term "salt" to "alimentary salt" and to add a new expression "salt products" which should be defined as including all the other saline substances other than "alimentary salt" in accordance with the definition in the Bill, the expression "earth naturally impregnated with salt" being substituted for "saline-earth." I understand that it is his intention to retain the concluding clause of the definition "and all kinds of

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earth and brine, &c.," so that the definition of what is included within the scope of the Bill will remain intact, the only alteration being the separation thereof into "salt" and "salt products."

I do not see that much is gained by this alteration: it will render necessary the addition of the words "salt products" to "salt" throughout the Bill wherever "alimentary salt" alone is not referred to. I prefer the definition as it stands in the Bill, but if any such alteration as is proposed should be thought desirable, I think "saline substances" will be a better expression than "salt products." Similarly as to the inclusion of the word collection in the definition of manufacture, it seems to me that nothing is gained by the addition of a special clause relating to "collection" as distinguished from manufacture. The present Act includes "collection" under manufacture, so does the Bombay Act, and the Indian Salt Act comprises within the definition "the excavation or removal of natural saline deposits or efflorescence," an expression which is open to the objections urged in respect of the use of the term "collection." Of course, it is absolutely essential that unlicensed collection of salt in all its forms, should be provided against, as it is in this shape principally that the law is infringed, and as there is ample precedent for the inclusion of collection under the term manufacture, it certainly simplifies matters to use one expression for both purposes. I could not alter the definition as proposed.

As regards the inclusion under the term Salt Factory of "lands on which salt is spontaneously produced," I would observe that the Bombay Act makes similar provision. Although the formation of salt in these swamps is generally a natural process, it is sometimes aided by artificial means, such as erection of bunds, and it is not a greater stretch of language to call the collection of salt, "manufacture," and the place where it is gathered, a "factory," than to apply the expression "manufacture" to the drawing of toddy from a tree and its exposure to fermentation by the operation of natural causes, which the High Court held to be "manufacture." On the above grounds, I am in favor of leaving the definitions of "salt," "manufacture" and "salt factory," untouched.

The other points noticed are not of the same importance as the above, and I will merely notice briefly each suggestion in order, which will be the most convenient course.

The word 'imprisonment' occurs several times, *vide* Sections 97, 98, 100, 101, 102 and 104.

The word "circle" requires "definition;" it may be described as "an area independent charge of which for the purpose of the Administration of the Salt Revenue is vested in an Inspector or Assistant Inspector of the Salt Department."

Section 4 (*b*).—The powers of Collectors having been withdrawn by notification under Act VI of 1878, it is unnecessary to withdraw them again.

Sections 6 and 8.—I agree.

Section 9.—The Commissioner should have full authority to delegate his powers. Surely an officer of his position may be trusted not to delegate them improperly.

Sections 11 and 40.—Chapter III is headed "of the manufacture of 'alimentary salt'" and Section 11 applies to that description alone; still I do not think that is sufficient to restrict the meaning of the word salt in the text, and "alimentary" must be added throughout the Chapter wherever the word salt occurs. Under Section 40, unlicensed manufacture of saltpetre would of course be prohibited as at present: the Section appears to have been drafted at a time when Mr. Bliss had not sufficient establishments to deal with every District. The prohibition might be made absolute.

Section 12.—The marginal note requires to be moved up a little higher. That is all.

Sections 14 and 15.—The reason for these provisions is fully stated by Mr. Bliss in the covering letter, and the powers conferred are no doubt wide but seem to me necessary.

Sections 18, 21, 31.—Mr. Bliss has dealt with the grant of compensation at some length, but I agree that the jurisdiction of the Courts ought not to be barred in respect of awards under Section 18. If a

scale of compensation is prescribed by the Act, the necessity for the elaborate procedure laid down by Act VI of 1871 for the determination of the amount of compensation payable vanishes. I thing it is sufficient if licensees can sue, to establish their claim to a higher rate of compensation.

Section 22.—It is impossible to fix a standard of quality or rather to enforce any standard of relative weight to bulk, which may be approved, as tending to secure a fair quality. Establishments would have to be enormously increased if all the salt that is manufactured had to be tested for quality at the time of storage. Under an Excise System, the quality must be left to be determined by the demand, just like that of any other article of commerce. Of course, if salt unfit for human consumption is offered for sale, the licensees can be prosecuted under existing penal laws.

Section 28.—I do not know why the limit of time which was five years has been altered. I think it should be retained. As regards the summary powers to attach and dispose of lands for which a license has not been taken out, I think it is necessary, for the reasons given by Mr. Bliss in respect of Sections 14 and 15. Summary powers are required to obviate the injury to others arising from pans remaining unutilized in the middle of a factory. I don't think the procedure prescribed in Sections 26-42 of Act VI of 1871, is applicable.

Section 29.—No objection to notice being given.

Section 30.—Compensation ought in my opinion to be given in a case like this. The limit has been raised from 5,000 to 25,000, because, I presume, the former quantity was considered too small to warrant the maintenance of a separate factory. The rule is, that the cost to Government of establishment, &c., should not exceed 5 per cent. of the duty leviable on the salt manufactured, *vide* Section 53, IV. The cost of establishment at the smallest factory is about Rs. 4,000 which would require manufacture of at least 40,000 maunds to satisfy the condition.

Sections 32 and 36.—The purchaser will of course be called upon to pay when

he has bought the salt; but he may neglect to do so, and then it is fair to recover cost of destruction from the owner who has failed to dispose of his salt.

Section 34.—Power is purposely taken to require any particular licensees to execute the necessary repairs. All are jointly liable, *vide* Sections 37 and 38, but under Section 38, an order of the Governor in Council for the execution of works of this nature by the Salt Department is necessary. In some cases one firm or individual has nearly the whole of the pans in its or his hands, but owing to a dispute with a few independent licensees, necessary works may be delayed, the latter refusing to bear their share of the cost. A case recently occurred, commencement of manufacture being delayed in consequence. The Commissioner should, I think, have authority to call on any licensee to do what is required, and the Section was intended to provide for this.

Section 37.—The distinction between old and new factories is necessary to enable the Department to require the works in existence, when the change from monopoly to excise was introduced, to be kept up. There is no objection to the proposed addition.

Section 43.—Agreed.

Sections 56 and 57.—The object of these provisions is explained by Mr. Bliss. They are based on similar provisions in the laws in force elsewhere, and are intended to enable the Commissioner to regulate possession and transport of salt in places in which smuggling is rife, as for instance, in the neighbourhood of a salt swamp or badly protected factory. The limit of distance round a Factory is purely arbitrary, but it is thought that a belt of 1,000 yards, within which transport without pass may be prohibited, will suffice.

Sections 64, 66 and 67.—I concur.

Sections 70 and 73.—It is suggested that reports of arrest and seizure and of releases by officers of this Department should be made to the Magistracy. I very strongly dissent from this view as it would throw an enormous amount of extra labor on the officers of this Department. In

some parts of the country, arrests for breaches of the Salt Laws are exceedingly numerous, and the labor of sending in any reports similar to "Referred charge sheets," "such as are used by the Police," would be very great; moreover, the only officers who can release are men on salaries ranging from Rs. 200 to Rs. 400, and it is not seemly that their action should be subjected to revision by the Subordinate Magistracy, who would generally be men on much lower salaries. In every case of arrest and seizure, occurrence reports have to be sent in to the superior officers of this Department and in the case of releases the grounds of release have to be specially stated briefly. The work of Inspectors in this respect is very carefully supervised by Assistant Commissioners, Deputy Commissioners and the Commissioner, and I do not think anything would be gained by requiring report to the Magistracy, whilst the interference of the latter would probably lead to friction.

Section 90.—This Section clearly requires revision. The words "which may have come to their knowledge" appear to have been omitted. *Vide* the Abkári Act and Act VI of 1871. It could never have been the intention to hold the persons concerned responsible for illicit practices of which they were ignorant.

Section 91.—This section is in accordance with para. 1 of the rules relating to confiscation framed by Government under Section 27 (*i*) of Act I of 1882. If the Magistrate is satisfied that an article is liable to confiscation, though not seized, as for instance, pack animals laden with contraband salt driven off but capable of identification, why should he not have the power to adjudge confiscation?

Section 92.—The points specified are only some "among other matters" for which the rules may provide, the reason for their enumeration probably being that they authorize summary disposal of property. The Section follows the Indian Salt Act, Section 26, *vide* confiscation rules under the present Salt Act for other matters to be dealt with.

Section 93.—The criticism is obviously correct, *for* "guilty" *read* "convicted."

Section 94.—The Commissioner would not be likely to delegate his powers under this Section to any one, more especially as his subordinates can be invested with the minor powers provided by Section 105. The matter is not of any importance however.

Section 96.—I agree.

Sections 102, 104, 106, 110.—I agree.

Section 112.—Mr. Bliss has explained the necessity for this provision in his covering letter, but I concur with Third Member in thinking that it goes too far. It is sure to be struck out when the Bill comes under discussion or to be very much restricted in its application.

Clauses i and ii appear unobjectionable.

Clauses iii and iv objectionable, except as regards Section 26.

Clauses v and vi appear unobjectionable.

Clause vii unobjectionable, as regards Sections 22, 33, 34, 38, 39, 41, 48, 52 and 59 and objectionable as regards the others.

When the Commissioner's action involves interference with the rights of property, I think appeal to the Courts for redress should be allowed, but where it is merely a question of the regulations to which licensees should be subject, I do not think the interference of the Courts is desirable or necessary. In such cases Mr. Bliss's argument appears valid and the distinction I have drawn above is based on these considerations.

I would point out that Section 22, Madras Act I of 1882, has been omitted, through oversight apparently. It should follow Section 84 of the Bill. There is a corresponding Section in the Abkári Act, Section 48. It is necessary as a complement to Section 72 which speaks of persons being admitted to bail to appear *when summoned*, but there is at present no provision in the Bill applicable to the summoning of accused persons. Section 76 is restricted to witnesses.

The concluding sentence of Section 53, IV, commencing "as may exceed 5 per centum, &c.," is obscure and I have not been able

to obtain any explanation of the method by which the calculation is to be made; the expression "year or years next preceding" is indefinite and it is not clear whether the liability should depend on the quantity made or that sold. The proper course appears to be to take the sales of the year immediately preceding but it may have been the intention to adopt an average. There should be no uncertainty as to the manner in which the charge will be computed.

In Section 113 (*f*) for "provision" read "possession."

(Initialled) C. A. G.,

30/6.

No power has been taken in the Bill to prevent the appropriation of any portion of a Salt Factory to any purpose other than the manufacture of Salt. It is not likely that any licensee would erect buildings on his pans or cultivate them, but it would be well to declare expressly that when any area has by notification been designated a factory, no salt work shall be used for any other purpose than the manufacture of alimentary salt, without the permission, in writing, of the Commissioner.

(Initialled) C. A. G.,

1-7.

Minute by C. A. GALTON, Esq., Acting Fourth Member Board of Revenue.

NOTE BY THE FIRST ASSISTANT.

1. The following is a brief account of the discussions which have taken place in recent years in regard to the amendment of the Salt Laws.

2. In Sections 15-28 and 126-133 of the report of Madras Salt Commission, 1876, will be found a short account of the Salt Laws as then existing. The Commission pointed out, that as the law stood, it was open to doubt or at least to argument; (1), what acts constituted offences against the Salt Laws; (2), by what Courts such offences could be tried; and, (3), what punishment could be awarded; and stated that a thorough consolidation and revision of the laws was absolutely necessary. They referred also to a consolidated salt bill (*vide* B. P., 29th March 1871,* No. 1389) submitted by the Board of Revenue in 1871. This bill provided remedies for the chief defects in the law.

* In G. O., 11th March 1875, No. 401.

3. The Government in G.O., dated 5th March 1878, No. 349, in passing orders on the proposals of the Salt Commission for the administration of the Salt Revenue, pointed out, that one of the first steps to be taken for improved administration by the Commissioner newly appointed was the revision and consolidation of the whole law relating to salt.

4. Meanwhile, the High Court in their Proceedings* dated 18th September 1877, No. 2119, overruling their previous decision, held that the collecting of salt-earth from salt swamps, or the being in possession of salt-earth for the purpose of making salt was not an "engaging in a clandestine and fraudulent transaction with respect to making salt in an illicit manner," and did not therefore come within the purview of Section 18 of Regulation I of 1805, and was consequently not punishable. The Board at once brought to the

* G.O., 14th November 1877, No. 3247.

notice of Government (B.P., 1st October 1877, No. 4581*) that this ruling was fraught with great danger to the Salt Revenue, and urged the immediate enactment of a short Act, declaring that any person engaging in the collection of salt-earth or swamp salt or being in the possession of salt-earth for the purpose of making salt or manufacturing salt from salt-earth shall be held to have committed an offence within the meaning of Section 18 of Regulation I of 1805. They also pointed out that this question could not be left undisposed of until the consolidation of the whole law recommended by the Salt Commission could be undertaken.

* In G.O., 14th November 1877, No. 3247.

5. The Government called on the Board to submit a bill in the sense suggested by them; and this they accordingly did in B. P., dated 19th December 1877, No. 5286.* In this bill "swamp salt" was defined to mean salt spontaneously produced in swamps or salt marshes or effloresceing from the earth; "salt-earth" to mean earth naturally impregnated with salt; "earth-salt" to mean swamp salt, salt-earth and earth-salt collected or manufactured otherwise than on account of Government or under licenses issued by officers of Government. It was provided that in default of evidence to the contrary, swamp salt, salt-earth, and earth-salt were to be deemed contraband salt and their possession and collection made punishable.

* In G.O., 21st January 1878, No. 101.

6. The Government were, however, of opinion that the bill should provide merely to meet the case of the collection or possession of salt-earth with the intention of making salt (G. O., 21st January 1878, No. 101). Madras Act II of 1878, was accordingly passed.

7. Mr. Bliss had, in the meanwhile, been appointed Commissioner of Salt Revenue. He submitted a draft bill for the establishment of the Salt Department on its new footing. The bill was approved by the Board but the Government were of opinion that its provisions required careful consideration, and that for the present a short Act, should be passed investing the Commissioner and his Deputies with the powers of the General Agent and the Collector under the old regulations. Act VI of

of 1878, Madras, was passed in pursuance of this object.

8. The Government subsequently declined to adopt the bill submitted by Mr. Bliss as the provisions contained in it in regard to salt-earth were too stringent. They remarked that salt-earth was used by the poorer classes both in its original condition and for the manufacture of salt, and that when dealing with a necessary of life on which an enormous tax was imposed it was necessary to be scrupulous. They therefore doubted whether it was right that possession of salt-earth and its use should be subjected to the same conditions as in the case of salt.

9. Subsequently to the passing of Madras Act II of 1878, the High Court ruled in two cases in South Canara and Kistna, that it was not an offence to use salt-earth in its crude state by turning it into brine for the purpose of savouring food in lieu of salt. In another case they ruled that there was no provision of law constituting the mere possession of spontaneous salt or earth-salt *per se* an offence, and that intent to defraud the revenue must be charged and proved. The Commissioner thereupon strongly urged upon Government the necessity for making the mere possession of salt-earth, irrespective of the purposes for which it was intended to be used, penal, as provided in the bill already submitted by him, and added that if the Government considered it necessary that the use of salt-earth for such purposes as fishcuring, manufacture of manure or application as manure should be permitted, power might be taken to permit this under rules to be framed for the purpose. The Board in their Proceedings dated 5th February 1880, No. 190,* and 2nd March 1880, No. 297,* supported him.

In G. O., 30th December 1880, No. 1774.

10. The Government were, however, not satisfied that it would be right to declare the mere possession of salt-earth in which salt is contained in ever so small quantities, penal, and requested the Commissioner to cite any provision or definition in any Act, or Regulation by which salt is defined as including salt-earth or earth naturally impregnated with salt. The Commissioner in reply cited the

definition of "manufacture" in Act VIII of 1875, which was framed, so as to include separation of salt from salt-earth as an instance in point (B.P., dated 30th April 1880, No. 599*). The cases, however, were really not parallel, as Act VIII of 1875 does not define salt-earth as being included under the term salt.

* In G.O., 30th December 1880, No. 1774.

11. A bill was introduced by the Honorable Mr. Hudleston in March 1881 into the Legislative Council for amending the salt laws. In the statement of objects and reasons attached to the bill it was stated that "the salt monopoly is a fiscal necessity to the Empire and is likely to continue to be so for an indefinite time to come. A distinct and stringent law is necessary for its protection and to ensure its equal incidence on all the classes of population." But at the same time it was added, "care should be taken to work the law with a lenient regard for the circumstances of the poor, and with a merciful consideration of the temptations to which they are exposed by the existence in almost every district of natural saline deposits from which, but for the law, they could easily supply themselves with salt."

12. This bill was enacted as Act I of 1882. Ample powers were given to Salt and Police officers to search for illicit salt and arrest offenders. Power was given to Salt officers to release persons arrested in cases when the offences are of a trivial nature. "Salt-earth" was included in the definition of salt, but to render this extension of meaning innocuous, on the suggestion of the Honorable Mr. Hudleston, "salt-earth" was defined to mean only "a saline deposit or efflorescence" and not any kind of "earth impregnated with salt;" "manufacture" was defined to include "collection." The effect of these definitions was to render penal the collection or possession without license of "saline deposits or efflorescence," and not of other kinds of salt-earth. In the latter case the possession of the salt *manufactured* from such substances was made penal. Power was also given to Government to make rules for the collection of salt-earth, for fishcuring, for manure and for refining of saltpetre. This Act repealed large portions of the old salt law.

49

13. Under the new Act, to obtain a conviction, it is not necessary to show that a person collected "salt-earth" with a view to defraud the revenue, as was the case under Act II of 1878, but it is necessary to adduce proof that the salt-earth collected is "a saline deposit or efflorescence," and not merely "earth impregnated with salt." The Magistracy threw out many cases on this ground and the High Court supported them. (*Vide* G. O., dated 12th September 1883, No. 1110, Revenue). The High Court, however, held that if the salt-earth collected were *scraped* from the surface of the earth, that would be some evidence that the stuff was a "saline deposit or efflorescence," (B. P., dated 4th August 1884, No. 2674*). Since then there have been constant complaints against the Magistracy by the Salt Department for illegal acquittal of offenders, the latter holding that the salt-earth produced before the former was really "efflorescence" and not merely earth impregnated with salt. The whole position was reviewed by the Board in their Proceedings of 27th August 1885, No. 2488.*

* Communicating to the Commissioner of Salt Revenue the judgments referred to in G. O., 2nd September 1884, No. 980.

* In G. O., 5th September 1885, No. 999.

14. To remedy the inconveniences referred to, the Commissioner, in the present bill, has defined salt to include not only chloride of sodium and its congeners, but also all kinds of earth and brine from which any of the above substances may be manufactured. The word "manufacture," is defined to include "collection, preparation, lixiviation, boiling or any one or more of those processes, and also the separation of salt from any substance which is impregnated with it, or with which it is mixed or in which it is held in solution."

15. These definitions it is submitted, have to be carefully considered. The first objection that suggests itself is that made by Government and the Honorable Mr. Hudleston in 1880 to the extended meaning which the Commissioner wanted to give to the term "Salt" in his original bill. Salt is impregnated with most substances and can be extracted in small quantities with great labour which it would be never worth anyone's while to undergo, and yet all these substances would apparently come under the designation "Salt"

proposed by Mr. Bliss. If Réh or Soudu appears on a ryot's field, he cannot scrape it with a view to taking it out of his field, without incurring the penalties of the law. An invalid cannot get sea-water for bathing purposes and this, while there is no danger to the revenue by allowing people to take sea-water, for though salt can be made out of it still it will cost much more to make it than the salt, which has paid duty, costs. It is true that the Salt Department may not interfere in these cases but the law ought to be such that they could not interfere where it is not intended that they should.

16. The second objection is, that the definition is highly conventional and, if the term may be permitted, non-natural. If it is intended to prohibit the collection of salt-earth, it is better to say that the collection of salt-earth is punishable. To say that unlicensed *manufacture* of salt is punishable, but that salt-earth is *salt* and *collection* is manufacture, is apt to mislead and has misled, as observed by the Board in their Proceedings, dated 27th August 1885, No. 2488. In the latter portion of the definition of "manufacture," however, the word salt is used in the ordinary sense. The law affects mostly the poorest classes of the population and has to be translated into the vernacular languages. It is, therefore, necessary to use words in their natural meaning throughout the Act even at the risk of some repetition.

17. To remove the hardship entailed on the people by the extended meaning now given to "Salt," the Commissioner proposes to issue a departmental order or add a proviso to Section 96 to the effect that the mere excavation of salt mud from the beds of rivers and estuaries and its direct and immediate application to cocoanut trees as manure shall not be considered an offence under the Act. In his letter in B. P., dated 16th February 1884, No. 521,* however, the Commissioner considered that it would probably be impracticable to work such a rule.

* G.O., 14th March 1884, No. 369.

18. In any case, considering the great unwillingness shewn by Government on former occasions, as pointed out in previous paras, to declare the collection of salt-earth, when it is not a saline deposit

or efflorescence, or in other words salt itself, an offence, it seems very questionable whether the definition now proposed should be sanctioned. Such a stringent law has not been found necessary in Bombay or in any other Presidency. It would probably be found sufficient if *collection* and possession of salt including in that term "A salt deposit or efflorescence" (which is perfectly legitimate) be made penal, and in the case of salt-earth which is not "a salt deposit or efflorescence," or in other words earth which does not contain any large proportion of salt, the *onus* of proving that its collection was for other purposes than to manufacture alimentary salt or use it as such, should be laid on the accused.

NOTE BY THE FIRST ASSISTANT.

Note on the definition of Salt in the Salt bill

1. In the protection of the Salt revenue it is necessary to prohibit
(a) the unlicensed manufacture of Salt
(b) the unlicensed collection or excavation of Salt spontaneously produced
(c) the unlicensed manufacture of Saline substances such as refined Salt-petre in the manufacture of which Salt is reduced as a by-product

The term Salt is used here in its common acceptation of Edible or alimentary Salt.

2. As regards (a) manufacture Salt should include Sea Salt and rock Salt, and manufacture should be so defined as to apply to mere lixiviation by which Salt-earth is turned into "Edible Salt" in the sense of

...ced from
...ds to regards (b) Salt spontaneously
...roduced may be
(a) crystals formed in Salt
Swamps.
(b) Saline deposits such as
Rock Salt
(c) Saline efflorescence or
Salt found in a powdery
state.
In all these cases the Sub-
stance referred to must
be capable of being used
or such as is ordinarily
used, as salt without
undergoing any manu-
facturing process.
It is true that the Salt
earths generally employed
in the manufacture of
earth Salt is scraped from
the surface of the earths
and consists to a large
extent of Saline efflorescence.
The earths so scraped is
nevertheless Salt-earth
i.e. earth impregnated with
Salt, and to prevent con-
fusion it is necessary
that the distinction between
Substances which can be
used as Salt by themselves
and substances from which
Salt is induced should be
kept distinct maintained

4. As regards (c) the substance
referred to may be dealt
with separately and not
included in the definition
of Salt.

5. From the remarks made
by me falling at the meeting
held at Ootacamund, the
provisions above referred
to would probably suffi-
ciently protect the Salt
revenue & if the principle
are accepted the definition
can be constructed in
accordance with them.

6. I do not think that
any ~~ownership~~ definition
of "Salt" should be attempted
To say that Salt is Chloride
of Sodium is to explain
what is understood by
Everyone by one thing
which is not equally well
understood; and further
Salt as ordinarily used
is not pure chloride of
Sodium. The following
description not definition
of Salt is suggested for

nsideration.

The term Salt includes every
Saline substance and me-
paration used capable of
being used or ordinarily
used with food."

An explanation may be
added to the effect that
the term comprises, Sea salt,
Earth salt, rock salt &
other saline deposits, & Efflorescent Salt
Saline efflorescence.

The exact form in which
this should be put may
must be settled after
discussion.

The definition of "manu-
facture" maybe as follows.

The word manufacture includes
other preparation, lixiviation,
boiling or any one or more of
these processes; and also the
separation of salt from any
substance which is impregnated
with it or with which it is
mixed or in which it is held
in solution"

Collection & excavation of salt
may be separately provided
for.

If however the distinction
between Salt & Salt-earth
be kept in view I do not
think there would be much

* (adapted from Bengal
Act 7 of 1864)

* (adapted from Mr Bliss's bi

Objection to including
collection & excavation
the definition of manufa

Perhaps an explanation
may be added) to prevent
the purification of duty paid
Salt.

8. It will be seen from th
above that mere collecti
of Salt-earth is not to be
penal. This is as it sh
be. If in addition to all
any further step is tak
to manufacture or
any attempt is made
manufacture Salt,
act should be punish
This view of the case sh
believed gets over the
difficulty in regard to
Salt-earth used as m
& various other purpose
not connected with
manufacture of edib
Salt. while effectua
protecting the revenu
The mere collection or
possession of material
from which an Efflorescent Salt or a
be manufactured whe
no overt act is done
which shows an intent
to manufacture shou
not be penal; e.g. the
collection of sagun should
not be made penal simply
because alkali can

manufactured from

as regards the question
of taking power to
regulate the manufacture
of substances by process
which salt is educed
as a bye product, further
enquiries should be made
& communication with
the Chemical Examiner
as to what these substan
ce & whether there is
any appreciable danger
the revenue by their
manufactures not being
brought under regulation
The case of saltpetre
is a clear one & power
should be taken of
course to license this
manufacture under
the new law, as is now
being done

JG
20/10.

Re On the definitions of "Salt" & "manufacture" in the Salt Act

Correspondence Department.

No. 4180.

Proceedings of the Commissioner of Salt Revenue,

dated June 4, 1884.

In a recent decision of the High Court it was held that earth naturally impregnated with Salt need not necessarily be Salt-earth within the meaning of The Salt Laws Amendment Act, and that the possession of such earth is not an offence. As it appeared to the Acting Commissioner that the process of efflorescence is invariably connected with the formation of the Salt-earth ordinarily scraped by offenders against the Salt Laws, he consulted the Chemical Examiner on the subject. His opinion was as follows:—

"The term efflorescence is used by scientific writers in order to denote several phenomena, which though possessing important points in common are by no means identical in all respects. According to Watts' Dictionary of Chemistry—the standard English work on Chemistry—'The formation of a pulverulent crystalline deposit on the surface of a porous body, in consequence of the crystallization of a salt existing in solution within its pores, or formed from materials existing therein, is also called *efflorescence*, *e.g.*, the crystallization of nitrate of potassium on the surface of the earth or in caves, as in India, or on Saltpetre plantations, &c.' 'The above quoted definition seems to me to exactly indicate the meaning of the term efflorescence as used in the Salt Act. The cause of the appearance of an efflorescence of common Salt is the same as that which gives rise to the appearance of an efflorescence of nitre, for in both cases the solution of the Salt is drawn by capillary attraction to the surface of the earth, and there crystallizes in consequence of the evaporation of the water."

"2. As it would usually be very difficult, if not impossible, to scrape up a large amount of 'effloresced Salt' from the ground, without scraping up a good deal of sand, &c. at the same time, the appearance of a quantity of 'effloresced Salt' as usually collected, *i.e.*, before being refined, would generally be that of sandy earth. But the real nature of the stuff may readily be detected by placing a small quantity of it in the mouth, as the presence of sand does not in the least prevent the Salt being tasted."

2. The officers of the Salt Department will observe that the essential portion of the process by which efflorescences are formed is the concentration of saline substances at the surface of a material in which they exist through the joint action of capillary attraction and evaporation. The former keeps drawing up moisture to the surface, so long as there is any to extract from the soil below, in the same

way as that in which it causes a little dry soil thrown on the wet ground rapidly to become damp itself. The moisture so raised of course contains in solution any salts which may exist in the earth, and on nearing the surface it evaporates and the salts are deposited. This process, steadily continued for weeks or months leaves the upper crust of the soil full of saline particles, and forms the description of Salt-earth usually met with.

3. Specimens of the average soil of a Salt swamp to a depth of twelve inches and of the surface soil to a depth of about one inch were sent to the Chemical Examiner for analysis. The result was most strongly confirmatory of the above opinions. The percentage of Salts in the first specimen was 1·2 and in the second 8·9. These figures have however to be corrected before the true effect of the effloresceing process can be arrived at, as in the first sample one-twelfth part of rich surface soil was included. Allowing for this the percentages were as follows :—

Percentage of Salt in soil exclusive of the efflorescent layer on the surface.	·5 per cent.
Percentage of Salt in efflorescent layer on surface.	8·9 do.

4. Where Courts are disposed to consider that the earth produced before them is merely earth impregnated with salt, and consequently not within the penal provisions of the Act, the fact that the process of efflorescence has taken place should be pointed out, and attention called to the confirmation afforded by the means invariably adopted to collect it, *i.e.*, the scraping up of the loose surface soil. That this method of collection was adopted in any particular case may, of course, be incapable of more satisfactory proof than that afforded by the appearance of the earth, which however is not inconsiderable, in most cases. What can be shown is that the Salt-earth found in saline tracts is invariably an efflorescence, and once satisfied of this fact the Acting Commissioner feels sure that few experienced Magistrates would hold Salt-earth produced before them to be other than an efflorescence, unless it varied greatly from the descriptions they are accustomed to see in and out of Court. Were the earth simply impregnated with salt there would be no reason why persons wishing to remove it should not dig it up in bulk instead of scraping it from the surface. It is believed that as a matter of fact such a process of collection is never adopted.

5. Care must be taken to discriminate between the Salt-earth formed by this process and that produced by the evaporation of sea water or brine on low lying swamps.

W. A. WILLOCK,

Ag. Commissioner of Salt Revenue.

To Deputy and Assistant Commissioners of Salt Revenue, and Officers in charge of Circles, with spare copies.

Correspondence Department.

1884.

Commissioner of Salt Revenue, Madras.

To Deputy and Assistant Commissioners of Salt Revenue, and Officers in charge of Circles.

Dated June 4, 1884.

Despatched

Received

No. 4180.

Proceedings, dated June 4, 1884.

Enclosures.

Subject.

Explaining the term "efflorescence" used in (Madras) Act I of 1882, and issuing instructions in connection with the recent ruling of the High Court that earth impregnated with Salt is not necessarily a natural saline deposit or efflorescence.

65

Note on the definition of Salt in the Salt Bill.

The proposals of Mr. Srinivasa Raghavayengar appear to be briefly as follows:—

(a) to confine the term "Salt" as used in the Bill to Saline substances which are capable of being used with food without undergoing any manufacturing process and in doing so to avoid the use of scientific terms which are less generally understood than the expression they are used to define.

(b) to draw a distinction between substances which can be used as Salt by themselves and those from which Salt can be educed and to define the latter separately.

this connection Mr.
Iswara Raghavayengar
appears to make a difference
between what he terms
"Effloresced Salt" which is
comprised in his description
of "Salt" and "Saline Efflorescence"
which he considers must
be treated as "Salt Earth"
and apparently will be included
in the enumeration of the
saline substances from which
Salt can be educed.

(c) to exclude from the
definition of "manufacture"
the word "collection" as he
considers that the mere
collection or possession of
Salt Earth should not be
made penal.

He further suggests that
the Chemical Examiner should
be consulted as to the

I have no pertinent objection
to collection of Salt being
included in the term
manufacture. Such collection
should of course be penal
I said that this should be
separately provided for
as collection is not ordinarily
understood to mean manu-
facture.

particular saline substances
which should be brought within
the scope of the Bill owing to
the danger to the revenue
involved in the processes
connected with their manu-
facture in consequence of
the Eduction of Salt as a
bye product.

2. It was agreed at the
meeting to the Secretariat
Officer, Cotacamund that
it would be clearer if
saline substances which are
a source of danger to the
revenue owing to the Eduction
of Alimentary Salt in the
process of manufacture thereof
were separately provided for.
This can be easily effected,
but it does not facilitate
the definition of the term
'Salt'.

Perhaps the best way to enumerate
the substances in the process
of manufacture which
Edible Salt is educed as a
bye product, these substances
are all included in the
Indian Salt Act under the
term Salt-petre. If I should
specify the substances
themselves - they are only
two or three - & I think
that the inconvenience
arising from the repetition
I would in this Act is not
with consideration under

t" - on the contrary it
ther increases the difficul
s it necessitates greate
xactness to prevent confusion
between what is intended
by the expressions "salt" and
"saline substances" respectively
and throughout the act
the distinction between
the two must be maintained.

3. Mr. Srinivasa Raghavayengar suggests a description instead of a definition of "salt" with an explanation attached thereto enumerating the particular substances comprised in the term. I do not clearly understand what is the distinction between such a description as he proposes and a definition or what is gained by this course. Apparently the plan I advocate would be no need to define "salt-earth" or any like term

What I meant was that a strict definition would precisely specify the qualities by virtue of which things are classed under the general term which it is proposed to define. A description would simply enumerate the things so classed. What I intended to say was that no precise definition of salt need be attempted at all. The nature is well-known and all that is necessary to comprise the term is edible salt.

the idea is that if a
declared to "mean" or "den
a certain thing or things,"
must be regarded as a
definition, but if it is
declared merely to "include"
or "comprise" certain things
it is merely a description;
but there is in reality no
such distinction. The
definitions in many acts
are not exhaustive and
in Salt Bill under discussio
the word "salt" is declared
merely to "include" certain
substances, in reality however
it is exhaustive because
in the enumeration of such
substances every conceivable
form in which salt can
be present is comprised
The "description" if it is
to serve any useful purpose
must be as comprehensive

my "definition" and indeed
Srinivasa Raghavayengar
proposes to enumerate all
saline substances ordinarily
used without undergoing
any manufacturing process
with food. The object of a
definition is of course to
render the law precise
and leave no doubt as to
the meaning of the terms
employed. As the term "Salt"
is comprehensive and indefinite
it is necessary that the legis-
lature should leave no
room for doubt as to what
saline substances are referred
to under the general term
of "Salt" and in fact the
uncertainty which at present
exists is put forward as
one of the main grounds for
resort to fresh legislation.

According to my view
Salt would be Edible Salt
& no further definition
is necessary. The diffi-
culty arises when it
is sought to include
within the term
substances which are
not recognized as used
as Salt but from
which however Salt
may be educed.

There is however no want
of precision in the
Other method.

Edible Salt is well known
& understood by all.
There is no objection to
Sodium but
to call Edible Salt
Chloride of Sodium does
not make
matters any clearer
Moreover Chloride what
percentage of common salt
is not all pure Chloride
of Sodium

Any description or explanation
will be regarded as an
exhaustive enumeration
of the saline substances to
which the term Salt as used
in the Act applies not only
by the public but by the Courts
which will be guided in
their interpretation of the
Expression by the explanation
given. It is absolutely necessary
therefore to be precise.

4. As regards the use of
the expression Chloride of
Sodium I do not see the
force of the objection raised
namely that we are explain-
ing what is understood by
every one by something which is
not equally well understood.
This objection would apply
to all definitions in which
the use of scientific terms

to necessary to indicate the
precise signification of ex-
pressions loosely employed
in ordinary parlance and
would be of equal force as
regards the definition of
"Saline" substances where we
must employ Chemical terms
to designate the substances
to which we refer. It is be-
-cause the terms "Salt" is not
understood in the same sense
by every one and may be
applied with equal appropriate-
-ness to substances which
differ materially in their
appearance and constituents
that a definition is required
and if Chloride of Sodium
is the most accurate term
to employ, it should be adopted.
I do not however think that
the expression "all descriptions
of Chloride of Sodium" is

a happy one. There is no kind of
commercial Salt which does
not contain constituents
other than Chloride of Sodium
and it will be observed that
in the definition I have suggest-
-ed already I have avoided
reference to Chloride of Sodium.

5 Mr. Srinivasa Raghavayya's
proposal amounts to adopting
(with a slight modification
to get rid of the element of
intention) the Bengal definition
of Alimentary Salt instead
of Mr. Bliss' and attaching
to it an enumeration of
certain other substances
which are to be regarded
as comprised in the term
"Salt". I do not see what is
gained by this. I think it
will be convenient to retain
the term "Alimentary Salt"

Yes

Yes but I do not
think that this is
important

This I think will
do

as the provisions of many
pa[illegible] of the Act will only be
app[illegible]le to such Salt
[illegible]d it will be convenient
to have an Expression which
Exactly denotes what is
intended.

It would render the Act
less definite if the term Salt
alone was used comprising
as it would some forms
of Salt which might not
be held to fall within the
ordinary acceptation of the
term Alimentary Salt. I
refer to the forms of Salt Earth
that are in general use
into certain classes of the
population as a substitute
for Salt but which might
not be held to be included
in any definition of Salt
which was framed to apply
chiefly to Alimentary Salt

My definition would
I think certainly
include this.

such as that propos[illegible]
Mr Shaw as Rajhavaya[illegible]
Note. The definition in the
Bill is I think more appro[illegible]
for the purposes of the Act.

6. As regards the Explanation
which it is proposed to attach
to the description or definition
it may be remarked that
there is no need to specify
Sea Salt about which there
can be no doubt; that the
term "Earth Salt" requires
Explanation; that "Saline
deposits" are not to be
found in this Presidency
in the form of "rock Salt"
as far as is known; (the
term is used with reference
to superficial deposits) and
lastly that "effloresced
Salt" cannot be distinguished
from "Saline efflorescence".

The Explanation [illegible]
shows the different
forms in which Salt
is met with but
as I said before
the Explanation
may be omitted
Would do no harm.

re in fact as far as I
see one and the same thing.
an "efflorescence" the
crystallization is complete
but the crystals are so minute
and intermixed with the
surface soil that effloresced
salt and sandy Earth are
collected together. On analysis
of a sample of Earth taken
from a salt swamp to the
depth of one foot it was
found that the effloresced
layer on the surface to the
depth of one inch contained
3 percent of salt whereas
the percentage in the remain-
ing eleven inches was only 5.
Copy of Proceedings of the Commis-
sions of Salt Revenue dated
June 4, 1884, No. 4180 is put
up herewith. This shows that
there is practically no risk to
the revenue in any dealings

Pure Efflorescence is salt
itself & thus I call efflores
salt or salt efflorescence
I used in fact the former
term. When salt Efflores
salt is found mixed
up with a good deal
of earth & is impure
in case as salt I
would call it salt-
Earth, which it really
is, as contradistinguished
from salt

What the Efflorescent
layer contains as is
stated here only 3.4
per cent of salt or in
other words whether
the Earthy matter is
more than 10 times
the salt it seems
proper to call it

See the impregnated
with salt

What is it is more
or less pure salt,
not if it contains
only about 4 per
cent salt

T7

with Earth which is not
impregnated with salt.
process of crystallization
takes place on the surface
and the removal of Earth
which merely contains salt
held in solution is no source
of danger; for if the object
is to manufacture salt by
lixiviation the surface soil
containing 1/8 times as much
salt will be removed. As a
matter of fact Salt Earth
removed for illicit purposes
is never excavated but always
scraped. The "efflorescence" may
appropriately be included in
the term Salt, for it except
of salt mixed with particles
of sand and no longer "Salt
Earth" meaning Earth naturally
impregnated with salt.

7. If this fact was thoroughly
understood by the Courts all

difficulties would vanish,
there cannot be a shadow
of doubt that all so called
"Salt Earth" which it is worth
while to collect for extraction
of salt therefrom must be
either a "saline deposit" or
"efflorescence". Agricultural
operations need not be interfered
with in any way by the
Bill, as the Earth which
is used for manure is
"excavated" not scraped
and should not be included
in the term "Salt Earth" which
as at present should be
confined to "natural saline
deposits" and "efflorescence".
With reference to Mr. Bliss's
remark that it is obviously
desirable to eliminate from
the law such a term as
efflorescence for which there is

no

Necessitous that the
right construction of
Efflorescence or saline
deposit is salt duly

no equivalent in any
language that same object
may be taken to the use
numberless technical term
which it is necessary to
employ in enactments and
which cannot be translated
into the Vernacular. There to
no other term which exactly
expresses the meaning and
I do not see how the use of it
is to be avoided. Mr. Bliss
gets over the difficulty by
making the term "Salt"
applicable to all kinds of
Earth from which Chloride
of sodium can be extracted
but this is going too far.
To obviate interference with
agriculturists dealing with
"Sandy" soils in which the
process of efflorescence has
taken place a general provision

be added to the effect
to none of the provisions
the act shall be held to
ply to the use of salt earth
manure or to any treatment
f saline soils conducted for
purely agricultural purposes.
The exact wording can be settled
hereafter.

9 After a good deal of further
consideration I do not see my
way to improving on the
definition I at first suggested
which differs from the existing
definition only in the addition
l brine made from Salt Earths.
"salt" includes swamp or
'ontaneous salt, "Salt Earths"
eaning thereby natural saline
'eposits and efflorescence,
'Earth Salt' that is, salt made
from "Salt Earths" or from any
Earth naturally impregnated
with salt and brine manufactu

How is this to be done?

This under my definition
would be included in
the definition of
manufacture and
therefore be penal.

by lixiviation or by any other
whatever from Salt Ear
It is desirable to add brin
because although the existen
of brine with a sediment of
salt Earth ought to be accepte
as sufficient evidence of the
process of lixiviation, convic-
tions may not be obtained
without further proof of manu-
facture which it is very hard
to secure. It is reasonable
to create mere possession of
brine made from Salt Earths,
which is ordinarily distinguis
-able from sea water or brin
made from licit sea Salt,
penal.

10. The definition of saline
substances to which the Act
should apply must await
a reference to the Chemical
Examiner but I do not
anticipate

Why not?
This must necessarily
follow if manufacture
is defined to include
"lixiviation, &c &c"
or any one or more
then persons.

"Saline substances"
does not seem a
happy phrase

-ipate that he will be
- to give much assistance
- determining the point.

11. I must dissent entirely from the proposal that mere collection and possession of Salt Earth should not be made penal and that the revenue will be sufficiently protected even if some overt act towards illicit manu-facture of salt has to be proved. The Collection and possession of saline efflorescence is fraught with danger to the revenue and it is only by preventing collection and making mere possession penal that we can hold in check the manufacture of "Earth Salt". If it is to be allowed to be collected and stored without hindrance the loss of revenue will be enormous for the Salt officers will be powerless to prevent the materials for the manu-facture of illicit Salt being obtained, the actual manu-facture is a very simple process and as it would be carried on at night and inside houses detection would be almost impossible; in fact it would be rendered quite impossible for in as much as mere possession would be legal the Salt Officers would no longer have any justification for entering and searching houses merely because the materials for Earth Salt manufacture were stored therein and illicit

This leaves in all the old difficulties

illicit manufacture would be rife. Even as it is the practice is very prevalent in some parts of the Country and Earth Salt is found in large quantities in numbers of houses when searches are conducted on information received. There is no analogy between the possession of Sugar and Salt Earth - the former can only be used for the manufacture of alcohol by lengthy preparation and the use of more or less elaborate appliances involving great risk of detection, whilst the process of Extracting Salt from the latter is very simple and occupies a very short time. Salt Earth, moreover in the form in which it is ordinarily

This is one of degree

collected can only be for the purpose of defrauding the revenue whilst the illicit distillation of sugar for illicit distillation is altogether exceptional and the risk is not appreciable.

The Northern India Salt Act expressly provides against "the excavation or removal of natural saline deposit or efflorescence" and the flaw in the Bengal Act of 1864 that there is no corresponding provision. Consequently in Orissa the illicit manufacture of Earth Salt can be carried on with impun-

This refers to excavation or removal of Salt; the natural Saline deposit or efflorescence is Salt the ground is efflorescence Salt the soil would apply to rock Salt for instance.

Chas Allen
Asst Secy to Govt
Board of Revenue

Nov 1/67

C&S Allen

GOVERNMENT OF MADRAS
21 NOV 87
REVENUE DEPARTMENT

NOTE FOR THE SECRETARY.

A clean proof print of the Madras Salt Bill as revised in conjunction with Mr. Fulton is submitted.

I have added the definitions of Salt & Saline substances as desired.

The type is kept unbroken pending further orders in case any further alterations should be considered necessary.

The material papers connected with this question are herewith sent. The remaining papers collected with reference to it will be sent, if required.

J
12

For orders

C No 5569. { Progs of the Board of Rev. of 5th July 1886 No 1533.

29 SEP 97

With these Progs the Board submit a draft bill drawn up by Mr Bliss to consolidate and amend the Salt-laws.

2 The main features in which this bill differs from the existing enactments are:—

(1) The more extended definition of 'Salt' so as to include therein "all kinds of earth and brine" from which any salt may be manufactured.

(2) Modified provisions relating to compensation to pan-holders when the works are closed on administrative grounds, and when the license to manufacture is suspended or cancelled pro defaulte or pro any breach

of the land or of the conditions of the license.

(3) Prohibition, within specified local areas, of the storage of salt for sale without a license, or of the transport or possession of more than a limited quantity or of any quantity whatever, without a pass or permit.

(4). Exemption from the jurisdiction of the Courts of all acts done in carrying out the provisions of this Act.

3. The object of the more extended definition which Mr Bliss gives to the word 'Salt' is to render the use of ordinary Salt-earth, in its crude state, as a substitute for Salt, penal. Thus, taken with the definition of 'manufacture' and of 'contraband Salt', the unlicensed collection or possession of Salt-earth is punishable as manufacture or possession of contraband Salt - vide Sec 96 (d) 2 (e). For such an enactment as this, Mr Bliss was contending from the first; but after much discussion Govt adopted the definition of Salt as given in the existing Madras Act, I of 1882. This definition includes Salt-earth; but at the same time it expounds this term as meaning "natural saline deposits and efflorescence." Mr Bliss then accepted this definition as sufficient to meet his object; but it is not. "Natural saline deposits and efflorescence" as ruled by the High Court, practically mean Salt spontaneously formed, and not earth impregnated with Salt, which is what Mr Bliss wishes to treat as Salt liable

× G. O's of -
17 July 1879 No 1495
30 Decr 1880 " 1774
10 March 1881 " 427.

× G. O. of 2nd Sept 1882 No 980.

rendering the collection, possession or use of it penal — hence the more comprehensive definition now proposed.

4. Now, the question for consideration is, whether it is absolutely necessary for the protection of the revenue to interfere with the use of salt-earth otherwise than for the manufacture of salt. Salt-earth, or brine made by lixiviating it is, or can be, used in any of three ways, viz:—

(1) As manure for cocoa-nut or other trees,

(2) In curing or preserving fish, and

(3) In direct application, in the form of brine, to food.

The first the Bill is prepared to allow by a departmental order or by the addition of a proviso to sec 96 of the bill. As for the second, the introduce-ment

to use salt-earth or brine in curing fish has now been, to a great extent, removed by the establish-ment of Govt salting depôts, where salt can be procured for the purpose free of duty; probably the practice, where it still exists, will cease when facilities for those obtaining salt are extended to all localities where fish-curing is carried on.

5. There then remains the direct use of brine in food. It is to be observed, that those who thus employ salt-earth must be in a state of extreme poverty, and must form a very small fraction of the population of the country, so that it is hardly likely that the illicit consumption, if it can be so called, of salt in this form prevails or ever prevailed to any appreciable extent. But the question is whether it will ever be possible to

to prevent this practice; for, it must be extremely difficult to detect it. The process of lixiviation is of the simplest nature, and it wld take no time to pour out the liquid so as to make all traces of it disappear. On the other hand, any law which renders the mere collection or possession of salt-earth an offence, must leave an opening for great and endless oppression. In this country, there is, as a rule, hardly a locality where earth, more or less impregnated with salt, is not to be found and is not used for some purpose or another; it wld often be a mere question of difference in degrees; but it is scarcely possible to prescribe, much less to enforce, a standard with regard to the proportion

of the saline element.

6. Practically, it is the use of salt itself, whether artificially manufactured from saline earth, or scraped up from the surface of the earth where it is spontaneously formed, that displaces to any appreciable extent taxed consumption. In all of these cases, the existing law makes the process of manufacture or collection clearly and unambiguously penal, and this, it is submitted, seems sufficient. In these cases, detection is far easier and the charge less liable to be tampered with, as the substance can be readily distinguished from licit salt, and where the illicit article is earth-salt, it is generally found in or with the pots in which the brine is boiled.

7. In no other province of British India, is salt-earth dealt with as salt itself, or is the mere

collection or possession of it made penal, and it is not shown that the large development of the licit consumption of salt in this Presidency within the last few years is due to the struggle, more or less unsuccessful, which the Madras Salt Dept has maintained to make the use of salt-earth for any purpose or in any manner whatsoever penal.

8. It is suggested that so much of the definition of 'salt' as now proposed as includes all kinds of earth and brine, as also all salts other than chloride of Sodium, shd be omitted. The definition might be worded thus:—

"The word 'salt' includes all descriptions of chloride of Sodium or alimentary salt, however and from whatever substance derived, whether manufactured or spontaneously produced."

I submit that all the trouble that has arisen has been the result of an attempt to make a thoroughly comprehensive definition of "Salt" which is practically impossible.

If we take then define salt in a rational manner then define salt-earth & saline substances and then make the possession of salt-earth for the purpose of manufacturing contraband salt a punishable offence basing upon the person accused the onus of proof that it was not collected for such manufacture. Mr. L. Rau's definition of "salt" appears to be a different one excepting that he speaks of "all descriptions of chloride of Sodium" — Mr. Bliss uses the same terms — I am under the impression that there can be only one description of chloride of Sodium.

These definitions of the definition of salt in any act therefore have to be

3/

Part?

The reason why all other salts are included is, that the bill provides for controlling and regulating the manufacture of saltpetre also. This does not seem necessary, as no difficulty has arisen now in dealing with this industry under rules framed under the power reserved for this purpose in the existing Act (See 27 (j)). The whole purpose of chap IV and so much of chap VIII as relates to other salts might well be omitted. It will then be unnecessary to define alimentary salt separately. The plan adopted by Mr Bliss is somewhat inconsistent. He defines 'salt' as including every thing — chloride of Sodium and all carbonates, nitrates and sulphates of soda and potash —, and then alimentary salt separately. In those portions of the bill, however, which deal with alimentary salt only, he

97 5

use the word 'Salt'. The Board propose separate definitions for alimentary Salt and other Salts, designating the former 'Salt' and the latter 'Saline Substances', and including in the latter also Salt-cake; but, as above stated, there seems to be no need to bring in other Salts at all. ~~The Board are apparently under a misapprehension in thinking that Chloride of Sodium is a genuine term and includes Glauber's Salt, Saltpetre and the rest.~~

9 With the definition of 'Salt' as above suggested, that of 'manufacture' as given in the Bill can be open to no objection and may be retained. As respects the Board's objection to the word 'Collection' being included in the definition of 'manufacture', it does not appear what difference it makes whether the unlicensed collection

of Saline substances is made punishable as unlicensed manufacture or as a separate offence, and why the one thing, and not the other does not. The foregoing suggestions render any alteration in the definition of Contraband Salt unnecessary. The Board's suggestions with regard to 'Circle and 'Salt Revenue' might, with advantage, be adopted.

10 Referring to the second of the main heads enumerated in para 2 supra, the Bill provides for the cancellation of licenses and the eviction of the manufacturers when —

(1) An offence against the Salt Laws or a breach of the conditions of the license has been committed. (See 93.)

(2) A manufacturer has refused or neglected to accept a change from the monopoly to the excise system. (See 28)

(3) An inspector has refused or neglected to make sale or to conform to the conditions of the license in regard to inspection. (Sec 23 & 24).

(4) A factory has been closed on the ground that its total outturn ~~from the excise factory~~, for an average of three years, has fallen short of 25,000 pounds. (Sec 30)

(5) A factory or a portion of a factory has been closed on any other ground ~~other~~ irrespective of any delinquency or shortcoming on the part of the manufacturers. (Sec 21 & 31).

11. In the first and second cases, no compensation for the loss of privilege is to be granted; but when a proprietary interest in the land is recognised by the Commissioner or by a competent Court of Judicature, the land is to be disposed of by the former to the best

advantage according to his judgment, and the proceeds thereof are to be handed over to the expropriated holder. (See 14) In the third case, apparently, the pan-holder is to be evicted without any compensation as well when he possesses, as when he does not possess, a proprietary interest (vide para 8 of the Commissioners' letter). In the fourth case, there is to be no compensation, but the ownership of the land is to remain unaffected except, of course, in so far as the right of making salt is suspended. (vide concluding portion of para 12 of the Commissioners' letter). In the fifth case, compensation is to be granted, and it is to cover also proprietary interest in the land. (Sec 21 & 31).

12 For compensation, where allowable, the annual profits of manufacture,

taken, in the case of monopoly factories, at one-half the "Kudiwārām" or price paid per Salt maund and delivered to Govt, and, in the case of excise factories, at one third of the price realised by the licensees by the sale of their Salt, are made the basis, on which is framed a scale having reference to the length of "unbroken occupation". The highest compensation is ten times the annual profits, and is to be allowed where the occupation dates from 1805, the date of the early Salt Regulations, and the lowest is two times the annual profits and is allowable where the length of occupation is less than ten years. "Unbroken occupation" is explained (Sec 17) as signifying holding by the licensee himself or by others, but uninterrupted by a temporary closing of the works or by a suspension of the license. A discretion is, however, reserved to the Commissioner, in the latter case, to allow the occupation prior to the break to count for compensation. Further, in the case of monopoly factories, compensation according to the scale above described is not claimable as of right; the Commissioner having the power to reduce it at discretion.

13 Nos. The objection to this portion of the bill consists not merely in the grant of compensation being so narrowly restricted. It presents unaccountable anomalies. Compare the provision under the ~~first~~ third head with that under the first (para 10 supra). no reason appears why a licensee, who is debited merely for failing to make salt, or to make it according to the conditions of his license, shd be denied the concession with regard to the payment of ~~the occupant~~ his proprietary interest in the land, which the bill allows to the

who is guilty of an offence against the law. This, probably, is not what is intended; but the wording of the section leaves no doubt on the point. Again, as regards a break in the holding, Section 17, as it is worded, reserves a discretion to the Commissioner to allow the prior tenancy to count for compensation when the break was caused by a suspension of the licence (it may be an offence against the law), but not where it was caused by a temporary closing of the factory on administrative grounds and no fault of the pan-holder, even though his tenancy may date from 1805. Further it does not appear why, in the case of monopoly factories alone the Commissioner shd have a discretion to reduce the compensation computed according to the prescribed scale. Mr Bliss seems to think (para 11 of his letter) that monopoly manufacturers

are not proprietors of the pans in the same sense as excise licensees are; but clearly, it is not an excise licence that creates a proprietary interest in the pans.

11. The Board point out that the rates of compensation proposed are small, and that the provisions under this head are open on several points, open to objection.

12 In the case of salt pans opened in comparatively recent years, a right to close them without compensation has been expressly reserved (vide extract from Mr Bayley's memorandum given in para 136 of the report of the Salt Commission 1876). Exceptions such cases, therefore, it seems only fair that compensation shd be granted in all cases when the works are closed or the pan-holders are evicted otherwise than for default or delinquency. No reason appears for making the amount of compensation dependent on the length of

the occupancy. The Salt
rights are on the same footing,
and have the same valuable
and transferable property in
their holdings, as agricultural
rights (vide extracts from Mr
Bayley's memorandum above
quoted), and the value of
their holdings does not vary,
any more than does that
of the agricultural rights,
with the length of the oc-
-cupancy.

15. The Salt Commission
of 1876, in their report-para 137-
draw a line between these
two classes from the fact that
the latter have only "the
privilege of making Salt,
to the exclusion of others, in a specified area,
long as Govt. shall maintain the
manufacture", the land re-
-verting to the Condition of
ordinary Govt waste when
the work is closed. But
this difference in the incidents
of the occupancy right is
due only to restrictions

necessitated by the Govt mono-
-poly in Salt. The fact that
on the abandonment of manu-
-facture, the land merges
in ordinary village waste
has no particular significe
-ance, in as much as the
same is the case with land
held on ordinary ryotwari
tenure when it is relinquish-
-ed. The true test of the value
of an occupancy right is
what the occupant is actually
-by getting and will be de-
-prived of by eviction. It
is true that Reg I of 1803
makes mention of 'Labourers'
as distinct from 'inhabitants'
(sec 4), probably from the fact
that, at that time, no pro-
-prietary occupancy was
recognised in the northern
Districts; but there is no
record from which those
can be designated 'Labourers'
can be distinguished from
proprietary pan-holders.

According to the Salt Commission of 1876, "the labourers of Reg I of 1805 had, by the year 1852, passed into the position of ryots having the power of selling or transferring their rights;" and

16 Mr Bleis in para 9 of his letter assumes that, under the existing law, a pan-holder in a monopoly factory cannot claim any compensation when the factory is closed. This seems to be a misapprehension. Where an enactment provides, as does Sec 5 Reg I of 1805, for the payment of compensation when the manufacture is limited or suspended by the Rev authorities, it is not to be supposed that it was not intended to allow any when the factory was finally closed. The only reasonable inference is that the legislature then

did not contemplate the latter eventuality, and that, in such cases, the ordinary legal remedies are open to those affected. Compensation for disturbance of rights is what, in the absence of a legislative provision to the contrary, a Court would hold to be claimable in equity.

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holding the same principle
applicable to both mono-
-poly and excise factories.

18. Under the third head,
the following provisions are
introduced: —

121

(1) Within any local areas,
the storage of salt for sale,
except under a license, may
be prohibited. (Sec 56).

(2) Within such areas, it
shall not be lawful for any
person, not licensed, to possess
or transport more than a
quarter measure of salt except
under a transport pass or a
license authorising the retention
of such salt for private con-
-sumption. (ibid)

(3) Within defined local
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(Sec 57) If, however, a local area
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a salt factory is not included in them; for it is only there that the area needs to be limited to one thousand yards from the factory. These provisions are stated to have been taken from the Bombay & the Indian Salt Acts and the Inland Customs rules; but the somewhat singular order in which they are arranged is due, apparently, to the fact that a portion is introduced from each without reference to its bearing on that taken from another. The bill, however, goes beyond these enactments. The Bombay Act (Sec 37) exempts from the restriction imposed quantities of one maund and under; but this bill (Sec 56) gives the limit of exemption at a quarter of a maund. The Indian Salt Act - Sec 6(d) - limits the area in which possession, storage and sale of salt

may be regulated, to one hundred yards from any place in which salt is stored or sold on behalf of Govt, or of a salt manufactory in which salt is made or refined. The bill (Sec 57) extends the limit to one thousand yards from a salt factory.

20 "The Board do not think that in any case, the possession of salt wanted for consumption should be absolutely prohibited." The above provisions are permissive only and are intended to be applied, when necessary, to localities in which smuggling is frequent (Commissioner's letter para 16); but even in limited areas, such an extreme measure must be mischievous in its operation. In Bombay, some restriction on traffic in the neighborhood of the Konkan works (out to the extent contemplated in this bill) was found necessary, because, under

of storage.

the loose system, which there prevailed, a regular trade in salt surreptitiously removed from the excise stores was being carried on. Here, however, with the checks which the stock account in force furnishes, no such trade in contraband salt has ever existed. The provisions of the Indian Salt Act, 1882, so far as they relate to the control of traffic, refer to northern India, and have been found necessary on account of saltpetre manufacture, in the process of which edible salt is educed, being there spread over the whole country.

27. The fourth head refers to the exemption from the jurisdiction of the Courts of almost all proceedings ~~of boards~~ under the Act in relation to the Salt revenue. To this general

exemption, the Board are strongly opposed, and reference is solicited specially to their observations under this head. When a legislature enactment gives the executive authorities specific powers, it is only when those powers are exceeded that the Courts of judicature can interfere, and it is clearly inadvisable to shut out their jurisdiction in such cases. The Board are, however, in favor of barring the Courts' jurisdiction as regards all proceedings relating to the payment of Kudiwaram per salt made and delivered to Govt ~~under the monopoly System~~ (Sec 26) and the cost price to be levied in addition to duty per salt sold by Govt (Sec 53 A), under the monopoly system. It is to be observed that, as respects Kudiwaram, the rates are specified in the Act itself (vide Schedule 2), and as per the

cost price to be added to duty
the Act leaves it to Govt to fix
its rate. This being the case,
the Courts can take cognisance
in civil cases only
of a deviation from the fixed
rates, and persons conceiving
themselves aggrieved in these
respects ought certainly to be
able to seek for redress by
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In Schedule 2, the rates are
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poly System; but it may
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Mr Bliss marginal note to it).

22. As regards other matters
provided for in the bill, ex-
cepting the points which
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special weight:-

Sec 73 - Power of the Circle
Officer to release an offend-
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shd be reported to the
Magistrate.

Sec 94 & 105. Power to compound
offences &c. The Board
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a dangerous power and
needs to be restricted.
They wld retain Sec 105
only, which, while giving
all necessary power
to the Commissioner and
his subordinates, limits
the amount of optional
fine to Rs 200 as in
the Abkari Act - Sec 67.
Perhaps, it wld be better
still to restrict this power
to the Commissioner him-
-self.

Sec 102. Liability of the officers of other Depts (Police, Land-revenue and Customs) to punishment for not rendering to ~~the Salt or other such~~ officer, on notice given, all the assistance in their power in carrying out the provisions of the Act.

The Board do not approve. They point out that "officers of other Depts not rendering due assistance are sufficiently amenable under the rules of their own depts and a Magistrate is hardly the best authority to determine whether they have given all the assistance in their power."

In this connection, it may be observed, that the cognate Sec 86, which the Board do not notice, seems to require modification. The words "every officer employed by Govt." are too comprehensive, and it seems hardly fair to require ~~off~~ employees of depts totally incommensurate with revenue administration, as police, the Educational, to give immediate information of all breaches of a special and complicated revenue law, and to punish them for failing to do so (vide Sec 96 (f)). It is suggested

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that the requirement shd be restricted, as in Sec 85, to officers of the Police, Land-rev and Customs Depts.

Sec 102 The holder of a license or permit to be punishable for an offence committed by his employés, unless he can prove that he had exercised all due and reasonable precautions to prevent it.

"The Board do not think that masters shd be made liable criminally for any act of their servants. It is quite possible that a master may not be in the position to prove that he has taken precautions against a criminal act done by his servant when the act was not such as he was ~~not able~~ likely to foresee."

Sec 110 Presumption as to contraband Salt found in a house, building or place being in the possession of the occupier of such house &c. The Board do not think this section can stand as drafted; but they do not say how it shd be amended. Probably, taking the word 'presumption' as defined in the Evidence Act, it will be open to the owner of a house to escape the penalty by proving that he was not aware of the fact that contraband Salt

was introduced into his house but it does not seem fair to require a respectable person, obviously above abetting such an offence, to prove his ignorance of what it is hardly possible he can be aware of.

23. On the following points however, the Board seem to be under a slight misapprehension.

Sec 12 21a. The marginal notes are intended only for facility of reference and to indicate the subject of the section. ~~in the course of the bill~~ They are not to be read as part of the Act itself.

Sec 37. This section contemplates two classes of works — those constructed by excise manufacturers in a newly created factory, and those constructed by Govt under the monopoly system previous to the introduction of excise. In the former case, the upkeep of the works is to matter — what expense the owners themselves but Govt are also interested in as lords of Manor as are required for the proper keeping of the Salt and for the prevention of its removal without payment of duty. In the latter

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case, as a convenient arrangement the manufacturers are allowed the use of the works on condition that they are to pay to Govt interest on their capital cost; but it is desirable that the works shall be maintained in good order, so that the money invested in their construction may not be lost to Govt. Thus, in either case, the provision for the proper upkeep of the works is necessary, and cannot be left as a condition to be observed only when the Govt may not otherwise direct.

Sec 22, 24. In the Board's remark on clause 21 of Sec 20 is apparently a mistake for "proviso to Sec 26." Clause 3 they refer to in commenting on Sec 96 is apparently a misprint for clause (f). Similarly, Sec 100, to which they refer after 106, is a misprint for Sec 110.

25 In Conclusion, it is submitted that the bill, before it can be approved and transferred to the Legislative Dept, requires to be materially revised ~~in many respects~~

IV
9/5

Note for orders.

C N° 5369.

Bill to consolidate and amend the Sett. Laws.

NOTE BY DEWAN BAHADUR T. VENKASAMI ROW.

C. No. 5569.—*Proceedings of the Board of Revenue, dated 5th July* 1886, *No.* 1533.

With these Proceedings the Board submit a draft bill drawn up by Mr. Bliss to consolidate and amend the Salt Laws.

2. The main features in which this bill differs from the existing enactments are:—

(1) The more extended definition of 'Salt,' so as to include therein "all kinds of earth and brine" from which any salt may be manufactured.

(2) Modified provisions relating to compensation to pan-holders when the works are closed on administrative grounds, and when the license to manufacture is suspended or cancelled for default or for any breach of the law or of the conditions of the license.

(3) Prohibition, within specified local areas, of the storage of salt for sale without a license, or of the transport or possession of more than a limited quantity or of any quantity whatever, without a pass or permit.

(4) Exemption from the jurisdiction of the Courts of all acts done in carrying out the provisions of this Act.

3. The object of the more extended definition which Mr. Bliss gives to the word 'Salt,' is to render the use of ordinary salt-earth, in its crude state, as a substitute for salt, penal. Thus, taken with the definition of 'manufacture' and of 'contraband salt,' the unlicensed collection or possession of salt-earth is punishable as manufacture or possession of contraband salt, *vide* Section 96 (*d*) and (*e*). For such an enactment as this, Mr. Bliss was contending from the first; but after much

discussion Government adopted the definition of salt as given in the existing Madras Act, I of 1882.* This definition includes salt-earth, but at the same time, it expounds this term as meaning "natural saline deposits and efflorescence." Mr. Bliss then accepted this definition as sufficient to meet his object; but it is not. "Natural saline deposits and efflorescence," as ruled† by the High Court, practically mean salt spontaneously formed, and not earth impregnated with salt, which is what Mr. Bliss wishes to treat as salt itself, rendering the collection, possession or use of it penal—hence the more comprehensive definition now proposed.

* G.O. dated 17th July 1879, No. 1495.
G.O. dated 30th Dec. 1880, No. 1774.
G.O. dated 10th March 1881, No. 427.

† G.O. dated 2nd Sept. 1884, No. 980.

4. Now, the question for consideration is, whether it is absolutely necessary for the protection of the revenue to interfere with the use of salt-earth, otherwise than for the manufacture of salt. Salt-earth, or brine made by lixiviating it is, or can be, used in any of three ways, viz.:—

(1) As manure for cocoanut or other trees,

(2) In curing or preserving fish, and

(3) In direct application, in the form of brine to food.

The first, Mr. Bliss is prepared to allow by a departmental order or by the addition of a proviso to Section 96 of the bill. As for the second, the inducement to use salt-earth or brine in curing fish has now been, to a great extent, removed by the establishment of Government Salting Depôts, where salt can be procured for the purpose free of duty; probably, the practice, where it still exists, will cease when facilities for thus obtaining salt are extended to all localities where fish-curing is carried on.

5. There thus remains the direct use of brine in food. It is to be observed, that those who thus employ salt-earth must be in a state of extreme poverty, and must form a very small fraction of the population of the country, so that it is hardly likely that the illicit consumption, if it can be so called, of salt in this form prevails or ever prevailed to any appreciable extent. But the question is whether it will ever be possible to prevent this practice; for, it

must be extremely difficult to detect it. The process of lixiviation is of the simplest nature, and it would take no time to pour out the liquid so as to make all traces of it disappear. On the other hand, any law which renders the mere collection or possession of salt-earth an offence, must leave an opening for great and endless oppression. In this country, there is, as a rule, hardly a locality where earth, more or less impregnated with salt, is not to be found and is not used for some purpose or another; it would often be a mere question of difference in degrees; but it is scarcely possible to prescribe, much less to enforce, a standard with regard to the proportion of the saline element.

6. Practically, it is the use of salt itself, whether artificially manufactured from saline earth, or scraped up from the surface of the earth where it is spontaneously formed, that displaces taxed consumption to any appreciable extent. In either of these cases, the existing law makes the process of manufacture or collection clearly and unambiguously penal, and this, it is submitted, seems sufficient. In these cases, detection is far easier and the charge less liable to be trumped up, as the substance can be readily distinguished from licit salt, and where the illicit article is earth-salt, it is generally found in or with the pots in which the brine is boiled.

7. In no other province of British India, is salt-earth defined as salt itself, or is the mere collection or possession of it made penal, and it is not shown that the large development of the licit consumption of salt in this Presidency within the last few years is due to the struggle, more or less unsuccessful, which the Madras Salt Department has maintained to make the use of salt-earth for any purpose or in any manner whatsoever penal.

8. It is suggested that so much of the definition of 'salt' now proposed as includes all kinds of earth and brine, as also all salts other than chloride of sodium, should be omitted. The definition might be worded thus:—"The word 'salt' includes all descriptions of chloride of sodium or alimentary salt, however, and from whatever substance derived, whether manufactured or spontaneously produced." The reason why all other salts are included

is, that the bill provides for controlling and regulating the manufacture of saltpetre also. This does not seem necessary, as no difficulty has arisen now in dealing with this industry under rules framed under the power reserved for this purpose in the existing Act (Sec. 27 (*j*)). The whole, therefore, of Chapter IV and so much of Chapter VIII as relates to other salts might well be omitted. It would then be unnecessary to define alimentary salt separately. The plan adopted by Mr. Bliss is somewhat inconsistent. He defines 'salt' as including everything—chloride of sodium and all carbonates, nitrates and sulphates of soda and potash—, and then alimentary salt separately. In those portions of the bill, however, which deal with alimentary salt only, he uses the word 'salt.' The Board propose separate definitions for alimentary salt and other salts, designating the former 'salt' and the latter 'saline substances,' and including in the latter also salt-earth; but, as above stated, there seems to be no need to bring in other salts at all.

9. With the definition of 'salt' as above suggested, that of 'manufacture' as given in the bill can be open to no objection and may be retained. As respects the Board's objection to the word 'collection' being included in the definition of 'manufacture,' it does not appear what difference it makes whether the unlicensed collection of saline substances is made punishable as unlicensed manufacture or as a separate offence, and why the one thing should look harsh, while the other does not. The foregoing suggestions render any alteration in the definition of contraband salt unnecessary. The Board's suggestions with regard to 'Circle' and 'Salt Revenue' might, with advantage, be adopted.

10. Referring to the second of the main heads enumerated in Para. 2 *supra*, the bill provides for the cancellation of licenses and the eviction of the manufacturers when—

(1) An offence against the Salt Laws or a breach of the conditions of the license has been committed. (Sec. 93.)

(2) A manufacturer has refused or neglected to accept a change from the monopoly to the excise system. (Sec. 28.)

(3) A manufacturer has refused or neglected to make salt or to conform to the conditions of the license in regard to manufacture. (Secs. 23 and 29.)

(4) A factory has been closed on the ground that its total outturn on an average of three years, has fallen short of 25,000 maunds. (Sec. 30.)

(5) A factory or a portion of a factory has been closed on any other ground irrespective of any delinquency or shortcoming on the part of the manufacturers. (Secs. 21 and 31.)

11. In the first and second cases, no compensation for the loss of privilege is to be granted; but when a proprietary interest in the land is recognised by the Commissioner or by a competent Court of Judicature, the land is to be disposed of by the former to the best advantage according to his judgment, and the proceeds thereof are to be handed over to the expropriated holder (Sec. 14). In the third case, apparently, the pan-holder is to be evicted without any compensation as well when he possesses, as when he does not possess, a proprietary interest (*vide* para. 8 of the Commissioner's letter). In the fourth case, there is to be no compensation, but the ownership of the land is to remain unaffected except, of course, in so far as the right of making salt is barred (*vide* concluding portion of para. 12 of the Commissioner's letter.) In the fifth case, compensation is to be granted, and it is to cover also proprietary interest in the land. (Secs. 21 and 31).

12. For compensation, where allowable, the annual profits of manufacture, taken, in the case of monopoly factories, at one-half the "Kudiwárum" or price paid for salt made and delivered to Government, and, in the case of excise factories, at one-third of the price realised by the licensees by the sale of their salt, are made the basis, on which is framed a scale having reference to the length of "unbroken occupation." The highest compensation is ten times the annual profits, and is to be allowed where the occupation dates from 1805, the date of the early Salt Regula-

tion, and the lowest is four times the annual profits and is allowable where the length of occupation is less than ten years. "Unbroken occupation" is explained (Sec. 17) as signifying holding by the licensee himself or by others, but uninterrupted by a temporary closing of the works or by a suspension of the license. A discretion is, however, reserved to the Commissioner, in the latter case, to allow the occupation prior to the break to count for compensation. Further, in the case of monopoly factories, compensation according to the scale above described is not claimable as of right; the Commissioner having the power to reduce it at discretion.

13. Now, the objection to this portion of the bill consists not merely in the grant of compensation being so narrowly restricted. It presents unaccountable anomalies. Comparing the provision under the third head with that under the first (para. 10 *supra*), no reason appears why a licensee, who is evicted merely for failing to make salt, or to make it according to the conditions of his license, should be denied the concession with regard to the payment of the value of his proprietary interest in the land, which the bill allows to one who is guilty of an offence against the law. This, probably, is not what is intended, but the wording of the sections leaves no doubt on the point. Again, as regards a break in the holding, section 17, as it is worded, reserves a discretion to the Commissioner to allow the prior tenancy to count for compensation when the break was caused by a suspension of the license (it may be for an offence against the law, but not when it was caused by a temporary closing of the factory on administrative grounds and for no fault of the pan-holder, even though his tenancy may date from 1805. Further it does not appear why, in the case of monopoly factories alone, the Commissioner should have a discretion to reduce the compensation computed according to the prescribed scale. Mr. Bliss seems to think (para. 11 of his letter), that monopoly manufacturers are not proprietors of the pans in the same sense as excise licensees are; but clearly, it is not an excise license that creates a proprietary interest in the pans. The Board point out that the rates of compensation proposed are small, and that the provisions under this head are, on several points, open to objection.

14. In the case of salt pans opened in comparatively recent years, a right to close them without compensation has been expressly reserved (*vide* extract from Mr. Bayley's memorandum, given in para. 136 of the report of the Salt Commission, 1876). Excepting such cases, therefore, it seems only fair that compensation should be granted in all cases when the works are closed or the pan-holders are evicted otherwise than for default or delinquency. No reason appears for making the amount of compensation dependent on the length of the occupancy. The salt ryots are on the same footing, and have the same valuable and transferable property in their holdings, as agricultural ryots (*vide* extracts from Mr. Bayley's memorandum above quoted), and the value of their holdings does not vary, any more than does that of the agricultural ryots, with the length of the occupancy.

15. The Salt Commission of 1876, in their report—para. 137,—draw a line between these two classes from the fact that the latter have only "the privilege of making salt, to the exclusion of others in a specified area, as long as Government should maintain the manufacture," the land reverting to the condition of Government waste when the work is closed. But this difference in the incidents of the occupancy right is due only to restrictions necessitated by the Government monopoly in salt. The fact that, on the abandonment of manufacture, the land merges in ordinary village waste has no particular significance, inasmuch as the same is the case with land held on ordinary ryotwari tenure when it is relinquished. The true test of the value of an occupancy right is what the occupant is actually getting and will be deprived of by eviction. It is true that Regulation I of 1805, makes mention of 'labourers,' as distinct from 'mirasidars' (Sec. 4), probably from the fact that, at that time, no proprietary occupancy was recognised in the Northern Districts; but there is no record from which those then designated 'labourers' can be distinguished from proprietary pan-holders. According to the Salt Commission of 1876, "the labourers of Regulation I of 1805, had, by the year 1854, passed into the position of ryots having the power of selling or transferring their rights."

16. Mr. Bliss in para. 9 of his letter assumes that, under the existing law, a pan-holder in a monopoly factory cannot claim any compensation when the factory is closed. This seems to be a misapprehension. When an enactment provides, as does Sec. 5, Regulation I of 1805, for the payment of compensation when the manufacture is limited or suspended by the Revenue authorities, it is not to be supposed that it was not intended to allow any when the factory was finally closed. The only reasonable inference is that the legislature then did not contemplate the latter eventuality, and that, in such cases, the ordinary legal remedies are open to those affected. Compensation for disturbance of rights is what, in the absence of a legislative provision to the contrary, a court would hold to be claimable in equity.

17. As regards the calculation of compensation, ten years' purchase for the very maximum the proposed scale allows, is, as pointed out by the Board, too low a rate of capitalisation. No reason appears why the usual rule of twenty years' purchase should not be adopted. For monopoly factories, half the 'Kudiwárum' seems to fairly represent the manufacturer's annual net profit; but for excise factories, one-third of the proceeds of salt sold by the licensees is apparently too high a rate. Half the ordinary rate of Kudiwárum paid by Government under the monopoly is about 9 pies per maund; but one-third of the sale price the excise licensees have been realising would, on the average, come to 2 annas per maund. There is no good reason why the excise manufacturers should get so much more compensation, and considering the uncertain and speculative character of the profits they are making under present circumstances, it seems better to make the Kudiwárum, at the old established rate, on the salt sold by them, the basis for the computation of compensation, thus holding the same principle applicable to both monopoly and excise factories.

18. Under the third head, the following provisions are introduced:—

(1) Within any local areas, the storage of salt for sale, except under a license, may be prohibited. (Sec. 56.)

(2) Within such areas, it shall not be lawful for any person, not licensed, to possess or transport more than a quarter maund of salt except under a transport pass or a license authorising the retention of such salt for private consumption. (Sec. 56.)

(3) Within defined local areas, possession by any person of *any* salt except in transit under a pass may be prohibited. (Sec. 57). If, however, a local area, defined under this section includes a salt factory, it shall not extend more than one thousand yards from it.

19. In brief, power is taken to prohibit the transport, possession or sale, without a license or permit, of even a tola weight of salt in whole Districts, provided a salt factory is not included in them; for it is only then that the area needs to be limited to one thousand yards from the factory. These provisions are stated to have been taken from the Bombay and the Indian Salt Acts and the Inland customs rules; but the somewhat singular order in which they are arranged is due, apparently, to the fact that a portion is introduced from each without reference to its bearing on that taken from another. The bill, however, goes beyond those enactments. The Bombay Act (Sec. 37) exempts from the restriction imposed, quantities of one maund and under; but this bill (Sec. 56) fixes the limit of exemption at a quarter of a maund. The Indian Salt Act (Sec. 6 (*d*),) limits the area, within which possession, storage and sale of salt may be regulated to one hundred yards from any place in which salt is stored or sold on behalf of Government or of a manufactory in which saltpetre is made or refined. The bill (Sec. 57) extends the limit to one thousand yards from a salt factory.

20. "The Board do not think that in any case, the possession of salt wanted for consumption should be absolutely prohibited." The above provisions are permissive only and are intended to be applied, when necessary, to localities in which smuggling is frequent (Commissioner's letter, para. 16); but even in limited areas such an extreme measure must be mischievous in its operation. In Bombay,

some restriction on traffic in the neighbourhood of the Konkan works (not to the extent contemplated in this bill) was found necessary, because, under the loose system of storage, which there prevailed, a regular trade in salt surreptitiously removed from the excise stores was being carried on. Here, however, with the checks which the stock account in force funishes, no such trade in untaxed salt has ever existed. The provisions of the Indian Salt Act, 1882, so far as they relate to the control of traffic, refer to Northern India, and have been found necessary on account of saltpetre manufacture, in the process of which edible salt is educed, being there spread over the whole country.

21. The fourth head refers to the exemption from the jurisdiction of the Courts of almost all Proceedings under the Act in relation to the Salt Revenue. To this general exemption, the Board are strongly opposed, and reference is solicited especially to their observations under this head. When a legislative enactment gives the executive authorities specific powers, it is only when those powers are exceeded that the Courts of judicature can interfere, and it is clearly unadvisable to shut out their jurisdiction in such cases. The Board are, however, in favor of barring the Courts' jurisdiction as regards all proceedings relating to the payment of Kudiwárum for salt made and delivered to Government (Section 26) and the cost price to be levied in addition to duty for salt sold by Government (Section 53-A), under the monopoly system. It is to be observed that, as respects Kudiwárum, the rates are specified in the Act itself (*vide* Schedule 2), and as for the cost price to be added to duty, the Act leaves it to Government to fix its rate. This being the case, the Courts can, in either case, only take cognisance of a deviation from the fixed rates, and persons conceiving themselves aggrieved in these respects ought, it seems certainly to be able to seek for redress by resort to the established tribunals. It may here be noted, that it seems better to leave the Kudiwárum rates also to be fixed by Government from time to time. It may at times be found necessary to vary them at particular localities, and it would be inconvenient to have recourse to legislation for the purpose. In Schedule 2, the rates are specified for only

the five factories now under the monopoly system; but it may be found necessary to open new ones under that system, or to reconvert any now under excise into monopoly factories. (*Vide* Section 20 and Mr. Bliss's marginal note to it).

22. As regards other matters provided for in the bill, excepting the points which will be noticed further on, the Board's remarks and suggestions appear to be appropriate, and, on the following points, to have special weight:—

Section 73.—Power of the Circle Officer to release an offender. The Board suggest that, as a security against arrests on insufficient grounds, the proceeding should be reported to the Magistrate.

Sections 94 and 105.—Power to compound offences, &c. The Board point out, that this is a dangerous power and needs to be restricted. They would retain Section 105 only, which, while giving all necessary power to the Commissioner and his subordinates, limits the amount of optional fine to Rs. 200 as in the Abkári Act, Section 67. Perhaps, it would be safer to restrict this power to the Commissioner himself.

Section 102.—Liability of the officers of other Departments (Police, Land Revenue and Customs) to punishment for not rendering to a Salt officer, on notice given, all the assistance in their power in carrying out the provisions of the Act. The Board do not approve. They point out that "officers of other departments not rendering due assistance are sufficiently amenable under the rules of their own departments and a Magistrate is hardly the best authority to determine whether they have given all the assistance in their power."

In this connection, it may be observed, that the cognate Section 86, which the Board do not notice, seems to require modification. The words "every officer employed by Government" are too comprehensive, and it seems hardly fair to require employés of departments totally unconnected with revenue administration, as for instance, the Educational, to give

immediate information of all breaches of a special and complicated revenue law, and to punish them for failing to do so. (*Vide* Section 96 (*f*,).) It is suggested that the requirement should be restricted, as in Section 85, to officers of the Police, Land Revenue and Customs Departments.

Section 104.—The holder of a license or permit to be punishable for an offence committed by his employés, unless he can prove that he had exercised all due and reasonable precautions to prevent it. "The Board do not think that masters should be made liable criminally for any act of their servants. It is quite possible that a master may not be in the position to prove that he has taken precautions against a criminal act done by his servant, when the act was not such as he was likely to foresee."

Section 110.—Presumption as to contraband salt found in a house, building or place being in the possession of the occupier of such house, &c. "The Board do not think this section can stand as drafted;" but they do not say how it should be amended. Probably, taking the word 'presumed' as defined in the Evidence Act, it will be open to the owner of a house to escape the penalty by proving that he was not aware of the fact that contraband salt was introduced into his house; but it does not seem fair to require a respectable person, obviously above abetting such an offence, to prove his ignorance of what, it is hardly possible, he can be aware of.

23. On the following points, however, the Board seem to be under a slight misapprehension :—

Sections 12 and 14.—The marginal notes are intended only for facility of reference and to indicate the subject of the section. They are not to be read as part of the Act itself.

Section 37.—This section contemplates two classes of works. Those constructed by excise manufacturers in a newly created factory, and those constructed by Government

under the monopoly system previous to the introduction of excise. In the former case, the up-keep of the works is a matter, which concerns the owners themselves; but Government are also interested in such of them as are required for the proper keeping of the salt and for the prevention of its removal without payment of duty. In the latter case, as a convenient arrangement, the manufacturers are allowed the use of the works on condition that they are to pay to Government interest on their capital cost; but it is desirable that the works should be maintained in good order, so that the money invested on their construction may not be lost to Government. Thus, in either case, the provision for the proper up-keep of the works is necessary, and cannot be put as a condition to be observed only when the Government may not otherwise direct.

24. In the Board's remark on Section 22, "clause 2 of Section 20" is apparently a mistake for "proviso to Section 26." Clause 3 they refer to in commenting on Section 96 is apparently a misprint for clause (*f*). Similarly, Section 100, to which they refer after 106, is a misprint for Section 110.

25. In conclusion, it is submitted that the bill, before it can be approved and transferred to the Legislative Department, requires to be materially revised.

Secretary.

NOTE BY DEWAN BAHADUR
T. VENKASAMI ROW.

Note for the Secretary.

It is submitted that the main criticisms on the Salt bill contained in Dr. Venkasami Row's note seem to be just. The bill appears to have all the characteristics of a grasping piece of legislation. "Salt" is defined so as to include mere earth and brine and other substances from which Salt can be reduced in ever so small quantities; and "manufacture" so as to include mere collection of these substances without any intention of manufacturing salt. Power is taken to declare that in certain tracts salt shall not be sold in the market without a license and in such places possession of more than ¼ maund of salt is made penal. Large powers are given to the Commissioner to deal with the lands of the licensees. The compensation to be given in cases where pans have to be closed is fixed very low. The duty

duty is laid on Government officers of all departments to give information of Salt offences. Appeals against Commissioner's orders are disallowed in certain cases and the jurisdiction of the Courts has been shut out. It is true that a law for the protection of the Salt revenue must necessarily be stringent: but the provisions should have reference to felt necessities and not be made with a view to render the protection of the revenue theoretically complete. Innocently disposed persons may come in the course of their daily avocations to deal with substances containing Salt in very small quantities and they ought not to be put to unnecessary annoyance. It is also difficult to conceive of inhabited places where a provision for making the possession of duty paid Salt alone a quarter of mound penal, can be necessary or proper. The Government have all along been exceedingly averse to accept Mr. Bliss' views on

on this subject as will be seen from the precis of their orders contained in the accompanying copy of a note I had to prepare some time ago. The Boards modifications if so submitted, have, while not relaxing the rigor of the law where rigor is indispensably necessary, softened down the bill and removed its objectionable features.

2. Having made these preliminary remarks reference will be made only to the portions of Mr. Venkatarami Row's note which seem open to exception.

Para 8. It is not clear why the provisions in the bill regarding Salt-petre and all sulphates and carbonates of soda or potash should be omitted. They are now dealt with by rules under Section 24 (1) of Madras Act I of 1882 and these rules create offences and prescribe penalties for them. These provisions would more appropriately be made by a legislative enactment and they should find a place

place in a consolidating bill like the present.

Para 9. The Board have not perhaps clearly explained their objection to the word "manufacture" being defined so as to include "collection" but what they mean is that these twisted unnatural definitions mislead poor people especially in vernacular translations.

The Board's remark was made apparently with reference to the cases dealt with in their Proceedings dated 27th August 1885 No. 2488. It is submitted that the Board's objection is valid.

Paras 14 & 16. The assumption which underlies the reasoning in these paras is that the position of a pan holder is entirely analogous to that of an agricultural ryot. It is submitted that there is an essential difference between the two. Under the Salt monopoly salt wherever made became the property of Government. When a pan holder engaged

*G.O. 11th Sep 1885 No 999 RD

engaged to make salt for Government. It was a matter of contract between the two. If the Government did not want salt they were not bound to take what the panholder produced and he could not manufacture except for Government. The result is the closure of the pan. There is hereno room for the growth of a private right to manufacture salt and force Government to buy it though of course it is open to Govt. to grant such compensation as it chooses to the panholder for his loss of custom. The panholder can put the land to any use to which it can lawfully be put other than manufacture of salt. All this is very different in the case of agricultural land. In this case the ryot has the right to raise agricultural products and after giving the Government their share in kind or money to dispose of it at his pleasure. The case of salt manufacturers before 1805 and their re-

representatives in interest however stands on a different footing. They had acquired their right to manufacture in particular lands before Salt was declared to be a Government monopoly and Regulation of 1805 creating the monopoly recognized their rights and declared thementitled them to compensation if their pans were closed. (vide Sections 4 and 5). There is nothing in the regulation to show that the same concessions were to be extended to persons engaging to manufacture Salt for Govt after it had been declared a Government monopoly. In this case of the new it does not seem unreasonable to make the compensation which Government chooses to give to Salt manufacturers for loss of custom depend on the length of the period for which they were manufacturing Salt for Government.

Para 17. The objection in this para to the profit of an excise manufacturer being taken at 1/3rd of the sale prices

though by recognizing transfers & sales of pans, calling the manufacturers Salt ryots and their wages Kudivaram, the Govt have raised expectations which cannot now altogether be ignored. In para 137 of their Report the Salt Commission say that the right of the pan holders who were not musaedars before 1805 was not precisely of the same nature as that possessed by a ryot in his cultivable holding, of which he had absolute possession so long as the revenue was paid. The right was rather the privilege of making Salt to the exclusion of others, in a specific area as long as Govt should maintain the manufacture

P.T.O

at the works in which such area was comprised" This view which is questioned in the note seems to be correct. The right acquired by pan holders was the privilege to serve Govt in particular localities to the exclusion of others so long as their service was required and not a permanent right to manufacture Salt in the land, whether Salt was required by Govt or not.

x Disputed

prices of Salt realized by them does not appear to be valid. No doubt owing to adventitious circumstances excise manufacturers are making large profits. This it is to be hoped will not be the case in future, and even were it otherwise surely compensation given must depend on the actual profits. The monopoly factories will soon be all abolished and the Kudivaram rates will then disappear. There seems to be no reason why these rates should be stereotyped and made applicable to excise factories in future years worked under changed conditions.

Para 23. As regards marginal notes to Sections 12 and 16 the Board were aware that these did not form part of the Act but thought that as references they were somewhat misleading.

There seems to be no objection to the small addition proposed to be made by the Board to Section 39. This addition will enable Government to make the repairs &c. themselves if found necessary.

3. The 4th Member of the

the Board (Mr. Galton) dissented from the main recommendations in the Board's Proceedings. Perhaps the Government might desire to have a copy of his minute before passing orders.

H
13/5

In re Sale Bill

REVENUE DEPARTMENT.

Current No. 5569 of 1886

From Board of Revenue.

Dated 5th July 1886.

No 1533

FOR ORDERS.

H-S-H

The Hon'ble Hutchins
will not be troubled
with the Calcutta
Municipal Bill
the present Session

Eden

the Bill printed
in marginal note &
parallel columns
the alterations
tions suggested
Bd (2) by Galton
mission (4) Trotter
5) Secretary
get the Calcutta
ues the Bill
iously requires
erable emenda-

Yule

ciation Keeping in view the features
ment now 12 July

the Lieut.-Governor's Municipal Act,
the latter of which, it is believed,
was originally drafted by him.
The Calcutta Municipal Bill (Bill No. 5 of
1882) has also been largely drawn
upon.
There are, however, certain provisions which do not find a
place in any other Bill and
it is submitted that it will require
very much revision & pruning before
it can become law.
It has been criticised at considerable
length by the Bd. for Municipal

the Board (Mr Galton) dissented from the main recommendations in the Boards Proceedings. Perhaps the Government might desire to have a copy of his minute before passing orders.

Mr Salo

3/5

147

REVENUE DEPARTMENT.

Current No. 5569 of 1886

From Board of Revenue.

Dated 5th July 1886.

No 1533

FOR ORDERS.

We ought to be much obliged to Dewan Bahadur Venkasami Row for his excellent note (most of which) I agree.

I think the Secretary's suggestion is a good one & we should get Mr Galton's minute & dissent & have the Bill printed with marginal notes in parallel columns showing the alterations objections suggested by (1) Std (2) Mr Galton (3) Venkasami Row (4) Frost & (5) Secretary & then get Mr Galton & discuss the Bill & obviously requires considerable emenda-tion

Yes

I have no objection to keeping the papers for the present

WMG 12 July

Mr. Bliss's draft of a consolidated Salt Act to supersede the Salt Acts in force in the Provinces of the Madras Presidency, which was sent by the Govt. of India with their letter No. 1. dated 1st. Jany. of this year, has been found upon examination to be framed upon principles which would be entirely subversive of the existing Salt Revenue system in this Presidency, and to be open to many other serious objections. The Board have therefore been unable to recommend the adoption of the draft Act in its present form, and have addressed the Government of India to that effect.

Mr. Bliss's draft is, however, a very able piece of work, and contains a considerable number of valuable provisions, which do not find a place in any other Salt Act and which the Board would be glad to see introduced into the Madras Salt Act, if it should be found practicable to do so. The Board have therefore had under consideration the question whether it would be desirable to amend the Madras Salt Act, 1882, on the lines of the Bombay Salt Act and Rules, or to repeal the Madras Salt Act, 1882, and to substitute for it a new Act framed on the lines of the Bombay Salt Act and Rules. The latter course, which is followed, was originally suggested by Mr. Bliss. The Madras Salt Act, 1882, has also been largely drawn upon.

There are, however, certain provisions

Rows and the present 1st. Asst. and the undersigned has made memorial notes against sections of the bill which appear open remark. With the papers is sent also a copy of the note of Mr. Shamavara Rajamayar, written when 1st Asst. in the Sale Office, and this contains a good deal which he has now considered it necessary to repeat in the note prepared in his present capacity.

The main features of the Salt calling for consideration - there is a good deal else requiring mention - are shaped in the beginning of Mr. Thuraisamy Rows note.

The undersigned has, in the margin of this, made the suggestion of abandoning the idea of making the definition of "Salt" such as to embrace everything coming within the scope of the Act. It seems a more workable plan to define "Salt" and "Salt earth" so as to include necessary, "Saline Substances" separately. What would be a proper definition of "Earth Salt" is rather difficult to say but of the suggestion of dividing the definitions as accepted

the Commr. might be called upon to define "Salt earth". He must necessarily know more about what the definition ought to cover than any one else in Office.

As regards the question of compounding holders of Sale passes, Mr. Thuraisamy Row and the present 1st. Asst. prefer the view taken by the latter appears the correct. They, however, both agree in regarding the scale of compensation as being too low. They apparently agree also, as regards the moral proposed by Mr. Blair to exclude the jurisdiction of the Civil Courts in many cases. Mr. Blair aims in preparing the draft which he has submitted apparently to frame an enactment which shall completely protect the Salt Revenue and allow the Commr. and Govt. to do pretty well what they like. The result has been a bill which appears to me, in some parts unfair and unjust and to be generally severe and stringent as to render the introduction, excepting in a very modified form, highly undesirable. The Salt dept and Salt laws are as it is, unpopular enough but Mr. Blair's bill is calculated to make an hundred fold more so and to result in ordinary work as Govt. have not the Cadre which would

manufacturer and the outsider can with reason make common cause.

Mr. Gallon's minute of dissent has not been sent up by the Bd: it might be called for.

It is suggested that, as time is getting at length entirely the Bill as it now stands, it would be desirable to summon Mr. Gallon to Dharamsala on his return from his present tour and to discuss with him the points in the Bill to which exception is taken. Another might then be drafted and revised in order to transfer it to the Legl. Dept.

This would save time and correspondence.

It seems pretty clear that in its present form the Bill or any thing approaching it will not do.

21/8.

Secretary's Note

FOR ORDERS.

C No. 5369.

Bill to Consolidate and Amend the Salt Laws.

Humble Mr Martineau
Humble Mr Hutchinson

203

REVENUE DEPARTMENT.

151

REVENUE DEPARTMENT.

C No. 5847.

From The Board of Revenue (Sp: Rev:)

Dated 18th July 1887.

FOR ORDERS.

Mr. Gallon's minute of dissent from the recommendations contained in B. P. 5th July 1886 no. 1533 in regard to Mr. Ilbert's bill for the consolidation of the Salt Laws is submitted for perusal

25/7

2 Secy Govt 1886

2513

It has been framed and altered in the Revn Dept to give effect as closely as practicable.

25/12.

manufacturer and the outsider can with reason make common cause.

Secret

FOR O

FOR ORDERS.

C. No 5847

Consolidated Salt Bill

C. 26-7-87.
R. 12-8-1887

203

REVENUE DEPARTMENT.

Current No. 5567

From The Board of Revenue

Dated 5th July

1886 1887

FOR ORDERS.

After the careful Examination which has been made of the Bill it seems best to follow the Secretary's suggestion & transfer it as it now stands to the Legislature Dept. [illegible] 6/7

IHF
7/7

In accordance with the Order on Cr. No. 55 Dep. of 1886 the Draft Salt Bill has been revised by Mr. Sattin Mr. Srinivasa Aiyangar and the undersigned and a clean copy of the revised Bill is submitted herewith. With it is put up a Statement in the form suggested by the Hon. Mr. Inglis and in the margin of this the undersigned has noted briefly what has been done by the Board with regard to the various points noted above with regard to the each section touching which the Hon. Mr. Sattin Mr. Hucabasawmy Mr. Ch. Ch. and the Secretary have made remarks.

It is submitted that as it is desirable that the Bill should if possible be passed during the present Session it should be transferred to the Legislature Dept. It has been framed and altered as the Revd Dept has great experience as seems practicable.

26/12.

C. No. 5569.

FOR ORDERS.

Re Salt bill

Hon'ble Mr. Hutchins

G.O. no 22 dt 11-1-88

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read C. no 5569.

Sep: Rev: no: 10

G.O. no 22 dt 11-1-88

The bill for the consolidation and amendment of the laws relating to the Salt revenue submitted by Mr. Bliss, has been carefully in the Revenue Department with reference to the remarks of the Board in communication with the Board's Commr. The revised bill will be transmitted to the Legislature Dept. with the intimation that it is desirable that steps should be taken for introducing it into the Legislative Council as early as possible.

From Collr

To
The Legislative Dept. with draft Bill
Commr. & Dept. Govt. with draft Bill

71/1 dt 5-2-88

C. dt 4-2-88

H.W.S.
11.1.88

Dn Wilson. Salford

F.C.R.° 439 of 1886

Bp[illegible]
11/1

G.O N.° 22 dy 11th Jan.y