8541 + 9452

Public Works (1896) Department.

G.O., No. 1063

Dated 30th October 1896.

[Despatch Abstract.]

Irrigation Revenue. A Copy of the Note by the Chief Engineer for Irrigation affording information respecting the figures of — assessed for the year 1895-96 under certain Heads, ordered to be forwarded to the Govt of India.

Irrigation Revenue. Forwarding Copy of a Note by the Chief Engineer for Irrigation affording information respecting the figures of — assessed for the year 1895-96 under certain Heads.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

IRRIGATION.

Government {1896} of Madras.

PUBLIC WORKS.

Recd. } 1896. *Enclosures*

Regd. } *Spare copies*

G.O., No. 770 I., 19th September 1896.

SEPTEMBER.

Wharfage fees

The arrangement proposed by the Board of Revenue and the Chief Engineer for Irrigation to levy — on salt boats loading and unloading at the Madras Salt Cotaur wharf by annual book-adjustments, approved.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Irrigation.

READ—the following paper :—

Proceedings of the Board of Revenue (Separate Revenue), No. 285, dated 18th July 1896.

Read—the following G.O., Mis. No. 1421, Revenue, dated 9th April 1896 :—

Read—the following G.O., No. 226 I., dated 4th March 1896 :—

Read—the following papers :—

From A. S. RUSSELL, Esq., Executive Engineer, Buckingham Canal Division, to the Superintending Engineer, II Circle, dated Pulicat, 9th March 1895, No. 3017 :—

I have the honour to bring to your notice that the Salt Department are apparently beginning to abandon (*vide* accompanying original report *) the out-storage system introduced in the year 1890–91, have commenced to transport salt from Vayalur to the Salt Cotaurs at Madras and claim exemption from wharfage fees under the operation of G.O., No. 798 I., dated 21st December 1887. This Government Order has been a dead letter for many years past, and its provisions are, I imagine, practically cancelled by G.O., No. 632 I., dated 17th July 1893. Pending orders, however, on this reference I am permitting the salt boats to pass to the Salt Cotaurs without paying wharfage, as it is not very clear to me what the intentions of Government may be on the matter.

* No. 165, dated 7th March 1895, from Wharf Superintendent, Madras, with its 1 enclosure.

2. After G.O., No. 798 I., dated 21st December 1887, was passed, all salt boats loading or unloading at the Salt Cotaurs were not charged wharfage fees by the canal authorities, but salt boats loading or unloading at other wharves were so charged, though as the order stands it rules in comprehensive terms "that all licensed boats entering or leaving Madras laden with salt shall be exempt from wharfage fees." This order if acted upon in its literal sense would have gone far beyond the contention of the Board, and would have exempted all boats carrying salt, even for private individuals, from paying wharfage fees at all the wharves within the limits of the Shadayankuppam and Adyar locks. In 1890–91, the outstorage system was adopted and salt ceased to be stored at the salt Cotaurs, and when I took charge of the division in 1891 all salt boats were duly paying wharfage fees, and have continued to do so up to the present time. Now that the in-storage system has apparently again been started, the question has come before me for the first time of the precise meaning of G.O., No. 798 I., dated 21st December 1887, and whether it is still to be considered to be in force.

3. When G.O., No. 798 I., dated 21st December 1887, was passed, wharfage fees were a recent introduction, and no clear rules regarding wharves, or the levy of fees thereat, were in existence. In G.O., No. 632 I., dated 17th July 1893, Government approved a set of wharf rules, and under rule II, for regulation of traffic at the Madras wharf, boats that load or unload within the limit of one mile of the Madras wharf must pay the prescribed wharfage fees. The Salt Cotaurs are within this one mile limit, and the Government Order contains no mention of any exemption for any class of boats whatever.

4. The Board of Revenue in protesting in its resolution, printed with G.O., No. 798 I., dated 21st December 1887, against the levy of fees on salt boats loading

or unloading at the Salt Cotaurs, proceeded on principles which are not applicable to the present time, and in no way regulate the levy of wharfage fees. The following instances may be cited by way of example :—

(1) The object of wharfage fees as now recognised is *not* "to prevent boats loading and unloading goods except at authorized places." If such a principle were generally acted upon, the canal would become next to useless, and the traffic in firewood, grain and other produce would be absolutely killed, since it is idle to suppose that such goods could stand the cost of transport by road to the nearest wharf instead of being loaded or unloaded wherever wanted, as they are of course allowed to do. Both the navigation and the wharf rules give discretion to Executive Engineers to forbid loading or unloading except at wharves, but this power was conferred in order to check abuses and not to hamper legitimate traffic.

(2) The Board rightly state that one object of wharfage fees is to place all boats on the same footing. It is therefore perfectly anomalous at the present time to claim exemption for *salt boats alone*, since no other boats are so exempted. It is altogether contrary to fact, as things now exist, to say that the effect of wharfage fees "is to place a tax upon salt alone." It is, however, absolutely true to say that to exempt salt from paying fees which every other commodity now pays is to bolster up the salt trade at the expense of the Buckingham canal, a work on which Government has incurred enormous outlay, and on which Capital and Revenue accounts are kept up.

(3) The various contentions of the Board that (*a*) because it is convenient for salt to continue to be loaded at the Salt Cotaurs, (*b*) because the conservancy of the banks is attended to, and (*c*) because a very short length of side channel is maintained by the Salt Department, salt boats at Salt Cotaurs should be exempted from wharfage fees, form no valid ground for such exemption. On a similar line of argument, coal, shells, firewood and other goods might just as well claim exemption. In all such cases, it is clearly for the private convenience of the trade in question that the Government wharves are not used, and such convenience forms no ground whatever for exemption. If such principles were admitted and exemption from wharfage allowed on grounds so inadequate, the Government wharves would soon be deserted altogether.

5. If the in-storage system is to be again introduced, and salt boats using the Salt Cotaurs are still to be exempted from payment of wharfage, the canal will lose annually considerable sums in wharfage fees, as salt will again become a principal item of traffic—*vide* paragraph 7 of note, printed with G.O., No. 619 I., dated 14th July 1893. In case of the exemption from wharfage being still allowed to salt boats using Salt Cotaurs, some arrangement should therefore be made providing that this lost revenue is adjusted by book transaction to the revenue account of the canal, and that the Salt Department furnish to the canal staff proper checks to show that the boats *do* actually load or unload at the Salt Cotaurs. By means of wharf clearance tickets, &c., the canal staff have at present a perfect check upon the movements of all boats except specially exempted salt boats using Salt Cotaurs.

6. It is difficult to see any logical or even intelligible ground upon which salt boats using the Salt Cotaurs can continue to be exempted from payment of wharfage—

(1) The boats are *not* the property of Government, but of private owners, and it is only reasonable that these owners should pay wharfage fees, since, as I have already shown in paragraph 4 of my letter, printed with G.O., No. 632 I., dated 17th July 1893, such levy of fees is strictly proportionate to profits, and is the only way of touching boats doing an exceptionally good business.

(2) It is ridiculous to suppose that the levy of so small a fee as one anna per ton for wharfage can make any material difference in the cost of so highly priced an article as salt. The exemption of such fees on salt boats makes, however, a great difference to the annual revenue of the canal and enables the Salt Department to make arrangements with its contractors to transport salt to Madras at slightly reduced rate, and one that is, moreover, wholly fictitious, *i.e.*, is specially relieved by Government from an impost that every other class of goods has to pay.

(3) Even if Government boats were used to transport salt to the Salt Cotaurs, it would form no valid ground for exemption, since the Government boats of the Forest Department conveying firewood have never been allowed any such exemption from payment of wharfage fees.

7. A great deal has been done to improve the canal of late years; the traffic is steadily increasing, and the blocks to traffic that occurred during the drought of 1891, and frequently in former years are rapidly, if proper precautions are taken, becoming an impossibility. The canal will, ere long, when the license and wharfage fees have been raised, show a very much better return than it has ever yet done, and as the cost of carriage along it is extremely low, the officers in charge of it may well bring to notice that its earnings will be unduly knocked down by special exemption from wharfage fees being allowed to any cargo boats whatever.

8. I therefore request to be favoured at an early date with orders whether G.O., No. 798 I., dated 21st December 1887, is to be still held to be in force; if so, whether it is only intended to apply to salt boats using Salt Cotaurs; or whether this Government Order is superseded by G.O., No. 632 I., dated 17th July 1893, which lays down detailed rules for wharves.

Enclosures.

From the Wharf Superintendent, to the Executive Engineer, Buckingham Canal, dated 7th March 1895, No. 165.

I beg to report that the Government salt has this day commenced to be transported from Vayalur to Madras Depôt by canal.

2. Wharfage fee for unloading at Salt Cotaurs has not been collected under G.O., No. 798 I. of 21st December 1887.

3. The salt here transported has been ascertained from the enclosed letter of the Inspector of Salt and Abkári Revenue, Madras Depôt, to be the Government property and not one of private merchants.

From the Inspector, to the Wharf Superintendent, Madras Basin, dated 7th March 1895.

With reference to your letter, dated 7th March 1895, I have the honour to inform you that the salt from Vayalur is Government property and is being transported to Madras under contract by Abdul Khadar Mustan Sahib.

No. 457 B-C.

Forwarded to the Chief Engineer for Irrigation for favour of very early orders. It would appear that G.O., No. 798 I., dated 21st December 1887, has been cancelled by G.O., No. 632 I., dated 17th July 1893.

(Signed) W. L. C. BADDELEY, Major, R.E.,
30th March 1895. Superintending Engineer, II Circle.

From Colonel R. R. E. DRAKE-BROCKMAN, R.E., Chief Engineer for Irrigation, to the Secretary to the Board of Revenue (Separate Revenue), dated 13th April 1895, No. 178 M.

I have the honour to forward endorsement No. 457-B.C., dated 30th March 1895, from the Superintending Engineer, II Circle, with its enclosures (to be returned), and request to be favoured with the Board's remarks on the question therein raised whether salt boats passing to the Salt Cotaurs should be still exempted from paying wharfage fees.

2. Up to the present time, salt has been paying wharfage fee, as it was bought by the contractors at Ennore. It is unreasonable that the alteration of rules in the Salt and Abkári Department as to where the contractors should buy salt should affect

the receipts of the canal. If this be allowed, it is impossible to tell whether the receipts of the canal are improving or not, and to make fair comparison between different years.

3. There seems to be no valid reason why salt should escape wharfage fees any more than firewood and the tax in the latter case is relatively much heavier than in the former, as the value of the goods is so much less.

4. The Buckingham canal is on a fair way to show receipts exceeding expenditure, and the salt trade, being benefited largely by it, should not be exempted from such taxes as are generally imposed and found by experience to be not more than the traffic can well bear.

5. If suitable to the Salt and Abkári Department, the charges may be made a book-transfer between the departments, or they may be levied on the boats which are, it is believed, private boats engaged by that department.

Read—the following Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 3009, dated 17th July 1895:—

Read—again the following Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 1207, dated 16th May 1895:—

Read—letter from the Chief Engineer for Irrigation, dated 13th April 1895, No. 178 M.

Resolution—Mis. No. 1207, dated 16th May 1895.

The Deputy Commissioner, Central Division, is requested to report what arrangements have been made for the payment of wharfage fees on boats conveying salt for storage at the Madras Depôt and if, by the terms of the contract, the transport contractor is not to bear the charge, whether a case for an application to Government for exemption can be made out under present circumstances.

Read—also letter from the Deputy Commissioner, Central Division, dated 8th June 1895, No. 2507.

Abstract.—Reporting that no arrangements have been made for the payment of wharfage fees on boats conveying salt for storage at the Madras Salt Depôt and expressing his opinion that if any fees are to be levied at all, they should be borne by Government.

Resolution—Mis. No. 3009, dated 17th July 1895.

Prior to the introduction of the outstorage system in 1890, the excise salt manufactured in the factories of the Vayalur, Ennore and Covelong Circles was transported in boats and stored at the Madras Salt Depôt, and the boats carrying such salt paid no wharfage fees until 1887. In that year the Salt Cotaurs, including the salt depôt premises, were declared to be a wharf. The question of the levy of wharfage fees was then raised by the canal authorities, and Government, after considering the arguments put forward by the Board against the proposed levy of wharfage fees on salt boats, was pleased in its order, No. 798 I., dated 21st December 1887, to sanction an exemption in favour of all licensed boats entering or leaving Madras laden with salt.

2. As long as the salt of the outlying factories was stored at the depôt, this order was observed, but since the introduction of the outstorage system, the rule has not been taken advantage of. The salt brought by licensees from the factories to Madras (not to the depôt) has paid wharfage, apparently because (although the wording of

the Government Order above referred to is such as to render it applicable to all salt boats entering and leaving Madras), the intention of the Government was considered to be to exempt only boats carrying salt from the out-factories *for storage at the depôt*. No objection was raised by the licensees as they were using the banks of the canal for loading and unloading, as it is used for other articles.

3. After the passing of the Canals and Ferries Act (II of 1890), Government in its order, dated 17th July 1893, No. 632 I., notified under section 16 (IV) thereof, a set of rules for the regulation of traffic at the wharves on the canal in general and at the Madras wharf in particular. Rule II of the rules relating to the latter requires all boats that load or unload within the limit of one mile from the Madras wharf to pay the prescribed wharfage. No mention was made in these rules of the exemption accorded in G.O., No. 798 I., dated 21st December 1887, to boats carrying salt, the reason presumably being that there was not the same necessity to do so inasmuch as at that time no salt was going to Madras for storage at the depôt. Now that the monopoly system has been ordered to be re-introduced into the factories of the Vayalur and Ennore Circles, the existing stocks of the licensees' salt are being purchased by Government and transported to the Madras depôt for storage, and Government salt will, from the season of 1896, be likewise sent there. The Board has therefore again to address Government on the subject of wharfage fees and, to request orders for the continuance of the exemption accorded in G.O., No. 798 I., dated 21st December 1887, in the case of the boats carrying salt to the Madras depôt for storage.

4. The Executive Engineer, Buckingham Canal Sub-division, supported by the Chief Engineer, considers that wharfage fees should be paid. He details at length his arguments in favour of the imposition of the fees, but as most of them were before Government when it passed its order of 1887, the Board does not consider it necessary to traverse them in detail. It will simply remark that, highly taxed as it is, salt is entitled to exceptional treatment as compared with the other articles of trade, firewood, &c., referred to by the Executive Engineer, if it can possibly be accorded. His main objection to the exemption claimed is the loss to the canal funds of "considerable sums in wharfage fees," a canal on which Government has incurred enormous outlay and on which Capital and Revenue accounts are kept. In reply to this, the Board would raise the question of whether wharfage fees were originally intended as a means of augmenting the general revenue of the canal or to cover the interest on the capital cost and expenditure connected with the maintenance of wharves for the convenience of the public. If the latter be the case, it would point out that the canal authorities have been put to no expense whatever either in the original construction or subsequent upkeep of the salt depôt wharf and the side channels which are maintained exclusively by this department. The Deputy Commissioner, Central Division, to whom the Board made a reference on the subject, states that at an expenditure of less than one year's wharfage fees on salt boats, he is prepared to dig other side channels which will render it quite unnecessary for such boats to unload from the Buckingham canal at all.

5. It may be added that no arrangements were made by the Board with the boat contractors who are transporting salt to the depôt on behalf of Government for the payment of the wharfage fees and that the fees, if levied, will have to be borne by Government and paid by book-transfer.

6. It may be urged that if the exemption be granted in favour of boats unloading Government salt at the depôt, Government salt will compete at an advantage over excise salt brought for sale to Madras in so far as the wharfage fees exceed the cost of upkeep of the depôt wharves and channels, but the Board submits that ere long all the licensees of the Vayalur and Ennore Circles will revert to the monopoly system and there will be no more excise salt sold at the local platforms and brought to Madras.

(True Copy and Extract.)

(Signed) EDMUND MILLETT,
Assistant Secretary.

Mis. No. 3492, Revenue.

Transferred to the Public Works Department with copy of note by the Honourable Mr. Bliss.

Ootacamund,
28th August 1895.

(Signed) W. B. AYLING,
Ag. Asst. Secretary to Government.

No. 21 I.

Note by the Chief Engineer for Irrigation.

With his endorsement, No. 457-B.C., dated 30th March 1895, the Superintending Engineer, II Circle, forwarded for orders a copy of letter, No. 3017, dated 9th March 1895, from the Executive Engineer, Buckingham Canal division, in which he raised the question whether paragraph 2 of the rules passed in G.O., No. 632 I., dated 17th July 1893, for regulation of traffic at the Madras wharf, ordering that boats which load or unload within the limit of one mile of the Madras wharf, should pay the prescribed wharfage fee, cancels G.O., No. 798 I., dated 21st December 1887 or not. Under this latter order the Salt Department claims exemption from payment of the fees, that department having commenced to transport salt from Vayalur to the Salt Cotaurs at Madras in supersession of the outstorage system introduced in 1890–91 under which the fees were levied on the salt contractors and paid, it may be remarked, without demur.

2. The Executive Engineer explains at length his reasons why the exemption should not be allowed, and the Board of Revenue in its Proceedings, No. 3009, dated 17th July 1895, brings forward its reasons to the contrary which, in the opinion of the Chief Engineer for Irrigation, are based on a misconception of the actual state of affairs which is totally different from what it was in 1887.

3. The first argument brought forward by the Board is that it is not considered necessary to traverse the arguments of the Executive Engineer, Buckingham Canal division, in his letter, as most of them were before Government when it passed its order of 1887 and which are detailed in Board's Resolution, dated 3rd October 1887, No. 535, printed with G.O., No. 798 I., dated 21st December 1887.

4. In paragraph 2 of this resolution, the object of imposing wharfage fees is given but not at all fully. The reasons may be described as follows:—

(*a*) To bring the receipts and disbursements into equilibrium (*vide* note by the Chief Engineer, Public Works Department, printed with G.O., No. 562 W., dated 20th February 1883).

(*b*) To meet the cost of construction and maintenance of wharves.

(*c*) To regulate the traffic and provide establishment for the conservancy of the canal.

(*d*) To provide means of collecting the necessary statistics for submission to the Government of India.

5. In paragraph 3 of the same resolution, the Board submits that the avowed objects of the tax will not be attained in the case of the Salt Cotaurs and suggests that salt boats are called upon to pay a fee for which they obtain no convenience and that the object of the fees would be attained by enhancing the canal tolls. As remarked in paragraph 2, these arguments could only be brought forward in ignorance of the real objects of wharfage fees as detailed in paragraph 4 *supra*, as the chief object of introducing wharfage fees was originally to bring the receipts and disbursements into equilibrium. The imposition of this tax did not enhance the charge, the tolls having been considerably reduced. Prior to the assumption by the Public Works Department in October 1879 of the duty of levying tolls on the Buckingham canal, the Collector of Chingleput was accustomed to levy, under the orders of the Board of Revenue, a toll of As. 4 per ton upon every cargo boat and As. 4 per trip on every passenger boat passed through the Shadyankuppam lock towards Madras. From this toll it is believed that salt boats were not exempted and in paragraph 10 of the memorandum on the Cochrane canal, printed as appendix 11 to the first report of the Commissioners appointed to enquire into and report upon the system of superintending and executing Public Works

in the Madras Presidency, it is specially mentioned that tolls were at that time levied on every description of goods which entered Madras. Again in paragraph 5 of Memorandum, dated 11th March 1878, by the Collector of Chingleput, printed with G.O., No. 1801-A.W., dated 8th July 1878, it is stated that Government do pay tolls on salt boats using the northern canal, but nothing towards licenses on the south canal which was at that time in a very undeveloped state.

6. From the earliest days of the canal, therefore, no mention can be found of any exemption of salt traffic from tolls except for a short period in 1887.

7. In paragraph 4 of its proceedings of 1887, it is stated that the tax is on salt alone. This statement is possibly based on the idea that salt gets but little benefit in return and this may have been partially true in 1887 when the canal was incomplete and in admittedly bad order but since navigation has been so much improved is no longer the case. It is certainly not a tax on salt alone neither is salt an exceptional case as if salt is to be exempted, because it does not actually use a warf why should not a similar concession be granted to Messrs. Arbuthnot and Co., Messrs. Binny and Co., and other firms with factories alongside the canal and who do not actually use the wharves. These firms do not seek to evade wharfage fees on this account.

8. The argument that wharfage fees can be evaded by constructing side channels to the Salt Cotaurs is one which regularly does duty, but the Board does not apparently realize that if this was allowed salt boats would get the full benefit of the improved line of navigation without paying the ordinary fees whether called wharfage fees or tolls. No railway would ever permit sidings to be constructed from their line to enable consignees to avoid terminal charges and it is inconceivable that Government would go to the trouble and expense of constructing side channels merely to evade their own tolls and in order to benefit Imperial at the expense of Provincial funds.

9. Having assumed that the arguments brought forward when the question was last before Government, but which it is submitted no longer apply, would still hold good, the Board in paragraph 4 of its Proccedings of 17th July 1895, Mis. No. 3009, remarks that salt, highly taxed as it is, is entitled to exceptional treatment as compared with other articles of trade, but does not explain why it should receive this exceptional treatment in the shape of what practically amounts to a grant from Provincial to Imperial funds—a grant which was not considered necessary when the outstorage system was still in force. The Government of India insist on statistics of canal borne traffic and so long as capital and revenue accounts are maintained, it is submitted that the financial results attained should not be partially concealed as they would be if salt received a bounty from canal funds.

10. Another reason given by the Board which has not already been dealt with is that no arrangements were made by the Board with the boat contractors for payment of wharfage fees, but this seems hardly a reason why these fees should be remitted as the rules were published in the Fort St. George and District Gazettes so long ago as 1893, and therefore, there is no reason why proper arrangements should not have been made. A simple way out of this difficulty will be, as the Board suggests, for Government to pay the charges from salt revenue as then they will be paid from Imperial funds to which they are a legitimate charge.

11. The question of wharfage fees having been raised, the Chief Engineer for Irrigation would suggest that the present time is a convenient opportunity to settle once for all the position of the Public Works and Salt Departments with regard to the East Coast canal system. At present the Salt Department construct new and improve and maintain existing channels at the cost of Salt funds when, in the opinion of the Chief Engineer for Irrigation, these channels should be carried out and maintained by the Public Works Department from Navigation funds. It is suggested therefore that all channels connected with any line of navigation, outside the limits of salt factories, should be constructed and maintained by the Public Works Department as ordinary component parts of the system. If this is done and the Salt Department are accorded every legitimate facility for their traffic, salt boats should, it is thought, pay the ordinary navigation charges without demur. Salt is a very considerable item in the traffic on the canals and when the new canal to the Madras harbour has been constructed, is likely to increase. This traffic should therefore be granted any concession which does not lead to complications and increased difficulty in the management of the canals.

The proposal that the Public Works Department should construct and maintain salt channels outside the limits of factories is not new, as the principle has already been accepted by Government in G.O., No. 3381, Revenue, dated 14th September 1893, No. 927 I., dated 26th November 1894, and No. 743 I., dated 12th September 1895.

12. If the proposals in the preceding paragraphs meet with the approval of Government, the Chief Engineer for Irrigation has no objection to the Salt Department being allowed to pay wharfage fees in Madras in one sum at the end of the year at the ordinary rate on condition that the Salt Department will collect and forward to this department the statistics required for communication to the Government of India and will also furnish a monthly statement of traffic in a form to be obtained from the Executive Engineer. This will obviate the necessity of salt boats being stopped at the locks going and coming from Madras which will otherwise be necessary if this information is to be collected in this department. The Salt Department must, of course, furnish their boatmen with tickets certifying that their boats are empty salt boats actually employed for salt traffic and must impress on them that no other return cargo must be carried. If the return cargo is carried the boats must be stopped to obtain the necessary statistical information.

13. The Chief Engineer for Irrigation would remind Government that the south canal is shortly to be improved specially to meet the requirements of salt traffic and this appears to be an additional reason why the Salt Department (Imperial funds) should pay ordinary fees (Provincial funds).

14. This reference has not been disposed of sooner owing to the revision of the navigation rules.

(Signed) R. R. E. DRAKE-BROCKMAN, Col., R.E.,
29th Jan. 1896. Chief Engineer for Irrigation.

Order—No. 226 I., dated 4th March 1896.

The landing place at the salt depôt being within a mile of the canal wharf at Madras will be treated as a wharf, and wharfage fees as prescribed in the rules for the regulation of traffic at wharves on the Buckingham canal will be levied on boats loading or unloading there.

2. The Board of Revenue will arrange with the Chief Engineer for Irrigation regarding the method of paying wharfage fees, and submit the arrangement arrived at for the approval of Government.

3. The wharf rules will not apply to the cases of salt factories and salt channels already under the control of the Salt Department, but in future, no private wharves or landing stages will be allowed to be constructed in connection with navigable canals without the sanction of Government.

(True Extract.)

(Signed) R. R. E. DRAKE-BROCKMAN, Colonel, R.E.,
Secretary to Govt., P.W.D.,
Irrigation Branch.

To the Chief Engineer for Irrigation.
„ all Superintending Engineers of Circles.
„ the Examiner, Public Works Accounts.
„ the Revenue Department.

Order—Mis. No. 1421, Revenue, dated 9th April 1896.

Communicated to the Board of Revenue (Separate Revenue).

(True Extract.)

(Signed) LIONEL DAVIDSON,
Ag. Under Secy. to Govt.

To the Board of Revenue (Separate Revenue).

Reference on the above, dated 12th May 1896.

With reference to paragraph 12 of his note embodied in G.O., No. 226 I., dated 4th March 1896, the Chief Engineer for Irrigation is requested to be so good as to state what statistics are required from the Salt Department for communication to the Government of India, and whether they are to be submitted monthly or annually; and also to furnish the Board with a form of the monthly statement of traffic therein referred to. He is also requested to state the practice followed in the collection of wharfage fees prior to the exemption of salt boats from the payment of such fees in 1887, and to suggest a method by which the fees may be adjusted in future.

(Signed) D. D. MURDOCH,
Secretary.

To the Chief Engineer for Irrigation.

Copy to the Deputy Commissioner, Central Division.

Read—the following letter from Colonel R. R. E. DRAKE-BROCKMAN, R.E., Chief Engineer for Irrigation, to the Secretary to the Board of Revenue (Separate Revenue), dated Ootacamund, 29th June 1896, No. 284-M. :—

In reply to your reference, dated 12th May 1896, on Government register No. 415 of 1896, I have the honour to suggest the adoption of the accompanying two forms for recording statistics of salt traffic at the Madras Salt Cotaurs—one for the register to be maintained by the Salt Department and the other for the annual statement to be furnished to the Executive Engineer of the Buckingham Canal division. These forms will furnish all the information required, provided the Salt Department boats carry nothing but salt either in their first or return journey. Extracts from the first form, that is the register, should be submitted to the Executive Engineer, Buckingham Canal division, at the end of every month.

2. Prior to the exemption of salt boats from payment of wharfage fees in 1887, the salt boats used to pay fees on demand, but a great deal of trouble and loss of time will be obviated if the wharfage fees shown in the annual statement be adjusted through exchange accounts to the credit of the canal in a lump sum annually.

Enclosures.

Register of statistics of Salt traffic at the Madras Salt Cotaurs from 1st April 189 to 31st March 189 .

Month and Date.	Register number of boat.	Registered tonnage.	Actual tonnage.	From what place.	Distance in miles to Madras Salt Cotaurs.	Tow mileage.	Value.	Number of days boat stopped at the Salt Cotaurs.	Rate of wharfage fees in annas per ton.	Amount of wharfage fees.			Remarks.
1	2	3	4	5	6	7	8	9	10	11			12
		Tons.	Tons.		Miles.	Tow miles.	Rs.	Days.	Annas.	Rs.	A.	P.	
				Monthly extracts from this register to be sent to the Executive Engineer, Buckingham Canal Division.									

Annual statement of statistics of Salt traffic at the Madras Salt Cotaurs for 189 -9 , as compared with the previous year.

Year.	Total number of salt boats.	Total registered tonnage.	Total actual tonnage.	Total tow mileage.	Value.	Registered tonnage for which wharfage fee is chargeable at each rate per ton.*					Total amount of wharfage fees.			Remarks.
						One anna.	Two annas.	Three annas.	Four annas.	Total.				
1	2	3	4	5	6	7	8	9	10	11	12			13
	No.	Tons.	Tons.	Tow miles.	Rs.	Tons.	Tons.	Tons.	Tons.	Tons.	Rs.	A.	P.	
189 -9 ..														
189 -9 ..														
			To be sent to the Executive Engineer of the Buckingham Canal Division annually.											

*According to the number of days each boat stopped at the Salt Cotaurs.

Resolution—No. 285, dated 18th July 1896.

Communicated to the Deputy Commissioner, Central Division, for information and guidance. He is requested to issue the necessary instructions in regard to the preparation and submission of the monthly and annual statistics referred to by the Chief Engineer for Irrigation. The Deputy Commissioner's attention is also drawn to the last two sentences of paragraph 12 of the note by the Chief Engineer for Irrigation.

2. With reference to paragraph 2 of G.O., No. 226 I., dated 4th March 1896, the Board begs leave to state that it accepts the suggestion of the Chief Engineer for Irrigation contained in his letter read above in regard to the levy of wharfage fees by annual book-adjustment, and solicits the approval of Government.

(True Copies and Extract.)

(Signed) D. D. MURDOCH,
Secretary.

Mis. No. 3342, Revenue.

Transferred to the Public Works Department (Irrigation Branch).

Ootacamund,
19th August 1896.

(Signed) A. T. ARUNDEL,
Acting Secretary to Government.

ORDER—No. 770 I., dated 19th September 1896.

The arrangement proposed by the Board of Revenue and the Chief Engineer for Irrigation to levy wharfage fees on salt boats by annual book-adjustments, is approved.

(True Extract.)

(Signed) R. R. E. DRAKE-BROCKMAN, Colonel, R.E.,
Secretary to Government,
Irrigation Branch.

To the Chief Engineer for Irrigation.
„ Superintending Engineers of Circles.
„ the Examiner, Public Works Accounts.
„ the Revenue Department.

Exd. T. K. Narayana Aiyangar.

Public Works (1896) Department.

CURRENT No. 7697

No. 770 I, dt 19th September 1896.

Order

The arrangement proposed by the Board of Revenue and the Chief Engineer for Irrigation, to levy wharfage fees on salt boats by annual book-adjustments is approved.

From The Revenue Department

No. 3342.

Dated 19 August 1896.

Received 25 —do—.

Enclosures

Spare copies

SUBJECT.

Transferring to the P.W.D, Irrig[n] Branch, Rev. Bds Transp (Separate Revenue) No. 285 dated 18 July 1896 soliciting approval of prop[s] to the levy of wharfage fees on salt boats by annual book-adjustment.

To The Chief Engineer for Irrigation
Supey. Engineers of Circles
The Examiner, P. W. Accts
" Revenue Dept.

To The Secretary to Govt, Revenue Dept for favour of communication.

[P. W. 19 1,000—5-8-96.]

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Public Works (1896) Department.

~~REVENUE DEPARTMENT.~~

Current Number 7697

1896.

Board of Revenue

(Separate Revenue),

MADRAS.

Recd: 25. 8. 96

SEC. GOVT. WORKS
12 AUG 96
REV. DEPT.

Printed August th.

Recd 12-8-96

Proceedings, No. 285, 18*th July* 1896.

Endorsement No. 3342

Transferred to the P. W. dept.

(Irrigation Branch).

H Arnold

Ag Secretary to Govt

Col'ac'd
19th Aug: 1896

Communicating, with remarks, to the Deputy Commissioner, Central Division, for information and guidance, Government Order regarding the levy of wharfage fees on salt boats loading and unloading at the Madras Salt Cotaur wharf on the Buckingham Canal, and soliciting the approval of Government to the levy of such fees by annual book-adjustment as suggested by the Chief Engineer for Irrigation.

Read—the following

PROCEEDINGS OF THE BOARD OF REVENUE
(SEPARATE REVENUE).

READ—the following G.O., Mis. No. 1421, Revenue, dated 9th April 1896:—

Read—the following G.O., No. 226 I., dated 4th March 1896:—

Read—the following letter from A. S. RUSSELL, Esq., Executive Engineer, Buckingham Canal Division, to the Superintending Engineer, II Circle, dated Pulicat, 9th March 1895, No. 3017:—

I have the honour to bring to your notice that the Salt Department are apparently beginning to abandon (*vide* accompanying original report *) the outstorage system introduced in the year 1890–91, have commenced to transport salt from Vayalur to the Salt Cotaurs at Madras and claim exemption from wharfage fees under the operation of G.O., No. 798 I., dated 21st December 1887. This Government Order has been a dead letter for many years past, and its provisions are, I imagine, practically cancelled by G.O., No. 632 I., dated 17th July 1893. Pending orders, however, on this reference I am permitting the salt boats to pass to the Salt Cotaurs without paying wharfage, as it is not very clear to me what the intentions of Government may be on the matter.

* No. 165, dated 7th March 1895, from Wharf Superintendent, Madras, with its 1 enclosure.

2. After G.O., No. 798 I., dated 21st December 1887, was passed, all salt boats loading or unloading at the Salt Cotaurs were not charged wharfage fees by the canal authorities, but salt boats loading or unloading at other wharves were so charged, though as the order stands it rules in comprehensive terms "that all licensed boats entering or leaving Madras laden with salt shall be exempt from wharfage fees." This order if acted upon in its literal sense would have gone far beyond the contention of the Board, and would have exempted all boats carrying salt, even for private individuals, from paying wharfage fees at all the wharves within the limits of the Shadayankuppam and Adyar locks. In 1890–91, the outstorage system was adopted and salt ceased to be stored at the salt Cotaurs, and when I took charge of the division in 1891 all salt boats were duly paying wharfage fees, and have continued to do so up to the present time. Now that the in-storage system has apparently again been started, the question has come before me for the first time of the precise meaning of G.O., No. 798 I., dated 21st December 1887, and whether it is still to be considered to be in force.

3. When G.O., No. 798 I., dated 21st December 1887, was passed, wharfage fees were a recent introduction, and no clear rules regarding wharves, or the levy of fees thereat, were in existence. In G.O., No. 632 I., dated 17th July 1893, Government approved a set of wharf rules, and under rule II, for regulation of traffic at the Madras wharf, boats that load or unload within the limit of one mile of the Madras wharf must pay the prescribed wharfage fees. The Salt Cotaurs are within this one mile limit, and the Government Order contains no mention of any exemption for any class of boats whatever.

4. The Board of Revenue in protesting in its resolution, printed with G.O., No. 798 I., dated 21st December 1887, against the levy of fees on salt boats loading or unloading at the Salt Cotaurs, proceeded on principles which are not applicable to

the present time, and in no way regulate the levy of wharfage fees. The following instances may be cited by way of example:—

(1) The object of wharfage fees as now recognised is *not* "to prevent boats loading and unloading goods except at authorized places." If such a principle were generally acted upon, the canal would become next to useless, and the traffic in firewood, grain and other produce would be absolutely killed, since it is idle to suppose that such goods could stand the cost of transport by road to the nearest wharf instead of being loaded or unloaded wherever wanted, as they are of course allowed to do. Both the navigation and the wharf rules give discretion to Executive Engineers to forbid loading or unloading except at wharves, but this power was conferred in order to check abuses and not to hamper legitimate traffic.

(2) The Board rightly state that one object of wharfage fees is to place all boats on the same footing. It is therefore perfectly anomalous at the present time to claim exemption for *salt boats alone*, since no other boats are so exempted. It is altogether contrary to fact, as things now exist, to say that the effect of wharfage fees "is to place a tax upon salt alone." It is, however, absolutely true to say that to exempt salt from paying fees which every other commodity now pays is to bolster up the salt trade at the expense of the Buckingham canal, a work on which Government has incurred enormous outlay, and on which Capital and Revenue accounts are kept up.

(3) The various contentions of the Board that (*a*) because it is convenient for salt to continue to be loaded at the Salt Cotaurs, (*b*) because the conservancy of the banks is attended to, and (*c*) because a very short length of side channel is maintained by the Salt Department, salt boats at Salt Cotaurs should be exempted from wharfage fees, form no valid ground for such exemption. On a similar line of argument, coal, shells, firewood and other goods might just as well claim exemption. In all such cases, it is clearly for the private convenience of the trade in question that the Government wharves are not used, and such convenience forms no ground whatever for exemption. If such principles were admitted and exemption from wharfage allowed on grounds so inadequate, the Government wharves would soon be deserted altogether.

5. If the in-storage system is to be again introduced, and salt boats using the Salt Cotaurs are still to be exempted from payment of wharfage, the canal will lose annually considerable sums in wharfage fees, as salt will again become a principal item of traffic—*vide* paragraph 7 of note, printed with G.O., No. 619 I., dated 14th July 1893. In case of the exemption from wharfage being still allowed to salt boats using Salt Cotaurs, some arrangement should therefore be made providing that this lost revenue is adjusted by book transaction to the revenue account of the canal, and that the Salt Department furnish to the canal staff proper checks to show that the boats *do* actually load or unload at the Salt Cotaurs. By means of wharf clearance tickets, &c., the canal staff have at present a perfect check upon the movements of all boats except specially exempted salt boats using Salt Cotaurs.

6. It is difficult to see any logical or even intelligible ground upon which salt boats using the Salt Cotaurs can continue to be exempted from payment of wharfage—

(1) The boats are *not* the property of Government, but of private owners, and it is only reasonable that these owners should pay wharfage fees, since, as I have already shown in paragraph 4 of my letter, printed with G.O., No. 632 I., dated 17th July 1893, such levy of fees is strictly proportionate to profits, and is the only way of touching boats doing an exceptionally good business.

(2) It is ridiculous to suppose that the levy of so small a fee as one anna per ton for wharfage can make any material difference in the cost of so highly priced an article as salt. The exemption of such fees on salt boats makes, however, a great difference to the annual revenue of the canal and enables the Salt Department to make arrangements with its contractors to transport salt to Madras at slightly reduced rate, and one that is, moreover, wholly fictitious, *i.e.*, is specially relieved by Government from an impost that every other class of goods has to pay.

(3) Even if Government boats were used to transport salt to the Salt Cotaurs, it would form no valid ground for exemption, since the Government boats of the Forest Department conveying firewood have never been allowed any such exemption from payment of wharfage fees.

7. A great deal has been done to improve the canal of late years; the traffic is steadily increasing, and the blocks to traffic that occurred during the drought of 1891, and frequently in former years arerapidly, if proper precautions are taken, becoming an impossibility. The canal will, ere long, when the license and wharfage fees have been raised, show a very much better return than it has ever yet done, and as the cost of carriage along it is extremely low, the officers in charge of it may well bring to notice that its earnings will be unduly knocked down by special exemption from wharfage fees being allowed to any cargo boats whatever.

8. I therefore request to be favoured at an early date with orders whether G.O., No. 798 I., dated 21st December 1887, is to be still held to be in force; if so, whether it is only intended to apply to salt boats using Salt Cotaurs; or whether this Government Order is superseded by G.O., No. 632 I., dated 17th July 1893, which lays down detailed rules for wharves.

ENCLOSURES.

From the Wharf Superintendent, to the Executive Engineer, Buckingham Canal, dated 7th March 1895, No. 165.

I beg to report that the Government salt has this day commenced to be transported from Vayalur to Madras Depôt by canal.

2. Wharfage fee for unloading at Salt Cotaurs has not been collected under G.O., No. 798 I. of 21st December 1887.

3. The salt here transported has been ascertained from the enclosed letter of the Inspector of Salt and Abkári Revenue, Madras Depôt, to be the Government property and not one of private merchants.

From the Inspector, to the Wharf Superintendent, Madras Basin, dated 7th March 1895.

With reference to your letter, dated 7th March 1895, I have the honour to inform you that the salt from Vayalur is Government property and is being transported to Madras under contract by Abdul Khadar Mustan Sahib.

No. 457 B-C.

Forwarded to the Chief Engineer for Irrigation for favour of very early orders. It would appear that G.O., No. 798 I., dated 21st December 1887, has been cancelled by G.O., No. 632 I., dated 17th July 1893.

(Signed) W. L. C. BADDELEY, Major, R.E.,
Superintending Engineer, II Circle.

30th March 1895.

From Colonel R. R. E. DRAKE-BROCKMAN, R.E., Chief Engineer for Irrigation, to the Secretary to the Board of Revenue (Separate Revenue), dated 13th April 1895, No. 178 M.

I have the honour to forward endorsement No. 457-B.C., dated 30th March 1895, from the Superintending Engineer, II Circle, with its enclosures (to be returned), and request to be favoured with the Board's remarks on the question therein raised whether salt boats passing to the Salt Cotaurs should be still exempted from paying wharfage fees.

2. Up to the present time, salt has been paying wharfage fee, as it was bought by the contractors at Ennore. It is unreasonable that the alteration of rules in the Salt and Abkári Department as to where the contractors should buy salt should affect

the receipts of the canal. If this be allowed, it is impossible to tell whether the receipts of the canal are improving or not, and to make fair comparison between different years.

3. There seems to be no valid reason why salt should escape wharfage fees any more than firewood and the tax in the latter case is relatively much heavier than in the former, as the value of the goods is so much less.

4. The Buckingham canal is on a fair way to show receipts exceeding expenditure, and the salt trade, being benefited largely by it, should not be exempted from such taxes as are generally imposed and found by experience to be not more than the traffic can well bear.

5. If suitable to the Salt and Abkári Department, the charges may be made a book-transfer between the departments, or they may be levied on the boats which are, it is believed, private boats engaged by that department.

Read—the following Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 3009, dated 17th July 1895 :—

Read—again the following Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 1207, dated 16th May 1895 :—

Read—letter from the Chief Engineer for Irrigation, dated 13th April 1895, No. 178 M.

Resolution—Mis. No. 1207, dated 16th May 1895.

The Deputy Commissioner, Central Division, is requested to report what arrangements have been made for the payment of wharfage fees on boats conveying salt for storage at the Madras Depôt and if, by the terms of the contract, the transport contractor is not to bear the charge, whether a case for an application to Government for exemption can be made out under present circumstances.

Read—also letter from the Deputy Commissioner, Central Division, dated 8th June 1895, No. 2507.

ABSTRACT.—Reporting that no arrangements have been made for the payment of wharfage fees on boats conveying salt for storage at the Madras Salt Depôt and expressing his opinion that if any fees are to be levied at all, they should be borne by Government.

Resolution—Mis. No. 3009, dated 17th July 1895.

Prior to the introduction of the outstorage system in 1890, the excise salt manufactured in the factories of the Vayalur, Ennore and Covelong Circles was transported in boats and stored at the Madras Salt Depôt, and the boats carrying such salt paid no wharfage fees until 1887. In that year the Salt Cotaurs, including the salt depôt premises, were declared to be a wharf. The question of the levy of wharfage fees was then raised by the canal authorities, and Government, after considering the arguments put forward by the Board against the proposed levy of wharfage fees on salt-boats, was pleased in its order, No. 798 I., dated 21st December 1887, to sanction an exemption in favour of all licensed boats entering or leaving Madras laden with salt.

2. As long as the salt of the outlying factories was stored at the depôt, this order was observed, but since the introduction of the outstorage system, the rule has not been taken advantage of. The salt brought by licensees from the factories to Madras (not to the depôt) has paid wharfage, apparently because (although the wording of

the Government Order above referred to is such as to render it applicable to all salt boats entering and leaving Madras), the intention of the Government was considered to be to exempt only boats carrying salt from the out-factories *for storage at the depôt*. No objection was raised by the licensees as they were using the banks of the canal for loading and unloading, as it is used for other articles.

3. After the passing of the Canals and Ferries Act (II of 1890), Government in its order, dated 17th July 1893, No. 632 I., notified under section 16 (IV) thereof, a set of rules for the regulation of traffic at the wharves on the canal in general and at the Madras wharf in particular. Rule II of the rules relating to the latter requires all boats that load or unload within the limit of one mile from the Madras wharf to pay the prescribed wharfage. No mention was made in these rules of the exemption accorded in G.O., No. 798 I., dated 21st December 1887, to boats carrying salt, the reason presumably being that there was not the same necessity to do so inasmuch as at that time no salt was going to Madras for storage at the depôt. Now that the monopoly system has been ordered to be re-introduced into the factories of the Vayalur and Ennore Circles, the existing stocks of the licensees' salt are being purchased by Government and transported to the Madras depôt for storage, and Government salt will, from the season of 1896, be likewise sent there. The Board has therefore again to address Government on the subject of wharfage fees and to request orders for the continuance of the exemption accorded in G.O., No. 798 I., dated 21st December 1887, in the case of the boats carrying salt to the Madras depôt for storage.

4. The Executive Engineer, Buckingham Canal Sub-division, supported by the Chief Engineer, considers that wharfage fees should be paid. He details at length his arguments in favour of the imposition of the fees, but as most of them were before Government when it passed its order of 1887, the Board does not consider it necessary to traverse them in detail. It will simply remark that, highly taxed as it is, salt is entitled to exceptional treatment as compared with the other articles of trade, firewood, &c., referred to by the Executive Engineer, if it can possibly be accorded. His main objection to the exemption claimed is the loss to the canal funds of "considerable sums in wharfage fees," a canal on which Government has incurred enormous outlay and on which Capital and Revenue accounts are kept. In reply to this, the Board would raise the question of whether wharfage fees were originally intended as a means of augmenting the general revenue of the canal or to cover the interest on the capital cost and expenditure connected with the maintenance of wharves for the convenience of the public. If the latter be the case, it would point out that the canal authorities have been put to no expense whatever either in the original construction or subsequent upkeep of the salt depôt wharf and the side channels which are maintained exclusively by this department. The Deputy Commissioner, Central Division, to whom the Board made a reference on the subject, states that at an expenditure of less than one year's wharfage fees on salt boats, he is prepared to dig other side channels which will render it quite unnecessary for such boats to unload from the Buckingham canal at all.

5. It may be added that no arrangements were made by the Board with the boat contractors who are transporting salt to the depôt on behalf of Government for the payment of the wharfage fees and that the fees, if levied, will have to be borne by Government and paid by book-transfer.

6. It may be urged that if the exemption be granted in favour of boats unloading Government salt at the depôt, Government salt will compete at an advantage over excise salt brought for sale to Madras in so far as the wharfage fees exceed the cost of upkeep of the depôt wharves and channels, but the Board submits that ere long all the licensees of the Vayalur and Ennore Circles will revert to the monopoly system and there will be no more excise salt sold at the local platforms and brought to Madras.

(True Copy and Extract.)

(Signed) EDMUND MILLETT,
Assistant Secretary.

Mis. No. 3492, Revenue.

Transferred to the Public Works Department with copy of note by the Honourable Mr. Bliss.

OOTACAMUND,
28th August 1895.

(Signed) W. B. AYLING,
Ag. Asst. Secretary to Government.

No. 21 I.

Note by the Chief Engineer for Irrigation.

With his endorsement, No. 457-B.C., dated 30th March 1895, the Superintending Engineer, II Circle, forwarded for orders a copy of letter, No. 3017, dated 9th March 1895, from the Executive Engineer, Buckingham Canal division, in which he raised the question whether paragraph 2 of the rules passed in G.O., No. 632 I., dated 17th July 1893, for regulation of traffic at the Madras wharf, ordering that boats which load or unload within the limit of one mile of the Madras wharf, should pay the prescribed wharfage fee, cancels G.O., No. 798 I., dated 21st December 1887 or not. Under this latter order the Salt Department claims exemption from payment of the fees, that department having commenced to transport salt from Vayalur to the Salt Cotaurs at Madras in supersession of the outstorage system introduced in 1890–91 under which the fees were levied on the salt contractors and paid, it may be remarked, without demur.

2. The Executive Engineer explains at length his reasons why the exemption should not be allowed, and the Board of Revenue in its Proceedings, No. 3009, dated 17th July 1895, brings forward its reasons to the contrary which, in the opinion of the Chief Engineer for Irrigation, are based on a misconception of the actual state of affairs which is totally different from what it was in 1887.

3. The first argument brought forward by the Board is that it is not considered necessary to traverse the arguments of the Executive Engineer, Buckingham Canal division, in his letter, as most of them were before Government when it passed its order of 1887 and which are detailed in Board's Resolution, dated 3rd October 1887, No. 535, printed with G.O., No. 798 I., dated 21st December 1887.

4. In paragraph 2 of this resolution, the object of imposing wharfage fees is given but not at all fully. The reasons may be described as follows:—

(*a*) To bring the receipts and disbursements into equilibrium (*vide* note by the Chief Engineer, Public Works Department, printed with G.O., No. 562 W., dated 20th February 1883).

(*b*) To meet the cost of construction and maintenance of wharves.

(*c*) To regulate the traffic and provide establishment for the conservancy of the canal.

(*d*) To provide means of collecting the necessary statistics for submission to the Government of India.

5. In paragraph 3 of the same resolution, the Board submits that the avowed objects of the tax will not be attained in the case of the Salt Cotaurs and suggests that salt boats are called upon to pay a fee for which they obtain no convenience and that the object of the fees would be attained by enhancing the canal tolls. As remarked in paragraph 2, these arguments could only be brought forward in ignorance of the real objects of wharfage fees as detailed in paragraph 4 *supra*, as the chief object of introducing wharfage fees was originally to bring the receipts and disbursements into equilibrium. The imposition of this tax did not enhance the charge, the tolls having been considerably reduced. Prior to the assumption by the Public Works Department in October 1879 of the duty of levying tolls on the Buckingham canal, the Collector of Chingleput was accustomed to levy, under the orders of the Board of Revenue, a toll of As. 4 per ton upon every cargo boat and As. 4 per trip on every passenger boat passed through the Shadyankuppam lock towards Madras. From this toll it is believed that salt boats were not exempted and in paragraph 10 of the memorandum on the Cochrane canal, printed as appendix 11 to the first report of the Commissioners appointed to enquire into and report upon the system of superintending and executing Public Works

in the Madras Presidency, it is specially mentioned that tolls were at that time levied on every description of goods which entered Madras. Again in paragraph 5 of Memorandum, dated 11th March 1878, by the Collector of Chingleput, printed with G.O., No. 1801-A.W., dated 8th July 1878, it is stated that Government do pay tolls on salt boats using the northern canal, but nothing towards licenses on the south canal which was at that time in a very undeveloped state.

6. From the earliest days of the canal, therefore, no mention can be found of any exemption of salt traffic from tolls except for a short period in 1887.

7. In paragraph 4 of its proceedings of 1887, it is stated that the tax is on salt alone. This statement is possibly based on the idea that salt gets but little benefit in return and this may have been partially true in 1887 when the canal was incomplete and in admittedly bad order but since navigation has been so much improved is no longer the case. It is certainly not a tax on salt alone neither is salt an exceptional case as if salt is to be exempted, because it does not actually use a warf why should not a similar concession be granted to Messrs. Arbuthnot and Co., Messrs. Binny and Co., and other firms with factories alongside the canal and who do not actually use the wharves. These firms do not seek to evade wharfage fees on this account.

8. The argument that wharfage fees can be evaded by constructing side channels to the Salt Cotaurs is one which regularly does duty, but the Board does not apparently realize that if this was allowed salt boats would get the full benefit of the improved line of navigation without paying the ordinary fees whether called wharfage fees or tolls. No railway would ever permit sidings to be constructed from their line to enable consignees to avoid terminal charges and it is inconceivable that Government would go to the trouble and expense of constructing side channels merely to evade their own tolls and in order to benefit Imperial at the expense of Provincial funds.

9. Having assumed that the arguments brought forward when the question was last before Government, but which it is submitted no longer apply, would still hold good, the Board in paragraph 4 of its Proceedings of 17th July 1895, Mis. No. 3009, remarks that salt, highly taxed as it is, is entitled to exceptional treatment as compared with other articles of trade, but does not explain why it should receive this exceptional treatment in the shape of what practically amounts to a grant from Provincial to Imperial funds—a grant which was not considered necessary when the outstorage system was still in force. The Government of India insist on statistics of canal borne traffic and so long as capital and revenue accounts are maintained, it is submitted that the financial results attained should not be partially concealed as they would be if salt received a bounty from canal funds.

10. Another reason given by the Board which has not already been dealt with is that no arrangements were made by the Board with the boat contractors for payment of wharfage fees, but this seems hardly a reason why these fees should be remitted as the rules were published in the Fort St. George and District Gazettes so long ago as 1893, and therefore, there is no reason why proper arrangements should not have been made. A simple way out of this difficulty will be, as the Board suggests, for Government to pay the charges from salt revenue as then they will be paid from Imperial funds to which they are a legitimate charge.

11. The question of wharfage fees having been raised, the Chief Engineer for Irrigation would suggest that the present time is a convenient opportunity to settle once for all the position of the Public Works and Salt Departments with regard to the East Coast canal system. At present the Salt Department construct new and improve and maintain existing channels at the cost of Salt funds when, in the opinion of the Chief Engineer for Irrigation, these channels should be carried out and maintained by the Public Works Department from Navigation funds. It is suggested therefore that all channels connected with any line of navigation, outside the limits of salt factories, should be constructed and maintained by the Public Works Department as ordinary component parts of the system. If this is done and the Salt Department are accorded every legitimate facility for their traffic, salt boats should, it is thought, pay the ordinary navigation charges without demur. Salt is a very considerable item in the traffic on the canals and when the new canal to the Madras harbour has been constructed, is likely to increase. This traffic should therefore be granted any concession which does not lead to complications and increased difficulty in the management of the canals.

The proposal that the Public Works Department should construct and maintain salt channels outside the limits of factories is not new, as the principle has already been accepted by Government in G.O., No. 3381, Revenue, dated 14th September 1893, No. 927 I, dated 26th November 1894, and No. 743 I, dated 12th September 1895.

12. If the proposals in the preceding paragraphs meet with the approval of Government, the Chief Engineer for Irrigation has no objection to the Salt Department being allowed to pay wharfage fees in Madras in one sum at the end of the year at the ordinary rate on condition that the Salt Department will collect and forward to this department the statistics required for communication to the Government of India and will also furnish a monthly statement of traffic in a form to be obtained from the Executive Engineer. This will obviate the necessity of salt boats being stopped at the locks going and coming from Madras which will otherwise be necessary if this information is to be collected in this department. The Salt Department must, of course, furnish their boatmen with tickets certifying that their boats are empty salt boats actually employed for salt traffic and must impress on them that no other return cargo must be carried. If the return cargo is carried the boats must be stopped to obtain the necessary statistical information.

13. The Chief Engineer for Irrigation would remind Government that the south canal is shortly to be improved specially to meet the requirements of salt traffic and this appears to be an additional reason why the Salt Department (Imperial funds) should pay ordinary fees (Provincial funds).

14. This reference has not been disposed of sooner owing to the revision of the navigation rules.

(Signed) R. R. E. DRAKE-BROCKMAN, Col., R.E.,
29th Jan. 1896. Chief Engineer for Irrigation.

Order—No. 226 I, dated 4th March 1896.

The landing place at the salt depôt being within a mile of the canal wharf at Madras will be treated as a wharf, and wharfage fees as prescribed in the rules for the regulation of traffic at wharves on the Buckingham canal will be levied on boats loading or unloading there.

2. The Board of Revenue will arrange with the Chief Engineer for Irrigation regarding the method of paying wharfage fees, and submit the arrangement arrived at for the approval of Government.

3. The wharf rules will not apply to the cases of salt factories and salt channels already under the control of the Salt Department, but in future, no private wharves or landing stages will be allowed to be constructed in connection with navigable canals without the sanction of Government.

(True Extract.)

(Signed) R. R. E. DRAKE-BROCKMAN, Colonel, R.E.,
Secretary to Govt., P.W.D.,
Irrigation Branch.

To the Chief Engineer for Irrigation.
„ all Superintending Engineers of Circles.
„ the Examiner, Public Works Accounts.
„ the Revenue Department.

Order—Mis. No. 1421, Revenue, dated 9th April 1896.

Communicated to the Board of Revenue (Separate Revenue).

(True Extract.)

(Signed) LIONEL DAVIDSON,
Ag. Under Secy. to Govt.

To the Board of Revenue (Separate Revenue).

Reference on the above, dated 12th May 1896.

With reference to paragraph 12 of his note embodied in G.O., No. 226 I., dated 4th March 1896, the Chief Engineer for Irrigation is requested to be so good as to state what statistics are required from the Salt Department for communication to the Government of India, and whether they are to be submitted monthly or annually; and also to furnish the Board with a form of the monthly statement of traffic therein referred to. He is also requested to state the practice followed in the collection of wharfage fees prior to the exemption of salt boats from the payment of such fees in 1887, and to suggest a method by which the fees may be adjusted in future.

(Signed) D. D. MURDOCH,
Secretary.

To the Chief Engineer for Irrigation.

Copy to the Deputy Commissioner, Central Division.

READ—the following letter from Colonel R. R. E. DRAKE-BROCKMAN, R.E., Chief Engineer for Irrigation, to the Secretary to the Board of Revenue (Separate Revenue), dated Ootacamund, 29th June 1896, No. 284-M. :—

In reply to your reference, dated 12th May 1896, on Government register No. 415 of 1896, I have the honour to suggest the adoption of the accompanying two forms for recording statistics of salt traffic at the Madras Salt Cotaurs—one for the register to be maintained by the Salt Department and the other for the annual statement to be furnished to the Executive Engineer of the Buckingham Canal division. These forms will furnish all the information required, provided the Salt Department boats carry nothing but salt either in their first or return journey. Extracts from the first form, that is the register, should be submitted to the Executive Engineer, Buckingham Canal division, at the end of every month.

2. Prior to the exemption of salt boats from payment of wharfage fees in 1887, the salt boats used to pay fees on demand, but a great deal of trouble and loss of time will be obviated if the wharfage fees shown in the annual statement be adjusted through exchange accounts to the credit of the canal in a lump sum annually.

ENCLOSURES.

Register of statistics of Salt traffic at the Madras Salt Cotaurs from 1st April 189 to 31st March 189 .

Month and Date.	Register number of boat.	Registered tonnage.	Actual tonnage.	From what place.	Distance in miles to Madras Salt Cotaurs.	Tow mileage.	Value.	Number of days boat stopped at the Salt Cotaurs.	Rate of wharfage fees in annas per ton.	Amount of wharfage fees.			Remarks.
1	2	3	4	5	6	7	8	9	10	11			12
		Tons.	Tons.		Miles.	Tow miles.	Rs.	Days.	Annas.	Rs.	A.	P.	
				Monthly extracts from this register to be sent to the Executive Engineer, Buckingham Canal Division.									

Annual statement of statistics of Salt traffic at the Madras Salt Cotaurs for 189 –9 , as compared with the previous year.

Year.	Total number of salt boats.	Total registered tonnage.	Total actual tonnage.	Total tow mileage.	Value.	Registered tonnage for which wharfage fee is chargeable at each rate per ton.*					Total amount of wharfage fees.			Remarks.
						One anna.	Two annas.	Three annas.	Four annas.	Total.				
1	2	3	4	5	6	7	8	9	10	11	12			13
	No.	Tons.	Tons.	Tow miles.	Rs.	Tons.	Tons.	Tons.	Tons.	Tons.	Rs.	A.	P.	
189 –9 ..														
189 –9 ..														

To be sent to the Executive Engineer of the Buckingham Canal Division annually.

* According to the number of days each boat stopped at the Salt Cotaurs.

RESOLUTION—No. 285, dated 18th July 1896.

Communicated to the Deputy Commissioner, Central Division, for information and guidance. He is requested to issue the necessary instructions in regard to the preparation and submission of the monthly and annual statistics referred to by the Chief Engineer for Irrigation. The Deputy Commissioner's attention is also drawn to the last two sentences of paragraph 12 of the note by the Chief Engineer for Irrigation.

2. With reference to paragraph 2 of G.O., No. 226 I., dated 4th March 1896, the Board begs leave to state that it accepts the suggestion of the Chief Engineer for Irrigation contained in his letter read above in regard to the levy of wharfage fees by annual book-adjustment, and solicits the approval of Government.

(True Copies and Extract.)

(Signed) D. D. MURDOCH,
Secretary.

(True Copy.)

Assistant Secretary.

To the Deputy Commissioner, Central Division.
" Secretary to Government, Revenue Department.
" Chief Engineer for Irrigation.

Copy to the Accountant-General, Madras.
" " Assistant Commissioner, Chingleput Sub-Division.
" to Inspectors, Vayalur, Ennore, Madras Depôt and Covelong Circles.

Exd. Shaik Kariem.

GOVERNMENT OF MADRAS.

PUBLIC WORKS DEPARTMENT.

Irrigation.

Read—the following papers:—

From A. S. RUSSELL, Esq., Executive Engineer, Buckingham Canal Division, to the Superintending Engineer, II Circle, dated Pulicat, 9th March 1895, No. 3017.

I have the honour to bring to your notice that the Salt Department are apparently beginning to abandon (*vide* accompanying original report *) the outstorage system introduced in the year 1890–91, have commenced to transport salt from Vayalur to the Salt Cotaurs at Madras and claim exemption from wharfage fees under the operation of G.O. No. 798 I., dated 21st December 1887. This Government Order has been a dead letter for many years past, and its provisions are, I imagine, practically cancelled by G.O. No. 632 I., dated 17th July 1893. Pending orders, however, on this reference I am permitting the salt boats to pass to the Salt Cotaurs without paying wharfage, as it is not very clear to me what the intentions of Government may be on the matter.

* No. 165, dated 7th March 1895, from Wharf Superintendent, Madras, with its 1 enclosure.

2. After G.O. No. 798 I., dated 21st December 1887, was passed, all salt boats loading or unloading at the Salt Cotaurs were not charged wharfage fees by the canal authorities, but salt boats loading or unloading at other wharves were so charged, though as the order stands it rules in comprehensive terms "that all licensed boats entering or leaving Madras laden with salt shall be exempt from wharfage fees." This order if acted upon in its literal sense would have gone far beyond the contention of the Board, and would have exempted all boats carrying salt, even for private individuals, from paying wharfage fees at all the wharves within the limits of the Shadayankuppam and Adyar locks. In 1890–91, the outstorage system was adopted and salt ceased to be stored at the Salt Cotaurs, and when I took charge of the division in 1891 all salt boats were duly paying wharfage fees, and have continued to do so up to the present time. Now that the instorage system has apparently again been started, the question has come before me for the first time of the precise meaning of G.O. No. 798 I., dated 21st December 1887, and whether it is still to be considered to be in force.

3. When G.O. No. 798 I., dated 21st December 1887, was passed, wharfage fees were a recent introduction, and no clear rules regarding wharves, or the levy of fees thereat, were in existence. In G.O. No. 632 I., dated 17th July 1893, Government approved a set of wharf rules, and under rule II, for regulation of traffic at the Madras wharf, boats that load or unload within the limit of one mile of the Madras wharf must pay the prescribed wharfage fees. The Salt Cotaurs are within this one mile limit, and the Government Order contains no mention of any exemption for any class of boats whatever.

4. The Board of Revenue in protesting in its resolution, printed with G.O. No. 798 I., dated 21st December 1887, against the levy of fees on salt boats loading or unloading at the Salt Cotaurs, proceeded on principles which are not applicable to

the present time, and in no way regulate the levy of wharfage fees. The following instances may be cited by way of example:—

(1) The object of wharfage fees as now recognised is *not* "to prevent boats loading and unloading goods except at authorized places." If such a principle were generally acted upon, the canal would become next to useless, and the traffic in firewood, grain and other produce would be absolutely killed, since it is idle to suppose that such goods could stand the cost of transport by road to the nearest wharf instead of being loaded or unloaded wherever wanted, as they are of course allowed to do. Both the navigation and the wharf rules give discretion to Executive Engineers to forbid loading or unloading except at wharves, but this power was conferred in order to check abuses and not to hamper legitimate traffic.

(2) The Board rightly state that one object of wharfage fees is to place all boats on the same footing. It is therefore perfectly anomalous at the present time to claim exemption for *salt boats alone*, since no other boats are so exempted. It is altogether contrary to fact, as things now exist, to say that the effect of wharfage fees "is to place a tax upon salt alone." It is, however, absolutely true to say that to exempt salt from paying fees which every other commodity now pays is to bolster up the salt trade at the expense of the Buckingham canal, a work on which Government has incurred enormous outlay, and on which Capital and Revenue accounts are kept up.

(3) The various contentions of the Board that (*a*) because it is convenient for salt to continue to be loaded at the Salt Cotaurs, (*b*) because the conservancy of the banks is attended to, and (*c*) because a very short length of side channel is maintained by the Salt Department, salt boats at Salt Cotaurs should be exempted from wharfage fees, form no valid ground for such exemption. On a similar line of argument, coal, shells, firewood and other goods might just as well claim exemption. In all such cases, it is clearly for the private convenience of the trade in question that the Government wharves are not used, and such convenience forms no ground whatever for exemption. If such principles were admitted and exemption from wharfage allowed on grounds so inadequate, the Government wharves would soon be deserted altogether.

5. If the instorage system is to be again introduced, and salt boats using the Salt Cotaurs are still to be exempted from payment of wharfage, the canal will lose annually considerable sums in wharfage fees, as salt will again become a principal item of traffic—*vide* paragraph 7 of note, printed with G.O. No. 619 I., dated 14th July 1893. In case of the exemption from wharfage being still allowed to salt boats using Salt Cotaurs, some arrangement should therefore be made providing that this lost revenue is adjusted by book transaction to the revenue account of the canal, and that the Salt Department furnish to the canal staff proper checks to show that the boats *do* actually load or unload at the Salt Cotaurs. By means of wharf clearance tickets, &c., the canal staff have at present a perfect check upon the movements of all boats except specially exempted salt boats using Salt Cotaurs.

6. It is difficult to see any logical or even intelligible ground upon which salt boats using the Salt Cotaurs can continue to be exempted from payment of wharfage—

(1) The boats are *not* the property of Government, but of private owners, and it is only reasonable that these owners should pay wharfage fees, since, as I have already shown in paragraph 4 of my letter, printed with G.O. No. 632 I., dated 17th July 1893, such levy of fees is strictly proportionate to profits, and is the only way of touching boats doing an exceptionally good business.

(2) It is ridiculous to suppose that the levy of so small a fee as one anna per ton for wharfage can make any material difference in the cost of so highly priced an article as salt. The exemption of such fees on salt boats makes, however, a great difference to the annual revenue of the canal and enables the Salt Department to make arrangements with its contractors to transport salt to Madras at a slightly reduced rate, and one that is, moreover, wholly fictitious, *i.e.*, is specially relieved by Government from an impost that every other class of goods has to pay.

(3) Even if Government boats were used to transport salt to the Salt Cotaurs, it would form no valid ground for exemption, since the Government boats of the Forest Department conveying firewood have never been allowed any such exemption from payment of wharfage fees.

7. A great deal has been done to improve the canal of late years; the traffic is steadily increasing, and the blocks to traffic that occurred during the drought of 1891, and frequently in former years are rapidly, if proper precautions are taken, becoming an impossibility. The canal will, ere long, when the license and wharfage fees have been raised, show a very much better return than it has ever yet done, and as the cost of carriage along it is extremely low, the officers in charge of it may well bring to notice that its earnings will be unduly knocked down by special exemption from wharfage fees being allowed to any cargo boats whatever.

8. I therefore request to be favoured at an early date with orders whether G.O. No. 798 I., dated 21st December 1887, is to be still held to be in force; if so, whether it is only intended to apply to salt boats using Salt Cotaurs; or whether this Government Order is superseded by G.O. No. 632 I., dated 17th July 1893, which lays down detailed rules for wharves.

Enclosures.

From the Wharf Superintendent, to the Executive Engineer, Buckingham Canal, dated 7th March 1895, No. 165.

I beg to report that the Government salt has this day commenced to be transported from Vayalur to Madras Depôt by canal.

2. Wharfage fee for unloading at Salt Cotaurs has not been collected under G.O. No. 798 I. of 21st December 1887.

3. The salt here transported has been ascertained from the enclosed letter of the Inspector of Salt and Abkári Revenue, Madras Depôt, to be the Government property and not one of private merchants.

From the Inspector, to the Wharf Superintendent, Madras Basin, dated 7th March 1895.

With reference to your letter, dated 7th March 1895, I have the honour to inform you that the salt from Vayalur is Government property and is being transported to Madras under contract by Abdul Khadar Mustan Sahib.

No. 457 B.C.

Forwarded to the Chief Engineer for Irrigation for favour of very early orders. It would appear that G.O. No. 798 I., dated 21st December 1887, has been cancelled by G.O. No. 632 I., dated 17th July 1893.

(Signed) W. L. C. BADDELEY, Major, R.E.,
30th March 1895. Superintending Engineer, II Circle.

From Colonel R. R. E. DRAKE-BROCKMAN, R.E., Chief Engineer for Irrigation, to the Secretary to the Board of Revenue (Separate Revenue), dated 13th April 1895, No. 178 M.

I have the honour to forward endorsement No. 457 B.C., dated 30th March 1895, from the Superintending Engineer, II Circle, with its enclosures (to be returned), and request to be favoured with the Board's remarks on the question therein raised whether salt boats passing to the Salt Cotaurs should be still exempted from paying wharfage fees.

2. Up to the present time, salt has been paying wharfage fee, as it was bought by the contractors at Ennore. It is unreasonable that the alteration of rules in the

Salt and Abkári Department as to where the contractors should buy salt should affect the receipts of the canal. If this be allowed, it is impossible to tell whether the receipts of the canal are improving or not, and to make fair comparison between different years.

3. There seems to be no valid reason why salt should escape wharfage fees any more than firewood and the tax in the latter case is relatively much heavier than in the former, as the value of the goods is so much less.

4. The Buckingham canal is on a fair way to show receipts exceeding expenditure, and the salt trade, being benefited largely by it, should not be exempted from such taxes as are generally imposed and found by experience to be not more than the traffic can well bear.

5. If suitable to the Salt and Abkári Department, the charges may be made a book-transfer between the departments, or they may be levied on the boats which are, it is believed, private boats engaged by that department.

Read—Proceedings of the Board of Revenue (Separate Revenue), dated 17th July 1895, Mis. No. 3009.

Read—again the following Proceedings of the Board of Revenue (Separate Revenue), dated 16th May 1895, Mis. No. 1207 :—

Read—letter from the Chief Engineer for Irrigation, dated 13th April 1895, No. 178 M.

Resolution—Mis. No. 1207, dated 16th May 1895.

The Deputy Commissioner, Central Division, is requested to report what arrangements have been made for the payment of wharfage fees on boats conveying salt for storage at the Madras Depôt and if, by the terms of the contract, the transport contractor is not to bear the charge, whether a case for an application to Government for exemption can be made out under present circumstances.

Read—also letter from the Deputy Commissioner, Central Division, dated 8th June 1895, No. 2507.

Abstract.—Reporting that no arrangements have been made for the payment of wharfage fees on boats conveying salt for storage at the Madras Salt Depôt and expressing his opinion that if any fees are to be levied at all, they should be borne by Government.

Resolution—Mis. No. 3009, dated 17th July 1895.

Prior to the introduction of the outstorage system in 1890, the excise salt manufactured in the factories of the Vayalur, Ennore and Covelong Circles was transported in boats and stored at the Madras Salt Depôt, and the boats carrying such salt paid no wharfage fees until 1887. In that year the Salt Cotaurs, including the salt depôt premises, were declared to be a wharf. The question of the levy of wharfage fees was then raised by the canal authorities, and Government, after considering the arguments put forward by the Board against the proposed levy of wharfage fees on salt boats, was pleased in its order, dated 21st December 1887, No. 798 I., Public Works, to sanction an exemption in favour of all licensed boats entering or leaving Madras laden with salt.

2. As long as the salt of the outlying factories was stored at the depôt, this order was observed, but since the introduction of the outstorage system, the rule has not been taken advantage of. The salt brought by licensees from the factories to Madras (not to the depôt) has paid wharfage, apparently because (although the wording of

the Government Order above referred to is such as to render it applicable to all salt boats entering and leaving Madras), the intention of the Government was considered to be to exempt only boats carrying salt from the out-factories *for storage at the depôt.* No objection was raised by the licensees as they were using the banks of the canal for loading and unloading, as it is used for other articles.

3. After the passing of the Canals and Ferries Act (II of 1890), Government in its Order, dated 17th July 1893, No. 632 I., Public Works, notified under section 16 (IV) thereof, a set of rules for the regulation of traffic at the wharves on the canal in general and at the Madras wharf in particular. Rule II of the rules relating to the latter requires all boats that load or unload within the limit of one mile from the Madras wharf to pay the prescribed wharfage. No mention was made in these rules of the exemption accorded in G.O. No. 798 I., Public Works, dated 21st December 1887, to boats carrying salt, the reason presumably being that there was not the same necessity to do so inasmuch as at that time no salt was going to Madras for storage at the depôt. Now that the monopoly system has been ordered to be re-introduced into the factories of the Vayalur and Ennore Circles, the existing stocks of the licensees' salt are being purchased by Government and transported to the Madras depôt for storage, and Government salt will, from the season of 1896, be likewise sent there. The Board has therefore again to address Government on the subject of wharfage fees and to request orders for the continuance of the exemption accorded in G.O. No. 798 I., Public Works, dated 21st December 1887, in the case of the boats carrying salt to the Madras depôt for storage.

4. The Executive Engineer, Buckingham Canal sub-division, supported by the Chief Engineer, considers that wharfage fees should be paid. He details at length his arguments in favour of the imposition of the fees, but as most of them were before Government when it passed its order of 1887, the Board does not consider it necessary to traverse them in detail. It will simply remark that, highly taxed as it is, salt is entitled to exceptional treatment as compared with the other articles of trade, firewood, &c., referred to by the Executive Engineer, if it can possibly be accorded. His main objection to the exemption claimed is the loss to the canal funds of "considerable sums in wharfage fees," a canal on which Government has incurred enormous outlay and on which Capital and Revenue accounts are kept. In reply to this, the Board would raise the question of whether wharfage fees were originally intended as a means of augmenting the general revenue of the canal or to cover the interest on the capital cost and expenditure connected with the maintenance of wharves for the convenience of the public. If the latter be the case, it would point out that the canal authorities have been put to no expense whatever either in the original construction or subsequent upkeep of the salt depôt wharf and the side channels which are maintained exclusively by this department. The Deputy Commissioner, Central Division, to whom the Board made a reference on the subject, states that at an expenditure of less than one year's wharfage fees on salt boats, he is prepared to dig other side channels which will render it quite unnecessary for such boats to unload from the Buckingham canal at all.

5. It may be added that no arrangements were made by the Board with the boat contractors who are transporting salt to the depôt on behalf of Government for the payment of the wharfage fees and that the fees, if levied, will have to be borne by Government and paid by book-transfer.

6. It may be urged that if the exemption be granted in favour of boats unloading Government salt at the depôt, Government salt will compete at an advantage over excise salt brought for sale to Madras in so far as the wharfage fees exceed the cost of upkeep of the depôt wharves and channels, but the Board submits that ere long all the licensees of the Vayalur and Ennore Circles will revert to the monopoly system and there will be no more excise salt sold at the local platforms and brought to Madras.

(True Copy and Extract.)

(Signed) EDMUND MILLETT,
Assistant Secretary.

Mis. No. 3492, Revenue.

Transferred to the Public Works Department with copy of note by the Honourable Mr. Bliss.

(Signed) W. B. AYLING,
Ag. Asst. Secy. to Government.

OOTACAMUND,
28th August 1895.

No. 21 I.

Note by the Chief Engineer for Irrigation.

With his endorsement, No. 457 B.C., dated 30th March 1895, the Superintending Engineer, II Circle, forwarded for orders a copy of letter, No. 3017, dated 9th March 1895, from the Executive Engineer, Buckingham Canal division, in which he raised the question whether paragraph 2 of the rules passed in G.O. No. 632 I., dated 17th July 1893, for regulation of traffic at the Madras wharf, ordering that boats which load or unload within the limit of one mile of the Madras wharf, should pay the prescribed wharfage fee, cancels G.O. No. 798 I., dated 21st December 1887 or not. Under this latter order the Salt Department claims exemption from payment of the fees, that department having commenced to transport salt from Vayalur to the Salt Cotaurs at Madras in supersession of the outstorage system introduced in 1890–91 under which the fees were levied on the salt contractors and paid, it may be remarked, without demur.

2. The Executive Engineer explains at length his reasons why the exemption should not be allowed, and the Board of Revenue in its Proceedings, No. 3009, dated 17th July 1895, brings forward its reasons to the contrary which, in the opinion of the Chief Engineer for Irrigation, are based on a misconception of the actual state of affairs which is totally different from what it was in 1887.

3. The first argument brought forward by the Board is that it is not considered necessary to traverse the arguments of the Executive Engineer, Buckingham Canal division, in his letter, as most of them were before Government when it passed its order of 1887 and which are detailed in Board's Resolution, dated 3rd October 1887, No. 535, printed with G.O. No. 798 I., dated 21st December 1887.

4. In paragraph 2 of this resolution the object of imposing wharfage fees is given but not at all fully. The reasons may be described as follows :—

(*a*) To bring the receipts and disbursements into equilibrium (*vide* note by the Chief Engineer, Public Works Department, printed with G.O. No. 562 W., dated 20th February 1883).

(*b*) To meet the cost of construction and maintenance of wharves.

(*c*) To regulate the traffic and provide establishment for the conservancy of the canal.

(*d*) To provide means of collecting the necessary statistics for submission to the Government of India.

5. In paragraph 3 of the same resolution the Board submits that the avowed objects of the tax will not be attained in the case of the Salt Cotaurs and suggests that salt boats are called upon to pay a fee for which they obtain no convenience and that the object of the fees would be attained by enhancing the canal tolls. As remarked in paragraph 2 these arguments could only be brought forward in ignorance of the real objects of wharfage fees as detailed in paragraph 4 *supra*, as the chief object of introducing wharfage fees was originally to bring the receipts and disbursements into equilibrium. The imposition of this tax did not enhance the charge, the tolls having been considerably reduced. Prior to the assumption by the Public Works Department in October 1879 of the duty of levying tolls on the Buckingham canal, the Collector of Chingleput was accustomed to levy, under the orders of the Board of Revenue, a toll of As. 4 per ton upon every cargo boat and As. 4 per trip on every passenger boat passed through the Shadyankuppam lock towards Madras. From this toll it is believed that salt boats were not exempted and in paragraph 10 of the memorandum on the Cochrane

canal, printed as appendix 11 to the first report of the Commissioners appointed to enquire into and report upon the system of superintending and executing Public Works in the Madras Presidency, it is specially mentioned that tolls were at that time levied on every description of goods which entered Madras. Again in paragraph 5 of Memorandum, dated 11th March 1878, by the Collector of Chingleput, printed with G.O. No. 1801 A.W., dated 8th July 1878, it is stated that Government do pay tolls on salt boats using the northern canal, but nothing towards licenses on the south canal which was at that time in a very undeveloped state.

6. From the earliest days of the canal, therefore, no mention can be found of any exemption of salt traffic from tolls except for a short period in 1887.

7. In paragraph 4 of its proceedings of 1887, it is stated that the tax is on salt alone. This statement is possibly based on the idea that salt gets but little benefit in return and this may have been partially true in 1887 when the canal was incomplete and in admittedly bad order, but since navigation has been so much improved is no longer the case. It is certainly not a tax on salt alone neither is salt an exceptional case as if salt is to be exempted, because it does not actually use a wharf why should not a similar concession be granted to Messrs. Arbuthnot and Co., Messrs Binny and Co., and other firms with factories alongside the canal and who do not actually use the wharves. These firms do not seek to evade wharfage fees on this account.

8. The argument that wharfage fees can be evaded by constructing side channels to the Salt Cotaurs is one which regularly does duty, but the Board does not apparently realize that if this was allowed salt boats would get the full benefit of the improved line of navigation without paying the ordinary fees whether called wharfage fees or tolls. No railway would ever permit sidings to be constructed from their line to enable consignees to avoid terminal charges and it is inconceivable that Government would go to the trouble and expense of constructing side channels merely to evade their own tolls and in order to benefit Imperial at the expense of Provincial funds.

9. Having assumed that the arguments brought forward when the question was last before Government, but which it is submitted no longer apply, would still hold good, the Board in paragraph 4 of its Proceedings of 17th July 1895, Mis. No. 3009, remarks that salt, highly taxed as it is, is entitled to exceptional treatment as compared with other articles of trade, but does not explain why it should receive this exceptional treatment in the shape of what practically amounts to a grant from Provincial to Imperial funds—a grant which was not considered necessary when the outstoarge system was still in force. The Government of India insist on statistics of canal borne traffic and so long as capital and revenue accounts are maintained, it is submitted that the financial results attained should not be partially concealed as they would be if salt received a bounty from canal funds.

10. Another reason given by the Board which has not already been dealt with is that no arrangements were made by the Board with the boat contractors for payment of wharfage fees, but this seems hardly a reason why these fees should be remitted as the rules were published in the Fort St. George and District Gazettes so long ago as 1893, and therefore, there is no reason why proper arrangements should not have been made. A simple way out of this difficulty will be, as the Board suggests, for Government to pay the charges from salt revenue as then they will be paid from Imperial funds to which they are a legitimate charge.

11. The question of wharfage fees having been raised the Chief Engineer for Irrigation would suggest that the present time is a convenient oppertunity to settle once for all the position of the Public Works and Salt Departments with regard to the East Coast canal system. At present the Salt Department construct new and improve and maintain existing channels at the cost of Salt funds when, in the opinion of the Chief Engineer for Irrigation, these channels should be carried out and maintained by the Public Works Department from Navigation funds. It is suggested therefore that all channels connected with any line of navigation, outside the limits of salt factories, should be constructed and maintained by the Public Works Department as ordinary component parts of the system. If this is done and the Salt Department

are accorded every legitimate facility for their traffic, salt boats should, it is thought, pay the ordinary navigation charges without demur. Salt is a very considerable item in the traffic on the canals and, when the new canal to the Madras harbour has been constructed, is likely to increase. This traffic should therefore be granted any concession which does not lead to complications and increased difficulty in the management of the canals. The proposal that the Public Works Department should construct and maintain salt channels outside the limits of factories is not new, as the principle has already been accepted by Government in G.Os. No. 3381, Revenue, dated 14th September 1893, No. 927 I., dated 26th November 1894, and No. 743 I., dated 12th September 1895.

12. If the proposals in the preceding paragraphs meet with the approval of Government, the Chief Engineer for Irrigation has no objection to the Salt Department being allowed to pay wharfage fees in Madras in one sum at the end of the year at the ordinary rate on condition that the Salt Department will collect and forward to this department the statistics required for communication to the Government of India and will also furnish a monthly statement of traffic in a form to be obtained from the Executive Engineer. This will obviate the necessity of salt boats being stopped at the locks going and coming from Madras which will otherwise be necessary if this information is to be collected in this department. The Salt Department must, of course, furnish their boatmen with tickets certifying that their boats are empty salt boats actually employed for salt traffic and must impress on them that no other return cargo must be carried. If the return cargo is carried the boats must be stopped to obtain the necessary statistical information.

13. The Chief Engineer for Irrigation would remind Government that the south canal is shortly to be improved specially to meet the requirements of salt traffic and this appears to be an additional reason why the Salt Department (Imperial funds) should pay ordinary fees (Provincial funds).

14. This reference has not been disposed of sooner owing to the revision of the navigation rules.

(Signed) R. R. E. DRAKE-BROCKMAN, Col., R.E.,
29th Jan. 1896. Chief Engineer for Irrigation.

Order—No. 226 I., dated 4th March 1896.

The landing place at the salt depôt being within a mile of the canal wharf at Madras will be treated as a wharf, and wharfage fees as prescribed in the rules for the regulation of traffic at wharves on the Buckingham canal will be levied on boats loading or unloading there.

2. The Board of Revenue will arrange with the Chief Engineer for Irrigation regarding the method of paying wharfage fees, and submit the arrangement arrived at for the approval of Government.

3. The wharf rules will not apply to the cases of salt factories and salt channels already under the control of the Salt Department, but in future, no private wharves or landing stages will be allowed to be constructed in connection with navigable canals without the sanction of Government.

(True Extract.)

Under Secy. to Govt., P.W.D.,
Irrigation Branch.

To the Chief Engineer for Irrigation.
„ all Superintending Engineers of Circles.
„ the Examiner, Public Works Accounts.
„ the Revenue Department.

Exd. Shaik Karim.
Spare Copies

IRRIGATION.

Govt. of {1896} Madras.

PUBLIC WORKS.

Dated March, 4th.

Recd. *Encl.*

G.O. No. 226 I., 4th Mar. 1896.

MARCH.

Wharf

Directing, with remarks, that the landing place at the salt depôt within a mile of the canal wharf at Madras be treated as a — under the rules for the regulation of traffic at wharves on the Buckingham canal, and that the prescribed fees be levied, and stating that no private wharves or landing stages will be allowed to be constructed in connection with navigable canals without the sanction of Government.

Proc

No 3017.

Office of the Executive Engineer,
Buckingham Canal,
Camp Pulicat.
Madras Basin 9th March 1895.

From
A. S. Russel Esquire.
Executive Engineer,
Buckingham Canal Division

To
The Superintending Engineer
Second Circle

Sir,

I have the honour to bring to your notice that the Salt Department are apparently beginning to abandon (vide accompanying original report) the outstorage system introduced in the year 1890-91; have commenced to transport salt from Vayalur to the Salt Cotaurs at Madras, and claim exemption from wharfage fees under the operation of G. O. No 798 I, dated 21st December 1887. This G. O. has been a dead letter for many years past, and its provisions

* No 165, dated 7th March 1895 from Wharf Superintendent, Madras, with its enclosure.

provisions are, I imagine, practically cancelled by G.O. 632 I, dated 17th July 1893. Pending orders, however, on this reference I am permitting the Salt-boats to pass to the Salt Cotaurs without paying wharfage, as it is not very clear to me what the intentions of Government may be on the matter.

2. After G.O. 798 I, dated 21st December 1887, was passed, all salt-boats loading or unloading at the Salt-Cotaurs were not charged wharfage fees by the canal authorities, but salt boats loading & unloading at other wharves were so charged, though as the order stands it rules in comprehensive terms "that all licensed boats entering or leaving Madras laden with Salt shall be exempt from wharfage

wharfage fees". This order if acted upon in its literal sense, would have gone far beyond the intention of the Board, and would have exempted all boats carrying salt, even for private individuals, from paying wharfage fees at all the wharves within the limits of the Shadayankuppam and Adyar locks. In 1890-91 the out-storage system was adopted, and salt ceased to be stored at the Salt Cotaurs, and when I took charge of the Division in 1891 all salt-boats were duly paying wharfage fees, and have continued to do so up to the present time. Now that the in-storage system has apparently again been started, the question has come before me for the

first

first time of the precise meaning of G. O. No 798 I, dated 21st December 1887, and whether it is still to be considered to be in force.

3. When G. O. No 798 I, dated 21st December 1887 was passed, wharfage fees were a recent introduction, and no clear rules regarding wharves, or the levy of fees thereat, were in existence. The G. O. No 632 I, dated 17th July 1893, Government approved a set of wharf rules, and under Rule II, for regulation of traffic at the Madras wharf, boats that load or unload within the limit of one mile of the Madras wharf must pay the prescribed wharfage fees. The Salt Godowns are within this one mile limit, and the G. O. contains no mention of any exemption for any class of boats whatever.

4. The Board of Revenue in protesting, in its Resolution printed with G. O. No 798 I, dated 21st December 1887, against the levy of fees on Salt boats loading or unloading at the Salt Godowns, proceeded on principles which are not applicable to the present time, and in no way regulate the levy of wharfage fees. The following instances may be cited by way of example.

(1) The object of wharfage fees, as now recognised, is not "to prevent boats loading and unloading goods except at authorised places." If such a principle were generally acted upon, the canal would become next to useless, and the traffic in firewood, grain, and other produce would be absolutely killed, since it is idle to suppose

that

that such goods could stand the cost of transport by road to the nearest wharf instead of being loaded or unloaded wherever wanted, as they are of course allowed to do. Both the navigation and the wharf rules give discretion to Executive Engineers to forbid loading or unloading except at wharves, but this power was conferred in order to check abuses and not to hamper legitimate traffic.

(2) The Board rightly state that one object of wharfage fees is to place all boats on the same footing. It is therefore perfectly anomalous at the present time to claim exemption for salt boats alone, since no other boats are so exempted. It is altogether contrary to fact, as things now exist, to say that the effect of

of wharfage fees "is to place a tax upon salt alone." It is however absolutely true to say that to exempt salt from paying fees which every other commodity now pays is to bolster up the salt trade at the expense of the Buckingham Canal - a work on which Government has incurred enormous outlay, and on which capital and Revenue accounts are kept up.

40

(3) The various contentions of the Board that (a) because it is convenient for salt to continue to be loaded at the Salt Cotaurs, (b) because the conservancy of the banks is attended to, and (c) because a very short length of side-channel is maintained by the Salt Department, Salt boats at Salt Cotaurs should be

exempted

exempted from wharfage fees, for
no valid ground for such exemption.
On a similar line of argument, coal,
shells, firewood, and other goods
might just as well claim exemption.
In all such cases, it is clearly for
the private convenience of the trade
in question that the Government wharves
are not used, and such convenience
forms no ground whatever for
exemption. If such principles were
admitted, and exemption from wharfage
allowed on grounds so inadequate,
the Government wharves would soon
be deserted altogether.

5. If the in-storage system is to be
again introduced, and Salt-boats
using the Salt Cotaurs are still to
be exempted from payment of wharfage,
the Canal will lose annually considerable
sums

sums in wharfage fees, as salt
will again become a principal item
of traffic, vide para 7 of note printed
with G.O. No 619 I, dated 14th July
1893. In case of the exemption from
wharfage being still allowed to
salt-boats using salt-Cotaurs, some
arrangement should therefore be made
providing that this lost revenue is
adjusted by book transaction of the
Revenue account of the Canal, and
that the Salt department furnish to
the Canal staff proper checks to
show that the boats do actually load
or unload at the Salt-Cotaurs. By means
of wharf clearance tickets, etc, the
Canal staff have at present a
perfect check upon the movements of all
boats except specially exempted salt
boats using salt-Cotaurs.

6.

6. It is difficult to see any logical, or even intelligible ground, upon which Salt boats using the Salt Cotaurs can continue to be exempted from payment of wharfage. The boats are not the property of Government, but of private owners, and it is only reasonable that these owners should pay wharfage fees, since, as I have already shown in para 4 of my letter printed with G. O. 632 P, dated 17th July 1893, such levy of fees is strictly proportionate to profits, and is the only way of touching boats doing an exceptionally good business.

Second. It is ridiculous to suppose that the levy of so small a fee as one anna per ton for wharfage can make any material difference in the cost of so highly priced an article as salt. The exemption of such fees on Salt boats makes, however, a great difference to the annual revenue of the Canal and enables the Salt Department to make arrangements with its contractors to transport salt to Madras at a slightly reduced rate, and one that is onerous wholly fictitious, i.e, is specially relieved by Government from an impost that every other class of goods has to pay.

Third: Even if Government boats were used to transport salt to the Salt Cotaurs, it would form no valid ground for exemption, since the Government boats of the Forest Department conveying firewood have never been allowed any such exemption from payment of wharfage fees.

7. A great deal has been done to improve the Canal of late years; the traffic is steadily

steadily increasing; and the blocks to traffic that occured during the drought of 1891, and frequently in former years are rapidly, if proper precautions are taken, becoming an impossibility. The canal will, ere long, when the license and wharfage fees have been raised, show a very much better return than it has ever yet done, and as the cost of carriage along it is extremely low, the officers in charge of it may well bring to notice that its earnings will be unduly knocked down by special exemption from wharfage fees being allowed to any Cargo boats whatever.

5. I therefore request to be favoured at an early date with orders whether G. O. No 798 I, dated 21st December 1887 is to be still held to be in force; if so, whether it is only intended to apply to Salt

09

Salt boats using Salt Entrance; or whether this G. O. is superseded by G. O. No 632 I, dated 17th July 1893, which lays down detailed rules for wharves.

I have etc.
Lt/ A.S. Russell
Executive Engineer,
Buckingham Canal.

10P

No 457 BC / 30-3-95

Enclosure 1.
(Wharf Superintendents letter with its accompaniment.)

Forwarded to the Chief Engineer for Irrigation for favour of very early orders. It would appear that G.O. No 798 I dated 21st December 1887, has been cancelled by G.O. No 632 I dated 17th July 1893.

Lt/ W.L.C. Baddeley
Major R.E.
Superintending Engineer.
II Circle.

(True copy)

Examiner
Assistant Secretary.

Dis!
6746/55

1886
REVENUE DEPARTMENT.
3

No 165 Endorsement to the
Madras Basin. Pier
7th March 1895

To
The Executive Engineer, Buckingham
Canal
Madras, Basin.

Sir,

I beg to report that the Government salt has this day commenced to be transported from Vuyalur to Madras Depot by canal.

2. Wharfage fee for unloading at Salt Cotaurs has not been collected under G. O. No 798 I, of 2nd December 1887.

3. The Salt now transported has been ascertained from the enclosed letter of the Inspector of Salt and abkari Revenue, Madras Depot, to be the Government property, and not one of private merchants.

I beg to remain &c
Sd/ Illegible
Wharf Superintendent

(True Copy)

E.M.M. 24/7

Commissariat
Assistant Secretary

Salt and abkari Inspectors office
Madras Depôt Circle
Dated 7-3-95.

To
The Wharf Superintendent
Madras Basin.

Sir,

With reference to your letter dated 7th March 1895, I have the honour to inform you that the Salt from Vayalur is Government Property and is being transported to Madras under contract by Abdul Khadar Mustan Sahib.

I have etc
C.D. G. Emerson.
Inspector.

(One copy)

Communicated
Assistant Secretary.

Ex. 7
24/7

Ex. 7
67 to 68/95

1895
REVENUE DEPARTMENT.
Enclosure No. 1
5439

Rev. 2
67 to 75

1895
REVENUE DEPARTMENT.
Enclosure No. 2

No 178 Marine/D. 4-55

To

The Secretary, Board of Revenue,
Separate Revenue.
Chepâk.

Sir,

I have the honor to forward endorsement N° 457. B.C. d/ 30.3.95 from the Superg. Engineer, Second Circle, with its enclosures, and request to be favored with the Board's remarks on the question therein raised whether Salt-boats passing to the Salt Godowns should be still exempted from paying wharfage fees.

2. Up to the present time, Salt has been paying wharfage fee, as it was brought by the Contractors at Ennore. It is unreasonable that the alteration of rules in the Salt & Abkari dept. as to where the Contractors should buy salt, should affect the receipts of the Canal. If this be allowed, it is impossible to tell whether the receipts of the Canal are improving or not, and to make

Enclosures. 4.

Sgd. Encl. N° 457 B.C. d/ 30.3.95.
Copy of Exp. Engr. Buckingham Canal Div. / letter N° 3017 d/ 9.3.95 - with its two Enclosures.
To be returned

make fair comparison between different years.

3. There seems to be no valid reason why salt should escape Wharfage fees any more than firewood and the tax in the latter case is relatively much heavier than in the former as the value of the goods is so much less.

4. The Buckingham Canal is on a fair way to show receipts exceeding expenditure, the salt trade being benefited largely by it, and ~~there is no reason why boats~~ should not be exempted from such taxes as are generally imposed and found by experience to be not more than the traffic can well bear.

5. If suitable to the Salt and Abkari department, the charges may be made a book-transfer between the departments, or they may be levied on the boats

12P

it is believed
boats which are private boats engaged by that department.

9/4 Revds 13/5

REVENUE BOARD OFFICE
MADRAS.

Proceedings of the Board of Revenue

(Separate Revenue.)

Dated 17th July 1895.

No. 3009 mis

Read again the following Proceedings of the Board of Revenue, Separate Revenue, dated 16th May 1895 No 1207 mis

Read the following letter from the Chief Engineer for Irrigation dated 13th April 1895 No 178 m.

I have the honor to forward endorsement No 457 B.C dated 30th March 1895 from the Superintending Engineer, II Circle, × to be returned. with its enclosures and request to be favoured with the Board's remarks on the question therein raised whether Salt boats passing to the Salt Cotaurs should be

Still

Still exempted from paying wharfage fees.

2 Upto the present time, Salt has been paying wharfage fee, as it was bought by the Contractors at Ennore. It is unreasonable that the alteration of rules in the Salt and Abkari Department as to where the contractors should buy salt, should affect the receipts of the Canal. If this be allowed it is impossible to tell whether the receipts of the Canal are improving or not, and to make fair comparison between different years.

3 There seems to be no valid reason why Salt should escape wharfage fees any more than firewood and to tax in the latter case is relatively much heavier than in the former as the value of the goods is so much less.

4. The Buckingham canal is on a fair way to show receipts exceeding expenditure, and the salt trade being benefited largely by it should not be exempted from such taxes as are generally imposed and found by experience to be not more than the traffic can well bear

5. If suitable to the Salt and Abkari Department, the charges may be made a book transfer between the departments or they may be levied on the boats which are, it is believed, private boats engaged by that department

140

Resolution: Dated 16th July 1920

The Deputy Commissioner, Central Division is requested to report what arrangements have been made for the payment of wharfage

wharfage fees on boats conveying salt for storage at the Madras Depôt and if, by the terms of the Contract, the transport Contractor is not to bear the charge, whether a case for an application to Government for exemption can be made out under present Circumstances.

Read also letter from the Deputy Commissioner Central Division dated 8th June 1895 No 2507 reporting that no arrangements have been made for the payment of wharfage fees on boats conveying salt for storage at the Madras Salt Depôt and expressing his opinion that if any fees are to be levied at all they should be borne by Government.

Resolution: —

15 P 94

Resolution: — dis. 3009, dated 17th Jul 1895

Prior to the introduction of the out-storage System in 1890, the excise salt manufactured in the factories of the Vayalur, Ennore and Covelong circles was transported in boats and stored at the Madras Salt Depôt, and the boats carrying such salt paid no wharfage fees until 1887. In that year the Salt Cotaurs including the Salt Depôt premises were declared to be a wharf. The question of the levy of wharfage fees was then raised by the Canal authorities, and Government, after Considering the arguments put forward by the Board against the proposed levy of wharfage fees on salt boats, was pleased in its order dated 21st December 1887, No 798 I Public Works, to sanction an exemption

exemption in favour of all licensed boats entering & leaving Madras laden with salt.

2 As long as the salt of the outlying factories was stored at the Depôt this order was observed but since the introduction of the outstorage system the rule has not been taken advantage of. The salt brought by Licensees from the factories to Madras (Not to the Depôt) has paid wharfage, apparently because although the wording of the Government Order above referred to is such as to render it applicable to all salt boats entering and leaving Madras) the intention of the Government was considered to be to exempt only boats carrying salt from the outfactories for storage at the Depot. No objection was raised by the

the licensees as they were using the banks of the canal for loading and unloading as it is used for other articles.

3. After the passing of the Canals and Ferries Act (II of 1890), Government in its order dated 17th July 1893, No 632I P.O. 2936/1893 Public Works, notified under section 16(IV) thereof a set of rules for the regulation of traffic at the wharves on the canal in general and at the Madras Wharf in particular. Rule II of the rules relating to the latter requires all boats that load or unload within the limit of one mile from the Madras Wharf to pay the prescribed Wharfage. No mention was made in these rules of the exemption accorded in Government Order 798 I

Public

Public Works, dated 21st December 1887
to boats carrying salt, the reason —
presumably being that there was
not the same necessity to do so in as
much as at that time no salt was
going to Madras for storage at the Depôt.
Now that the monopoly system has
been ordered to be reintroduced into the
factories of the Vayalur and Ennore Circles
the existing stocks of the licensees' salt
are being purchased by Government
and transported to the Madras Depôt for
storage, and Government salt, from will
the season of 1896 be likewise sent
there. The Board has therefore again
to address Government on the
subject of wharfage fees and to
request orders for the continuance of
the

the exemption accorded in Government Order
798 I P.W dated 21. December 1887 in the
case of the boats carrying salt to the Madras
Depôt for storage
4. The Executive Engineer, Buckingham
Canal Sub Division, supported by the
Chief Engineer, considers that wharfage
fees should be paid. He details at
length his arguments in favor of the
imposition of the fees, but as most of
them were before Government when
it passed its order of 1887, the Board
does not consider it necessary to
traverse them in detail. It will
simply remark that, highly taxed
as it is salt is entitled to exceptional
treatment as compared with the other
articles

articles of trade, firewood etc, referred to by the executive Engineer, if it can possibly be accorded. His main objection to the exemption claimed is the loss to the canal funds of "Considerable sums in wharfage fees" a canal on which Government has incurred enormous outlay and on which Capital and Revenue accounts are kept. In reply to this the Board would raise the question of whether Wharfage fees were originally intended as a means of augmenting the general revenue of the Canal or to cover the interest on the Capital Cost and expenditure connected with the maintenance of wharves for the convenience of the Public. If the latter be the case, it would point out that the canal authorities have been put to no expense whatever either in the original construction or subsequent upkeep of the Salt Depot wharf and the side channels which are maintained exclusively by this department. The Deputy Commissioner, Central Division, to whom the Board made a reference on the subject, states that at an expenditure of less than One year's wharfage fees on Salt boats, he is prepared to dig others Side Channels which will render it quite unnecessary for such boats to unload from the Buckingham Canal at all.

5. It may be added that no arrangements were made by the Board with the boat Contractors who are transporting Salt to the Depot on behalf of Government for the payment of the wharfage fees and

and that the fees, if levied, will have to be borne by Government and paid by book-transfer

6. It may be urged that if the exemption be granted in favor of boats unloading Government salt at the Depôt, Government salt will compete at an advantage over excise Salt brought for sale to Madras in so far as the wharfage fees exceed the cost of upkeep of the Depôt wharves and channels, but the Board submits that ere long all the licensees of the Vayalur and Ennore Circles will resort to the monopoly system and there will be no more excise salt sold at the local platforms

platforms and brought to Madras

(True copy and Extract)

(signed) Edmund Millett

Assistant secretary

To

The secretary to Government
Revenue Department

Copy to

The Chief Engineer for Irrigation
with the Enclosures returned

O/18 10,000—25-3-95.

(1895.)

REVENUE DEPARTMENT.

Current Number. 5489.

From

The Board of Revenue,
Separate Revenue

P. W. CURRENT No. 6746

ABSTRACT.

D 15

Endorsement Mis No 3492 208

Transferred to the Public Works Department with copy of note by the Honorable Mr Bliss

W K Lawrence
Ag Asst Secretary to Govt

Dotacamund 28th August 1895 } Recd: 3.9.95

Rev 3078/51

Dated 17-7-1895

Received 26-7-1895

Enclosures 3

Mis No. 3009

SUBJECT.

Soliciting the orders of Government on the question raised by the Chief Engineer for irrigation, whether, under the notification published under section 16 (iv) of the Canals and Ferries Act for the regulation of traffic at the Madras wharf of the Buckingham canal wharfage fees should not be levied on boats unloading Government salt at the Madras Salt Cotaurs wharf for storage at the Depot.

P. T. O.

To

The Public Works Department

21 Public 17

Note by the Chief Engineer for Irrigation

NO: 21 J dated 29 January 1896.

With his endorsement, NO:457. B. C. dated 30th March 1895, the Superintending Engineer, Second Circle, forwarded for orders a copy of letter, NO:3017, dated 9th March 1895, from the Executive Engineer, Buckingham Canal Division in which he raised the question whether para 2 of the rules passed in G.O. NO632. I dated 17th July 1893 for regulation of traffic at the Madras wharf, ordering that boats which load or unload within the limit of one mile of the Madras wharf, should pay the prescribed wharfage fee, cancels G.O. NO:798-I dated 21st December 1887 or not. Under this latter order the Salt Department claims exemption from payment of the fees, that Department having commenced to transport salt from Vayalur to the Salt Cotaurs at Madras in supersession of the outstorage system introduced in 1890-91 under which the fees were levied on the salt contractors and paid it may be remarked without demur.

2 The Executive Engineer explains at length his reasons why the exemption should not be allowed and the Board of Revenue in its Proceedings NO:3009 dated 17th July 1895 brings forward its reasons to the contrary which in the opinion of the Chief Engineer for Ir-rigation are based on a misconception of the actual state of affairs which is totally different from what it was in 1887.

3 The first argument brought forward by the Board is, that it is not considered necessary to traverse the arguments of the Executive Engineer, Buckingham Canal division, in his letter as most of them were before Government when it passed its order of 1887 and which are detailed in Board's Resolution, dated 3rd October 1887, NO:535 printed with G.O. NO:798-I dated 21st December 1887.

4 In para 2 of this resolution the object of imposing wharfage fees is given but not at all fully. The reasons may be described as follows.

(a) To bring the receipts and disbursements into Equilibrium

VIDE

Vide Note by the Chief Engineer P.W.D, printed with G.O.NO: 562.W. dated 20th February 1883.

(b) To meet the cost of construction and maintenance of wharves.

(c) To regulate the traffic and provide establishment for the conservancy of the canal.

(d) To provide means of collecting the necessary statistics for submission to the Government of India.

5 In para 3 of the same resolution the Board submits that the avowed objects of the tax will not be attained in the case of the Salt Cotaurs and suggests that salt boats are called upon to pay a fee for which they obtain no convenience and that the object of the fees would be attained by enhancing the canal tolls. As remarked in para 2 these arguments could only be brought forward in ignorance of the real objects of wharfagefees as detailed in para 4 supra as the chief object of introducing wharfage fees was originally to bring the receipts and dis-bursements into equilibrium. The imposition of this tax does not enhance the charge, the tolls having been considerably reduced. Prior to the assumption by the P.W.D. in October 1879 of the duty of levying tolls on the Buckingham Canal, the Collector of Chingleput was accustomed to levy, under the orders of the Board of Revenue a toll of 4 annas per ton upon every cargo boat and 4 annas per trip on every passenger boat passed through the Shadyankuppam lock towards Madras. From this toll it is believed that salt boats were not exempted and in para 10 of the memorandum on the Cochrane canal printed as appendix 11 to the 1st report of the Commissioners appointed to enquire into & report upon the system of superintending & executing Public Works in the Madras Presidency, it is specially mentioned that tolls were at that time levied on every description of goods which entered Madras Again in para 5 of Memorandum d/ 11th March/78 by the Collector of Chingleput printed with G.O.NO1801 A.W.d/ 8th July 1878 it is stated that Govt do pay tolls on salt boats using the Northern canal but nothing towards licenses on the suoth canal which was at salt

228 of 18

that time in a very undeveloped state.

6 From the earliest days of the canal, therefore, no mention can be found of any exemption of salt traffic from tolls except for a short period in 1887.

7 In para 4 of its proceedings of 1887 it is stated that the tax is on salt alone. This statement is possibly based on the idea that salt gets but little benefit in return & this may have been partially true in 1887 when the canal was incomplete and in admittedly bad order but since navigation has been so much im-proved is no longer the case . It is certainly not a tax on salt alone neither is salt an exceptional case as if salt is to be ex-emoted because it does not actually use a wharf why should not a similar concession be granted to Messrs Arbuthnot & Co, Messrs Binny & Co and other firms with factories along side the canaland who do not actually use the wharves. These firms do not seek to evade wharfage fees on this account.

8 The argument that wharfage fees can be evaded by con-structing side channels to the Salt Cotaurs is one which regular-ly does duty but the Board does not apparently realize that if this was allowed Salt boats would get the full benefit of the im-proved line of navigation without paying the ordinary fees whether called wharfage fees or tolls. No railway would ever permit sidings to be constructed from their line to enable con-signees to avoid terminal charges and it is inconceivable that that Government would go to the trouble and expense of construci-ing side channels merely to evade their own tolls and in order to benefit Imperial at the expense of Provincial Funds .

9 Having assumed that the arguments brought forward when the question was last before Government, but which it is submitted no longer apply, would still hold good the Board in para 4 of its Procs of 17th July 1895 NO:3009 Mis remarks that salt, highly tax-ed as it is, is entitled to exceptional treatment as compared with other articles of trade but does not explain why it should

receive

receive this exceptional treatment in the shape of what practically amounts to a grant from Provincial to Imperial Funds a grant which was not considered necessary when the out storage system was still in force. The Government of India insist on statistics of canal borne traffic and so long as capital and revenue accounts are maintained it is submitted that the financial results attained should not be partially concealed as they would be if salt received a bounty from canal funds.

10 Another reason given by the Board which has not al-ready been dealt with is that no arrangements were made by the Board with the boat contractors for payment of wharfage fees but this seems hardly a reason why these fees should be remitted as the rules were published in the Fort St George & District Gazettes so long ago as 1893 and therefore there is no reason why proper arrangements should not have been made. A simple way out of this difficulty will be, as the Board suggests, for Govt to pay the charges from salt revenue as then they will be paid from Imperial Funds to which they are a legitimate charge.

11 The question of wharfage fees having been raised the Chief Engineer for Irrigation would suggest that the present time is a convenient opportunity to settle once for all the position of the Public Works and Salt Departments with regard to the East coast canal system. At present the Salt Department construct new and improve and maintain existing channels at the cost of Salt funds when, in the opinion of the Chief Engineer for Irrigation, these channels should be carried out and main-tained by the D.P.W. from Navigation funds. It is suggested therefore that all channels connected with any line of navi-gation, outside the limits of Salt factories, should be con-structed and maintained by the P.W.D as ordinary component parts of the system. If this is done and the Salt Department are accorded every legitimate facility for their traffic, salt boats, should

should, it is thought, pay the ordinary navigation charges without demur. Salt is a very considerable item in the traffic on the canals and when the new canal to the Madras Harbour has been construct-ed is likely to increase. This traffic should therefore be grant-ed any concession which does not lead to complications and in-creased difficulty in the management of the canals. The proposal that the D.P.W. should construct and maintain salt channels out-side the limits of factories is not new as the principle has al-ready been accepted by Government in G.Os. dated 14th September 1893, NO:3381, Revenue and G.O. dated 26th November 1894, NO:927. I. and G.O. dated 12th September 1895. No 743. I.

12. If the proposals in the preceeding paras meet with the approval of Government the Chief Engineer for Irrigation has no objection to the salt department being allowed to pay wharfage fees in Madras in one sum at the end of the year at the ordinary rate on condition that the salt department will collect and forward to this department the statistics required for communication to the Government of India and will also furnish a monthly statement of traffic in a form to be ob-tained from the Executive Engineer. This will obviate the necessity of salt boats being stopped at the locks going and coming from Madras which will otherwise be necessary if this information is to be collected in this department. The Salt department must of course furnish their boatmen with tickets certifying that their boats are empty salt boats actually employed for salt traffic and must impress on them that no other return cargo must be carried. If the return cargo is carried the boats must be stopped to obtain the ne-cessary statistical information.

13. The Chief Engineer for Irrigation would remind Government that the South canal is shortly to be improved specially to meet the requirements of salt traffic and this appears to be an additional reason why the Salt Department

Imperial