Revenue Department

Minutes of Consultations

7th September 1858

Back Nos: 41, 42, 43 & 44

Order No 1215 dt 7 September 1858

No. 41. Read the following Extract from the Proceedings of the Board of Revenue; dated 21st June 1858, No. 2154.

Dated 24th May in Con. 21*st June* 1858. Read letter from the Acting Collector of Malabar, reporting on the result of the experiment to manufacture Salt of superior quality in that District.

(Here enter No. 74.)

The attempt to produce a good quality of Salt in Malabar, has now been carried on for two years, 1856-57 and 1857-58, and in each without any success

Calicut, Ellatoor.
Para. 6.
Para. 9.

In the former, no Salt was obtained except at the two spots named in the margin, and at these it is stated to have been, comparatively poor in quality and scarcely in excess of a sample in quantity. In the latter year, of two pans selected as being most favorably situated, one only produced a small quantity of Salt which appears from the sample sent, to be of a very inferior description.

2. The failure cannot be attributed to want of care. Considerable energy, Mr. Robinson states, was shewn by parties wishing to undertake the manufacture during the season of 1856-57, and a good deal of money expended. Several experienced manufacturers were obtained from Bombay as instructors; the most eligible localities were selected, and the pans were prepared on an improved principle and on the system pursued in Bombay. The Superintendent was a zealous and experienced Official, formerly employed in the Salt Department in Tanjore.

Para. 12.

3. In both years, the monsoon burst early, and was preceded by an unusually early commencement of broken weather. But Mr. Robinson does not consider this, the chief cause of the failure. He ascribes it principally to the sandy nature of the soil of the tidal creeks of Malabar, and the tendency of the water to sink through the bottom of the pans. But the humid character of the atmosphere ought, the Board think, to be added as another great, and indeed the greatest, impediment to the manufacture.

Para. 8.

4. In his recommendations as to the course to be pursued in future, in regard to indigenous Salt, the Acting Collector is not consistent. He admits that he is no longer sanguine; but, in one place, suggests that a further trial may be made next year at the pans where slight success has occurred this season, while further on, he advocates a cessation of the manufacture "of the miserable and insufficient article which has disappeared from the District for 30 years," in preference to the indiscriminate revival of it in all the old localities, which he considers will, whatever trial may be made, eventually prove the only alternative.

Para. 12.
Para. 14.

5. On a careful consideration of the subject, the Board are constrained to express a decided opinion that it is inexpedient to persevere in the experiment. They continue to look upon the difficulties in the way of the manufacture in Malabar, of Salt fit for consumption, to be of a permanent character, and the attempt to force it, to be therefore vain. The object aimed at in reviving it, after it had been discontinued for a very long period, was to give the inhabitants the option of purchasing Salt at 1 Rupee a maund, in case they should prefer obtaining an inferior article at this price, to paying a higher one for foreign Salt. But even if any quantity can be procured without permitting the manufacture in every marsh and creek where there can be no adequate surveillance, the quality of the sample forwarded by the Acting Collector, and which, it is to be observed, was prepared with the greatest care, is so indifferent that the Board are strongly of opinion, that it should not be offered to the people for consumption. It is an evil, they think, that a people should retrograde in their tastes even as regards articles of food, and a still greater one, that this retrogression should be brought about by their being able to buy the inferior article cheap, through illegal practices. The Board do not anticipate that much of this

inferior Salt, would be purchased at the monopoly price of 1 Rupee per maund. To bring it into general use even among the middling and poorer classes, it must be procurable at a much lower rate, and this would be accomplished by its illicit manufacture and sale, for which an extensive door would be opened directly. Salt of this description, is sold at the Government Depôts. It would be impossible to guard the numerous creeks and marshes, where an illicit manufacture could then be carried on, and Malabar would again have the evil of bands of men, living by continual breaches of and opposition to the law, from which it was freed by the abolition of the tobacco monopoly.

6. Mr. Robinson states, that he carefully avoided giving any assurance to the manufacturers which should hamper Government in future. No guarantee was held out; and, while expressing a strong preference for cessation, the Acting Collector makes no allusion to the necessity or expediency of granting compensation, should this course be adopted. All the indulgence solicited on the present occasion, is, that Proprietors should be relieved of the charge for wages of the Bombay manufacturers, which has been borne by them. The Board approve of the recommendation, and resolve to request the sanction of Government for the sum of Rupees 539-1-4, which will then be the amount of expenses requiring to be passed, as shewn in the margin.

Para. 10.

Para. 235.

In Con. 23*rd Jan.* 1857, *No.* 65, *R. D.*

Incurred in 1856-57	722	1	2
Do. 1857-58	82	0	2
	804	1	4
Deduct amount sanctioned in E. M. Con. 17*th Jan.* 1857	500	0	0
Requiring sanction	304	1	4
Add.			
Wages of Bombay manufacturers	235	0	0
	539	1	4

7. There being thus no prospect of the Province being supplied with any quantity of home made Salt, Mr. Robinson proceeds to consider how the supply of Foreign Salt can be most advantageously obtained.

8. Under the latest orders of Government, the importation of Bombay Salt on the Government account, will cease on the 31st January 1859. The average requiremnts of Malabar, are about 30,000 or 32,100 Indian Maunds per mensem. The Import in 1856-57 on private account, amounted only to 34,347 Indian Maunds which is little more than one month's supply; and that of 1857-58 to Indian Maunds 10,435 or sufficient for only 10 days. No prospect is held out of future improvement. The imports are stated to have only taken place at petty intermediate ports, and to be accounted for solely by the circumstance, that shipping had to be sent to these Ports for produce, and must have come in ballast, had they not brought a small cargo of Salt. Mr. Robinson, who has shewn himself anxious for the success of the Government measure, remarks that after two years' experiment, he cannot point to the smallest advance in the tendency of commercial capital towards this branch of trade, and he infers that "there is "not the faintest prospect of commerce under present cir- "cumstances gradually supplying the place, from which the "Government desires to withdraw."

E. M. C. 24*th in Con.* 25*th Nov.* 1857, *No.* 1205, *R. D.*

From Collector 17*th in Con.* 30*th Oct.* 1857, *para.* 5.

From Collector 24*th May in Con.* 21*st June* 1858, *para.* 16.

Para. 16.

Para. 17.

9. With such facts before us, the first question which presents itself, is, whether the total withdrawal of Government competition may not suffice to give the necessary impulse to private enterprize. Salt is now selling at the Government Gollahs at Rupee 1-2-6 per Indian Maund, and as far as Mr. Robinson can learn Rupee 1-6 per maund, is the very lowest rate at which Bombay Salt imported at a duty of 14 Annas per maund, can be sold by private merchants on the coast. Clearly therefore, under existing circumstances, merchants cannot as Mr. Robinson observes, find their account in competing. But if Government cease to import, and merchants are enabled to charge what price they like, there will be little risk it may be argued, of a deficient supply. Probably not; but the Board do not feel certain even on this point, which they will again advert to hereafter, and they would be wanting in their duty if they shrunk from expressing their opinion, that a measure which will raise the price of Salt on the Coast of Malabar to Rupee 1-6 per maund at the least, when the monopoly price on the Eastern Coast is 1 Rupee per maund only; would operate as a great hardship on the inhabitants. It is true, as formerly observed by Government, that the price of Salt in some Inland Districts is higher than this, but it was pointed out by the Board in reply, that the Salt stored in Malabar has also to be conveyed Inland for consumption.

From Government 6th March 1856.

10. Mr. Robinson is apprehensive that the price, after the Government cease, would be more than Rupee 1-6-0 per Maund; for he considers it certain, that there would be temporary combinations amongst the Merchants for the purpose of raising it. This fear is no doubt well grounded; for it is reported by the Collector of Canara in his letter of the 30th January 1858, that they have taken advantage of the opportunity to charge 8 Annas per mercal which is equal to Rupee 1-10-8 per Indian Maund, and the merchants of Malabar informed Mr. Robinson that less than Rupee 1-8-0 or 1-10-0 per Indian Maund, would not remunerate them.

Para. 18.

From Collr. 17*th in Con.* 30*th Oct.* 1857, *Para.* 5.

Para. 19.

11. The Collector points out also, another serious consequence of the supply being left entirely to the private merchants, and one which was adverted to by the Board in para. 11 of their letter of 6th March 1856. The Brinjary traders who convey Salt inland, he observes, "now obtain a "certain return load at a known cost, and without demurrage for their enormous droves of cat- "tle. A single day's detention on the coast, where fodder is very expensive, is a serious matter to "them. Their demand is sudden, and their requirements are very large and emergent. Under the "new system, supplies will frequently be deficient, and require to be picked up at more spots than "one. The holders of Salt will be enabled by a very temporary combination, to extort from their "haste and necessity, almost any price." The difficulty which will be thus occasioned to the supply of Salt for trade inland, will, Mr. Robinson fears, have for a time a serious effect on the cost of transport to the coast of Coffee, and must, in the Board's opinion, injure all other inland trade also.

12. The Acting Collector concludes his observations by stating, that the local Officers of Malabar without exception, look forward to the approaching change with anxiety, and the people of the country universally deprecate it. He himself approves of the principle and does not despair of seeing it carried into practice; but, among a population constituted as that of Malabar is, and at a time of very prevalent excitement, he considers that so important a change should be carried out very gradually, and that the country should be carefully prepared for it. Such, he considers, is not the case now, and cannot be the case before the 31st January 1859, the date fixed for the cessation of Government sales. He expects that the opening of the Railway will have an important effect on this trade, and he would await that event before discontinuing the sale on the part of Government.

13. The Board are unable to point to any particular time or event, which may be safely taken for the termination of the Government supply of Salt in Malabar; but they are decidedly of opinion, that to discontinue it at the date now fixed, viz., 31st January next, will be hazardous in the extreme. In the supply of a necessary of life, nothing they think, should be left to chance, and in this instance, there is in their opinion not only a chance but a great probability of failure. There are no symptoms of the Mercantile Community, either of Bombay or the District, being prepared to enter freely in the trade when Government withdraw. It is possible certainly, that they may have held back on account of the Government interference, but, before the people are left wholly

From Collector 17*th in Cons.* 30*th October* 1857, *para.* 8.

dependent on them, plain indications the Board think, ought to be seen of a readiness on their part to avail themselves of the opening. Further, it is very expedient also, as Mr. Robinson argues, that the change should be gradual. Though private individuals may be willing to embark on the speculation, some time may elapse before the capital is available, and before they can judge correctly of the supply required at different periods of the year, and of the means of obtaining it. The consequence of mistakes, as well as of unreadiness, may be most serious in every point of view.

14. But even if private merchants do enter into the trade, it is clear that the price which they must charge will make Salt much dearer to the people. Mr. Robinson observes that the late increase of the import duty from 12 to 14 Annas, and of the Government price from Rupee 1 to 1-2-6 per maund, has not escaped observation; and that anxiety is felt about the further increase of price which must take place, if Government ceases to import. The Board therefore cannot but be solicitous about the feeling which will be produced in the province, when the inhabitants have to purchase at a much higher rate.

From Malabar, 17th in Con. 30th October 1857, *para.* 9.

15. The course which, in the Board's opinion, it would be most expedient to pursue, is:—

1st. To continue the Government sales.

2nd. To restore the duty to 12 Annas per Indian Maund.

16. These are the measures they have advocated on former occasions; and it remains for the Government to decide, whether the experience of the last two years does not shew, that they are those best adapted to secure the two objects of providing a due supply of Salt at a moderate price for the consumption of the people, and at the same time leaving an opening for private trade. Twelve Annas per Indian Maund, is, the Government are aware, the rate levied on import at Bombay, and that which was recommended by Mr. Plowden for all the ports on the Western Coast.

17. The Board will briefly add, that it appears to them that private trade, can only be brought into effective operation for supplying the wants of the District in respect to Salt, by the three following ways:—

1st. To discontinue altogether sales on behalf of Government.

2nd. To raise the price at the Government Depôts to such an amount, that private importers of Salt shall be able to pay the cost price, the duty and expense of conveyance and yet undersell the Government.

3rd. While keeping the sale price at the Government Depôts as at present or at 1 Rupee per Maund, to lower the duty to such an amount, as will allow merchants to import and sell Salt at a profit.

18. Reasons have already been adduced by the Board, for considering that the adoption of the first measure would be unsafe, impolitic, and a hardship to the consumer.

19. The second plan also is altogether objectionable, as raising the price to an amount much higher than in other Coast Districts, and on that account, inflicting a hardship on the people and being likely to create excitement.

20. The 3rd method is one on which the Board do not feel called upon to dilate, as they do not suppose that Government would wish to foster Private trade at a present loss of Revenue; and as Government have already objected to the Import duties being left at the Bombay rate viz. 12 Annas per Indian Maund.

Ordered that the letter of the Acting Collector and copy of these Proceedings, be forwarded for the consideration and orders of the Right Honorable the Governor in Council.

(A true Extract.)

(Signed) G. S. FORBES, *Secretary.*

No. 42. *Minute by the Honorable WALTER ELLIOT.*

When the change in the duty to be levied on the importation of Salt into this Presidency was considered in the early part of 1855 I was too ill to take any part in the discussion, and having proceeded to England on sick leave in June, I saw nothing more of the papers till the whole matter had been disposed of.

On looking back at the papers now, I cannot help being struck with the imperfection of the data on which the arguments of the Board of Revenue and the Government were founded. When the rate of duty on importation was raised from 12 to 14 annas per Indian Maund the Government were guided by a close analysis of calculations furnished by the Board in their Proceedings, and in the C. O. Vol. II. p. 165, and when the Board remonstrated against the accuracy of these conclusions, the Government reiterated them, fortified by farther statements taken from the comprehensive memorandum furnished by the Board to the Salt Commissioner in 1854.

On turning to these, they are found to consist of averages derived from statements of cost from each District, which differ very greatly from each other, ranging from Rupees 5 in Ganjam to Rupees 32½ per Garce in Malabar, these results themselves being confessedly (Board's memo. p. 176) of the most unsatisfactory nature.

The Board however in determining the actual cost of Salt to Government, took the average of the whole of these discrepant elements, excluding only Malabar and Canara, and including *wastage* at 5 per cent. and fixed on Rupees 14-1 per Garce or 11-7 Rupees per 100 Maunds as the average cost including charges to Government *on the Coromandel Coast* (Memo. p. 187). This calculation gives annas 1·875 as the cost per Maund.

The whole of the discussion on this part of the subject between the Board and the Government has been prosecuted on these premises alone, and although the matter in dispute referred to Malabar and Canara only, the returns from these districts have been altogether rejected, notwithstanding that the table at para. 181 of the Board's Memo. gives the cost price in the former at Rupees 39½, and in the latter at 24¾ per Garce inclusive of *charges.*

It is no doubt true that these sums include the charge of carriage from Bombay (about 20 Rupees the Garce) but instead of assuming that there *can* be little difference between the cost of the manufacture of Salt on the Coromandel and Malabar Coasts it would have been more reasonable to have procured accurate data on which to rest such an opinion, one fact being self evident, that in a province where all land is private property and where every kind of industry flourishes in a remarkable degree, the wages of labor must be higher than in districts where such conditions are not found.

Although it was stated by the Board of Revenue that no Salt had been imported from Bombay at the duty of 12 annas the Maund, which had likewise been fixed as the excise duty in Bombay and was also that adopted in Bengal, and although this rate appears still to be considered, too high in Bombay (Salt Commissioner's Report on Bombay para. 429, p. 62) it was resolved on the imperfect data above noticed, at once to raise the duty on all Salt imported into the Madras Presidency to 14 annas the Maund, and this was done accordingly, while a farther change to the disadvantage of the importer was simultaneously adopted by taking the equivalent *by measure* for 120 Maunds at 424 instead of at 400 Marcals as had hitherto been the practice. This was done on the result of experiments made by Lieut. DeLisle of the Bombay Engineers on Bombay Salt, which to say the least are far from being satisfactory on that officer's own showing, and which in an article so liable from its hygrometric properties to be always considerably affected by the dampness or otherwise of the atmosphere, can never be considered as having established a standard.

Meantime the Collector of Canara with a view of encouraging more extensive sales, had with the Board's permission in January 1855, begun to issue salt at the Government Depôts by *weight* at 120 Maunds instead of at the nominal official equivalent of 400 Marcals, which was equal to a reduction of from 8 to 10 per cent. according to the distance from the Depôts.

The decision of Government therefore not only at once raised the import duty by 2 annas or 12½ per cent. per Maund, but took away the advantage recently conceded by the Board on sales by weight at the rate abovementioned.

These fluctuating arrangements could hardly fail to inspire the Salt traders with distrust and check the supply of Salt to the province. But this was not all. By running the calculation of the rate of import duty so fine on such imperfect data, the result was not only affected by

the possible existence of errors in the data assumed, but no sufficient margin was left for contingencies and for losses to which all trading ventures are liable. This is particularly to be kept in mind when the somewhat incongruous course is pursued of attempting to combine free trade principles with a close monopoly. The state of the market which would hold out inducement to the enterprize of a merchant with free course of action to land and expose his goods and without question or interference from any side, assumes a very different aspect when he finds himself obliged to conciliate the good will of the guardians of the monopoly. Whether it was from this view or from oversight that the Board added a margin of nearly 100 per cent. to the sum which they considered should be allowed for cost in fixing the sale of duty, is not clear, but as they had already allowed 5 per cent. for wastage, they could hardly mean to accord 2 annas or nearly 100 per cent. more for the same item. At all events I feel assured that a liberal allowance for such considerations must be conceded if it is desired to encourage the free importation of Salt into the Ports of the Western Coast.

The correctness of the reasoning on which Government proposed to withdraw from the purchase of Bombay Salt on account of Government is unimpeachable, and no doubt the public officers ought and could, not only without injury but with benefit to the general interests, have withdrawn from all interference if the fiscal conditions affecting import had not, as now represented by the Collectors of Malabar and Canara, been productive of another evil.

It seems clear from the best information that after the 1st January the price of salt imported by private enterprize will rise from the present *enhanced* price (Extract Minutes Consultation 20th August 1856, p. 6 in Consultation 26th) of Rupees 1-2-6 per Maund to Rupees 1-8 or 1-10 per Maund.

Whether the Government are prepared to sanction such additional cost to the consumer of one of the first necessaries of life already so exorbitantly taxed, is now to be determined.

I am of opinion that such a measure is repugnant both to justice and good policy.

It would probably lead to a general feeling of discontent and to an increase of smuggling both of Bombay and Goa Salt.

The most obvious remedy is a reduction of the import duty to at least 12 annas the Maund, but it is doubtful whether even this would have the desired effect certainly not in time to prevent mischief after the 1st January next.

And as the question of the excise duty must shortly come under consideration, it will be more convenient to resume the discussion of this part of the subject on that occasion than at present.

The next best plan is to authorize the Collectors of both Districts to continue the purchase of Salt on behalf of Government and to issue it from the Depôts as heretofore.

I propose therefore that the latter course should now be ordered.

I differ with the Board of Revenue in thinking that the local manufacture of Salt should be discontinued.

I would rather encourage the manufacture and continue the experiments with a view to the establishment of a supply of a cheaper local article, as recommended by Mr. Robinson.

The outlay on this attempt hitherto incurred, Rupees 539-1-4, should be sanctioned and further advances authorized for the same object.

The causes assigned for the failure experienced hitherto appear to be untenable.

All Salt pans are floored with tenacious clay or with chunam to prevent leakage. There can be no want of brine in suitable localities along such an extensive sea board, and the humidity of the atmosphere, if advantage be taken of the proper season, cannot offer greater impediments to evaporation in Malabar than it does in Goa, and the S. Konkan where the manufacture is prosecuted with the greatest success.

As the operation of the Monopoly has been to destroy a source of industry which appears to have flourished in former times in spite of the difficulties now alledged to its resuscitation, it is but fair that the people should be placed in a condition to take advantage of the same source of production when the restrictions imposed by the monopoly are withdrawn not only for the sake of those engaged in this branch of industry but for the sake of a cheaper and more abundant supply to the population of the province at large.

31*st August* 1858.

(Signed) WALTER ELLIOT.

No. 43. *Minute by the Honorable W. MOREHEAD.*

1. The principle attempted by Government to be carried out may be a correct one, circumstances however undoubtedly do exist, which render its adoption a grand failure. Whether it is to be persisted in or given up, may be left for future discussion ; at present we need only deal with the untoward state of matters that must follow if steps are not at once taken to permit the Collectors of Canara and Malabar to continue as hitherto the purchase of salt on account of Government, this I would at once do.

2. As it appears that the Merchants find that they cannot import Salt with a profit at 12 annas duty per Maund little good can result from altering the present rate of duty to that sum so it may be allowed to remain as it is for the present.

2d September. (Signed) W. MOREHEAD.

No. 44. ORDER THEREON, No. 1215 ; dated 7th September 1858.

1. In their Proceedings above recorded, the Board of Revenue submit for the consideration and orders of Government a letter from the Acting Collector of Malabar, dated 24th May 1858,

Para. 5. representing that the attempt to manufacture a good description of salt in that Province has now been carried on for two years without success ; the Board accordingly express their decided opinion that the experiment should be abandoned ; and (pp. 8-14) they discuss the method of future supply. The course they would adopt is

Pp. 17-19. First, to continue the Government sales; Secondly, to restore the duty to its former amount of 12 annas a maund ;

For they only see three ways in which private trade can be brought into effective operation for supplying the wants of the District.

These methods are

1st. To discontinue Government sales in toto.

2ndly. To raise the price at the Government Depôts to such an amount that private importers of salt shall be able to pay the cost price, the duty and expense of conveyance, and yet undersell the Government.

3rdly. While keeping the sale price at the Government Depôts as at present at 1 Rupee the Maund to lower the duty to such an amount as will allow merchants to import and sell salt at a profit.

The first of these methods the Board deem "unsafe and impolitic ;" the second "objectionable ;" and on the third they do not feel themselves called upon to dilate, as it would involve a present loss of Revenue.

2. With the foregoing remarks the Board request the orders of Government.

3. The Government resolve to postpone for the present, any further discussion as to the measures which must ultimately be determined upon to supply the population of Malabar with salt. But the papers before them make it quite clear that for sometime to come at any rate, sufficient salt will not be imported into Malabar by private traders for the consumption of the people. The local manufacture is as yet almost a nonentity ; and unless the Government do continue their sales for another year at least there must be a dearth of one of the first necessaries of life in the Province, a state of things which would be not unlikely to lead to serious disturbances.

4. It is resolved in consequence, that the period fixed in Extract Minutes Consultation 24th November 1857, No. 1205 for the discontinuance of the importation of Bombay salt on account of Government be further extended for one year, that is until 31st January 1860.

5. The duty will remain as hitherto at 14 annas. The question of the excise duty must shortly come under consideration, and it will be more convenient (apart from other reasons for postponing discussion) to reserve the point for the present.

6. As regards the local manufacture, the Government are rather disposed to encourage than to discontinue it, in order to establish a supply in the District of a cheaper article, as recommended by Mr. Robinson. The outlay on this account hitherto, is stated to amount to Rs. (539-1-4)

five hundred and thirty nine, anna one and pice four; this is sanctioned and immediate authority will be granted for the disbursement of what further sum may be required.

7. It may not be out of place to remark here, that the Government are not altogether satisfied with the arguments put forth against the possibility of manufacturing salt with success on the Western Coast Districts of this Presidency. The principal cause of failure is ascribed by Mr. Robinson to the sandy nature of the soil in the tidal creeks of Malabar, and the tendency of the water to sink through the bottom of the Pans. The Board think that the humidity of the atmosphere is the greatest impediment to the manufacture. It does not appear however why the porous nature of the soil should prove such an obstacle to the successful production of salt. All salt pans are floored with tenacious clay, or even with chunam to prevent leakage. There can be no want of brine in suitable localities along such an extensive seaboard, and the humidity of the atmosphere, if advantage be taken of a proper season can offer no greater impediments to evaporation in Malabar than it does in Goa and the South Konkan, where the manufacture is prosecuted with the greatest success. The Government trust therefore that the present Acting Collector will use his best efforts to attain the desired end.

(Signed) T. PYCROFT,
Chief Secretary.

5

Memo

When the changes in the duty to be
levied on the importation of salt
into this Presidency was
in the early part of 1855 I was to
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On looking back at the papers now,
I cannot help being struck with the
imperfection of the data on which the
arguments of the Bd of Revenue
& the Govt were founded. When the
rate of duty on importation was raised
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Maund the Govt were guided by a
close analysis of calculations furnished
by the Board

by the Board in their proceedings, and
when the Bd demonstrated what the accuracy
of these conclusions, the Govt tolerated
them, partial & partial statements
taken from the comprehensive memo
furnished [illegible] Bd to the last Comm in
1854.

In turning to these, they are found
to consist of averages derived from
statements of cost in each district, which differ
very greatly from each other, ranging from Rs 6 to
Rs 22 per candy from Malabar, these
results themselves being confessedly (Bd's
Mems. p. 176.) of the most unsatisfactory
nature.

The Bd however in determining
the cost of Salt to Govt, took the
average of the whole of these descrepant
elements, & including ~~costage~~ at 5 per %

by the C.O. vol II p. 165

[illegible] per candy of 11.7 Rs per
candy, exclusive of charges
on the Malabar Coast (Mems p. 187)
as the cost
per ground.

The whole of the discussion on
the cost of Salt between the Bd & the Govt has been
[illegible] on these premises alone. &
[illegible] the matter in dispute referred to
Malabar & Canara only, the
returns from which districts have been
altogether rejected notwithstanding the
para 151 of the Bd's memo give the cost from
the former at Rs 3 9/16 exclusive of charges
& the latter at 2 4 3/4 per candy.
It is true no doubt that these items
exclude the charges of carriage for Govt
but subject of opinion that these
can be totally deficient in any case the cost of
the manufacture of
Salt, on the Coromandel & Malabar
coasts do not have been more reasonable
procured accurate data on which
to [illegible] an opinion, one fact being
self evident, that in a province where
all land is private property & where
every [illegible] of [illegible] is

a mar Rable degree the wages of labor must be ~~much~~ higher than in ~~Bengal~~ where such conditions are not [redacted]

Although stated [illegible] that the B. of Rev. that no salt had been imported from Arabia at the duty of 12 annas the maund ~~the salt from~~ levied at the had been fixed as the export duty in 1852 & was also that adopted in Bengal and although this rate appears still to be considered too high in Bombay (Lett. Comrs Rep. on Ry. pa. 429. par. 62) it was reduced on the imported salt above noticed at once to raise the duty on all salt imported into the Madras Pres. & to the amount the maund & this was done accordingly while a further change to the disadvantage of the importer was [illegible] adopted & taking the standard measure for 20 maunds at 424 instead of at 400 pucca as had hitherto been the practice which was done on the [illegible] experiments made by the Collector of the Salt Engrs in 1852 to. Although the results are far from being satisfactory on the officers own showing & such as an article is liable from its hygrometric properties to the [redacted] always

always considerably affected by the dampness of the or Nearness of the atmosphere, can never be considered as having established a standard.

Meantime the Collector of Canara with a view to encourage exports and increase sales, had [illegible] permission in Jan.y 55 began to [illegible] salt at the Kadi Depôt by weight at 120 lbs instead of at the nominal official equivalent of 400 Madras Candy: the one equal to a reduction of 9 p.c. to the Importer & 16 p.c. to the Depôt

The decision of Govt. therefore not only at once raised the import duty 2 annas or 12½ p.c. on the maund, but took away the advantage recently conceded of the 8 p.c. sale of salt at the rated abovementioned & the same time the duty on the B.A. frontier remaining unchanged at 12 annas the maund, the supply of Goa salt was forced back & found its way by smuggling across the Canara frontier a consequence which no fiscal [redacted] regulations can prevent

& fluctuating arrangements will hardly fail to put the salt traders with the trade & check the supply of salt

to the province. But this was not all. By running the calculations of the rate of imparidity to future on such imperfect data, the results were not only affected by the possible existence of errors in the data assumed, but no sufficient margin was left for contingencies and for losses which all future valuations are liable. This is particularly to be kept in mind when the course but to conform to the course is pursued of allowing principles to combine for under with a view to monopoly. The statement of the market value would hold out inducement to the enterprise of a merchant with free course of action to and expose his goods to Government question or interference. In any case, a person is a very different aspect when he finds himself obliged to conduct

the good will of the guardians of the monopoly. Whether it arose from his own or from over estimating the 18d. added a margin of nearly 100 per cent to the sum which they considered should be allowed for cost in fixing the rate of duty, is not clear, but as they had already allowed 5 per cent. for wastage, they appear to have meant to accord 2 annas or nearly 100 per cent more. At all events it appears that a liberal allowance for such considerations must be conceded if it is desired to encourage the importation of salt into the ports of the Western Coast.

The contractors of the railway on the Sone proposed to withdraw from the purchase of Government salt on account of the impracticable state of the roads, the public offices ought to be closed without injury, but with benefit to the general interest

have withdrawn from all interference
if the Local Conditions affecting in part
as they appear to the Govt of Madras
had not [illegible] production of another sort
[illegible]

[illegible]

It seems clear from the best information
that after the first year the price of salt imported
by private enterprize will rise from the present Govt
Cal price (Exd. Oct. 28th 1868 p. 5. in 28th) of Rs 1. 2. 6 per maund
to Rs 1. 8 or 1. 10 per md.

Whether the Govt are prepared to sanction such
additional cost to the consumer of one of the first necessa-
ries of life already so exorbitantly taxed is
for the determined
Law of opinion that such a measure is [illegible]
repugnant to all sound policy
& would probably lead to general [illegible]
discontent & to an increase of smuggling
[illegible] of Govt salt.

The objections raised to a reduction of the
import duty not at least to 12 annas the maund
but this doubtful shelter, even this we have the
[illegible] not in time to prevent mischief
[illegible] effects certainly
after the 1st January next.

And as the question of the Excise duty must
shortly come under consideration, it will be
for consideration whether the discussion of this
part of the subject on that occasion than at pre-
sent

9.

sent.

The next best plan is to enforce
the orders of the Govt to discontinue the
purchase of salt on behalf of Govt &
to draw it from the Depots as heretofore.

I propose therefore that the letter
[illegible] be ordered.

I suppose the Bd of Revenue
is thinking that the local manufacture
of salt should be discontinued.

Govt rather encourage the manufacture
& continue the Experiments with a view
to the establishment of a supply of a
cheaper local article as recommended
by Dr Robertson.

The outlay on this attempt hitherto
incurred Rs. 589. 1. 6 should be sanctioned
& further advances authorized for the same
object.

The cause assigned for the failure
of Experiment hitherto appear to be sufficient

not only for the sake of those engaged in this branch of industry but for the sake of a cheaper & more abundant supply to the population of the province at large. My

The practicable alterations to be carried out - may be a very long one - circumstances however undoubtedly do exist, which render it desirable that a Guard Lighter should be stationed at Port Weld - Whether it is to be permitted in a given case - may be left for future discussion, at the present we need only deal with the enactment that Masters

Water Ballast.

31/8/55

43

+ As the operation of the monopoly has been to destroy a source of industry which appears to have flourished in former times in spite of the difficulties now alleged to be the cause of its resuscitation, it is but fair that the people should be placed in a condition to take advantage of the same source of production when the restrictions imposed by the monopoly are withdrawn

Memo.

The error in the calculation of the cost price of salt by the Board at 4 annas the Maund, will be found explained in Mr. Bourdillon's [x] Draft of Gr. Mins: of Cons: dated 29th May 1855 No 637 and his Memorandum dated 11th June 1855. The principles on which 1½ Anna was [o] assumed to be cash price are also stated in those papers. The calculation made by Mr Bourdillon was admitted by the Board of Revenue (vide para 3 of their Secretary's letter dated 12th July 1855) The other important papers connected with the Madalum Salt question are also put up.

[x] Vide 10 paras.

[o] Vide 9 paras.

25th August 1858

Rev. Dept.

No. 1215.

Extract from the Minutes of Consultation under date the 7th September 1858

Read the following Papers

Extract from the Proceedings of the Board of Revenue (Here enter 21st June 1858 ct. 2154)

Minute by the Hon. Mr. Elliot (Here enter 31st August 58)

do by the Hon. Mr. Morehead (Here enter 2d Sept. 58)

1. In their Proceedings above recorded the Board of Revenue submit for the consideration and orders of Govt. a letter from the Collector of Malabar, dated 24th May 1858, representing that the attempt to manufacture a good description of salt in that province has now been carried on for two years without success; the Board accordingly express their decided opinion that the Experiment should be abandoned; And pp. 8–14 they

No. 1573.

Minute by the Hon: Mr. W. Morehead.

Dd 2d September 1858

It is of opinion that present duty on salt should be allowed to remain unaltered and that the Collectors of Canara and Malabar must be authorized to continue the purchase of salt on account of Government.

No 42–43.

Revenue 1858 Sept.

Cons: 7th Sept.

No. 1572.

Minute by the Hon: Mr. Walter Elliot

Dd 31st August 58.

S. E. No. 1215–7 Sept.

It is in favor of a reduction of the import duty on salt to 12 Annas the Govt. would encourage the local manufacture of salt in Malabar and Canara. Considers it expedient that the Government should continue their sale of this article.

Minute

discuss the method of future supply. The course they wd. adopt is

Ap 17-19

First, to continue the Govt Sales

Secondly, to restore the duty to its former amount of 12 Rs. a Md.;

For they only see three ways in which private trade can be brought into effective operation for supplying the wants of the Dist.

These methods are

1st. To discontinue Govt Sales in toto.

2ndly To raise the price at the Govt Depôts to such an amt. that private importers of salt shall be able to pay the cost price, the duty and expences of conveyance, & yet undersell the Govt.;

3rdly While keeping the sale price at the Govt. Depôts as at present at 1 R. the Md. to lower the duty to such an amt. as will allow merchants to import and sell salt at a profit.

the first of these methods the Bd deem "unsafe and impolitic"; the second "objectionable"; and on the third they do not feel themselves called upon to dilate, as it wd involve a present loss of revenue.

2. With the foregoing remks the Bd request the orders of Govt.

3. The Govt resolve to postpone for the present any further discussion as to the measures which must ultimately be determined upon to supply the population of Malabar with salt. But the papers before them make it quite clear that for some time to come at any rate, sufft salt will not be imported into Malabar by private traders ~~to supply~~ for the consumption of the

people. Medical manufacture is
as yet
almost a nonentity; and
unless the Govt do continue their
sales for another year at least
there must be a dearth of one of
the first necessaries of life in
the Province, — a state of things
which wd be not unlikely to
lead to serious disturbances.

4. It is resolved in consequence,
that the period fixed in Govt.
2d Nov 1857, No 1205 for the dis-
continuance of the importation
of Bombay Salt on acct of Govt
be further extended one
year, that is until 31 July
1860.

5. The duty will remain as hitherto
at 14 Annas. The question of
the Excise duty must shortly
come under consideration,
and it will be more convenient
(apart from other reasons for
postponing discussion) to reserve
the point for the present.

6. As regards the local manufac-
ture, the Govt are rather dis-
posed to encourage than to
discontinue it, in order to
establish in the District a supply of a
cheaper article, as recommended
by Mr. Robinson. The outlay
on this account hitherto, is
stated to amount to Rs.
(539.1.4) five hundred
and thirty nine, anna one
& pice four; This is sanction-
ed and immediate
authority will be granted
for the disbursement of
what further sum may
be required.

7. It may not be out of place to
remark here, that the
Govt are not altogether satis-
fied with the arguments

put forth against the possibility
of manufacturing salt with
success on the Western Coast
Districts of this Presidency.
The principal cause of failure
is ascribed by Mr Robinson to
the sandy nature of the soil
in the tidal Creeks of Malabar;
and the tendency of the water
to sink through the bottom of
the Pans. The Board think
that the humidity of the
atmosphere is the greatest
impediment to the manu-
facture. It does not
appear however why the
porous nature of the soil
should ~~form~~ prove such an
obstacle to the successful
production of salt. All
salt pans are floored with
tenacious
clay, & even with chunam

to prevent leakage. There can
be no want of brine in suitable
localities along such an extensive
seaboard, and the humidity
of the atmosphere, if advantage
be taken of a hot season
can offer no greater impedi-
ments to evaporation in
Malabar than it does in
Goa and the S. Konkan,
where the manufacture
is prosecuted with the
greatest ~~ease~~ success. We
trust therefore that
the present Acting Collector
will use his best efforts
to attain the desired end.

3 Copies to the Bd of Rev. with Account and Cash Notes
1 — " — " Cash Account
1 — " — Collr of Malabar

WR
Sept 4.

To the Bd of R.
Para 6 D C. A
A. S.

Revenue 1858 Septr
Cons: 7th Septr

№ 1215

Extract Mins of Cons:
Dated 17th September 1858:

Rec: from Bd of Rev: D/ 8th Septr
1858 C № 1427 inc: 2 pl

Resolve to post pone for
the present, the consideration of mea-
sures necessary for the supply of Salt
to the population of Malabar; The
period fixed for the discontinuance
of the importation of Bombay Salt
recommd by Govt, to be fixed there-
after
rates
Sale &c
to them

5391.4.

№ 41 at 44-