Pennie Department

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செப்பனிடுபவர் பெயர்: S. மாரிமுத்து

செப்பனிடுவதற்காக எடுத்துக்-கொள்ளப்பட்ட நாள். 07/06

சரிபார்க்கும் முதல் முதியாள கையொப்பம்

சரிபார்க்கும் 2ம் முதியாள கையொப்பம்

ஆராய்ச்சி உதவியாளர் கையொப்பம்

1 141

Fort Saint George, Revenue Consultation of 18th May 1858.

No. 14. Read the following Extract from the Proceedings of the Board of Revenue, dated 22d March 1858, No. 1009.

In Cons. 15th January 1858. Read again Extract Minutes Consultation under date 24th November 1857, No. 2167, Public Department, reviewing the Report of Lieutenant Colonel Cotton's tour of inspection in the Northern Districts.

1. There are several points in the above Extract Minutes Consultation which are referred for the consideration of the Board of Revenue, and regarding most of which references have had to be made to the local Authorities. These will be brought to the notice of Government in due course, but in the meantime the Board would wish to submit their opinions as to two questions which do not need a reference. 1st, as to the encouragement to be given to the cultivation of Sugar cane ;* and 2dly, as to the establishment of Inland Depôts for Salt, and Salt stores at the Sea ports.†

* *Para. 32 of E. M. C. 24th Nov.* 1857.
† *Para. 40 of above E. M. C.*

2. In para. 55 of his report, Colonel Cotton proposes that Government should take means to secure for the Sugar cane cultivation in Ganjam, a certain and cheap supply of water, so as to remove the present cost of irrigating by Wells. He remarks that in consequence of the very favourable climate of Ganjam, the cost of a constant supply of water for a whole year, would be smaller than in most districts.

3. To this the Board yield a most cordial assent, but it is not in their province to expatiate on the best mode of constructing the necessary works.

4. Colonel Cotton then remarks (para. 57) " Another relief that the Government might give to the sugar growers is, to take the revenue from the land *after the crop is sold.* If the security is good, the Government will not I am sure object to this innovation ; and I am certain that if it were tried, it would be found that no native land-owner would allow the field to pass out of his possession that had once yielded him the profits of a full sugar crop. Land let on such favourable terms, and supplied with water for sugar the whole year through, might well be paid for at 15 Rupees an acre. It would be worth 50 Rupees."

5. In a country where almost the whole revenue is derived from the land, it has been held by all Governments that the crop is the security for that revenue. Under Native Government, and formerly under ours, it was usual not to permit a crop to be cut without a special order from the revenue authorities, but this is not now in force, and every means has lately been taken so to arrange the periods of the kists or instalments, as may best enable the cultivator to sell his produce without entirely losing the hold on the part of Government of his crop, in case of default. The experiment of permitting ryots to remove their crop before paying any part of the Government dues, would be as a general measure very hazardous, and the Board are not surprised to find Colonel Cotton stating that " there is not one Sheristadar in the service who would not " object to this." The Board are however anxious to give every encouragement to the cultivation of such a useful export as sugar, and would recommend Government to try the measure proposed by Colonel Cotton in Ganjam. If the " security is good" as Colonel Cotton observes, there really seems no objection : and the Board will instruct the Collector to inform them if there are the means of ascertaining what is the actual area of each separate portion of land yearly cultivated with sugar cane, with the view of assessing it at a fixed rate of 15 Rupees an acre, where the irrigation is sufficient for the whole year through. Instead of the time of *sale*, a certain period after cutting the cane, will be better.

6. The next point noticed by Col. Cotton, (para. 58) is the large sum required for the *cuttings*, when a *new* sugar cane garden is to be commenced, and if he were not generally averse to Government attempting any cultivation of its own, he would suggest that a few acres should be planted every year with cane to be distributed for cuttings. He has suggested this mode of giving an advance, to the owners of the Aska sugar works. The Board concur with Colonel Cotton in these remarks, and would not urge any Government interference in the matter.

* *Bd. Pro. 4th July 1855. para. 28.*

† *E. M. C. 11th March in Con. 12th July 1856, No. 285, R. D. para. 5.*

7. The Board would observe that they before* attempted to obtain some special consideration for sugar cane cultivation, being impressed with the value to this country of this branch of Agriculture, affording as it does so unlimited a field for what is so much required, namely exportable produce ; but the Goverment observed† that while they were "desirous to relieve sugar culti- "vation of all unfair burdens, they were not disposed to foster that, or any other special product by favorable taxation."

8. The second subject which the Board proceed to consider, is with regard to Stores and Depôts for Government Salt.

9. The observations made by Colonel Cotton in paras. 88 to 112 of his report, are the result of personal investigation, and afford valuable information. They refer immediately to Ganjam, but remedial measures are proposed which affect the whole bearing of the Monopoly.

10. The Board are of opinion, both with Government and Colonel Cotton, that it should be an object to *sell the greatest possible quantity* of this necessary of life : but this question cannot be considered apart from that of revenue. Salt and Land are the two main sources of revenue, and must continue to be so as long as the State wishes to retain its solvency, unless some better source of taxation is pointed out. If the object were *merely* to sell the greatest possible quantity of salt, the monopoly price should be reduced from 1 Rupee to 2 annas a maund, or the cost of manufacture. The Board do not suppose such a step as this is contemplated, and therefore there must be *some* point where endeavouring to distribute the greatest possible quantity, the revenue by which the State is maintained *must* come into consideration ; and Colonel Cotton admits this when (in para. 108) he states that his "object is to give the consumers all the advantage "that can be given them *without loss to the Government.*"

11. Colonel Cotton observes (para. 91) that the small consumption of salt in the interior, is owing more to the cost of carriage, than the price at which it is sold at the place of manufacture, and the Board believe that this remark holds good not only in Ganjam but every where.

12. The question then is, how to lessen this cost of carriage ? Three modes present themselves independent of the question of Roads and the Monopoly price ; 1st, to remove the place of sale from the swampy and desolate localities where it is now carried on, to the nearest high road, or sea-port ; 2ndly, to establish Depôts in the interior ; 3rdly, to grant Drawbacks to merchants selling wholesale, at specified places in the interior.

13. With regard to the first, the Board are of opinion with Colonel Cotton, that the Government who have the monopoly of the sale, should guarantee every facility of approach, both by sea, and land ; and they would urge that steps be taken at once in every district where facility of access is wanting, to arrange for the transfer of the salt for sale to the nearest high-road, or sea-port after consultation with the district Engineer. It is not to be denied that the cost of this carriage though short in distance, will be expensive in outlay, on account of the nature of the soil in such localities, and the necessity for a double establishment, one at the place of manufacture, and one at the place of sale ; but the Board still recommend that the price be not raised to the purchaser at the Depot, believing that the sales will so increase as to cover the expenditure. Madras itself may be referred to as an instance. The salt is made and temporarily stored at the places of manufacture 10 or 12 miles from Madras. The country is of such a nature that approaches either by carts or by boats up the creeks, must always be difficult ; and if a convenient Depot had not been established in the town of Madras, there is little doubt but the sales would have been very far short of what they now are. It is true that the cost of carriage to the Depot (by boats) is smaller than it would be in most places, but the principle is the same, and even if the extra expenditure is only just covered by the extra sales, the propriety of the measure cannot admit of a doubt. The Depots situated a short way up the rivers in Canara, are farther corroborations of the feasibility and success of the arrangement now proposed. If instead of transporting the Store to the high road, a branch road wide and solid enough can be made to the place of sale, this would answer the same purpose, but the usual nature of the soil, constantly trampled as it must be by thousands of bullocks, and cut up by cart wheels, will oblige Government, the Board anticipate, to meet the greater expense of entire removal of store.

2 1415

Fort Saint George, Revenue Consultation of 18th May 1858.

14. Besides the above Depots, the Board are of opinion that a store should be kept at each seaport where there is an export trade in salt, for sale at the usual export prices.

15. The next question is as regards Inland Depots. If there were reasonable data for supposing, as Colonel Cotton seems to do in para. 107, that the cost of carriage would be covered by increased sales, there could be no objection to the arrangement, but the Board do not see sufficient grounds for such expectation, except where there is water carriage, as at Madras and in Canara, but the Depots in these Districts hardly come under the category of 'Inland' Depots. It is apparently, because of the doubt above expressed, that Colonel Cotton in para. 108 proposes that where the ordinary land carriage is employed, the charge for carriages might be made, (i. e. added to the Monopoly price.)

16. The question of Inland Depots for salt has often been discussed. If the charge for carriage is to be made, the objection is that Government are placing themselves in competition with the trader, and whilst their charge for carriage would always be greater than his would be, he is driven out of the market by their larger operations, and thus they make themselves responsible for the supply of the whole country. If the charge for carriage is *not* to be made, the objection is, that the attempt is vain to equalize prices, when their differences arise as in the case of salt, from natural causes, such as distance; and that this increase of price in proportion to distance from the coast would display itself even if the manufacture and sale were perfectly free, and as it is not caused by the fact of a Monopoly, the Government are not called upon to sacrifice revenue to counteract it.

17. The Board are aware that these arguments may be met by others, and if it is desired to enter more into the subject, they would refer to their "Memorandum on Salt" dated 17th June 1854* paras. 193, 194, 195, 196, in which their opinion was adverse to salt Depots in the interior, and in favour of reducing the cost price and improving the roads, thereby enabling the people to purchase more largely.

* *No. XVI. of Selection from Records.*

18. The Court of Directors in 1823 were adverse to Depôts,† but in favour of them in 1852‡; the subject however is hardly more than just noticed by them.

† *Board's Memorandum on salt para.* 196.
‡ *Salt Commissioner's Report, Calcutta Edition, appendix K. No.* 10 *para.* 9.

19. Mr. Plowden in para. 708 of his Report concurs in the objections to Depots, on the ground that the Government should not interfere to relieve purchasers from the unavoidable consequences of position.

20. In their letter of the 4th January 1855, the Board with reference to the view taken by the Court in 1852, reiterated their objections to the Establishment of Depots, as interfering with trade, and preferred a reduction of the Monopoly price.

Dated 31st August 1852, No. 13. In from Govt. 6th Novr. 1852. In Con. 20th Jany. 1853.

21. On the 1st February 1856, the Board with reference to the facilities afforded by the Railway lately opened, proposed to Government the establishment of large salt Depots at localities on the line of rail, believing that the cost of carriage would be more than covered by the increased sales.

22. On the 13th March 1856, No. 295, Revenue Department, the Government declined entering into a consideration of the question, because the future of the salt Revenue was so uncertain, and because they considered the Railway rates of carriage too-high. They add that if it is the proposition of the Board, to offer the salt for sale at the Depots *without addition to the Monopoly price* "they would not under any circumstances be prepared to approve of this plan."

In Con. 7th April 1856.

23. On the 21st May 1856 the Board in reference to certain propositions made by Mr. Cammiade, again adverted to the advantage that might accrue from Depots on the Railway line, and the sale of salt at Monopoly price ; but the subject has been disposed of by Government, who remarked§ that "the present correspon- "dence furnishes strong reasons against any

§ *E. M. C. 26th June in Cons. 7th July 1856, No. 655 R. D.*

interference with the Inland trade, which interference could only be justified in the opinion of Government, by necessity."

In Consultation 15*th January* 1858.
*"That they would "take into consideration Colo-
"nel Cotton's suggestions for the establish-
"ment of Inland Depots and for storing salt
"at the Seaports."*

24. After this, the Board consider themselves precluded from doing more in reply to the requisition of Government in Extract Minutes Consultation 24th November 1857, para. 40,* than to recommend the establishment of Depots and Stores at the nearest convenient locality to the place of manufacture, either on the high Road, or at a neighbouring seaport.

25. The 3d mode proposed for lessening the price of salt in the interior, (para. 12 of these Proceedings) is by drawbacks.

26. In para. 193 of their Salt Memorandum of 1854, the Board objected to drawbacks on the same principle nearly that they objected to Depots, and were of opinion that it would be necessary to make the drawback so great that the increased sales would not cover the expenditure. Mr. Plowden in para. 708 of his Report, concurs with the opinion expressed by Mr. Dalzell† adverse to drawbacks, "because from the bulkiness of the commodity, the cost of carriage must enter so largely into the price in the interior, as to neutralize the effect of almost any drawback that could be granted without material detriment to the Monopoly."

† *Appendix K. No.* 12.

27. Another difficulty with regard to drawbacks is, that though the drawback to cover the expense of private carriage, would not entail such an expenditure as the cost of public carriage, yet the delay and vexation caused to the trader, as in the case of Transit duties, by the necessity for unloading and reweighing would be great, for a Rawana received at the salt store would be no security; that the quantity entered in it was all brought to the place where the drawback was to be claimed.

28. The Board therefore, with the expressed views of Government before them, are not prepared again to advocate either Depots, (except close to the places of manufacture) or drawbacks.

In Consultation 15*th January* 1858.

The Government observe in para. 40 of Extract Minutes Consultation 24th November 1857, that "as "regards the salt trade, the interests of Government are "precisely those of a Merchant, and that the greater the facilities afforded to customers, the "greater is the inducement to trade." Bearing this principle in mind, the Board are under the impression that the facilities afforded to customers by Inland Depôts will (unless on the line of Railway and cheap carriage) not induce that extension of trade which would in a mercantile view be productive of profit. They believe that the sales and the consumption will be increased in proportion as the means of communication, either by road, rail, or canal are rendered efficient, and that this is the most legitimate mode of procedure for Government to adopt. Improvement in this particular will be equally to the benefit of the Government Revenue, whether the salt be under Monopoly or Excise, whereas if the latter be adopted, the expense now incurred to organize Depots will be so much lost.

(A true Extract.)

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

No. 15.

ORDER THEREON, No. 631; dated 15th May 1858.

1. In reviewing Lieutenant Colonel F. C. Cotton's report upon his professional tour of inspection into the Northern Littoral Districts of the Madras Presidency, during March and April 1856, the Government, in Extract Minutes Consultation dated 24th November 1857, No. 2167 Public Works Department, among other points, requested the Board of Revenue to submit their opinions upon Lieutenant Colonel Cotton's suggestions as to the encouragement to be given to the cultivation of Sugar-cane, and the establishment of Inland Depôts for salt, and salt stores at the sea ports.

Para. 32.

Para. 40.

2. Lieutenant Colonel Cotton suggested two modes in which Government might encourage the cultivation of sugar. First by the construction of irrigation works which shall secure a supply of water to cane cultivation throughout the year, and secondly, by taking the revenue after the crop is sold, holding the land as security. In paras. 2-7 of the Proceedings of the Board of Revenue above recorded, the question is discussed, and Lieutenant Colonel Cotton's remarks on the advisability of planting Government nurseries for cane cuttings, noticed.

3. The Board first "cordially assent" to the Superintending Engineer's proposal to secure a perpetual and cheap supply of water to the sugar-cane cultivation by means of works of irrigation to be hereafter formed. The Government observe that they have lately refused to sanction certain Estimates submitted by the Chief Engineer for tracing new roads in Ganjam, considering that the Public Works Department in that District have now fully two years work in hand. At the same time they will not object to take into consideration, any general scheme which may be laid before them with reference to para. 56 of Lieutenant Colonel Cotton's report, to which the Chief Engineer has already been requested to draw the District Engineer's attention.

Para. 3.

Ex. Mins. Cons. 19*th Feby.* 1858, *No.* 291.

4. The Board of Revenue approve of the Superintending Engineer's suggestion to permit the removal of the cane crop before payment of the revenue which may, they think, be made payable within a certain fixed period after cutting the cane. It will only be necessary to be careful that the security tendered is perfectly tangible. The Government would wish to be made acquainted with the information which, in the latter part of para. 5, the Board say that they called for, but in the meantime are quite willing that the proposed system should be introduced. It is observed that the sugar-cane plantations in Ganjam extended over to 4,775 acres in Fusly 1263 assessed at only Rupees 16,500, or less than 3½ Rupees an acre. The proposed rate of 15 Rupees would produce a very large enhancement of the revenue derivable from this source, but, as it is only proposed to levy this fixed rate of Rupees 15, when the irrigation is sufficient for the whole year, it would probably only be applicable to a limited portion of the extent of the land on which the product in question is now raised.

Para. 5.

Madras Land Revenue Reports for Fusly 1263 *page* 57.

5. With reference to the formation of Government nurseries, the Government are not of opinion that the scheme is open to such objection as if it were designed to derive any direct profit from the sale of the cuttings on the part of Government; the cuttings would be distributed at such a rate as would cover the cost of growing them, and the effect would be merely to place the better description of cane within the ryots reach, without loss to Government. But as it has been the avowed policy of Government of late years to interfere in no way with cultivation, at present they will only say that the proposition above referred to is one they will be prepared to consider if the Collector should represent that the difficulty to the ryots of procuring cane cuttings is such as to interfere with an extension of cultivation.

6. In para. 7 of their Proceedings, the Board imply that the Government disapproved of their former proposal to obtain some special consideration for sugar cultivation, but the very Extract from the order to which the Board refer, quoted by them, shews that it was the application of a specifically favorable taxation to which the Government objected. Such a course would be opposed to the system of not taxing a particular crop: It would be as improper to impose a particularly light tax on any specific crop as a particularly heavy one, but there can be no objection to relieve sugar cultivation of all unfair burdens, and to remove any obstruction which may at present impede an extension of the cultivation.

7. In the eighth and following paras. the Board discuss Lieutenant Colonel Cotton's suggestions with reference to Stores and Depôts for Government Salt. These will be found in p. 88-112 of his report. The Board rightly assume that the object to be aimed at is to give the consumers of Salt all the advantage that can be given without loss to the Government, and in para. 11, they quote Colonel Cotton's observation that the small consumption of Salt in the interior is owing more to the cost of carriage, than to the price at which it is sold at the place of manufacture. It becomes an object therefore to lessen this cost of carriage.

Para. 12. 8. The Board suggest three ways in which this can be done.

1. To remove the places of sale from the swamps where it is now carried on, to the nearest road, or port.

2. To establish Depôts in the interior.

3. To grant drawbacks to merchants selling wholesale at specified places in the interior.

Para. 28. 9. As regards the Inland Depôts and the drawback system, the Board are not prepared to advocate either. They shew that this Government have virtually negatived the plan of Inland Depôts, for in Extract Minutes Consultation 13th March 1856 No. 295, Revenue Department the Government expressly said that they would not, under any circumstances, be prepared to approve of the plan of offering Salt for sale at the Depôts without addition to the monopoly price: and if a charge for carriage is to be made, the objection arises that Government are placing themselves in competition with the trader, and as the Board rightly consider, most disadvantageous competition.

Paras. 17-20. The Board go on to quote their former opinions against the establish-
Paras. 193-196. ment of these Depôts, as enunciated in their Memorandum on Salt &c., And they refer to the similarly adverse opinion of Mr. Commissioner Plowden, as expressed in para. 708 of his report. Again with reference to the drawback system, they quote para. 193 of their Salt Memorandum of 1854, where an opinion is expressed that it would be necessary to make the drawback so great that the increased sales would not cover the expenditure; Mr. Plowden concurs in deprecating the system; and

Para. 27. the Board shew in addition, that considerable delay and vexation would be entailed upon the trader. The Government concur with the Board of Revenue in rejecting these two alternatives, and they proceed to consider the first plan noticed by the Board; that of transferring the place of sale to more accessible localities than the present, such as store-houses situated on high roads, or at Sea-ports.

10. The Board agree with Lieutenant Colonel Cotton that the Government, who have

Para. 13. the monopoly of sale, should guarantee every facility of approach both by sea and by land; and "they urge that steps be taken at once, where "facility of access is wanting, to arrange for the transfer of the salt for sale "to the nearest highroad or sea-port, after consultation with the District Engineer," no increase in price being made at the Depôts over and above the Monopoly rates. In some cases it would be the better plan to construct a good road up to the present place of sale instead of making any transfer of such place. This is a question that depends in some degree on the nature of the country immediately around the salt pans. The opinion of the District Engineer will be required through the Central Office, on the relative advantages, and expense, of constructing good roads between the main communications and each of the salt pans, and establishing new Depôts on the main communications themselves. As a general question, the Government consider that the plan of constructing solid and good roads upto the present places of manufacture, would be preferable to that of transferring the place of sale, it would be more consistent with the policy under which the State declines to interfere to relieve purchasers from the unavoidable consequences of position; these consequences as the Board remark, are wholly unconnected with the monopoly, and are not therefore matters with which the Government can be called upon to interfere.

(Signed) W. H. BAYLEY,
Acting Secretary to Government.

Revenue 1858 Department
Cons: 18th May
No. 416

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Extract from the Proceedings of the Board of Rev.
D/ 22d March/58

Ex: from Mds: optd Bd of Revenue
2d July 1858 C No 1072 in Cons:
27 July

Submitting the views of the Board on the question of the encouragement to be given to the cultivation of Sugar Cane, and as regards the Establishment of Inland Depôts for salt and salt stores at the Sea ports

Nos 14-15

With One Order No 631
D/ 16 May/58

No. 1069.

Extract from the Proceedings of the Board of Revenue, dated 22d March 1858.

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* Para. 32 of E. M. C. 24th Nov. 1857.

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11. Colonel Cotton observes (para. 91) that the small consumption of salt in the interior, is owing more to the cost of carriage, than the price at which it is sold at the place of manufacture, and the Board believe that this remark holds good not only in Ganjam but every where.

12. The question then is, how to lessen this cost of carriage? Three modes present themselves independent of the question of Roads and the Monopoly price: 1st, to remove the place of sale from the swampy and desolate localities where it is now carried on, to the nearest high road, or sea-port; 2ndly, to establish Depôts in the interior; 3rdly, to grant Drawbacks to merchants selling wholesale, at specified places in the interior.

13. With regard to the first, the Board are of opinion with Colonel Cotton, that the Government who have the monopoly of the sale, should guarantee every facility of approach, both by sea and land; and they would urge that steps be taken at once in every district where facility of access is wanting, to arrange for the transfer of the salt for sale to the nearest high road, or sea-port, after consultation with the district Engineer. It is not to be denied that the cost of this carriage though short in distance, will be expensive in outlay, on account of the nature of the soil in such localities, and the necessity for a double establishment, one at the place of manufacture, and one at the place of sale; but the Board still recommend that the price be not raised to the purchaser at the Depot, believing that the sales will so increase as to cover the expenditure. Madras itself may be referred to as an instance. The salt is made and temporarily stored at the places of manufacture 10 or 12 miles from Madras. The country is of such a nature that approaches either by carts, or by boats up the creeks, must always be difficult; and if a convenient Depôt had not been established in the town of Madras, there is little doubt but the sales would have been very far short of what they now are. It is true that the cost of carriage to the Depôt (by boats) is smaller than it would be in most places, but the principle is the same, and even if the extra expenditure is only just covered by the extra sales, the propriety of the measure cannot admit of a doubt. The Depôts established a short way up the rivers in Canara, are farther corroborations of the feasibility and success of the arrangement now proposed. If instead of transporting the Store to the high road, a branch road wide and solid enough can be made to the place of sale, this would answer the same purpose, but the loose nature of the soil, constantly trampled as it must be by thousands of bullocks, and cut up by cart wheels, will oblige Government, the Board anticipate, to meet the greater expense of entire removal of store.

14. Besides the above Depots, the Board are of opinion that a store should be kept at each seaport where there is an export trade in salt, for sale at the usual export prices.

15. The next question is as regards Inland Depots. If there were reasonable data for supposing, as Colonel Cotton seems to do in para. 107, that the cost of carriage would be covered by increased sales, there could be no objection to the arrangement, but the Board do not see sufficient grounds for such expectation, except where there is water carriage, as at Madras and in Canara, but the Depots in these Districts hardly come under the category of 'Inland' Depots. It is apparently, because of the doubt above expressed, that Colonel Cotton in para. 108 proposes that where the ordinary land carriage is employed, the charge for carriage might be made (i. e. added to the Monopoly price.)

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16. The question of Inland Depots for salt has often been discussed. If the charge for carriage is to be made, the objection is that Government are placing themselves in competition with the trader, and whilst their charge for carriage would always be greater than his would be, he is driven out of the market by their larger operations, and thus they make themselves responsible for the supply of the whole country. If the charge for carriage is *not* to be made, the objection is, that the attempt is vain to equalize prices, when their differences arise as in the case of salt, from natural causes, such as distance; and that this increase of price in proportion to distance from the coast would display itself even if the manufacture and sale were perfectly free, and as it is not caused by the fact of a Monopoly the Government are not called upon to sacrifice revenue to counteract it.

17. The Board are aware that these arguments may be met by others, and if it is desired to enter more into the subject, they would refer to their "Memorandum on Salt" dated 17th June 1854* paras. 193, 194, 195, 196, in which their opinion was adverse to salt Depots in the interior, and in favour of reducing the cost price and improving the roads, thereby enabling the people to purchase more largely.

* No. XVI of Selection from Records.

18. The Court of Directors in 1823 were adverse to Depôts,* but in favour of them in 1852†; the subject however is hardly more than just noticed by them.

* Board's Memorandum on salt para. 196.
† Salt Commissioner's Report, Calcutta Edition, appendix K. No. 10 para. 9.

19. Mr. Plowden in para. 708 of his Report concurs in the objections to Depôts, on the ground that the Government should not interfere to relieve purchasers from the unavoidable consequences of position.

20. In their letter of the 4th January 1855, the Board with reference to the view taken by the Court in 1852, reiterated their objections to the establishment of Depôts, as interfering with trade, and preferred a reduction of the Monopoly price.

Dated 31st Augt. 1852 No. 18 in From Govt. 6th Novr. 1852 in Con. 20th Jany. 1853.

21. On the 1st February 1856, the Board with reference to the facilities afforded by the Railway lately opened, proposed to Government the establishment of large salt Depots at localities on the line of rail, believing that the cost of carriage would be more than covered by the increased sales.

22. On the 13th March 1856 No. 295 R. D. the Government declined entering into a consideration of the question, because the future of the salt Revenue was so uncertain, and because they considered the Railway rates of carriage too high. They add that if it is the proposition of the Board, to offer the salt for sale at the Depots *without addition to the Monopoly price* "they would not under any circumstances be prepared to approve of this plan."

In Con. 7th April 1856.

23. On the 21st May 1856 the Board in reference to certain propositions made by Mr. Cammiade, again adverted to the advantage that might accrue from Depôts on the Railway line, and the sale of salt at Monopoly price; but the subject has been disposed of by Government, who remarked* that "the present correspondence furnishes strong reasons against any interference with the Inland trade, which interference could only be justified in the opinion of Government, by necessity."

* P. M. C. 25th June No. 655 R. D. In Con 7th July 1856

24. After this, the Board consider themselves precluded from doing more in reply to the requisition of Government in Extract Minutes Consultation 24th November 1857 para. 40,* than to recommend the establishment of Depots and Stores at the nearest convenient locality to the place of manufacture, either on the high Road, or at a neighbouring seaport.

In Con. 15th January 1858.
* That they would "take into consideration "Col. Cotton's suggestions for the establishment of "Inland Depôts, and for storing salt at the seaports."

25. The 3d mode proposed for lessening the price of salt in the interior, (para. 12 of these Proceedings) is by Drawbacks.

26. In para 193 of their Salt Memorandum of 1854, the Board objected to Drawbacks on the same principle nearly that they objected to Depots, and were of opinion that it would be necessary to make the Drawback so great that the increased sales would not cover the expenditure. Mr. Plowden in para. 708 of his Report concurs with the opinion expressed by Mr. Dalrymple† adverse to drawbacks, "because from the bulkiness of the commodity, the cost

† Appendix K. No. 12.

of carriage must enter so largely into the price in the interior, as to neutralize the effect of almost any drawback that could be granted without material detriment to the Monopoly."

27. Another difficulty with regard to Drawbacks is, that though the Drawback to cover the expense of private carriage, would not entail such an expenditure as the cost of Public carriage, yet the delay and vexation caused to the trader, as in the case of Transit duties, by the necessity for unloading and reweighing would be great, for a Rawana received at the salt store would be no security that the quantity entered in it was all brought to the place where the Drawback was to be claimed.

28. The Board therefore, with the expressed views of Government before them, are not prepared again to advocate either Depôts, (except close to the places of manufacture) or Drawbacks.

In Con. 15th Jany. 1858.

The Government observe in para 40 of Extract Minutes Consultation, 24th November 1857, that "as regards the salt trade, the interests of Government "are precisely those of a Merchant, and that the greater the facilities afforded to customers, the greater "is the inducement to trade." Bearing this principle in mind, the Board are under the impression that the facilities afforded to customers by Inland Depôts will (unless on the line of Railway and cheap carriage) not induce that extension of trade which would in a mercantile view be productive of profit. They believe that the sales and the consumption will be increased in proportion as the means of communication, either by road, rail, or canal are rendered efficient, and that this is the most legitimate mode of procedure for Government to adopt. Improvement in this particular will be equally to the benefit of the Government Revenue, whether the salt be under Monopoly or Excise, wherens if the latter be adopted, the expense now incurred to organize Depôts will be so much lost.

(A true Extract.)

Secretary.

To

H. FORBES, Esq.,
Acting Secretary to Government,
Revenue Department.

C 6 1415 Madras Vol 1

Revenue Department

No. 631.

Extract from the Minutes of Consultations

Under date the 15th May 1858.

Read the following

Extract from the Proceedings

of the Board of Revenue

Here enter 22d March 1858

No 1009)

Para 32

1 In reviewing Lieutenant

Colonel F. C. Cotton's report

upon his professional tour

of inspection into the

Northern Littoral District

of the Madras Presidency,

during March and April

1856, the Government in

Extract Minutes of Consul-

tation dated 21st November

1857 No 2167 Public Works

Department, among other

points, requested the Board

of Revenue to submit

their

their opinions upon Lieut. Colonel Cotton's suggestions as to the encouragement to be given to the Cultivation of Sugar cane, and the establishment of Inland Depôts for Salt, and Salt Stores at the sea ports. Para 40

2. Lieutenant Colonel Cotton suggested two modes in which Government might encourage the Cultivation of Sugar. First by the construction of Irrigation works by which shall secure a supply of water to cane cultivation throughout the year, and secondly, by taking the revenue after the crop is sold, holding the lands as security. In paras 2-7 of

1915

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Para 3

C. Mun. Con. 14 July 65 No 291

of the Proceedings of the Board of Revenue above recorded the question is discussed, and Lieut. Colonel Cotton's remarks on the advisability of planting Government nurseries for cane cuttings noticed.

3 The Board first "cordially assent" to the Superintending Engineer's proposal to secure a perpetual and cheap supply of water to the Sugar cane cultivation by means of works of irrigation to be hereafter formed. The Government observes that they have lately refused to sanction certain Estimates submitted by the Chief Engineer for tracing new roads

roads in Ganjam, Considering that the Public Works Department in that district have now fully two years work in hand. At the same time they will not object to take into consideration, any general scheme which may be laid before them with reference to para 86 of Lieutenant Colonel Cotton's report, to which the Chief Engineer has already been requested to draw the District Engineer's attention.

4 The Board of Revenue approve of the Superintending Engineers suggestion to permit the removal of the cane crop before payment

Para 5

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the whole twenty three feet of the land is to be cleared & levelled by Collector. The land is to be assessed at 15 - the pay - the pasture to be 35 to be cultivated the land [illegible] valuable. But it is said that private lands in Ganjam is only assessed from at 3½ per acre, therefore a pedal to the rest of 46½ rupees per acre & the Ganjam to pass as to the able to shake from it & free from the money lenders &

Madras Land Revenue

Reports for July 1863

Page 57.

[illegible] they are obliged to have recourse for advances

payment of the revenue which may, they think, be made payable within a certain fixed period after cutting the cane. It will only be necessary to be careful that the security tendered is perfectly tangible. The Government would not wish to be made acquainted with the information which, in the latter part of Para 5, the Board say that they called for, but in the mean time are quite willing that the proposed system should be introduced. It is observed that the sugar cane plantations in Ganjam extended over to 4,775 acres in July 1863

as per

aspired at only Rs 16500, or less than 3½ Rupees an acre. The proposed rate of 15 Rupees would produce a very large enhancement of the revenue derivable from this source, but, as it is only proposed to levy this fixed rate of Rupees 15, for the irrigation sufficient for the whole year, it would probably only be applicable to a limited portion of the extent of land on which the product in question is now raised.

With reference to the formation of Government Nurseries

Nurseries, the Government are not of opinion that the scheme is open to such objection as if it were designed to derive any direct profit from the sale of the cuttings on the part of Government, the cuttings would be distributed at such a rate as would cover the cost of growing them, and the effect would be merely to place the better description of cane within the ryot's reach, without loss to Government. But as it has been the avowed policy of Government of late years to interfere in no way with cultivation,

and

~~x~~ dat present they will
only say that the propo
sition above referred to is one
they will be prepared to
consider if the Collector
should represent that the
difficulty to the Ryotts
of procuring Cane Cuttings
is such as to interfere with
any extension of Cultivation.

6. In para 9 of their
Proceedings the Board
imply that the Govern
ment disapproves of their
former proposal to obtain
some special consideration
for sugar cultivation, but
the very Extract from the
order to which the Board
refer, guides by them,

shews

1415

12

Ex 13

shews that it was the ap
plication of a specially
favourable Taxation to
which the Government
objected. Such a course
would be opposed to the
system of not taxing a
particular crop. It would
be as improper to impose
a particularly light tax
on any specific crop as a
particularly heavy one,
but there can be no objection
to relieve sugar cultivation
of all unfair burdens, and
to remove any obstruction
which may at present
impede an extension of
the cultivation.

7. In the eighth and
following paras the Board
discuss

discuss Lieut. Col. Cotton's
suggestions with reference
to Store and Depots for
Government Salt. These
will be found in P. 88-112
of his report. The
Board rightly assume
that the object to be aimed
at is to give the consumers
of Salt all the advantage
that can be given without
loss to the Government,
and in para 11, they quote
Colo. Cotton's observation
that the small consump-
tion of salt in the interior
is owing more to the cost
of carriage, than to the price
at which it is sold at the
place of manufacture.
It becomes an object
therefore

13 1915

para 12.

therefore to lessen the cost
of carriage.

8 The Board suggest
three ways in which this
can be done.

1. To remove the places
of sale from the swamps
where it is now carried on,
to the nearest road, or port.

2. To Establish Depots
in the interior;

3. To grant drawbacks
to Merchants selling
wholesale at specified
places in the interior.

9 As regards the
Salt and Depots and the
drawback system, the Board
are not prepared to advocate
either. They shew that this
Government

para 28.

Government should virtually
negative the plan of
Inland Depôts, for in
Ex: Mem: Cons: 13th March
1851 No 295 Rev: Dept the
Government expressly said
that they would not under
any circumstances, be pre-
pared to approve of the
plan of offering Salt for
sale at the Depôts without
addition to the monopoly
price; and if a charge
for carriage is to be made,
the objection arises that
Government are placing
themselves in competition
with the trader, and, as the
Board rightly consider,
most disadvantageous
competition.

para 19-20. 14/5 competition. The Board
go on to quote their former
opinions against the
Establishment of these
Depôts, as communicated in
their Memorandum on
Salt 1850. And they refer
to the similarly adverse
opinion of Mr Cannon
viewer Plowden, as ex-
pressed in pp 105 of his
report. Again with re-
ference to the Drawback
system, they quote p. 193 of
their Salt Memorandum
of 1854, where an opinion
is expressed that it would
be necessary to make the
drawback so great that the
increased sales would not
cover the expenditure,

para 193-196. 14

Mr

Mr Plowden concurs in
deprecating the system;
and the Board shew in para 24
addition that considerable
delay and vexation would
be entailed upon the Trader.
The Government concurs
with the Board of
Revenue in rejecting these
two alternatives and they
proceed to consider the
first place noticed by
the Board, that of trans-
ferring the place of sale
to more accessible localities
than the present, such as
Store-houses situated on
high roads, or at sea-ports.
The Board agree para 13.
with Lieut.t Col.l Cotton

that

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that the Government, who
have the monopoly of sale,
should guarantee every
facility of approach both
by sea and by land; and "they
"urge that steps be taken
"at once, where facility of
"access is wanting, to arrange
"for the transfer of the salt
"for sale to the nearest high
road or sea Port, after con-
"sultation with the District
"Engineer", no increase in
price being made at the
Depôts over and above the
two annas per cwt. In some
cases it would be better
to plan to construct a good
road up to the present place
of sale instead of making
any transfer of such place

This

This is a question that depends in some degree on the nature of the country immediately around the salt pans. The opinion of the District Engineer on the requires through the Central Office, on the relative advantages, and expense, of constructing good roads to the main Communications to each of the salt pans, or establishing new Depots on the main Communications themselves to a general question, the Government considers that the plan of constructing solid and good roads up to the present places of manufacture,

16 141

manufacture, would be preferable to that of transferring the place of sale, it would be more consistent with the policy under which the state declines to interfere to relieve purchasers from the unavoidable consequences of position, these consequences as the Board remark, are wholly unconnected with the monopoly, and are not therefore matters with which the Government can be called upon to interfere.

Deputy to Board of Rev
Dept
Chief Engr

Revenue 1858 Depart.
D. G. to Cons. 18th Mar.

No. 631

Extract Minute of Cons.
D/ 16th May 58.

Ex Bo Bs of Rev 8/12 Nov/58
No 1762 w Cons Cy Dec
17-18-

Reviewing the Board's
remarks on Lt Col. F.C. Cotton
Report upon his professional
tour of inspection into the North
Littoral Districts of the
Presidency, and his suggestion
as to the encou ragement to be
given to the Cultivation of Sugar
Cane, and the establishment
of Inland Depots for Salt
and Salt stores at the Sea
ports.

28-2-90

No. 4415

31-3-58

c20 Apl c28th c28 R/ Thos