Reverse Conseil Etat.

N° 666

Daté 11 et 17 May 1859

No. 35. Read the following letter from J. D. SIM, Esq., Secretary to the Board of Revenue; to J. D. BOURDILLON, Esq., Secretary to Government, Revenue Department, dated 16th April 1859, No. 1345.

I am directed by the Board of Revenue to acknowledge the receipt of the order of Government, dated 1st Instant, No. 457, referring to them for report the representations of the Salt Chamber of Commerce at Northwich to Lord Stanley, regarding the importation of English salt into this Presidency.

In Cons. 2nd April 1859, No. 1452.

2. The Chamber sought three concessions, viz.

I. Permission to import English salt on payment of the same duty as is levied on home made salt.

II. The privilege of bonding salt in Government or private warehouses, and the provision of ample storage room.

III. The levy of duty on the quantity delivered from the warehouse or at least a liberal allowance for wastage. The Board will treat these subjects in the above order.

I.—Permission to import English Salt on payment of the same duty as is levied on the home made article.

3. The Madras monopoly was established under Regulation I of 1805 by Section III, of which the importation of foreign salt by sea or land was absolutely prohibited. Regulation II of 1818 legalized the importation of salt by sea, but imposed on it a prohibitory duty of Rupees 350 per garce or 5s. 10d. per Indian Maund of lbs. 82$\frac{2}{7}$. The Customs Act (VI) of 1844 raised the duty on imports by sea and land to 3 Rupees or 6s. being double the maximum and thrice the actual selling price of monopoly salt.

4. In 1852* Arabian salt was admitted into Canara on payment of a duty of 12 Annas or 1s. 6d. per Indian Maund; in 1853† this concession was extended to all Districts in respect to all foreign salt except that of Goa; and, finally, in 1854‡ this exception also was withdrawn.

* *Gazette, page 762 of 1852.*
† *Gazette, page 1259 of 1853.*
‡ *Gazette, page 702 of 1854.*

5. In 1855 a careful computation satisfied Government that the true average cost of monopoly salt was 2 Ans. or 3d. per Indian Maund, and that consequently 14 Ans. or the difference between the cost and monopoly price constituted the duty on home made salt. On the principle therefore of placing home and foreign salt on terms of equal competition in the market, the duty on the latter was raised to 14 Ans. which is the present rate.

6. At this time therefore foreign salt wherever produced may be freely imported into the Madras Presidency on payment of the same duty as is realized on monopoly salt.

7. Owing to the large number of so-called "Ports" in this Presidency, and the great expense which the retention of efficient Customs establishments at all of them would involve, it has been found necessary to restrict the importation of foreign salt to certain places. These are however 46 in number and include every port of any consequence.

Gazette, p. 1259 of 1853.

II.—Permission to bond salt in Government or private warehouses.

8. The only regular Warehousing Ports in this Presidency are Madras and Cochin. At these salt can be bonded in Government or licensed warehouses as a matter of course, the Warehousing Act (XXV. of 1836) offering no impediment, so far as the Board can gather from its terms. It may be remarked also that Regulation II. of 1818, which first legalized the import of salt by sea, specially authorized its being bonded.

9. In Canara and Malabar, where Bombay and Goa salt are largely imported by Government, every effort has been used to throw the trade into the hands of the private merchants and there salt may be bonded under special rules.

10. In Canara the rules permit salt to be bonded at four places, viz. Mangalore, Buntwal, Pane Mangalore and Cassergode. The warehousing charge is 4 Annas or 6d. per annum for every garce (4·4 tons) the building or compartment rented is capable of holding. The minimum quantity which may be bonded is 5 garce (22 tons) and each removal must consist of not less than

1 garce. The duty on the salt has to be adjusted every six months and no allowance is made for wastage.

11. In Malabar there are five Bonding Ports, viz. Calicut, Tellicherry, Cannanore, Ponany and Chowghat. The rules are the same as those in Canara except that the warehousing charge is 8 Annas or 1s. per annum, which (owing to the impracticability of dividing the buildings into small compartments except at an immoderate expense) is levied on every garce stored. In both Districts private warehouses may be licensed.

12. In Malabar no advantage has yet been taken of those rules, while in Canara only 6,650 Indian Maunds of Bombay salt have yet been bonded. In Madras no application has yet been made for permission to bond salt. Under these circumstances it can scarcely be expected that Government should construct warehouses for salt at least until there is some better indication of a trade springing up, particularly as the bonding Act permits the licensing of private warehouses.

III.—The levy of duty on the quantity delivered from the warehouse or at least a liberal allowance for wastage.

13. The Bonding Act makes no allowance at all for wastage on salt, and as none has yet been bonded, the question has never been raised in Madras.

14. From the absence of large imports there are no data from which to calculate the probable wastage on salt stored in warehouses. The monopoly salt on the Eastern Coast is stored for years in heaps with no other protection than a thatched or mud covering; and the wastage under such circumstances must be materially higher than it would be if secure warehouses were available. On the Western Coast the salt is stored in buildings and in Malabar the rate of wastage on an average of the three years 1854-55 to 1856-57, ranged from 68 to 2 per cent., while in Canara it varied from 5.1 to 6.1, but part of this was incurred in the transport of the salt to the Inland Depots.

15. Moreover the rate of wastage is affected materially by the grain of the salt and its degree of moisture when stored.

16. Under these circumstances it is impossible at present to say what would be a fair rate of wastage for each port of the Presidency. The Board however do not see much reason to apprehend illicit practices, if the duty were taken on the quantity delivered from store. At places where an efficient Customs establishment is maintained the salt might be kept in secure buildings under the joint custody of the Government officers and the owners, without incurring greater risk of fraud than is now incurred in regard to monopoly salt, and this course would be fairer and more satisfactory than an arbitrary fixed allowance for wastage. Moreover under the Excise system about to be introdnced the Government duty will be taken not on the quantity stored but on that sold, so that a similar concession will be necessary to place the Importer of foreign salt on the same footing with the home manufacturer.

17. The Board observe that the Chamber lay some stress on the alleged impurity of Indian salt. They therefore append a Table shewing the result of a careful chemical analysis of 22 different specimens of sea salt, procured not from the places of manufacture, but from as many towns and villages in the Cuddapah District averaging about 150 miles by road from the nearest place of manufacture. These samples therefore represented the quality of the salt procurable by the inland consumer after it had been conveyed a considerable distance by the private dealer. The Table shews the maximum and minimum of each ingredient and the average of the whole:—

	Maximum in 22 specimens.	Maximum in 22 specimens.	Average of 22 specimens.
Moisture...	7·8210	6·0119	6·9687
Insoluble matters...	4·5831	1·6000	3·1166
Chloride of Sodium (pure salt)..	90·0750	84·5068	87·3209
,, Magnesium..	1·3460	·7033	·9984
,, Calcium,...	1·7360	·0348	·6344
,, Sulphate of Lime....	·8833	·2682	·4490

Proceedings of the Madras Government, Revenue Department, from 11th to 17th May 1859.

18. The Board have also ascertained from the Commissariat Department that home made salt is issued for the use of the European Troops, and that English salt is neither imported nor purchased for the service of Government.

Ordered in consequence that the following letter be despatched.

No. 36. From J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George; to the Secretary to the Government of India, dated 16th May 1859, No. 666.

SIR,

1. On the 17th March last,* the Government of India forwarded for the report of this Government, a Despatch from the Right Honorable the Secretary of State for India, giving cover to a correspondence with the Salt Chamber of Commerce at Northwich, representing the obstacles to the import of English Salt into this country. The points affecting this Presidency were the following:

**Order in the Home Dept., No. 526.*

1st. That the Salt trade in Madras is a Government monopoly; for although the import of foreign Salt is permissible by law, the duty leviable thereon amounts to a prohibition.

2d. That there should be provision for bonding Salt, with ample storage room.

3d. That either there should be a liberal allowance for wastage, or that the duty should be charged on the actual quantity weighed and issued from the Warehouses.

2. I am now directed to submit in reply the accompanying letter from the Secretary to the Madras Board of Revenue, which enters fully into the question on all these points. The Board briefly trace the changes in the treatment of Salt since the creation of the monopoly in 1805, and shew that at the present time the article may be freely imported from abroad, into forty-six Ports of the Madras Presidency, on payment of duty at the same rate actually realized on monopoly Salt, viz. 14 annas the Indian Maund. They next state that Madras and Cochin are the only two regular Warehousing Ports in this Presidency, under the provisions of Regulation II. of 1818 and the Warehousing Act XXV. of 1836, but that Salt may be bonded under special rules at the four Ports of Mangalore, Buntwall, Pani Mangalore and Cassergode in Canara, and in the five Ports of Calicut, Tellicherry, Cannanore, Ponany, and Chowghat in Malabar; and on this part of the subject, they point out that the Government can hardly be expected to construct Warehouses for Salt, until there is a better indication of trade, but that the bonding Act permits the licensing of private buildings. In respect to wastage, they observe that the question has never yet been raised in Madras, no Salt having been bonded here up to this time, while the Act makes no allowance for wastage of Salt at all; but referring to the data furnished by the Government stores on the Western Coast, they note that while in Malabar the reported wastage has ranged only from ·68 to 2 per cent., it has varied in Canara from 5·1 to 6·1 per cent., inclusive however of loss by transport to the inland depôts. They are of opinion that it is not possible to fix a fair rate of wastage for each Port at Madras; but when the Salt is under the joint custody of the Customs officers and owners, they do not apprehend any objection to charging the duty on the quantity delivered from store, especially under the excise system about to be introduced.

Dated 16th April 1859, No. 1345.

3. The Northwich Salt Chamber of Commerce have disparaged the quality of the Madras Solar Salt; in one† place remarking that it is unfit for human food, being a mixture of sand, salt and mud. On this point, this Government would solicit attention to the 17th para. of the Board's letter, to which they append a table of the results of a careful chemical analysis of twenty-two specimens of Sea Salt, shewing that on the average out of every hundred parts, no less than eighty-seven and a fraction are Chloride of Sodium or pure Salt, the rest being made up of moisture and insoluble matters, with fractional parts of Chloride of Magnesium, Calcium and Sulphate of Lime. It is worthy of notice that this result was obtained, notwithstanding that the Salt had passed through the hands of native dealers, from the place of manufacture to about one hundred and fifty miles inland into the Cuddapah District.

† *Para. 9 of Mr. Hadfield's letter, dated 18th Dec. 1858.*

Revenue Dept

Ext. Chief Dispatch 19

No. 666

To

The Secretary

Govt of India.

Sir,

1. On the 17th March last, × the Govt of India forwarded for the report of this Govt, a dispatch from the Right Honble the Secretary of State for India, giving cover to a correspondence with the Salt Chamber of Commerce at Northwich, representing the obstacles to the import of English Salt into this Country. The points affecting this Presidency were the following—

1st, That the Salt trade in Madras is a Govt monopoly; for altho' the import of foreign salt is permissible by Law, the duty leviable thereon amounts to a prohibition.

2nd, That there should be provision

× Order in the Home Dept, No 526.

for vending &c, m[illegible]
[illegible] room.

3d, That either there should be
liberal allowance for wast
or that the duty should be
charged on the actual quan
weighed and issued from the
Warehouses.

2. I am now directed t
submit in reply the accompany
ing letter from the Secretary to
the Madras Board of Revenue,
which enters fully into the ques
tion on all these points. The Bd
briefly trace the changes in the
treatment of Salt since the cre
tion of the monopoly in 1805
and shew that at the present
time the article may be freely
imported from abroad, into free
& ~~licensed~~ ports of the Madras
Presidency, on payment of the
at the same rate actually
duty realized on monopoly salt,
viz 14 Annas the Indian Maund.

dated 16th April /59, No. 1345.

~~of manufacture and the~~
~~in which the article is to~~
~~the Last Clause~~ They next state
that Madras and Cochin are the
only two regular Warehousing
Ports in this Presidency, under
the provisions of Reg II of 1818 and
the Warehousing Act XXV of 1836,
but that Salt may be landed
under special rules at the four
Ports
[illegible] of Mangalore, Bunkwah,
Panie Mangalore, and Caperzode
in Canara, and in the five ports
of Calicut, Tellicherry, Cannanore
Penany, and Chowghat in Mal
abar; and on this part of the
subject, they point out that the
Govt can hardly be expected to
construct Warehouses for salt,
until there is a better indicatio
of trade, but that
[illegible] while the Bon
ing Act permits the licensing of

buildings
private ~~bonds~~ he respec-
wastage, they observe that the
question has never yet been raised
at Madras, no salt having ~~up~~
~~to this time~~ been bonded ~~up~~ to this
time
Pondicherry, while the Act makes
no allowance for wastage of salt
at all, but referring to the data
furnished by the Sort Stores on
the Western Coast, they note that
reported
while in Malabar the wastage
has ranged only from .68 to 2 per
cent, it has varied in Canara
from 5.1 to 6.1 per cent, inclusive
however of loss by transport to the
~~Canara inland depôts. The loss in the salt made is supposed by the grain of the salt to degree of moisture when stored,~~
inland depôts. They ~~say they~~
are of opinion
that it is not possible to fix a fair
rate of wastage for each sort
at Madras; but when the salt
is made the joint custody of
the Customs officers and owners,
they do not apprehend any diffi-
culty to charging the duty on the

duly delivered from Store,
ially under the system
about to be introduced.

The Northwich Salt
Chamber of Commerce have
disparaged the quality of the
Madras Solar salt; in one *
place remarking that it is un-
fit for human food, being a mix-
ture of sand, salt, and mud.
On this point, this Sort would
solicit attention to the 17th para
of the Board's letter, to which
they append a table of the results
of a careful chemical analysis
of twenty two specimens of Sea
Salt, shewing that on the average
ent of every hundred parts, no
less than eighty seven and a frac-
tion are Chloride of Sodium or
pure salt, the rest being made
up of moisture and insoluble
matters, with fractional
~~infinitesimal~~

* Para 9 of Mr. Hadfield's letter, dated
18 Dec/58.

Chloride of
parts of Magnesium, Calcium
and Sulphate of Lime. It is
worthy of notice that this
salt was obtained, notwithstand-
ing that the salt had passed
thro' the hands of native deal-
ers from the place of manufacture
to about one hundred and fifty
miles inland into the Cuddapa
Salt District.

Fort St. Geo: 16th May 1857

Rev: Cons. 1st April 59 - 13 to

Revenue 1859 Depart.
Cons: 17th May.

No 666.

To
The Secretary to the
Govt. of India.
Dy 16th May 1859.

From Dr. Dated 30th Jany
1860 No 322 Rec. 24th

Report on correspond-
-ence representing obstacles
to importing English Salt
into this Country.

No 35 to 36.