M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	394	Press ~~Mis.~~
5556		
Dated	16—3—	1860.

Not to be folded or roughly handled

No. 55. Read the following Proceedings of the Board of Revenue, dated 10th February 1860, No. 743 :—

Read the following letter from B. CUNLIFFE, Esq., Collector of Madras, to J. D. SIM, Esq., Secretary to the Board of Revenue, dated 7th February 1860, No. 29.

1. I beg to reply to the Board's query in paragraph 13, Proceedings 2d instant, No. 561, received today.

2. The idea of disposing of the new Pans by public auction occurred to me, when the necessity of their issue first became apparent; but I abandoned it after consultation with the Deputy Collector in charge of the Salt Department and with others.

3. One great advantage of the present plan of gratuitous issue, is that, we have complete hold of the Pans, and can ensure their manufacture at the risk in default of making them over to others. An auction of the Pans subject to this condition might certainly be held; but there would be discontent if the Sarkár thus interfered with property obtained by purchase, and though it is customary to style the Pans valuable property, and though they commonly change hands for a valuable consideration, yet the holders from some cause or other continue very poor, with Pans mortgaged, and borrowing money at cent. per cent. interest.

4. There are many risks attendant on manufacture, the quantity stored is alone paid for, and occasionally, in last year especially, unseasonable rains are productive of great losses, not only by destroying the Salt already made, and drying at the Pan sides, but by unfitting the brine for depositing Salt, and thus the Pan must be run off, and filled again with salt-water.

5. It is well known to all when new Pans are to be issued, and equally known that they will be given without favor, and in fair proportion to any respectable applicant, who appears likely to be able and willing to work them. I do not see that this plan presents any impediment to the wealthier classes engaging in the manufacture. The Mirásidárs too share in the distribution.

6. A Pan might require from 100 to 150 Rupees in its first preparation, besides the expenditure of a few Rupees annually for repairs; and after two or three seasons of working to bring it into full bearing, might be sold for 250 or 300 Rupees, and though the Government pay 10 for what costs six Rupees the garce in producing, it is certain that much inducement, threats of resumption, and constant supervision are required to have the Pans even decently worked, so that the employment cannot be really as lucrative as it would appear to be.

7. Some Pans have already been given away, as early commencement of operations is of great importance; but the greater portion remains I believe, undisposed of, and if the Board wish it, the experiment of an auction may be tried, though I think that no eagerness will be displayed in obtaining Pans in this manner, and it may cause such delay in the disposal, as to lose a portion of the working season. On the whole I would not recommend it. The profit to the Government on Salt sales is so great, that the purchase money would be as nothing in the calculation, and as I said before, I do not think a man, however wealthy, is deterred from a speculation, because the first advances in it, cost him nothing.

8. I would earnestly request early sanction for the advance proposed, as every day is of consequence in the commencement of those works which may be, at once, undertaken.

Under the circumstances stated by the Collector, the Board will not press the suggestion made in paragraph 13 of their Proceedings, dated 2d February 1860, especially as it is uncertain how long the new Pans may be kept open.

(A true Extract and Copy.)

(Signed) J. D. SIM, *Secretary.*

No. 56. ORDER THEREON, 16th March 1860, No. 394.

1. With their Proceedings recorded above, the Board of Revenue forward a letter from the Collector of Madras in answer to a question put* by them regarding the practicability of selling by auction four hundred new Pans, which it had been proposed to open this year for the manufacture of Salt in the Madras Collectorate. In calling for the Collector's opinion the Board observed that the plan, "if feasible, would probably lead to the introduction of a more wealthy class of "manufacturers."

* *Board's Proceedings 2d February* 1860, *No.* 561, *paragraph* 13.

2. In their Order† reviewing the Board's Proceedings noted in the margin of the preceding paragraph, the Government had expressed an opinion that it was "very advisable to sell the new Pans by "auction." Mr. Cunliffe however in his present communication gives reasons for a contrary opinion.

† 17*th February* 1860, *No.* 250.

3. A gratuitous issue, he argues, gives Government a complete hold upon the Pans: manufacture can be ensured under the penalty of resumption: on the other hand, even if an auction of Pans, subject to this condition, was held, discontent would be caused were Government to attempt an enforcement of the stipulation. Government disagree with this reasoning. The privileges proposed to be conferred upon a purchaser at auction are exactly what holders of Pans have always possessed: there is no more difficulty in enforcing the conditions in the one case than the other; and as such measures have hardly ever, or never, been found necessary in the one case, it is improbable that a resort to them will be requisite in the other.

4. Mr. Cunliffe proceeds to give reasons for supposing that Pans are not so valuable as is generally supposed. It appears however to Government that they are decidedly lucrative, notwithstanding that the owners may be deeply involved. All experience goes to prove this. "Constant supervision" would be needless, if a rigorous destruction of all Salt which did not come up to a certain standard, was the invariable result of an inferior article being produced. Were such a measure once carried out, improvement would certainly ensue. It never has been, so far as Government are aware and therefore the Raiyats will not take extra trouble to make a superior Salt, when the price paid for good and bad is uniform.

5. Another objection urged against the sale in the present case is that it will cause a delay in the commencement of the manufacture. Considerable delay, it is true, has already taken place, which is to be regretted; but, whether sold or given away, the Pans must first be marked out; and while this is being done, there will be time for giving due publicity to the proposed sale, and no further delay need take place.

6. The Government resolve, therefore, to direct that these Pans be put up to auction as soon as practicable. The Board will arrange details with the Collector and report the result. A draft Bill of Sale should be submitted for the approval of Government. It should be clearly entered in these Title Deeds that the privileges conferred by the purchase at auction are limited to the manufacture of Salt and that the land cannot be put to any other use; that in case Government should at any time cease to manufacture Salt in these Pans, no compensation can on that account be claimed by the purchasers: that refusal to comply with the orders of the Collector on any point connected with the manufacture will involve forfeiture of all rights to the said Pans; that in short, a purchase at auction gives exactly the same privileges as were formerly conferred by a free grant and no more.

(Signed) C. G. MASTER,
Deputy Secretary to Government.

No 394 Rev Dept

Proceedings of the Madras Government under date the 16th March 1860.

Read the following proceedings of the Board of Revenue.

Sale by sale of salt pans at Madras by auction. } Letter to Bd of Revn No. 743.

With their proceedings recorded above, the Board of Revenue forward a letter from the Collector of Madras in answer to a question just by them regarding the practicability of selling by auction four hundred new pans, which it had been proposed to open this year for the manufacture of salt in the Madras Collectorate.

In calling for the Collector's opinion the Board observed that the plan, "if feasible, would probably lead "to the introduction of a more "wealthy class of manufacturer."

2. In their order removing the Board's Proceedings noted in the margin of the proceedings paragraph the Government had expressed an opinion that it was "very advi-"sable to sell the new pans by auc-"tion." Mr Cunliffe however in his present communication gives reasons for a contrary opinion determination

Board's Pro. 2 Feb. 1860 - No. 561. Para 13

17 Feb. 1860 - No. 250.

3 a gratuitous issue, he argues, gives Government a complete hold upon the pans: manufacture can be ensured under the penalty of resumption: on the other hand even if an auction of pans, subject to this condition, was held, discontent would be caused if were Government to attempt an enforcement of the stipulation - Government disagree with this reasoning - the privileges conferred upon a purchaser at auction are exactly what holders of pans have always possessed: there is no more difficulty in enforcing the condition in the one case than the other; and as such measures have hardly ever, or never, been found necessary in the one case, it is improbable that a resort to will be requisite in the other.

4 Mr Cunliffe proceeds to give reasons for supposing that the pans are not so valuable as is generally supposed - He fears however that Government are decidedly lucrative, notwithstanding that the owners may be much deceived. All experience goes to prove this - "Constant supervision" would be needless, if a rigorous destruction of all salt which did not come up to a certain standard, was the invariable result of an inferior article being produced. Were such a measure once carried out, improvement would certainly ensue. It never has been, so far as Government are aware and therefore the ryot will not take extra trouble to make a superior salt, when the price paid for good and bad is uniform -

5. Another objection urged against the sale is that it will cause a delay in the commencement of the manufacture - Considerable delay, it is true, has already taken place, which is to be regretted; but, whether sold or given away, the pans must first be marked out; and while this is being done, there will be ample time for giving due publicity to the proposed sale, and no further delay need take place.

6. The Government resolve therefore to overrule the objections, and to direct that these pans be put up to auction as soon as prac-

Proc Jan 77-78

20-2-60

-ticable. The Board will arrange details with the Collector and report the result. A draft bill for sale shd be submitted for the approval of Government. The shd be clearly entered in their title deeds that the privileges conferred by the ~~sale~~ purchase at auction are limited to the manufacture of salt; and that the land cannot be put to any other use and that in case Government shd at any time cease to manufacture salt in these parts, no compensation can on that account be claimed by the purchasers: that in case of breach of any of the conditions or with the orders of the Collector on any point connected with the manufacture will involve the forfeiture of all rights of the said parties; that in short, a purchaser at auction gives exactly the same privileges as were formerly conferred by a free grant and no more.

Approved.

11 Copies to the Board of Revenue Dispatch 17 and cancellation

Immediate