M.R.O. 14—10,000—21-4-22.

# MADRAS RECORD OFFICE.

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## Government of Madras.

Revenue DEPARTMENT.

G.O. No. 642 Press
~~Mis.~~

75.81

Dated 26—4— 1860.

***Not to be folded or roughly handled***

No. 75. Read the following Proceedings of the Board of Revenue, dated 14th February 1860, No. 801 :—

Read letter from the Collector of Ganjam, dated 23rd January 1860, No. 24.

(In Con. 1st February 1860, No. 486.)

With the above letter, the Collector of Ganjam submits a proposition from his Deputy Collector, D. Narasinga Rau, for the Establishment of a Salt Depôt at Buttili or Gunupûr on the Vamsadara River, on the boundaries of Jeypore and Parla Kimidi.

2. The river is navigable for some months in each year, and produce is brought down it by native traders, who, however, seem to prefer the land route for their return produce.

3. The Deputy Collector proposes to build 14 flat boats of 25 tons burthen, and drawing from two to two and a half feet of water, and to maintaining relays of coolies at stations to tow the boats up the stream. The expense of the boats is estimated at Rupees 7,700, and the charges for trackers and Establishment are set down at Rupees 2,808 for the three months during which Salt would be sent up to the Depôt. The permanent Establishment for taking care of and selling the Salt is set down at Rupees 1,236 per annum.

4. The Deputy Collector proposes to send up a lac of maunds, in the first instance, and proposes to sell it at Rupee 1-6-0 per Indian maund.

5. The calculation then stands thus :—

| | Rs. |
|---|---|
| Cost of one lac of Indian maunds of Salt ... | 1,12,500 |
| River Establishment... ... ... ... | 2,808 |
| Wastage... ... ... ... ... ... | 2,280 |
| Cost of thatching the heaps... ... ... | 160 |
| Interest on cost of boats at 5 per cent ... ... | 385 |
| Sundries ... ... ... ... ... | 140 |
| | 1,18,273 |
| Sale proceeds at 1-6 per Ind. Mds. | 1,37,500 |
| | 19,227 |

6. The profit thus shown is large, but a deduction has to be made from it for the wear and tear of the boats, and on account of a small platform which will be necessary at Gunupûr which is estimated to cost Rupees 300. These two items amount to Rupees 8,000, and allowing even 20 per cent. for wear and tear, (interest on the outlay having been already provided for on the larger sum,) the annual deduction would be Rupees 1,600, which still leaves Rupees 17,627 for profit. The Estimate, moreover, makes no allowance for return cargoes of private produce, and supposes the boats to return empty, while even now goods are brought down the river, though the boats available are smaller and less efficiently worked. The price of Salt in the Estimate is the retail charge : on purchases by the heap, 5 per cent. remission is allowed, but, on the other hand, it must be remembered that interest is accruing on the large sum invested in the purchase. A private trader would get the 5 per cent. remission but would expect interest on the sum of Rupees 1,06,875 invested in the purchase.

7. There can be no doubt that the Depôt would be profitable to Government : it remains to consider how it will affect the consumer and the private trader.

8. The Deputy Collector states that the selling price in the locality where the Depôt is proposed, ranges from 3 to 4½ Rupees per bullock load of three Indian maunds. The lower of these prices amounts to 1½ Rupees per maund, so that the consumer would gain 2 Annas per maund by the Depôt, and be sure of getting pure Salt.

9. The trader, on the other hand, getting his Salt for 5 per cent. less in the first instance would, on the above Estimate, incur an outlay of Rupees 1,14,218 and reap a profit of Rupees 23,282, or a little more than 20 per cent. after paying all expenses and supposing him not to manage more economically than Government. The Establishment of the Depôt, therefore, (if Salt is sold at the price proposed,) will leave room for private enterprise at a fair profit, and will

operate only to prevent undue profit at the expense of the consumer. The people will gain 2 Annas in every 24, or nearly 9 per cent. and a private trader, satisfied with a smaller profit than 20 per cent., can undersell Government.

10. The Board do not hesitate to recommend the Deputy Collector's proposition, which has also the Collector's support. The experiment seems highly promising; loss to Government can scarcely accrue; the consumers will profit; an opening will remain for private enterprise; the convenience of the Brinjaries from the interior will be greatly consulted, and a considerable increase in the Salt sales may be expected.

11. The proposal to run tug steamers may be considered hereafter, when the present limited experiment has been fairly tried; but, meanwhile, it may be advantageous to employ paddle boats, worked by manual labor. If Government approve of the Depôt, the Collector will be instructed on this point.

12. The question of the extension of the Umaravilli pans and the cutting of the Naupáda Canal should be fully discussed in the report, (which the Board hope to receive soon,) on the question of re-opening the Munsurcotta pans and the general report called for in Extract Minutes Consultation 30th August 1859, Revenue Department, No. 1,157.

*In Con. 8th September* 1859, *No.* 4,473.

13. With regard to the Collector's remarks regarding the price to be charged on Salt at the Depôt, the Board are of opinion that Government should invariably charge such a price as will admit of private capital being invested in the trade, and that Government should withdraw whenever private enterprise supplies the article at a fair price. If this principle is not kept in view, Government interference must be perpetual and universal. Though now advocating the Establishment of the Depôt, the Board trust that Government will be enabled to withdraw at no distant period, having meanwhile proved the practicability of sending Salt up the river, and selling it on more reasonable, though still advantageous, terms.

14. The Board consider that Narasinga Rau deserves great credit for his present suggestion.

(A true Extract.)

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

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No. 76. MINUTE BY THE HONORABLE THE PRESIDENT.

I cannot concur in the proposed Order for the establishment of a Salt Depôt at Buttale, in the Ganjam District. This is quite a different case from the establishment of a Salt Depôt on the Godávari. The object there was to assist the opening of the navigation of the River by exhibiting its advantage in reference to an article of first-rate necessity which had previously only been conveyed by land. Here, on the contrary, the navigation is already open both up and down, and the object proposed is merely the ordinary one of furnishing Salt at a cheaper rate to the people in the interior.

Estimates of Profit are furnished; but as the undertaking would involve the building a fleet of Boats at Daulesh weram, the maintaining relays of Kulies at stations to tow the Boats up the stream, and all other incidents of a Mercantile Establishment, including the liability of being defrauded by our subordinate Agents, these calculations are not to be depended upon. I have seen scores of such Estimates in the course of my official experience. They are always made upon the hypothesis that the business will be conducted in the most regular and successful manner, without reference even to the ordinary contingencies of private trade, and with a total disregard of the fact that Governments can never successfully compete with Private Traders.

The Government, no doubt, ought to give every practicable facility to the extensive consumption of Salt; but for the Government itself to enter into the private trade by which the article is distributed through the interior, would not have the effect desired, but the reverse. It is impossible that the appearance in the market of the interior of such a capitalist and employer of labor as the Government, should not discourage Private Traders. Whatever professions might be made to the contrary, our subordinate Agents would, in order to increase their own gains and to make a good show with their superiors, push their sales as far as possible.

We pledged ourselves to the Supreme Government to enforce a more full collection of the Salt Tax, and we have appointed several additional Deputy Collectors expressly for that purpose; but if we are to carry on the trade of the interior, as well as to superintend the manufacture on



the Coast, hundreds of Deputy Collectors would not suffice for the purpose. It would, in my opinion, be a total misdirection of the services of the Officers of the Department. Narsingha Rao has quite enough to do to see that the Salt manufactured in the Pans in the Ganjam District is of good quality, and to prevent smuggling; and the Government would lose the benefit expected from his appointment if he had to divide his time between his proper duties, as above described, and carrying on the details of a transit trade and mercantile establishment in the interior.

(Signed) C. E. TREVELYAN.

*Gindi*, 21*st March* 1860.

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No. 77. MINUTE BY THE HONORABLE E. MALTBY.

I am unable to concur in the President's views on this subject, as I believe that the proposed Salt Depôt would be of great advantage to the Public and the Government.

My opinion is founded on the eminent success which has attended the establishment of Inland Depôts on some of the navigable Rivers in Canara. This success was so marked as to attract the notice of the Home Authorities, who ordered an enquiry whether the system could not be extended to other Districts. The then Members of the Government, Sir H. Pottinger, Mr. D. Eliott and Mr. J. F. Thomas, all advocated the plan whenever circumstances were favorable, but* the Revenue Board reported that the facilities given by the Canara Rivers were not to be found elsewhere, and the Board were rightly adverse to the formation of Government Depôts in the interior, *where the Salt would have to be conveyed to them in carts or on bullocks*, as such an arrangement would interfere with the ordinary carriage and traffic of the country.

*Despatch No.* 13 *of* 1852.

* *Letter to Government*, 4*th January* 1855, *No.* 127.

The Government acquiesced in this view, and subsequently† forwarded the papers to the Home Government. Here the subject rested for a while.

† *Proceedings of Government, Revenue Department, No.* 1,084, 13*th October* 1856.

But on the opening of the Madras Railway the Revenue Board (then consisting of Messrs. E. and F. N. Maltby, both of whom had been long employed in Canara) recommended the establishment of Salt Depôts along its line, pointing out that a Railway furnished the same peculiar facility for such a purpose as the Canara Rivers did, and explaining the arguments on which their proposal was founded.

*Letter to Government*, 1*st February* 1856, *No.* 320.

The Government, however, as then constituted, had altered its views, and expressed itself opposed to establishing Inland Depôts as an unadvisable interference with private trade.

*Extract Minutes Consultation*, 13*th March* 1856, *No.* 1,545.
*Extract Minutes Consultation*, 26*th June* 1856, *No.* 655.

Here again the subject remained in abeyance for some time, until two circumstances brought it again under discussion in 1858:—

1st. Colonel F. Cotton, Deputy Chief Engineer, in reporting on his professional tour in Ganjam, commented on the want of Inland Salt Depôts, and strongly recommended their formation. But this proposal fell to the ground as no water carriage was pointed out, and the Revenue Board felt unable, without such facilities, to recommend a measure to which the Government had expressed itself generally opposed.

*Board Proceedings of*, 22*nd March* 1858, *No.* 1,009; *and, Extract Minutes Consultation of* 15*th May* 1858, *No.* 631.

*See Extract Minutes Consultation*, 26*th May* 1858, *No.* 269, *from Railway Department.*

2nd. The Railway Directors in London addressed the Home Government, strongly urging the establishment of Government Depôts along the line of Railway, and the subject was referred to this Government with an intimation that the Home Government viewed the measure in a favorable light.

(See Extract Minutes Consultation, 26th May 1858, No. 269, from Railway Department.)

Meantime, however, orders had been issued for converting the Salt Monopoly into an Excise, which necessarily put an end to the project, since, under an Excise, the Government would no longer have anything to do with *the sale* of Salt.

*Proceedings of Revenue Board, 23rd August* 1858, *No.* 3,213.
*Extract Minutes Consultation, 27th September* 1858, *No.* 1309.

But the orders for introducing an Excise have been since withdrawn, and the question of establishing Depôts along the Railway having thus revived, the Revenue Board are engaged in enquiries on the subject, and are likely soon to bring it before the Government.

I have entered into this detail to show that the plan of forming Inland Salt Depôts has met with much support.

In respect to the particular Depôt under consideration, I am strongly in its favor.

I have never advocated such Depôts when the Salt would have to be conveyed to them by the ordinary carriage of the country (pack bullocks, carts, &c.) but where a River or a Railway affords facilities, the policy, and I may say, the duty of the Government seems to me plain. I say duty, because when the Government interferes with the trade in Salt and enhances its price by a Monopoly, it is bound, I conceive, to take all measures in its power to make the Monopoly as little burdensome as possible. Its duty on this point is towards the consumers, that is, the great mass of the people, more than towards the few individuals who might feel disposed to enter a particular branch or department of the Salt trade.

If, therefore, the establishment of Inland Depôts ensures to the people purer and cheaper Salt, I consider it the duty of Government to establish them. Where there are Railways and Rivers, I believe, that Government as a great wholesale dealer, could generally convey the Salt cheaper than other parties, and it has another most important advantage. The transport of Salt entails a heavy loss by wastage, and to the Government this loss would fall on an article worth only the original cost of produce or Rupees 10 per garce. But the private trader begins with purchasing the Salt at Rupees 120‡ per garce, and the losswhich he incurs by the wastage of an article of this high value, obliges him to increase considerably the retail price.

‡ *The monopoly price is now still higher.*

The arguments that Government cannot manage Inland Depôts economically and profitably are met, I would urge, by the practical experience acquired in Canara, where these establishments have had eminent success, and proved an advantage to the consumer and the general traffic of the country as well as of the Government.

In wild Districts like Ganjam, Salt Depôts would have a general beneficial influence in promoting trade and civilisation, besides adding to the Revenue by the increased consumption of this article, and when facilities of conveyance exist, as in the present instance, I concur with Colonel (now Major-General) Frederick Cotton, in urging the formation of Salt Depôts. After they have answered their purpose, and it is ascertained that they are no longer necessary, they may be withdrawn; but I know of no more promising method of opening out the country and increasing the Salt revenue than by establishing Depôts in judiciously selected places. The cost of the measure would be repaid to the Government by an addition to the price of the article, and no real interference would take place with the trade of the country, as all the retail operations for dispersing the Salt to the towns and villages would be left to private dealers.

In conclusion, I invite attention to the letter of the Madras Railway Directors, which has been already alluded to. They show that even in a country like England, where commercial activity and enterprize have reached so high a point, coal-owners find it advisable to establish Depôts along the Railways to promote the sale of their article, though it is hardly less a necessary of life than Salt. This they do for their personal advantage. In our Provinces then, where ignorance prevails and enterprize is consequently at a low ebb, it is surely the duty as well as the policy of Government, to take measures for circulating as economically and extensively as possible, an article of necessary consumption, which is already greatly enhanced in price to the people by their fiscal system, that is, by their Monopoly.

*2nd April* 1860.

(Signed) E. MALTBY.



No. 78. MINUTE BY THE HONORABLE W. MOREHEAD.

In the matter of the proposed establishment of a Salt Depôt as provided for in the order re-submitted for consideration, I entirely concur with Mr. Maltby. In his present Minute he has expressed the opinion which on every occasion that this question has been mooted, I have invariably advocated.

The Salt Depôts are inconveniently situated for purchasers. They are near the Pans and difficult of access. Every practicable opportunity should, therefore, be taken to remove them either entirely or in part to situations better adapted for the sale of Salt.

As the Government select the localities where Salt is to be made, so in like manner should the Government, with reference to the convenience of purchasers and consumers, provide suitable Depôts for its sale.

(Signed) W. MOREHEAD.

*4th April* 1860.

No. 79. MINUTE BY HIS EXCELLENCY SIR P. GRANT.

I agree in the view of this question taken by Mr Maltby.

(Signed) P. GRANT.

No. 80. MINUTE BY THE HONORABLE THE PRESIDENT.

I retain my opinion that this would be an expensive and wasteful line of action for the Government to enter upon, and that it would, on the whole, and in the long run, do more harm to the consumers by discouraging private trade, than it would do them good by the facilities afforded—but I do not think it right to hold out, in this particular case, against the unanimous opinion of my colleagues. I therefore, propose that instructions should be issued for the establishment of a Salt Depôt at Gunnupúr as intended, and that the papers should be specially reported Home.

(Signed) C. E. TREVELYAN.

*Gindi Park, 7th April* 1860.

No. 81. ORDER THEREON, 26th April 1860, No. 642.

1. The Government sanction the proposed Salt Depôt on the Vamsadara River in the Ganjam District; and authorize the Collector and the District Engineer to take the necessary steps for giving effect to the sanction.

2. The funds necessary for preparing the Platform and building the boats will be taken from the sum allowed in the Budget of 1860-1 for unforeseen works.

3. The Establishment to be entertained will be on the scale and at the rates determined by Government on Mr. Pelly's Report shortly to be submitted. As soon as it is settled, the sanction of the Government of India will be applied for.

4. The Collector will take special care that a separate account is kept of the whole of the expenses of the Depôt, and of the receipts from it. This account should exhibit the quantities of Salt despatched from the Coast Stores, in comparision with the quantities received at the Depôt; and the wastage and loss in transit and at the Depôt should be carefully ascertained and shown in the account.

5. Immediately after the 1st August 1860, the Deputy Collector will submit a full report of the establishment of the Depôt, and of the result up to that date; and will submit a Statement of the charges and receipts. This Report should be laid before Government without delay.

6. This Order will be immediately reported to the Secretary of State.

(Signed) J. D. BOURDILLON,
*Secretary to Government.*

In. Con. 1st February 1860, No. 486.

From G. S. FORBES Esq., Collector of GANJAM,

dated Chetterpur, 23rd January 1860, No. 24.

I have the honor to submit a scheme drawn out by Deputy Collector D. Narsinga Row, in charge of salt department, shewing in detail the expenses necessary for the establishment of a salt depôt at Buttely, a town on the Vunshadara river situated on the boundary of the Jeypur and Purla Kimedy countries.

2. The scheme includes all probable items of expense in carriage, establishment, buildings, &c. These, it is shewn, may be more than covered by an addition of four Annas a maund to the present selling price. It will be seen from the Deputy Collector's memorandum that prices much above this are charged by merchants at Buttely to those who meet them there for the purpose of purchasing salt, and that the cost of land carriage alone is more than ten-fold that of water carriage. As, however, the boats which would carry salt from Calingapatam to Buttely, would, on returning, afford a most acceptable opportunity to parties conveying grain to that port at cheaper rates than they are at present able to obtain from the coast boatmen, (who employ the registered boats which ply between the shore and the ships at Calingapatam, in this traffic), there is no doubt that the profits thus accruing would enable the Government to diminish the cost price at the depôt till it exceeded by very little the selling price at the pans, and there can be little doubt that a greatly increased demand would follow the facilities thus given for local and internal trade at the site chosen for the depôt so as to repay the Government for the trouble of the experiment (its cost would be safely covered by the ordinary sales).

3. In my letter of September* last to the Court of Wards on matters connected with the Purla Kimedy estate, I alluded to the establishment of such a depôt as one great means for opening an intercourse with the predatory Sourahs in the neighbouring hills such as would eventually tend to reclaim them from their mischievous habits of life.

* 29th

4. I think the Board will be of opinion that Nursinga Row has shewn great merit in working out the calculations necessary for estimating the practicability and usefulness of such a scheme. The cost of providing and working a tug steamer, it is not in our power to supply at present, but this mode of carriage would no doubt be more economical than human labour. Probably native speculators might shew a disposition to take up the scheme after seeing its practical working, or it might be undertaken on behalf of the Kimedy estate within which the Vunshadara river runs for the greater part of the distance to be traversed and to which the town of Buttely belongs.

5. The only argument for continuing it in Government hands is, that salt would be sold 30 miles inland at a cost but slightly in advance of prices on the coast, whereas merchants might incline to keep the prices at their present mark, and so limit the benefits of the depôt to themselves.

6. As regards the Nowpada canal and the extension of manufacture at Umeravelli, I do not think *both* these measures would be necessary; the sales of the first year at Buttely will give some idea of the probable demand, and one or other means of supplying it may then be determined on and carried out in time for the sales of the ensuing year.

7. If the Government incline to undertake the establishment of this depôt, it will be necessary at once to have boats constructed at Dowlaisweram, and permit the necessary buildings to be erected at Buttely. Means may also be found, when things are sufficiently advanced, to notify in the interior that a mark will be opened for the purchase of salt at Buttely. From what I have seen of the Vunshadara river, I incline to think it may be practicable for flat boats during four months at least. My observation of it has certainly been of the most limited kind, but in September last its appearance as far up as Buttely, was that of a wide imposing stream as seen from a distant elevation.

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Enc. 1.

A memorandum shewing the cost of a salt depot of one lac of Indian maunds, or 3,673 tons and odd, to be formed at Gunupur of the Vizagapatam district, by the means of the Biri, or Wamsadara river, from the Umaravilli salt pans. The former is about 65 miles from Calingapatam. The river is generally navigable from the 15th of June up to the 15th of October. It is now navigated by the merchants during three months, as their boats draw more than three feet of water.

2. The merchants go up the river with empty boats from Calingapatam to Gunupur against the current within seven days; six lascars only are employed to steer and to track the boat. The time is equal to 84 hours journey, as the merchants boats sail from six o'clock in the morning till five or six in the evening.

3. In returning to Calingapatam they run down within 24 hours. Thus it will take 108 hours for a boat to go to Gunupur, and to return to Calingapatam, which is about 60 miles in direct length.

4. Supposing the 65 miles are divided into eight stations, and 10 coolies are posted at each per boat to track her, I believe she can go up the river within 84 hours, and come back within 24: the time is equal to four and a half days.

5. A loaded boat might reach at the disloading or loading station after 6 o'clock, P. M., so 24 hours or more time should be allowed for each inconvenience, and it will take some further time for loading and disloading the boat; then we may say that it will take fully six days, or 144 hours. The time is calculated according to the period now navigated by the merchants. We may be able to make it much shorter.

6. This calculation shows that $\frac{3}{4}$ of a mile is navigated per hour against the current and $2\frac{3}{4}$ miles with the current and sails. This shows that the current is not very strong.

7. An estimate for boats, &c., for the carriage.

| | Rs. | A. | P. |
|---|---|---|---|
| Fourteen flat-bottomed boats of 25 tons each, drawing only 2 or $2\frac{1}{2}$ feet of water, will be quite enough to be regularly dispatched at the rate of 2 boats per day 50 tons or 1,361 maunds of salt. The cost of the 14 boats with masts, sails and all, at Rupees 550 per each.. | 7,700 | 0 | 0 |
| To send the salt at the above rate it will take 2 months and 13 days to carry the estimated quantity, but fully three months may be allowed for other inconveniences. To employ 20 coolies at each station for the 2 boats are 140 coolies per month for the seven stations, and 420 for three months, at 4 Rupees to each man, are.. ... ... | 1,680 | 0 | 0 |
| Four Lascars should be employed on each boat to steer; for the 14 boats are 56 men per month, and 168 men for three months, at 5 Rupees to each man per month, are.. ... ... ... ... | 840 | 0 | 0 |
| One Peon to each station to keep the coolies ready and to deliver the boats in the next station. For the three months are 21 men, at 4 Rupees to each per mensem, are ... ... ... ... ... | 84 | 0 | 0 |
| One Sharrang to superintend the Lascars and boats along the line, at 10 Rupees per mensem, are ... ... ... ... ... ... | 30 | 0 | 0 |
| One Tandail for do., at 8 Rupees per do., are ... ... ... ... | 24 | 0 | 0 |
| The Peons and the Tandails may be taken from the permanent establishment, and the temporary servant may be transferred to the salt works during the three months. | | | |
| The Lascars must assist to load the boats; however 10 coolies will be required daily at the loading and 10 at the disloading stations, so for 20 coolies on monthly salaries for three months, at $2\frac{1}{2}$ Rupees each man, are ... ... ... ... ... ... ... ... | 150 | 0 | 0 |
| | 2,808 | 0 | 0 |
| The interest of the outlay of the 7,700 Rupees, the cost of the boats at 5 per cent., are... ... ... ... ... ... ... ... | 385 | 0 | 0 |
| | 3,193 | 0 | 0 |

Thus the cost of the carriage hire is $2\frac{1}{2}$ Pice per ton per mile, or 13 Annas 6 Pice per 65 miles.

8. Now the merchants are bringing down raw rice from Buttili in the Masula boats. In each they bring 42 bags, which is equal to 90 Indian maunds, or $3\frac{1}{3}$ tons. The distance is 60 miles, and the hire is 18 Rupees to each boat, or 5 Rupees 6 Annas and 8 Pice to a ton, or 1 Anna and $5\frac{1}{2}$ Pice per ton per mile.

9. Taking salt to Gunupur in bandies; each bandy on an average cannot carry more than 14 Indian maunds, and the hire per each bandy is 4 Rupees, so at this rate it costs 2 Annas per mile per ton, or Rupees 7-13 per 65 miles. The salt is a heavy substance and the country bandies cannot carry more than 14 maunds.

10. Cost of a permanent establishment to sell the salt at Gunupur.

| | Rs. | A. | P. |
|---|---|---|---|
| One Tanadar at Gunupur, at 35 Rupees per mensem, per annum are | 420 | 0 | 0 |
| One Gumastah, at 10 Rupees per mensem, per annum are... ... | 120 | 0 | 0 |
| One Shroff, at 7 Rupees per do. do. ... ... | 84 | 0 | 0 |
| 8 Peons, at 4 Rupees per do. do. ... ... ... | 384 | 0 | 0 |
| 4 Measurers, at 4 Rupees per do. do. ... ... | 192 | 0 | 0 |
| Sadar, at 3 Rupees per do. do. ... ... ... | 36 | 0 | 0 |
| Total..... | 1,236 | 0 | 0 |

11. The general prices of the salt sold at Gunupur and Parvateepur. 1 pullah, or bullock load of salt, which is equal to 3 maunds of 82 lbs. per each is generally sold for 5 or $4\frac{1}{2}$ Rupees.

| | Rs. | A. | P. |
|---|---|---|---|
| Thus at 5 Rupees a pullah, it costs Rupee 1-10-8 per maund, so for the one lac of maunds are.... ... ... ... ... ... ... ... | 1,66,666 | 10 | 8 |
| At $4\frac{1}{2}$ Rupees per pullah it costs Rupees 1-8 per maund is for do. These are the lowest rates. | 1,50,000 | 0 | 0 |
| Price proposed by the Deputy Collector to be fixed at Rupee 1-6 per maund, at this rate per one lac of maunds are... ... ... | 1,37,500 | 0 | 0 |
| Deduct the prime cost of the salt at Rupee 1-2 per maund... | 1,12,500 | 0 | 0 |
| The balance... | 25,000 | 0 | 0 |
| *Deductions.* | | | |
| Cost of the carriage hire including the interest of the outlay... ... | 3,193 | 0 | 0 |
| Permanent establishment... ... ... ... ... ... ... | 1,236 | 0 | 0 |
| Wastage allowed at 22 maunds per every 1,200 Indian maunds for carrying, storing and in selling... ... ... ... ... | 2,280 | 0 | 0 |
| Cost of thatching the heaps at 2 Rupees per each are... ... ... | 160 | 0 | 0 |
| Permanent buildings are not required at all, as there are no such buildings at the pans; and the heaps will be more safe than at the sea coast—Sundries at 5 per cent... ... ... ... ... | 140 | 0 | 0 |
| | 7,009 | 0 | 0 |
| Annual profit. | 17,991 | 0 | 0 |
| Deduct the cost of the boats... ... ... ... ... ... ... | 7,700 | 0 | 0 |
| Cost of a platform at Gunupur... ... ... ... ... ... | 300 | 0 | 0 |
| | 8,000 | 0 | 0 |
| Profit of the first year. | 9,991 | 0 | 0 |

12. Now the Brinjaries cannot come early in the season to the salt pans for salt, until the paddy crops are reaped, that is until the end of December, for fear that their herds of cattle would injure the crops. So they delay on their march, and some of them come to the pans, and some buy their salt at Parvatipur, Gunupur and in other places, where merchants sell for much higher rates than at the pans.

13. Now for instance more than 3,53,482 Rupees worth of salt is carried to the boundary of the district, and sold to the Brinjaries; there must certainly be great obstruction for the Brinjaries, to come to the pans, which will be personally enquired by the Deputy Collector on the spot. If the Government store about 3 lac of Rupees worth of salt at Gunupur from the Nowpada salt pans, by cutting the proposed canal into the Wamsadara river, which was lately recommended by Colonel F. C. Cotton, to form a salt depôt at Calingapatam from Nowpada, then the salt will be sold cheaper in the upper country, and there might be great increase of sale.

14. If the canal is cut and fine boats of 25 tons each are daily despatched from Nowpada salt pans 11,250 tons of salt can be carried within three months, the carriage hire and other expenses will be made much cheaper than for the quantity entered in the estimate, and the profit will be somewhat 55,000 Rupees annually.

15. After we experiment 3,673 tons of salt by boats from Umaravilli, I would recommend the employment of a small tug steamer of 15-horse power for the purpose of towing up 3 boats of 50 tons each at a time. Eventually this measure would be the means of effecting a diminution in cost of water carriage. If we form a depôt at Gunupur, I suppose that the Brinjaries will be able to make two trips into their country, by coming down early in the season or by the means of handing over or forming depôts on their way, as well as our countrymen. If a steam tug was to be employed we can be quite certain that we can take the estimated 3 lac of maunds or more without fail, and the same tug may be useful for the merchants to bring down grain for rapid exportation at Calingapatam, which would pay something to recover the expenses of the steam tug.

*Section II.*

According to the calculations already shewn in the estimate it costs 6 Pice per maund, or 13 Annas 6 Pice per ton, per 65 miles for the carriage by the means of the transit boats. If we include the cost of the permanent establishment annually 1,236 Rupees for selling the salt at the depôt, it amounts to 4,429 Rupees; distributing this on the 1 lac of maunds it costs only 8¼ Pice per maund to be carried to a distance of 65 miles. If the Government do not wish to fix the rate of the salt at 1 Rupee 6 Annas per maund, to gain a profit; but merely to increase the sale at a cheaper rate for the comfort of the neighbouring country, they may as well order to increase only one Anna more on each maund, which would recover the expenses and all.

2. To carry on the bandies as shown in the estimate it costs 4 Annas 8 Pice per maund per 65 miles, or 7 Rupees 13 Annas per ton.

3. A small canal from the salt pans of Umaravilli should be cut into the mouth of the river near Calingapatam. I have made rough calculations, which will not cost more than 1,000 Rupees; as there is already an old canal which was cut into the swamp, on the orders of Mr. Foord, the then Principal Assistant Collector, in order to get good supply of salt water for the use of the salt pans, which is not in use at present.

4. I propose that the salt should be loaded on the boats at the ditch round the platforms, without carrying to any distance in bandies; this, I am sure, can be easily done. Now the interest of the 1,000 Rupees should be carried again to the expenditure of the carriage hire; even then the cost will not exceed a little more than 8½ Pice per maund. I beg that the salaries of the establishment will be raised a little more than the remuneration entered in the estimate, all within 20 Rupees more.

5. One lac maunds of salt can be spared from the depôt from the Umaravilli salt pans, as we have lately extended it, or there are two other places beyond the old pans, and at a distance of ½ mile and another at 2½ miles, where about 40,000 Rupees worth of salt can be gradually manufactured for the home consumption. There is a large sweet-water swamp on the north to the salt pans which is connected with it, and I suppose it can be converted into pans if necessary works are to be performed by the Engineer's department. I am going to try a portion of it in this season.

6. At Gunupur forests, timber is very cheap, which can be brought down by the river, and a ton of firewood will not cost more than 2 and 3 Annas, if wanted for the use of the steam tug.

7. At the conclusion I have to add another important remark, which I have dropped where I ought to have mentioned it. Some of the Brinjaries do not come to the pans for fear of the cholera, and for want of pasture for their cattle during the hot weather. The merchants also generally trump up a report, on the boundary of the district, crying to one another that they have lost some of their relations at the salt pans by the cholera disease. In this manner many frighten the Brinjaries and make their fortune.

GANJAM, 11th January 1860.

(Signed) D. VENKATA NARSINGA ROW,
Deputy Collector.

(True Copy.)

(Signed) G. S. FORBES,
Collector.

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Exd. J. Wright.

Minute by the Hon'ble the President

I cannot concur in the proposed order for the establishment of a Salt Depôt at Bullaky in the Ganjam District. This is quite a different case from the establishment of a Salt Depôt on the Godavari. The object there, was to open the opening of the navigation of the River by obviating its disadvantage in reference to an article of first necessity which has heretofore only been carried by land. Here, on the contrary, the navigation is already open both up and down, and the object proposed is merely the ordinary one of furnishing salt at a cheaper rate to the people in the interior.

Estimates and Profit are fair enough; but as the undertaking would involve the building a fleet of boats at Dantesheveram, the maintaining relays of bullocks at the ghauts to tow the boats up the stream

stream, and all other incidents of a mercantile establishment, including the liability of being defrauded by our subordinate agents, these calculations are not to be depended upon. I have seen scores of such estimates in the course of my official experience. They are always made upon the hypothesis that the business will be conducted in the most regular and successful manner, without reference even to the ordinary contingencies of private trade, and with a total disregard of the fact that Government can never successfully compete with private traders.

The Government, no doubt, ought to give every practicable facility to the extensive consumption of salt, but for the Government itself to enter into the private trade by which the article is distributed through the interior, would not have the effect desired, but the reverse. It is impossible that the appearance



appearance in the market of the interior of such a Capitalist can employ of labor as the Government, should not discourage Private Traders. Whatever professions might be made to the contrary, our subordinate Agents would, in order to increase their own gains and to make a good show with their superiors, push their sales as far as possible.

Be pledged our debtors to the Supreme Government to enforce a more full collection of the salt tax; one we have appointed several additional Deputy Collectors expressly for that purpose; but if we are to carry on the trade of the interior as well as to superintend the manufacture on the Coast, hundreds of Deputy Collectors would not suffice for the purpose. It would, in my opinion, be a total misdirection of the services of the Officers of the Department, & treading the Rao has quite enough to do, to see that the salt manufactured

in

in the Pass in the Ganjam District is of good quality, and to prevent smuggling and the Government would lose the benefit expected from his appointment if he had to divide his time between his proper duties as above described and carrying on the details of a Harvest Trade and Mercantile Establishment in the interior.-

L. E. Thuriyan

Ganjam 21 March 1860.

Minute

I am unable to concur in the Board's views on this subject, as I believe that the proposed Salt Depôt would be of great advantage to the Public & the Government.-

My opinion is founded on the eminent success which has attended the establishment of Inland Depôts on some of the navigable rivers in Canara.- This success was so marked as to attract the notice of the Home authorities, who ordered an enquiry whether the system could not be extended to other districts.- The then Members of the Govt Sir H. Pottinger, Mr. D. Elliott & Mr. J. F. Thomas all favoured the plan, whereas circumstances were favorable, but the Revenue Board reported that the facilities given by the Canara rivers were not to be found elsewhere and the Board were rightly adverse to the formation of Govt Depôts in the interior, when the salt would have to be conveyed to them in carts or on bullocks, as such an arrangement would interfere with the ordinary carriage & traffic of the country.-

Despatch No 13 of 1858

† Letter to Govt 2 Jany 1855 No 127.-

The Govt acquiesced in this view, & subsequently forwarded the papers to the Home Govt - where the subject rested for a while.-

* Proc of Govt Rev. Dept No 1084 - 13 Oct 1856

– But on the opening of the Madras Railway the Revenue Board (then consisting of Messrs. E. & F. K. Hastings, both of whom had been long employed in Canara) recommended the establishment of Salt Depôts along its line, pointing out that a Railway furnished the same peculiar facility for such a purpose as the Canara Rivers did, & explaining the reasons on which their proposal was founded

Letter to Govt 1 Feby 1856 No 320

– The Government however as then constituted did not adopt its views, & rejected wholly the proposal to establishing Salt Depôts

2 M.C. 13 March 56 No 1545

as an unadvisable interference

do – 26 June 56 No 655

with private trade. –

The subject remained in abeyance for some time, until two circumstances brought it again under discussion in 1858.

– 1st – Colonel F. Cotton – Deputy Chief Engineer in reporting on his professional tour in Canara commented on the want of Inland Salt Depôts & strongly recommended their formation – But this proposal fell to the ground as the Revenue better carriage was pointed out & the Board felt unable, without such facilities, to recommend a measure to which the Govt had rejected itself generally opposed

Board's Rec of 22 March 1858 No 1009, and
2 M.C. of 15 May 1858 No 631

2nd The Railway directors in London addressed the Home Govt, strongly urging the establishment of Govt depôts along the line of Railway, and the subject was referred to the Govt with an intimation that the Home Govt viewed the measure in a favorable light.

(See 2 M.C. 26 May 1858 No 269 – Mem. Railway Depts.)

Meantime however orders had been issued for converting the Salt Monopoly into an Excise, which accordingly went into effect on the 1st April 1858 – since under an Excise the Govt would no longer have anything to do with the sale of Salt.

Revenue Board 23 Augt 1858 No 3213
2 M.C. 27 Sept. 1858 No 1309.

But the orders for introducing an Excise have been somewhat withdrawn and the question of establishing Depôts along the Railway having been received, the Revenue Board are engaged in enquiries on the subject and are likely soon to bring it before the Govt. –

I have entered into this detail to show that the plan of forming Inland Salt Depôts has met with much support – In respect to the particular Depôt under consideration I am strongly in its favor –

I have never advocated such depôts when the Salt would have to be conveyed to them by the ordinary carriage of the country (Jack bullocks Carts &c) but where ever a railway offers facilities, the policy, & I may say, the duty of the Govt seems to me plain. — I say duty, because when the Govt interferes with the trade in salt & enhances its price by a Monopoly, it is bound I conceive to take all measures in its power to make the Monopoly as little burdensome as possible — Its duty on this point is towards the consumer, that is the great mass of the people, more than towards the few individuals who might feel disposed to enter a particular branch of the Salt trade. —

If therefore the establishment of Inland depôts ensures to the people purer & cheaper Salt I consider it the duty of Govt to establish them. — Where there are railways & rivers, I believe that Govt as a great wholesale dealer could generally convey the Salt cheaper than other parties, & it has another most important advantage — The transport of Salt entails a heavy loss by wastage & to the Govt this loss would fall on an article worth only Rs 10 per Garce. — But the private trader the original cost of production

* Rs 120 per Garce

buying, with purchasing the Salt at Rs 120 per Garce, and the loss which he incurs by the wastage of an article of this high value, adds to the amount considerably the retail price

* Therefore to consider the higher

The argument that Govt cannot manage Inland depôts economically & profitably are fact, I would urge, by the practical experience acquired in Canara, where these Establishments have had eminent success, & proved an advantage to the consumer & the general revenue of the country as well as of the Govt. In wild parts of the country like Ganjam Salt depôts would have a beneficial influence in promoting trade & civilization, besides adding to the Revenue by the increased consumption of this article, & when of conveyance, facilities exist as in the present instance I concur with Colonel (now Major General) Frederick Cotton, in urging the formation of Salt depôts. — after they have answered their purpose, & it is ascertained that they are no longer necessary they may be sold but I know of no more profitable method of increasing the Salt revenue than by establishing depots in judiciously selected places. — The cost of the measure would be defrayed by the Govt by an addition to the price of the article, & no sensible interference would take place with the trade of the country, as at the retail dealers

the sale to the towns & villages would be left to private dealers -

In conclusion I invite attention to the letter of the Madras Railway Direction which has been already alluded to. - They show that even in a country like England, where commercial activity & prize have reached so high a point, landowners found it desirable to establish depots along the railways to promote the sale of their estate though it is hardly less a necessary of life than salt. - This they do for their personal advantage - In our provinces then, where enterprise prevails & enterprize is unfrequent & capital at a low ebb, it is surely the duty as well as the policy of Govt to take measures for circulating as economically & extensively as possible an article of necessary consumption, which is already heavily taxed in favor to the people by their Fiscal system - that is by their Monopoly. -

2 April 1860.

I have the honor &c &c

(Signed) H. Stracey

Chairman

Madras Salt Committee

Minute of Mr Stracey dated 2nd April 1860

+ + +

The Salt Depots are already under the Authority & Direction of Collectors - They are under the Board of Revenue - Every Collector & Assistant Collector has been directed to devote their whole attention & time to the Salt Revenue - & to visit frequently the Salt Depots & Agencies under their charge for the sale of Salt -

As the Government Monopoly is the only Salt in the Market, & as the Government wishes to increase the Revenue from Salt, it is the duty of the Collectors & Assistants, under the Board of Revenue, to see that the Government Salt is sold to the best advantage - & to prevent the illicit manufacture & sale of Salt -

+ + +

Mr Morehead

This is not a question for the Board of Revenue but for the Government - I think it would be an expensive & wasteful line of action for the Government to enter upon, and

that it would, on the whole and in the long run, do more harm to the consumers by discouraging private trade, than it could do them good by the facilities afforded - but I do not think it right to hold out in this particular case against the unanimous opinion of my colleagues - I therefore propose that instructions should be issued for the establishment of a salt depot at Gunnapur (as intended) and that the papers should be specially reported home

H L Pelly

Lynds Karla

7 April 1860

Copy in a Letter of this
25th April pr 36 of 1860

No 937

Minute by His Excellency
the Commander-in-Chief
Dy 4th April 60.

Agrees in Mr Halliday's
views on the subject
of establishing a Salt
Depôt at Buttale in
Ganjam.

No 938.

Minute by the Hon. the
President
Dy 7th April 60.

Thinking it not right
to hold out against the
unanimous opinion of
his colleagues, proposes
that instructions
should be issued for
the establishment of
a Salt Depôt at Gun-
=napúr as intended.

No 7 ult 80.

Revenue 1860 Deptt.
Pros: of Govt 30th April

No 935

Minute by the Honorable
Mr Maltby.
Dy 2d April 1860

Differs from the Pres:
:ident's views on the Sub:
:ject of establishing
a Salt Depôt at Buttale
in Ganjam, which he believes
would be of great advantage
to the Public and the Govt.

No 936

Minute by the Hon: Mr Morahea
Dy 4th April 1860.

Concurs with Mr Maltby
in the matter of the pro:
:posed establishment
of a Salt Depôt at Buttale
in Ganjam.

No 642 - 26th April

Minute

Revenue Dept

No. 642.

# Proceedings of the Madras Government

Under date the 26th April 1860.

Read the following

Proceedings of the Board of

Revenue.

Submitting with the Board's recommendation a letter from the Collector of Ganjam forwarding with his approval a communication from his Deputy Collector D. Narasinga Rau proposing to establish a salt Depôt at Bhatlety or Gummaspur on the Vanshadara river on the boundaries of Ganjam and Vizagapatam

Minutes by the Hon'ble the President, the Hon'ble Mr Maclean, Sir Alexr Malloy, the Hon'ble Mr Harchurst, His Excellency the Comr in Chief and the Hon'ble the President.

(Here enter 14th February 1860 No 801)

(Here enter 21st March, 23rd and 7th April 1860)

The Government sanction the proposed salt Depôt on the Vanshadara river in the Ganjam District, and authorize the Collector and the District Engineer to take the necessary steps for giving effect to the sanction.

2 The funds necessary for preparing the Site for

and

Revenue 1860 Decr
Nos 30 & 32
Proceedings of the Board of Revenue

Dated 14th Feby 1860
Read 18th Feby 1860
C.J.

No 801 - 26 April

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Read the following Proceedings of the Board of Revenue.

From the Collector of Ganjam to the Board of Revenue

Dated 31st January 1860
Rec'd 6th February 1860

No 55

Sir

I have the honor to submit for the consideration of the Board of Revenue a proposal made by Mr D. Narasinga Rau Deputy Collector of this District for the establishment of a Salt Depôt at Bhatlety or Gummaspur on the Vanshadara River on the boundaries of Ganjam & Vizagapatam.

2 The object is to encourage the manufacture of salt by the Ryots, and by the Merchants of the Interior, who are now obliged to purchase their supplies from the Chowkies established on the Coast, at a heavy duty, and to transport it to their villages at a heavy expense. The Ryots are at present prohibited from making salt, except under the supervision of the Chowkidars, and are obliged to sell it to the Merchants who visit the Chowkies for the purpose and Purchase it at a low rate. The Merchants are obliged to take out a Pass for the salt they purchase, and to pay the duty at the Chowkies on the road, which is a great inconvenience to them, and a source of much trouble to the Chowkidars. The establishment of a Depôt on the Vanshadara River, would be very convenient to the Merchants, as they could purchase the salt at a low rate, and would not be obliged to pay the duty, until they had sold it, and would be relieved from the trouble of taking out Passes.

3 The experiment should be tried - In Canara the community have been largely benefited & trade promoted by such arrangements - If thought advisable the Depôt can be hereafter reserved but while Govt maintains a Monopoly they are bound, I think to consult the interests of the consumer before that of the trader in the article - or in other words to make the Monopoly as little burdensome as possible to the community. I

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and building the boats will be taken from the sums allowed in the budget of 1860/61 for unforeseen works.

3 The Establishment to be entertained will be on the scale and at the rates determined by Government on Mr. Kelly's Report shortly to be submitted - as soon as it is settled, the sanction of the Government of Indies will be applied for.

4 The Collector will take special care that a separate account is kept of the whole of the expenses of the depôt, and of the receipts from it. This account should exhibit the quantities of salt dispatched from the Coast stores, in conformity with the quantities received at the Depôt, and the wastages and loss in transit and at the Depôt should be carefully ascertained and shown in the account.

5 Immediately after the 1st August 1860, the Deputy Collector will submit a full report of the establishment of the Depôt, and of the result up to that date; and will submit a statement of the charges and receipts. This Report should be laid before Govt without delay.

6 This order will be immediately reported to the Secretary of State.

To Copies to the Board of Rev.
Civil Sec. 27.
10 — Chief Engrs
4 — Ex. Engrs
1 — D. S. Works
3 — Civil Audrs

Steven's 1861 Reft.
Proof Gov. Sec. Offered

No 662.

Pro. of the Madras Govt.
Dy 26 Aug. 60.

From Bo. of Rev. 19th July Cmnty.

Power giving the Proc
Provided Lall Dey & Comthea
Tamlukdars Rights in Burdwan
and authorizing the Collr.
and the District Engineer
to take the necessary steps
for giving effect to the
sanction -

Copy with a letter to Govt of Bengal
dated 23rd Augt 1860 No 1175

See 75 at 81