20/2/26/RH

M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2102	Press Mis.
39.33	
Dated 1-11-	18 6/ .

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 1st November 1861.

No. 32. Read the following Proceedings of the Board of Revenue, dated 25th July 1861, No. 3,988 :—

Read letter from the Collector of Nellore, dated 7th March 1861, No. 39, forwarding the Salt report of his Deputy Collector Narainsawmy Mudali.

(In Cons. 16th March 1861, No. 1,653.)

1. Resolved that the above letter with its enclosure be submitted to Government, with reference to their Proceedings, dated 5th August 1859, No. 1,051, Revenue Department.

In Cons. 8th August 1859, No 3,961.

2. The Deputy Collector's satisfactory report of his sixteen months administration of the Salt Department in the Nellore District needs very few remarks from the Board.

3. Of the 492 days during which he had been attached to the District up to the date of his report, he was absent from his head quarters and on duty at the various Salt stations for 354, and judging from the result described in paragraph 5 of his report, he made excellent use of his time.

4. His first inspection of the localities where Salt was manufactured showed him that the platforms were badly constructed and not fenced in, and that no provision existed for drawing off the rain water; that the Salt heaps were inconvenient in shape, and their coverings ill-constructed. He has now put all the platforms, with the exception of those at Gangapatam, in good order, having raised some, and having enlarged others so as to give room for the formation of a channel to carry off the drainage. He personally attended to the re-forming and re-covering of the Salt heaps, and insisted on the subordinates paying due attention to this portion of their duties. The result has been most satisfactory, the wastage having been much reduced.

5. It was found that considerable quantities of spontaneous Salt was generated in the vicinity of the Pulicat lake, and in other localities; that this was collected clandestinely, and that the Government sales were seriously affected. The Deputy Collector lost no time in applying a remedy to these evils, and the Collector in another communication now under the consideration of the Board, has proposed to entertain an Establishment for the due utilization of this valuable article, instead of allowing it as hitherto to be destroyed.

6. The quality of the Salt when manufactured was found to be very inferior, but under the arrangements and instructions of the Deputy Collector it was considerably improved, especially at Padarti, and he states that had he been more ably supported than he was by his subordinates, he has little doubt that he could have effected greater changes in both quality and color than he did.

7. He also remarks that the servants were in the habit of exacting fees from the merchants and manufacturers, and that great delay took place in paying the Kudiváram to the latter. This grievance he partially put a stop to, and in most cases the manufacturers have been duly paid.

8. Very great delay had taken place in the disposal of claims to Salt pans, and the Department had entirely neglected to make the necessary alterations in the Registers consequent on changes by death, mortgage, sale or gift. The Deputy Collector inquired into these cases, and submitted a list to the Collector, and the Board trust that they have ere this been finally adjusted. The recommendation that a survey of the pans should be made for the more easy disposal of such claims is well worthy of consideration.

9. The Board trust that the present improved footing on which the Salt Department has been thus placed, will be maintained under the careful and able superintendence of the present Deputy Collector.

10. The result of the Salt transactions of the year in comparison with the previous one shows a small falling off, but this is accounted for by the fact that Salt was sent by Railway from Madras to supply a demand which had heretofore been met by Salt from the Nellore District. The increase of price also has to a certain extent affected the sales as the poorer classes have ceased

to supply their cattle with Salt. The Collector should carefully watch the sales, and at once report if the enhanced price seems to have the effect of depriving the poorer classes of this necessary of life.

11. The Board quite concur with the Deputy Collector in his remarks as to the inutility of any change in the platforms. They have been all along of opinion that masonry platforms were not required, and such seems to be the general opinion of those best informed throughout the Provinces.

12. The Deputy Collector gives his opinion that it is advisable to adhere to the present system of covering the heaps as the experiments in mud covering made by Messrs. Minchin and Whiteside have not proved successful. The Board would be glad to receive some further details of these experiments, as they consider that the system of covering the Salt heaps which obtains in the South is decidedly preferable to that in force in Nellore and other Northern Districts.

13. Mr. Dykes makes no remarks upon his Deputy's report, but enters into a discussion upon the subject of treating the Salt Department as *a trading concern*, with the view apparently of eliciting a conclusion adverse to Mr. Pelly's proposal for the separation of the places of manufacture from those of sale, and Mr. Clarke's proposal for the concentration of those places, though he adds in another part of his letter that he is not to be understood to mean that he is opposed to the reduction proposed by the latter gentleman.

14. The Board observe, however, that a multiplication of sale depôts by no means of necessity creates increased sales, the more so if, as in the Nellore District, many of those depôts are at places most inaccessible to purchasers. The demand for an article like salt may be almost said to be fixed, and it will not be influenced by a reduction in the number of the places of sale, provided that the position of those retained is selected with due attention to locality and means of approach.

15. The decrease in the sales at Chinna Ganjam, which Mr. Dykes refers to, was in all probability only temporary, and would have been compensated for by increased sales in the adjoining Districts, and the Board concur with Mr. Clarke in considering that undue weight is given to the objection urged to concentration, that the purchasers will not obtain accommodation and from being of different tribes will be likely to disagree.

16. The danger anticipated in paragraph 8 of Mr. Dykes' letter appears to the Board to be chimerical; the manufacturers are not likely to combine against Government so long as, as at present, their own interests and those of the Government are identical. The real risk to be anticipated in too great a concentration of places of manufacture is that of season, as it may and does frequently happen that the manufacture can be carried on at a set of pans in one part of a District, while the weather renders it quite impossible to manufacture at another set in the same District. For this reason the Board would be averse to a further concentration than that proposed in Mr. Clarke's report. This objection does not apply to places of sale which the Board think should certainly be partially separated from the places of manufacture, though not in the manner proposed by Mr. Dykes by manufacturing at a village one year, and making it a place of sale the next.

17. The Board do not see the necessity of increasing the number of stations as proposed from 14 to 16. Both the villages proposed to be added by Mr. Dykes are sufficiently near other places of manufacture as not to render their abolition an inconvenience to the purchasers.

18. Of the present export platforms it is proposed to retain only three, and Mr. Dykes thinks that of these three Varani might be done away with, and the trade wholly confined to Kistnapatam and Eskapelly. The present supply of boats is very limited, and the reduction in the number of places of export would tend to remedy this. The Board therefore support Mr. Dykes' proposition.

19. In regard to the extra duties required of the manufacturers referred to in paragraph 14 of Mr. Dykes' letter, the Board concur with him in thinking that the best arrangement would be, as already suggested by them, that the amount to be paid for the Salt Kudiváram should be so fixed as to leave a margin for all expenses of this nature, and the manufacturer would thus either contract for the covering and other works being performed, or he might do the work himself.

20. Mr. Dykes suggests that all charges in connection with the approaches to the Salt pans should be debited to the Salt Revenue, and the Board entirely agree with him. The practice of debiting every outlay in connection with any particular branch of revenue against that branch alone, and thus arriving at the real net amount of such revenue appears to the Board to be the only true system of accounts.

21. The Board are doubtful whether the proposed variation in the rates of Kudiváram according as the Salt was manufactured at certain times of the year would have the effect anticipated by Mr. Dykes, at least so long as the rates continued to be those proposed by him. The highest rate, viz., Rupees 9-6, would not bring this District to an equality with those in the south of the Presidency, and the proposition to reduce the present rate by 7 Annas could only result in the manufacturers devoting themselves to other pursuits. All articles of food are enhanced in price, and labor is from 25 to 70 per cent. more expensive than it was, while an increase of taxation has lately taken place, and a further increase is in prospect; yet Mr. Dykes proposes to remunerate the manufacturers at a rate 6 per cent. below that which they received in years of cheapness and plenty.

(A true Extract.)

(Signed) R. A. DALYELL, *Sub-Secretary.*

No. 33. ORDER THEREON, 1st November 1861, No. 2,102.

1. The detailed orders which the Government have passed on Mr. Clarke's Report on the Salt administration of the Nellore District, render any lengthened notice of the papers above recorded unnecessary.

2. Mr. Clarke's report shows that while there is much room for improvement in the management of the Department, very much has lately been done to improve it. The Government confidently expect the best results from the care and attention which the Collector and his Deputy are devoting to this important branch of the Revenue.

3. With regard to the Collector's lengthened arguments against undue reduction of the places of sale the Government will only remark that they have no wish to carry reduction too far. They would rather have too many than too few places of sale. The retention of too many sale Depôts causes some additional expense for establishment, the retention of too few is a serious hardship to the people and a direct inducement to smuggling, for Salt is a necessary of life, and if due facilities for obtaining it honestly are not afforded, illicit practices are sure to be resorted to. It is useless, however, to attempt to lay down any general rule, each case must be considered on its own merits. As regards Nellore, the Government have sanctioned the retention for the present of the two pans which the Collector wished to reserve.

4. The export of Salt may be limited to the stations of Kistnapatam and Eskapelly, but the Government would first wish to know how much Salt has been annually exported from Varani in each of the last three years, and the saving from abolishing the platform.

5. With regard to the incidental duties, such as thatching, &c., which devolve on manufacturers, the Government have already pointed out in their Proceedings, dated 14th August 1861, No. 1,628 (Tanjore), that the question is not so much whether the manufacturers shall be relieved of these obligations as whether they shall perform them gratuitously. The Government are aware that in many Salt stations the manufacturers have a monopoly of the labor available, and the Collector would be helpless if they were absolved from all liability to supply it. Whether they should be separately paid for such duties, or whether the rate of Kudiváram should be so regulated as to include these incidental duties, will require careful consideration.

6. The suggestion that improvements to the approaches to the Salt pans should be effected out of the Salt Revenue would certainly be convenient, but it could not be effected without the sanction of the Supreme Government, which the Government are not sanguine of obtaining.

7. The separation of the sales from the manufacture is very desirable, but it should be effected by having the sales in one place and the manufacture in another when this is practicable. The Government concur with the Board that the Collector's plan of carrying on the manufacture and sale in alternate years would never answer. No person would invest capital in Salt pans

if they could only manufacture in alternate years, and it is not easy to see how they could subsist in the years when the manufacture was closed. There would also be much risk of an insufficient supply, as the season prescribed for manufacture might prove unfavorable.

8. The Government will deal separately with the question of establishments in reviewing Mr. Pelly's report on that subject.

(Signed) J. D. SIM,
Secretary to Government.

IN CONS. 16TH MARCH 1861, No. 1,653.

From J. W. B. DYKES, Esq., Collector of NELLORE,
dated Veguru, 7th March 1861, No. 39.

I have the honor to acknowledge the receipt of the Board's Proceedings of the 27th ultimo, No. 1,084, intimating in reply to my letter of the 22nd February, that the Deputy Collector in charge of the salt department in this district, need only give in detail such suggestions as are not discussed in Mr. Clarke's report, and that I am to consider myself at liberty to give my opinion and make such remarks on Mr. Clarke's suggestions, as I may think necessary.

2. Mr. C. Narayanasawmy having stated* that he has no other or better suggestions to make than those contained in Mr. Clarke's report, I lose no time in forwarding the report on the salt department of this district submitted by the Deputy Collector on the 18th January last; and I at the same time gladly avail myself of the permission given me in the Proceedings under acknowledgment to add such remarks as I might wish; for, since I replied to the several Circulars received from Mr. Pelly with regard to the reorganization and general revision of the salt department, I have had more time to study the working of the department, as it at present stands, and make detailed local inquiries. When I wrote to Mr. Pelly last year,† my experience in salt districts was limited to a few months; and it had never been in my power to watch either the manufacture or sale of the article. And although even now my experience on these points is all too limited, still I have been able to pick up some local information that I did not possess before, and I believe it is my duty to submit for consideration at a time like the present, when the reorganization of the whole establishment is under immediate contemplation.

* 4th March.

† 12th March 1860.
26th July "
28th " "

3. Mr. Clarke's suggestions may be divided under two heads:—1st, the mode in which Mr. Clarke would recommend that the establishment should be reorganized; and, 2ndly, the various alterations and improvements that are urgently called for in our present local arrangements, &c., on both of which subjects it is necessary that I should make a few remarks. Whilst I, at the same time, beg permission to record briefly certain general principles that, it seems to me, should always be kept in mind when dealing with the salt department, and the neglect of which will, I believe, invariably nullify our efforts at improvement, however well devised in other respects.

4. The first principle for which I would claim assent, is, that the salt department must be considered and is essentially *a trading concern*; the second, that although it is so entirely a matter of trade, still as regards this district, and probably most other districts, there is no such thing as a *labor market* where the salt is manufactured; and the restrictive influences that are felt with reference to the supply of labor affect also the subsequent operations.

5. If it is admitted, as I believe it must be, that the salt department is a trading concern, then it follows that in all our attempts to improve it, we must be guided by the general principles of trade, with this exception that we cannot look solely to profits. It is a Government monopoly, and we are bound to consider what will be the effects on the people of every move we make. And again, if we would lay down revised rules for the manufacture and sale of the article, we must remember that these rules can only be safely carried out by setting aside general principles where necessary, and availing ourselves as far as may be of the local peculiarities, which render such deviations a necessity.

6 The effect of the alteration contemplated by Mr. Pelly in his letter to Government of the 16th April 1860, No. 243, would be to reduce the number of *shops* where salt should be sold by Government. Sales and manufacture, according to Mr. Pelly's scheme, were to be kept distinct. The salt manufactured at the various villages was to *be stored* and sold at a single station. And Mr. Clarke in considering this scheme brings to the notice of Government that in this district, "where there are many "outlying villages attached to the division stations," it could not in his opinion be carried out with

Mr. Clarke's Report, paragraph 122.

reference to the distances involved. But I would, with reference to the foregoing remarks, beg to put the objections to the proposed change on a wider footing. I would respectfully refer to the general principles of trade, and if I am fortunate enough to receive the concurrence of the Board, I would object to the concentration of the places of sale on the broad principle that, the more shops you have the more you will sell. In this case our duties as monopolists and our interests as traders are identical. As monopolists, it is our duty to place our sale depôts within easy reach of the people; as traders, our profits are most likely to be increased by the same measures. And a glance at the margin will show that, as regards cost of establishment, so far as present arrangements are concerned, we are far from reaching the limit where increased profits can be swallowed up by additional costs.

Vide letter to Mr. Pelly and Enclosures of 12th March 1860.

Names of Divisions.	Average sales from Faslis 1266 to 1268, A. D. 1856 to A. D. 1859.	Annual cost of establishment.	Cost of establishment compared with gross receipts.
	RS.	RS.	RS. A. P.
Padarti.....	1,65,617	5,940	3 9 5
Pakala.....	85,796	2,520	2 15 0
Iskapalli.....	1,31,262	6,780	5 2 8
Kristnapatnam..	67,626	3,372	4 15 9
Durgarazupatnam...	32,218	2,616	8 3 11
Tadda.....	92,248	3,744	4 0 11
Total.....	5,74,767	24,972	4 5 6

7. Towards the conclusion of his report Mr. Clarke questions whether we have not too many outlying villages, and refers to Chinna Ganjam in the Kistna district as a favorable illustration of the opposite policy, viz., concentration. But in this, I think, there must be some mistake. When I was Officiating Collector of Guntoor, two years ago, there was a falling off in the salt revenue of two lacs, in consequence of which I requested Mr. Master, the present Deputy Secretary to Government, Revenue Department, who was then my Head Assistant, to proceed to Chinna Ganjam and examine into the falling off on the spot. The inquiry was duly made. And if I am not very much mistaken, the main reason assigned by Mr. Master for the falling off in the gross revenue, was the precise reason to which Mr. Clarke refers in paragraph 178 as in his opinion of doubtful value, viz., the difficulty, where the salt trade is concentrated, of finding pasturage for the thousands of horned cattle by which it is conveyed into the interior. But be this as it may; of the falling off in the Revenue I am perfectly certain. And I can only explain the discrepancy between Mr. Clarke's impressions and my own, by supposing that the accounts at Chinna Ganjam only showed the Chinna Ganjam sales. In this way there would be doubtless a vast increase. The sales of the whole line of coast of the old district of Guntoor being concentrated at Chinna Ganjam would of course swell operations at the point of concentration. But had it been in Mr. Clarke's power as it was in mine, to examine the Collectorate accounts and compare the annual receipts at Chinna Ganjam with the gross annual receipts of the district before the trade was concentrated, the result of the comparison would, I believe, have been very different, and as far as Chinna Ganjam can be taken as a guide, Mr. Clarke would not have been inclined to doubt the advantage of our comparatively numerous depôts.

Report, paragraphs 178 and 179.

8. But, setting aside for the present general principles, I would beg to refer to local peculiarities noticed already in paragraph 4, as furnishing an additional and very cogent reason why we should not concentrate in the salt department, at all events in this district. Our line of coast is thinly populated; our manufacturers are gathered together in villages lying far apart; and, although the Executive, Magisterial and Revenue powers having hitherto been gathered together in the hands of the head of the district has prevented our feeling any ill effects as yet from the necessary consequences of such a state of things, still it would be worse than useless to overlook the facilities thus offered for combination. The labor of the country is entirely under the control of the manufacturers. Labor from elsewhere could only be supported at such a cost as preclude its employment. And bound together by caste and relationship, our salt manufacturers might hereafter combine in such a manner, as to cause serious inconvenience to Government. Such combinations could only be successfully met by the Collector having in each division, as a rule, more sets of pans than one to meet the requirements of the trade with.

9. Again, the manufacture of salt is always more or less precarious. Where the manufacture of the required supply is distributed amongst a number of different concerns, the risk is palpably less; and this consideration must also have its weight with Government in dealing with the manufacture of *salt*.

10. Whilst, finally, I would respectfully submit for consideration another advantage that it seems to me might be gained by abandoning the principle of concentration. In contemplating the entire separation of manufacture and sale, Mr. Pelly doubtless had in view the necessity for removing from the officers of the department as far as possible the facilities so freely offered for fraud, by the opposite course. And in coming down the coast a short time ago, I could not help being struck by the present culpable arrangements in this respect. There was the fresh white salt glittering on the ridges between the pans, there were the heaps of last year's salt stored on the platforms, and camped hard bye were the Binjarries with their empty sacks and bullocks, all ready to purchase salt and start on their return into the interior. The stored salt they must buy at 135 Rupees the garce; the salt just manufactured could be bought at such price as would overcome the integrity of two Peons on 5 Rupees each and a Gumasta on 20 Rupees. And it was impossible to overlook that in such arrangements we were putting the integrity of the men we employ to an unfair test. When the manufacture is at the division station it does not so much matter. The officers on the spot are even now comparatively well paid; hereafter, if Mr. Clarke's proposals are carried out, they will be in every respect suitably salaried. And what with the pay of the officers and comparative publicity of the division station, there is not so much to be apprehended from the two operations going on there side by side. But in the outlying villages it is otherwise. And if, instead of concentrating sales, I were permitted to separate sales and manufacture at these outlying villages, by only permitting manufacture in alternate years and closing my sales at those villages where manufacture is going on, and for so long as it is going on, it seems to me that a double advantage would be gained. In the first place we should at once remove the grievous temptation at present annually offered to the subordinate officers of an establishment, the moral standard of which at the best of times does not stand high in public estimation; and, in the second place, all our attempts at improvement in this department must be tentative; and here, in carrying out one most important object, we shall be most successfully testing the very important question under debate, of whether we are within or really beyond the requirements of the district, as regards the present number of sale depôts. If our revenue should fall off on the introduction of the new system of closing sales at the outlying villages when manufacture is going on, which is also the period when sales are most brisk, then clearly so far it may be inferred that to reduce the number of our sale depôts would be a very dangerous policy. And on the other hand, if such closing temporarily of alternate depôts did not prejudice our gross sales, then it would be clearly an open question, whether the present number of sale depôts might not be contracted with advantage.

11. In using, however, the term "present number of sale depôts," I would not be understood to mean that I am opposed to any reduction of these establishments. On the contrary, I heartily agree with Mr. Clarke in the advisability of doing away with several of the stations at which salt is at present manufactured and sold. In submitting for Mr. Pelly's consideration the establishment which I would recommend should be organized for this district, I framed my estimate on the same reduction as that contemplated by Mr. Clarke and to that reduction, generally speaking, I am for the present fully prepared to agree. But after a more mature consideration of the whole question, I feel very doubtful whether it may not be found hereafter advisable to open the suppressed shops elsewhere, for the reasons given in the preceding paragraph, whilst for the same reasons, and more especially with reference to separating sales from manufacture, I would now respectfully beg leave to modify the scheme of establishments submitted for Mr. Pelly's consideration, with my

letter of the 28th July last, and instead of reducing the total number of stations to 14 as proposed by Mr. Clarke, leave them at 16, the two additional stations being the villages of Tupili in the Durgarazupatnam division and Divarampadu, in the Padarti division, which measure it seems to me is not only necessary to meet the requirements of the local trade, but would also be requisite to enable me to carry out in these two divisions the separation of sales and manufactures as proposed, and for the objects specified in the preceding paragraph.

12. In the proposed scale of establishment forwarded to Mr. Pelly with my letter of the 28th July last, the salaries have been fixed at lower rates than Mr. Clarke would recommend. But if Mr. Clarke's rates can be adopted, the Collectors' hands unquestionably would be greatly strengthened. And taking Mr. Clarke's scale as a guide and adding thereto the cost of the two additional stations, the retention of which I have now ventured to recommend, the total cost of the establishment that I would propose for this district, so far as this department is directly concerned, would be Rupees 1,935. per mensem as shown in the margin, and Rupees 23,220 per annum which, taking our average sales for three years at Rupees 5,74,767, would be a cost in the matter of establishment of four per cent., and even when the price paid to the manufacturers and the charge for the new Police have been added, would still be far from a heavy cost in this respect, in what is essentially a trading concern ; more especially when it is further remembered, that on the exports the profits are realised elsewhere, the monopoly price of the salt is shown where the salt is sold, not where it is manufactured and *guarded*.

	Rs.
Cost according to Mr. Clarke.....	1,773
Two additional Stations at Rupees 81 each.....	162
Total cost...	1,935

13. As regards exports, I may here add that although so many of our present export platforms would be done away with in the proposed revision, it is in my opinion by no means clear whether of the three platforms kept, Varani might not be done away with, and our export trade wholly confined to Kristnapatnam and Iskapalli with advantage. In exports of salt, one great difficulty is boats. The exports are so uncertain and for so short a period in the year, and at present so scattered, that it does not pay to keep boats in any number. But if we concentrated our exports, the greatly increased demand at the ports retained would materially alter the position of the question ; and in further obedience to the laws of trade, we might thus hope to see a proper supply springing up to meet the demand. Whilst such reduction of the number of platforms for export would of course proportionately reduce the cost of Police guard, and would at the same time relieve the Government of the expense of improving either directly or indirectly the means of communication between the salt pans and the export platform at Varani, referred to by Mr. Clarke in the 151st paragraph of his report.

14. In his Circular of the 12th May, No. 277, Mr. Pelly called for an explanation of what duties the manufacturers are expected to perform in addition to making the salt, and where these

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duties end. In replying to this Circular, I stated that the responsibility of the manufacturers, according to the custom of this district, could not be considered to cease till the salt was sold ; and each day's experience, since I sent in that report, has more and more convinced me that this long established local usage is based on necessity. But in the 199th paragraph of his report, Mr. Clarke refers to the opposite course pursued at Chinna Ganjam. And as it might be justly inferred that what is practicable in the neighbouring district, might also be done here, I would beg respectfully to state, that the arrangements for covering the heaps at Chinna Ganjam it so happened, were made the year I was in Guntur, during the time I was actually in charge of the Collector's office, and from what I saw then, it is my belief that considerable difficulty will be experienced hereafter in making the arrangements when the new Police shall have been introduced and the people really understand they are at liberty either to sell or retain their straw, if they like, for fodder for their cattle. The practice I found was for the Salt Superintendent to indent on the Tahsildar of a Delta taluq. And the Tahsildar of the Delta taluq bought the straw and found the carriage. And even if the system of the Government covering the salt should be found to answer, when the Tahsildar ceases to be the Agent in the Guntur, or as it is now constituted the Kistna district, it still would be far from proving the practicability of the same system in this district where, as I have already stated, and it has been so clearly shown in Mr. Clarke's report, our manufactures are scattered along a long line of sandy coast. Coast roads are a myth, and our population is gathered together in a few villages at considerable distances from each other. In the matter of straw, we should have to buy what we want from the manufacturers who not only manufacture the salt but also cultivate the land around their villages, and own the only crops that the nature of the country places within our reach at any reasonable outlay. And in the matter of labor, whether as regards the covering of the heaps, or any other operations connected with the manufacture of salt, here again we must go to the manufacturers, who would thus be completely masters of the position, and able to dictate such terms as they might think fit. And therefore, in whatever particulars it may be considered the duty of the Government to assist as regards the manufacture, storing and sale of salt, I would respectfully and earnestly urge that the giving of such assistance should not be considered to terminate the liabilities of the manufacturers. The granting of the Government aid in fencing

Mr. Clarke's Report, paragraphs 101 and 120.

in the platforms, making approaches, &c., is only just and proper. But in my opinion it is absolutely necessary, at the same time, that the manufacturers should still be bound by agreements to meet the requirements of Government, whether for labor or coverings, &c., at such rates as the Government may think fit to fix. If a manufacturer is dissatisfied with the terms offered him, he has only to relinquish the manufacture of salt and there is an end of his liabilities. And it will then of course be advisable that the terms offered should be taken into further consideration. But, with that question, so long as he is a manufacturer, the manufacturer should be allowed no concern, and free labor should only be recognised when the manufacturer has relinquished his right to manufacture.

15. I would here respectfully suggest for consideration, in respect to the foregoing remarks, whether any expense the Government may be at in improving approaches to their salt works, should not be debited to the works in the same way, as no man would think of sinking a pit at home and not debit to his outlay on the pit the cost of making an approach from the nearest high road, of making the approach by which alone he can get his coals into the market. And I ask this question, because it will press heavily on the district, should the Government now direct the immediate carrying out of the various improvements suggested by Mr. Clarke,* and the expense of these improvements be deducted from the sum annually granted to meet the general wants of the district.

* Paragraphs 101, 120, 134, 142, 151 and 161.

16. To the various valuable remarks made by Mr. Clarke on the defects which he observed in the salt department in the course of his tour through this district last year, I need, I trust, scarcely state that my best attention shall be given, and aided by the valuable officer whose services the district now has the benefit of, I look forward with confidence to the future. Whilst I am allowed the services of Mr. C. Narayanasawmy as my Deputy Collector in charge of the salt department, I do not despair of in time remedying every one of the defects that it has been Mr. Clarke's duty to bring to the notice of Government. And I will now bring these, I fear, too lengthy remarks to a close by referring briefly to the important question, of what price should be paid to the manufacturers, which is also glanced at by Mr. Clarke in the 30th paragraph of his report.

Paragraphs 14, 91, 105, 113, 114, 115, 154, &c.

17. In replying to Mr. Pelly's Circular of the 12th May on the subject of prices, I deprecated any change being made at present in the existing rates. I urged that no rise in the rates would prevent the smuggling, by which there is but too much reason to suppose the manufacturers at present make the manufacture profitable, and that as in this case we have no means of deciding to what extent the rates should be raised so as to make the manufacture profitable by honest means, it would for that very reason be better in every respect were we to defer such changes till the new Police had taken

26th July.

charge, and an year or two's experience had given us reliable data in this respect to go on. But the rates of this district for the inland trade do not agree with any of the rates proposed by Mr. Pelly, to be made of universal application. It is undoubtedly desirable to introduce uniformity in this respect as far as possible at once. And as there is a local peculiarity in our manufactures, as regards period of manufacture that might be successfully met by a change in prices, I beg now to recommend that I may be permitted to change at once the prices paid for inland salt in this district, and instead of having one rate, have for the future two rates, the rates being determined by the period at which the manufacture is carried on. Mr. Clarke has brought to the notice of Government* how much the quality of the salt depends on its being made before the westerly winds begin to blow; and on the other hand that there is more risk in this early manufacture, and further, for this early manufacture, the manufacturers must begin working at their salt pans, when they would rather be giving their whole attention to their agricultural pursuits, their wet crops, &c., both which considerations have had their influence in the manufacture, after the westerly winds have begun to blow, of the article it has from time to time been found necessary to destroy, and the manufacture of which it has been only possible hitherto to prevent by such primitive measures. Instead of this one-handed mode of proceeding, the change I now do myself the honor to propose would enable the authorities of the district not only to punish but to hold out an inducement, and considering the increased risks, &c., a very proper inducement for the manufacture of salt at the time that experience shows most conducive to the manufacture of the finest qualities. And instead of one rate of Rupees 7-15 as at present, I would recommend that the lowest rate proposed by Mr. Pelly, viz., Rupees 7-8, should be given for all salt manufactured after the first of May, when the westerly winds have begun to blow, and the second rate of Rupees 9-6 for all salt manufactured before the 1st of May which, according to the new system of calculation, would be 1 and 1¼ Annas per maund. I would make the same rates applicable to all salt manufactured for export as well, which by a curious oversight in the accounts some years ago, is now paid for at the lower rate of Rupees 7-8 per garce or 1 Anna per maund. And, whilst holding out this inducement to the manufacturers to produce a good article, I would of course retain the power now possessed of condemning, during either period, any supply that did not come up to the mark of an ordinary, marketable and wholesome article. And apologizing again for the length to which I have availed myself of the permission kindly given me by the Board in the Proceedings under acknowledgment.

* Paragraph 96.

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Enc. 1.

From C. NARAYANASAWMI MUDALI, Depy. Collr. in charge of the Salt Dept., NELLORE,
To J. W. B. DYKES, Esq., Collector of NELLORE,

dated Kothapatnam, 18th January 1861, No. 6.

To Collector, 27th January 1860, No. 3.
From do. 12th March ,, ,, 120.
To do. 16th do. ,, ,, 8.
Board's Proceedings, 16th May 1860, No. 2,379.
From Collector, 18th September 1860, No. 462.
Board's Proceedings, 13th Dec. 1860, No. 5,850.

With reference to the instructions of Government under date the 5th August 1859, No. 1,052, and to the subsequent correspondence noted in the margin, I have the honor to forward for submission to Government my report of the salt department since my connection with it.

2. On the 15th of September 1859, I first took charge of the salt department of the district, and deeming it necessary personally to inspect all the salt works that I might form a definite idea of the state in which they were placed, I proceeded directly on my tour of inspection, and repeated the same several times during my short connection with the department. In fact, I have been absent from the head quarters for nearly 354 days, out of the 492 days I have been attached to the district.

3. I shall endeavour, first, to mention the condition in which I found the salt department when I received the charge of it; secondly, to enumerate the improvements I have since introduced into it, under your ready and encouraging support; and thirdly, to suggest what changes might be brought in for the purpose of placing it upon an efficient footing.

4. With regard to the first point, the state in which I found the salt department, I have the honor to submit that in the month of September 1859, when I first inspected all the salt depôts of the district, I observed in my journal submitted to you, with a letter dated 17th December 1859, that each individual heap of salt in almost all the depôts was badly formed, and the aggregate heaps were not divided by straight lines; that the coverings were ill-constructed, and the platforms were out of order, no provisions being made for drawing off the rain water, which in some of the platforms had risen to the height of about one cubit amongst the heaps; nor were the platforms enclosed with ditches or hedges around them, with the exception of a very few; and to these nattús, there were no door-ways. The surface of a few platforms, moreover, was below that of the high floods, and consequently we could scarcely say that the salt was perfectly protected against weather and floods, and being open, were not safe against stealing. I also found that salt is gendered spontaneously in different parts of the sea coast, as for instance, on the borders of the Pulicat lake, and of some salt water canals of the district, and was informed that the same is clandestinely taken away with or without the connivance of the Circar servants. I have every reason to believe that the use of the spontaneous salt, to some extent, affects the sale of the Government salt. I have further to notice that the department omitted to keep accounts according to the forms and instructions of the Manual of Salt Department recently issued, and that therefore there existed a confusion in that respect. I have also to state that there are 20 depôts and 41 platforms, situated at varying distances of from one to twenty-two miles apart, where salt is sold for Home and Inland consumption; and connected with these depôts, there are ten export platforms, in addition to a separate one attached to the export depôt at Varani. Five of these depôts, however, are not frequented by shippers. In the years preceding that under report, the manufacture, I was given to understand, began generally very late in the season, and that the servants failed to obtain Muchikas in many cases, or set apart muster salt for the guidance of the cultivators. The salt could not, under the circumstances, be scraped until some time after the season was over, and was consequently liable to all the risks likely to arise from an unfavorable season. I could not but be struck with the state of the roads and the difficulties which the merchants and traders have to contend against in reaching the salt depôts, and the very great increase in the cost price of salt to the merchants, occasioned by the want of good roads. The people complain very much of this want, and I have no hesitation in stating it as my opinion, that nothing so seriously affects the salt income, as the inaccessibility of the localities at which the article is sold. In the wet season many of the depôts cannot be reached. I found that the merchants who come for salt, were made to wait an unreasonable time before they were supplied with it. I found that the crystals of salt were not of white color, nor of good size. This evil must of course have arisen from some defects in the process of manufacture. I was informed that the servants were in the habit of exacting fees from merchants and manufacturers, and that the Kudivaram was not paid to the manufacturers without delay. Moreover the servants, with the exception of a few, appeared to be not well acquainted with their work, nor did the manufacturers themselves show a fair knowledge of the process of manufacture. I found that the dimensions of the pans or beds were not uniformly fixed; hence, when a certain quantity was to be manufactured by a holder, the proportion was not fair. I have also to notice that the pans instead of being situated in succession, are scattered here and there, and consequently require more platforms, larger establishments and greater vigilance than necessary. I found that applications for registration of pans on the death of holders, &c., have been in arrears for 24 years. The peons had no fixed beats and proper huts, and the beam scales were allowed to be exposed in the sun and rain. The salt servants observed no order in supplying salt to the merchants, the first comer often happening to be the last receiver of salt. Although the servants were bound to receive from the manufacturers salt properly measured, they violated the rules, and obtained in some cases supplies with excessive measurement, and in others less quantities than they should have received, thus defrauding the manufacturers on the one hand,

and the Government on the other; and, in many instances, their measurement to the merchants was unfair. I may attribute all this, not altogether to the corrupt motives of the servants, but partly to their ignorance and lukewarmness. With a view to substantiate my assertion, I would recall to your recollection the cases of the Superintendents of Iskapalli and Padarti, the former of whom never visited two of his export depôts for two years, and the latter resided at a distance from his depôts. Many of the heaps of salt were so badly constructed and thatched that they were liable to be seriously damaged by the rains, and I found in many cases that some heaps were stated to have lost even so large a quantity as 4 garces, 176 mercals out of 10 garces.

5. As regards the second point, the improvements that have been introduced, I beg to submit that I have put all the platforms in good order, with the exception of those at Gangapatam; in some I raised the ground to prevent the overflowing of flood, in others enlarged them for the purpose of making sufficient room for channels around the heaps. I have personally caused the heaps to be re-formed and re-covered, and channels to be dug in each Kotar, after a new and what I considered to be a beneficial mode. I have required the several Superintendents to pay greater attention to this portion of their duty, and to remedy the defects above noticed. After this arrangement, although we have had hard rain, I have pleasure to say that the wastage was not anything like what it used to be. I have taken steps that the manufacturers might begin cultivation earlier in season, and expedite the scraping of salt, differing in no wise from the furnished sample before the close of the season. Under my arrangement and instruction to the servants and manufacturers, I am glad to state that the quality and color of salt have somewhat improved, especially at Padarti. I may as well venture here to say that if I had somewhat better servants than those under me, I should have obtained salt of still better qualities. I have reason to believe that in most cases due diligence was shown in receiving salt into store, and paying the manufacturers' share. I have for the present Fasli taken still more vigorous measures with the view to destroy the distinction between brown and white salt, and to obtain all salt of the same kind and color, for purposes of sales whether by land or by sea. I have also erected station huts for the peons at proper intervals, and formed several beats so as to prevent smuggling. I have also taken steps to prevent spontaneous salt being smuggled. I have made an arrangement by which the purchasers might not be kept in waiting beyond a reasonable time, and I have also taken effective measures for securing fair measurements. The practice of extorting money from the poor merchants, has been partially put a stop to. I have introduced into the department the improved forms of accounts according to the Manual of Salt Accounts. With reference to wastage my subjoined comparative statement will, I trust, afford you satisfaction.

Fasli.	Salt.						Wastage.			Centage.		
	Quantity.			Proceeds.								
	MDS.	S.	C.	RS.	A.	P.	MDS.	S.	C.	MDS.	S.	C.
1266	7,15,711	3	15	5,39,354	12	9	75,487	37	0	10	21	14
1267	7,17,962	6	4	5,52,336	13	0	73,449	7	0	10	9	10
1268	8,12,090	37	0	6,32,609	14	8	99,074	10	0	12	7	15
1269	7,23,726	2	7	6,16,048	9	0	50,724	21	0	7	0	5

From the above table it appears that the Revenue of Fasli 1269 is less than that of the preceding year by Rupees 16,561-5-8. But from this ought to be deducted Rupees 12,964-8-2, which belongs to the Revenue of Fasli 1267, although included in the accounts of Fasli 1268. After making this deduction, therefore, the difference amounts to but a very small sum, viz., Rupees 3,596-13-6. I am of opinion that there would have been a large increase instead of this small decrease, had it not been for the fact that a large quantity of Madras salt was imported by the Railway

ıto the district hitherto supplied from Nellore, the excessive measurement lately allowed to ılt merchants at Chinna Ganjam, the increase in the production of earth salt in the districts to ıe west of Nellore, and the partial discontinuance of the practice of giving salt to cattle by oorer classes, in consequence of the recent increase in the monopoly price; these circumstances ave all contributed, in some measure, to affect the Revenue. Notwithstanding so many telling ıuses, I am glad to submit that the salt revenue up to the present date, exceeds that of the ıost favorable Fasli, 1268, for the corresponding period, by about Rupees 1,50,000. I have further ɔ submit that in cases of death, mortgage, sale and gift, the department has entirely neglected ɔ register pans in the names of proper parties, for the last 24 years. I have also found that ɔme parties hold more pans than they had in Fasli 1246, others less, consequently I have deem- l it necessary to prepare for submission to you a statement of cases in No. 371, arising under ıe circumstances stated above, with a view that by your permission, I may proceed to institute ıquiries with respect to the matters of transfer, and to check all the irregularities that have crept ıto the department, and eventually to open a general registry of pans in the district. I may, owever, observe here that this registry cannot be a perfect one, until the survey under recommenda- on shall have been carried out. I beg further to observe that owing to the said transfers not ɛing made, a small amount of Kudivaram for the three preceding Faslis has not been paid to the ıanufacturers. Moreover, Rupees 612-10-5, being also a small portion of the Kudivaram due om Fasli 1252 to Fasli 1266 to 31 individuals, have been lying in deposit owing partly to the oresaid cause, and partly to the request of the Court, and the non-appearance of the parties.

6. With regard to the third point, that of suggesting further improvements, I have to submit ıat on a former occasion I brought to your notice the necessity of bringing all the scattered pans ithin a compass, and having a survey of them, fixing a uniform rate of dimension, in order that the anufacturers may have a fair share in the cultivation of salt. I have also to submit that the ravelling Lambadi salt merchants complain of the inconveniences to which they are subjected, by ıe villagers taking into cultivation portions of the halting places and pasture lands specially set part I beg therefore to request that the places which have been thus cultivated, ıay be ordered to be restored, as was formerly done by you, in a similar case at Kanuparti Kotar. s to other improvements required to be introduced into the department, I am fully confident ıat I cannot make better suggestions than those contained in the most able and useful report of . Clarke, Esq., third Member of the Board, under whom I was of late fortunately placed by overnment, during his tour of inspection of salt work.

7. In conclusion, I have to submit that with reference to the orders of Government, commu- icated with the Board's Proceedings of the 28th September, No. 4,444, I humbly conceive that , instead of upon stone pavement, the salt heaps are formed upon bare ground as at present, the orosity of the earth will enable it to absorb the moisture from the salt and preserve it in a dried ate; but if, on the other hand, the platforms be paved with stones at a great expense, they not ɛing porous will allow the water to remain on the surface of the stones, and thus become solvent f the salt. I therefore would not disturb the present arrangement. With reference to the other ıestion referred to in the said Proceedings, as to the shape of the salt heaps, I have the honor to ıbmit that if the heaps be conical, there would be spaces between them; but if they be nearly ısmatic, with oblong bases, there would not be so much space wasted as in the other case, and is form is less liable to be affected by strong winds; and heaps of this shape are likely to be more sily and cheaply formed than conical ones. As to the mode of protecting them, I am of opinion ıat as the late Sub-Collector Mr. Minchin, and the present Acting Sub-Collector have been ısuccessful in their experiments to cover the heaps with the clay of this district, I should adhere the present mode of having the heaps covered with rushes, or straw, or grass, or palmyra leaves, the case may be.

8. With reference to the Board's Proceedings, dated 1st March 1860, No. 1,067, on the bject of the establishment of salt depôts, I beg leave to refer to the report submitted to overnment by T. Clarke, Esq.

(True Copy.)

(Signed) J. W. B. DYKES,
Collector.

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d. J. Tulloch.

R. O. 10

1861. Enclosures in Receiver's Letter of the Board of Revenue to the Secretary to Govt. dated 25th July 1861 No. 3988

Enclosures in Receiver's Letter of the Board of Revenue to the Secretary to Govt. dated 25th July 1861 No. 3988

Recd 1857 [illegible]

Letter from the Collector = tor of Chittoor to the Board of Revenue dated 7th June 1861 with 39 enclosures

Rev. Dept. 1862 D 12-3

8

My dear Morehead

Taylor has talked with me about the Rule which allows the enfranchising of Inam granted by our Govt for not a more than one life - He shows that the subject was considered here & at home & it is closely mixed up with another point viz allowing females to enfranchise who hold Inams for their lives in

default of Male heirs?

I do not therefore wish to urge objections to the course & call for a report upon it if you concur please write to Sim & tell him not to give our proposed order -

It is an open question whether the course followed is advantageous or not, but it has been sanctioned, & it would do harm now to create doubt & delay.

Yours always

EHL

26 Oct

R. D. 10

No. 2102.

Proceedings of the Madras Government under date the 1st. Nov. 1864.

Read the following Proceedings of the Board of Revenue.

Submitting with remarks a letter from the Collector of Nellore forwarding the Salt report of his Assistant Collector Rásáveinsámy Mudaly.

(Here enter 26th July 1861 No. 3988)

The detailed orders which the Govt have passed on Mr. Clarke's report on the Salt administration of the Nellore District render any lengthened notice of the papers above recorded unnecessary.

Mr. Clarke's report shews that while there is much room for improvement in the management of the department very much has lately been done to improve it. The Govt confidently expect

expect the best results from the care and attention which the collector and his Deputy are devoting to this important branch of the Revenue.—

With regard to the collector's lengthened arguments against undue reduction of the places of sale the Govt will only remark that they have no wish to carry reduction too far - They would rather have too many than too few places of sale - The retention of too many sale depots causes some additional expence for establishment - the retention of too few is a serious hardship to the people and a direct inducement to smuggling for salt is a necessary of life and if due facilities for obtaining it honestly are not afforded illicit practices are sure to be resorted to - It is useless however to attempt to lay down any general rule - each case must be considered on its own merits - As regards Bellore, the Govt have sanctioned the retention for the present of the two posts which the collector wished to reserve -

The export of salt may be limited to the stations of Kistnapatam and Satpelly but the Govt would first wish to know how much salt has been annually exported from Karaikal in each of the last 3 years and the saving from abolishing the platform -

With regard to the incidental duties such as Batching fees which devolve on manufacturers the Govt have already pointed out in their Do: dated 11th May 1861 (No 1628 of Sunjore) that the question is not so much whether the manufacturers shall be relieved of the obligations at present they shall perform but whether they shall do them faithfully - The Govt are aware that

that in many Salt Stations the manufacturers have a monopoly of the labor available and the Collector would be helpless if they were absolved from all liability to supply it. Whether they or should be separately paid for such duties or whether the rate of Endeavour or should be so regulated as to include these incidental duties will require careful consideration.

The suggestion that improvements to the appraisales to the Salt Pans should be effected out of the Salt Revenue would certainly be convenient but it could not be effected without the sanction of the Supreme Govt which the Govt are not sanguine of obtaining.

The separation of the Sales from the manufacture is very desirable - but it should be effected by having the Sales in one place and the manufacture in another - When this is practicable

There would also be much risk of an insufficient supply, or the Season prescribed for manufacture might prove unfavourable.

The Govt concur with the Board that the objects & plan of carrying on the manufacture and Sale in alternate years, would never answer - No person would invest capital in Salt Pans if they could only manufacture in alternate years, and it is not easy to see how they could subsist in the years when the manufacture was closed.

The Govt in their Pro: on Mr Carter's report have already drawn the Boards attention to the desirability of offering a higher price for superior Salt.

The Govt will deal separately with the question of Establishments in receiving Mr Kelly's report on that subject.

I D S

On the Salt Report
of the Nellore District

G.S. 46

5-8-57

379-380

22-12-60

Revenue 1861 Department.
Pro: of Govt for November.

No. 2102.

Pro: of the Madras Govt
Dy 1st November 1861.

From the Dy of Chief Sy 21st Decr 61
No. 3069

Board's Proceedings on
the Salt administration in the
District of Nellore, with orders
thereon -

No. 32 & 33.

C. 24 Feb