M.R.O. 14—13,000—27-9-24.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1245—1250 Press ~~Mis.~~

1255-1256

Dated 10-7-~~19~~1863

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 10th July 1863.

No. 195. Read the following Proceedings of the Board of Revenue, dated 27th March 1863, No. 1,862:—

Read the following letter from G. S. FORBES, Esq., Collector of Ganjam, to W. HUDLESTON, Esq., Secretary to the Board of Revenue, Madras, dated Chetterpoor, 23rd February 1863, No. 28.

SIR,

1. I have the honor to acknowledge receipt of the Board's Proceedings without number, dated 11th February 1863, forwarding for early and full report correspondence received through the Secretary to Government of Bengal, on the contemplated exclusion of Ganjam salt from Orissa.

2. Full explanation having been called for regarding the "Passes" to which reference is made in this correspondence, I beg to explain that these are simply salt Rowanahs such as are issued from every place of sale in this Presidency for the protection and control of the purchaser; the Passes specify the name of the trader, the quantity sold to him, its destination, mode of carriage, and the probable time required for its transit. The salt of this District has hitherto been sold as a return load to traders bringing down rice from Sumbulpoor, Boad, Dupulla, Nyaghur, and other tributary states bordering on Goomsur; this traffic resorts to Ganjam as its natural market, because Cuttack and Poorce grow more rice than can be consumed by the population or exported from the ports on that coast, and their surplus also finds its way to Ganjam, which exports in large quantities its home grown rice, and consumes that of the above named Provinces. This therefore is an established stream of traffic which should not be deranged by any artificial checks.

3. Cotton, wheat, chenna, and other dry grains, are brought into this Province through the small state of Boad by traders from Raipoor, Chuttesghur and other parts of the Districts which now constitute the central Provinces. Ganjam is their natural sea-board and the nearest place where salt is manufactured; this also is therefore an established line of traffic following its natural direction. Hence the Board will observe that it is not merely the lower price of Ganjam salt, which has created this trade though the imposition of a prohibitive price on the return load might have the effect of destroying it. But a consideration of far higher importance to the Imperial revenue is involved in the disposal of this question.

4. The Board will note from the Commissioner of Cuttack's letter No. 90, dated 20th June 1862, what system is pursued to force the sale of high priced salt in the tributary Mehals, and that in addition to the quantity which they are estimated to be capable of consuming at the higher price a large additional consumption of the cheaper Ganjam salt takes place. The estimate was made in 1847 not on the population, but from the sales of ten previous years, so that it was in fact no criterion at all of what the consumption would be if the salt were sold at a price which brought it within the means of all classes.

5. Again Mr. Shore, as quoted in paragraph 8 of Mr. Secretary Eden's letter of 7th May 1862, No. 501, writes "Pooree Kurkutch salt can as it is, with difficulty keep its footing in the "Central Provinces, and if its price be further raised, the sale will in that direction cease "altogether."

6. It will also be in the recollection of the Board and of Government that the imposition of a transit duty of 1-8-0 per maund on all salt crossing the Nagpoor frontier occasioned the withdrawal from the salt trade of 10,000 pack cattle representing (30,000) thirty thousand maunds of salt at a total cost of 45,000 Rupees. The actual falling off in the Nowpada sales was maunds 80,000 last year.

7. The necessary conclusion from these facts is that the markets in the interior are narrowed by high prices and transit duties to an extent which is not only most damaging to the salt revenue of the empire, but at the same time oppressive to the population, which is thus restricted in the consumption of salt.

8. It is an approved principle of modern trade that the widest possible market with moderate profits yields far larger returns than restricted sales at high prices, and this principle applies most forcibly to the salt revenue whether under excise or monopoly, because the entire population are consumers, provided only the purchase is within their means.

9. Whatever success may attend the means used in lower Bengal to effect local sales at the present high prices, it is obvious that even so near the Cuttack border as the Killahs, or dependencies named in Mr. Shore's letter, it becomes a matter of difficulty, and that excuses for evasion are sought; hence a fair presumption is raised that a larger revenue would be realized by permitting the whole of these states to consume as much as they can of our cheaper salt without forcing the higher priced salt upon them. When more distant markets like Sumbulpoor and other parts of the central Provinces are in question, and the cost of long and tedious carriage is added to the original price, the argument against high prices becomes stronger than ever, and as I have already observed Pooree salt at Rupees 2-4-0 with difficulty finds a sale in the interior.

10. It has been justly observed that this is not a question of local but of Imperial interests, if therefore a cordon must be drawn to protect Cuttack and Pooree from Ganjam salt, I submit that the simplest plan will be to limit the prohibitive line to the actual frontiers of those Districts, leaving the dependent states free to choose their own market; if this is done, and the Nagpoor transit duty, which has already operated injuriously both on trade and on the public revenue, be withdrawn, and due notice of these changes given, a fair opportunity will be afforded of testing the effect on the salt revenue, of the principles I have endeavoured to advocate.

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1. Ordered that the above letter be submitted to Government, with reference to their Proceedings dated 6th February 1863, No. 262, Revenue Department, forwarding to the Board for report the papers received from the Supreme Government, which will be returned herewith.

2. The Board have but little to report in the matter. The facts are simple. A considerable trade exists between the tributary Mahals, Sambulpoor, &c., and the Ganjam coast, and also between the eastern parts of the Central Provinces and the same coast.

3. Rice, cotton, wheat, chenna, &c, are brought down to the coast for shipment, and the carriers take a return load of salt from the Ganjam stores. The Bengal authorities object that, as this salt is procurable at Rupee 1 per maund (which is a mistake for Rupees 1-8-0) while Bengal salt is charged Rupees 3-4-0 for the same quantity, their revenues are injured by its admission, and they propose to exclude it for the future, or to raise its price to the same level as the Cuttack Salt, assuming that at present the low price of the Madras salt diverts the trade from the interior to the coast, from its natural course.

4. They go on to complain that the authorities in the Central Provinces pursue towards them the very same course which they themselves are desirous of maintaining towards Madras, viz., that those authorities refuse to admit salt which has paid the full Bengal duty, except on payment of a further duty which is credited to the Central Provinces revenue.

5. The Board trust that the suggestion to raise the price of Ganjam salt to the level which the Bengal authorities think proper to charge within their own limits will not be entertained.

6. The more reasonable proposition would be to reduce the Bengal rate on the coast to a level with the Madras salt, and thus to allow trade to follow its natural direction, and trust to increased sales to compensate the first loss of revenue.

7. Considering the nature of the country inland from the coast of the Bengal District, and the distances to which salt has to be carried by land, the Board do not doubt that a reduction in price to the level of Madras would entail no ultimate loss of revenue, and would very probably lead to an increase.

8. As to the "Passes" on which special explanation is required, there are the ordinary Rowanah which is required by law, and which is not intended to convey any protection beyond the Madras frontier, and there is nothing in the law on the subject to prevent the Bengal Govern-

Proceedings of the Madras Government, Revenue Department,
10th July 1863.

ment from organizing a system of frontier Chowkies and collecting a differential Land Customs duty on the importation of the salt, if such should be thought expedient. The spectacle that would be exhibited to the native tributary states, by such an arrangement is not likely to elevate their opinion of European civilization, nor, in the Board's opinion, can the system fail to be ultimately injurious to the Imperial revenues. The matter appears to be one for the decision of the Supreme Government. The Board will merely remark that the interests of trade, and of the poorer inhabitants of the interior, and in all probability the revenues of the State would be advanced by a reduction of the Bengal selling price rather than by an enhancement of the Madras rate.

(A true Copy and Extract.)
(Signed) R. A. DALYELL, *Sub-Secretary.*

No. 196. ORDER THEREON, 10th July 1863, No. 1,210.

Letter from the Collector of Ganjam, dated 22nd February 1863, No. 25.
Proceedings of the Board of Revenue thereon, dated 27th March 1863, No. 1,862.

1. The Collector's report and the Board's Proceedings will be communicated to the Government of India, with reference to the Extract from their Proceedings dated 13th January 1863, No. 316, Home Department.

2. The Passes as Government supposed are the "Rowanahs" required to protect salt while in transit within this Presidency under Regulation I of 1805. It is quite clear that they are of no validity beyond the Madras frontiers. In future the Collector will enter in the column of "destination" the name of the last village within Madras territory on the line of road which the salt is to traverse. This will meet the requirements of the Law, and obviate the anomaly of salt covered by a Pass issued by one Government Officer being taxed by another Government Officer on passing the frontier.

G. O. 12th May 1858, No 625.

3. The Board make no allusion to the Orders marginally noted, directing the limitation of Rowanahs to a moderate distance from each depôt. These orders do not seem to have been attended to in Ganjam. The Board will ascertain the cause of this. Now that the new Police have taken complete charge of the pans there seems to be no use in retaining Rowanahs in their present form. A simple pass showing the quantity to be allowed egress from the pan is all that is necessary, and these Passes should be handed over to the Police guard as the salt is removed and forwarded by the Police authorities direct to the Collector. The Board will communicate with the Inspector General of Police on the subject.

4. The rate of duty to be realized on salt consumed within the territories of the Bengal Government is a question for that Government to consider. All that this Government can do is to maintain that Madras salt on passing the frontier shall be charged with no more than the difference between the Madras and the Bengal duty. Before the Parliamentary Committee of 1836, it was shown that "the Salt tax and the Land tax of Bengal put together are less than the Land tax alone any where else." Such statements of course have to be received with some degree of reservation, but there can be no doubt that the Bengal Land tax is far lighter than that of Madras. This and other circumstances may probably render the Salt tax of Bengal no heavy burden on the people, but of this the Government of Bengal is the best judge. All that this Government can reasonably ask is that their salt shall not be more heavily taxed than that of Bengal, so that both may compete on equal terms, so far as duty is concerned in the Bengal market, and while this is the case, there is no probability of any trade being diverted from Madras ports which is not drawn to them by the difference in the Madras and Bengal rates of Salt tax.

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

Proceedings of the Madras Government, Revenue Department,
16th July 1863.

Ordered that the following be recorded.

No. 197. From J. D. SIM, Esq., Secretary to the Government of Fort St. George, to the Secretary to the Government of India, dated 10th July 1863, No. 1,220.

Sir,

1. In continuation of my letter dated 14th February 1863, No. 233, I am directed to forward the accompanying papers regarding the sale of Goojun Salt in the adjoining Bengal Districts.

2. The Government have issued instructions in regard to the "Passes" accompanying Madras Salt, which will enable the Bengal authorities to detect such Salt when it crosses the frontier, in such manner as the Supreme Government determine. All this Government claims, as already stated, that Madras Salt shall not be charged on passing the frontier, with more than the difference between the Madras duty Rupees 1-6-0 per Indian Maund and the Bengal duty, whatever that may be.

3. Whether the Imperial Revenue will gain more by this arrangement than by allowing the best Salt at Madras ever to be sold is a question in which this Government need not enter. The Salt Tax of Madras is as high as the people can at present pay, and is more stringently collected than it has ever yet been, and such regulations must be observed in order to protect Bengal Salt, that Government have neither the right nor the wish to complain.

No. 3428.

FROM E. H. LUSHINGTON, ESQ.,

Secretary to the Government of Bengal,

TO THE SECRETARY TO THE GOVERNMENT OF INDIA,

HOME DEPARTMENT.

Fort William, the 22nd December 1862.

Salt.

SIR,

I AM directed to submit herewith, for the information and orders of His Excellency the Governor General in Council, a copy of the correspondence noted on the margin, on the subject of levying the full Duty on Salt sold in Orissa, and the best means of excluding Ganjam Salt from that Province, preparatory to the contemplated increase of taxation.

Letter from the Junior Secretary to the Board of Revenue, to the Secretary to the Government of Bengal, No. 501, dated 7th May 1862, with enclosures.
Letter from the Junior Secretary to the Board of Revenue, to the Secretary to the Government of Bengal, No. 911, dated 15th August 1862, with enclosure.
Government of Madras to Government of Bengal, No. 1771, dated 20th August 1862.
Government to Board No. 1974, dated 11th September 1862.
Board to Government No. 1236, dated 7th November 1862.

2. It will be observed that the imposition of the full rate of Duty on all Salt sold from the Government Golahs in Orissa is rendered impossible only by reason of the impetus which such a measure would give to smuggling so long as the free passage of the low taxed Ganjam Salt into the neighbouring tracts is allowed. The price of the Ganjam Salt including Duty is 1 Rupee, the Duty alone which would be levied on the Bengal Salt, provided the Ganjam Salt could be excluded, would be Rupees 3-4, Government therefore loses Rupees 2-4, plus the cost of a maund of Ganjam Salt (whatever that may be), for every maund of Ganjam Salt allowed to enter these Provinces, whether for local consumption, or for transport to the Central Provinces.

3. This, however, does not represent the total loss which Government sustains from the facilities now afforded for the importation of Ganjam Salt into Cuttack; for the existence of the present state of things makes it necessary to levy a lower rate of Duty on all Salt consumed in Cuttack than is levied on Salt sold elsewhere, and there is therefore an additional loss of Rupees 1-4 on every maund of Cuttack Salt consumed in Cuttack.

4. The Government of Madras, in their letter of the 20th August last, No. 1771, state that, as the bullocks employed in taking Cotton to Ganjam are laden with a return load of under-taxed Salt, the exclusion of the Ganjam Salt from Bengal will have the effect of turning the Cotton traffic from Ganjam to Cuttack, and they accordingly request this Government to abstain from any interference with the "established and natural course of trade." The Lieutenant-Governor is of opinion that, if the only inducement to proceed to Ganjam, which traders in Cotton from Sumbulpore

and other places in this direction now have, is the advantage afforded them of bringing back Salt which has paid a much lower rate of Duty than is lawfully leviable on Salt sold in the Districts in which they reside, it is very clear that so far from this being the natural course of trade it is the very reverse, and that it is only fostered by a heavy bounty paid in the shape of a reduction of Duty to the extent of Rupees 2-4 per maund on all the Salt which the traders can carry back with them.

5. Assuming, however, that there are good grounds for the apprehensions of the Madras Government, His Honor observes that it is evident that by means of artificial incentives the Ganjam Cotton trade really is directed from its natural course, and that, for the sake of procuring a reduction of Duty, traders are induced to carry their Cotton for sale and to purchase their Salt at a distant market, thus unnecessarily increasing the price of the Cotton and the Salt, and wasting money on needless transit expenses.

6. So long, therefore, as the Government of Madras not only declines to co-operate with this Government in checking a state of things so injurious to the revenues of the country, but actually encourages it directly by the issue of Passes, no measures which this Government can adopt are likely to be attended with success. It is true that it is very questionable whether the Passes granted by the Ganjam Collector are valid protective documents in Bengal, but however this may be, it is clearly not desirable that one servant of Government should confiscate an article covered by a document issued by another servant of Government. Should the Passes be discontinued, this Government will then have no difficulty in drawing an effective preventive Cordon between the Madras and Bengal Territory.

7. Under the above circumstances, the Lieutenant-Governor strongly recommends that the Duty on Ganjam Salt should be raised to an equality with that of Cuttack. Failing this, that the Madras Government be absolutely prohibited from granting Passes for Salt into the Province of Cuttack or the Tributary Mehals.

8. I am further to take this opportunity to point out, as a matter for the consideration of the Supreme Government, whether Salt which is purchased at the full Duty-paid price in Bengal should be subjected to the levy of a further transit Duty in the Central Provinces. At present the people of those Provinces pay a higher rate of Duty than the people of any other part of India.

I have the honor to be,
SIR,
Your most obedient Servant,

E. H. LUSHINGTON,

Secretary to the Government of Bengal.

P. S.—The return of the original Map is solicited.

[Exd J. H. Meadies.]

From the HON'BLE A. EDEN, Junior Secretary to the Board of Revenue, to the Secretary to the Government of Bengal,—(No. 501, dated the 7th May 1862.)

SIR,

WITH reference to paragraph 4 of my letter dated 28th December last, and the previous correspondence, on the subject of levying the full Duty on Salt sold in Orissa, I have the honor, by direction of the Board of Revenue, to submit a further Report on the best means of excluding Ganjam Salt from that Division, a measure preparatory to the contemplated increase of taxation.

2. The Officiating Commissioner has submitted three Plans, which I am to sketch for the Lieutenant-Governor's information, pointing out the immediate object and supposed advantages of each as well as its drawbacks.

3. The first Plan is founded on the view adopted by the late Lieutenant-Governor* that "it is a matter of small importance that Ganjam Salt should enter the Tributary Mehals," and its sole object is to exclude that Salt from the Cuttack Districts, Chota Nagpore and Sumbulpore; for this purpose the Officiating Commissioner believes that four preventive posts in Pooree† (being with a single exception those named in paragraph 3 of my letter of the 12th November last, No. 1152,) and three‡ in Sumbulpore will be sufficient. All seven Stations are indicated by red ink flags in the accompanying skeleton Map. Some Madras Salt will, Mr. Shore supposes, find its way across the Mahanuddy, but it will not be carried through the Gurjats into Chota Nagpore, because of the distance and the difficulties of the route. Nor does he fear that appreciable quantities will reach Cuttack by the above named River, as confiscation would certainly follow, the Madras Salt being readily distinguishable from that of Cuttack.

* Paragraph 8 of Government Order dated 12th December last, No. 5884.

† Kanas, Barpelleo, Kooperla and Bhitt Gurr.

‡ [illegible] Ganjam.
[illegible] Sonada, [illegible] Sonpore to Go[illegible]
[illegible] from Sonnegadar and Sonpore and [illegible]

4. Mr. Shore observes, however, that, if the consumption of Madras Salt in the Gurjats be thus left unrestricted, a considerable loss of revenue will ensue, inasmuch as it will displace the Cuttack Salt of which specified quantities are supplied under engagements to the Tributary Chiefs. "With the lately increased difference in price the Madras Salt," says the Officiating Commissioner, "has already begun to displace that of Cuttack, and if its entry into the Gurjats is not prohibited, either by Law or by orders authorizing the Rajahs to seize the Salt and send in the sellers to Cuttack for punishment, the Rajahs will eventually be unable to act up to their engagements. And it is more necessary that this point should be set at rest, because the Salt Agent at Ganjam is in the habit of granting Rowannahs or Permits for the sale or transit of Salt through the Gurjats." Should this practice be stopped, and the Gurjat Chiefs enjoined and authorized to seize all Madras Salt and the sellers of it, within their Territories, Mr. Shore believes that no additional preventive force would be required except an extra Guard Boats§ on the Chilka Lake, though it might be advisable to retain, for the present, the seven posts already proposed which would entail a cost of Rupees 336 per mensem, as indicated in the enclosed Proposition Statement No. I.

§ *vide* paragraph 2 of Board to Government dated 12th November last, No. 1152.

5. The second Plan is to prohibit the consumption of Ganjam Salt in a portion of the Gurjats, admitting it into the parts bordering on Madras, in which case the Mahanuddy would become the preventive line. Mr. Shore sees no reason why a different measure should be dealt out to the people of the Gurjats according as they live on this or that side of the River, which, moreover, does not itself, in his view, form a good line. There are no good roads leading from it to the northward, but it would be easy to open out a new bullock track as fast as each old one is closed.

6. The third Plan is to exclude the Ganjam Salt from the Gurjats altogether. This can be done by establishing a chain of posts along the frontier of the two Presidencies from Boad to Nyagurh as indicated by representations of eight green flags in the Map submitted with this letter. "I have made extensive inquiries," writes the Officiating Commissioner, "as to all the roads or tracks by which Salt can enter from Madras, and believe that it will be sufficient to guard the posts noted in the margin, and I believe it will be found that these outposts, if the Tributary Chiefs be themselves authorized to seize smuggled Salt, and the Madras Agent be prohibited from granting Passes for this tract of country, will do their work so effectually as to make the maintenance of the Poorce and Sumbulpore posts unnecessary." The frontier Chowkeys in question are named and their cost exhibited in Proposition Statement No. II., which shews a monthly expenditure of Rupees 320.

1. Bondgurh	In Pergunnah Boad
2. Bisipara	
3. Khuniapara	
4. Baringee	In Pergunnah Dompada.
5. Nowagoon	
6. Dompada	
7. Gumi	In Pergunnah Nyagurh.
8. Oragaon	

7. "It is proper to note," continues Mr. Shore, "that the Boad outposts are, with one exception, stationed in the Khund Mals under our immediate management. The Khunds here have hitherto used Madras Salt, and it is a question whether it would not be better to admit it at these four outposts on payment of a Duty, than to prohibit it altogether. The Duty may be so fixed as to ensure that the Salt shall not pass into consumption any considerable distance beyond the Mals; and in the Rowan ala granted from Ganjam the sale might be expressly limited to Boad. The Duty thus collected would be taken charge of by the Khund Tehsildar with whom I have consulted on the subject."

8. Mr. Shore concludes with the following observations:—"The Board will, however, remark that a very extensive market for Ganjam Salt still remains, viz., the Central Provinces. Madras Salt finds its way thither not only by Sonepore, which would be effectually closed by any one of the Plans I have proposed, but also by southern routes through Patna, Kallahandee, and Khurriar into Raipore. These roads it is impossible to close. They go through countries extensive and little known, and some of them not under the Bengal Government at all. Poorce Kurkutch Salt can, as it is, with difficulty keep its footing in those Provinces, and if its price be further raised the sale will, in that direction, cease altogether."

9. The Board are divided in opinion as to which of these schemes will be the preferable one. The first can apparently be given effect to at once. The second and third will require the concurrence of the Madras Government, which at present authorizes the Ganjam Collector to give protective documents to Salt dispatched to and through the Gurjat. Of these two last projects, however, the second may be rejected as the Board see great difficulties in maintaining an effective line on the Mahanuddy. The third promises to be the really effective line if the Ganjam Authorities will co-operate with those of Orissa in conducting dealings in Salt of their manufacture entirely to their own Presidency.

10. Before finally coming to a decision on the course to be recommended, the Board desire me to ascertain how far they may reckon on the co-operation of the Madras Government. It will not do to prohibit the introduction of Ganjam Salt into the Gurjat so long as the existing trade is protected by Madras Passes. The expense attending the establishment of the seven posts in Sumbulpore and Poorce, and the eight posts between Boad and Nyagurh, will apparently be much the same.

No. 1.

Proposition Statement of Preventive Force to guard the Poorce and Sumbulpore Frontiers against the ingress of Ganjam Salt, vide *paragraph* 13, *Suggestion No. I of Officiating Commissioner of Cuttack's letter No.* 60, *dated 19th March, and Suggestion No. II(1.)*

Office to which the Proposition refers.	Nature of Charge.		PROPOSITION.						Casual or Extraordinary.	Grounds of Proposition.
			Permanent.		Temporary.					
			Increase per month.	Decrease per month.	Increase per month.		Decrease per month.			
	Present Scale.	Proposed Scale.	Rs. As. P.	Rs. As. P.	Period.	Rs. As. P.	Period.	Rs. As. P.		
	Treating this Force as a distinct one, no details of the existing preventive of the Poorce District are here given.	Within the Poorce boundary.								The object of this proposed Establishment is fully explained in this Office letter No. 60, dated 19th instant, to the Board of Revenue. It is, in brief, to prevent the Import of Ganjam Salt into the Cuttack District, and through Sumbulpore into the interior.
	Ditto ditto ...	Sumbulpore Frontier.								

Within the Poorce boundary.

	Rs. A. P.	Rs. A. P.
1. *Chowkey at Gur Kamagooroo.*		
1 Jemadar ...	10 0 0	
6 Peons, at 4 Rs. each ...	24 0 0	
2. *Chowkey at Burpullee.*		34 0 0
1 Jemadar ...	10 0 0	
6 Peons, at 4 Rs. each ...	24 0 0	
3. *Chowkey at Bolt Gurr.*		34 0 0
1 Jemadar ...	10 0 0	
6 Peons, at 4 Rs. each ...	24 0 0	
4. *Chowkey at Koospulla.*		34 0 0
1 Jemadar ...	10 0 0	
6 Peons, at 4 Rs. each ...	24 0 0	
		34 0 0
5. *Guard Boat on the Chilka.*		
1 Jemadar ...	10 0 0	
4 Peons, at 4 Rs. each ...	16 0 0	
		26 0 0
Total ...		162 0 0

Sumbulpore Frontier.

1. *Chowkey at Joojoomara.*		
1 Jemadar ...	10 0 0	
12 Peons, at 4 Rs. each ...	48 0 0	
2. *Chowkey at Duma.*		58 0 0
1 Jemadar ...	10 0 0	
12 Peons, at 4 Rs. each ...	48 0 0	
3. *Chowkey at Bissipule.*		58 0 0
1 Jemadar ...	10 0 0	
12 Peons, at 4 Rs. each ...	48 0 0	
		58 0 0
Total ...		174 0 0
Grand Total ...	336 0 0	330 0 0

No. II.

Proposition Statement of Preventive Chowkeys to guard the Cuttack Frontier against the passage of Ganjam Salt, vide *Commissioner of Cuttack's letter No. 60, dated 19th March, paragraph 13, Suggestion No. 2(B.)*

Office to which the Proposition refers.	Nature of Charge.			Proposition.						Casual or Extraordinary	Grounds of Proposition.
				Permanent.		Temporary.					
	Present Scale.		Proposed Scale.	Increase per month.	Decrease per month.	Increase per month.		Decrease per month.			
				Rs. As. P.	Rs. As. P.	Period.	Rs. As. P.	Period.	Rs. As. P.		

From R. N. SHORE, Esq., Officiating Commissioner of the Cuttack Division, to the Junior Secretary to the Board of Revenue, Lower Provinces,—(No. 90, dated the 20th Jan. 1862.)

SIR,

I HAVE the honor to acknowledge receipt of your letter No. 502 of the 7th May with its accompaniment (received on the 13th idem), on the subject of the proposed exclusion of Ganjam Salt from the Cuttack Tributary Mehals.

2. The quantity of Salt to be consumed in each Killah, as fixed by Mr. Mills in 1847, was revised by Mr. Gouldsbury, 1853, on an average of the past ten years' sales with the following results:—

Name of Killah.	*Former quantity.* Maunds.	*Revised quantity.* Maunds.
Dhenkanal ...	18,000	10,000
Athgurh ...	3,000	1,200
Talcher ...	500	600
Nursingpore ...	1,800	1,800
Ungool ...	1,000	2,500
Hindol ...	1,200	600
Boad ...	None	500
Bankee ...	8,000	2,000
Athmullick ...	None	100
Tiggirea ...	1,000	1,000
Duspulla ...	1,500	600
Burrumba ...	1,500	1,500
Keonjhur ...	6,000	6,000
Nyagurh ...	6,500	6,500
Khundpara ...	4,000	6,000
Runpoor ...	2,000	1,500
Pal-Lebra ...	None	100
Moharibkunj ...	15,000	16,000
Nilgiri ...	2,000	2,000
Total ...	73,000	Total ... 60,500

Boad and Athmullick were blank, because they were only recently (comparatively) transferred to the Cuttack Superintendency.

3. The state of the sales is examined every year by the Superintendent, and explanations are called for where there is a deficiency. The replies are of various kinds; sometime a tourrain has carried off the Merchant's cattle; sometimes there was a large stock from previous years; or the Merchant was ill, and the people supplied themselves from neighbouring Districts; or the Killah was depopulated by Cholera, and so forth. The Chiefs have uniformly denied the existence of smuggling; but the Boad Rajah admits that the Ganjam Salt interferes with the sales of the Cuttack Salt in his District.

4. In point of fact it undoubtedly interferes with the sales in a great many Killahs. I have obtained a Return from the Collector of Ganjam, shewing the quantity of Salt sold by him for consumption in these Gurjats during the past year. The result is as follows:—

	Maunds.
Sumbulpore ...	40,786
Duspulla ...	21,106
Boad ...	351
Total ...	62,243

5. As it is pretty certain so poor a country as Duspulla could not consume so large a quantity of Salt, it may safely be assumed that all the adjacent* Killahs (including Boad and the Kundh Mals) have been supplied under Rowanahs nominally for Boad. Even thus the quantity of Ganjam Salt very considerably exceeds the aggregate Taidad as fixed by Mr. Gouldsbury; and it, therefore, almost follows that these Killahs, or some of them, have always been in the habit of consuming Ganjam Salt, although the late difference in price has, of course, given a stimulus to the traffic.

* Boad Khundpara	South of the Mahanuddy.
Ungool Athmullick Burrumba Nursingpore	North of the Mahanuddy.

6. Ganjam Salt sells now in the Gurjats at about Rupees 1-8 per maund, the price paid to Government being Rupee 1. Pooree Kurkutch, which has nearly driven Pungah out of the market, is sold from the Government Golahs at Rupees 2-4.

7. If the Ganjam Kurkutch is absolutely prohibited, we may calculate that an equal quantity of Pooree Salt will be sold in its place. Taking this in round numbers at maunds 20,000, the Bengal Government would make (at Rupees 2-4 per maund) Rupees 45,000 against the Rupees 20,000 now made by the Madras Government. If the price of Kurkutch be raised, or if Kurkutch be prohibited and Pungah at the present rates take its place, the profit will be much greater.

8. On the other hand, if the price of Kurkutch be raised and Ganjam Salt be not prohibited, the latter will probably monopolize the market of all the Gurjats along the Mahanuddy, besides those bordering the Pooree District. This will cause a falling off in our sales of at least 26,000 maunds, and by consequence a loss, even at the present prices, of say Rupees 58,000 to the Bengal Government. If the Rupees 26,000 realized by the Madras Government be allowed as a set-off, there will be a net loss on the Imperial Revenues of Rupees 32,000.

9. I think it probable the loss will be even greater, as the Ganjam Salt may be able to force its way into the rich and extensive Killah Dhenkanal.

10. At full* tax rates we may fairly set down the loss to the Bengal Government at Rupees 84,000.

* *Viz.*, Rupees 3-4 per maund.

11. I must remark, however, that in these calculations I have not taken into account the cost of manufacture: for Kurkutch it may be assumed at 6 annas, and for Pungah at 12 annas a maund. The Ganjam Salt is made at a very much cheaper rate.

12. The transfer of Sumbulpore (paragraph 3rd of your letter) very seriously complicates the whole question, unless the Supreme Government shall be pleased to prohibit the sale of Madras Salt in that District and its Eastern Dependencies, *viz.*, Sonepore, Rehrakole, and Bamra. Should this not be done, I believe it will find its way thither *viâ* the Tel River and Sonepore in large quantities. The Board will observe that even now 40,000 maunds has been sold in one year for Sumbulpore. A part of this is doubtless for the dependent Gurjats; but any way we lose a very extensive market, and there is the further danger of the Salt doubling back on our Territories. The Sumbulpore Chowkeys† should in that case be removed and a corresponding number might be established, say at Boad, at Kointra in Athmullick, on the river side, and at Bamur, on the Ungool and Sumbulpore Road, also in Athmullick. I have named these places as being those of most note in that part of the country; but experience may eventually guide us to more suitable positions for the Chowkeys.

† Bisipalee, Dhama, Joojoomora.

[Bxd. J. H. Mendies.]

1911

From T. Pycroft, Esq., Chief Secretary to the Government of Fort St. George, to the Secretary to the Government of Bengal,—(No. 1771, dated the 20th August 1862.)

Sir,

I am directed by the Governor in Council to request that you will bring to the notice of His Honor the Lieutenant-Governor a Memorandum of the Superintending Engineer of the Cuttack Circle on sanctioned roads published in the *Calcutta Gazette*, dated 24th May 1862. In this Memorandum the Superintending Engineer speaking of the traffic, more especially of Cotton, states that "it proceeds not to Cuttack but to Sonepore, and thence diverging to the south-east, proceeds through the lands of Boad and Goomsur to Ganjam; the Bullocks return laden sometimes with Cocoanuts, but chiefly with Salt." The Superintending Engineer then goes on to state "that this latter trade, *Salt*, will soon be stopped, as the Government of Bengal do not think it proper to admit Madras Salt into Provinces under their rule." This prohibition, the Superintending Engineer anticipates, will have the effect of turning the Cotton traffic from Ganjam to Cuttack, the Brinjarries taking return loads of Orissa manufactured Salt.

2. Although the Governor in Council has received no direct official information on this subject, yet as this assertion of the intentions of the Bengal Government has been made by an Officer serving under that Government and published in the *Official Gazette*, I am directed to ascertain whether any such measure as that described by the Engineer of the Cuttack Circle is in contemplation. The Governor General in Council while making this enquiry is anxious to convey to the Lieutenant-Governor of Bengal his belief that there was no sufficient authority for the announcement to which this letter has reference, and to request that no interference with the established and natural course of trade may take place, until an opportunity has been afforded to this Government of learning the reasons for such a change, and for submitting in detail to the Lieutenant-Governor of Bengal the serious objections which are entertained by this Government to any such measure.

[Exd. N. Penheiro.]

From the Hon'ble A. Eden, Officiating Secretary to the Government of Bengal, to the Officiating Junior Secretary to the Board of Revenue,—(No. 1971, dated the 11th September 1862.)

Sir,

I am directed to acknowledge the receipt of your letter No. 911, dated 15th ultimo, and in reply to enquire whether the passes given by the Collector of Ganjam are considered by the Board to be valid protective documents covering Salt in transit in Bengal, and whether they have actually been so treated by the Preventive Officers of Orissa.

2. I am to request that the Board will also be good enough to state whether the passes in question specify the Salt as being intended for transport into these Provinces, or whether the Salt is nominally purchased for consumption in Madras, and then brought over the Frontier.

3. With reference to paragraph 6, I am to enquire how, in the event of the idea of a preventive Cordon being abandoned, the Senior Member proposes to shut the Salt out, as the mere refusal of the Ganjam Collector to give a pass does not appear likely to deter smugglers from introducing Salt into Bengal if there are no Frontier Chowkies to interfere with their operations.

4. I am to take this opportunity of forwarding a copy of a letter No. 1771, dated 20th ultimo, from the Chief Secretary to the Government of Fort St. George, from which it will be perceived that the Madras Government deprecate any interference with the present state of the Salt trade, and say that they have serious objections to urge against the intended prohibition to introduce Madras Salt into the Provinces under this Government.

[Exd. N. Penheiro.]

R 8/5/63.

From W. J. Herschel, Esq., Officiating Junior Secretary to the Board of Revenue, to the Officiating Secretary to the Government of Bengal,—(No. 1236, dated the 7th November 1862.)

Sir,

I have the honor, by direction of the Board of Revenue, to acknowledge the receipt of your letter No. 1974, dated the 11th September last, and to report as follows in reply to the inquiries contained therein, as well as in continuation of my letter No. 1140, dated 18th ultimo.

2. The practice has been to treat the Ganjam Collector's Passes as valid when covering Salt intended for Sumbulpore or the Tributary Mehals. They have in fact all the validity which the Bengal Laws require in bearing the signature of a competent Madras Official. Ganjam Salt, not so protected, would like any other unprotected Salt be subject of course to seizure.

3. Two Forms of Ganjam Passes are submitted herewith for places within these Provinces. In submitting them with his reply the Commissioner observes that, "to enable us to exclude the Ganjam Salt from the Tributary Mehals, it will be necessary that the Madras Government should prohibit the Ganjam Collectors from granting any more Passes for this Presidency."

4. I am requested to add, with reference to the enclosures of your letter No. 1974, dated the 11th September last, to which I replied on the 18th ultimo, (No. 1140), that the Superintending Engineer of the Cuttack Circle has, if he is correctly quoted in Mr. Pycroft's first paragraph, quite misapprehended the object of the Bengal Government in wishing to keep the cheap Ganjam Salt out of Cuttack. This object being to tax its own Salt higher, and consequently to make it dearer in Cuttack, the exclusive measure is never likely to divert the Cotton traffic there adverted to from Ganjam to our Orissa Districts.

[Exd. J. H. Mendes.]

(It is requested that the Salt herein described may be allowed to pass without hinderance

Ganjam.

	No. of (P.) Ticket.
	Date of delivery.
	To whom delivered.
	Quantity of Salt sold.
	Place of sale.
	Unintelligible.
	Number of Bullock.
	Horses & Asses.
	Carts.
	Boats.
	Coolies.
Sumbulpore.	Destination.
Twelve days allowed to the borders of Ghoomsoor, Zillah Ganjam. Twenty-eight days thence to Sumbulpore.	Remarks.

In what manner conveyed.

[Exd. J. H. Mendes.]

(It is requested that the Salt herein described may be allowed to pass without hinderance

Ganjam.

	No. of (P.) Ticket.
	Date of delivery.
	To whom delivered.
	Quantity of Salt sold.
	Place of sale.
	Unintelligible.
	Number of Bullock.
	Horses & Asses.
	Carts.
	Boats.
	Coolies.
Duspulla, in Zillah Cuttack.	Destination.
To the borders of Ghoomsoor, in Zillah Ganjam, twelve days allowed. Sixteen days thence to Duspalla.	Remarks.

In what manner conveyed.

Revenue Department

No. 1249.

123

Proceedings of the Madras Government under date the 10th ~~June~~ July 1863—

Read the following Proc: of the Board of Rs.

Submitting to Govt a letter from the Collector of Tanjore reporting upon the correspondence regarding the contemplated Exclusion of Tanjore salt from Orissa—

(Here cite 27th March 1863)—

Letter from the Collector of Tanjore dated 23rd Feby 1863, No 28

Proc: of the Bd of Commissioners dated 27th March 1863, No 1012

The Collector's report and the Board's Proceedings will be communicated to the Govt of India with reference to their Proceedings dated 13th January 1862 No 316 Home Department—

2 The Peddars or Govt supposed are the "Rowandahs" required to protect salt, while in transit within the Presidency under Regulation I of 1805— It is

just

R 815/63

Jan 7th 1863

quite clear that they are of no validity beyond the Madras frontiers. In future the Collector will enter in the column "destination" the name of the last village within Madras limits on the road which the salt is to traverse. This is to meet the requirements of the Rules which provide that the removal of salt covered by a Pass issued by one Govt Officer may be stopped by any other Govt officer on passing the frontiers.

The Board make no allusion to the order was primarily noticed in the limitation of Pass to a moderate distance from each depot. These orders do not seem to have been attended to in Ganjam. The Board will ascertain the cause of this. Now that the new Police have taken complete charge of the pass there seems to be no need in retaining Passes in their present form. A simple pass showing the quantity to be allowed from the Pan is sufficient is necessary. And these passes should be handed over to the Police guard as the salt is removed and forwarded by the Police authorities direct to the Collector. The Board will communicate with the Inspector General of Police on the subject.

The cost of duty to be realized on salt consumed within the territories of the Bengal Govt is a question for that Govt to consider. All that this Govt can do is to maintain the Madras salt pass ing the frontier shall be charged with no more than the difference be tween the Madras and the Bengal

Bengal duty - Before
the Parliamentary Com-
mittee of 1836 it was
shewn that "the Salt tax
and the Land tax of
Bengal put together
are - less than the Land
tax [illegible]
else" - such statements
of course have to be re-
ceived with some degree
of reservation - but there
can be no doubt that
the Bengal Land tax is
far lighter than that of
Madras - This and other
circumstances may proba-
bly render the Salt tax
of Bengal no heavy bur-
den on the people - but
if this the Govt of Bengal
is the best judge - All
that this Govt can rea-
sonably ask is that this
Salt shall not be more
heavily taxed than that
of Bengal so that both
may compete on equal
terms - so far as duty
is concerned in the
Bengal

them by the superior
in the Madras and
Bengal cases of Salt
Tax

14 & 15 Vict. Ch. 77 Bengal Comptr. 11 Vict.
c. — Comptr. Genl of Duties 07

Revenue 1863 Default.
Pro: of Govt for Guiz

No 1249

Pro: of the Madras Govt.
Dt 10 July 1863.

Pro: Bd of Rev: dt 17 Sept 63
& No 2270 dt 30 Oct. 1812
Pro: Bd of Rev: dt 11 Nov.

Certain papers
relating to the exchan
-ge of Ganjam talli
from Orissa ordered
to be forwarded to the
Government of Madras.

Pro: Bd of Rev: dt 26 June 63
No 1937 -

and the current Bengal rate-
whatever that may be.

Section 3rd Industrial
Incomes will gain more
by Arrangement than
the sale of Salt
es is a question
ment
the Salt
is as high
people can at present
and is more stringently
vaded than it has ever
yet been and so long as it
is not enhanced in order to
raise — Private
Government have neither
the right nor the wish to
obtain —

Fort St. George
10th July 1903

Revenue 1863, Feb.
Pro: of Govt for July
No 1230.

To
The Secretary to the
Govt of India.
Dated 10 July 1863

From Sec. to G.G. to Lt Gov. N.W.P. No 214 of

Forwarding corr.
claim for reserve regarding
sale of Govt
Nadjoinil
Zemindary.