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MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

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Proceedings of the Madras Government, Revenue Department, 27th February 1864.

No. 391A. Read the following letter from T. CLARKE, Esq., Member of the Board of Revenue, to J. D. SIM. Esq., Secretary to Government, Revenue Department, dated 26th February 1864:—

SIR,

1. In pursuance of the Orders of Government of the 8th June 1863, No. 994, I commenced my tour of inspection, on the 9th September last. I entered the District of Malabar on the 10th September, and after examining the Salt Stores of Beypoor, Calicut, Tellicherry and Cannanore I left it on the 16th idem.

2. On the 17th September I entered the District of South Canara, and, at Hosdroog, found the Salt Deputy Collector, Mr. John Ball, awaiting me. Mr. Ball accompanied me through the whole of my tour in South Canara; and was of much use, in affording me valuable aid and information. Mr. Ball appears quick and intelligent, and to have made himself master of the details of his duty. He bears a high character for integrity, and will I doubt not, successfully combat against many of the frauds, existing in the Government manufacture and sale of Salt in his District.

3. I believe the large sales, during the last year, are mainly attributable to Mr. Ball's activity and zeal, in preventing peculations at the time of manufacture, and in putting a stop to the use of saline earth in the curing of fish.

4. Mr. Ball possesses the great advantage of understanding and being able to speak, in addition to the languages of the District, several of the languages of this country.

5. From Mangalore I had the benefit of the company and assistance of the Acting Collector, Mr. G. L. Morris, whose experience in Revenue administration, and whose industry and ability are so well known.

6. In this District I visited 12 out of the 13 Salt Depôts, and the 12 manufacturing stores and their supplying pans. Mr. Morris accompanied me to many of these places.

7. On the 16th October I embarked on the Steamer from Mangalore for Cochin, and after concluding the special duty delegated to me at Cochin, I resumed the examination of the remaining Salt Depôts in the Malabar District, and have since been engaged in preparing my report.

8. The subjoined table gives the quantities of Salt purchased in the two Districts of South Canara and Malabar, during the last five years the average rates at which the Salt was received into store each year, and the price at which it was sold by Government.

Table of Salt purchased in South Canara from Fuslies 1268 *to* 1272 *average rates at which it was received into store each year, each year.*

Fusly.	QUANTITY OF SALT PURCHASED.							
	1	2	3	4	5	6	7	8
	Quantity.	Cost.	Rate per Garce.	Rate per Indian Maund.	Fixed Establishment.	Extra Charges, Saderwarid, &c.	Total of columns 5 and 6.	Total cost and charges, columns 2 and 7.
	Garces. Ms.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
1268...	2,638 57¾	1,24,286 0 7	47 1 9	0 6 7 9/10	10,506 8 1	16,842 10 3	27,349 2 4	1,51,635 2 11
1269...	3,107 375	1,17,286 2 7	37 11 10	0 5 4	11,778 7 4	10,247 8 11	22,026 0 3	1,39,312 2 10
1270...	4,779 141	2,21,301 12 5	46 4 10	0 6 6½	11,245 5 3	19,355 13 5	30,601 2 8	2,51,902 15 1
1271...	1,731 119	35,493 14 1	20 8 0	0 2 10¾	11,102 10 7	8,238 4 0	19,340 14 7	54,834 12 8
1272...	3,220 353	1,13,374 11 1	35 3 2	0 4 11½	11,034 2 0	18,670 8 8	29,704 10 8	1,43,079 5 9
Total...	15,477 245¾	6,11,742 8 9	... ...	... ...	55,667 1 3	73,354 13 3	1,29,021 14 6	7,40,764 7 3
verage.	3,095 209	1,22,348 8 2	37 5 11	0 5 0	11,133 6 8	14,670 15 5	25,804 6 1	1,48,152 14 3

ble of Salt purchased in Malabar from Fusly 1268 *to* 1272 *average rates at which it was received into store each year, each year.*

'asli.	QUANTITY OF SALT PURCHASED.							
	1	2	3	4	5	6	7	8
	Quantity.	Cost.	Rate per Garce.	Rate per Indian Maund.	Fixed Establishment	Extra charges, Saderwarid, &c.	Total of columns 5 and 6.	Total cost of charges, columns 2 and 7.
	Garces. Ms.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P	Rs. A. P.	Rs. A. P.	Rs. A. P.
268...	4,135 325	2,07,048 0 0	50 1 0	0 6 8¾	4,884 0 0	122 13 0	5,006 13 0	2,12,054 13 0
269...	3,094 353½	1,84,468 0 0	59 9 8	0 7 11¼	4,778 0 0	1,630 11 0	6,408 11 0	1,90,876 11 0
270...	3,137 310½	2,66,497 0 0	84 9 1	0 7 3	4,383 0 0	945 1 0	5,328 1 0	2,71,825 1 0
271...	4,886 190½	1,55,918 0 0	49 14 1	0 6 8	4,379 0 0	627 5 0	[illegible]	[illegible]
72...	3,776 236½	1,51,144 0 0	40 0 4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

the cost of guarding and selling it, the price at which it was sold by Government, and the net profit realized by Government each year.

COLLECTIONS.					
9	10	11	12	13	14
Quantity sold.	Rate per Indian Maund.	From what date.	Net profit realized.	Total Collections.	Average retail price of whole District.
I. Mds. S. T.	Rs. A. P.		Rs. A. P.	Rs. A. P.	Rs. A. P.
2,92,560 28 5	1 0 0	July			
28,846 16 35	1 2 0	Do.			
1,024 21 10	0 5 0	To Islanders			
3,22,431 25 50	... ...	.....	1,73,698 12 8	3,25,333 15 7	1 0 1½
15,822 17 75	1 0 0	July			
1,77,087 6 15	1 2 0	Do.			
39,616 39 10	1 4 0	February			
801 20 30	0 8 1	To Islanders			
78,055 18 75	... ...	.....			
3,11,383 22 45	... ...	.....	2,13,261 15 2	3,52,574 2 0	1 2 1½
99,204 35 35	1 2 0	July			
1,02,031 16 30	1 4 0	Do.			
31,611 31 35	1 6 0	April			
16,582 14 20	1 8 0	Do.			
701 1 50	0 8 1 9/16	To Islanders			
64,733 9 30	... ...	.....			
3,14,864 28 40	... ...	.....	1,31,080 7 7	3,82,983 6 8	1 3 5½
39 24 70	1 6 0	July			
3,19,171 27 2	1 8 0	Do.			
685 7 50	0 8 1¾	To Islanders			
3,19,896 19 42	... ...	.....	4,24,321 7 10	4,79,156 4 6	1 7 11½
3,68,076 3 15	1 8 0	July			
403 23 30	0 6 0¾	To Islanders			
3,68,479 26 45	... ...	.....	4,09,188 3 4	5,52,267 9 1	1 7 11¾
16,37,056 2 62	... ...	.....	.....	20,92,315 5 10	6 5 7¾
3,27,411 8 44	1 4 5¼	.....	2,70,310 2 11	4,18,463 1 2	1 4 3 19/20

the cost of guarding and selling it, the price at which it was sold by Government and the net profit realized by Government year.

COLLECTIONS.					
9	10	11	12	13	14
Quantity sold.	Rate per Indian Maund.	From what date.	Net profits realized.	Total Collections.	Average retail market price of whole District.
I. Mds. S. T.	Rs. A. P.		Rs. A. P.	Rs. A. P.	Rs. A. P.
4,64,118 0 0	1 2 6	1st October 1856 ...	3,23,361 3 0	5,35,416 0 0	1 10 8
5,14,125 0 0	1 4 6	5th Sept. 1859 ...	4,54,660 5 0	6,45,537 0 0	1 13 0
4,14,014 0 0	1 8 0	3rd April 1861 ...	2,90,553 15 0	5,62,379 0 0	2 1 4
4,43,268 0 0	1 8 0	Do. ...	4,97,680 11 0	6,58,605 0 0	2 8 11
4,41,684 0 0	1 8 0	Do. ...	5,00,396 4 0	5,00,396 4 0	2 4 4
22,77,209 0 0	... ...	.....	20,66,652 6 0	30,52,916 0 0	10 6 3
4,55,441 12 9½	1 6 2½	.....	4,13,330 7 7½	6,11,989 3 2½	2 1 3

9. Perhaps nothing is more striking in the administration of this branch of the revenue in these two Districts, than the disparity in the numbers of sale depôts and stores.

1. Cannanore.
2. Tellicherry.
3. Calai.
4. Vadakarai or Badagherry.
5. Quilandy.
6. Calicut.
7. Beypore.
8. Tanore.
9. Ponany.
10. Chowghaut.
11. Cochin.

10. The District of Malabar covers an area of 6,262 square miles, contains a population of 17,09,081; and its sea-board extends along a line of 140 miles in which are no less than 11 main and 26 smaller ports.

1. Mangalore.
2. Cassergode.
3. Cumbla.
4. Munjeshwar.
5. Mulki.
6. Malpe.
7. Barcur or Hungarcutti.
8. Cundapur.
9. Naikencotta.
10. Baindur.

11. The District of Canara covers an area of 4,007¼ square miles, contains a population of 7,88,042, its sea-board is 138 miles in length, and it possesses but ten main ports.

12. The mean breadth of the Malabar District is 25 miles; that of Mangaloro is 28½; both Districts are bounded on the east by mountains, and both possess many fine navigable rivers of which Malabar seems most to avail itself.

Cochin in the south 99 miles from Calicut.
Mathalagom 27-5 miles north of Cochin.
Chowghat 22-2 miles ,, of Mathalagom.
Ponany 15 miles ,, of Chowghat.
Beypore 26-6 north of Ponany.
Calicut 7-2 ,, of Beypore.
Tellicherry 44-1 ,, of Calicut.
Cannanore 13-1 ,, of Tellicherry.

13. The District of Malabar possesses eight depôts in which Salt is sold. They are enumerated in the margin with the distances between each.

* 1. Nileshwar (Inland.)

		M.	F.
2.	Kassergode (to the north of Nileshwar)	19	5
3.	Cumlah (north of Cassergode)	8	0
4.	Manjeshwar (north of Coomlah)	8	7
5.	Mangalore (north of Manjeshwar)	12	1
6.	Buntwal (Inland) .. 16 miles east of Mangalore.		
7.	Pane Mangalore (inland) 4 furlongs east of Buntwal.		
8.	Moolkey 18 M. 4 F. north of Mangalore.		
9	Udiyavar or Kadekai (north of Moolkey)	20	2
10.	Bajee inland 15 miles east of Udipi and from Udiyavar.	17	
11.	Mabukal 8 miles north of Udiyavar.		
	Cundapur (north of Mabukal)	18	0
12.	Angeli Head Quarters 3 miles east of Cundapur with one Depôt one mile off.		
13.	Vaderhobli 2 M. 4 F. east of Cundapur with 3 Depots 1, 2 and 3 miles east of the first depot.		
14.	Hernad 5 M 4 F. north-east of Cundapur with 4 Depots ½, 1, 2 and 3 miles from it.		
		M.	F.
15.	Halagi (inland) east of Cundapur	13	2
16.	Wandasi (inland) north-east of Cundapur	10	2
17.	Baindur 19 miles north of Cundapur		

14. In the District of Mangalore there are no less than six inland sale depots, eight selling stores on the coast, and ten places of store and sale connected with the manufacture of Salt, in all 24* places of sale, as shown in the margin.

15. It appears to me that so very many "petty shops," as the Government have termed them in their Proceedings dated 21st March 1863, No. 559, are unnecessary, and that the number might be reduced with advantage. At present, South Canara is favored beyond other places, and Salt consumers generally are taxed for the benefit of the few Mysore traders, who resort to this part of the country for Salt.

16. The total sales in Malabar, during the last six years, were 27,34,604 Indian Maunds, yielding a gross return of Rupees 35,68,373. In Canara Indian Maunds 19,48,167-36-57 were sold for Rupees 24,05,011-11-5. Each year's sales and the collections for the same period in both Districts are given in the margin.

Fasli.	In Malabar. Sales. I. Mds.	Collections. Rs.	In South Canara. Sales. I. Mds.	S.	T.	Collections. Rs.	A	P.
1267	4,57,395	5,28,807	3,11,111	33	75	3,12,696	5	7
1268	4,64,118	5,32,778	3,22,431	25	50	3,25,333	15	7
1269	5,14,125	6,44,837	3,11,383	22	45	3,52 574	2	0
1270	4,14,014	5,45,365	3,14,864	28	40	3,82,983	6	8
1271	4,43,268	6,58,589	3 19,896	19	42	4,79,158	4	6
1272	4,41,684	6,57,997	3,68,479	26	45	5,52,267	9	1
	27,34,604	35,68,373	19,48,167	36	57	24,05,011	11	5

Malabar.	Rs.		
Fixed Establishment, average of five years	4,672	0	0
Extra charges.	971	8	0
Wastage	.. 520	14	6
	6,164	6	6

South Canara.	Rs.	A.	P.
Fixed Establishment	11,133	6	8
Temporary do..	955	11	6
Sadirward, &c	291	10	7
Boat freight, Landing charges, &c	13,134	8	11
Sundries	289	0	5
Wastage	11,472	3	9
	37,276	9	10

17. The sales were conducted at an average annual cost to Government in Malabar of Rupees 6,164-6-6, detailed in margin, and in Canara, of Rupees 37,276-9-10, likewise detailed in margin.

18. Malabar draws all its legitimate supply of Salt from Bombay. It seems to be generally received by competent authority, that good saleable Salt cannot be produced in this District at a remunerative price. I see no reason to question this opinion. The moist climate; heavy rains; high price of labor; and the insufficient supply of food render it undesirable to divert land and labor, employed in raising food, to produce a very inferior Salt.

19. I believe that small quantities of Salt are manufactured along the Coast by the poorer people in the District of Calicut, by evaporation and boiling sea water; and Salt is also smuggled in by fishermen, who purchase it at sea, from native vessels bringing Salt for Government, or the Native States of Travancore and Cochin; and further no inconsiderable quantities are brought into the Southern portion of the District, and thence carried to Coimbatore from the Cochin territory.

Cochin, population 3,99.056; average salt sales for ten years, 2,17,728 Indian Maunds.
Malabar, population 17,09,081, average sales for three years 5,51,276 Indian Maunds.
Malabar sends on an average 1,29,554 Indian Maunds of the above salt out of the District.
Consumption per head of salt.
Malabar 20 lbs. Cochin 44 lbs.

20. The figures in the margin are instructive. I believe it will be impossible, effectually and satisfactorily, to put a stop to this illegal introduction of Salt into our Districts from Cochin, until the selling price of the two countries is assimilated. At present, when our Government sells Salt at Rupees 1-8-0 per Indian Maund on the Sea Coast, and at two in inland Depots on the Ponany river; the Cochin State sells Salt at 12 Annas the same Measure, not only at the coast, but at numerous Banksalls or inland Depots, near the borders of our territory, and not far from the rail, by which it is carried to Coimbatore, and there undersells British Salt. It has been stated that at Wanienkollom, where a much frequented weekly market is held, large quantities of Cochin Salt are sold. Wanienkollom is about 30 miles from Ponany, and 53 from Beypore, the stations at which we have our nearest Salt Depots. Wanienkollom is 47 miles from Yennamkhl, the nearest Cochin Depot. The accompanying Table shows the seizures of smuggled Salt, which have been made of late years in the south of the District, abutting the Cochin State. The seizures have been few, and the quantity seized small; but on the whole, perhaps it is better that, even at the cost of the demoralization of a small section of the people engaged in this illicit traffic, the revenue should be defrauded, and the revenue laws be evaded, than that its penalties should be rigidly enforced at the sacrifice of the freedom of a large section of the community, the invasion of their houses, and the continual annoyance, which an active, and perhaps not a perfectly immaculate and upright Police, might inflict, in arresting and searching the persons and houses of suspected parties. The Salt is, probably, carried over in small quantities, from the Cochin territory, and it may be impossible, even for a clever detective to find a clue to apprehend any systematic and leading offender, without entailing, on the guiltless, an amount of hardship and annoyance, which the end in view would in no way justify. However, when Salt is openly sold at the weekly market, below the Government monopoly price there appear sufficient grounds for the Police to act in seizing it.

Table of seizures of smuggled Salt from 1263 to 1272.

Faslies.	Kolastrum.		Cotsary.		Valuvanad.		Palghat.		Cochin.		Karumbranad.		Total.	
	No. of seizures.	Quantity smuggled.	No. of seizures.	Quantity smuggled.	No. of seizures.	Quantity smuggled.	No. of seizures.	Quantity smuggled.	No. of seizures.	Quantity smuggled.	No. of seizures.	Quantity smuggled.	No. of seizures.	Quantity smuggled.
		M.		M.		M.		M.		M.		M.		M. S.
1263	...	...	...	42-29	...	17-30	...	37-4	...	...	23	11	...	106 15
1264	...	...	...	...	1	4-6	...	25-12½	1	2	...	...	...	31 18½
1265	...	...	...	16-0	...	...	...	...	...	...	...	...	...	16 ...
1266	...	...	...	51-0	...	...	...	71-32½	...	...	...	...	...	122 32½
1267	...	...	26	29-27½	...	12-21	...	82-5	1	1-6	...	...	...	125 19½
1268	...	...	...	36-1½	...	...	...	..	2	97-19	...	...	...	133 19½
1269	...	...	4	7-5½	...	...	..	...	1	6-0	1	239-4	6	253 9½
1270	1	1-30	6	92-7	...	...	26	31-8½	1	1-30	...	...	34	126 35½
1271	3	1-14½	7	7-38	8	19-25½	35	57-32½	2	3-20	...	...	55	90 10½
1272	2	5-30	4	4-6½	6	7-16½	7	7-6	1	11-0	...	...	20	34 21½

21. Allowing each person, in the Cochin Circar territory, 18 lbs. of Salt a year the loss to the British Government, in revenue by the illicit traffic, amounts to 1,35,435 Indian Maunds, which at 1-8-0 per Indian Maund is Rupees 2,03,152.

22. The South Canara District was up to Fusly 1266 solely supplied with Salt from its home manufacture in the Cundapoor Talook and the Talooks now composing North Canara and by foreign Salt introduced from Bombay and Goa. Since then, occasionally, when these sources have failed, Salt has been procured from the Eastern Coast.

23. The subjoined Table gives the quantities of foreign Salt, purchased by the Government during the last six years in Canara, the rate at which it was purchased per Garce, and the rate per Indian Maund. It will be seen how the demand for foreign Salt is increasing in this District.

Year.		Quantity and description of Salt purchased.				
Fusly.	A. D.	Description.	Quantity.	Cost.	Rate per Garce.	Rate per In. Mnd.
1	2	3	4	5	6	7
			Garces. Mer.	Rs. A. P.	Rs. A. P.	Rs. A. P.
1267	1857-58	Bombay	460 34	22,843 6 8	Average. 49 0 0	0 6 6⅔
		Goa	819 117	16,802 7 11	Average. 22 5 4⅘	0 2 11⅓
1268	1858-59	Goa	392 212	13,342 5 5	Average. 38 10 0	0 5 1½
		Tinnevelly ...	1,619 93¾	1,03,695 10 10	Average. 59 14 5	0 7 11 19/20
1269	1859-60	Bombay... ...	808 286	46,841 1 0	55 0 0	0 7 4
		Tinnevelly ..	1,016 323	53,668 9 1	Average. 45 5 4	0 6 0⅘
		Goa	44 78	1,917 14 3	46 0 0	0 6 1⅗
1270	1860-61	Bombay ...	2,177 240	1,19,439 8 1	Average. 58 8 0	0 7 4⅘
		Goa	832 379	36,906 14 3	Average. 48 0 0	0 6 4⅘
		Tinnevelly ...	952 290	55,162 6 9	Average. 60 14 4¾	0 8 1 61/80
1271	1861-62	Bombay ...	57 130	2,443 7 7	45 2 11 1/25	0 6 7 1/10
		North Canara.	818 124	22,783 7 3	... ...	... ...
		Bombay... ...	2,136 146	92,294 15 6	Average. 46 12 0	0 6 2⅘
1272	1862-63	Goa	6 174	145 11 0	24 0 0	0 3 2⅘
		North Canara.	884 272	18,574 0 1	... ...	... ...

24. During the five years from 1267 to 1271, though the last was a very exceptional year, the quantity of foreign Salt purchased was more than double what it was in the five previous years. The purchase in the five years commencing 1262 to 1266, being 4,441 Garce and 2 Mercals, while in the next five years it amounted to 9,539 Garces and 146 Mercals.

25. I believe, in this District too, there is much smuggling from the pans, from illicit manufacture along the Coast, and from the introduction by fishing boats of untaxed Salt.

The Bombay Salt, though much mixed with dirt and very impure, is a good article. It is heavy; of fine hard crystals; made from highly concentrated brine and carries well. It is much preferred by the inland trader to the Home-made Salt, and I believe the Home merchant also would rather purchase it than the indigenous Salt, were he to be allowed to do so. I find restrictions are put on the sale of the Bombay Salt, and hence, perhaps, has arisen the notion that the natives of Canara prefer their own inferior Salt to the better Bombay Salt.

26. The Salts of Canara and Goa very much resemble each other. They are of a dirty color and small in grain; very light and wanting in pungency, 1½ or 2 Measures of this Salt being required where one of the Bombay Salt would suffice.

27. The smallness of the grain and the badness of the color may, in part I doubt not, be attributed to the hurry and violence with which the Salt is scraped up, time not being allowed for the crystals to form, and the floor of the beds being broken up and dirt thereby being mixed with the Salt; but the salt-water, from which it is manufactured, and which is drawn from the backwaters, is probably not sufficiently concentrated, before it is baled or led into the pans. It may be difficult in Canara, where immense quantities of fresh water are precipitated during the monsoons into the backwaters, and where the season of manufacture is so short, and sometimes interrupted by rain, to obtain water for the manufacture sufficiently condensed; but unless highly concentrated brine be used, no good Salt can be made. I believe much may be done, towards improving the Salt, by commencing the operations early, especially in early forming and filling the reservoirs by the first or second spring tide after the last rains, and thus counteracting in a great measure the effect of the freshes.

28. After attention has been paid to the concentration of the brine to be used, care should be taken that the Salt in the pans is not disturbed, by scraping oftener than once in fifteen days at least, and that the floor or bottom of the bed be not broken up.

29. The Salt in Malabar is all received by weight; that in Canara by measurement.

30. The weighing instruments used in Malabar are those described at page 55 of the volume for 1857 of the printed Circular Orders of the Board of Revenue. Beam scales, suspended from a triangle. In one of the scales two pieces of planks are placed across each other; and ten baskets, each containing about one Indian Maund, are placed on the cross beams, and in this way at one lift 10 Maunds of Salt are weighed. With 40 men 3 Garces and 84 Indian Maunds are weighed out in one hour, and 33 Garces 40 Indian Maunds can be received or delivered in one day, with one beam scale by changing the coolies occasionally.

31. I found in Calicut, and in all the stores attached to that District, that the beam scale had to be adjusted before being used, and the tare of the baskets and of the planks had also to be taken.

32. The weights, in use were marked 80 lbs. but on examination I found them each equal to Rupees 3,200 or the received equivalent of an Indian Maund. The weights varied one from another as may be seen by the accompanying Table, prepared by the Salt Deputy Collector of Malabar.

EXAMINATION *of Indian Maund Weights in use in the Calicut Salt Golla on the 24th September* 1863, *made by Deputy Collector in charge of Treasury.*

Order in which each Indian Maund weight was tested.	Government standard in Tolas.	Actual weight as ascertained by a copper smith's beam scale	Excess or comparison between columns 2 and 3.	Actual weight of each Maund after being thoroughly cleared of rust.	Deficiency or comparison between columns 2 and 5.	Deficiency or comparison between Columns 3 and 5.	Result of a corrected Maund weight when tested by Orr's machine.	Remarks.
1	2	3	4	5	6	7	8	9
							Tolas.	
1...	3,200	3,231	31	3,177	23	54	400	Excess.
2...	3,200	3,222	22	3,115	85	107	30	Do.
3...	3,200	3,204	4	3,179	21	25		
4...	3.200	3,213	13	3,195	5	18		
5...	3,200	3,248	48	3,161	39	87		
6...	3,200	3,248	48	3,160	40	88		
7...	3,200	3,234	34	3,156	44	78		
8...	3,200	3,243	43	3,172	28	71		
9...	3,200	3,216	16	3,150	50	66		
10...	3,200	3,244	44	3,165	35	79		
11...	3,200	3,222	22	3,167	33	55		
12...	3,200	3,242	42	3,128	72	114		
Total ...	38,400	38,767	367	37,925	475	812		
Average of each...	3.200	$3.230\frac{7}{12}$	$30\frac{7}{12}$	$3,160\frac{5}{12}$	$39\frac{7}{12}$	$70\frac{1}{8}$		

I found greater differences in the weights at Tellicherry and Cannanore than are shown in the above table. There was one of Colonel Orr's machines in the Calicut store, but not in use. It was objected that it was dificult to determine by it when the balance was exactly poised, and that by placing the baskets a little on one side or another in the platform unfair weight might be obtained. The Deputy Collector was about to proceed to Madras, and proposed putting himself in communication with Colonel Orr, with a view of placing before him, personally, his difficulties and objections to the machine. Mr. Bates since reports that he was unable to see Colonel Orr or Mr. Smith while in Madras.

33. In Bombay, the Salt is delivered by measurement. A wooden Measure 8-1-10 inches deep 19 inches long and 19 broad, whose cubic contents is equal to 2,921-1-10 inches, is calculated to contain one Indian Maund of Bombay Salt.

34. I found, on weighing, at Calicut, the Salt contained in one of these measures lightly filled from a basket through a grating at the top, that it weighed 18 lbs. in excess of the Maund of $82\frac{2}{7}$ lbs., or a little more than $21\frac{7}{8}$ per cent., in excess of the standard. Mr. Conolly found the contents of the parah to be 20 per cent. in excess of the Indian Maund weight of Bombay Salt. At Ponany, I found the parah contain in one measurement 10 lbs. in a second 15 lb. in excess, of the fixed standard of $82\frac{2}{7}$ lbs., or respectively 12 and 18 per cent. in excess of the Indian Maund yet it is remarkable that the salt received in Calicut is generally below the quantity shipped by the parah measure at Bompay, and not unfrequently below the allowed deficiency of 10 per cent. It has long been supposed that Salt, shipped for the Western Coast, is sold in transit, by the Ship master and his crew, to fishermen on the Coast, who convey it, in their boats, to the shore, and nothing can be easier. The Salt is shipped in bulk; is uncovered; the parties bringing it are fully aware of the difference which exists between the parah measure and the Maund weight; the fishing boats are out, night and day, miles from the shore of a long unprotected coast, and land when and how they please.

35. It is very necessary the scales and weights should be true and correct, which at present they are not. In order to secure so desirable an end, each District should be supplied with a set of standard weights, made of a material not easily acted on by climate, and the weights, in use, should be periodically tested and adjusted by these standards, and the scales should be kept in order, and always cleaned after use. It is also desirable that the official relation between the contents of the parah and the weight of the Indian Maund, in Bombay Salt, should be determined and declared, and on any deficiency, in delivery, beyond a fixed per centage, say 10 per cent., the importer should invariably be required to pay full duty; this rule should be rigidly enforced, except when the Collector of the Coast District is satisfied, by most clear proof, either from the condition of the vessel, or from information gained from unsuspected and trustworthy sources, of there having been severe weather at sea. Such a course would, I think, go further to put a stop to the petty frauds, practised in transit, than the present rule of leaving it to the Bombay Authorities to enforce the forfeiture of part of the deposit money, which they require to be made, by parties exporting Salt from Bombay to the Coast. The receiving, by weight, Salt, which has been measured to the importer, in Bombay, gives him an excess of from 12 to $21\frac{1}{8}$ per cent. beyond the quantity entered in his certificate. The Salt, when received, is measured into store, before it is thoroughly dry, giving him a further advantage, and again he is allowed to claim a deficiency, of 10 per cent. on the quantity entered in his certificate, from wastage. Salt shipped for Bengal, from Bombay, is also received by weight, and is, ordinarily, found to be in excess of the quantity certified to have been shipped; this difference, between the deliveries in Bengal, and on the Western Coast is, attempted to be accounted for, by representing, that the Salt shipped for Bengal is usually carried in square rigged vessels and is under cover, while that brought to the Western Coast is placed in country crafts, and is neither sheltered from rain, nor protected from the corrosion of the bilge water. This may be true in part; but the country vessels are not leaky as a rule. The salt is brought in dry weather, and the pressure of the large quantity of Salt prevents any very great wastage, from the action of water beneath, during the few days of transit. The explanation afforded, therefore, can hardly account for the large deficiencies of from 20 to 25 per cent. of the Salt shipped.

36. In Canara, the Salt is received and sold by the Mercal measure, 424 of which are, by the Proceedings of Government of the 2nd June 1855, No. 1,372, declared to be the equivalent of a Garce of 120 Indian Maunds of Salt. This equivalent is observed in our dealings with the importers of Salt; with the manufactures and the purchasers. But in making return to the certificate produced by the importers of Bombay Salt, and on the back of which it is required that the amount received should be entered, a different course is pursued.

37. Instead of dividing the quantity measured into store by 424 Mercals, the declared equivalent of the Garce, and multiplying the result by 120 to convert the Garce into Maunds, the following process is observed:—From each ship load of Salt received, 60 maunds' weight of Salt is weighed out, and the quantity is measured by Mercals, the result forms the standard of conversion to be observed with that ship load, and return is made accordingly. From a large number of experiments it has been found that from 360 to 390 Mercals of Bombay Salt are equal to a Garce, or 120 Indian Maunds.

38. The merchant it is said is paid at 424 Mercals for each Garce of Salt delivered, and the Salt is sold by the same rule.

In the accounts sent to the Board the local account kept in Garce of 400 Mercals is converted into Maunds by calculating 424 Mercals to each Garce of 120 Indian Maunds.

Thus we have a complicated system of conversions and retro-conversions. Certificates granted in one way; Salt received and local accounts kept in a second; and those sent to the Board rendered in a third. The sooner this complex system is done away with the better. The conversion from Garce to Indian Maunds and *vice versa* should always be made at the fixed rate of 424 Mercals to 120 Indian Maunds. The entry made in certificates, received from Bombay,

as now arrived at, cannot ensure any good end. The weight used as an Indian Maund is 80 lbs. instead of 82⅔; the usual weights in use do not even equal the weights they are said to represent, and had been corrected from time to time, by having affixed to them, iron rings and other clumsy devices.

39. The scales too in use are very untrue. If it be necessary to depart from the standard fixed by Government in making return to the Bombay certificates, the parah measures, of which one is in store, should have been used; but I would most strongly urge that the Collector be supplied with the weighing machines so long promised him.

40. I examined the weights and measures at Mangalore; and weighed and measured the several kinds of Salt in store.

I obtained the following results:—

Experiments made at Mangalore on the 23rd September 1863.

1 Indian Maund (of 80 lbs.) of Bombay Salt measured 3 Mercals and ⅛ Ollock, which gives 360 Mercals and 7½ Measures to 1 Garce or 120 Indian Maunds.

1 Indian Maund (of 82 lbs.) of do., measured 3 Mercals and 2¼ Ollocks, which gives 364 Mercals and 1⅛ Measures to 1 Garce, or 120 Indian Maunds.

1 Indian Maund (of 82 lbs.) of North Canara Salt measured 3 Mercals and 6 Measures, which gives 450 Mercals to 1 Garce, or 120 Indian Maunds.

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1 Mercal of Bombay Salt measured, by driving into the heap made, 8 Measures and 1¼ Ollock.

1 Do. of do. measured in the usual way made 8 Measures and ⅛ Ollock.

1 Do. of North Canara Salt measured, by driving into the heap made, 8 Measures and 3⅛ Ollocks.

1 Do. of do measured in the usual way made 8 Measures and 1 Ollock.

Further experiments made on the 26th September 1863.

12 Indian Maunds (of 82 lbs.) of Bombay Salt measured 37 Mercals, which gives 370 Mercals to 1 Garce, or 120 Indian Maunds.

12 Indian Maunds (of 82 lbs.) of North Canara Salt measured 45 Mercals, which gives 450 Mercals to 1 Garce or 120 Indian Maunds.

6 Parahs of Bombay Salt weighed in the Beam scales 6 Indian Maunds (of 82 lbs.) and 54 lbs. or 546 lbs., and measured 20⅛ Mercals, which gives 410 Mercals to 1 Garce, or 120 Indian Maunds.

6 Parahs of North Canara Salt weighed in the Beam scales 5 Indian Maunds (of 82 lbs.,) and 40 lbs. or 450 lbs., and measured 20⅛ Mercals, which gives 410 Mercals to 1 Garce, or 120 Indian Maunds as above.

1 Parah of Bombay Salt weighed in the Beam scales 1 Indian Maund and 10 lbs.

1 Do. of do. weighed in the machine, 1 Indian Maund and 7⅛ lbs.

1 Do. of do. measured 3 Mercals, 3 Measures and 2 Ollocks, which gives 408 Mercals and 6 Measures to 1 Garce or 120 Parahs or Indian Maunds.

Further experiments made on the 14th October 1863.

1 Parah of Bombay Salt measured 3 Mercals, 3 measures and 4 Ollocks, which gives 412½ Mercals to 1 Garce, or 120 Parahs or Indian Maunds.

1 Do. of North Canara Salt measured 3 Mercals, 3 Measures and 6 Ollocks, which gives 416⅛ Mercals to 1 Garce, or 120 Parahs or Indian Maunds.

1 Parah of Bombay Salt weighed 1 Indian Maund (of 3,296 Rupees weight) and Rupees 412 or total Rupees 3,708, and Rupees 3,711 when weighed against Rupees.

1 Do. of North Canara Salt weighed only Rupees 3,088.

5 Parahs of Bombay Salt weighed 5 Indian Maunds and 2,090 Rupees, or total Rupees 18,570, and measured 17 Mercals, which gives 408 Mercals to 1 Garce.

5 Do. of North Canara Salt weighed 4 Indian Maunds and 2,084 Rupees, or total Rupees 15,268, and measured 17¾ Mercals, which gives 426 Mercals to 1 Garce.

41. The Salt, in South Canara, is measured, in a very different manner from what it is in the Eastern Coast; the result may be more correct and uniform, but the process is a very tedious one, and can neither prove less expensive nor more expeditious, than weighing the two points, on which the advocates for the former course lay such stress, in claiming for it a superiority over weighing.

42. In Canara for six measurers, three men were employed in cutting out the Salt; six women in filling from small hand baskets six Mercals; six men in striking the Salt measured and emptying the Salt into large baskets, which were carried away by two sets of women, two to each set who were alternately employed in carrying away, emptying and bringing back those larger baskets. A Garce of Salt is, by this process, measured out in half an hour. It occupied me three hours and a half to measure out six Garces and odd of Salt, and there were no less than 100 Coolies employed in the work.

43. The Salt, in Malabar and in Mangalore, and in all the stores of the South Canara District, excepting in a few at Cundapur, is stored in bulk. It would be very easy to sub-divide some of these store-rooms, into bins holding from 10 to 15 Garces each; and I would strongly advise that this be done in all places, in which Salt is sold in large quantities; and that traders be informed that a discount of 5 per cent. will be granted to every wholesale purchaser of a bin full.

44. The Salt, in Calicut, is delivered and weighed into store at the expense of the importer; who also pays the manufacturers in Bombay the price of the Salt. In selling the Salt the cost of weighing is borne by the purchaser, who pays the Coolies employed at the rate of 2 Pice per Indian Maund.

45. In Canara also, the Salt is, usually, though not invariably, delivered into store, and measured at the expense of the importer. When sold in large quantities, the measurement is at the expense of the purchaser. In small retail sales the Government measurers measure out the Salt.

46. The price the Government pay for the Salt, imported by them, has very greatly increased of late years; and it is remarkable that whereas, previous to the introduction of weighing into Malabar, Salt was procurable in Canara some 30 per cent. cheaper than it was in Malabar, it is now delivered in Malabar as cheap or a little cheaper than in Canara; the importers alleging that this difference is owing to the Salt being received in Malabar by weight, and in Canara by measurement. It is not to be controverted that weighing favors the importer very largely; and if my experiments are correct he receives at Bombay from 12 to 21⅛ per cent., more Salt by measurement than he delivers at Calicut by weight; whereas in Mangalore the difference is a trifle against him.

47. The great rise in price of Salt is owing to several causes:—

First, the large rise in the cost price of the article. In Bombay Salt now sells at from 15 to 20 Rupees a Garce; while a few years ago it was procurable at from 8 to 12 Rupees a Garce. In Goa the Salt is sold from 10 to 15 Rupees a Garce; while a few years back it could be purchased at from 5 to 7 Rupees a Garce. This clearly proves that the outcry our manufacturers are making for an increased price for the Salt delivered by them is not without reason. They are restricted in their manufacture of the article, and have all inferior Salt destroyed, while there is such a demand for the Bombay Salt that all that is manufactured is sold at greatly enhanced prices.

A second cause for the increased rate paid by Government, is the rise in freight, and the demand for shipping; and the third and main cause is the great demand there is for the Bombay Salt.

The Travancore and Cochin Circars compete with us in the market for this Salt; and ascertaining our rates, usually offer higher prices.

48. The subjoined table gives the rates paid in Malabar and Canara for Bombay and Goa Salt from 1852 to 1856, and from 1857 to 1862:—

Statement of the average price paid for Salt in South Canara for five years, from Fusly 1262 to 1266.

Fusly.	Description of Salt.	Quantity. Garces.	Mers.	I. Mds.	S.	T.	Rate per Garce, average. RS. A. P.	Total value. RS. A. P.	Average rate per I. Md. A. P.
1262.	Bombay...	1,006	10	1,20,723	0	0	24 6 $5\frac{2}{5}$	24,980 8 5	3 $3\frac{0}{5}$
1263.	Do. ...	1,097	114	1,31,674	8	0	22 1 0	23,631 14 2	2 $11\frac{1}{5}$
1264.	Do. ...	1,133	139	1,36,001	28	0	20 6 0	22,418 0 3	2 $8\frac{3}{5}$
1265.	Do. ...	723	143	86,802	36	0	22 1 $8\frac{4}{7}$	15,261 14 4	2 $11\frac{14}{30}$
1266.	Do. ...	481	20	54,518	19	40	23 8 8	10,671 12 10	3 $1\frac{6}{7}$
	Total...	4,441	26	5,29,750	11	40	112 7 $93\frac{1}{35}$	1,06,964 2 0	14 $11\frac{143}{150}$
	Average...	888	$85\frac{1}{5}$	1,05,950	2	24	22 7 $11\frac{104}{175}$	21,392 13 $2\frac{2}{5}$	2 $11\frac{143}{750}$

Statement of the average price paid for Salt in South Canara for six years from Fusly 1267 to 1272.

Fusly.	Description of Salt.	Quantity. Garces.	Mers.	I. Mds.	S.	T.	Rate per Garce, average. RS. A. P.	Total value. RS. A. P.	Average rate per I. Md. A. P.
1267	Bombay...	460	34	52,085	3	50	49 0 0	22,843 6 8	6 $6\frac{2}{5}$
	Goa ...	819	117	92,750	3	58	22 5 $4\frac{2}{7}$	16,802 7 11	2 $11\frac{11}{15}$
1268	Goa ...	392	212	42,324	39	55	38 0 0	13,342 5 5	5 $0\frac{1}{5}$
	Tinnevelly.	1,619	$93\frac{3}{4}$	2,12,599	11	20	59 14 5	1,03,695 10 10	7 $11\frac{21}{30}$
1269	Bombay...	808	286	1,02,198	28	40	55 0 0	46,841 1 0	7 4
	Tinnevelly.	1,016	323	1,32,980	39	0	45 5 4	53,668 9 1	6 $0\frac{8}{15}$
	Goa ...	44	78	5,003	8	15	46 0 0	766 12 1	6 $1\frac{2}{5}$
1270	Bombay...	2,177	240	2,46,520	28	20	55 8 0	1,19,439 8 1	7 $4\frac{1}{5}$
	Goa ...	832	379	94,295	38	0	48 0 0	36,906 14 3	6 $4\frac{1}{5}$
	Tinnevelly.	952	290	1,22,827	17	57	60 14 $4\frac{3}{4}$	55,162 6 9	8 $1\frac{61}{75}$
1271	Bombay...	57	130	6,489	25	0	45 2 $11\frac{1}{25}$	2,443 7 7	6 $7\frac{3}{15}$
1272	Bombay...	2,136	146	2,41,852	25	55	46 12 0	92,991 15 6	6 $2\frac{1}{5}$
	Goa ...	6	174	728	19	50	24 0 0	145 11 0	3 $2\frac{2}{5}$
	Total...	11,324	$102\frac{3}{4}$	13,52,657	8	20	595 14 $5\frac{59}{100}$	5,64,353 2 2	Rs 4-15 $11\frac{43}{75}$
	Average...	871	$38\frac{15}{35}$	1,04,050	22	$13\frac{11}{15}$	45 13 $5\frac{1}{25}$	43,411 12 $5\frac{2}{15}$	6 $1\frac{1}{75}$

Statement of Salt purchased in Malabar for five years, from Fusly 1262 to 1266.

Fusly.	Quantity purchased. Garces.	Mers.	Price. RS. A. P.	Rate per Garce. RS. A. P.	100ths.	Rate per Maund. RS. A. P.	100ths.
1262...	2,253	32	73,210 1 2	32 7 10	...	0 4 3	$98\frac{1}{4}$
1263...	2,922	14	86,111 5 9	29 7 6	...	0 3 11	15
1264...	3,226	59	98,811 6 5	30 10 0	...	0 4 1	...
1265...	3,305	73	1,00,078 6 0	30 4 5	...	0 4 0	44
1266...	2,679	117	77,082 1 8	28 12 2	...	0 3 10	$1\frac{3}{4}$
Total...	14,385	295	4,35,293 5 0	151 9 11	...	1 4 2	$59\frac{1}{2}$
Average...	2,877	59	8,705 10 $7\frac{1}{2}$	30 5 $2\frac{1}{5}$	...	0 4 0	$51\frac{9}{10}$

Statewent of Salt purchased in Malabar for six years, from Fusly 1267 to 1272.

Fusly.	Quantity purchased. Garces.	Mers.	Price. RS. A. P.	Rate per Garce. RS. A. P.	100ths.	Rate per Maund. RS. A. P.	100ths
1267	4,358	23	1,79,807 3 6	41 4 1	...	0 5 6	$\frac{3}{4}$
1268	4,135	92	2,07,048 7 0	50 1 0	19	0 6 8	10
1269	3,094	100	1,84,468 6 7	59 9 8	$21\frac{1}{2}$	0 7 11	37
1270	4,883	383	2,66,497 0 0	54 9 1	...	0 7 3	...
1271	3,125	380	1,55,918 0 0	49 14 1	...	0 6 8	...
1272	3,776	223	1,51,144 0 0	40 0 4	...	0 5 4	...
Total...	23,371	1	11,44,883 1 1	295 6 3	$40\frac{1}{2}$	2 7 4	$47\frac{1}{4}$
Average...	3,895	$66\frac{5}{6}$	1,90,813 13 $6\frac{1}{6}$	49 3 $8\frac{1}{2}$	...	0 6 $6\frac{2}{3}$	...

49. The sales of Salt, in Malabar, have no doubt been influenced by the enhanced price charged by Government for their monopoly Salt; and this is seen, more markedly in particular localities. In the Town of Cochin, which is only separated by a bridge from a Salt Depot of the Cochin State, the sales have been virtually *nil*. They have decreased from 370 Maunds in 1270 to 83 Maunds last year; and during the four months of the present Fusly they amount to 15 Maunds; taking the sales of 1272, the Salt consumed does not amount to half a pound each person, during the year.

50. In Malabar, the year of highest sales was 1859; when they amounted to 5,13,458 Indian Maunds. In 1860, when the selling price of Salt was raised from 1-8-0, the sales fell off nearly one lac of Maunds, being only 4,14,015; since then they have gradually risen to 4,42,118 Indian Maunds in 1861, and 4,43,680 Indian Maunds in 1863; but they have not yet reached the high standard of 1859-60.

51. When the monopoly price was 14 Annas a Maund, the inland sales nearly equalled the Home sales; but after the price exceeded 1 Rupee they fell to one-half of the Home sales; and of late since the price has been raised to 1-8-0 they are little more than one-third of the Home sales. The Home sales have been increasing and keeping pace with the increase of population; while the inland sales are not what they were in 1254 (1844-45) as may be seen by the subjoined table:—

Fusly.	Christian year.	Home Sales.	Inland Sales.	Total.
1246... ...	1836-37	1,97,020	1,22,592	3,19,612
1254... ...	1844-45	2,46,656	1,38,044	3,84,700
1263... ...	1856-57	2,33,547	1,18,062	3,51,609
1268... ...	1858-59	2,86,891	1,77,227	4,64,118
1269... ...	1859-60	3,41,664	1,81,794	5,23,458
1270... ...	1860-61	2,91,776	1,22,239	4,14,015
1271... ...	1861-62	3,10,344	1,34,774	4,45,118
1272... ...	1862-63	3,20,872	1,22,808	4,43,680

52. The larger proportion of these inland sales takes place in the north of the District, where Salt is purchased by carriers from Coorg and Mysore, who bring down grain to Wynad, and are employed in carrying Coffee from hence to the Coast, and who take back Salt to their own country. It is remarkable that while the inlands sales to the north have been increasing, those in the south to Coimbatore have been greatly decreasing. This decrease evidently arises from the increasing quantities of Salt from Cochin, which finds its way into Coimbatore and the southern part of Malabar.

53. The Salt carried by Railway amounts only to a very small quantity; but I doubt not that this quantity will go on rapidly increasing, and will materially affect the price of Salt, in Coimbatore as it as done in Salem and other localities through which the rail passes.

54. In Mangalore, there as been a small increase in the sales of the last Fusly year over any former period in a series of eleven years, as may be seen in the margin; the next highest sales took place in Fusly 1266 when 2,933 Garces and 332 Mercals were sold. The sales fell in Fusly 1267 to 2,748-62 Garces; but since that year there has been a gradual increase. This increase has been chiefly in the inland sales which in the last year were 16 per cent. in excess of the inland sales of 1266; while the Home sales had only increased 6 per cent., over the Home sales of that year.

Fusly.	Quantity sold. Garces.	Mercals.	Value. Rs.	A.	P.
1262	2,696	218 8 0	3,22,949	5	0
1263	2,692	75 6 5	3,22,060	13	8
1264	2,379	386 1 4	2,74,709	0	11
1265	2,484	391 0 5	2,06 027	6	10
1266	2,933	332 4 2	3,42,140	5	10
1267	2,748	62 0 0	3,12,696	5	7
1268	2,848	58 4 0	3 25,333	15	7
1269	2,750	222 0 0	3,52,574	2	0
1270	2,781	122 0 0	3,23,983	6	8
1271	2,875	301 0 0	4,79,156	4	6
1272	3,254	361¼ 0 0	5,52,267	9	1
Average...	2,763	75 0 0	3,54,996	3	9

55. The Home and the inland sales of the District are about equal, the inland sales being a little the larger half. The quantity of Salt sold amounted, in the last year, to nearly 3,255 Garces, being 1,512 for Home consumption, and 1,742¼ for inland consumption. Taking an average of the ten previous years, the sales amounted to 2,714 Garces per annum, of which 1,314 Garces were consumed in the District, and 1,399 were carried into Mysore and Coorg.

56. The average manufacture in the District, taking eleven years' manufacture, amounts to about 850 Garces a year; but there have been exceptional years of excess and deficiency. In three separate years the manufacture exceeded 1,250 Garces—the highest being 1,460 Garces. In four years the manufacture has fallen below 700 Garces; and last year it only amounted to 187 Garces.

57. The average manufacture therefore amounts to about nearly two-thirds of the Home consumption. But if the usual wastage, which on Home made Salt has amounted to about 10 per cent. be deducted, the Home manufacture would ordinarily only supply about one-half of the quantity required for consumption in the District. A larger proportion than this cannot be counted on, with any certainty. The manufacture of Salt in the District might be increased by opening new pans, and repairing and bringing into use many of those now abandoned; but the manufacturers refuse to add to their present number of pans, unless the price paid to them, by Government, for the Salt is greatly enhanced. They declare the present prices to be unremunerative; and doubtless they are so in exceptional seasons such as they have been suffering from last year. In ordinary seasons, I believe, the manufacturer, as well as the owner of the pan, are both able, at present, to realize a small profit; but the margin of profit is yearly becoming narrower.

58. The manufacturer is supposed now to realize from Rupees 1-11-10 to Rupees 3-10-2 on every Garce of Salt he sells to Government at 13⅓ Rupees. At Baindur, where the stock of Salt produced for the last seven years averaged 69 Garces a year, the manufacturers were only able, last year, to furnish two Garces, though they labored hard through the season. Their losses are said to have been very great in time and labor bestowed on the Salt spoiled in process of manufacture.

59. The Home made Salt; taking its cost price; the cost price of the Salt wasted; amount of remission of taxation (Rupees 6,732) on the land used by manufacturer; cost of inland carriage; and wages of the servants employed to sell; and of the guards kept to guard that Salt, both fixed and temporary; the Saderwarid; the rent of the buildings in which such Salt is stored; cost the Government about 4 Annas and 6¾ Pice; while the Bombay Salt, taking the cost price paid to the importer and such other of the charges enumerated above as belong to the care and sale of it, costs the Government about 9 Annas a Maund. It will thus be seen that the Home manufactured article is nearly twice as cheap as the foreign; but it is about one-third its intrinsic value—1½ measures of the one being required when one of the other will suffice.

	A.	P.
Cost price	1	9
Wastage	0	1¼
Land Tax remission	1	3¼
Carriage, Establishments, Saderwarid, &c... ...	1	2
Rent of buildings	0	3
Total...	4	6¾

	A.	P.
Cost price	7	4
Carriage, Establishment, &c., &c.	1	2
Rent of buildings	0	3
Wastage	0	3
Total...	9	0

60. Any one, who has visited the Salt works of this District, will I think agree with me, in the undesirableness of adding to the number of pans in use, or of augmenting the manufacture, on the present system.

61. There are also Salt works at Baindur, 19 miles north of Cundapur, on the coast line.

62. The Salt works at Cundapur, are divided into three divisions, called the Angali, Harnad, and Vaderhobli divisions. To the first of these Cundapur divisions, there are attached the Salt pans of—first, Honenágra; second, Merdi.—To the second division, the salt pans of Kallágra, Devaragra Arebet and Hádibet.—To the third division, the Salt pans of Tállur, Chàllanamaki, Jaladi, Hemmadi and Yellur. Baindur having its own pans. To each set of Salt pans there is a platform, containing one or more store houses, were the Salt is stored and sold.

SALT PANS IN CUNDAPUR TALOOK.

	Salt pans. In use.	Waste.	Total.
Angali Depot.			
Merdi Koty.....	40	11	51
Honenagra do.....	14	6	20
Total..	54	17	71
VADERHOBLY DEPOT.			
Kallagra Koty.....	7	1	8
Devaragra do.	10	2	12
Arebet and Hadibet do.....	31	4	35
Total..	48	7	55
HARNAD DEPOT.			
Chelanamakki Koty.....	18	7	25
Tallur do.	7	6	13
Jalady do.	6	5	11
Hemmadi do.	18	3	21
Yelur do.	26	1	27
Total..	75	22	97

63. The margin shows the number of pans supplying each Kotar, and the number of unworked pans belonging to each Kotar.

64. It must be a matter of no small difficulty, if not of impossibility, to watch these pans when the manufacture is proceeding, and to secure all the Salt, that has been made, being duly carried to the store.

65. The pans are attached to separate proprietors, and, as a general rule, lie scattered among gardens and fields, the former, being occupied by villages, whose houses are visible among the cocoanut trees, in all directions. Sometimes the pans lie in groups, but are oftener separated from each other at varying distances. When they are in clusters a creek or river divides one set from another; and they are to be found from a hundred yards to a mile or two apart. Of course all the pans, attached to one manufactory and store house, are, seldom if ever, visible from the platform. Under these circumstances, the manner, in which most of the pans are hidden among fields and gardens, everywhere intersected by creeks, fringed with mangroves, can hardly be described. Indeed, such is the position of most of the pans in the District that, I wonder how we obtain the Salt that is stored; and the facilities are so great for roguery of all sorts, that its existence cannot be doubted, though it may be very difficult to say in what manner and to what extent frauds are practised.

66. When I visited the Salt works the paddy crops were standing; it was difficult therefore to determine correctly the number of Peons it would take to guard the pans during the manufacturing season; but the subjoined list details the very smallest that seemed necessary; and in this, no provision is made for guards to accompany the carriage of the Salt from the pans to the drying yard. The estimated number exceeds that at present employed by seventeen.

Salt pans in Cundapur Talook.	Number of men required to watch them.
Angali Depot.	
Merdi Koty...	10
Honenagra...	4
Total...	14
Vaderhobli Depot.	
Kallagra Koty	2
Devaragra Koty	3
Arebet and Hadibet Koty...	6
	11
Harnad Depot.	
Chelanamakki Koty	4
Tallur do.	3
Jalady do.	2
Hemmadi do.	4
Yelur do.	6
	19
Grand Total...	44
Required	44
At present employed	27
	17

67. I believe the guarding of the pans has hitherto been little more than a mere pretence. It is obvious that pans scattered among paddy fields and gardens, wholly unprotected by fence of any kind, and open to all comers, sheltered and screened from view by thick topes and trees, separated by creeks, and placed many of them close to the houses of the manufacturers and others, cannot be efficiently guarded but at a very large cost; perhaps at a greater one than would be met by the additional revenue which might be secured by such an efficient Establishment. I think however it would be well, if the Acting Collector would make a careful examination of the pans in the manufacturing season; he might then be able to suggest measures for grouping, guarding and improving the pans, which we were unable to do, from the state of the cultivation around them.

68. There are eleven places of store attached to the Cundapur works; but they are only accessible by going over paddy fields, or walking on narrow bunds. There are no roads of any kind to them. I think these stores might with great advantage be reduced to four or five, to be located one at Hommagra; one at Jallady, one at Arebet; and perhaps one may be deemed necessary at Yellur or Kallagra.

69. Those that are retained should be opened out with good roads, connecting them with the Coast and Ghát lines and with good approaches to the river and creeks. By reducing the number of these stores, and making them really accessible, the convenience of purchasers would be much more consulted than it is now by the retention of the many stores in existence. Purchasers are not allowed to chose the store at which to purchase; but are required to attend where sales are going on. The strength of the revised Establishment only admits of two or three stores being open at a time and the ones opened may be those most inconveniently situated for the purchasers.

By having only 3 or 4 stores well opened out, and easily accessible at all quarters, purchasers cannot be called on to travel further than they now do. Their convenience will be more advanced by good roads and approaches than it now is, when they have to wade through paddy fields and creeks and to go over narrow bunds; while the guards employed in the stores to be abandoned might be reduced, and the money thus saved might be used in strengthening the guards during the manufacturing season.

70. Further, if weighing is generally introduced, it would prove very costly to supply each of the existing stores with a weighing machine, and the alternative of carrying about a machine from store to store as it is needed would be very inconvenient, and the charge of carriage would not be an inconsiderable item of expense.

Quantity of Salt sold at each of the Stations for five years.

Fusly.	Angali 2 Depôts.		Vaderhobli 4 Depôts.		Harnad 5 Depôts.		Baindoor 2 Depots.	
	Garces.	Mer.	Garces.	Mer.	Garces.	Mer.	Garces.	Mer.
1268...	88	252	72	22	67	169	53	89
1269...	116	281	83	260	59	386	70	150
1270..	112	351	58	316	37	304	70	9
1271...	113	164	72	11	52	13	73	67
1272...	99	161	104	16	52	305	83	871
Average.	106	157	78	40⅓	53	405	70	533⅓

71. The margin shows that Salt is annually sold at each of the stations; but the quantities sold at each Depôt are very trifling.

72. It may be objected that the closing of all but four of the present Depôts would put the manufacturers to much inconvenience in bringing their Salt to store. I think this might be met by making them some increased payment for their Salt to meet the extra expense they might be put to and some of the abandoned store places might be fenced in, and kept as drying grounds into which all the Salt scraped up in the day might be conveyed in the evening, and stored till it is dry and ready to be placed in store, but the Collector might consider these points, and submit his opinion after careful inspection during the working season.

73. At Baindur there are two stores in the street of the village nearly opposite each other. The pans here are very difficult to work, in consequence of the creeks which supply the pans with salt water, being much below the level of the land in which the beds are formed and owing to the percolation of fresh water from the river and surrounding streams into the supplying channels and pans.

	Salt pans. In use.	Waste	Total.
Baindur Depot...	18	48	66.

74. The number of pans attached to the Baindur stores of those worked, and of those abandoned, is given in the margin.

75. The manufacturers and pan owners expressed themselves very dissatisfied with the price paid them for their Salt, and their readiness to abandon the manufacture.

76. It may be well for the Collector to ascertain and determine whether these works should be retained.

77. The Salt manufactured in the District is never removed from the stores in the year in which it is made, except under most exceptional circumstances. This rule it is said has been established to facilitate the detection of the frauds and peculations of the manufacturers, as it is said it is very easy to detect new-made Salt from old. Now as I believe it is not denied that large quantities of Salt are yearly abstracted during the manufacturing season, and as no seizures of smuggled Salt have of late been made, I must confess I cannot myself see the value of the rule or the reasonableness of maintaining it for the reasons stated. It would often be very desirable to distribute the Salt at the close of the manufacturing season among the inland and other stores of the District. The rule therefore should be abrogated and the Salt distributed as needed.

78. In their Proceedings of the 13th July 1863, No. 1,268, the Government have called on me to report on the necessity and desirableness of keeping up the inland Depots. There are at present six of these places of sale as found in the margin.

Nileshwar.	Boje.
Buntwal.	Haladi.
Pane Mangalore.	Wandase.

79. Nileshwar is at the southern end of the District four or five miles south-east of Hosdroog on the coast line. Nileshwar is situated on a branch of the Kavoy back-water, and is 43 miles north of Cannanore, the most northern of the Salt Depôts of Malabar, and 20 miles south of Casergode, the second Depot on the coast line in South Canara. Were it abolished the residents of a largely populated tract of country would have to travel at least 30 miles to obtain Salt.

80. The sales at this Depot are wholly local, and it is estimated it supplies Salt to 43,821 persons. Owing to the contractor having failed last year to fulfil his contract the supply of Salt in the store was insufficient to meet the wants of the people. The sales were consequently restricted to one mercal each person. I saw many persons from Hosdroog and its neighbourhood buying Salt at Cassergode.

Price of Salt.....	Rs.	1,990	5 0
Establishment.....	Rs.	336	per annum.
Interest on price of Kotar at 12 per cent.		18	
Monsoon repair.....		30	
Average wastage 880 Indian Maunds. each Maund costing price and carriage 5 Annas 6 Pice.....		302	8 0
		686	8 0
		2,676	13 0

81. The average annual sales at Nileshwar taking a period of ten years, amount to 5,790 Indian Maunds, bringing in a gross revenue of 6,362 Rupees. The cost of the Depot as detailed in the margin is Rupees 686-8-0 a year, thus leaving a net revenue of Rupees 5,675-8-0. The average cost of a Maund of Salt to Government at this place is Annas 7 and Pice 5.

82. The sales are indeed very small, but considering the very great distance to the next store in the south, I am not inclined to recommend the closing of this Depôt. Salt stores, where there is a purchasing population in any quantities, should not I think be located at greater distances than from 20 to 30 miles apart along the Coast. If this rule were observed all persons on the sea board would be able to procure Salt at distances varying from 10 to 15 miles. Nileshwar Kotar is supplied with Home Salt sent down from Cundapur.

83. The next inland Depôts are at Buntwall and Pane Mangalore 17 miles east of Mangalore. They are opposite each other, the first on the northern, and the other on the southern banks of the Naitravathy river on which Mangalore is built. The former was established in 1832 by Mr. Cameron. The second in 1853 by Mr. Frank Maltby.

84. The reasons which led to the establishments of the Buntwal Depôt are given by Mr. Cameron at length in his letter to the Board dated 16th January 1832.

85. The Collector represented that Buntwall was the grand emporium of the trade of Mysore. That the traders being prevented by want of forage and water from taking their cattle to Mangalore usually disposed of their goods at Buntwall, and that a large portion of the cattle, employed in bringing down the grain, either returned without loads, or proceeded to Tellicherry for Salt. Some of the merchants, it appears, were supplied with Salt by retail vendors from Mangalore, but at exorbitant prices and much adulterated. The Collector mentioned that there had once existed a store at Buntwall, which had been closed he could not learn why. He showed that during the existence of this store the sales for the whole Talook of Mangalore had been 304 Garces more than they were then, and that the parties dependant on this store, had resorted to the purchase of earth Salt in Mysore, or had gone to Tellicherry.

86. He further attempted to show that, owing to the high price paid for the Monopoly Salt sold in Malabar, the Government were losers by this latter arrangement; while the traders who get no market for the produce in Tellicherry, were obliged to bring their goods first to Buntwall, and then drive their cattle to Tellicherry for a return load or return home empty.

87. Mr. Maltby advocated the opening of the store at Pane Mangalore, on the ground that to land on the northern bank at Buntwall, Salt which is intended for sale at Pane Mangalore on the southern, was to interpose a broad river or its bed of sand, between the Salt and its purchasers, or that to establish a Depôt on the southern bank was equivalent to building a bridge over the river for 28,880 bullocks which come from the south.

88. He stated that the Buntwall Salt trade had continued to increase, notwithstanding the opening of the Perambaddy and Jalsoor Ghâts to Cannanore and Cassergode, and that the proposed store was necessary to test the value of the new road opened from Upinangady to Pootoor.

89. Mr. F. Maltby reckoned that the combined inland sales of the two places would be 894 Garces being 533 at Buntwall and 361 at Pane Mangalore.

90. Since the opening of the Store at Pane Mangalore, the average inland sales have been 366 Garces a year at Buntwall, and 426 Garces a year at Pane Mangalore, both making a total of 792 Garces.

91. Only once, since the year of opening the store at Pane Mangalore, has Mr. Maltby's expectation of the extent of combined sales at these two places been realized.

92. The Pane Mangalore sales have exceeded those at Buntwall in the proportion of about one to every fifty Garces sold. During a part of last year, owing to the small stock of Salt in hand, the sales at Pane Mangalore and Buntwall were partly suspended; but so far from the inland sales in the Mangalore Talook having fallen off they have increased eight fold over the previous year's sale, the highest on record, and 27 fold over the average inland sales.

93. The circumstances of the District are becoming very much altered. Good roads have opened up the country wonderfully, and trade is largely increasing. A large store for preparing, packing and shipping Coffee has been opened at Mangalore, by an English Merchant, who requires that the Coffee should be delivered at his store. The Coffee is brought down in carts and by bullocks from Munjerabad and Coorg, and no difficulty whatever is experienced in getting the cart owners or drivers to take their carts to Mangalore. They re-load at Mangalore with Salt.

94. This appears to me to be a very appropriate and natural illustration of the benefits arising from opening up and maintaining in good and efficient order easy means of communication with the Coast, the outlet for a large proportion of the produce of this country. The carrier who was unable to sacrifice his time and his jaded animals, in a protracted and arduous journey over bad roads to the Coast, or to leave them while he proceeded by water to Mangalore, is now able to go with his cart to the Coast and secure the profits which formerly fell to the middle man. The table in the margin will show the sales at Buntwall and Pane Mangalore, during the last eleven years, as well as those at Mangalore and Mulki; the Depots from which parties would seek their Salt, were the inland Depots closed. It is remarkable that the combined sales of Buntwall and Pane Mangalore have never equalled the sales which took place in 1262 on the opening of the Depot at Pane Mangalore, and not only have the home but the inland sales here also fallen off. In Mangalore the sales, especially the inland sales, have been slowly and gradually increasing till they now have reached the large amount of 1,214 Garces, 105 Mercals, being nearly equal to the highest combined sales of the two inland Depots. Of this amount nearly two-thirds are inland sales, while only one-third is for home consumption.

Sale of Salt at each Depot in the Mangalore Talook during the last eleven years.

Fusly.	Mangalore Depot.		Mulki Depot.		Buntwall Depot.		Pane Mangalore Depot.	
	Garces.	Mercals.	Garces.	Mercals.	Garces.	Mercals.	Garces	Mercals.
1262..	210	183	119	3	885	868	367	871
1263...	241	97	130	300-4-3	464	224	662	872
1264...	180	5	128	107-1-4	444	397	547	17
1265...	236	238-4	129	285-5-4	431	170-0-1	597	310-4-1
1266...	258	131	172	259	580	30	627	383
1267...	254	360	161	48	476	32	537	116
1268...	275	384	162	51	479	869	615	139
1269...	330	145	120	280	419	33	645	188
1270...	336	178	144	331	542	131	624	106
1271...	568	245	137	303	571	350	368	13
1272...	1,214	103	149	91	185		344	71

	RS.	A.	P.
Establishment	1,644	0	0
Cost of transport (1,23,287 Indian Maunds at 3¼ Pice.	2,118	15	11
Cost price of Salt wasted in transit to store or on 1,931 Indian Maunds, at 6 Annas 10¼ Pice.	829	11	7
Cost price of salt wasted in store or 2,127 Indian Maunds at 7 Annas 1¾ Pice	949	15	2
12 per cent., on cost price of buildings ..	222	0	0
Annual repairs	200	0	0
Total....	5,964	10	8

	RS.	A.	P.
Average cost price for Indian Maund of Bombay Salt	0	6	10¼
Establishment, transport, interest and annual repairs per do.	0	0	6¼
	0	7	4½
Average cost price per Indian Maund of Goa Salt	0	5	2½
Establishment, interest, and annual repairs and transport of per do.	0	0	6¼
	0	5	8¾
Average cost price per Indian Maund of Home made Salt	0	1	9
Transport, establishment, interest, and annual repairs per do	0	0	6¼
	0	2	3¼

95. The annual cost of these Depots is given in the margin, and the price of a Maund of Salt at Pane Mangalore and Buntwall to Government is 7 Annas, 4¾ Pice for Bombay Salt, and 2 Annas 3¼ Pice for Home made Salt, and 5 Annas 8¾ Pice for Goa Salt, being at the rate of 6¼ Pice a Maund in addition to the prime cost of the Salt.

96. The next inland Depot is Baji, situated on the river Soorarna, in the Barcoor Talook, about ten miles from its mouth. The trader to this place comes down from the Agambi and Andar Ghâts. It is near the village of Hiryadka, where there is a much frequented temple, and there is a large population around. The Salt is sent up by the river from the port of Hangarcutta. The store, in the village, is about ¼ mile from the river side. The Salt is carried up, from the boats where it is measured, to the store by contract. The Salt is of Home manufacture, and the wastage is large, amounting from 2$\frac{30}{77}$ on Salt stored to 8$\frac{10}{77}$ on the carriage and sale of the Salt.

The average sales at Baji are Indian Maunds 26,950, and the wastage on sales (that is after storage) is Indian Maunds 613, which gives a per centage of 2$\frac{30}{77}$ only, or less than 2½ the allowable wastage.

The average of the total wastage, that is, on import and sales, is 2,191 Indian Maunds, which gives a per centage of 8$\frac{10}{77}$.

97. This Depot chiefly supplies the inhabitants in the Nugger Division of the Mysore territory.

98. The Depot was established in 1846, and its average sales for ten years were 26,950 Indian Maunds a year, being double the amount of the sales in all the other Depots of the Oodipi Talook.

99. Baji is nine miles to the east of Oodipi, one of the largest towns in South Canara; and at three miles to the west of Oodipi is situated the Salt store of Udyavar. Mabukul too is only 12 miles north-west of Baji, and the communication by water to the two places is good. There are good roads which unite Udyavar and Mabukul with the Agumbi and Andar Ghâts.

Sales for 5 years before the establishment of Depot.		Sale for 5 years after the establishment of Depot.		Sales for the last 5 years.	
G.	M.	G.	M.	G	M.
1,427	232	1,561	327	1,708	75·4

	RS.	A.	P.
Cost of establishment	324	0	0
Average cost of transport (26,950 Indian Maunds at 1 Anna 7$\frac{7}{10}$ Pice per Maund	2,766	5	3
Cost of Salt wasted in transit, (1,547 Indian Maunds at 1 Anna 1 Pice per Maund	169	3	3
Interest on capital spent in building Depot ..	100	0	0
Repairs..	80	0	0
Cost of Salt wasted in Depot (614 Indian Maunds at 1 Anna 7$\frac{7}{10}$ Pice)	66	1	3
Total..	3,505	9	6
	RS.	A.	P.
Giving an average per Indian Maund of ..	0	2	1
Add cost price of per Indian Maund	0	1	9
Total..	0	3	10

100. The table in the margin shows the sales in the Oodipi Talook 5 years before the establishment of the Baji Depot; 5 years after its establishment; and during the last 5 years from 1267 to 1272. The annual cost of this Depot is detailed in the margin, and the price to Government of each Maund of Salt sold by them, is 3 Annas 10 Pice or more, than double its original cost.

101. The grounds on which this and the two Depots in the Talook of Cundapur were established, are that "a very considerable in-"crease in the sale of Salt might be effected by "carrying out the measure;" it was found that merchants from the high lands of Mysore and Coorg who imported large quantities of grain

into Mysore, would come as far as the head of the river to trade, but would not descend to the Coast owing to the difficulty they experienced in obtaining food and water for their cattle near the sea, the badness of the roads, the uncongenial character of the climate, and their dread of the prevailing disease of the country "small-pox." In consequence of these objections large herds of cattle were driven back without any return load; whereas had Salt been procurable at the places at which they deposited their grain, they would have become large purchasers of it.

102. The next two Depots are at Halali and Wandase, which are situated respectively on the southern and northern branches of the Cundapur river; the one being 15 miles, and the other 9 miles from Cundapur, but only 11 and 4 miles from the nearest Depots at Angali and Yelur.

103. The road from the Coast to Haladi is in a very bad condition, and there is none to Wandase. The table in the margin shows the sales at the Cundapur Depots, 5 years before and 5 years after the establishment of these Depots, and the sales during the last 5 years. The increase in the last column is less than 7 per cent., over that in the first, the rate at which the population is imputed to increase.

Sale for 5 years before the establishment of the Depôts.		Sale for 5 years after the establishment of the Depots		Sales during the last 5 years.	
GAR.	MER.	GAR.	MER.	GAR.	MER.
2,843	10	2,786	59	3,030	14½

104. The average annual sales at Haladi during 10 years are 25,008 Maunds, and at Wandase 12,973. The sales during the last year were at Haladi 25,424 Indian Maunds, and at Wandase 12,157 Indian Maunds. Of these sales two-thirds are for inland consumption, and one-third for Home consumption.

	RS.	A.	P.
Establishment of Haladi... ...	456	0	0
Carriage of Salt of 25093, Indian Maunds at 9¼ Pice per Indian Maund...	1,281	0	8
Cost of Salt wasted in transport of 892 Indian Maunds at 1 Anna 9 Pice...	97	9	0
Cost of Salt wasted in Depot 1,080 Indian Maunds at 9¼ Pice	55	2	0
Repairs	50	0	0
Interest on building...	70	0	0
	2,009	11	8
Which gives on the sales an average per Indian Maund of	0	1	3¾
Original cost price	0	1	9
	0	3	0¾

	RS.	A.	P.
Establishment of Wandase	324	0	0
Carriage of Salt (12,973 Indian Maunds) at 7¼ Pice per Indian Maund	527	0	5
Cost of Salt wasted in transport (460 Indian Maunds) at 1 Anna 9 Pice	50	5	0
Do. do. in Depot (505 Indian Maunds) at 7¼ Pice per Indian Maund ...	20	8	3
Repairs	35	0	0
Interest on buildings	50	0	0
	1,006	13	8
Which gives on the Sales an average per Indian Maund of	0	1	2¾
Original cost price ...	0	1	9
	0	2	11¾

105. The average cost of these Depots a year is detailed in the margin, and the price of a Maund of Salt is 3 Annas, or nearly double the prime cost of the Salt.

106. I believe that, if the roads to the Coast are put in efficient order, so that the trader might carry his goods to the port without difficulty and delay, these inland Depots might be dispensed with, without detriment to the interests of Government. It is, because the state of the inland and coast roads offer such serious impediments to reaching the coast, that the trader rather than continue his journey through an occupied and highly cultivated country, by wearisome and protracted marches of days over a distance which with good roads, might be travelled in a day or two at most, prefers disposing of his goods at a sacrifice at the point where the water communication commences and the Ghât roads determine.

107. The parties, for whose benefit these Depots have been mainly instituted, are not the inhabitants of Canara but the traders of Mysore and Coorg, who bring grain and curry-stuffs into Canara. I believe that the inhabitants of Mysore are yearly consuming larger quantities of Eastern Coast Salt, and when the Railway is opened to Bangalore and further to the west, that the consumption will be far greater. Salt from the Eastern Coast is sold in the eastern parts of Mysore two Measures cheaper than it can be brought from Canara, and as the rail advances to the westward the Western Coast traders will be obliged to recede farther and farther back.

108. If the Mysore people can afford to buy the sea Salt, for which there usually exists a strong preference, he will pay the price demanded for it; and there does not appear to me to be any reason why the Government should undertake to do for him, at a very high price, what they decline to do for their own subjects at a lesser cost. Salt, in the Eastern Coast, usually costs the

Government 1 Anna 8 Pice or 2 Annas the Maund; while it has been seen that the cost to them of the Salt sold at these inland Depots is usually from 8 to 3 Annas a Maund.

	Garces.	Mercals.
Buntwal	3,660	103½
Pane Mangalore	4,268	85½
Baji	1,239	298
Haladi	1,635	160
Wandase	893	213
	11,697	310
Average...	1,169	327 or
	14,032 Indian Maunds.	

109. It will be seen that the Salt sold during the last ten years from Fusly 1262 to 1271, at the inland Depots in the District of Mangalore, for Mysore and Coorg, amounted on an average to 1,40,372* Indian Maunds a year; while for the last three years, the average sales, at the Depots of Cannanore, Tellicherry and Calicut, for Mysore and Coorg, have amounted to 71,219 Indian Maunds, or a little more than half the Canara sales. In 1272 the South Canara sales were only 68,210 Indian Maunds; while the Malabar sales were 75,829, or a little more than 9 per cent., in excess of those of Canara showing clearly, that without the assistance of these inland Depots, merchants can and do carry Salt into the interior with profit to themselves.

110. It has been already decided that there is no reason why the carriage of Salt should be paid for, by Government, more than that of any other article of equal importance. No doubt more Salt may be sold in some Districts in consequence of conveniently situated Depots; but this increase is compensated for by a corresponding decrease in the sales of other portions of the country, and thus one set of people, and they foreigners, are favored at the expense of the majority, and the productiveness of the tax greatly diminished.

111. I put the question to a trader whether he would be inclined to resort to the inland Depots if the Government added the cost of carriage to the price of the Salt, or whether he would in such a case rather go to the Coast store. He replied, that in such a case, he would rather buy his Salt at the Coast, clearly showing that he felt he could carry the Salt cheaper than Government.

112. There are no circumstances in the condition or position of the inhabitants of Canara which in my opinion require or render it advisable that they should any longer enjoy the privilege which has been extended to them.

113. They are a people far better off than most of the Ryots on the Eastern Coast; they enjoy good water and land carriage and the price of labor is as cheap in Canara as elsewhere.

114. I should be disposed to close all the inland Depots and to reduce the Coast Depots to eight,† fixing them at the places noted in the margin. I would also reduce the manufacturing Depots to four or five‡ in Cundapur and one in Baindur. I believe that this number of Depots would sufficiently meet the wants of the District, and that if the sales of Salt should fall off in Canara, they would increase either in Tellicherry or Cannanore or at Madras, and that the Government would not be losers but rather gainers by this arrangement, both directly, in the reduction of the Establishment, and indirectly by the sale of a Salt which costs them less, and by diminished peculations and frauds.

† Mangalore.
Mulki
Manjeshwar.
Casargode.
Mileshwar.
Udiavar.
Mahukal.
Baindur.

‡ Hommagra.
Jaladi.
Arebet.
Yellur.
Kallagra.

115. In regard to the proposal of the local authorities to establish three additional inland Depots, at Bhavikari or Bevinjee on the Chendragherry river; at Goorpoor on the river of that name; and at Cokarne on the Sivarna river; if it is thought advisable still to keep open inland Depots, I very much question the desirableness or necessity of adding to the number the three just mentioned. The accompanying skeleton maps will show the position of the Depots and some of the roads of the District. Bhavikari or what is now selected as the more eligible position for a Depot, Bevinjee, are both at the head of the navigation of the Chendragerry river in the Casargode Talook. Bhavikari is about nine, Bevinjee about six miles up the river. There is a good road to Casargode where the Moonsiff's Court and Talook Cutcherry are situated. There is also a Salt Depot at Casargode which it is proposed to retain. During the ten years ending in 1271 the inland sales at Casargode have been one-half of those for Home consumption. The latter have

averaged 814 Garces, while the inland sales amounted to 412 Garces. The inland sales during the last five years of this period only averaged 22 Garces a year, while during the former five years they reached 60 Garces a year. In 1262 the inland sales were 49 Garces, while the Home sales were 56 Garces. The Salt exported hence is carried by Jalsoor over the Sampajee Ghât to Coorg, which is also supplied by the Perambaddy and Manjerabad Ghâts from Cannanore and Pane Mangalore. It appears to me to be wholly unnecessary, at so small a distance as nine or six miles, to establish an additional Depot for the convenience of the Salt carriers, who have hitherto shown no disinclination to bring down their goods to the Coast and purchase the Salt at the Coast Depot. The Jalsoor line is in good order, and it is proposed to open out a new line from Pane Mangalore to Casargode, where I think the money proposed to be spent in establishing the new Depot, might be more advantageously laid out. Should the inland dealers be attracted to Bevinjee or Bhavikari by the establishment of a Depot, and the inland sales in the neighbourhood of Casargode in consequence increase, there will I believe be a corresponding decrease in some other place. The second place is Goorpoor, which is the termination of the Somashwar line. There is a good road from Goorpoor to Mangalore, which is about ten miles distant, as well as good water carriage. Lower down the river another line connects it with Mangalore, and the Coast road also crosses this river near the sea. There is no direct line inland from this place. The Agoomba Ghât traders could be more easily supplied from the inland Depots of Baji or Haladi, or even from the Coast Depots of Mulki and Udyavar, or of those near Cundapur, and the Manjerabad traders would find it easier to go to Buntwal and Pane Mangalore Depots, or the Coast one at Mangalore. The sales therefore would be wholly local, and with so many places of sale in the immediate vicinity, Mangalore, Mulki, Buntwal and Pane Mangalore, all within a radius of ten miles, I cannot see the necessity for opening up this fresh shop unless the Government think it advisable to bring their Salt within five miles of the houses of all the people.

116. The last place is Cokarney on a tributary of the Sivarna river. There are already two inland Depôts to the north and south of Cokarney. Haladi, the northern Depôt is about 12 miles, and Baji the southern, about eight miles distant from it. Secondly, there are no roads to Cokarney while there are to Baji and Haladi, and even to the Coast Depots of Mabukal and Udyavar, also at a short distance to the north and south of Cokarney. Thirdly, the navigation of the Cokarney river is difficult, owing to the rocky bed, at a place distant about a mile and a half below the village. Boats have to pass through openings of the rocks with much care. One of these openings will have to be widened with blasting, or it will be difficult to use the river in the dry weather.

117. Under these circumstances it does not appear to me that a Depot is required at Cokarney.

118. As having a most important bearing on the administration of the Salt Revenue in the two western Districts, I take this opportunity of submitting a copy of a letter, dated 10th August 1863, received from Mr. Ballard, the Collector of Malabar, in which that Officer has very fully and ably discussed the question of the Government withdrawal from the trade of Salt on the Western Coast, and leaving it to private enterprize to supply its place.

119. Mr. Ballard premises that Calicut cannot produce its own Salt, but must look to Bombay for its supply, and that this Salt can be sold at Coimbatore Railway Station, and *a fortiori* to the westward of it at from 2 to 3 Annas cheaper than Madras Salt. He then proceeds to show that with a fine sea-board, a Railway inland, and improving communications, nothing could be easier than to shut the Government Stores, and to trust to an import duty for revenue, and to competition to regulate prices, had we to deal with a natural state of things; but, he adds, we start with an artificial one, which requires that in relinquishing the trade we do not distress or injure the people; and he therefore considers it necessary to retain some safe-guard against even the possibility of a temporary scarcity of supply and undue enhancement of price till the new private trade has thoroughly taken root.

120. Mr Ballard strongly objects to raising the price of Salt to the consumer. He states that Bombay Salt has, on the average, cost us 6 Annas per Maund, leaving our net gain at 1 Rupee 2 Annas per Maund.

121. He calculates that a merchant could afford to import and sell Salt at from 6 to 8 Annas a Maund. He sets down the cost price of the Salt at Bombay at 1 Anna per Mauud ; the carriage charge thence to Malabar at from 3 Annas 6 Pice to 4 Annas a Maund, to which is to be added interest of capital, insurance, import duty, merchant's profits. He mentions that Mr. Robinson considered 1 Rupee 6 Annas a Maund, the lowest rate at which Bombay Salt, imported at a duty of 14 Annas per Maund could be sold at Calicut.

122. At the present import duty of 1 Rupee 6 Annas per Maund, the merchant's lowest selling price at Mr. Robinson's calculation would therefore be 1 Rupee 14 Annas, at his 1 Rupee 13 Annas.

123. Mr. Ballard proposes that we remain content with our present direct profit of 1 Rupee 2 Annas per Maund, and secure all the advantages arising from throwing open the trade with the single disadvantage of the probability of a slight rise in the price to the consumer at first, and this he thinks can be secured by raising the Government selling price at the Coast stores to 1 Rupee 12 Annas, and having the import duty at 1 Rupee 2 Annas per Maund.

124. He deprecates in the present abnormal state of the trade the risking the possibility of a scarcity of one of the first necessaries of life, or the great enhancement of its price. Private enterprize when developed he is prepared fully to trust ; but for a time he deems it safe to hold a supply of Salt on hand as a safe-guard and check.

125. With 1 Rupee 12 Annas as a selling price, he considers we allow private enterprize a fair scope, while we retain in our hands a means of keeping down prices, and supplying the market should there be a deficiency.

126. Taking our present profits as a standard he asks : are we to endeavor to force enhanced profits from enhanced taxation, or to open a channel for them to flow in gradually from increased consumption.

127. To shut our stores and retain the duty at 1 Rupee 6 Annas per Maund he adds is virtually to increase taxation. It will raise the price to the people at the very least to 1 Rupee 12 Annas, or 1 Rupee 14 Annas per Maund.

128. Even with a duty of 1 Rupee 2 Annas per Maund he fears that at first there will be an increase in the market price of Salt, but competition will soon bring down prices to the present standard.

129. Mr. Ballard thinks the change proposed might be introduced at the beginning of the next year, and that it will be necessary for the Government to keep up its stores for more than a year and a half, or two years from that date.

130. I most entirely concur* with Mr. Ballard in the desirableness of transferring the trade in Salt to the private merchant.

Extract from Minutes of Consultation, 19th September 1856.

131 The principle of the measure has already been affirmed and adopted by Government.

132. There can, I think, be no doubt that it is most desirable that Government should as soon as possible withdraw from the trade, and leave it to private enterprize to supply Salt as it does all other commodities and articles of food and clothing, and there appears to be no better season than the present in which to try the experiment on the Western Coast. Private speculation and trade have been greatly stimulated by the great quantity of money which has been thrown into the market by the purchasers of Cotton, and fresh openings for the employment of capital are greedily sought for. The laws of trade are fully understood by the native dealers who are able and astute merchants. The grain trade is almost wholly in their hands, and the manner in which they take advantage of every opening and avail themselves of every facility to carry their goods to the best market prove that they are not wanting in interprize or discernment. They also supply the whole of the interior with Salt, and I am not aware that they have failed in meeting the wants of the people.

*I also fully concur.—G. L. M.

The only point of difficulty in the question is the determination of the rate of duty, so that the price of Salt may not be greatly enhanced to the consumer on the Western Coast, and the lawful profit of the trader may not be endangered.

133. The whole of the Salt sold in Malabar is imported. In Canara I have calculated that about half of the supply is Home manufactured, the remaining half is imported Salt. The average price paid in Canara and Malabar for imported Salt in each of the last six years is given in the margin. The average price in Canara being 5 Annas 8 Pice, that in Malabar 6 Annas 6 Pice, and of the two Districts 6 Annas 1 Pie. The charges to which the Government is put in selling and storing the Salt is given in the margin. This adds to the price of the Canara Salt 1 Anna and 10 Pice per Maund, and to that of Malabar 4 Pice per Maund, making the cost of importing and selling the imported Salt in Malabar 6 Annas 10 Pice and in Canara 7 Annas 6 Pice a Maund. If the Government are to recede from the trade, and leave it to private enterprize to supply the market with Salt, I think,* it should be imported at all the ports at which it is now sold in Malabar, viz., Cannanore, Tellicherry, Calicut, Beypore and Ponnany and Cochin ; and at the ports of Casergode, Kambla, Manjeshwar, Mangalore, Mulki, Hangarcottah, Cundapur and Baindur in South Canara. It would be necessary perhaps, at each of these places, to add to the Custom Establishment a well paid Superintendent and a few Weighers and Peons ; on the other hand the Government could rent their Salt godowns as Bonding Warehouses. Taking the import price of the Salt at 6 Annas 6 Pice in Malabar, and 5 Annas 8 Pice in Cannara, an Indian Maund ; or 7 Annas 2 Pice a Maund as that which it really costs the Government, on an average in both Districts, the import duty might be fixed at Rupees 1-2-0 or Rupee 1 ; and supposing the Government to collect this amount of duty on the quantities imported on an average during the five years, ending in 1271, in both Districts, they would realize Rupees 5,29,775 or Rupees 4,70,911 respectively in Malabar, and in Canara Rupees 2,70,000 or Rupees 2,40,000 respectively, being in the former District, from Rupees 19,621 to Rupees 78,485, and in the latter from Rupees 46,250 to Rupees 76,250, more than the net amount of revenue collected in the two Districts during the five years in question.

Fusly:	Canara.	Malabar.
1267 ...	0 4 9	0 5 6
1268 ...	0 6 6	0 6 8
1269 ...	0 6 5	0 7 11
1270 ...	0 7 3	0 7 3
1271 ...	0 4 7	0 6 8
1272 ...	0 4 7	0 5 4
Average ...	0 5 8	0 6 6

Malabar.

Charges incurred in storing and selling Salt.	Six years ending Fusly 1272.	Average.
	Rs. A. P.	Rs. A. P.
Price of Salt wasted for six years, and average	3,351 0 0	558 8 0
Cost of landing and weighing Salt for do. and do. ...	.....	.....
Cost of transporting Salt for do. and do. ...	.....	.....
Cost of fixed Establishment for do. and do.	28,951 0 0	4,825 0 0
Extra Charges and Saderwarid for do. and do.	14,152 0 0	2,359 0 0
Cost of repairing do. for do. and do. ...	6,541 12 0	1,090 13 4
Interest on money laid out for do. and do. ...	10,080 0 0	1,680 0 0
	63,078 12 0	10,513 5 6

In. Mds.

Average quantity purchased a year... 47,67,505

South Canara.

	For six years ending Fusly 1272.	Average.
	Rs. A. P.	Rs. A. P.
Price of Salt wasted...	65,610 5 9	10,935 1 0
Cost of landing and transporting Salt... ...	82,816 1 5	13,802 10 11
Cost of fixed Establishment	66,846 14 8	11,141 2 4
Do. temporary do. ...	6,098 5 2	1,016 6 2
Do Saderwarid ...	1,703 7 9	283 14 8
Sundries	1,591 0 8	265 2 9
Cost of repairing Kotars.	9,000 0 0	1,500 0 0
Interest on money laid out on building Kotars at 12 per cent. ...	7,779 10 0	1,296 9 8
Total...	2,41,445 13 0	40,240 15 6
Average quantity purchased a year		3,45,427 0 0

Malabar.

4,70,911 In. Maunds imported on an average for five years.

Rs. A. P. Rs.

Duty at 1 2 0 = 5,29,775

,, at 1 0 0 = 4,70,911

Selling price. Actual cost.

Rs. A. P. Rs. A. P. Rs. A. P.

1 6 2 — 0 6 10 = 0 15 4 net gain per Md.

Mds. Rs. A. P.

4,70,911 at 0 15 4 per Md. = Rs. 4,51,289½

Rs	Rs.
5,29,775	4,70,911
4,51,289½	4,51,289½
78,485½	19,625½

*I think Bekal or Katkacherry might be added to this list, for otherwise there will be no landing place for the Salt, and consequent place of sale between Casergode and Cannanore, a distance of some 60 miles.—G. L. M.

Canara.

2,40,000 In. Maunds imported on an average for five years.

	RS.	A.	P.	RS.
Duty at	1	2	0 =	2,70,000
,, at	1	0	0 =	2,40,000

Selling price.			Actual cost.				
RS.	A.	P.	RS.	A.	P.	RS. A. P.	
1	4	5 —	0	7	6 =	0 12 11	net gain per Md.

Mds.	Rs.	A.	P.		RS.
2,40,000	at 0	12	11	per Md =	1,93,750
2,70,000		2,40,000			
1,93,750		1,93,750			
76,250		46,250			

134. If a custom duty of 1 Rupee a Maund be collected on all Salt imported into the Western Coast, I do not think* the merchant will undertake to sell it at less than Rupee 1-8-0, even if he sell it at that price; so that the consumer will not get his Salt much, if at all cheaper than he does now. Competition might reduce the cost of bringing the Salt, and private merchants doubtless could transport it into the interior, and provide for its custody and distribution through the country, cheaper than the Government can. But with interest on the capital invested; the risks of trade, &c.; I hardly think the Salt will be sold at a cheaper rate than now obtains, if we charge an import duty of 1 Rupee a Maund. Neither do I think that so good or pure an article will be sold.

135. The accompanying four tables have been drawn up to show what would be the loss or gain to the Government from adopting the present duty of Rupee 1-6-0; Rupee 1-2-0; or Rupee 1. In the one table A, I have taken the price of the Salt; the expenses incidental to storing; guarding and selling it, and interest of the capital so laid out. In the other table B, I have calculated the duty at Rupee 1-6-0; 1 Rupee 2 Annas; and 1 Rupee on the quantity of Salt sold in 1272, and have also credited Government with the rent of the Gollahs, deducting the expense of the additional establishment which it will be necessary to maintain at the Custom Houses. In the last line of the Table B the two accounts are compared. From the comparison it will be seen that if the Salt be admitted at 1 Rupee duty there will be a loss to Government of Rupees 16,315-5-3 in Malabar, and Rupees 13,329-5-7 in Canara; but I trust we might be permitted shortly to look for large profit, from increased sales, effected by the enterprize and activty of the private trader.

136. I am not able to concur, with Mr. Ballard, in the necessity of Government keeping a large stock of Salt in hand, in order to meet any contingency of a deficiency of supply, and to act as check on the merchants' prices. I believe† that any restrictions on the trade will go far to endanger the success of the experiment, and that if speculators find that Government is prepared, in any way, to trammel or impede free action on their part they will decline to invest their capital in the undertaking. It is true the Salt trade is and has been in an abnormal condition, and the heavy duty the Government propose to exact will increase the risks and reduce the area of profits to the merchant; but it becomes necessary on these accounts that the trade should be wholly unfettered. Any thing which may tend to prevent the full development of the trade will re-act on the consumer and raise the price of Salt to him, and he will perhaps be compelled to purchase this necessary at the Government Gollahs for 1 Rupee 12 Annas; whereas had this store been closed he might have been able to purchase it from the trader for 1 Rupee 8 Annas, or 1 Rupee 10 Annas. I believe too that Act VI of 1844 precludes Government from selling Salt at a higher rate than 1 Rupee 8 Annas.

* I think it would be sold at a lower rate than Rupee 1 Annas 8, if the custom duty were only 1 Rupee. The Mangalore merchants, if I recollect rightly, mentioned 7 Annas a Maund as the sum which would cover all their expenses and give them their profit. Mr. Dawson also tells me that he is sure that Cheshire Salt could be brought out for much less than 7 Annas a Maund.

† I agree with you that a stock of salt ought NOT to be kept in hand in order to act AS A CHECK ON THE MERCHANTS PRICES; but considering that a total failure of Salt would undoubtedly cause most serious riots and disturbances, I am of opinion that a certain quantity might be kept for one year, on the express understanding that it would NOT be sold by Government, unless the merchants totally failed to supply the market.—G. L. M.

Malabar.

A.

		Total sales for Home and Inland consumption.	Amount realized.
		Indian Maunds.	RS. A. P.
Value of Salt sold in Fusly 1272 at Rupees 1-8-0 per Maund		4,38,544	6,57,816 0 0
.....		.....	900 0 0
Actual discount allowed on wholesales			6,56,916 0 0
Deduct.			
Value of 4,38,514 Indian Maunds at 6 Annas and 6 Pice, being the average purchase price... ...	RS. 1,78,158 8 0		
Extra charges and Saderwarid, &c.	10,414 0 0		
Value of 70 Indian Maunds damaged Salt at 6 Annas 6 Pice per Maund	28 7 0		
Interest for twelve months on purchase price at 5 per cent. ...	3,651 13 4		1,97,508 6 9
		Net profit.	4,59,407 9 3

B.

	At a duty of 1 Rupee and 6 Annas per Maund.	Duty at 1 Rupee 2 Annas per Maund.	Duty at 1 Rupee per Maund.
	RS. A. P.	RS. A. P.	RS. A. P.
Take quantity sold in Fusly 1272 ... 4,38,544 Mds.	6,02,998 0 0	4,93,362 0 0	4,38,544 0 0
Hire of Salt Gollah at ¼ Anna per Maund	6,852 4 0	6,852 4 0	6,852 4 0
Total... ...	6,09,850 4 0	5,00,214 4 0	4,45,396 4 0
Deduct.			
Salary of twelve Measurers at the rate of 6 Rupees each, and Gumashtas at 20 Rupees each.	2,304 0 0	2,304 0 0	2,304 0 0
Net profit... ...	6,07,546 4 0	4,97,910 4 0	4,43,092 4 0
Difference as compared with the result in Statement A. ... ... {Increase.	1,48,138 10 9	38,502 10 9	....
{Decrease.	....	....	16,315 5 3

South Canara.

A.

		Total sales for Home and Inland consumption.	Amount realized.
		Indian Maunds.	Rs. A. P.
Value of Salt sold in Fusly 1272 at 1 Rupee 8 Annas per Indian Maund...		3,68,076 3 15	5,52,114 8 7
Do. do. at 6 Annas ¾ Pie per Md.		403 23 30	153 0 6
Total.....		3,68,479 26 45	5,52,267 9 1
Actual discount allowed on wholesales...		....	....
Balance.....		3,68,479 26 45	5,52,267 9 1
Deduct.			
Value of 3,68,480 Indian Maunds at 4 Annas 11 $\frac{7}{10}$ Pice, being average purchase price.....	Rs. A. P. 1,14,574 4 0		
Extra charges, Saderwarid, &c.	39,390 12 0		
Value of Indian Maunds 27,726-27-25 damaged Salt at 4 Annas 8 $\frac{11}{100}$ Pice per Maund.....	8,199 2 1		
Interest for twelve months on purchase price at 5 per cent	5,728 11 4		
			1,67,892 13 6
Net profit...			3,84,374 11 7

B.

		At a duty of Rupee 1-6-0 per Maund.	At a duty of Rupee 1-2-0 per Maund.	At a duty of Rupee 1 per Maund.
		Rs. A. P.	Rs. A. P.	Rs. A. P.
Take quantity sold in Fusly 1272.....3,68,480 Mds.		5,06,660 0 0	4,14,540 0 0	3,68,480 0 0
Hire of Salt Gollahs at ¼ Anna per Maund...		5,757 8 0	5,757 8 0	5,757 8 0
Total.....		5,12,417 8 0	4,20,297 8 0	3,74,237 8 0
Deduct.				
Salary of sixteen Measurers at 15 Rupees each, and eight Gumashtas at 20 Rupees each.....		3,192 0 0	3,192 0 0	3,192 0 0
Net profit.....		5,09,225 8 0	4,17,105 8 0	3,71,045 8 0
Difference as compared with result in Statement A.	Increase.	1,24,850 12 5	32,730 12 5	....
	Decrease.	....	....	13,329 5 7

137. The most serious objection to the proposal appears to me to be the necessity of maintaining a differential duty on the Western Coast. The duty on the Eastern Coast is now 1 Rupee 6 Annas; that is, this amount represents the estimated difference between the cost of the monopoly Salt to Government on the Eastern Coast, and the price charged by the Government for the article. I believe, that owing to the increase in the price paid for Salt, and in the incidental items included in the cost price of Salt as found stated in paragraph 181 of the Salt Manual, the actual cost of Salt on the Eastern Coast may now approach Annas 2-6, or 3 Annas a Maund but it cannot exceed that amount. If this sum be deducted from the monopoly price of 1 Rupee 8 Annas, and the duty be declared to be 1 Rupee 5 Annas, it would exceed by 3 Annas a Maund the above duty proposed by Mr. Ballard, and by 5 Annas that which I should advocate, as the one, at which alone, I conceive, the experiment on the Western Coast would have a fair chance of success. I believe that the present

monopoly price, presses hardly on the resources of the poorer classes, which constitute the bulk of the population, to enhance it even on the Western Coast, where the people generally are in a better condition to bear an increase of taxation than in any other part of Southern India, would I think place the legitimate article beyond the reach of a greater proportion of the population, diminish the sales, and retard the development of an important branch of our revenue. To exact a duty of 1 Rupee 5 Annas on the Western Coast would, were the Government to recede from the trade, raise the price of Salt at the Coast to 1 Rupee 13 Annas, or 16 per cent. beyond its present price, which is 50 per cent. in excess of what it was five years ago. To reduce the duty on the Western Coast to 1 Rupee or 1 Rupee 2 Annas, and retain it on the Eastern Coast at 1 Rupee 5 Annas is to tax the consumer at the latter place from 15 to 20 per cent. higher than his more fortunate neighbour on the Western Coast. The reduction of the duty on the Eastern Coast to 1 Rupee or 1 Rupee 2 Annas would, should the Government add to it the cost price of the Salt or 2 Annas more, involve a loss to Government of from 17,70,549 Rupees to 25,87,861 Rupees, or from 18½ to 27½ per cent. of the revenue they derived from Salt in Fusly 1272.

Salt sold in 1862-63. Indian Maunds.	Receipts of 1862-63. Rs.	
65,38,501	91,26,362	
	91,26,362	
Duty at 1 Rupee 2 Annas.	73,55,813	
	17,70,549	loss to Government.
	91,26,362	
Duty at 1 Rupee	65,38,501	
	25,87,861	loss to Government.

138. In connection with this subject also naturally arises the question of excising the Salt made in Canara. I believe the Collector of Canara would strongly advocate the Government withdrawal from the trade and the excising of the Salt. If 1 Rupee be adopted as the duty to be levied on imported Salt, I presume* the same sum would be fixed on as the excise duty. There could be no greater difficulties or risks in protecting the excised than there would be in guarding and protecting the monopoly Salt, nor would the inducements or facilities to smuggling be greater in the one case than in the other.

139. The cost of the Home made Salt is 13 Rupees 2 Annas a Garce, or 1 Anna 9 Pice an India Maund. The loss by wastage and cost of the contingencies for storing and sale, which would be incurred under an excise system, would raise the charge by 9 Pice, as shown in the margin. If the excise duty equalled the import duty of 1 Rupee or 1 Rupee 2 Annas, the manufacturer could bring his Salt at the present rates to market probably from 5 to 6 Annas a Maund cheaper than the importer. The Home Salt is inferior to the Bombay Salt, and can, I fancy, with difficulty compete with it in the inland and foreign market. If the cost of the Salt purchased and wasted and charges of storing alone are taken into account in determining the cost price of this Home made Salt, the cost of producing it might be stated at 2 Annas a Maund, leaving the manufacturer a large margin for profit, or for extending his operations and improving his Salt and driving the foreign Salt out of the market.

	A.	P.
Cost price.....	1	9
Transport.....	1	2
Wastage..	0	2
Establishment and Contingencies.....	0	7
	3	8

140. It was suggested by the Collector of Canara whether it would not be advisable to charge the manufacturer with the cost of guarding and measuring the Salt. This would raise the excise duty† to Rupee 1-0-2⅔ or Rupee 1-2-2⅔. Even at this rate the loss to Government from the difference between the excise and the amount collected on the 850 Garces of Home made Salt under the monopoly would be from Rupees 14,343 to Rupees 27,093.

	A.	P.
Cost of guarding Salt per Indian Maund.....	0	2
Do. measuring Salt.....	0	0½
	0	2½

* I do most strongly advocate the measure, and not only for the reasons stated by you which are perfectly correct, but because it would aid to keep down the price of Bombay and Goa Salt; for the Kundapur Salt would, I think, be sold at 1 Rupee 6 Annas with a handsome profit.—G. L. M.

† The great advantage of this place would be that there would be no objection to any one manufacturing where and how he liked, as far as Government were concerned.—G. L. M.

141. This loss would I doubt not be in a short time made good, by extention of sales, as probably the Salt would be extensively used in curing fish and in other ways which the present high price of Salt precludes its being applied to. Were the excise system adopted in Canara the price of the Home made Salt would act as a check in keeping down the price of the imported Salt, and the excise would be beneficial in defeating combinations and prevent the trade falling into the hands of a few monopolists.

142. Were the price of Salt on the Eastern Coast treated in the same way, and sold by Government at 1 Rupee 3 Annas or 1 Rupee 5 Annas instead of at 1 Rupee 8 Annas, being the duty of 1 Rupee or 1 Rupee 2 Annas added to the total cost of the Salt to Government in purchase, preservation and sale, which is taken at 3 Annas, then I believe Salt could be carried from the Eastern Coast to Malabar, and under-sell imported Salt there, when it rose to 1 Rupee 14 Annas, or 2 Rupees a Garce.

143. I believe it would be better at first to confine the experiment to the withdrawal from the trade,* and the imposition of an import duty of 1 Rupee 2 Annas on Salt imported into Calicut and Canara.

144. Should this part of the scheme succeed, the question of excising the Canara Salt might be considered, and the experiment extended to the pans in South Canara, and subsequently introduced into other Districts as circumstances might suggest.

145. Mr. Ball has in his report recommended several internal and local improvements. These should I think be fully carried out so far as they may refer to the stores which the Government may resolve to retain. They refer to the improvement of the communications and of the store houses.

146. In conclusion I beg to acknowledge the assistance afforded me by Mr. Bates, the Deputy Collector in charge of the Salt in Malabar, and especially the readiness with which Mr. Ballard replied to all my inquiries for information.

APPENDIX.

From G. A. BALLARD, Esq., Collector of Malabar, to T. CLARKE, Esq., 3rd Member of the Board of Revenue, Ootacamund, dated Calicut, 10th August 1863, No. 2,631.

SIR,

1. I have lately had my attention called to the very important question whether, both as affects the public welfare and the Government revenue, the supply of Salt for this District and its vicinity would not most advantageously be left to private enterprize, instead of as now being undertaken by Government.

The subject has been discussed before. The principle was approved, but temporary difficulties prevented its adoption. These have in my opinion passed away. I therefore take advantage of your intended early visit to Malabar on a tour of Salt inspection to lay my views on the subject before you.

2. I premise that the soil and climate of Malabar present considerable difficulties to the manufacture of Salt. After full and independent inquiry on the subject, I would endorse the opinion arrived at by the Board some years ago, that it is inexpedient for Government to take overt steps to foster the re-introduction of the manufacture of Salt in this District. If hereafter the people show themselves inclined to take it up, it will be time enough to consider the conditions under which the manufacture should be conducted. Under present conditions Bombay Salt, imported *vid* Malabar, can be sold at Coimbatore Railway Station (and *a fortiori* to the westward thereof) from two to three Annas the Maund cheaper than Madras Salt. No measures that will materially alter this aspect of affairs suggest themselves to me as likely to be adopted. I assume therefore in the following remarks that we look to Bombay for our supply.

Board's Proceedings, dated 21st June 1858, No. 2,154.

3. At present all the Salt consumed in Malabar, or imported through Malabar for inland consumption, is (with exception too trifling to need notice) imported from Bombay by Government.

* I can't agree in this. All your arguments for the import duty are also in favor of the excising of Canara manufactured Salt, and I see no reasons why the two should not commence together.—G. L. M.

4. The very great advantages that might accrue to Government and the public by throwing this trade into private hands are so obvious, that I imagine we have only to be sure that certain measures provide for the realization of a revenue somewhat commensurate with that we now realize, and an unfailing supply of Salt without undue enhancement of price to the consumer to secure their prompt adoption.

5. With our sea-board, a Railway inland, and communications, far from perfect certainly but opening and improving; it might appear that nothing was easier than to shut the Government Stores and trust to an import duty for revenue, and to competition to regulate price without further care or provision on our part.

If we had not to commence with the first step the others would be easy. If Government Stores had not existed there would be a natural import trade to levy duty on. If monopoly had not disturbed the level of price we might safely trust to competition to find and keep it.

6. But we start not with a natural but with an artificial state of things, and as for State purposes we have so long taken the supply of Salt in hand, our duty and our credit as rulers demand that the steps we take in relinquishing it do not distress or injure the people. We must retain some safeguard against even the possibility of temporary scarcity of supply, and undue enhancement of price, until the new private trade has thoroughly taken root; and our measures must allow a liberal margin of profit to the merchant if we wish the trade to take root kindly. This margin must not altogether be thrown on the consumer. Nothing short of urgent state necessity should lead us to raise the price of a necessary of life already so abnormally taxed as Salt is, and the free consumption of which it is simply criminal to check unadvisedly.

7. At present at our Government Stores we sell Salt for inland consumption at Rupees 1-8-0 per Maund here as on the Eastern Coast.

Our Salt imported from Bombay has on the average cost us 6 Annas per Maund, leaving our net gain (not considering cost of Establishment here) 1 Rupee 2 Annas per Maund.

8. At present if a merchant imports his position is somewhat as follows:—

The cost of Salt at Bombay for export may be taken at 1 Anna per Maund. I calculate the simple carriage charges thence to Malabar to a private trader to average 3 Annas 6 Pice to 4 Annas per Maund; but I know that even the last quotation would not be favorably acknowledged by the merchants, and such calculations must be approximate only. To this, interest of capital, insurance, import duty, and merchant's profit, must of course be added before we arrive at the merchant's selling price here. I see Mr. Robinson considered that 1 Rupee 6 Annas per Maund "is the very lowest rate at which Bombay Salt imported at a duty of 14 Annas per Maund can be sold by private merchants on the "Coast," *i. e.*, he considered 8 Annas the Maund must be allowed the merchant over and above the import duty, but I do not know how much of this 8 Annas he would allot to charges and how much to profit. As above said we have lately been paying 6 Annas per Maund to the merchants who supply our stores. Here there is certain and prompt payment on the whole stock on delivery at the Government stores. The risk is greater in purely private speculation, the capital invested must be large, and the merchant is kept longer out of his returns; but then again he is a freer Agent when dealing with the public, than when Government only is his customer; and I think 6 to 8 Annas per Maund would be a fair price for the merchant to realize on this Coast above the import duty. The import duty is now 1 Rupee 6 Annas per Maund. So, if this duty is continued, at Mr. Robinson's calculation, the merchant's lowest selling price at our ports must be Rupees 1-14-0, and at mine (average) Rupees 1-13-0 the Maund, to make his trade remunerative. I hope never to see these prices ruling in Malabar.

Vide Board's Proceedings, dated 21st June 1858, No. 2,154. page 9.

9. What therefore I venture to propose is that we rest content with our present direct profit of 1 Rupee 2 Annas per Maund, and secure all the advantages arising from throwing the trade into private hands, with the single disadvantage (which I believe will be only temporary) of the probability of a slight rise in price to the consumer at first. And this I think can be done by raising the selling price at our Coast stores to 1 Rupee 12 Annas, and lowering the import duty to 1 Rupee 2 Annas per Maund.

10. As already said I do not think the position we are in justifies us in risking the possibility of a scarcity of supply, or great enhancement of the price, of Salt. To private enterprize and competition, when developed, we may confidently trust. But for a time we must continue to hold a supply of Salt in our own hands as a safeguard. By engaging not to sell at a lower rate than 1 Rupee 12 Annas per Maund we allow enterprize fair scope and we trust seldom or never to sell at that price, as we look to competition to throw abundance of Salt into the market at a lower rate.

11. The precise rate at which the import duty should be fixed may me considered debateable ground. As we now realize, without much pressure, a fine revenue from our sales of Salt I take the profit we at present derive, as a standard. We shall thereby certainly realize our present revenue, and in all probability a considerably larger one. We shall do this with the satisfactory feeling that the increase is due very slightly if at all to increased price; that beyond a narrow limit it will be du to increase consumption, and be accompanied consequently not by privation to the poor, and dissatisfaction to all but by the freer use of a health bearing commodity. Are we to endeavour to force enhanced profits from enhanced taxation, or to open a channel for them to flow in gradually from increased consumption?

12. To shut our stores and to retain the duty at 1 Rupee 6 Annas per Maund is virtually to increase taxation. It will raise the price to the people at the very least to 1 Rupee 12 Annas or 1 Rupee 14 Annas per Maund. Of course every Anna of increased duty tends directly to check and clog competition in the trade, as requiring *pro tanto* the command and investment of larger capital. I do not say that if the duty is retained at 1 Rupee 6 Annas per Maund merchants will never be got to embark in the trade. But we should have to raise our selling price at the stores to Rupees 2 per Maund; only the wealthier merchents would embark in the trade; there would be less competition and private sales would keep close up to the check price at the Government stores. The increased profit per Maund would probably keep the Government revenue from sinking; but it would be at the cost of general discontent, of privation to the poor, and of checking a consumption which when we look at the question not merely as Revenue Collectors, but as rulers, it is our duty in every way to facilitate.

13. With the duty at 1 Rupee 2 Annas per Maund I fear there will be an increase in the market price of Salt at first; but I believe that with this rate competition will in due course bring prices to much about their present standard.

Establishments now come to about Rupees 6,000 annually.

14. I need say little here regarding the saving to Government in the cost of Establishments, though that eventual advantage must by no means be lost sight of.

Without expressing a decided opinion at present I think that if the change I propose be approved it might be brought into operation from the 1st January 1864, and that it will not be necessary for Government to keep up its stores for more than a year and a half, or two years from that date.

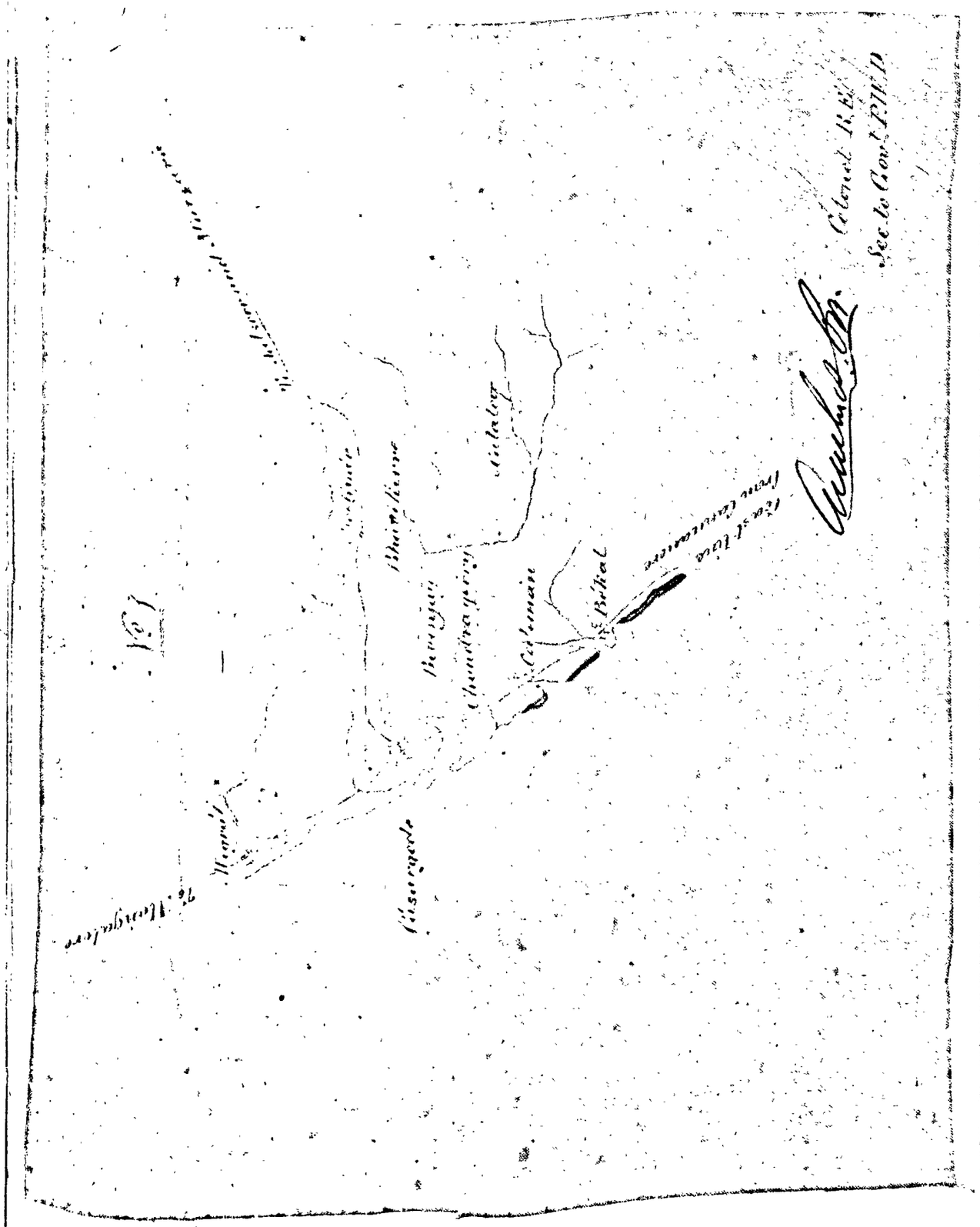
15. If the change I advocate be approved it will in all probability be considered desirable to introduce similar arrangements in South Canara.

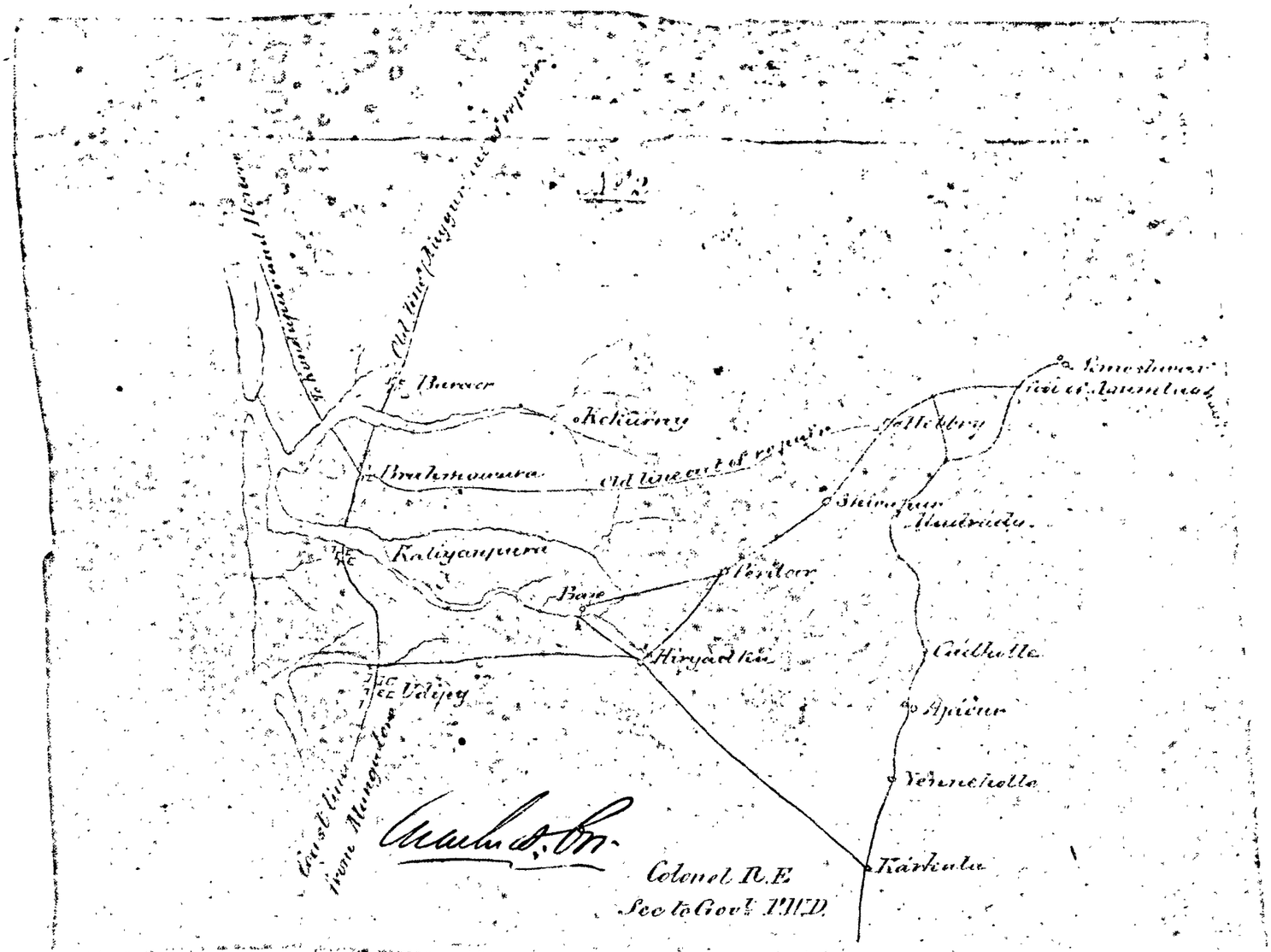
16. It will be most desirable to induce the Travancore and Cochin Circars to raise their import duty on Salt to our standard. The lower we keep our standard the easier this will be; a strong argument in favor of not fixing it above 1 Rupee 2 Annas per Maund.

No. 392. ORDER THEREON, 27th February 1864, No. 358.

Communicated to the Board of Revenue for the early expression of their views, especially on the important subjects discussed in paragraphs 78 to 144.

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




Old line of Aqueduct to Negapatam
Old line of Aqueduct to Negapatam
Ponneri
Kakkaloor
Old line of Aqueduct to Negapatam
Kaliyanpoondi
Vellore
Bare
Hiryadkan
Vellore
Cold line from Mungadoor
Colonel R.E
Sec to Govt PWD

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a narrow limit it will be due to increase consumption; and be accompanied consequently not by privation to the poor, and dissatisfaction to all, but by the increase of a health bearing commodity. Are we to endeavour to force enhanced profits from enhanced taxation, or to open a channel for them to flow in gradually from increased consumption?

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Ed. R. H. Lee.

Pro: 20 June/55 A. 38 39
17 Sept.r/56 -- 22-24
8. June -/63 A. 130-131
7 Sept.r/64 A. 41-44
13 July - 65 A. 233-235

No. 351

Communicates
to the Board of Rev-
for the early pos-
session of their
views, respecting
the important
subjects discus-
in paras 8 to 11

Fort St. George
27th. Feby /64

Rec.d Copy Desp.h 27 to
Bd of Rev
14 Copies Rec.d 2.d

Reported to Govt
of 17th June No. 3 para 10

No 391 & 392.

Rec.d Dalhousie
Pro: of Govt for February
No. 320.

Under the
Lt. Governor

Chief Secretary to Govt.
Revenue Department

Dated 26th
Desp.d
Rec.d 29th
February 1864.

From the Secretary
Bd of Rev. 11 May
1864. C No. 1265

Submitting report
on the Salt Depôts in
the Cuttack and
Pooree Districts.

Rec.d 27 July

Rec.d Dalhousie