M.R.O. 14—18,000—27-8-24

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1758 Press ~~Mis.~~

516-517

Dated 28-7-1865.

Not to be folded or roughly handled

No. 516. Read the following Proceedings of the Board of Revenue, dated 15th July 1865.

Read the following letter from G. A. BALLARD, Esq., Collector of Malabar, to R. A. DALYELL, Esq., Acting Secretary to the Board of Revenue, dated Calicut, 29th June 1865, No. 123 :—

SIR,

1. I received Government Order dated 1st May last, No. 889 A, on the proposed Salt arrangements in Malabar and Canara only a few days ago.

2. The subject has been discussed at such length that I have some hesitation in addressing the Board farther ; but I cannot refrain from again expressing my strong opinion, that the arrangement proposed by Government will be simply inoperative ; and that, if the Import Duty on Bombay Salt is kept at Rupees 1-4-0, and the Government price at the Malabar stores at Rupees 1-10-0 the Indian Maund, there will be little more private import than at present. The margin of profit secured to private merchants, will not be sufficient to induce them to embark freely in the trade.

3. In my letter to Mr. Clarke of the 10th August 1863, I said that I thought from 6 to 8 Annas per maund would be a fair price* for the merchant to realize on this coast above the Import Duty. But it will be observed that I expressed this opinion with caution, that I pointed out that Mr. Robinson, when expenses were lower, quoted 8 Annas the maund, *plus* the import duty, as the lowest price at which merchants could sell Bombay Salt here with profit, and that I advocated leaving the margin at 10 Annas the maund. Since I wrote, the cost of importation (independently of consideration of Import Duty) has greatly risen. It is hopeless, therefore, to expect that a selling price, limited to 6 Annas above the rate of duty, will induce private traders to come forward. Enquiries at Bombay during a visit there last year, and further experience, have confirmed me in this conclusion.

* In that letter (August 1863) I quoted the average cost to Government of Bombay Salt for some years back at about 6 Annas the maund. The actual cost during the season of 1863-64 was 7 Annas 4 Pie per maund, and during the season of 1864-65, 8 Annas per maund. If we cannot get carriers at lower rates, it is not likely we shall get traders.

4. I consider the retention of a check price essential, and am glad to see Government have adopted this view ; but the objections of Messrs. Clarke and Morris to that course will have full force, unless the check price is fixed high enough to leave sufficient margin of profit to the importer.

5. My previous letters will shew how earnestly desirous I am that price to the consumer should not be unduly enhanced. I would sooner retain the present system. But, if it is determined that the system is to be changed, and that the Import Duty shall not be lower than Rupees 1-4-0 the maund, then the check price at our stores must be Rupees 1-12-0, to give any opening for private trade. To fix it at Rupees 1-10-0 will merely be to retain the present system, adding 2 Annas a maund to the present Government price. There will be this certain evil, without any of the probable advantages which a higher check price, by allowing the change of system full play, may secure.

6. I would respectfully request this letter may be forwarded to Government at once, so that it may receive consideration before final orders are passed.

Resolved that the foregoing letter be submitted for the consideration and orders of Government. In their letter dated 11th May 1864, No. 2,829, the Board have expressed their strong conviction that the people of Malabar and Canara are as well able to bear the full burden of the Salt tax as those of any other District in the Presidency, and have stated their belief that the supply of Salt to those Districts might well be left to private enterprise, the Import Duty on Salt remaining at the same rate at which it is at present on both the Eastern and Western coasts. The Government have, however, ruled that the Western Districts are still to be treated exceptionally as regards the Salt tax, in consideration of the length of time for which they have already been so treated, and that the import of Salt on Government account is to be temporarily continued. This being the case, the Board cordially support the Collector's proposal, that the selling rate of Government Salt be fixed at Rupees 1-12-0 per maund, for they are quite satisfied that a margin of 8 Annas beyond the Import Duty will barely be sufficient to create any private trade. This rate might be tried temporarily, on the understanding that if no private traders are found to come forward, the rate will afterwards be raised to Rupees 2 per maund. A special enactment will, however, be required to repeal Section 43 of Act VI. of 1844.

No. 517. ORDER THEREON, 28th July 1865, No. 1,758.

Separate Revenue, No. 20.
Salt.

1. The Government observe that application has already been made to the Government of India for leave to introduce a Bill in the local Legislative Council "to enable the Government to "introduce the Excise system (on the Bombay principle) on the Western Coast, "and then to fix, subject to the approval of the Governor General of India in "Council, the rate of Import Duty on Foreign Salt, and the selling price of such "Salt as they may continue to import, and sell at their Depôts." (See letter dated "12th May 1865.)

2. What these rates shall be will be matter for future consideration.

3. The Board will not overlook the requisition on them for a Draft Act, made in paragraph 44 of G. O. dated 1st May 1865, No. 889 A., Revenue Department.

(True Extract.)

(Signed) W. HUDLESTON,
Acting Secretary to Government.

To the Board of Revenue.

Exd. S. T. Augustin.

28-July 1865

No. 1758.

The Govt. observe that application has already been made to the Govt. of India for leave to introduce a Bill in the local Legislative Council "to enable the Govt. "to introduce the Excise system on the "Bombay principle on the Western Coast, "and then to fix, subject to the approval "of the Govr. Genl. of India in Council, "the rate of Import duty on Foreign "Salt, and the selling price of "such Salt as they may continue "to import & sell at their Depôts." (See letter dated 12 May 1865)

That these rates shall be will be matter for future consideration. The Bd. will not overlook the requisition on them for a Draft Act, made in para 44 of G.O. of 1 May 65. No. 889. A. Rev. Dept. L.B. 22.7.65.

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Proof Goods for N.E. July
N.E. 1929

Proceedings of the
Board of Revenue

Dated 15th
Dept 15½ } July 1863
Rec'd 13th

Wills Order

No 1758-28 July

Recommending
that selling prices of Salt
Salt at Anjalcar be
fixed at Rs 1-12-0 per Md.
on understanding that
it be raised to Rs 2 if
no private traders are
able found to come
forward.

No 516 & 517

Vide Govt Dept Cons Nov 31 July