

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 2301

Press
~~Mis.~~

493-494

Dated

25-9-1865.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
25th September 1865.*

Read again Board's Proceedings, dated 7th September 1864, No. 5,834, in Government Proceedings, dated 22nd idem, No. 1,740, Revenue Department.

No. 493. Read also the following letter from T. CLARKE, Esq., Member of the Board of Revenue, to W. HUDLESTON, Esq., Acting Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 29th May 1865:—

SIR,

1. With reference to the Order of Government of the 22nd September 1864, No. 1,740, calling on me to report on the subject of the price to be charged for salt to be supplied to the French Government, I have the honor to append a Statement shewing the Districts in which salt is supplied by us to the French; the quantities supplied in each; and the stations at which it is supplied. In all the Districts but South Arcot the French provide the means of carrying the salt into their territory, and bear the whole cost of this charge. In South Arcot we provide the means of carriage, and divide the cost with the French. We also bear the whole loss of the wastage which occurs in the carriage of the salt. Considering that we only charge the French with the sum actually paid by us, I think they should bear, if not the whole, at least a moiety of this loss, which in the last three years has ranged from 435 Rupees to 713 Rupees, and has averaged 619 Rupees a year.

2. In the Godavery and Malabar Districts the salt has been weighed out to the French by the beam scale, at the rate of 120 Indian Maunds to the Garce; in Tanjore and South Arcot, it is measured out by the Mercal of 828½ cubic inches, or 203·248 cubic feet, at 424 Mercals to the Garce.

3. Two Conventions* have been entered into between the Governments of Madras and Pondicherry, in order to carry into full and complete effect the object of those terms of the Convention between Great Britain and France of the 7th March 1815, which relate to the trade in salt throughout British India.

4. In the original Convention between Great Britain and France, it is clearly laid down (Article I.) that the British Government shall deliver to the French Agents in Bengal, such quantities of salt as may be necessary for the consumption of the inhabitants of Chandernagore; such delivery being made at the price which the British Government shall have paid for the article; and this article of the original Convention has been made applicable to this Presidency *mutatis mutandi*. In the Madras Convention of the 13th May 1818, Article VI., it is further provided that, "the expenses incurred for the transport of salt having been hitherto borne equally by the English and French Governments, it is agreed that they shall continue to be so during the present Convention."

5. As the salt is received from us at different periods throughout the year, and not at once from the salt beds, the price paid by us for the article surely must be fairly considered to include the cost of storage, covering, guarding, and wastage of the salt, as well as the prime cost of it.

6. Acting on this principle, I have drawn out the sub-joined tables; shewing first, the prime cost of the salt at the several stations at which the French are

* Dated 13th May 1818, and 18th July 1837 respectively.

supplied, and then the cost of each Garce to us before it is delivered to the French. during the last three Fuslies; and I think the French should, in future, be charged at the price shewn in the last of those Fuslies, when the Establishment was revised and increased, and an enhanced price was paid for the salt, and for storing and covering it.

7. The next point is, how is the delivery to be made to the French? By weight or by measurement? If the latter, at what rate should the Indian Maund weight, in which our salt accounts are kept, be converted into a Garce?

8. It appears to me that all our deliveries to the French should be made by the instrument by which we receive salt from the manufacturers. Nothing can be more just or simple than this rule. We give them the salt by exactly the same measurement as that by which we receive it, and by it we regulate all our accounts, &c.

9. It is true that when the salt is good and heavy, and of large crystals, the bulk received by weight will be less than the bulk received by measurement; and at Mercanum, in South Arcot, it is clear that the quantities delivered by weight will be less than when delivered by measurement. But we receive the lesser quantity from the manufacturers, and we sell the lesser quantity to all purchasers. If the French Government require a larger quantity, they must pay a larger price. They cannot, under the terms of the Convention, expect us to give them 424 Mercals of salt at the price which we pay for only 376 Mercals. If they must have the salt measured out to them, they will have to pay $\frac{1}{4}$ th higher for every Garce so measured, than they would pay for it weighed, or than we pay to the manufacturers for it.

10. The Board in their Proceedings of the 29th May and 3rd July 1855, fixed the equivalent of the 120 Indian Maunds or Garce at 424 Mercals, and I suppose that if measurement is insisted on, this is the rate at which the Garce should be measured out to the French Government. The price, however, of each Garce would be fixed on the quantity of salt found on experiment to be equal to 120 Indian Maunds, as given by the machine in use. At Goondalum, in South Arcot, the bulk of salt, equal to 120 Indian Maunds, would be greater than it would be at Mercanum; because the salt at Goondalum is not so heavy, being a very inferior article, and only used by the French for curing hides.

11. It will be seen that in Tanjore the French are supplied from the stations of Covilput and Chendrapady. The quantities of salt made here are very small, and the stations have been hitherto kept up solely for the use of the French.

12. The cost of the salt to us at these places is very high, especially since the price of the salt and the salary and strength of the establishment have been increased.

13. It has frequently been proposed to do away with Covilput; but in deference to the wishes of the French Authorities it has been retained. The price they should pay is, I think, the price which the salt costs us at Covilput and Chendrapady.

14. The Collector has framed his calculations, and the result obtained from them (as shewn in his letter of the 30th June 1864, which is found at the head of the correspondence on which the Order I am now replying to, is based,) from the average cost of salt throughout the District.

15. It appears to me that this calculation is erroneous, especially as the French have persisted in having the station of Covilput kept up for their convenience. The extra cost thus entailed on our Government is justly chargeable to them.

16. In Malabar it has been usual only to charge the French Government the prime cost of the salt.

17. The tables alluded to above, shew the further cost to which we are subjected for storing and guarding the salt delivered to the French.

18. I regret the delay which has occurred in submitting this report; but I was obliged to apply for information from the several Districts referred to above, to enable me to draw up the Statement appended to paragraph 6 of this communication, and I had to return the Statements furnished more than once for correction. The last reply only came to hand on the 19th instant.

No. 494. ORDER THEREON, 25th September 1865, No. 2,301.

Separate Revenue, No. 29.
Salt.

1. In the Board's Proceedings of 7th September 1864, the question of the price to be paid by the French Government for Salt supplied to them was

brought under the consideration of Government, and was referred for report by Mr. Clarke, who was specially engaged in inspecting the Salt Department, and whose report is above recorded.

2. The position of this salt supply question is as follows:—

By the Convention of 7th March 1815, between the French and English Governments, it was agreed that in order to prevent differences and remove causes of dispute between the subjects of the two Governments, the French Government

Article I.

should farm to the English Government in India the exclusive right to purchase, at a fair and equitable price, to be regulated by that which the British Government shall have paid for salt in the Districts in the vicinity of the French possessions on the Coromandel and Orissa coast, all the salt manufactured in the said French possessions on the condition that the British Government should deliver in Bengal to the Agents of the French Government such quantity of salt as might be judged necessary for the consumption of the inhabitants of Chundranagore; delivery to be made at the price which the British Government shall have paid for the said article.

Article II.

3. In order to ascertain the prices as aforesaid, the official accounts of the

charges incurred by the British Government for the salt manufactured in the Districts in the vicinity of the French Settlements were to be open to the inspection of French Commissioners, and the price to be paid by the British Government to the French Government was to be settled according to an average to be taken every three years of the charges as aforesaid. The price of salt at Chundranagore (to be paid by the French Government to the British Government) was to be determined in the same manner by the charges incurred by the British Government for the Salt manufactured in the Districts nearest to the said Settlement.

Article III.

4. The French salt works were to remain under the French authorities, and the French Government were to maintain "nearly the same" selling price for

salt as that prevailing in the adjoining British territory.

Article V.

5. The British Government were to pay the French Government four lacs

of Rupees yearly in consideration of this concession.

6. By the Convention of 13th May 1818, it was agreed that with a view to carry out the Convention of 7th March 1815, in regard to the salt trade, the manu-

Article I.

facture of salt should cease throughout the whole of the French Establishments in India during the currency of the Honorable Company's then existing Charter, the French Government guaranteeing strict observance of this stipulation, and the adoption of measures to prevent contraband trade in salt.

Article II.

Article III.

to pay to the French Government Star Pagodas 4,000 yearly during the currency of the same Charter, as compensation to proprietors of salt pans, payment to be made by quarterly instalments.

Article IV.

Article V.

8. Payment for one year, and till the decision of the superior authorities should be communicated to the French authorities, was guaranteed by the Madras Government.

Article VI.

9. The British Government engaged to deliver such quantity of salt as shall be requisite for the domestic use and consumption of the inhabitants of the French Settlements in India; the purchase, delivery, and subsequent sale of the said quantity being regulated according to the stipulations contained in Articles I., II., and IV. of the Convention of 7th March 1815.

10. On the expiration of the Company's then Charter, further provision became necessary for effecting the objects of the Convention of 7th March 1815, and accordingly a Convention "for the renewal of the Convention of 13th May 1818" was made between the Governments of Madras and Pondicherry.

11. By this Convention, dated 1st June 1837, ratified 18th July, it was agreed

Article I.

that all salt pans in French territory in India should continue in a state of inactivity as heretofore, which the French Government guaranteed, as well as the adoption of measures for the prevention of contraband trade in salt.

Article II.

Article III.

12. The Madras Government engaged to pay to the French Government Star Pagodas 4,000 yearly, as compensation to the owners of Salt pans by quarterly instalments.

Article IV.

13. The British Government engaged to supply all salt required for domestic use and consumption in the French territories in India, "the purchase, delivery, and subsequent sale" * * * "being regulated according to the stipulations contained in the Convention of 7th March 1815," and it was further agreed that the

Article VI.

14. It was declared optional with either Government to withdraw from this Convention on giving twelve months' previous notice.

Article VII.

15. Thus it appears that at the present time the British Government is bound to supply to the French Settlements in India such quantity of salt as may be required by the inhabitants for domestic use and consumption, at a price which is to be determined according to an average to be taken every three years of the charges incurred by the British Government for the salt manufactured in the Districts in the vicinity of the French Settlements.

16. The expenses incurred for the transport of the salt are to be shared equally between the two Governments.

17. The price of salt in each of the French Settlements is to be maintained at a rate "nearly the same" as that established in the vicinity by the British Government.

18. The actual practice has been inconsistent in different Districts, and also not in accordance with the terms of the Convention.

19. Only in South Arcot has the moiety of the charges of transport been borne by the British Government. In the Godavery, Tanjore, and Malabar Districts the whole has been borne by the French Government. This should be remedied at once, and the proper proportion of the charges debited to this Government in adjusting the account for the salt supplied.

20. Then as to the price charged, the rule prescribed by the Conventions seems nowhere to have been followed.

21. In the Godavery District the charge has been thus made up, the Kudivarum being that paid many years ago :—

	RS.	A.	P.
Kudivarum per Garce	5	8	0
Cooly hire for covering a Garce of Salt	0	4	7
Cost of thatching do.	0	3	5
Total...	6	0	0

22. Mr. Clarke estimates the prime cost to Government of the salt at Karapa, in this District, at Rupees 7-15-0 per Garce, on the average of Fuslies 1271 to 1273

including Kudivarum and cost of storing, and at Rupees 10-6-8, including Salt Establishment with Deputy Collector, Police Guards, and repairs of works.

23. In South Arcot, nothing has been charged beyond the actual Kudivarum, viz., Rupees 15-7-0 per Garce for Mercanum Salt, and Rupees 10 per Garce for the inferior produce of Goondalum, which is taken for curing hides; but in this District, as already stated, the moiety of the cost of transport has been properly borne by this Government.

24. On the average of the Fuslies 1271 to 1273, Mr. Clarke estimates the prime cost of the Mercanum Salt at Rupees 13-6-0, and that of Goondalum at Rupees 10, and the cost with Establishment, &c., charges, at Rupees 14-6-0 in the former case, and Rupees 26-10-8 in the latter; the heavier charge for the inferior article being due to the small quantity manufactured over which to distribute the charges.

25. In Tanjore it appears that the price charged is—

Kudivarum on the average of that now paid at	RS.	A.	P.
Chendrapadi and Kovilput	12	8	0
For superintendence (an arbitrary amount)	3	0	0
	15	8	0

26. Mr. Clarke estimates the average prime cost at Chendrapadi at Rupees 10-13-0, and at Kovilput at Rupees 11-8-0, or with Establishment, &c., charges, Rupees 20-3-4 at the former, and Rupees 31-7-4 at the latter station.

27. In Malabar the French Government have been charged the actual price paid by Government for the salt to the Contractor for supplying it from Bombay. This price appears to have been Rupees 39 per Garce from August 1863 to March 1864, and Rupees 65 from April to October 1864.

28. Mr. Clarke's three years' average estimate is at prime cost Rupees 48-2-0, or with Establishment, &c., charges, Rupees 50-6-8.

29. Mr. Clarke argues that as the salt is not taken by the French Government at once in full quantity from the salt beds, but at different times throughout the year, that therefore the price paid by this Government for the article "must be fairly considered to include the cost of storage, covering, guarding, and wastage of the salt, as well as the prime cost of it;" and referring to the Statement enclosed in his letter, in which he has shewn the "prime cost" including storing charges, and also the cost to this Government of the salt before it is delivered to the French Government, including all the Departmental Establishment charges, Deputy Collector, Police Guards, and repair of works, he proposes that the French Government should be required to pay the cost thus calculated at the stations whence the French Government are supplied, for the last of the three Fuslies shewn in the Statement, viz., Fusly 1273 (1863-64), "when the Establishment was revised and increased, and an enhanced price was paid for the salt, and for storing and covering it."

30. The Government are altogether at a loss to understand how Mr. Clarke can reconcile his proposals with the terms of the Conventions, which expressly declare that the price to be paid is to be calculated on a three years' average of charges incurred for salt manufactured in the Districts in the vicinity of the French Settlement to which the salt is supplied.

31. The past practice confirms the opinion, which is induced by a consideration of the arrangement that led to the Conventions, and of the objects had in view by it (these evidently being that the French Government should obtain the salt at as cheap a rate as they could have done from manufacturers in their own Settlements,) that the "charges" on which the price is to be calculated must not include the expenses necessary for purely revenue purposes, and which would be equally necessary under an Excise system; but must be confined to those first expenses which the French Government would have to incur were they receiving their supply of salt from manufacturers in their own territory.

32. These charges evidently will include only Kudivarum, taking into store, covering, thatching, &c., and repairs to platforms, these being the items which in paragraph 180 of the Salt Memorandum, dated 17th June 1854, drawn out by Mr. Bayley, as Secretary to the Revenue

Page 50.

Board, it is proposed to include in "cost price" as distinguished from "Revenue charges."

33. The Government consider that an average of these charges in the last three years should be struck for each of the Districts in which the French Settlements are situated, viz., the Godavery District for Yanam, South Arcot for Pondicherry, Tanjore for Karical, and Malabar for Mahé, and that the French Government should be charged at the rate thus obtained, a fresh average being struck every three years.

34. The salt should be delivered to the French Government by weight or measurement, according to the method adopted for receiving the salt into the stores of this Government at the station whence delivery is made, and it is hoped that weight will be universal ere long.

35. A moiety of the cost of transport must be borne by this Government, and the previous practice will be maintained in regard to wastage.

36. The Board of Revenue will issue the necessary instructions for carrying out the above orders in a uniform manner in all the Districts whence salt is supplied to the French Settlements.

(True Extract.)

(Signed) W. HUDLESTON,

Acting Secretary to Government.

To T. Clarke, Esq.
the Board of Revenue.
the Accountant General.

Exd. S. T. Augustin.

819 Rs a year.

Madras.
20th May 1865.

From
J. Clarke Esq^r
Member, Board of Revenue,

To
W. Huddleston Esq^r
Acting Secretary to Government
Revenue Department.

Sir,

With reference to the Order of Government of the 22nd September 1864, N: 1740, calling on me to report on the subject of the price to be charged for salt to be supplied to the French Government, I have the honor to append a statement showing the districts in which salt is supplied by us to the French, the quantities supplied in each, and the stations at which it is supplied. In all the districts but South Arcot the French provide the means of carrying the salt into their territory, and bear the whole cost of this charge. In South Arcot we provide the means of carriage and divide the cost with the French. We also bear the whole loss of the wastage which occurs in the carriage of the salt. Considering that we only charge the French with the sum actually paid by us, I think they should bear, if not the whole, at least a moiety of this loss, which in the last 3 years has ranged from 435 Rs to 713 Rs, and has averaged 519 Rs a year.

Yours

2. In the Godavery and Malabar districts the salt has been weighed out to the French by the Beam scale at the rate of 120 Indian Maunds to the Garre; in Tanjore and South Arcot it is measured out by the Mercal of 828½ cubic inches or 203.248 cubic feet, at 424 Mercals to the Garre.

Two Conventions have been entered into between the Governments of Madras and Pondicherry, in order to carry into full and complete effect the object of those terms of the Convention between Great Britain and France of the 7th March 1815, which relate to the trade in salt throughout British India.

3. In the original Convention between Great Britain and France, it is clearly laid down (Article I) that the British Government shall deliver to the French Agents in Bengal, such quantities of salt as may be necessary for the consumption of the inhabitants of Chandernagore, such delivery being made at the price which the British Government shall have paid for the article; and this article of the original Convention has been made applicable to this Presidency, *Mutatis Mutandi*. In the Madras Convention of the 13th May 1818, Article II, it is further provided that, "the expenses incurred for the transport of salt having been hitherto borne equally by the English and French Governments, it is agreed that they shall

* of 13th May 1818, and 18th July 1837 respectively.

XI The Convention is also applicable to the French Agents in the other parts of the British India.

The convention says that the price is to be calculated on an average of the charges incurred for the salt in the 5th quarter of the year.

The charges are to be calculated on an average of the charges incurred for the salt in the 5th quarter of the year.

6. "shall continue to be so during the present Convention."

5. As the salt is received from us at different periods throughout the year and not as once from the salt beds, the price paid by us for the article surely must be fairly considered to include the cost of storage, covering, guarding and wastage of the salt as well as the prime cost of it.

6. Acting on this principle, I have drawn out the sub-joined tables shewing, first, the prime cost of the salt at the several stations at which the French are supplied, and then the cost of each Garre to us before it is delivered to the French during the last 3 Fushies, and I think the French should in future be charged at the price shewn in the last of those Fushies when the establishment was revised and increased, and an enhanced price was paid for the salt and for storing and covering it.

7. The next point is, how is the delivery to be made to the French? by weight or by measurement? If the latter, at what rate should the Indian Maund weight, in which our salt accounts are kept, be converted into a Garre?

8. It appears to me that all our deliveries to the French should be made by the instrument by which we receive salt from

from the manufacturers. Nothing can be more just or simple than this rule. We give them the salt by exactly the same measurement as that by which we receive it, and by it we regulate our accounts &c.

9. It is true that when the salt is good and heavy and of large crystals, the bulk received by weight will be less than the bulk received by measurement, and at Meriamum in South Arcot, it is clear that the quantities delivered by weight will be less than when delivered by measurement. But we receive the lesser quantity from the manufacturers and we sell the lesser quantity to all purchasers. If the French Government require a larger quantity, they must pay a larger price. They cannot under the terms of the Convention expect us to give them 424 Mercals of salt at the price which we pay for only 376 Mercals. If they must have the salt measured out to them, they will have to pay $\frac{1}{2}$ higher for every Garie so measured, than they would pay for it weighed, or than we pay to the manufacturers for it.

10. The Government in their Proceedings of the 2 June 1855, No 1372, fixed the equivalent of the 120 Indian Maunds or Garie, at

29 1/2
3 1/2

at 424 Mercals, and I suppose that if measurement is insisted on, this is the rate at which the Garie should be measured out to the French Government. The price however, of each Garie would be fixed on the quantity of salt found on experiment to be equal to 120 Indian Maunds as given by the Machine in use. At Goundalun in South Arcot, the bulk of salt equal to 120 Indian Maunds would be greater than it would be at Meriamum, because the salt at Goundalun is not so heavy, being a very inferior article, and only used by the French for curing hides.

11. It will be seen that in Tanjore the French are supplied from the stations of Covilput and Chendrapady. The quantities of salt made here are very small, and the stations have been hitherto kept up solely for the use of the French.

Since ordered
to be abolished
a new set of
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12. The cost of the salt to us at these places is very high, especially since the price of the salt and the salary and strength of the establishment have been increased.

13. It has frequently been proposed to do away with Covilput, but in deference to the wishes of the French authorities

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1825, November 15. 75-6
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by 4th Nov. 1865 Wm. B. B.

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Date } 29th May 1866.
 Capt. J. J. J.
 Recd. 1866-0

Dec 23rd. 25-1891
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Submitting as he
part on the price to be
charged for salt supplied
to the General Govt.

1849.

4

Godavery District
 Collectors Office
 Secunderabad, 22nd October 1864.

No. 268.

From James Fraser Esq.
 Offl. Collr of the Godavery District.

To J. Clarke Esq.
 Member, Board of Revenue.

Sir, With reference to your letter of the 5th instant I have the honor to reply as follows:—

1st When the salt French Games of salt are usually supplied to the French Government at Yarnam annually, and generally in quarterly instalments. Since July 1856 this quantity has only been exceeded, and that by three Games each time, it has four times fallen short of it, by about the same quantity.

2nd What charges are included in the 8 Annas' charges set down by Pantanga Puntulu?

3rd Why the French Government should not be charged rateably according to

The following charges are included under the 8 Annas' charges.

Cartage for carrying a Game of salt at	Rupies 2-13-7	per
heap of 10 Games of salt.	"-4-7	
Cost of thatching at Pan-		
ties 2-2-5 per do	"-3-5	
	"-8-"	

According to the Convention between the British and French Governments, the

Encl.
 Statement referred to
 in para 6 of Mr. Clarke's
 letter of the 23rd May 1865.
 Recd. 14th/65.
 Recd. 25th Sept/65 L. L. 498
 25 Sept 65

to the whole of the charges incurred by us as shown in the table above referred to. The former are meant to supply what is required for the French Consumption at "Cost price" (vide page 31 of the Memorandum and Salt published by the Board of Revenue.) In the Convention itself the words used are, "the price which the British Government shall have paid for the said article x x x according to an average to be taken every three years, of the charges x x x incurred by the British Government for the salt manufactured in the districts in the vicinity of the French settlements." From page 180, page 50 of the Board's Memorandum on salt it seems that they considered the cost price should include only the hire paid to the manufacturers, repairs to the platforms, thatching, hire for measuring, boat hire, and Canal toll. According to the wording of the Convention I think the price to be charged to the French Government should include other items than these. The "charges incurred by the British Government" certainly should include establishment, cost of guarding the platforms, and wastage, because the salt in this district is not supplied to Yancum all at once, or at the moment when

when the salt is received into store. The Convention says nothing about delivery by quarterly instalments; and though the salt is generally so delivered, I presume the French Government might demand it oftener or less frequently. Therefore we must, as it were, watch it and incur wastage on their account, and an establishment is required to receive it into store and superintend its delivery. I would leave out from the account "Godown and Extra charges," as from their nature they do not seem to me to be fairly debitable to the French Government; they are charges required rather for the sale than the manufacture and receipt into store of the salt. The cost of the salt, including only the items I have enumerated, would be, on the average of the last three years, (Fushies 1271, 1272 and 1273) Rupees 17-11-4. The reason of this high rate is, that the quantity of salt manufactured in July 1273 was small, while the establishment and sundry other charges remained as before. The cost on the average of Fushies 1270, 1271 and 1272 would be Rupees 13-2-0, which I think would be a fair charge to make. 4 1/4 What is the average cost of covering a heap of salt? The average cost of covering a heap of ten farses of salt is Rs 5-1-0.

What

5th What items are included under the head of Sadware and Contingencies, and what is the average annual cost of each of these items during the last 10 years?

Sadware includes the following items:—

1. Country paper.
2. Lamp oil.
3. Country tape.
4. Country ink.
5. Quills
6. Sealing wax.
7. Cotton thread
8. Twine.
9. Needles.
10. Red Cotton.
11. Vinegar.
12. Cloth for packing Dufflers.
13. Mats.
14. Country penknives.
15. Scissors &c.

Contingencies include the items mentioned below.

1. Office furniture.
2. Repairs to office furniture.
3. Hire for conveying record.
4. Remittance charges.
5. Repairs to watching peons' sheet.
6. Cost of Manillas and other sundries.

The following is the average.

Judges	Sadware.	Contingencies
1264	292-3-11	838-3-3
1265	296-4-2	101-8-7
1266	217-13-11	330-8-7
1267	181-10-	159-10-10
1268	188-3-	105-2-10
1269	162-4-8	170-1-3
1270	163-9-4	217-12-9
1271	209-11-5	509-9-4
1272	231-2-	888-5-5
1273	180-4-3	990-4-1
	2,123-2-8	4,311-12-11
Average	212-5-	431-2-10

How

4th How is the salt conveyed to the French territory?

12
Salt is conveyed by boats hired by the French Government.

7th By whom is the expense of carriage borne, and when and how is the charge of carriage liquidated?

The whole expense of carriage is borne by the French Government.

In my reply to query 3, I have, in effect answered para 3 of your letter, by stating what in my opinion, are the items that should be taken into account in calculating the price to be charged to the French Government.

I have the honor &c.

(Signed) J. Fraser.
Offs. Collector.

Tanjore Collector's Office.
Vallum. 2nd November 1864.

No. 1139.

From J. M. Cadell Esq.
Collector of Tanjore.

To J. Clarke Esq.
Member, Board of Rev.

Sir,
With reference to your letter of the 8th Ultimo, I have the honor to enclose copy of a correspondence which passed between the then Collector and the Board of Revenue

Not submitted to Govt.
as being unnecessary.

Revenue in 1846, relative to the closing of the salt station of Conilpint, from which you will observe, that Sir R. C. Montgomery then reported that he had discontinued the manufacture of salt at that station, and that the Board in their reply signified their implied acquiescence in the measure. The same however, was not carried out, in consequence, as is presumed, of the opposition made by the French Government, but of which I have not been able to find any traces on the records.

2. As to my own view of the question, I am decidedly of opinion that the station referred to should be closed, as from its limited capabilities and the necessarily restricted demand thereon, it is expensive beyond all proportion to its utility as a place of manufacture and sale, and I can see no objection to this measure, since salt of a superior quality and to the extent necessary for meeting the wants of the French Government, can be made at Chendrapadi.

3. With reference to para 2 of your letter I beg to state, that it is the French Government who pay for the carriage of salt from our depôts where it is delivered over to them. The salt is taken by land in carts which are provided by the French authorities. The salt, I may add, is generally supplied once a month, but at times it is taken

13
taken at intervals of two months.

4. With regard to the enquiry contained in the closing part of your letter, I do not understand clearly what is meant by "the cost of salt to us at Chendrapadi and Conilpint." The cost shown in my letter to the Board referred to, contains nothing but the Endivaram and the cost of establishment, guards and contingencies. The last mentioned three items have been taken out at the average rate obtained by distributing the entire cost for the whole district according to the present scale, over the average quantity of salt stored in all the divisions during past 5 years. If these items were taken according to their actual cost at these particular stations, then the rate per bane exclusive of Endivaram, as also the salary of the Deputy Collector and his establishment, comes to Rs 24-3-8 for Chendrapadi; and to Rs 37-8-8 for Conilpint, as shown in the enclosed tabular statement, being in the one case more than three times and in the other, nearly five times the average rate obtained by the mode of calculation adopted by me and which you will thus see is the fairest to the French Government that could have been adopted.

I have very
(Signed) W. M. Cadell.
Collector.

Statement

Statement shewing the cost of salt at
the Stations of Chendrapadi & Conilput.

July.	Quantity stored.				Remarks.	
	Chendrapadi		Conilput.			
1269	Garu	hms.	Garu	hms.	*Exclusive of the two years 1269 & 1273 in which the out-turn was exceptionally low.	
1270	82	133	8	5		
1271	63	37	61	167		
1272	124	80	50	384		
1273	40	26	25	32		
Average	95	159	22	186		
Cost.	81	87	245	335		
Station Establishment accord- ing to the present scale.	Rs	a	p	Rs	a	p
Police Guard - do - do -	1170	"	"	1170	"	"
Labourers according to do -	726	"	"	486	"	"
Contingencies	48	"	"	48	"	"
	17	5	5	9	12	4
Total cost	1967	5	5	1719	12	4
Rate per Garu*	24	3	8	37	8	8
If the salary of the Deputy Collector and his establish- ment and labourers be added	11	14	"	13	2	"
	25	4	1	38	9	1

Cudimaram.

* Inclusive of Cudivaram.
Chendrapadi - Rs 35-1-8
Conilput - " 50-10-8

(Signed) N. M. Cabell.
Collector.

N^o 159.

N^o 159.

Cuddalore,
8 November 1864.

From

Mahomed Esuf Sahib,
Deputy Collector,
Salt Department
South Arcot.

To

C. N. Pease Esqre,
Collector of South Arcot.

Sir,

In reference to your letter of the 10 in-
stant, N^o 727, I have the honor to submit the
following information called for by Mr. Clarke
in his letter dated 5 instant to your address,
copy of which has been forwarded to me
with your said letter under reply.

2. I shall proceed to answer the various
points noticed by Mr. Clarke, serially.

1st The delivery of salt to the French Govern-
ment takes place at intervals during the
year. Generally twice a year the French
authorities indent for the supply, and the
carting, shipping, landing and ultimate
delivery take 3 or 4 months on each
occasion before the whole is completed.

2^d Mercanum is the chief station salt
is supplied from to the French Govern-
ment. Sometimes a few series are
sent in at their request from Goun-
dalum in addition to the supply
from Mercanum.

She

3. The price paid by the French Govern-
ment is Rs 15-7-0 per Ganne of salt from
Meranum, and Rs 10-0-0 per Ganne
when supplied from Gaondalun. The
former is the highest rate we pay to the
manufacturer in Meranum proper
from which the supply is annually
drawn, while the latter is the rate we pay
at Gaondalun, so the French Govern-
ment pay us, neither more, nor less than
the precise rate we pay at each of these
stations.

4 & 5. In the price charged to the French
Government no other items are ever in-
cluded, but the hona fide value we pay
to the pyot. The French Government &
however, equal shares with us under
the treaties in the cost of transport &
which amounts to Rs 11-8-0 per Ganne
from Meranum and Rs 5-12-0 from
Gaondalun. So, half of these sums is
deprayed by us, and the other half by the
French Government. Total cost to the
French Government per Ganne from
Meranum is Rs 15-7-0 + 5-12-0 = Rs
21-3-0, and Gaondalun Rs 10-0-0
+ 5-12-0 = Rs 15-12-0.

5. The disparity between the cost to our
Government

15
Government of a Ganne of salt at Meranum
and that at Gaondalun, viz, Rs 15-10-0 in the
former and Rs 18-12-0 in the latter station,
is due to increased manufacture in the one,
and less in the other. The item of cost hav-
ing been calculated in reference to the actual
output of each of these places during the
year.

7. The cost of storage and covering at Meranum
is Rs 1-0-6 per Ganne, but this has been done
away with this year and Rs 0-4-0 is now
paid to the pyot per Ganne, and he supplies
labor for storing, measuring and covering,
the thatching &c being furnished by us.

8. At Gaondalun the charge for covering was
Rs 0-2-3 per Ganne, and this having been found
inadequate, a uniform rate of Rs 2-4-0 per
heap was sanctioned this year throughout
the southern pans. There is no actual
charge for storing as the work is done
by the salt servants of the station, while
at Meranum, consequent on the ex-
tensive storing and measuring which
has to be gone through every day during
the manufacturing season, hired labor
has to be engaged to assist the salt ser-
vants in the work.

9. Subjoined is a statement showing the
items included under the head of labor
-ward and sundries &c for Public
1270. 71. 72.

Prior

10th Prior to the introduction of the Police, a temporary establishment of peons was allowed at Meranum, but none to the South-
-ern stations. Now, temporary Police
salt guards are allowed to each of the
stations.

11th The charges of transport of salt to the
French Government are never the same in
every year, as they depend upon the quantity
supplied. The charges for the Fiskies 1270,
71, 72. are noted in the margin. Gener-
ally advances are made from the Royal
Treasury, and when the delivery is com-
-pleted, a moiety of these charges, plus
the value of the quantity supplied,
is debited from the annual compensa-
-tion paid by us to the French
Government.

I have the honor to

(signed) Mahomed E. sup.
Deputy Collector.

True Copy

(signed) C. W. Reade.
Collector.

Statement.

Statement shewing the various items in-
-cluded under the head S. Adware and
Sundries for Fiskies 1270-71-72.

Items.	Meranum.						Gaundalum.					
	1270.		1271.		1272.		1270.		1271.		1272.	
	Rs	a p	Rs	a p	Rs	a p	Rs	a p	Rs	a p	Rs	a p
Country Paper	25	12	26	12	25	12	12	4	12	"	12	13
French Paper	5	"	6	10	7	"	"	13	"	9	6	8
Cloth.	27	12	21	"	22	"	2	10	3	8	2	5
Gum.	1	12	2	"	1	8	"	2	9	"	5	"
Luk.	1	12	1	12	2	"	1	7	1	2	1	3
Oil.	66	4	63	8	62	12	6	2	6	"	6	4
Saltpetre	2	8	2	"	2	"	"	3	6	"	6	6
Pens.	1	"	1	"	1	4	"	5	9	"	1	4
Twine	"	4	"	2	"	2	"	"	"	"	"	"
Patlock	"	"	"	"	"	8	"	"	"	"	"	"
Thread.	"	"	"	2	"	2	"	"	"	"	"	1
Mats.	"	"	1	2	1	"	"	"	"	"	"	"
	132	"	126	"	126	"	24	"	24	"	24	"
Hire of Brandy	35	14	42	"	50	8	"	"	"	"	"	"
of permitance.												
Hire of Machine	"	"	"	"	96	4	"	"	"	"	2	10
Carried.												
Value of Baskets.	"	"	15	"	13	9	"	"	"	"	"	"
Value of Mericals.	"	"	"	"	44	13	"	"	"	"	1	10
Expense of	"	"	210	1	303	13	"	"	"	"	"	"
Conil-Alum												
	35	14	207	1	509	5	"	"	"	"	3	10

(signed) Mahomed E. sup.
Deputy Collector.

(True Copy)

(signed) C. W. Reade.
Collector.

No 4126.

Malabar Collector's Office.
Calicut, 29th November 1864.

From

G. A. Ballard Esqre
Collector of Malabar.

To

J. Clarke Esqre
Member, Board of Revenue.

Sir,

Adverting to your letter of the 16th Instant,
I have the honor to inform you that the salt ^{Answer to 8th Query.}
supplied to the French Government of Malhe
is delivered on application made at intervals.

2. The price paid by them for a Gane of salt - 2^o - 8^o -
is the cost price. The marginal
statement shows the price paid per
Gane in Fushies 1273-74.

	Actual	Actual
	1273	1274
July	39	65
August	39	65
September	39	65
October	39	65
November	39	65
December	39	65
January	39	65
February	39	65
March	39	65
April	39	65
May	39	65
June	39	65

* vide Ex. Sum. Com.
4/15th Feb. 1835 p. 38.

3. The salt is given by weight. - 3^o - 8^o -

4. No other item except the prime cost is in-
cluded in the price of salt charged to the French
Government, as no charges are incurred in this
district on account of weighing or storing, the
price at which we buy the salt being inclusive
of these charges.

5. The French Government bears the cost of
carriage of the salt to their territory. - 5^o - 8^o -

6. No items are included under the head
of Sadewared and Sundries, as no such expenses
are

are incurred.

I have the honor &c.

(Signed) G. A. Ballard.
Collector

No 4434.

Malabar Collector's Office.
Calicut, 24th December 1864.

From G. A. Ballard Esqre
Collector of Malabar.

To J. Clarke Esqre
Member, Board of Revenue.

Sir, I have the honor to enclose a statement contain-
ing the information called for in your letter of the
16th Instant.
2. The proportion of charges incurred on account
of the salt supplied to the French Government
would be very trifling, and hardly worth while de-
manding from a Foreign Government.

I have &c.
(Signed) G. A. Ballard.
Collector.

Statement showing the quantity of salt remaining
in store in the Tellicherry Galla at the commence-
ment of each Fushy, and the quantity received during
each Fushy for the last 5 years.

Name of Galla.	Fushy.	Quantity of salt remaining in store at commence- ment of each Fushy.	Quantity of salt re- ceived during each Fushy.	Price paid for salt purchased in each Fushy.	Expenses in- curred in re- moving the salt from store house.	Cost of Salt Establishment.	Pay of an extra staff.						
		No.	No.	No.	No.	No.	No.						
Tellicherry.	1269	42000	37%	24001	10225	3	4	1239	6	8	50	.	.
	1270	5	.	104775	46412	14	8	1272	.	.	45	13	4
	1271	52985	39%	25400	8429	4	8	1272	.	.	40	.	.
	1272	66455	39%	95844	31149	4	9	1272	.	.	45	.	.
	1273	54101	.	42350	22942	13	4	1302	6	8	1062	14	8

Malabar Collector's Office.
Calicut, 24th December 1864.

(Signed) G. A. Ballard.
Collector.

Memo

Memos showing the quantity of salt
supplied to the French Government at Makhé
during each of the last three Indies.

July 1271	4,210
" 1272	3,140
" 1273	3,280
Total.	10,630

Malabar.
Collector's Office. } (Signed) G. A. Ballard.
3^d Feb. 1865 } Collector.

To
J. Clarke Esq.
Member, Board of Revenue.

With reference to his official Memorandum
dated 30th ultimo.

(True Copies.)

Madras.
29th May
1865

(Signed)
Member, B. of Rev.

Lead again to the E. of
 7. Sept. 1803.
 in E. of E. of 22. June
 1801. 1803.

W-2305 - the following when from
 7. Sept. 1803. Number
 No. 17. of 29. Aug. 1803.
 25. Sept. 1805.

W. 2305

In the 18th. Sec. of 1803.
 the question of the
 price & repair of the
 British Gov. for all
 supplied to him was
 brought under the consideration
 of the Gov. & a report
 was made by his Secy.
 who was specially engaged
 in inspecting the British
 and whose report was
 above recorded.

The position of this latter
 supply question is as
 follows.

By the convention of
 March 1815 between
 the French & English
 Govts it was agreed
 that in order to prevent
 disputes & various causes
 of dispute between the
 subjects of the two Govts.
 the French Govt. should
 form & the English Govt.
 under the exclusive

W. 2305

W. 2305

W. 2305

Consentance connected
 with the British Govt. the
 19. May 1805.

Rev. 11. 11. 1805.
 19. May 1805.

W. 2305

W. 2305

right to purchase a fair
and equitable price, & to regulate
that which the British Govt. shall
have paid for salt in the districts
in the vicinity of the French possessions
on the former & Drissen point, all
the salt manufactured in the said
French possessions on the condition
that the British Govt. shall ^{deliver} ~~supply~~ ⁱⁿ ~~the~~ ^{quantity of}
the French Govt. such quantity of
salt as might be judged necessary
for the consumption of the inhabitants
of Chandanagore. delivery & the
price at the price to the British
Govt. shall have paid for the said
article.

In order to ascertain
the prices as aforesaid
the official accounts of the
charges incurred by the British
Govt. for the salt manufacture
in the districts in the vicinity of
the French settlements, and the
price & the inspection of French
Commissioners - and the price French Govt.
shall paid by the British Govt. for
the latter according to an average
to be taken every 3 years of the
charges as aforesaid - and
the price of salt at Chandanagore
(shall paid by the French Govt. & the
British Govt. shall be determined
in the same manner by the charges
incurred by the British Govt. for
the salt manufacture in the ^{nearest}

✓
nearest to the said settle-
ment.

Art 3

The French salt-
works were to remain under
the French authorities -
and the French Government
were to maintain "nearly
the same" selling price for
salt as that prevailing
in the adjoining British
territory.

Art 4

The British Govern-
ment were to pay the
French Government four
lacs of Rupees yearly in
consideration of this concession.

Art 5

By the convention
of 13th May 1818. it was
agreed that with a view
to carry out the convention
of 7th March 1815 in regard
to the salt trade. the
manufacture

manufacture of salt
should cease thro' out
the whole of the French
establishments in India
during the currency
of the Honorable Com-
pany's then existing
charter - the French Go-
vernment guaranteeing
strict observance of
this stipulation and the
adoption of measures
to prevent contraband
trade in salt.

Art. 1

Art. 2

The Madras
Government engaged,
if the conventions were
ratified

Art. 3

Art. 4

Art. 5

Art. 6

ratified, to pay to the
French Government Star
Pagodas, 4,000 yearly during
the currency of the same
charter, as compensation
to proprietors of salt pan
payment to be made by
quarterly instalments.

Payment for one year,
and till the decision of the
superior authorities should
be communicated to the
French authorities, was guaran-
teed by the Madras Govt.

The British Govern-
ment engaged to deliver
such quantity of salt as
shall be requisite for the
domestic use and consump-
tion of the inhabitants of
the French settlements in
India

India; the purchase,
delivery and subsequent
sale of the said quan-
tity being regulated
according to the stipula-
tions contained in Art. 1.

2. 44- of the Convention of
7th March 1815.

On the expira-
tion of the Company's
then charter further
provision became neces-
sary for effecting the
objects of the convention
of 7th March 1815 and ac-
cordingly a convention "for
the renewal of the convention
of 13th May 1818" was made
between the Gov^{ts} of Madras
and Pondicherry.

By

Art. 1.

Art. 2.

Art. 3.

Art. 4.

Art. 5.

By this convention,
dated 1st June 1837, ratified
18th July it was agreed that
all salt pans in French ter-
ritory in India should con-
tinue in a state of inactivity
as heretofore - which the
French Government guaran-
teed as well as the adoption
of measures for the prevention
of contraband trade in salt.

The Madras Govern-
ment engaged to pay to the
French Government Star
Pagodas 4,000 yearly as com-
pensation to the owners of
salt pans. by quarterly in-
stalments.

The British Govern-
ment engaged to supply all
salt required for domestic use
and consumption in the
French territories in India,
the purchase, delivery and

subsequent

subsequent sale" x x "being
regulated according to the
stipulations contained in the
mention of 7th March 1815"
and it was further agreed that
the previous practice of
sharing equally between the
two Governments the cost of
carriage of the salt should be
continued.

Art. 6.

It was declared optional
with either Government to
withdraw from this conven-
tion on giving ¹²~~15~~ Months
previous notice.

Art. 7.

Thus it appears that
at the present time the
British Govt. is bound to sup-
ply to the French settlements
in India such quantity of
salt as may be required by the
inhabitants for domestic use
and consumption at a price which
is to be determined according to an
average to be taken
every

During 3 years of the
charges incurred by
the British Govt. for
the salt manufacture
in the D. in the vicinity
of the French settlements.
The expenses incurred
for the transport of
the salt and to be
shared equally between
the two Govts.
The price of salt in the
French settlements
is to be maintained
at a rate "nearly the
same" as that set at
in the vicinity of the
British Govt.

The actual practice
has been inconsistent
in different D. & also
not in accordance with
the terms of the Convention.
Only in D. Govt. has
the price of the charges
of transport been borne
by the British Govt.
in the Enslaving. Ind.

with Malabar &c. the whole
 has been borne by the Dutch
 Govt. His children
 married at once. & the
 disproportion of the charges
 allotted to this Govt. is adjusted
 the account for the salt supplied

There is to the price charged
 the rate prescribed by the Convention
 having been followed & have been followed

In the Indragh Govt. the charge has
 been thus made up, the Kurovannu
 being that paid many years ago

Kurovannu ^{per lb} at Rs. 5 - 8 -
 Coaly fire for cooking
 a sum of salt — 4 - 7
 Cost of the thing — 3 - 5
 Total Rs. — 6 - - -

Mr. Clarke estimates the prime
 cost of the salt at Kurovannu in
 this Govt. at Rs. 7 - 15. per force
 on the average of Enclie 71. & 73
 including Kurovannu & cost of
 string - and at Rs. 10 - 6. 8.
 including salt & salt & salt
 at Rs. 10 - 6. 8. - Police guards -
 & repairs of works -

In I. Govt. as thing
 has been charged beyond
 the actual Kurovannu
 viz Rs. 15. 7. per force
 for Kurovannu salt
 & Rs. 10 per lb. for the
 inferior produce of

Sondalium &c. is
 taken for curing hides.
 but in this Govt. as always
 stated the most of the
 cost of transport has
 been properly borne
 by this Govt.

On the average of the
 Enclie 71. & 73. Mr.
 Clarke estimates the cost
 of the Kurovannu salt
 at Rs. 13. 6. - & that of
 Sondalium at Rs. 10 -
 & the cost with salt & salt
 charges at Rs. 16. 6. in
 the former case -

Rs. 26. 10. 8. in the latter
 the heavier charge for
 the inferior article being
 due to the small quantity
 manufactured over &c. &
 distributed to the charges.

Ludovicianus on
the average of the two
pairs at Chondropoli
at Kowilput _____ No. 12-8

W. Parker estimates the ^{average} time
cost at Chudrapur at Rs. 10.13.
and at Kailput at Rs. 11.8
or 2.1/2. Extra charges - Rs. 20.3.4
at the former. & Rs. 31.7.4 at the
latter station.

In calculating the Great Ex.
have been charged the actual
price paid by Govt. for the salt
& the contractor for supplying
it from Wyoming. This price
appears to have been \$0.39 per sack
from Aug/03 to March 04. and
\$0.05 from April to Oct/04.

W. Clark's 3 years average retirement
is at prime cost. B. 48. 7 - or
with Estate &c charges. B. 50. 6. 8.

W. Clark argues that as
the salt is not oxidized by
the French Govt - at once in
full quantity from the salt beds

but at different times
throughout the year, ^{no} ~~two~~
times for the same land
by the Govt. for the article
"must be fairly considered
to include the cost of
transport, covering, guarding,
wastage of the salt as
well as the prime cost
of it" - & referring to the
State! enclosing his
letter in B. he has shown
the "prime cost" including
carriage charges - & also
the cost of the salt for the
salt before it is delivered
to the French Govt. including
all the expenses of the
State! charges of tolls,
other guards & repairs
of works - he proposes
that the French Govt.
should be required to
pay the ~~same~~ cost & this
calculated at the station
where the French Govt.
are supplied - for the
lack of the 3 Facilities
shown in the State! by

1273. When the Establishment
1863/64

has increased & increased. and
an estimated price was laid
for the salt. & for carrying & covering
it.

The Govt. are at present at a
loss to understand Lord W.
Clarks can reconcile his estimates
with the expressions of the Convention
B. & expressly declare that the price
to be paid is to be calculated on a five
years average of charges incurred
for salt manufactured in the Districts
in the vicinity of the Brack Salt.
B. the salt is sold.

The past practice confirms the
opinion B. is indeed a member
of the arrangement ^{that} led to the
Convention - & of the objects. And
is true by it (then evidently being
that the Brack Govt. shall obtain
the salt at as cheap a rate
as they could have done from
manufacturers in their own
little territory) that the "charges"
on B. the price is to be calculated

must not include the
expenses necessary for
first moving the
salt. But be equally
necessary under an
excise system. but
must be confined
to those first expenses
B. the Brack Govt. see
how sincere was the
effort to supply salt
from manufacturers
in their own territory.
These charges rightly
will include only
Kudivaram - taking
into store - covering
tackling &c. & platform
charges & platform
these being the items
B. in para 180 of
the salt memo. of
17 June 50. drawn out
by Mr. Bayley. & the
Govt. B. it is proposed
to include in the
price "as is in fact
from Govt. charges

The Govt. consider

page 50

A minority of the cost of ~~carriage~~ ^{transport} must be borne by the Govt. but ~~and the previous practice will be maintained~~ ^{the previous practice will be maintained} ~~in regard to the cost of~~ ^{the cost of} ~~the Govt. will be charged~~ ^{the Govt. will be charged} ~~for waste arising after the~~ ^{for waste arising after the} ~~agreement of the Indian Govt. has~~ ^{agreement of the Indian Govt. has} ~~been made of the salt and~~ ^{been made of the salt and} ~~relieved at the Kotah~~ ^{relieved at the Kotah} ~~assuming that this is the practice~~ ^{assuming that this is the practice}

It is of the. Lib.
issue the necessary
instructions for
carrying out the
above orders in
a uniform manner
in all the S. S. S. S.
Salt is supplied
to the French etc.

11. 9. 55

- 1 To J. Parker Esq. Dec. 21st
14 - the Rev. Mr. V
6 - the Accountant General ✓

55

5

salt is good & so forth,
but this is only a
small fraction of
the whole.

Resume

Mr Clarke proposes

1. That half the wastage
between Moreanum &
Pondicherry should be
borne by the French.
2. That the price charged
should include the
expenses of storing grain
during the salt
establishments (vide
table) estimated at 773.
3. That the salt should
be supplied by weight.
4. That the Coivilpet &
Chandrapur are kept
up at an exceptional
expense to supply the
French they should
be charged a propor-
tionate exceptional
price.

... ..
... ..
... ..
... ..

- Additional points to be considered
1. The French can still charge
us half the cost of transporting
salt everywhere if we are hard
on them.
 2. The greater part of the
cost of the establishment is
a charge for Revenue not for
manufacture.

3. The machines are still
imperfect.
4. The cost must according
to the convention be taken
based on the average of
the whole district.

J.
... ..
... ..

12. The cost of manufacture includes Kudisaram, Repair, Thatching, Horse shoeing, Boat hire & Canal tolls. The cost of the temporary & permanent establishment is excluded on the ground that it is kept up ^{not} for manufacturing but for revenue purposes. If salt were made privately & subjected to an excise the same establishment may have to be kept up.

Of course part
of the establishments
helps in the manufac-
ture, seeing that the

(Mr Cadell, however, proposed to charge the proportion of expenses retakened by taking into account all the stations in the district, & this would be more in accordance with the terms of the Convention.)

At page 55 of the Memo on Salt it is estimated that the cost price of salt,

would remark that though according to the convention we may charge according to expenses incurred, yet we must calculate these expenses on an average of 3 years not from a single year. The rates might be exceptional in a single year. They were ^{very much} so according to Mr. Cadell in Coivilport. But Mr. Clarke enters them in his tables all the same.)

Mr. Clarke concludes his report by noticing the exception in all cases of Coivilport & Chendma Pondy in Tanjore where the kept up for the convenience of the French alone. Very small quantities of salt are sold at these stations & the proportionate cost per barrel is exceedingly heavy. Mr. Clarke thinks that the French should

provide the means of carrying the salt & pay all expenses. In P. Ar. Co. we provide the means of carriage & pay half the cost. We also bear ^{all} the waste, & Mr. Clarke thinks the French ought to bear at least half of it.

(As we have seen above we are bound to provide half the cost of carriage everywhere & the French will doubtless charge us with it if we raise the price as Mr. Clarke contends.)

Mr. Clarke thinks that we may fairly charge the French their proportion of the cost of storage covering guarding & waste as well as the prime cost, estimated at the rate of 773, when the cost of manufacture & establishment was increased.

(With regard to this

mont

(Conv. 18th May 1818)

para 5

para 6

Govt referred the
whole question to Mr
Clarke & he sent in
his report in May 1864.

Mr Clarke disposes
of the question regarding
the mode of calculating
the supply very simply.

If we buy our salt from
the manufacturers
by weight we must
sell it to the French

by weight; or if we
have to give them salt
by measure at 424

mercals for garce.
We must charge them
what the 424 mercals
cost when estimated

by the weighing mach.
(If the weighing machines
are reliable (they are
much improved) the

French can have nothing
to complain of when they
are used.) At present
the salt is sold to the French

by weight in the Godavari
& Malabar districts &
by measure in Tanjore
& P. Arcot.

In all the districts
but P. Arcot the French

20 22nd Sept 1864 No 314

Letter to Mr. Clarke 29th

1865

Mr. Clarke

Paris 7th

Sept 1864

Dear Sir

I have the honor to

acknowledge the receipt

of your letter of the

29th inst.

relative to the

mode of calculating

the supply of salt

to the French.

I am very glad to

hear that the

weighing machines

are so improved

that the French

can have nothing

to complain of

when they are

used.

are not; payment shall

be made at the price

wh the British govt

have ^{shall have} paid for

the said article "viz

"by the charges incurred

by the British govt for

salt manufactured

in the District nearest

to the settle &" This

is important, because

the Board & Mr Clarke

both seem to have been

embarrassed by the

words - "price paid" -

wh are not nearly so

comprehensive as

"charges incurred." Here

Mr Clarke was to begin

by arguing that the

"price paid" may be

fairly considered to in-

clude the cost of

storage &c.

The Board recommen-

ded that the settlement

of the price should be

referred to Mr Clarke

& that only should be

supported temporarily at

424 mercals for

garce.

The Convention of the 13th May 1818 made by the Madras govt was approved of by the Governor General & reported to the Court of Directors without calling for the any criticism & is still in force.

In Sept 1884 the Board addressed govt on the subject of the price to be charged for salt supplied to the French. The Collectors of Langore & the Kodavary had written to say that there was a loss on sales of salt to the French because they were still charged the old price although the kudavaram had been increased. The Collector of Langore also pointed out that the cost of the salt establishment might fairly be added to the cost of the manufacture. The Board quote the convention of the 7th Mar 1815 wrongly in para 1 of their proceedings. The words of the convention

Pardon me. The Board quote correctly - as will be seen by refer to the conclusion of Art. 1. & Art. 2. The quotations are 3 detached portions of these articles.

By the convention of the 13th May 1818 the French agreed to stop all Salt manufacture in their territories (Art 1). We gave 4000 P.P. as compensation of Salt from holders (Art 3). We agreed to supply sufficient salt to the French settlements at a price fixed in accordance with the Convention of the 7th Mar 1815. The expenses for the transport of salt were to be borne equally by the 2 govt. The convention might be rescinded on giving 12 mos notice.

The provision of the former convention with regard to the price to be paid by the people of Chandernagore for salt was thus: "The price of salt at Chandernagore to be determined (in the same manner) by the charges incurred by the British Govt for the salt manufacture in the District nearest to that settlement."

These papers relate to
the supply of salt to the
French gov^t:

There are two points
for consideration:

1. Is salt to be supplied
by measure or by weight?
2. What price ought
to be charged the French
gov^t for salt supplied?

The solution of these
questions depends upon
the provisions of the con-
ventions w^{ch} we have
made with the French
on the subject of salt.

By the convention of
the 7th March 1815 Art 1.
The French agreed to grant
us the exclusive right to
purchase at a fair ^{price} right
all the salt made in their
possessions except the ex-
ception of what was wanted
for the use of the inhabi-
tants thereof on the condi-
tion that we should supply
Chander nagore with salt
& (Art 5) pay 4 laes of Lucca
super per an. for the privilege

to be regulated by that found
in the neighbouring districts
on an average of 3 years.

* The price to be determined
by the charges incurred by
gov^t for the salt.

Revenue 1865 Sept 10
Pr: of Govt for Sept

N. 2301.

Pr: of the Madras Govt.
D/25 Sept 1865.

N. 493 & 494.

Passing orders on the
invoice of Salt to be supplied
to the French Government.