M.R.O. 14—18,000—27-8-34

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2823 Press Mis.

308. 310

Dated 17—11—1865.

Not to be folded or roughly handled

Read the following letters:—

No. 308. From the Resident of Travancore and Cochin, to the Chief Secretary to Government, Fort Saint George, dated Trevandrum, 3rd November 1865, No. 87.

1. I have the honor to submit, for the consideration and orders of His Excellency the Governor in Council, copy of a letter (No. 3,759-R 84) dated 1st instant from the Dewan of Travancore, complaining of the hardship inflicted upon this State by the Rules* for shipment of the Salt at Bombay, by which the full duty is charged on the actual wastage, as well as on other deficiency found in the salt at the port of destination.

* Vide Proceedings of the Government of Bombay, No. 2,953, dated 11th July 1865.

2. The Dewan points out that much advantage was calculated upon in the recent interportal arrangements, in the cheapening of Bombay salt required for Travancore; but that the above Rules, subsequently passed, have had almost a prohibitory effect, and that great embarrassment is found in procuring the requisite supplies of salt for the present season.

3. It is argued that a certain wastage is inevitable, (as must be allowed,) independent of deficiencies from smuggling and other illicit causes, and that to impose full duty on the former is to levy a penalty for an offence that was never committed. It is also virtually charging a part of the salt supplied to Travancore at the monopoly selling price, instead of on the usual terms.

4. The Government, in their communication to the Bombay Government, dated 5th June last, No. 1,212, considered that the importer could raise the contract rate so as to recover the loss occasioned by the penalty on the wastage. This, supposing the salt to be measured in the same way on shipment and on delivery, as has now been arranged in the letter quoted, virtually enhances the price of the salt whether imported into Malabar or Travancore; but there is this difference, that in the former case the Government is re-imbursed by the full duty on the wastage, while the Travancore Sirkar suffers the loss in the enhanced price at which it has to purchase salt without any such compensatory return, and in this respect is placed at a disadvantage in comparison with the British Districts in obtaining its supply of salt and the revenue from its sale, which is a position opposed to the general tenor of the recent interportal arrangements.

5. The sum involved is considerable. Taking the *real* wastage at 10 per cent., as was formerly fixed, and as is believed not to be excessive in the case of shipment by sea, the penalty on the wastage on the import of Bombay salt into Travancore would amount often to as much as Rupees 36,000 in the year.

6. Should the Government not be disposed to re-consider the rule in question, in reference to the argument in paragraph 3 above, I would submit, for their consideration, whether without relaxing the rule in its application to the importers, the case may not properly be met by allowing the Travancore Sircar the refund of the full duty thus levied on the actual wastage fixed at 10 per cent., or any other rate that may be considered proper.

7. No salt passes out of Travancore for consumption in British India, so that there is no fear of this remission of penalty extending beyond the salt actually consumed in this State, and as the transaction would be between the Bombay Govern-

ment and the Sirkar, there would be no inducement to the importers, who have no benefit by it, to take advantage of it for any unfair purposes.

8. The subject, as above observed, is one of great importance to the Sirkar in making its arrangements for the current year, and I would beg the favor of its early consideration.

No. 309. From the Resident of Travancore and Cochin, to the Chief Secretary to Government, Fort Saint George, dated Trevandrum, 8th November 1865, No. 92.

Years.	Quantity imported.	Wastage or deficiency.	Per centage.
	In. Mds.	In. Mds.	
1858-59	1,60,504	17,390	10¾
1861-62	82,765	6,347½	7¾
1862-63	2,90,254	26,270	9
1863-64	1,36,168	12,635½	9¼
1864-65	2,33,700	21,925½	9¼
Total ...	9,03,391	84,568½	

In further elucidation of my letter, No. 87 of the 3rd instant, I have the honor to state for the information of Government, that from a Statement subsequently received, it appears that the wastage on the quantity of Salt imported from Bombay into Travancore during the last five years, averaged 9⅓ per cent. as particularized in the margin.

No. 310. ORDER THEREON, 17th November 1865, No. 2,823.

Separate Revenue, No. 15.
Salt.

1. The Government consider that it would be very impolitic to relax the recent rule charging duty on all short deliveries on the coast of salt exported from Bombay; but they admit the force of the argument derived from the fact that the duty so charged goes into the Government exchequer, and thus *pro tanto* re-imburses Government for the additional price they have to pay for the salt on the coast to the exporter, while the Travancore Government can derive no such incidental compensation.

2. The Government therefore consider that in furtherance of recent arrangements for putting the trade of the Sirkars on an equal footing with that of British India, it will be proper to make to the Sirkars an allowance equal to the duty charged on the legitimate unavoidable wastage on salt supplied to the Sirkars, between export and delivery.

3. The Board of Revenue will report, with as little delay as possible, what per-centage of wastage may, in their opinion, properly be allowed to cover this loss.

4. The Resident will report in what way the allowance can most conveniently be adjusted.

(True Extract.)

Acting Secretary to Government.

To the Board of Revenue.
,, the Resident at Travancore and Cochin.

Exd. S. T. Augustin.

No. 3759
R 84.

Huzzoor Cutcherry
Trevandrum, 1st November 1865.

To

H. Newill Esquire
British Resident of Travancore

&c &c &c

Sir,

I have the honor to address you again on the subject of the orders recently passed by the Government of Bombay disallowing all wastage on Salt exported from Bombay to the western coast ports, those of Travancore included, and charging full duty on all short deliveries.

2. Now that the particulars of the orders in question are known, I feel it my duty to submit that, whatever be their effect on the trade to other ports, they operate, and cannot but operate, injuriously and unfairly on the trade to Travancore.

3. The matter, divested of complications arising from different modes of delivering Salt at the places of shipment and disembarkation and from different or erroneous rates of conversion would appear to be a simple one. A certain quantity of

Salt

salt is shipped at Bombay, is carried by sea and is landed at Alleppy. Let us suppose that the most exact and uniform modes of ascertaining the quantity are used at both places. The quantity received at the store at Alleppy must inevitably be less than that delivered out of the store at Bombay.

4. A certain amount of wastage must unavoidably take place, because a certain quantity is lost on the sands in carrying salt to the beach and from the beach at the places of shipment and landing; another quantity is lost in the boats in which the salt has to pass to the ship and from the ship in consequence of some leakage which must more or less exist in boats, and also in consequence of the waves throwing water into the boats especially when they are ashore; another quantity is lost in consequence of some of these boats being capsized by a rough sea; another quantity is lost in the sea in the process of lifting up salt in baskets from the boat to the vessel and vice versa, the boat sometimes receding suddenly from the vessel and the salt thrown down dropping into the sea wholly or partially; another quantity is lost in the ship itself from its coming in contact with water from different sources such as leakage, pumping. All these sources of loss put together, must as stated before, occasion a deficiency in such a loose, bulky, and soluble substance as salt.

5. Hence it is manifest that a certain proportion of wastage must be quite independent

of.

of illicit transactions on the part of the Exporter.

6. To refuse allowance for this wastage and to charge on it full duty on the supposition that it was the result of smuggling is, I submit, quite unfair inasmuch as it is tantamount to levying a penalty for a crime never committed.

7. Let us now proceed one step further and see how this state of things is affected by the salt being ascertained by measurement at both places of export and import as is the case in the instance of salt imported into Travancore.

8. Supposing uniform measures are used at both places, I contend that, even though no wastage from the causes dwelt upon in para 4 of this letter were to occur, the quantity delivered at Alleppy must measure less than that shipped at Bombay. The salt is necessarily handled roughly at the different stages of shipment and landing, it being often subjected to the impact of a fall through several feet. The crystals get broken and the commodity gets more compact or in other words comes to occupy less space, that is to say to measure less.

9. The deficiency in measure thus caused, is also quite independent of illicit transactions, and it will be equally unjust to demand

from

from the exporter full duty on this deficiency.

10. My strong belief is that the ten per cent allowance which used till lately to be granted for wastage did not fully cover the effect of the current causes of deficiency above detailed; a belief which is founded on personal experience and careful examination. We in Travancore have frequent occasion to transport salt from the Southern parts to the Northern ones, and from experiments which I have myself carefully conducted, I find that a deficiency of upwards of ten per cent occurs from the causes above described, in the short voyage.

11. Again, inasmuch as, under the recent rules under discussion, the exporter has not only to pay the prime cost for the full quantity he receives but also to pay full duty on the upwards of ten per cent deficiency occurring from causes quite beyond his control, the effect is to increase the price of Bombay salt immensely.

12. Now you are aware that the Sirkar was led, in the course of the discussions regarding interportal arrangements, to think that Bombay salt would be much cheapened, and that Travancore would gain in consequence. It would be a very great disappointment to this country to find that, not only is the salt not cheapened, but immensely enhanced in value by the enactment of rules which ignore natural consequences of deficiency.

13. In Malabar indeed, the rates of conversion and other circumstances may have been such as to justify the course taken, and I am not in a position to speak with confidence about those matters, out of the sphere of my knowledge as they are. But I beg to urge that the rules founded on the special peculiarities of the Malabar system do not apply to Travancore.

14. Now are aware that, in consequence of these rules which seem to have almost a prohibitory effect, the Sircar has not been able, though so late in the season to make any arrangements for importing salt from Bombay, and a good deal of embarrassment is the result. I request therefore that you will be so good as to communicate on the subject of this letter at your early convenience with the Government.

Bombay

of Madras and Bombay with a view to place things on a fairer and more satisfactory footing so far as Travancore is concerned.

I have &c.

(Signed) T. Madava Rao

Dewan

P.S.

I should draw attention to another consideration. The remedy adopted by the Bombay and Madras Governments for supposed or real illicit transactions in salt exported to the western coast is one, which, though rough and ready does not, perhaps, after all, materially affect the interests of the British Exchequer and the British exporter. The latter is expressly allowed to recover his losses by raising the contract prices, and the British Government is reimbursed for these increased prices paid in Malabar by the duty charged at Bombay on deficiencies, it being of little consequence whether such reimbursement take place in the Madras or Bombay Treasury. But in regard to Travancore the case is very different. While it is from the Travancore

Travancore Treasury that the contractor has to be paid in addition, the full duty charged on the deficiencies goes into the British Treasury.

(Sigd) T. M. S.

(True Copy)

Resident.

Nov

Revenue Department

No. 2823.

Proceedings of the Madras Government under date the 17th Novr 1865.

Read the following letters from the Resident of Travancore and Cochin-

Submitting for the consideration and orders of H.E. the Govr in Council copy of a letter from the Dewan of Travancore complaining of the hardships inflicted upon this State by the Rules for shipment of salt at Bombay by which the full duty is charged on the actual wastage as well as on other deficiency in the salt at the port of destination.-

(Here enter 3d Novr 1865, No 0 /)

states that the wastage on the salt imported from Bombay into Travancore during the last 5 yrs averages 9 1/3 p.c. as particularized within.-

(Here enter 18th Nov 1865, No 92 / -

The Govt consider that it would be desirable to alter the present rule charging duty on all the

1865 Dy. Salt Enclosed is a letter from the Resident in Travancore to Chief Secretary to Govt dated 3 Novr 1865

Rec 8/11/65.

From The Dewan of Travancore to the Resident at Travancore No. 1357 dated 1st Nov 1865.

Complaining of the hardships inflicted upon Travancore by the Rules for shipment of salt at Bombay &c

short deliveries on the coast of salt exported from Bombay - but they admit the force of the argument derived from the fact that the duty so charged goes into the Govt Exchequer and thus pro tanto eliminates Govt for the addl price they have to pay for the salt on the coast to the exporter while the Travancore Govt can derive no incidental, compensation.

The Govt therefore consider that in furtherance of recent arrangements for putting the trade of the Sirkars on an equal footing with that of British India, as will be proper to make to the Sirkars an allowance equal to the duty charged on the legitimate unavoidable wastage, on salt supplied to the Sirkars between Export & delivery-

The Board of Revenue will report with as little delay as possible what percentage of wastage may in their opinion properly be allowed to cover this loss.

The Resident will report in what way the allowance can most conveniently be adjusted.

13.11.95

To Board of Revenue
To Resident Travancore

5 January 95.

Revenue 1865 Dept.
Pro: of Govt for stores
No. 2823.

Pro: of the Madras Govt.
Dd 17th Novr 65

From the Resident in Travr
& Cochin 13th Novr 65 & 1330
~~Do Dd 4th December 65~~
~~C No: 3601~~
Do — Do. 11 Dec. 65
C No: 3602

Requesting Board
of Revenue to report
what per centage of
wastage in Salt supplies
to Travancore may be al-
lowed to this Govt.

Prn No. 75
5-1-65

No. 308 @ 310