

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

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*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

No. 10A. Read again letter from T. CLARKE, Esq., Member of the Board of Revenue, on special duty, dated 26th February 1864, and recorded in Proceedings of Government, dated 27th February 1864, No. 358.

Read also the following papers:—

No. 10B. From W. HUDLESTON, Esq., Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 11th May 1864, No. 2,829.

SIR,

1. With references to Government Order, dated 27th February 1864, No. 358, Revenue Department, I am directed by the Board of Revenue to submit their opinion on the points in Mr. Clarke's report on the Malabar and Canara Salt Departments to which their attention has been called.

2. These points are—

1st.—The expediency or otherwise of maintaining inland Depôts at the heads of the navigation up the streams running to the Coast; and

2nd.—The expediency of relinquishing the Government monopoly in favor of an excise on the local manufacture, trusting to private trade to supply all deficiencies of supply by importation from Bombay, &c., paying duty.

3. As the latter question if answered in the affirmative will dispose of the former, the Board will address themselves first to its consideration, and will at once state that they are in favor of the proposal that Government should withdraw from all concern in the supply of Salt to the West Coast market, and substitute for the existing monopoly of supply and first sale, an excise on local manufacture and an import duty on all Salt brought in by sea.

4. The Board observe that the system of supply by Government of Bombay salt to these two Districts, which constitutes in Malabar the whole, and in South Canara about one-half of the whole supply to meet the demand for Home and Inland sales, is a direct departure from the principles of the monopoly system as originally constituted, and as still existing throughout the Presidency except on the Western Coast.

5. Under the monopoly system proper, the Government manufacture Salt on their own account, at a very cheap rate as compared with the selling price, the highest price paid as Kudivarum being Rupees 15 per Garce at Negapatam, and Rupees 16 to 25 at certain stations in Madras and South Arcot which are exceptionally circumstanced. They sell this Salt on the Coast at the monopoly price of Rupees 180 per Garce. The consumers have to pay in addition the cost of carriage inland, and such profit as the state of the market may enable the dealer to secure. The Government have repeatedly objected to suggestions for the establishing of inland depôts on this Coast that so doing would be an interference with private trade, and that the Government could not carry the Salt so cheaply as the private dealer can do. They have therefore rejected the proposal even when coupled with the condition that the cost of carriage should be added to the monopoly price on the Coast.

6. The system under which Government supply Bombay salt to Malabar and Canara at the monopoly price is directly opposed to these principles. The Government pay a large price to the Contractors for supplying these Districts with Bombay salt, the price at present being Rupees 70 per Garce, as compared with an exceptional maximum of Rupees 25 on the Eastern Coast, and an average of Rupees 10; but the Salt is sold to the public at the same monopoly price of Rupees 180 as on the East Coast.

7. In other words on the Western Coast the Government profit on Bombay salt is the difference between Rupees 70, and Rupees 180, less cost of establishments, &c., while on the East Coast it is the difference between Rupees 10 on an average and Rupees 180, so that in fact Government has established a depôt, and undertakes to bear the cost of carriage to it.

8. In the case of Malabar it is asserted that Salt cannot be locally manufactured, and if this be so, then Government are placing the purchasers in that District in an exceptionally favorable position as compared with any other of the non-producing Districts in the Presidency. In Canara the Bombay salt is principally imported to supply the demand for the interior, and here again Government has in reality adopted a system which is identical with the inland depôt system that they have condemned in the Eastern provinces. In fact even in Canara the Government are not consistent, for the objections which they hold to be of great weight against the depôts on the rivers there, are equally conclusive against the importation of Bombay salt as now carried on.

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

9. For these reasons the Board are decidedly of opinion that the importation of Salt to the Western Districts whether by sea or land should be left to private enterprise, the Government securing its revenue in the form of a Sea Customs duty on importation.

10. The extremely anomalous position of the supply to these Districts at present is thrown into unusually strong light at the present moment, when in consequence of the excessive difficulty of obtaining tenders to supply Bombay salt, and the extremely high price at which alone tenders could be obtained, the Board resolved as a measure of economy to supply some of the Southern Stores from Madras by rail. This Salt is carried through Districts which will be supplied from the Malabar stores by private traders, but the Board deliberately resolved not to attempt to supply these intermediate stations direct, believing that such further interference with private trade would produce much evil, while the saving in cost to Government in this exceptional case would be comparatively trifling.

11. Admitting however that the system of supplying Bombay salt on behalf of Government cannot be defended, it may be asked, Why advocate the change from monopoly to excise in regard to the local manufacture in South Canara? To this it may be deemed almost a sufficient reply to state that the Bombay excise system has been introduced in its integrity in North Canara with perfect success, but in addition to this the Board submit that only in combination with an excise on private manufacture can the market for privately imported Salt be placed on a sound footing.

12. If the Government monopoly of manufacture be maintained, the responsibility of supplying the entire demand in the District is really thrown on the Government, and to meet this a stock of Salt must be maintained altogether irrespective of the imported article brought by the private trader. Moreover to enable the private importer to sell at the monopoly price or nearly so at a moderate profit, the rate of import duty must be reduced considerably below what it now is, and to this the Board are decidedly opposed.

13. They advocate therefore the abandonment of the existing system of importing Bombay salt on behalf of Government in the Western Districts, and the substitution of an excise on private manufacture for the Government monopoly of manufacture in South Canara.

14. It only remains to consider the rate of import and excise duty to be levied, and the Board are decidedly of opinion that the import duty should be the same on both coasts. Any reduction on the Western Coast will in point of fact be a bounty to the Bombay trader, giving him an unfair advantage over the Madras dealers, who have to pay the full monopoly price of Rupees 1-8-0 per Maund for the Salt they buy for trade inland. It seems probable that if the full import duty be maintained a private trade from Madras by rail will grow up to the extent of supplying possibly the Southern Coast Districts in Malabar, but almost certainly the intermediate country now supplied from Malabar. This will tend to maintain the Madras revenue while any other course would probably benefit Bombay revenues at the expense of Madras. The trade will also improve the Railway Company's receipts, and thus indirectly benefit Government still further by relieving it of a portion of an existing charge.

15. The Board are unable to see any necessity for a reduction in the import duty with the avowed object of keeping down the price to the residents in the Coast Districts. No good reason can be adduced for placing these Districts in an exceptionally favorable position as regards the Salt tax. In many respects they are far more fortunately circumstanced than the rest of the Presidency. The Ryots are decidedly better off than in almost any other part; an unfailing monsoon secures to them ample returns to their labor, much greater than can be hoped for in most other Districts, while the assessment on the land is easier. The local marts are, in general, easily accessible by water or land, and a constant demand for produce for foreign markets exists close at hand. It may safely be asserted that in no part of the Presidency are the inhabitants better able to bear their fair share of the public burdens. Why then should they be treated in an exceptional manner? Why should the Collector hope never to see prices for Salt ruling in Malabar which are far below the prices ruling in Coimbatore, Salem, Mysore, Coorg, Bellary, Cuddapah, and Kunool, where the cost of carriage is necessarily added in these non-producing Districts, to the price at which the Salt is sold at the place of manufacture, and where the Ryots are far worse off than in Malabar in other essential respects?

16. The Board are clearly of opinion that if Malabar cannot produce Salt, there is no reason why it should by exceptional treatment be placed in an unduly favorable position as compared with other non-producing Districts. If it can produce Salt, there is still less reason for offering special encouragement for the importation of what for the present purpose must be viewed as a foreign article. No good reason can be assigned for giving Bombay salt by an exceptional rate of duty an advantage over Madras salt in the Malabar market.

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

17. As regards the excise duty, Mr. Clarke shews that the cost of manufacture is not more than on the Eastern Coast, so that it seems reasonable to fix the excise duty at the same amount as the Import duty, which is the difference between the Government monopoly price and the cost of manufacture. This course leaves to the local manufacturer all the advantages to be desired from position; and if with these he cannot compete with the importer of a superior

foreign article, it is certainly undesirable to extend his margin for profits, at the expense of the consumer. Mr. Clarke seems to be of opinion that the locally manufactured article could not compete with the superior Bombay salt were the latter freely sold, and it is a further argument against exceptional treatment of the local manufacture that the product is inferior.

18. The Board therefore recommend that Government withdraw from the supply of Salt to the West Coast Districts; that the import duty on imported Salt be the same as on the Eastern Coast; that the Excise duty on the local manufacture be the same as the Import duty.

19. They consider that the change of system may with perfect ease be carried out from 1st January 1865, and would recommend that it be notified that on that date the Salt in the Government stores will be sold by auction at the monopoly upset price, and that the Government Stores will be available as Bonding houses for importers and private manufacturers. This course was followed in North Canara without causing any inconvenience.

20. Considerable modifications in the Establishments will be necessary on this change of system and the Board do not anticipate that any saving can be effected in this direction. In North Canara, the change from monopoly of manufacture to excise involved considerable additional expense for establishments.

21. The reduction in charge by Government relieving themselves from the expense of providing Salt will of course be large and immediate.

No. 10c. From H. E. JACOMB, Esq., Officiating Under Secretary to the Government of Bombay, Revenue Department, to the Secretary to the Government of Madras, dated Bombay Castle, 5th July 1864, No. 2,539 :—

SIR,

Letter from the Commissioner of Customs, Salt, and Opium, No. 135, dated 15th January 1863, with accompaniments. Government Resolution No. 2,130, dated 29th June 1863. Letter from the Commissioner of Customs, Salt, and Opium, No. 2,691, dated 30th October 1863. Do. to do No. 3,927, dated 5th November 1863. Do. from do. No. 2,738, dated 6th do. Government Resolution, No. 3,990, dated 12th do. Regarding introduction of Salt Excise into North Canara.

I am directed to forward herewith a copy of the papers as per margin, applied for in your telegram of the 23rd May last, and to state that they will be found to contain the information required by the Government of Madras.

From GEORGE INVERARITY, Esq., Commissioner of Customs, to the Honorable A. D. ROBERTSON, Secretary to Government, (Revenue Department), dated Bombay, Office of the Commissioner of Customs, 15th January 1863, No. 135.

SIR,

1. I have now the honor to reply to the Government Resolution No. 2,731 of the 18th July last, calling for information in regard to the expediency or otherwise of abolishing the Salt depôts in North Canara, and leaving the importation for local consumption open to the public as in other parts of the Bombay Presidency, with reference likewise to the measures which, in the event of the abolition of the depôts, will be necessary to prevent the introduction of unexcised salt into the province.

2. In view to a ready consideration of the existing arrangements for the manufacture and sale of salt in North Canara, there are annexed to this letter a rough sketch Map of the province, and a return of the produce and revenue during the three years from 1859-60 to 1861-62, the Map exhibiting the geographical position of the several places of manufacture as well as of the depôts, and the return shewing the produce with the revenue realizations and fixed establishments at each of these places and depôts.

3. For the purpose of salt management two of the Talookas only of North Canara are concerned, Ankula and Honore; in the first are Nagurbyle or Saneekutta and Bargi, places

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

both of manufacture and sale, and Sadaseoghur, Ankola and Katgul, places of sale only. In the second Talooka are Coompta, Seeralee, Beitkul and Byloor, places both of manufacture and sale, with Honore and Gairsuppa, places for sale only. The whole of these places supply to a greater or less extent the local consumption of the province, while Katgul and Gairsuppa especially provide the supplies necessary for the country above the Ghauts, Katgul sending salt towards Dharwar and the southern Maratha Country, and Gairsuppa meeting the demand from Mysore. During the last year of 1861-62 the transactions at each of these depôts were as follow :—

	For Home Consumption within the Province.		For Inland Consumption via Dharwar and Mysore.	
	Mds.	Rs.	Mds.	Rs.
Katgul	10,257	15,386	91,732	1,42,008
Gairsuppa	11,685	17,528	29,625	44,437

being more than two-thirds of the transaction of the whole province for the year.

4. Katgul lies on the Tudry river, distant about 6½ miles from Coompta, and the reason of a sale depôt being established there is to obviate the inconvenience which exporters would otherwise incur from having to cross the difficult Tudry creek which separates the Coompta town and the traffic which is drawn towards Coompta from Dharwar and the country above the Ghats that carts are unloaded on the north side, their contents crossed over by ferry and re-loaded on the opposite bank upon fresh carts supplied from Coompta, of which a large number are always on hand for the purpose; the original Dharwar carts are then laden with salt at Katgul, turning up Ghaut with the same *via* the Deomaney Ghaut and Sircee; the depôt at Katgul, returning supplied with salt by backwater from Nagurbyle.

5. Gairsuppa again is supplied by sea and river from the Coompta pans in order that the demand from Mysore may be more readily met than if the traders had to go the whole distance to Seeralee, Beitkul, and Byloor, the nearest salt-pans by land, it having been found impossible for them to leave their carts and bullocks at Gairsuppa while they themselves went by river and sea to Honore and Coompta for salt; moreover the country between Gairsuppa and Seeralee is in the present state of the roads impassable for carts and nearly so for bullocks; unless therefore under existing circumstances there was a sale depôt at Gairsuppa, Mysore would be driven to seek elsewhere the supply which it at present receives from North Canara, and there being no other outlet for the salt produced, the local excise revenue would necessarily suffer.

6. There are at present three hundred and thirty-eight salt-pans at work in the Collectorate the whole of which are private property; the exact extent of ground occupied by these pans is unknown, as the country has never been measured, but the land revenue assessable upon the same is Rupees 7,220 per annum.

7. The salt is purchased by Government immediately upon its manufacture at the rate of Rupees 12 per Garce of 120 Maunds, it is then stored in the Government godowns until required by dealers to whom it is sold at an excise of Rupees 1-8-0 per maund or Rupees 180 per garce. This excise including the original purchase rate of Rupees 12, as well as all charges on account of freight or transit which may have been incurred by Government in transmitting the salt to the sale depôts.

8. In addition to the original purchase money the accounts of 1861-62 shew the following extra charges to have been incurred :—

	RS.	A.	P.
Extra Establishment for watching, &c., during period of manufacture	...	...	...
Coolie hire for conveyance of salt	...	...	...
Freight of Boats between pans and sale depôts	...	...	...
	772	0	0
	2,052	1	6
	6,395	2	10
Total.....	9,219	4	4

*Proceedings of the Madras Government, Revenue Department,
29th May 1865.*

to which should be added the sum of Rupees 7,220, mentioned in paragraph 6, as being annually remitted to the manufacturers, making altogether an item of expense of Rupees 16,439-4-4 which under the Bombay system would be unknown, and which added to the original cost of the salt at Rupees 12 per garce or upwards of Rupees 21,000, must go very far towards appropriating the additional four Annas of excise levied above the existing Bombay rate of one Rupee and four Annas per Maund.

9. The salt is not stored in thatched heaps of various sizes as in this Presidency, but removed to "kotars" or godowns in the vicinity of the pans constructed of mud walls and thatched roofs; those at present in existence number forty-one, and each "kotar" is capable of holding from 100 to 150 garces of salt; the original cost of erection varied from Rupees 100 to Rupees 250 each, and nearly all the buildings were erected by the Collector's Department. At present both construction and repair devolve entirely upon the Public Works Department, by which four new kotars, each capable of containing 100 garces of salt, are now under construction at Nagurbyle or Saneekutta, in the Ankola Talooka, the aggregate cost of which has been estimated at Rupees 5,200.

10. North Canara has invariably manufactured enough salt for its own consumption leaving the large margin already noticed for transmission into the interior; it has also occasionally supplied the District of South Canara, to which last season upwards of 52,000 Maunds were despatched, paying only the original cost of Rupees 12 per garce *plus* the charges of transit. Salt passes through the Collectorate in considerable quantities from the Goa Territory, and duty is levied upon the same at the frontier Nakas, seven in number, at the rate of Rupees 1-6-0 per Maund. I have been unable to procure the reasons for this deduction of two Annas per Maund in favor of imported salt, but the measure was directed by the Madras Government in 1854, and I presume the cost of production and manufacture in North Canara was taken at two Annas per Maund, and it may have been considered desirable to allow a margin of profit to importers. Be the reason, however, what it may, the receipts on this account have been satisfactory, the following being the result for the last three years :—

	RS.	A.	P.
1859-60	42,166	5	5
1860-61	51,407	10	1
1861-62	53,873	10	0

11. The local details of management are conducted by a Carcoon with a small establishment at each salt station or Depôt. These establishments are detailed in the accompanying return and are immediately subordinate to a Deputy Collector on a salary of Rupees 250 per mensem, who is assisted by an establishment of three Carcoons and four Peons costing Rupees 75 per month. There are no superior Talooka establishments between the station Carcoons and the Deputy Collector, who again has hitherto been in direct correspondence with the Collector of the Province.

12. Having thus described less concisely than could have been desired, but as concisely as the circumstances will allow, the present system of managing the salt manufactured and excise in North Canara, I shall proceed to the possibility of exchanging the existing Government monopoly for free traffic with the public generally, the Government interference being restricted to supervising the salt until sold, and to the levy of an excise upon the commodity when sold, as is the case in other parts of the Bombay Presidency.

13. I find that the whole of this question was most fully inquired into and discussed by the Commission appointed by the Supreme Government in 1855, to inquire into and report upon the manufacture and sale of, and tax upon salt, in British India, whose proceedings were extended to North Canara in conjunction with the whole of the Madras Presidency. The Commissioner Mr. Plowden's report has been published and will be found amongst the records of Government; I need only therefore refer to that portion which embraces the subject at issue. This will be found at page 111 of the printed report, Section II. paragraphs 610 to 637—there Mr. Plowden expresses himself strongly in favor of the extension of the Bombay system to the Madras Provinces, and quotes as in entire accordance with his own views the opinion given at length by the Madras Board of Revenue, which will be found at page 123 of the printed Appendix to the same report. At page 326 of this Appendix will be found the report of the then Collector of Canara, Mr. Maltby, in which that Officer strongly advocates the introduction of a system of excise, pronouncing it not only easy and possible, but necessary.

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

14. At the time I visited North Canara I was not aware that so much valuable information on this subject, as it affects that province, was to be found on record, but the inquiries I made brought me very much to the same views as those expressed by Mr. Maltby, and, therefore, as the introduction of the excise system into that province has been pronounced both possible, and desirable, the means to be employed towards that end remain only to be considered.

15. Had we to deal only with the pans or places of manufacture detailed in the accompanying return, the matter would be of easy accomplishment; for a simple order along with various alterations in the forms of accounts and permission to the manufacturers to use, for the present at least, the Government "kotars" in storing their salt would be all that is required, notwithstanding the opposition which is likely to be met from the manufacturers themselves, and I fear in some instances from the Government establishments; but the valuable Depôts at Khatgul and Gairsuppa described in paragraphs 3 to 5 of this report, will require to be abandoned and with them the large revenue which they produce. It is absolutely necessary, therefore, that so far we proceed with great caution. I have made inquiries as to the possibility of private dealers taking these Depôts upon their own hands, but I can see no prospect of such an arrangement being effected for many years to come, and it is evident that only parties with considerable capital could venture on the speculation. Mr. Goldfinch states on the subject "that from the replies he has received it appears to be doubtful whether private traders will be forthcoming immediately, but after a very short experience of the new system, he is satisfied that no difficulty will be experienced." I believe the Acting Collector to be much too sanguine on this point.

16. Katgul, however, is within eight miles of Saneekutta where the chief pans are situated, and the Acting Collector informs me that "loaded cattle, and even carts can, if they choose, come to Saneekutta without difficulty, and if the owners of carriage find they cannot supply themselves at Katgul, they will of course go to the pans at Saneekutta." To ensure this, however, being done, I am of opinion that a broad first class cart road should be constructed to the Saneekutta pans from the spot where the carts from the interior unload for Coompra as noticed in paragraph 4, and then I have no doubt such carts as came to the latter place would have no hesitation in going on to Saneekutta for salt; this road therefore should be completed with as little delay as possible. There is no doubt, moreover, that the new Port of Sudaseoghur will carry off a considerable portion of the present Coompra trade, and there may not be the same demand hereafter for salt at Katgul, merely because the same amount of carriage will not find its way there from up-country as hitherto. But to meet this there is ample room for the construction of new pans both at Sudaseoghur and Ankola, places which will soon become much frequented by carts from the Southern Maratta country, and permission to open new pans in these localities should therefore be at once accorded. I have no doubt that these new pans, in conjunction with a new road being opened out to the Saneekutta pans, to supply the return traffic which may still cling to Coompra would soon yield a revenue equal to, if not more than, that which will be lost by the withdrawal of the Depôt at Katgul.

17. On the withdrawal of the Depôt at Gairsuppa, the salt trade in that locality will at once cease; parties from Mysore would find it extremely inconvenient to leave their cattle at Gairsuppa and proceed by river and sea to Coompra, while there are no manufacturing pans at Honore which could meet their wants. There is, however, room for new salt-pans being opened at Honore, and pans are already in operation at Seeralee about the same distance from Gairsuppa that Honore is, but in a south-west direction. It is impossible, however, for carriage to get to Seeralee from Gairsuppa in consequence of the want of roads, and I have therefore to recommend that the communication between the two places be opened up with as little delay as possible, when the Gairsuppa Depôt may be removed. Also, if a cleared road between Gairsuppa and Honore could be constructed and pans opened at the latter place, the chances of loss to the salt revenue would be diminished. It will of course be a drawback to traders not finding salt ready to their hands at Gairsuppa, but if the communications between that place and the pans on the sea-coast are opened up, there is no apparent reason why parties wanting salt should not proceed to the latter as readily as the traders from Khandeish and the Deccan frequent the Concon pans. A traffic in salt itself in-land is not likely to pay unless the carriage going for it can take other produce to the coast, but this should naturally follow if the communications between Gairsuppa and the coast are opened out as above suggested.

18. I have said in paragraph 15 that opposition may be expected from the salt manufacturers; the principal source of this would be that whereas under the present system they receive payment for their produce and are relieved of all care concerning it immediately upon

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

manufacture; in future the salt would lie upon their hands until the demand came for it, all intermediate risk and expenses of storing or preservation falling upon themselves; this anxiety their part is but natural and has doubtless strong cause for existence; it may be hoped, on however, that the objection would in time disappear as the manufacturers found their facilities for production unfettered by any Government restriction as at present, and the consequent competition which would ensue amongst themselves advantageous to the trade generally. Their main difficulty would be the means of storage and protection from loss by the weather. Mr. Maltby, the Collector of Canara, in the 40th paragraph of his report before adverted to, states that in that climate it will be essentially necessary for store-houses to be provided, and by Government, rent being charged to the parties using them. At present no such charge is made, and I am doubtful of the expediency of requiring it during, at any rate, the first and second year's progress of the new system. I should rather be disposed to allow the use of the kotars rent free at first, and eventually, should the excise be reduced from one Rupee eight Annas to one Rupee and a quarter as elsewhere throughout the Presidency, a slight charge might then be made for rent of kotars as well as on account of land revenue which is now remitted; this could readily be done by a certain levy per Maund as is the case at many of our other salt-pans; where new pans may be opened up hereafter, the same arrangement should be made, or the manufacturers required to agree to the store-houses being built by themselves.

19. With my present limited experience of North Canara it would be out of place for me to express any opinion as to the absolute necessity for store-houses mentioned by Mr. Maltby. The average fall of rain there is about 145 inches, larger certainly than any thing we have higher up the coast; but in the Goa territory where the fall of rain cannot differ very much from what is found in North Canara, the Bombay system of storage prevails, and it would be desirable to depute the local officer, who hereafter may be in charge of the Canara salt revenue into the Goa territory, to learn practically the system of storage there employed. A similar experiment was made two years ago under directions from the Madras Board of Revenue, but is reported to have failed from an absence of practical knowledge of the means adopted by the Goa manufacturers.

20. It now only remains for me to remark upon the efficiency of the establishments maintained in North Canara for the management and protection of the salt revenue. The local officers admitted to me there that it was impossible to prevent smuggling, and that between 20 and 30,000 Rupees were annually lost to the revenue in this way, or ten per cent. of the revenue. The Board of Revenue, Madras, in the 7th paragraph of their Proceedings, dated the 28th August 1861, record, "The Deputy Collector states that smuggling, during the time of manufacture, is an organized system; that the salt is scraped during the day and at night large parties of traders with the manufacturers carry it off; this is generally done clandestinely, but at times it is said to take place by open violence; the existence of such a state of things is discreditable, and the Board trust that with the aid of the new Police it will be effectually put a stop to. The Board fear that these malpractices are not the growth of a single year, but have been long in existence, and are now only first brought to notice." The Madras Government under date the 8th October 1861, No. 1,951, on the same subject, record the following opinion:—

"The Government cannot consider this report* as at all satisfactory. The manufacture has diminished, the sales have decreased, and smuggling is rife and conducted on an organized system. The Board of Revenue will call for fuller information and give their immediate attention to the improvement of the salt administration of North Canara." After further inquiry the Board of Revenue, under date the 9th April 1862, recorded amongst other matters as follows:—

"It is explained that the details in regard to smuggling applied to previous years and that no such thing as smuggling by open violence is now known in the District, though the amount of salt mud made use of is very considerable. In the rivers of Honore and Tudry guard boat have been established and beneficial results are confidently anticipated. The Home consumption for the present year shews a considerable increase, and matters seem to be improving; but the Deputy Collector still presses for increased guards to prevent smuggling."

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

21. It is clear that existing means for the prevention of smuggling in the District are inadequate—an organized preventive establishment such as we have in the Bombay Presidency is unknown; the only approach to it being the extra hands alluded to in paragraph 8 who are employed temporarily during the period of manufacture; but I am of opinion that the cause does not lie in this alone, and that the system of administration and supervision generally is inefficient, the only Superintendent for such a large Collectorate is the Deputy Collector at Honore, Mr. Gonsalves, and his time is so much occupied in the preparation of the voluminous returns which the Madras system requires that he has not leisure to visit out-lying stations so frequently as he should. At these places the Carcoons who are in control have everything their own way, there being an entire absence of check from any superior Officer on the spot or in the neighbourhood.

22. It is very desirable therefore that the Ankola and Honore Talookas should be superintended each by a local Sircaroon or Mamledar as is the case in our other provinces, and I have earnestly to recommend that Government permit me to appoint these officers with competent establishments at once. They would be officers who had full experience of our system of excise elsewhere and would not only be of service in controlling the existing local establishments under Ankola and Honore, but would also be of the utmost use during the introduction of the new system of excise; indeed, I consider the presence of such officers to secure a successful result indispensable; such result would be scarcely possible if details were left to the inferior Carcoons on the spot who are all wedded to the existing system and opposed to change. The exact amount required for the above purpose I am not just now prepared to state, but each Sircaroon should not receive a less salary than Rs. 125 per mensem, and his establishment would cost about Rs. 275 more. If Government will sanction this arrangement, I should be able to make some reduction in the establishment at the several salt stations, who would then have no money to receive and account for as at present. Without competent local supervision in each Talooka I consider it would be useless to appoint a number of inferior officers for preventive purposes, although such would necessarily follow an improved organization in the higher grades, but at any rate these must be deferred for the present until it is ascertained how far new pans are to be opened out near Sudaseoghur, Honore, and Ankola, the Sircarcoons with their establishments will be indispensable under all circumstances, and their nomination should not be delayed.

23. In regard to Mr. Gonsalves, the Deputy Collector, in charge of the Salt Department, his family is originally of Brahmin origin, and he himself is undoubtedly a competent officer in many respects, with an excellent knowledge of the English language. I question, however, whether he has the energy and activity which will be required during the first two years while the salt management will be in a transition state between the old and the new system of excise, and I should prefer therefore to see a European officer placed over North Canara as Assistant Commissioner of Customs, if Government can spare one sufficiently capable and competent; otherwise Mr. Gonsalves must necessarily remain. If Government coincide in the propriety of appointing a European officer, Mr. Gonsalves' services could be replaced at the disposal of the Madras Government.

24. To sum up finally the contents of this report, I am very respectfully of opinion that the Bombay system of salt excise can be introduced into North Canara as soon as the following preliminary arrangements, may have been completed.

1. The construction of a first class road from the neighbourhood of Klalgul, or where the Dharwar traders now change carriage to the Sanekutta salt-pans.
2. The opening of new salt-pans in the neighbourhood of Sudaseoghur and Ankola under proper control.
3. The construction of a cleared road for the present, and finally to be converted into a first class one, from Gairsuppa to Honore.

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

4. The construction of a first or second class road, according as the character of the country may require, between Gairsuppa and the salt-pans in the neighbourhood of Seralee and Bhatkul, which pans may also be further extended if found necessary, to meet the expected increase of demand upon them.

5. The opening of new salt-pans at Honore under proper control.

6. Permission to the salt manufacturers to use the Government kotars free of rent, until the excise may be equalized with that in force throughout the Bombay Presidency, when a small charge per maund on this account may be made, as well as for ground rent now remitted.

7. Immediate appointment of Sircarcoons with adequate establishments in the Ankola and Honore districts; these officers to be experienced and intelligent persons, well acquainted with the system in force in our older Districts.

25. As soon as the orders of His Excellency in Council are received on the above subjects North Canara will, I presume, become attached to the Southern Division of the Presidency, and placed under the Deputy Commissioner of that Division.

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

Statement of salt Revenue and produce in the

Name of Talooka in which Salt Station is situated.	Name of Salt Station.	No. of Pans subordinate to Station.	Year.	Quantity of Salt manufactured including wastage.	Actual or estimated value of Salt manufactured including wastage.	Value of Salt sold by Government on every account, Home, Inland, sent to other Districts, &c., &c.	Extra Revenue.
1	2	3	4	5	6	7	8
				I. Mds. S. T.	Rs. A. P.	Rs. A. P.	Rs. A. P.
ANKOLA...	Nagurbyle or Saneekutta.	175	1859-60	1,89,331 27 74	18,274 5 10	52,416 5 6	19 5 9
			1860-61	2,37,809 17 29	25,207 12 9	17,589 7 4	31 2 0
			1861-62	2,12,535 11 26	22,528 11 10	17,838 11 11	47 14 5
			Total...	6,39,676 16 49	66,010 14 5	87,844 8 9	98 6 2
			Average.	2,13,225 18 69 ² / ₃	22,003 10 1 ² / ₃	29,281 8 3	32 12 8 ² / ₃
	Bargi	18	1859-60	3,170 3 62	456 0 6	3,131 12 3	1 7 9
			1860-61	7,185 0 0	761 9 9	5,441 12 11	132 1 6
			1861-62	7,444 32 36	789 2 5	6,700 3 8	2 4 10
			Total...	17,799 36 18	2,006 12 8	15,333 12 10	135 14 1
			Average.	5,933 12 6	668 14 10 ² / ₃	5,111 4 3 ¹ / ₃	45 4 8 ¹ / ₃
	Katgul	.....	1859-60	.....	.....	1,00,667 3 8	199 14 8
			1860-61	.....	.....	1,08,708 12 6	328 15 2
			1861-62	.....	.....	1,29,522 8 11	1,107 6 7
			Total...	.....	.....	3,48,898 9 1	1,636 4 5
			Average.	.....	.....	1,16,299 8 4 ¹ / ₃	545 6 9 ¹ / ₃
ANKOLA...	Ankola	.....	1859-60	.....	.....	4,365 2 4	8 2 2
			1860-61	.....	.....	2,292 10 8	12 8 11
			1861-62	.....	.....	4,237 13 0	30 2 5
			Total...	.....	.....	10,895 10 0	50 13 6
			Average.	.....	.....	3,631 14 0	16 15 2
	Sudaseoghur.	.....	1859-60	.....	.....	499 7 7	24 5 0
			1860-61	.....	.....	1,003 9 9	4 11 8
			1861-62	.....	.....	263 2 0	27 4 3
			Total...	.....	.....	1,771 3 4	56 4 11
			Average.	.....	.....	590 6 5 ¹ / ₃	18 12 3 ¹ / ₃
Total of Ankola Talooka.	5	193	.....	6,57,476 12 67	68,017 11 1	4,61,743 12 0	1,977 11 1
Average ...	.....	.....	.....	2,19,158 30 75 ² / ₃	22,672 9 0 ¹ / ₃	1,54,914 9 4	659 3 8 ¹ / ₃

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

Collectorate of North Canara, for the years 1859-60 to 1861-62.

Collectorate of North Canara, for the years 1859-60 to 1861-62.															
Total of columns 7 and 8.		Establishment entertained at, or subordinate to, each Station on the 1st October 1862.										Remarks.			
		Fixed Establishment.					Extra Establishment.								
		Designation or Office.		Monthly Salary.			Designation or Office.		Monthly salary.						
9		10										11			
RS.	A.	P.				RS.	A.	P.							
52,435	11	3	1	Mootsudy ...	40	0	0	1	Shanbogue ..	6	0	0	Employed for 6 months, while the Salt is trans- ported from one station to another.		
			1	Sherustedar ...	25	0	0								
			1	Goomasta ...	14	0	0								
			1	Shanbogue ...	10	0	0								
			1	Shroff ...	7	0	0	1	Ditto. ...	6	0	0		Employed for 3 months during the manufactur- ing season.	
1	Duffedar ...	8	0	0											
	Measurers at 5 Rs each.	20	0	0	2	Measurers at 4 Rs each.	8	0	0	Employed for 1½ month during do. for measur- ing Salt.					
17,620	9	4	1	Kolkars at 4 Rupees each.	7½	0	0	20	Kolkars at 4 Rupees each.		80	0	0		10 Kolkars employed for 2 months, and 10 for 3 months, for watching the Salt pans at the time of manufacture.
17,886	10	4	4												
			18												
87,942	14	11	28		196	0	0	24			100	0	0		
29,314	4	11½													
3,133	4	0	1	Shanbogue...	10	0	0	2	Kolkars at 4 Rupees each.	8	0	0	Employed for 3 months during the time of ma- nufacturing Salt for watching the Salt pans.		
5,573	14	5	1	Measurer ...	5	0	0								
6,762	8	6	2	Kolkars at 4 Rupees each.	8	0	0								
15,469	10	11	4		23	0	0	2		8	0	0			
5,156	8	11½			.....					.....					
1,00,867	2	4	1	Mootsudy ...	30	0	0								
			1	Goomasta ...	14	0	0								
			1	Shanbogue...	8	0	0								
			1	Shroff ...	10	0	0								
			1	Duffedar ...	8	0	0								
1,09,037	11	8	4	Measurers at 5 Rs. each.	20	0	0								
1,40,629	15	6	5	Kolkars at 4 Rupees each.	32	0	0								
3,50,534	13	6	17		122	0	0								
1,16,844	15	2			.....										
4,373	4	6	1	Shroff ...	5	0	0								
			1	Measurer ...	3	8	0								
2,305	3	7	2	Kolkars at 4½ Rs. each.	9	0	0								
4,267	15	5	1	Ditto. ...	4	0	0								
10,946	7	6	5		21	8	0								
3,648	13	2			.....										
523	12	7	2	Kolkars at 4 Rupees each.	8	0	0								
1,008	5	5													
295	6	3													
1,827	8	3	2												
609	2	9	56		.....										
4,66,721	7	1			370	8	0								
1,55,573	13	0½													
The duties connected with the Salt Department at this Station are conducted by the Land Customs Sheristadar of Ankola on 1½ Rs. pay, and another Sea Customs Goomasta on 6 Rs, there being no separate person appointed for the work. Here the work connected with the Salt Department is performed by a Land Customs Shanbogue on 7 Rs. who besides his own duties attends to those of the Salt Department also.															

The duties connected with the Salt Department at this Station are conducted by the Land Customs Sheristadar of Ankola on 14 Rs. pay, and another Sea Customs Goomasta on 6 Rs, there being no separate person appointed for the work.

Here the work connected with the Salt Department is performed by a Land Customs Shanbogue on 7 Rs, who besides his own duties attends to those of the Salt Department also.

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

Name of Ta-looka in which Salt Station is situated.	Name of Salt Station.	No. of Pans subordinate to Station.	Year.	Quantity of Salt manufactured including wastage.	Actual or Estimated value of Salt manufactured including wastage.	Value of Salt sold by Government on every account, Home, Inland, sent to other Districts, &c., &c.	Extra Revenue.
1	2	3	4	5	6	7	8
				I. Mds. S. T.	RS. A. P.	RS. A. P.	RS. A. P.
HONORE...	Coompta...	36	1859-60	29,537 21 71	3,099 5 2	26,938 6 4	11 8 1
			1860-61	60,139 22 10	6,374 12 5	27,340 10 0	164 9 10
			1861-62	53,464 9 65	5,667 3 4	33,045 8 10	636 0 10
			Total...	1,43,141 13 66	15,141 4 11	87,344 9 2	812 2 9
			Average.	47,713 31 22	5,047 1 7 ²	29,114 13 8 ³	270 11 7
	Sihrally...	67	1859-60	36,510 22 51	3,845 9 8	9,600 12 8	3 13 5
			1860-61	32,711 14 12	3,467 5 5	8,368 14 0	1 15 11
			1861-62	60,557 12 06	6,418 6 10	1,811 3 2	7 6 10
			Total...	1,29,773 9 49	13,731 5 11	19,780 13 10	13 4 2
			Average.	43,257 29 69 ¹	4,577 1 11 ²	6,593 9 11 ¹	4 6 8 ³
	Bheitkul...	23	1859-60	11,244 13 47	1,171 12 1	7,751 15 3	8 12 11
			1860-61	17,820 22 51	1,888 15 8	3,348 15 2	6 3 10
			1861-62	15,607 3 1	1,654 5 7	3,561 15 1	10 13 9
			Total ...	44,671 39 19	4,715 1 4	14,662 13 6	25 14 6
			Average.	14,890 26 33	1,571 11 1 ¹	4,887 9 10	8 10 2
	Byloor ...	19	1859-60	5,117 34 16	489 1 7	4,535 0 0	5 0 11
			1861-61	7,846 27 75	831 12 0	537 3 0	6 9 7
			1861-62	6,888 4 44	730 1 8	2,107 5 0	9 14 6
			Total ...	19,852 26 65	2,050 15 3	7,179 8 0	21 9 0
			Average.	6,617 22 18 ¹	683 10 5	2,393 2 8	7 3 0
	Honore ...	.....	1859-60	.....	.....	11,766 12 10	13 4 3
			1860-61	.....	.....	6,984 0 11	14 7 3
			1861-62	.....	.....	8,800 5 4	32 11 7
			Total...	.....	.....	27,551 3 1	60 7 1
			Average.	.....	.....	9,183 11 8 ¹	20 2 4 ¹

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

Total of Columns 7 and 8.		Establishment entertained at, or subordinate to, each Station on the 1st October 1862.				REMARKS.
		Fixed Establishment.		Extra Establishment.		
		Designation or Office.	Monthly Salary.	Designation or Office.	Monthly Salary.	
9	10					11
RS. A. P.		RS. A. P.		RS. A. P.		
26,969 14 5	1 Mootsudy	21 0 0	1 Shanbogue	6 0 0	Employed for 3 months during the time of manufacturing Salt. 2 of these Kolkars employed for 3½ months, and 8 for 3 months for the purposes of watching the Salt pans during the time of manufacture.	
27,505 3 10	1 Goomasta	10 8 0	10 Kolkars at 4 Rs. each	40 0 0		
33,681 9 8	1 Shanbogue	6 0 0				
	1 Shroff	7 0 0				
	3 Measurers at Rs. 4½ each	13 8 0				
88,156 11 11	8 Kolkars at 4 Rs. each	32 0 0		46 0 0		
29,385 9 3½		90 0 0	11			
9,604 10 1	1 Monegar	14 0 0	1 Shanbogue	5 0 0	Employed for 6 months during the time of transporting Salt from one station to another. Employed for 3 months, during the time of manufacturing Salt to prepare accounts. Of these 2 Kolkars employed for 3½ months, and 6 do. do. for 3 months during the time of manufacture for watching the Salt pans.	
8,370 13 11	1 Shanbogue	7 0 0	2 Measurers at 4 Rs. each	8 0 0		
1,818 10 0	2 Measurers at Rs. 4½ each	9 0 0	1 Shanbogue	6 0 0		
	6 Kolkars at 4 Rs. each	24 0 0	8 Kolkars at Rs. 4 each.	32 0 0		
19,794 2 0		54 0 0	12	51 0 0		
6,598 0 8						
7,760 12 2	1 Shanbogue	7 0 0	2 Kolkars at Rs. 4 each.	8 0 0	Employed for 3 months at the time of manufacture for watching the Salt pans.	
3,355 3 0	1 Measurer	4 8 0				
3,572 12 10	2 Kolkars at Rs. 4 each.	8 0 0		8 0 0		
14,688 12 0		19 8 0	2			
4,896 4 0						
4,540 0 11	1 Shanbogue	7 0 0	1 Kolkar	4 0 0	Employed for 3 months at the time of manufacture for watching the Salt pans.	
543 12 7	1 Measurer	4 8 0				
2,117 3 6	3 Kolkars at 4 Rs. each.	12 0 0		4 0 0		
7,201 1 0		23 8 0	1			
2,400 5 8						
11,780 1 1	1 Shanbogue	7 0 0				
6,998 8 2	1 Measurer	4 8 0				
8,833 0 11	2 Kolkars at 4 Rs. each.	8 0 0				
27,611 10 2		19 8 0				
9,203 14 0½						

Proceedings of the Madras Government, Revenue Department,
1st May 1865.

Name of Talooka in which Salt station is situated.	Name of salt station.	No. of pans subordinate to Station.	Year.	Quantity of Salt manufactured including wastage.	Actual or estimated value of Salt manufactured including wastage.	Value of Salt sold by Government on every account, Home Inland, sent to other Districts, &c., &c.	Extra Revenue.
1	2	3	4	5	6	7	8
				I. Mds. S. T.	RS. A. P.	RS. A. P.	RS. A. P.
HONORE.— Continued.	Gairsuppa...	.....	1859-60.	.....	.....	20,959 12 8	8 7 4
			1860-61.	.....	.....	40,516 5 7	9 12 2
			1861-62.	.....	.....	57,869 6 2	15 0 4
			Total...	.....	.....	1,19,345 8 5	33 3 10
			Average.	.....	.....	39,781 13 5½	11 1 3½
Total of Honore Talooka	6	145	.....	3,37,439 9 29	35,638 11 5	2,75,864 8 0	966 9 4
Average ...	.....	.....	.....	1,12,479 29 63	11,879 9 1½	91,954 13 4	322 3 1½
Grand Total of whole Collectorate	11	338	.....	9,94,915 22 16	1,03,656 6 6	7,40,608 4 0	2,944 4 5
Average ...	.....	.....	.....	3,31,638 20 58½	34,552 2 2	2,46,869 6 8	981 6 9½

Proceedings of the Madras Government, Revenue Department,
1st May 1865.

Total of columns 7 and 8.	Establishment entertained at, or subordinate to, each station on the 1st October 1862.					REMARKS.
	Fixed Establishment.			Extra Establishment.		
	Designation or Office.	Monthly salary.		Designation or Office.	Monthly salary.	
9	10					11
RS. A. P.	1 Monegar ...	...	RS. A. P.			
20,968 4 0	1 Shanbogue ...	...	10 0 0			
40,526 1 9	1 Shroff ...	...	7 0 0			
57,884 6 6	1 Measurer ...	...	5 0 0			
	8 Kolkars at 4 Rupees each	...	4 8 0			
			32 0 0			
			58 8 0			
	Fixed Extra Establishment.					
	1 Shanbogue ...	...	5 0 0			
	1 Shroff ...	...	4 0 0			
			9 0 0			
			67 8 0			
1,19,378 12 3						
39,792 14. 9						
2,76,831 1 4			274 0 0			
92,277 0 5½						
7,43,552 8 5			644 8 0			
2,47,850 13 5½						
		</				

(Signed) G. INVERARITY,
Commissioner of Customs.

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

Bombay Castle, 29th June 1863, No. 2,130.

Letter from the Commissioner of Customs, Salt and Opium, No. 135, dated 15th January 1863. —Describing the present system of managing the Salt manufacture and Excise in North Canara, and stating his opinion that the Bombay system of Salt Excise can be introduced into that Collectorate as soon as certain preliminary arrangements, as detailed, have been completed.

RESOLUTION.—Mr. Inverarity has clearly explained the difficulties which stand in the way of introducing the Bombay system of Salt Excise into the Districts of North Canara, and has pointed out the means by which these can be best overcome.

2. The Governor in Council has no doubt as to the desirability of introducing without delay the Bombay system notwithstanding these difficulties, and approves of all Mr. G. Inverarity's suggestions.

3. A road from Katgul to the Salt-pans at Saneekutta should be at once undertaken by the Public Works Department as an emergency of the season.

4. With regard to the withdrawal of the depôts, especially that at Gairsuppa, it is argued that this measure cannot be so immediately carried out, since the construction of the roads necessary to give the salt traders direct access with the salt-pans will be a work of both time and expense, requiring a careful survey of the lines proposed; and therefore, as a temporary measure, it is suggested that Government shall as hitherto purchase the salt from the manufacturers and have it conveyed to the stores at Gairsuppa, from which it should be delivered to the carriers from Mysore at a price which will cover the outlay of Government in the purchase and transport of the salt, and in addition to such price the Bombay rate of excise per maund should be levied. In this manner it is argued the carriers would become accustomed to the Bombay system of excise, and that when the communication between Gairsuppa and the pans is opened out, it would be a matter for their consideration whether or no they themselves could obtain and carry the salt cheaper between the pans and Gairsuppa than the terms on which Government would supply it to them at that place.

5. It is not, however, by any means clear that there would be any difficulty in inducing private dealers to take the depôts into their own hands and enter into arrangements for keeping up a sufficient supply of salt for sale to the carriers on terms which would not reasonably exceed the cost of the article from the manufacturers, and of its transport to the depôts. If private individuals are willing to do this, the use of the Government godowns might be given to them on payment of a moderate rent.

6. The Commissioner may also be empowered to deal with the Government Kotars or Storehouses as he thinks best, with a view of overcoming the opposition and obstacles which may be raised by the salt manufacturers in respect to the storing and preservation of their salt; the plan proposed in paragraph 18 of the Commissioner's letter, or any other he thinks preferable, may be adopted.

7. It is, however, desirable that the system of storage which is elsewhere practised in the Bombay Presidency should, if possible, be introduced into North Canara; and the Governor in Council perceives no reason why, if that system answers in the Goa territories, where the fall of rain is as heavy as it is in Canara, it should not answer in the latter place also.

8. It would, perhaps, be advisable to obtain the services of a few experienced manufacturers from the Goa territory, and through their agency have a certain quantity of salt at each place of manufacture stored at the Government risk according to the Bombay system; the practicability or otherwise of the Bombay system of storage would then be fully tested in a way satisfactory to the manufacturers themselves.

9. For the successful working of the Bombay system, it is necessary that the Establishments should be organized in accordance with the plan of administration followed in the Bombay Presidency; this will entail considerable additional charge over the existing Establishments, but to what extent Mr. Inverarity has not shewn.

10. He states that until it is ascertained how far new pans are opened out near Sudashewghur, Honore, and Ankola, he is unable to propose the extent of the increases required. These he should take into consideration, but in the meantime, he may appoint a Sir-Karkoon to each Talooka, on a salary of Rupees 125 per mensem, with a suitable Establishment, making such reductions in the existing Establishments as these arrangements will allow him to effect.

11. With regard to all other Establishments, he should make such additions and alterations as he finds necessary, giving intimation whenever any change takes place to the Civil Paymaster, who should be authorised to pass all his Bills for a period of six months. At the expiration of that period, Mr. Inverarity will probably be in a position to state what is likely to be required as the permanent Establishment under the Bombay system.

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

12. He should be empowered to depute one of his more experienced Assistants to take charge of the Customs and Salt Departments in North Canara. These arrangements should be reported for approval to the Government of India.

13. With regard to the Salt on hand belonging to Government, there is no statement of its quantity, nor of how it should be disposed of; but the total quantity is, the Governor in Council believes, nearly a year's supply, and if so, it may materially lessen the difficulties of introducing the new system, which is less artificial than that heretofore in use.

14. Probably the best way would be to sell the salt to the highest bidder as it stands at the commencement of the next fair season, subject to the payment of the ordinary Bombay excise when it leaves the store, just as Bombay salt is liable to excise when it leaves the pans. It would then be the interest of the wholesale purchasers of the Salt to communicate with the carriers and dealers who come down to the coast for salt, and to get over any petty difficulties which may arise in changing the system from a Government monopoly to a simple excise.

15. As the system to be introduced is the more simple and natural one, the self-interest of all the various parties connected with the trade will doubtless arrange everything in the manner best calculated to obviate all difficulties, but at first it may be necessary to watch lest, from want of information or other cause, the natural substitute for the direct agency of Government should not come into operation sufficiently soon after the agency of Government is withdrawn to obviate all risk of inconvenience from a short supply of this necessary of life.

16. Copies of Mr. Inverarity's report, and of the Government Resolution on it, should be sent to the Superintending Engineer, with a view to the preparation of the Surveys and Estimates of the roads required, and to the Collector, who should be requested to forward copies to each of his Assistants, to the Superintendent of Police and the Conservator of Forests, and to each of the European Firms established in Canara, and the results should also be communicated to the Native trading communities at the principal centres of trade in the coast and throughout the Province.

17. The Commissioner should also invite communications calculated to obviate any public inconvenience from the change of system; but he should caution the Officers of Government that nothing further is required from them beyond communicating to him any such inconvenience which may come to their notice, and that Government wishes to avoid anything like active interference on the part of Government officials with the salt trade.

18. Copies of these papers should also be sent to the Chamber of Commerce, and be placed on the Editor's table.

From G. INVERARITY, Esq., Commissioner of Customs, salt and Opium, to the Honorable A.D. ROBERTSON, Officiating Chief Secretary to Government, Revenue Department, dated Bombay, 30th October 1863, No. 2,694.

SIR,

1. I am not aware whether the Collector of Canara has obtained the sanction of Government to the rate of excise duty to be levied on salt, the produce of that District, but as the latter has now been placed under the provisions of the Bombay Regulations, I presume such order will be necessary, under the provisions of Act VII. of 1861, Section 2.

2. For the reasons given in paragraph 7 of my Report No. 135, of the 15th January last the rate of excise on all salt already in store in Canara will require to be continued at the old standard of Rupees 1½ per Maund, although when the new stores are received the duty may be reduced to the ordinary Bombay level of Rupees 1¼ per maund.

3. I have therefore the honor to recommend that the sanction of the Government of India be obtained by telegraph to the rate of excise on salt produced in North Canara being continued, until further orders, at the rate of Rupees 1½ per Indian maund, and that the duty upon salt imported by land into the same District from Foreign Territory be at the rate of Rupees 1-6-0 per maund, as already explained in paragraph 10 of my letter above quoted.

4. Without such order being issued, I fear the rate of Rupees 1-4-0, directed in the Government Notification of 13th April 1861, might be held applicable to Canara.

Proceedings of the Madras Government, Revenue Department,
1st May 1865.

From A. D. ROBERTSON, Esq., Officiating Chief Secretary to Government, to G. INVERARITY, Esq., Commissioner of Customs, Salt and Opium, dated Bombay Castle, 5th November 1863, No. 3,927.

SIR,

No. 2,694, dated 30th October 1863, relative to Salt Excise in Canara.

With reference to your letter marginally noted, I am directed by His Excellency the Governor in Council to request that you will be so good as to state why the instructions conveyed in paragraph 14 of the Resolution No. 2,130, dated the 29th June last, have not been carried out.

From G. INVERARITY, Esq., Commissioner of Customs, to the Honorable A. D. ROBERTSON, Officiating Chief Secretary to Government, dated Bombay, 6th November 1863, No. 2,738.

SIR,

1. In reply to your letter No. 3,927, of the 5th instant, I have the honor to point out that salt imported by land, as well as that removed from the pans, is included in my letter No. 2,694, of the 30th ultimo, and even supposing a fresh Notification regarding the rate of excise at the pans not requisite, it is still necessary in respect to salt imported into Canara from Goa.

2. But in regard to paragraph 14 of the Government Resolution No. 2,130, of the 29th June last, I did not understand that it was intended by Government the salt in store should be removed at all risks at the lower rate of Rupees 1½ per maund; because, since the Bombay Regulations have been introduced, a considerable portion has been sold at the higher rate of Rupees 1½ and is still being sold at this price, while I am led to understand that there will be no difficulty in clearing the stores at the same rate before the new Stock comes in; regarding this, however, I shall be better able to determine when I reach Canara, for which I propose leaving by the next steamer.

3. All the salt still in store in Canara has been purchased by Government, and the higher rate of Rupees 1½ per maund is put out to cover all charges which have been incurred on the account; to sell the salt now at Rupees 1½ per maund would be a clear loss to Government of about four Annas per maund, a loss which it would be needless to incur if the stock can be got rid of at the old rates.

4. I may also add that Canara has been subject to the Bombay Regulations since the 16th April last, while the Government Resolution No. 2,130 is dated the 29th June; irrespective, therefore, of the one and a half Rupee rate, which has been obtained since the latter date, all salt sold between the middle of April and end of June, was disposed of at the same rate, and the proceeding will not have been legalized without the Notification suggested in my letter of the 30th ultimo.

Revenue Department, Bombay Castle, 12th November 1863, No. 3,930.

RESOLUTION.—The Commissioner may be informed that the issue of a Notification, as suggested in the 4th paragraph of his letter No. 2,738, dated 6th instant, seems uncalled for to legalize the transactions since the 16th April, as these transactions cannot be looked upon as a levy of an excise duty, but consisted simply of sales of salt, the property of Government, at a regulated price.

2. He may also be informed that Government intended by their Resolution No. 2,130, dated 29th June 1863, that the Bombay excise system should at once be introduced into Canara; they accordingly directed that the salt in store should be sold to the highest bidder, subject to the condition "of the payment of the ordinary Bombay excise when it leaves the stores, just as Bombay salt is liable to excise when it leaves the pans."

3. The Governor in Council apprehends that Government will not lose by this arrangement, for the salt, as it stands in store, will probably realize from 2 to 4 Annas per Indian Maund. But should a small loss even be incurred, the amount will, His Excellency in Council considers, have been advantageously expended, if private traders are thereby induced to relieve Government of all concern in the salt trade.

Proceedings of the Madras Government, Revenue Department,
1st May 1865.

4. With regard to the excise on salt imported from foreign territory by land, His Excellency in Council sees no grounds for levying it in Canara at a rate different to that at which it is levied elsewhere in the Bombay Presidency.

(Signed) A. D. ROBERTSON,
Officiating Chief Secretary to Government.

(True Copy.)

(Signed) H. E. JACOMB,
Officiating Under Secretary to Government.

No. 1. Proceedings of the Board of Revenue, dated 14th September 1864, No. 6,041.
Read the following letter from G. A. BALLARD, Esq., Collector of Malabar, to W. HUDLESTON, Esq., Secretary to the Board of Revenue, dated Calicut, 31st August 1864, No. 219 :—

SIR

1. I intended addressing the Board regarding the subject of their letter to Government, noted regarding the supply of salt to Malabar some time ago, but pressure of other work and desire to obtain certain information from the old records has hitherto delayed my doing so.

I have not yet got all the information I wished, but as I respectfully desire consideration of these remarks before Government pass orders on the Board's Proceedings above quoted, I now address you.

2. The Board start with the premise that salt cannot be locally manufactured in Malabar, and that Government infringe the principle on which objection is taken to inland Depôts by supplying Malabar at all. Following the same line of argument, the Board object to my objections to a rate of Import duty that will raise the price of Bombay salt from Rupees 1-8-0 the maund (at which it is now procurable at our Depôts) to about Rupees 1-14-3 the maund, and ask why I should object to a price below that which now rules in some inland Districts?

3. I beg to point out that though the climate and soil of Malabar do not offer the same facilities for the manufacture of salt as are found in some other parts of India, that it is by no means the case that salt cannot be manufactured in the District. For many years after the British assumption the whole home consumption was supplied by local manufacture.

When and how this manufacture definitely ceased, I have not clearly ascertained; but it is evident from the general correspondence that the action of Government for the better working of their salt monopoly tended to foster the importation of Bombay salt to the gradual and eventually complete expulsion of the local article. The local manufacture was to suit the Government monopoly constantly restricted and interfered with. Government undertook the importation of foreign salt, and the local manufacture died out.

4. My predecessors decided on not urging Government to foster the re-introduction of local manufacture, and viewing the salt arrangements as they then existed, and still exist, I took the same view.

But had Government action not been brought to bear on the subject, as far as I can judge, there is no doubt whatever that Malabar would still be producing her own salt, and that her people would have been able to get their home supplies nearly if not quite as cheaply as the inhabitants of any Eastern Coast District now get theirs.

5. Can Government, having mainly by the action of its monopoly, put this out of the power of the people now of a sudden discover that its bearing any portion of the cost of the introduction of salt from Bombay is contrary to sound principle, and therefore declare that Malabar must, as regards salt, take its place as an inland District?

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

I respectfully say that with fairness it cannot. As I observed in my letter to Mr. Clarke, these appeals to plain principles would be irresistible, and the action on them easy if the principles had been allowed to work all along, and had not been totally disregarded in working a monopoly for years.

Dated 10th August 1863, No. 2,631.

6. In all fairness arrangements should be made that will allow of the provision of a supply of salt at the Sea Coast Towns of Malabar at something like the cost at which the article would have been obtainable had local manufacture continued until at least fair opportunity is given for the re-establishment of the manufacture if the people choose to undertake under the altered system of action in the matter by Government.

7. In conclusion I beg to add that I expressed a hope that salt prices would never rule in Malabar even at a standard which I learn is lower than that obtaining in some inland Districts, because I cannot but look on the ruling of such prices for such an article as a great evil, the prevalence of which in other Districts does not make me less desirous to deprecate its extension to mine.

8. In a District like this it is not merely or even principally that the price of the salt a man and his family consume with their food, is affected.

9. Salt-fish is a great article of trade. Salt is a valuable manure for the cocoanut. High prices tend to cripple every branch of trade into which the use of salt enters largely, and thus they indirectly as well as directly act injuriously on the community.

1. Ordered to be submitted for the consideration of Government, in continuation of the Board's letter dated 11th May 1864, now before them.

2. Mr. Ballard is wrong in supposing that the Board base their recommendations on the belief that salt cannot be manufactured in Malabar. On the contrary the Board are fully aware in late years pressed on the Collector to a considerable extent, and the Board for some time manufacture, but their efforts met with no success, and in their late letter to Government they merely stated what has been reported over and over again to them, viz., that in the opinion of the local officers the manufacture of salt could not be revived in Malabar.

3. The Board however observe that there is nothing whatever in their scheme to prevent the renewal of the manufacture if it should be found that it can be carried on under an excise so as to produce an article that can compete with imported Madras or Bombay salt, and the Board think it highly probable that this can be done, especially if the Bengal system of manufacturing "Punjab" salt or by boiling brine, be tried. The Board suggested this some years ago, but they are not aware that any actual experiment was made.

4. If Mr. Clarke is correct in his estimate of the cost of manufacture on the Western Coast, then the Excise Duty would merely raise the price to an equality with the Eastern Coast salt at the place of manufacture; but even after allowing for greater cost of manufacture, the cost of carriage from the East Coast or from Bombay will still leave a considerable margin in favor of the local manufacturer of a saleable article.

5. The Board quite agree with Mr. Ballard that it is highly desirable everywhere to keep the price of salt as low as possible; but they see no reason whatever for advocating exceptional treatment in the case of Malabar.

6. The salt tax is a State necessity, and it is only fair that Malabar should bear its due share of the resulting public burden.

7. This, under the arrangement hitherto existing, she has not done, and other Districts have been paying for her benefit to the extent of the amount by which the profit to Government on salt sold in Malabar was less than the profit elsewhere on salt sales.

8. The Board consider it impossible that this state of things can be allowed to continue, and they only hope that the people of Malabar will be as strongly impressed as the Collector is, with the feasibility of a local manufacture which will give them all the advantages of their Coast position over the Inland Districts to which sea salt can only be supplied at a heavy additional cost for carriage.

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

ORDER THEREON, 1st May 1865, No. 889A.
No. 10E.

Separate Revenue, No. A.
Salt.

1. The above papers are Mr. T. Clarke's report on the Salt Depôts of Malabar and South Canara, and the Board's opinion on his proposals to abolish the Inland Depôts of South Canara, and to introduce the Excise system in both Districts.

2. The District of South Canara comprises an area of 4,000 square miles, and has a population of 788,000 souls. Its seaboard is 138 miles in length, and it has 24 Salt stations, as shown in the margin.

6 Inland Depôts for sale only.
8 Coast do. for do.
10 Depôts for manufacture and sale.

3. The District is supplied partly by manufacture (in the Kundapur Talook) and partly by importation from Bombay, Goa, and (exceptionally) Tinnevely. The marginal table shows the quantity imported during six years.

Fusly.	Bombay.		Goa.		Tinnevely.		North Canara.		Total.
	Indian Maunds	Cost per 120 I. M.	Indian Maunds	Cost per 120 I. M.	Indian Maunds	Cost per 120 I. M.	Indian Maunds	Cost per 120 I. M.	
		RS. A. P.		RS. A. P.		RS. A. P.		RS. A. P.	
1267 ..	55,200	49 0 0	98,280	22 5 0	1,94,280	69 14 0	..	..	1,53,480
1268 ..	..	..	47,040	38 10 0	1,21,920	45 5 0	..	..	2,41,320
1269 ..	96,960	55 0 0	6,280	46 0 0	1,14,240	60 14 0	..	..	2,24,160
1270 ..	2,61,240	58 8 0	99,840	48 0 0	..	..	98,160	27 14 0	4,75,320
1271 ..	6,840	45 3 0	..	..	..	..	1,06,080	21 0 0	1,05,000
1272 ..	2,56,320	46 12 0	720	24 0 0	..	..	..	..	3,63,120

Sales.

Fusly.	Indian Maunds.	Rs.
1267 ..	3,11,112	3,12,696
1268 ..	3,22,432	3,25,334
1269 ..	3,11,384	3,52,574
1270 ..	3,14,865	3,82,953
1271 ..	3,19,897	4,79,156
1272 ..	3,68,480	5,52,268

4. The sales in the same period have ranged from Indian Maunds 3,11,112 in Fusly 1267 to 3,68,480 in Fusly 1272, the increase in six years having thus been Indian Maunds 57,361. The gross revenue has risen from Rupees 3,12,696 to Rupees 5,52,268, but in the interval the Monopoly price has been raised from Rupees 1 to 1½ per Indian Maund.

5. The charges (excluding wastage) are high, and in Fusly 1272 the net profit on each Indian Maund sold at Rupees 1½ was only Rupees 1-0-9.

6. The home sales in Fusly 1272 were Indian Maunds 1,81,440 equivalent to nearly 20lbs. per head of the population. Little reliance can however be placed on calculations of this kind, as the declared destination of Salt of this kind in South Canara should be so

cannot be verified, and it is improbable that the rate of consumption is much higher than elsewhere.

7. The quality of the Salt manufactured in South Canara is inferior, small in grain, of dirty color, and wanting in pungency. The two first defects are attributed by Mr. Clarke to hurried and careless manufacture, and the want of pungency to the brine not being sufficiently concentrated. The heavy monsoon and humid atmosphere of the Western Coast renders the manufacture of superior Salt a matter of extreme difficulty, but Mr. Clarke considers that considerable improvement may be effected by commencing the operations early. The Goa Salt very much resembles that of Canara. The Bombay Salt, though much mixed with dirt and very impure, is a good article—the crystals are fine and hard and it stands carriage

Fusly.	Cost of Salt.	Estimate and extra charges.	Total.	Per Indian Maund.	Net Revenue.
	RS.	RS.	RS.	RS. A. P.	RS.
1268 ..	1,24,286	27,349	1,51,635	7 6 0	1,73,699
1269 ..	1,17,286	22,026	1,39,312	7 2 0	2,13,262
1270 ..	2,21,302	30,601	2,51,903	12 10 0	1,31,080
1271 ..	35,494	19,341	54,835	2 9 0	4,24,321
1272 ..	1,13,375	29,705	1,43,079	6 3 0	4,09,188
Average...	1,22,343	25,804	1,48,153	7 3 0	2,70,310

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

well. A measure of it is equal in pungent qualities to one and a half or even two measures of Canara and Goa Salt, and it is much preferred by the inland dealers to any other description. Mr. Clarke believes that the home merchant also would purchase it in preference to the indigenous Salt, if it were not reserved for the inland trade.

8. In Canara, Salt is still received and sold by measurement. Mr. Clarke does not explain why weighment has not yet been introduced, and on this point the Board will report. The official equivalent of the Garce of 120 Indian Maunds is 424 Mercals, and Salt is received and sold, and accounted for to the Board at this rate. The local accounts, however, are kept in Garces of 400 Mercals, and in the case of Salt imported from Bombay, the certificates which have to be produced to the Bombay authorities in proof of the Salt having been really conveyed to the District, are framed on a different calculation. From each ship load 60 Maunds are weighed out and measured by Mercals, the result forms the standard of conversion for that ship load, and the certificate is prepared accordingly. Mr. Clarke states that by a large number of experiments it has been ascertained that from 360 to 390 Mercals of Bombay Salt are equal to a Garce or 120 Indian Maunds. The importer, however, is said to be paid at the rate of 424. This complicated system is not creditable to the local officers, and it is surprising that it should so long have escaped the notice of the Board. The local accounts should be kept on the same principle as those rendered to the Board, and as the shipments from Bombay are by the parah, the Salt should be similarly received and the certificates should show the number of parahs landed, a certain quantity being carefully weighed and measured, in order to supply the standard of conversion for entry in the District accounts. The introduction of weighment should not be delayed any longer, and probably the Malabar parah will be best adapted to the District, on this point the Board can consult Mr. Clarke. The present method of measurement is evidently both tedious and expensive. Correct weights should be supplied without loss of time.

9. Mr. Clarke states that except in a few places, the Salt is stored in bulk, and he recommends that the store-rooms be divided into compartments, holding from 10 to 15 Garces each, and that a discount of 5 per cent. be allowed to purchasers of the contents of entire compartments. The sub-division of the store-rooms should be ordered at once, but if, as seems to be the case, the store-rooms are substantial water-tight buildings, the Board will consider whether a lower rate of discount would suffice; 5 per cent. is the rate allowed in the Eastern Coast, where the Salt is stored in thatched heaps on open platforms for months together, but the greater humidity of the climate on the Western Coast and the character of the Salt may perhaps render a similar rate necessary notwithstanding that the Salt is kept in store-rooms.

10. Mr. Clarke states that Salt is usually delivered and measured into store at the expense of the importer, and when sold in large quantities is also measured at the expense of the purchaser. The former arrangement is fair enough, as the expense is included in the contract price, but the purchaser cannot fairly be saddled with this expense.

11. The price of Bombay and Goa Salt has risen greatly of late years, owing to the article ceasing more at Bombay and Goa, to freight having risen, and to the competition of the Travancore and Cochin States. From Fusly 1262 to Fusly 1266 the price paid in Canara for Bombay Salt averaged 22½ Rupees per Garce, while in the following six years it has averaged Rupees 50.

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

12. Mr. Clarke calculates the cost of indigenous Salt at 4 Annas 6½ Pice per Indian Maund, while Bombay Salt costs 9 Annas. But notwithstanding this great difference, he deprecates any augmentation of the home manufacture on the present system. Making allowance for wastage, about half the home consumption is as much as can be supplied with any degree of certainty from the existing pans; to increase the supply it would be necessary therefore to open new pans and bring into use those which have been abandoned. The manufacturers, however, refuse to add to the number of their pans unless the price paid by the Government is considerably enhanced, and owing to the natural features of the country it would be impossible to prevent wholesale smuggling. Even with the present number the guarding of the pans, Mr. Clarke states, has hitherto been little more than nominal. Mr. Clarke estimates the minimum number of guards required merely to watch the pans during manufacture at 44, while the number at present employed is only 27. This should engage the Board's immediate attention in communication with the Collector and the Inspector General of Madras Police.

13. The reduction of the number of places of store attached to the Kundapur works seems very desirable, and those retained should be opened out, with good roads. Stores accessible only "by going over paddy fields or walking on narrow bunds" must be almost useless, and as might be expected the sales at several of them are very small. Moreover, the reduction of the stores will admit of the convenience of purchasers being more consulted than is now the case. The manufacturers may fairly claim some additional remuneration for the extra expense of bringing their salt to store, but this may be met by savings in the establishments, which cost Rupees 11,133, while those of Malabar with a larger sale cost only Rupees 4,672.

14. In their Order of the 13th July last, Government desired Mr. Clarke to report specially on the inland Depôts maintained in South Canara, and on the expediency of increasing their number as proposed by the local authorities and the Board of Revenue.

15. The system of inland Depôts exists only in South Canara, and the questions which naturally suggest themselves are whether, on general grounds, it is expedient for Government to convey salt into the interior, and whether for special reasons the people of South Canara are entitled to the privilege of having Salt conveyed and sold to them in the interior at the same price as is charged on the coast, Government thus bearing the cost of carriage, wastage and sale. As to the first point, Mr. Clarke discusses the question in paragraphs 78 to 117 of his report, and recommends that all the inland Depôts be closed. The Board do not enter into it, as the larger change which they concur with Mr. Clarke and the local officers in recommending would lead to the Depôts being abolished as a matter of course. Under these circumstances the Government direct the cessation of further supplies to the Buntwal Depôt, the stock on hand being sold off by auction, or gradually as the Board may determine. The other places may be retained for the present, the cost of carriage and wastage being added to the price charged for the Salt. Mr. Clarke also proposes that the coast Depôts be reduced to eight, and the manufacturing places to four or five, which he considers quite sufficient for the requirements of the District. This may be at once done, if the Board and Collector concur with Mr. Clarke. Measures should be immediately taken to place the roads to the retained stations in good order.

16. Mr. Clarke speaks in high terms of the Deputy Collector in charge of the Salt, Mr. J. Ball, and attributes the large sales in Fusly 1272, mainly to his zeal and activity. The Collector will inform Mr. Ball that the Government appreciate his conduct.

Malabar.

17. The Malabar District comprises an area of 6,262 square miles, with a population of

1,709,000 souls. Its seaboard is 140 miles, along which there are eight Salt Depôts.

18. The District is supplied with Salt entirely by importation, the home manufacture was discontinued in 1844, and though attempts have been made of late years to revive it they have been unsuccessful, and it is now generally believed that good Salt cannot be produced at a remunerative price. The imports during the last six years are entered in the margin.

Fusly.	Indian Maunds.		Cost per I. M.		
			Rs.	A.	P.
1267	5,22,960	...	41	4	0
1268	4,96,200	...	50	1	0
1269	8,71,280	...	59	10	0
1270	5,86,080	...	54	9	0
1271	3,75,120	...	49	14	0
1272	4,53,120	...	40	0	0

Proceedings of the Madras Government, Revenue Department,
1st May 1865.

19. The sales in the same period have ranged from 4,57,395 Indian Maunds in Fusly 1267 to 4,43,680 Indian Maunds in Fusly 1272, the decrease having thus been 13,715 Indian Maunds

Fusly.	Indian Maunds.
1267	4,57,395
1268	4,54,118
1269	5,23,458
1270	4,14,015
1271	4,45,118
1272	4,43,680

The sales of the last three years are all lower than those of the three first years of the series. This falling off is ascribed by Mr. Clarke mainly to the introduction of Salt from the Cochin territory into the southern part of the District. The Cochin Monopoly price being only Rupees 12 per Indian Maund, not only on the coast but at inland Depôts, while the Malabar rate is double at the coast, the inducement to introduce Cochin Salt is great, and the unprotected frontier renders it impossible to prevent such smuggling. The Customs arrangement with the Cochin State, which is now being carried out, includes assimilation of the Salt duty in both territories, and the evil will thus be remedied in the simplest and most effective manner. The net loss owing to this smuggling is estimated at about Rupees 1,50,000 annually.

Fusly.	Rs.
1267	5,28,807
1268	5,32,778
1269	6,44,837
1270	5,45,865
1271	6,58,589
1272	6,57,997

20. The gross Salt revenue of Malabar has risen from Rupees 5,28,807 to Rupees 6,57,997, owing of course to the recent augmentation of the Monopoly price. The increase over Fusly 1269, when the price was Rupees 1-4-0, is however very small.

21. The net revenue of each of the last five years is shown in the following table. It amounted in Fusly 1272 to five lacs of Rupees, the cost of Salt having fallen considerably in that year.

Fusly.	Cost of Salt.	Establishment and extra charges.	Total.	Per Indian Maund.	Net revenue.
	Rs.	Rs.	Rs.	Rs. A. P.	Rs.
1268	2,07,048	5,007	2,12,055	0 6 10	3,23,361
1269	1,84,468	6,409	1,90,877	0 8 3	4,14,550
1270	2,66,497	5,328	2,71,825	0 11 7	2,00,554
1271	1,55,918	5,008	1,60,924	0 4 5	4,97,643
1272	1,51,144	6,469	1,57,613	0 5 7	5,00,393
Average.	1,93,015	5,644	1,98,659	0 6 10	4,13,330

22. The home sales in Fusly 1272 were Indian Maunds 3,20,872, equivalent to 15lbs. per head of the population. The inland sales were 1,22,808, and have fallen off of late years owing, in Mr. Clarke's opinion, to the introduction of Cochin Salt.

23. In Malabar, Salt is received and sold only by weight. Beam scales suspended from a triangle are in use and seem to answer well, but the weights in use are not true. Correct weights as well as standards should be procured without delay.

24. Mr. Clarke states that weighing is greatly in favor of the importer. Salt is sold in Bombay by the parah measure, and according to Mr. Clarke's experiments the importer receives from 12 to 22 per cent. more by measurement than he delivers by weight at Calicut. As a consequence, the price of Salt which used to be 30 per cent. lower in Canara, where it is received by measurement which is rather against the importer, is now slightly lower in Malabar than in Canara. The proper course, however, is to receive the Salt by the parah in which measure it is shipped, the supply being then brought to account in Indian Maunds after carefully ascertaining by experiment the proper rate of conversion.

25. The necessity of preparing the certificates in parah is shown by the fact that, notwithstanding this large gain by weight, the deliveries at Calicut are generally below the quantity shipped by measure, and not unfrequently below the further allowance of 10 per cent. for wastage. There can be little doubt that much of this excess is smuggled into the District as has long been

Proceedings of the Madras Government, Revenue Department,
1st May 1865.

suspected. The Bombay Government will be addressed on this subject, and urged to charge duty on all short deliveries without making any allowance for wastage, which the importer can recover by raising his rate.

26. The price of Salt in Malabar as in Canara has risen of late years, and for the same reasons. From Fusly 1262 to Fusly 1266 the average price was Rupees 30-5-0 per Garce, while the average of the six following years is 49-3-0. In Fusly 1272 the price fell to Rupees 40, but in the current year enhanced prices and scarcity have compelled the Board of Revenue to send Salt by rail from Madras.

27. The practice of making the purchaser pay for weighing out the Salt he buys should be discontinued.

28. The Government will now consider the important questions of abolishing the Monopoly and substituting an Excise on the home manufacture, and of abandoning imports on behalf of Government.

29. Both questions have been before the Government on former occasions. In 1855 they instructed the Board to consider whether it was necessary for them to import foreign Salt into Malabar and Canara, since all Salt was admissible at a fixed rate of duty. In the following year they determined on discontinuing such importations from the 30th June 1857, raising the price of Bombay Salt at the Government stores to the actual cost plus the general duty of 14 Annas per Indian Maund, and reviving the manufacture of indigenous Salt. Owing, however, to the private imports continuing quite inadequate to meet the requirements of the District and the failure of the manufacture in Malabar, the period fixed for discontinuing imports on Government account was extended from year to year and the question has remained in abeyance.

30. The question of substituting the Excise for the Monopoly system throughout the Presidency was fully discussed in the report of the Salt Commissioner, Mr. Plowden. That gentleman admitted that, regarded simply as a plan for the realization of an indispensable revenue, the Salt Monopoly under the Madras Presidency did not afford much room for practical objection, but on the general ground that a Government Monopoly of a great article of consumption was contrary to true principle, and could not fail to be productive directly or indirectly of injurious consequences, he recommended the adoption of measures for the gradual introduction of the Excise system, throughout the Presidency, and its immediate introduction on the Western Coast.

31. The Home Government also approved of this measure and the Government made preparations to carry it out, but the necessity of first re-organizing the Salt Establishment and placing the preventive service on an efficient footing prevented further action.

32. As regards Canara, Mr. Plowden recommended that the manufacture should at once be excised, and that the whole quantity of Salt required for the consumption of the District, and not supplied by private manufacture or importations should be purchased by Government from Bombay. As regards Malabar, he recommended that immediate permission to manufacture under Excise regulations should be granted, but as to the importation of Salt, more necessary there than in Canara, owing to the absence of all local supply, he was altogether silent.

33. The present Collector of Malabar, Mr. Ballard, recommends that the duty on foreign Salt be at once reduced to Rupees 1-2-0, which he calculates to be the present net profit realized by Government, and that the price of Government Salt be raised to Rupees 1-12-0. He expects that the difference between these rates will a limit of private Salt being imported at a profit, and when the trade is firmly established, he contemplates the entire discontinuance of Government importations. The Collector of South Canara, Mr. G. L. Morris, advocates a similar course, the local manufacture being simultaneously excised.

34. Mr. Clarke entirely concurs with Mr. Ballard in the desirableness of transferring the trade in Salt to the private merchant, but he believes it would be better at first to confine the

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

experiment to the withdrawal from the import trade and the imposition of an Import duty of Rupees 1-2-0 per Indian Maund on Salt imported into both Districts, reserving the question of excising the manufacture in Canara, for consideration, if the more limited experiment succeeds.

35. The Board of Revenue advocate the discontinuance of Government importations and the excising of the manufacture in Canara.

36. The Government have, as above stated, already assented to much of what is now proposed, and have endeavoured to transfer the trade to private enterprise. Their efforts however have entirely failed, owing, without doubt, to the Import duty being too high in comparison with the Monopoly price.

37. The present rate of Import duty on foreign Salt is Rupees 1-6-0 per Indian Maund. Mr. Ballard proposes that Rupees 1-2-0 be fixed for Malabar, this being about the net profit realized by Government in that District. The Collector of South Canara, Mr. G. L. Morris, appears to concur in this recommendation. In paragraph 137 of his report Mr. Clarke advocates 1 Rupee, as the rate at which alone he conceives the experiment on the Western Coast would have a fair chance of success, but in paragraph 143, he names Rupees 1-2-0. The Board advocate the retention of the same rate, viz., Rupees 1-6-0, as on the Eastern coast.

38. The Government concur in the argument of the Board, that the people of Malabar and Canara are well able to contribute as much to the revenues of the State as the general population of the country. The rate of duty named by the Board is, however, in excess of the present tax. Mr. Clarke shows that owing to the increased price which Government are now obliged to pay for Salt, the cost of a Maund on the Eastern Coast averages about 3 Annas, and if the price of Salt on the Western Coast be taken into consideration, as it must be in framing an average, 4 Annas is a fair and sufficiently accurate approximation. This would make Rupees 1-4-0 the Excise and Import duty, and this rate has the further advantage of corresponding with the duty levied by the Bombay Government in the adjoining Province of North Canara. There is no reason why the people of South Canara or Malabar should be placed in a better or worse position than their neighbours, and a different rate of duty would lead to North Canara Salt displacing that of South Canara or *vice versa*. On the Eastern Coast it matters little whether the duty be Rupees 1-6-0 or Rupees 1-4-0, as at neither rate can foreign Salt compete with the cheap manufacture of the country. Mr. Plowden indeed recommended that the rate on the Western should be lower than that on the Eastern Coast, but the Government concur with the Board that there is no reason for any such concession. The imposition of a duty of Rupees 1-4-0 per Indian Maund will of course raise the price of foreign Salt in Malabar and South Canara to a higher standard than hitherto, but as the Board remark the price will still be very much below that paid by the people of Bellary and other inland Districts.

39. The Government resolve, therefore, to seek the sanction of the Supreme Government to reduce the Import duty on foreign Salt in Malabar and South Canara to Rupees 1-4-0 per

Imports into Malabar by private individuals.

1859-60 Indian Maunds	700.
1860-61	16,860.
1861-62	8.
1862-63	8.
1863-64	15.

Indian Maund. That the present rate of Rupees 1-6-0 is too high is proved by the experience of Government, and by the fact that private imports have almost entirely ceased as shown in the margin.

40. The Government also agree with the Board that the home manufacture in South Canara should at the same time be excised with the same duty as foreign Salt viz., Rupees 1-4-0 per Indian Maund. According to Mr. Clarke's calculations this rate closely tallies with the profit now realized by Government on the manufactured Salt of South Canara, and thus the home and foreign descriptions will compete on equal terms.

41. The Government are unable to concur in the recommendation of the Board that the stock of Salt should be sold off and that no more should be imported by Government. The example of North Canara is no guide, for that District has places of manufacture all along its coast, is not wholly dependent like Malabar on other Districts, and, moreover, adjoins the Goanese territory

*Proceedings of the Madras Government, Revenue Department,
1st May 1865.*

where the manufacture is cheap and abundant, while it is considerably nearer Bombay whence Malabar draws its supply. The Government for their own advantage suppressed the manufacture of Malabar forty years ago, and have practically destroyed the import trade. They voluntarily assumed and hitherto have fulfilled the obligation of supplying the District with Salt, and they cannot in justice or without serious hazard suddenly divest themselves of that obligation and expose the people of two large Districts to the risk of running short of a necessary of life or paying an exorbitant price for it. That this risk is not trivial is sufficiently shown by Mr. Ballard's wish to continue the Government sales though at an enhanced price, and by Mr. Morris' declaration that a certain quantity should be kept in reserve as "a total failure of Salt would undoubtedly cause most serious riots and disturbances." Mr. Plowden, as already remarked, contemplated in Canara, and no doubt in Malabar also, the importation by Government of as much Salt as might be required to supplement local manufacture and private importations.

42. The Government are decidedly of opinion that regard for the people as well as the interests of the State require that the proposed change should be introduced more gradually, and that time must be allowed for a private trade in Salt to develop itself, before Government entirely withdraws. It would evidently be useless for Government to sell foreign Salt at Rupees 1½ per Indian Maund while the Import duty is Rupees 1½ as it cannot be imported for four Annas. The proper course is for them to sell at the cost *plus* the duty. Mr. Ballard states that the cost is 6 Annas, and hence the Government price would be Rupees 1-10-0. It is possible that this rate may prove too low, but it is better to be cautious, for the Government price whether Rupees 1-10-0 as proposed, or Rupees 1-12-0 as suggested by Mr. Ballard, will practically be the ruling rate; the merchant will always keep his price just within that charged by the Government. The cost of foreign Salt in Canara is very nearly the same as in Malabar, and it is undesirable to have prices varying by a few Annas at adjoining stations. The same rate would therefore suffice for both Districts, but it is only in the southern part of Canara that Government need import, and both there and in Malabar the Government imports would be graduated by those of private individuals. Before long it may be hoped that extended manufacture in South Canara and private imports will relieve Government of the necessity of dealing in Salt. The manufacture in Malabar has proved a failure, and owing to the extreme difficulty of preventing smuggling in such a District, its revival should not be encouraged; but the Government cannot reasonably refuse to license the manufacture in unobjectionable localities, if the people desire to attempt it.

43. The measures which the Government would adopt and on no other conditions could they recommend any change, are the following:—

I.—The reduction of the Import duty to Rupees 1½ per Indian Maund.

II.—The excising of the manufacture in South Canara, at the same rate of duty.

III.—The raising of the Government selling price for all imported Salt (which alone would be sold by Government) to the same duty *plus* cost, viz., Rupees 1-10-0.

44. To carry out these measures it will be necessary to have recourse to legislation, and application will accordingly be made to the Government of India for permission to introduce a Law for this object. The draft Act prepared in 1859 will with a few modifications suffice for this purpose, and pending the reply of the Supreme Government the Board of Revenue will submit a draft of such alterations.

(Signed) J. D. SIM,

Secretary to Government.

Revenue 1865 Report
Pro: of Govt for May

A. 889 A

Pro: of the Madras Govt
of 1st May 1865

Mr. Clarke's report
within Board's opinion
thereon of salt Depots of
Malabar & South Canara
Reviewed. —

10A & 10B

Ref: 889 A
1. 1000
2. 1000
3. 1000

Ref: 889 A
1. 1000
2. 1000
3. 1000

The District of
South Canara comprises
an area of 4000 square
miles and has a population
of 788,000 souls. The
Sea

1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594	593	592	591	590	589	588	587	586	585	584	583	582	581	580	579	578	577	576	575	574	573	572	571	570	569	568	567	566	565	564	563	562	561	560	559	558	557	556	555	554	553	552	551	550	549	548	547	546	545	544	543	542	541	540	539	538	537	536	535	534	533	532	531	530	529	528	527	526	525	524	523	522	521	520	519	518	517	516	515	514	513	512	511	510	509	508	507	506	505	504	503	502	501	500	499	498	497	496	495	494	493	492	491	490	489	488	487	486	485	484	483	482	481	480	479	478	477	476	475	474	473	472	471	470	469	468	467	466	465	464	463	462	461	460	459	458	457	456	455	454	453	452	451	450	449	448	447	446	445	444	443	442	441	440	439	438	437	436	435	434	433	432	431	430	429	428	427	426	425	424	423	422	421	420	419	418	417	416	415	414	413	412	411	410	409	408	407	406	405	404	403	402	401	400	399	398	397	396	395	394	393	392	391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Sea-board is 138 miles in length, and it has 24 Salt Stations - as shown in the margin.

6. Inland Depots for sale only
8. Coast Do for Do
10. Manufacture and sale.

The District is supplied partly by Manufacture in the Bandapoor Talook and partly by importation from Bombay-Gow and (exceptionally) Trinnevelly.

The marginal table shows the quantity drawn from each of these sources.

The sales in the same period have ranged from

3,11,112 in July 1267 to 3,68,480 in July 1272, the increase

	Bombay-Gow	Trinnevelly	North Cannor	At Salt Manufacture
	Gancess Cost per C.	Gancess Cost per C.	Gancess Cost per C.	
1267.	460 - 49 - 0	1619 - 59 - 14		
1268.	-	1016 - 45 - 5		
1269.	808 - 55 - 0	952 - 60 - 14	818 - 27 - 14	
1270.	2177 - 58 - 8		884 - 21 - 0	
1271.	57 - 45 - 3			
1272.	2136 - 46 - 12			

Sales

	J. M.	Rt
J. 1267.	311,112	312,696.
1268.	322,432	325,334.
1269.	311,384	352,574.
1270.	314,865	382,983.
1271.	319,897	479,156.
1272.	368,480	552,268.

16
10 2
increased years to
having three
in 1885 J. M. 37,368.
been J. M. 37,368.
The gross receipt
of the district has
risen from
Rupees 3,12,696
to Rupees 552,268
but in the
interval the
monopoly price
has been
raised from
to 1 1/2 Rupees
per Indian Maund
The

The charges -
(excluding wastage)
are high and in
Fushi 1272 the
net profit on
each Indian
Man sold at
Rs 1 1/2 was only - 1-0-9

The Home
sales in Fushi
1272 were 1512 to
give equivalent
to nearly 20 lbs
per head of the
population. Little
relaxation can
however be placed

Fushi	Cost of salt	Extra charges	Total	Per S. M.	Net Rev.
1268	124, 286 -	27, 349 -	151, 635 -	7 - 6	1, 73, 699
1269	117, 286 -	22, 026 -	139, 312 -	7 - 2	2, 13, 262
1270	221, 302 -	30, 601 -	251, 903 -	12 - 10	1, 31, 080
1271	35, 494 -	19, 341 -	54, 835 -	2 - 9	4, 24, 321
1272	113, 375 -	29, 705 -	143, 079 -	6 - 3	4, 09, 188
<u>Average</u>	<u>122, 348 -</u>	<u>25, 804 -</u>	<u>148, 153 -</u>	<u>7 - 3</u>	<u>2, 70, 310</u>

- Yes - No duty is levied in
Fushore on the salt taken there
& consequently it is immaterial
to the purchasers whether they
state their purchases to be for
"Home" or "Island" consumption -
The salt sales must be reviewed
as a whole - W

- This is so far from a strong
argument against trying to
extend the manufacture or
to force one in new places
either in Malabar or S. Canara -
W

on calculations of this
kind as the declared
destination of salt can
not be verified and
it is improbable that
the rate of consumption
in Canara should
be so much higher than
elsewhere. The qua-
lity of the salt ma-
nufactured in Canara
is inferior - small in
grain - of dirty color
and wanting in pur-
gency. The two first
defects are attributed
by Mr. Clarke to
hurried and careless
manufacture and
the want of pungency
to the lime not being
sufficiently concentrated.
The heavy monsoon
and

and humid atmosphere
of the Western Coast ren-
ders the manufacture of
superior salt a matter
of extreme difficulty
but Mr. Clarke con-
sider^{and with}s that much im-
provement may be ef-
fected by commencing
the operations early.

The Goa Salt
very much resem-
bles that of Canara.
The Bombay Salt
though much mixed
with dirt and very
impure, is a good
article. Heavy - of
fine hard crystals. are fine & light
and stands carriage
well. A measure
of it is equal in
pungent

18 1/2
^{pungent} qualities to 1 1/2 or
even two measures
of Canara and Goa
Salt and it is much
preferred by the
Island dealers to
any other description.
Mr. Clarke believes
that the Home Mer-
chant also would
purchase it in pre-
ference to the in-
digenous salt, if
it were not reserved
for the Island trade.
In Canara Salt
is still received &
sold by measurement.
Mr. Clarke does not
explain why weigh-
ment has not yet
been introduced
and

and on this point the Board should report. The official equivalent of the garce of 120 Indian Maunds is 424 maceals, and salt is received and sold - and accounted to the Board at this rate. The local accounts however are kept in garces of 400 maceals and in the case of salt imported from Bombay, the certificates which have to be produced to the Bombay authorities in proof of the salt having been really conveyed to

to the district are framed on a different calculation. - From each ship load 60 Maunds are weighed out and measured by maceals - the result forms the standard of conversion for that ship load and the certificate is prepared accordingly. - Mr. Clarke states that by a large number of experiments it has been ascertained that from 360 to 390 maceals of Bombay salt are equal to a garce or 120 Indian Maunds. The importer however is said to be paid at the rate of 424 - This complicated system

System is not even
 = datable to the local
 officers, and it is
 surprising that it
 should so long have
 escaped the notice of
 the Board. The local
 accounts should be
 kept in garce of 424
 miscal until weigh-
 = ment is introduced,
 and the certificates
 should be computed
 at the same rate, the
 number of miscal
 in a parah being tested
 and noted on them. The
 introduction of weigh-
 = ment should not
 be delayed any long-
 = er and probably the
 Malabar plan will
 be best adapted to

Kept in the same manner
 as the accounts of the
 agents from the
 bag one by the Parah
 the certificates should
 show the number of
 Parahs landed - a
 certain quantity being
 carefully weighed &
 measured, as at present
 done, in order to establish
 the standard of
 conversion for use in the District accounts.

In Bombay it is stated
 that proportion is measured
 by the pan - when received
 in Calcutta it should also
 be measured by the pan
 - or by miscal - the miscal
 should be reduced to parahs
 and the certificates prepared
 accordingly.

I suppose that it has been
 settled that salt is coming
 where to be sold by weight -
 my own opinion is in favor
 of measuring as in our
 system of operations &
 appeals to tradition
 custom - weighing would be easier
 if proper weights were used

to the District - on
 this point the Board
 can consult Mr. W.
 Clarke. The present
 method of mea-
 = surement is evi-
 = dently both tedious
 = and expensive -
 = and - correctors
 weights should
 be supplied with-
 = out loss of ex-
 = pence.

Mr. Clarke
 states that ex-
 = cept in a few
 places, the salt
 is stored in bulk,
 and

and he recom-
-mends that the
store rooms be
divided into com-
-partments hold-
-ing from 10 to
15 garce each,
and that a dis-
-count of 5 per cent
be allowed to pur-
-chasers of the
contents of entire
compartments. The
sub-division of the
store rooms should
be ordered
at

the shed of bamboo with mud walls. I doubt the salt being exposed to damp or indeed to as little damp as here.

- Local experience requires to be attended to in this point. No comparison with the Eastern Coast can be made but the climate of the latter is much more salubrious. I do not think that a 5 per cent discount there is fair.

+ the greater humidity of the climate on the Eastern Coast & the character of the salt being there a similar rate necessary not in the land but in the salt in kept in store rooms.

at once but if, as seems to be the case the store rooms are substantial water tight buildings a lower rate of discount would suffice, as the wastage must be trifling. Five per cent is the rate allowed in the Eastern Coast where the salt is stored in thatched heaps on open platforms for months together.

Mr Clarke states that salt is usually delivered and measured into stores at the expense of the Importer, and when sold in large quantities is also measured at the expense of the purchaser. The former arrangement is fair enough, as the expense is included in the contract price, but the purchaser

cannot

cannot fairly be saddled
with this expense

The price of Bombay
and Goa salt has risen greatly
of late years owing to the
article costing more at
Bombay and Goa to freight
having risen and to the
competition of the Travancore
and Cochin states. From
Fashy 1262 to Fashy 1266 the
price paid in Canara for
Bombay salt averaged $22\frac{1}{2}$ Rs
per garce, while in the follow-
ing six years it has averaged
Rs 50.

Mr. Clarke calculates
the cost of indigenous salt
at 4 annas $6\frac{3}{4}$ pice per S.M.
while Bombay salt costs 9
annas. But notwithstand-
ing this great difference he
deprecates any augmenta-
tion of the Home manufac-
ture in the present system.
Making allowance for
wastage

! Concur - see previous remark.
Etc

wastage, about half the
Home consumption is so much as
can be supplied with
any degree of certainty
from the existing pans -
to increase the supply it
would be necessary therefore
to open new pans and
bring into use those which
have been abandoned. The
manufacturers however
refuse to add to the number
of their pans unless the
price paid by the Govt.
is considerably enhanced -
and owing to the natural
features of the country it
would be impossible to
prevent wholesale smugg-
ing. Even with the present
number the guarding
of the pans Mr. Clarke states
has hitherto been little more
than a mere pretence. Mr.
Clarke estimates the minimum
number of guards required
merely to watch the pans
during

during manufacture at 44, while the number at present employed is only 27. This should engage the Board's immediate attention in communications with the collector and the Inspector General of Madras Police.

The reduction of the number of places of stores attached to the Hindustani works seems very desirable, and those retained should be opened out with good roads. Stores accessible only by going over paddy fields or walking on narrow bunds must be almost useless, and as might be expected the sales at several of them are very small. Moreover the reduction of the stores will admit of the convenience of purchasers being more consulted than is now the case.

The

The plan should be concentrated as much as possible. The present state of home manufacture in Siam involves the largest possible amount of hand & illicit dealing.

I should leave this point to the local authorities, who at present depart from the rule when occasion requires. But a new salt store should be commenced about the district where objectionable & profitable manufacturing is going on, and the present store should be changed. A writer is unnecessary.

23 9
The manufacture may fairly claim some additional remuneration for the extra expense of bringing their salt to store, but this may be met by savings in the establishments which cost 11,133 Bt., while those of Malabar with a larger sale cost only Bt. 4,672.

The arrangement mentioned by Mr. Clarke of keeping all salt a year in store is evidently of no practical use, and should be changed.

In their order of the 13th July last Govt. desired Mr. Clarke to report specially on the Inland Depots

The system of In-
land Depôts exists only
in South Canada, and
the questions which nat-
urally suggest themselves
are, whether on general
grounds it is expedient
for Govt to convey salt
into the interior, and
whether for special rea-
sons the people of S.
Canada are entitled to
the privilege of having
salt conveyed and sold
to them in the interior
at

is to be had - I would retain the Poona Mangalore Depot because it is on the opposite side of the river to Mangalore & there is no bridge - it consequently is a convenience to the Southern inland traders & the salt is carried to it by boats - I am not prepared to spend to P.W. 1' Est. Clarke's Report - Then our East-Coast salt can reach Western Mysore more cheaply, ^{Canara} the inland Depots will lose their customers & can be abolished - But we should have clear facts to guide us - If we closed the Canara Depots now on the supposition that the Mysore consumers would take to the East-Coast salt, we might be merely obliging them to use the Carth salt of Mysore - I am not aware that so far the East-Coast salt is carried beyond Bangalore or to South Mysore. The

at the same price as
is charged on the coast
Govt thus bearing the cost
of carriage, waitage and
sales etc to the first point
Mr Clarke discusses the
question in paras 78 to
117 of his report and re-
commends that all the
Inland Depots be closed.
The Board do not enter
into it as the larger ex-
change which they concur
with Mr Clarke and the
local officers in recom-
mending would lead to
the Depots being abolished
as a matter of course.
Under these circum-
stances I conclude Govt
will direct
the

the cessation of further supplies to these places. Mr. Clarke also proposes that the coast depots be reduced to 8 and the manufacturing places to 4 or 5, which he considers quite sufficient for the requirements of the district. This also may I presume be at once done, if the Board and Collector concur with Mr. Clarke. Mr. Clarke speaks in high terms of the Deputy

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+ Col. will inform Mr. Ball that the salt accounts have been sent

For congnul ist
acknowledged by
Real M
Malabar

1872	1873
1874	1875
1876	1877
1878	1879
1880	1881
1882	1883
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2158	2159
2160	2161
2162	2163
2164	2165
2166	2167
2168	2169
2170	2171
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2178	2179
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2206	2207
2208	2209
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2240	2241
2242	2243
2244	2245
2246	2247
2248	2249
2250	2251
2252	2253
2254	2255
2256	2257
2258	2259
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discontinued in 182 and
though attempts have
been made of late years
to revive it they have
been unsuccessful and
it is now generally be-
lieved that good salt
cannot now be produced

at a remunerative price.

The imports during
the last six years
are entered in the mar.

giving

The sales in
the same period have
ranged from 457,395 in
Fasly 1267 to 443,680 in
Fasly 1272, the
decrease

Fasly.	Gance.	Cost per cwt
1267	4358	41-4
1268	4135	50-1
1269	3094	59-10
1270	4884	54-9
1271	3126	49-14
1272	3776	40-0

Fasly.	S. M.
1267	457,395.
1268	464,118.
1269	523,458.
1270	4,14,015.
1271	4,45,118.
1272	4,43,680.

decrease having thus
been Indian manu-
13,715!

The sales of the
last three years are ~~low~~
~~all~~ lower than those
of the 3 first years of
the series. This falling
off is ascribed by M^r
Clarke mainly to the in-
troduction of salt from
the Pochin territory into the
Southern part of the dis-
trict. The Pochin mor-
nopoly being only 12 per
Indian manu- not only
on the coast but at
inland depots. while the
Malabar rate is double
at the coast, the in-
ducement to introduce
the former is great and
the unprotected frontier
renders it impossible
to prevent such smuggling.
The

The customs arrange-
ment with the Peshwa
State lately submitted
for the consideration
of the Supreme Govt.
includes assimilation
of the salt duty and
this evil will thus be
remedied in the simplest
and most effective man-
ner. The net loss owing
to this smuggling is
about 15,000 Rupees annually.

The gross Salt revenue of Malabar has
risen from Rs 5,28,807 to
Rs 6,57,997, owing of course
to the recent augmenta-
tion of the monopoly
price. The increase over
1269 when the price
was Rs 1.4 is however
very small.

The net revenue
of each of the last five
years is shown in the
following table. It
amounted

which is now
carried out,

1267.	5,28,807.
1268.	5,32,778.
1269.	6,44,837.
1270.	5,45,365.
1271.	6,58,589.
1272.	6,57,997.

amounted in 1272
to five lacs of Rupees -
the cost of salt having
fallen considerably in
that year. The net pro-
fit per Indian man
was Rupees

Year	Cost of Salt	Settled charges	Total	Per I.M.	Net revenue
1268.	2,07,048.	5007.	2,12,055.	0.6.10	3,23,361.
1269.	1,84,468.	6409.	1,90,877.	0.0.3.	4,54,660.
1270.	2,66,497.	5328.	2,71,825.	0.11.7	2,90,554.
1271.	1,55,918.	5006.	1,60,924.	0.4.5	4,97,681.
1272.	1,51,144.	6469.	1,57,613.	0.5.7	5,00,396.
Average	1,93,015.	5,644.	1,98,659.	0.6.10	4,13,330.

The Home sales
in 1272 were I.M.
320,872 - equivalent to
15 lbs per head of the
population. The In-
land sales were 1,22,808
and have fallen off
of late years owing, in
Mr. Clarke's opinion
to

to the introduction of
Cochin Salt.

In Malabar, salt is received and sold only by weight. Beam scales suspended from a triangle are in use and seem to answer well - but the weights in use are not true. Correct weights as well as standards should be procured without delay.

Mr. Clarke states that weighing is ^{now} greatly in favor of the importer. - Salt is sold in Bombay by the Sarah measure, and according to Mr. Clarke's experiments the importer receives

It should be allowed in
moderation by moderate
men to the present
movement - the entire
between it and
and it was said
discovered by the

+ Gross income is to receive the full by the person in which measure it is shifted - the supply being then brought to account in London.

~~Contracted~~ Measure
But the one full exchange
~~fixed~~ amount, say 10
percent rate of interest.
position -

received from 12 to 22 per cent more by measurement there than he delivers by weight at Calicut. As a consequence, the price of Salt is which used to be 30 per cent lower in Canara - where it is received by measurement which is slightly against the Importer - is now slightly lower in Malabar than in Canara - The price of

Mr Clarke
does not state
how

how the certificate =
= cates for the ex-
Bombay authorities
are prepared in
Malabar - but the
equivalent of the
parah in Indian
maund should there
be tested and
noted - so that the
Bombay authori-
ties may know
what quantity of the
salt passed by them
has really been delivered.
This

The necessity of
perfecting the Cen-
tral table in forms
is shown by the facts

This is particularly necessary as it appears, that notwithstanding this large gain by weightment the deliveries at Calicut are generally below the quantity shipped by measure and not infrequently below the further allowance of 10 per cent. for wastage. There can be little doubt that much of this excess is smuggled into the District as has long been suspected. The Bombay Government will be addressed on this subject and urged to charge duty on all short deliveries without making any allowance for wastage, which the Importer can recover by raising his rate.

The price of salt

ht.

8 miles from Chicago
on the main line
the Great Northern
Collection from Chicago
to 243 miles from Chicago
to the station 150 or 160

I think he does not.

over

34

The next question

All questions
have been before the
S. C. on former occasions

253634/070

£40 27th March 1856,
No 328-

In 1855 they look
instructed the Board
to consider whether it
was necessary ^{for them} to im-
port foreign salt
into Malabar and Ca-
nara, since all salt
was admissible at a
fixed rate of duty.

In the follow-
-ing year they determined
on discontinuing such
importations from the
30th June 1857, raising
the price of Bombay
bald at the Govt stores

to the actual cost ^{or}
plus the general duty
of 14 annas per Indian
Maund - and reviving the
manufacture of indige-
-nous salt. Owing
however to the private
imports continuing
quite inadequate to
meet the requirements
of the district and the
failure of the manu-
-facture in Malabar,
the period fixed for
discontinuing imports
on Govt account was
extended first to Ja-
-nuary 1858 - then to Ja-
-nuary 1859 - and lastly
to January 1860. Owing
to the subsequent in-
-crements of the mo-
-nopoly price and im-
-port duty - and the in-
-creased cost of salt
and tonnage, private
imports

* from year to year
the frontier has
remained in a state

have led to

necessity - have con-
tinued to import.

31 11
imports have nearly ^{dis-}ceased - and Govt

The question of
substituting the excise
for the monopoly sys-
-tem throughout the Pre-
-sidency was fully dis-
-cussed in the report
of the Salt Commission-
-er Mr. Clowden. That
gentleman admitted that
regarded simply as a
plan for the realisation
of an indispensable
revenue, the salt mo-
-nopoly under the Madras
Presidency did not af-
-ford much room for
practical objection, but
on the general grounds
that a Govt monopoly
of a great article of
consumption was con-
-trary to true principle
and could not fail
to

to be productive, di-
-rectly or indirectly, of
injurious consequences,
he recommended the adop-
-tion of measures for
the gradual introduc-
-tion of the excise sys-
-tem, throughout the Pre-
-sidency and its imme-
-diate introduction on
the Western Coast.

As regards Canara
Mr. Snowden recom-
-mended that the ma-
-nufacture should at
once be excised - and
that the whole quantity
of salt required for the
consumption of the dis-
-trict - and not supplied
by private manufacture
or importations ^{shall} being
purchased by Govt from
Bombay - As regards
Malabar he recommended
that

The Home Govt.
also approved of
this measure. (G.O.
R.D. 19 Aug. 1859. No 1111)
The Govt. had also
made preparations
with this view and
had forwarded a
draft Act to enable
them to carry out the
scheme to the Hon.
Govt. They however
came to the con-
clusion that the
Salt Est. needed
revision before such
a change was at-
tempted - and with
the heavy duty in
force they regarded
it "with some un-
-easiness". The
matter has since
remained in
abeyance.

20th Feb. 53. 1853

The necessity
of having a
measure for
the prevention
of smuggling
on the coast
of Malabar
is a very
important
one.

that immediate per-
-mission to manufac-
-ture under excise re-
-gulations should be
granted, but as to the
importation of salt -
more necessary there
than in Canara owing
to the absence of all lo-
-cal supply - he was
altogether silent.

The present Collector
of Malabar Mr. Ballard
recommends that the duty
on foreign salt be at
once reduced to ²/₁₋₂ ²/₁₋₂
which he calculates to
be the present net pro-
-fit realised by Govt
and that the price of
Govt salt be raised
to ²/₁₋₁₂. He expects that
the difference between
these rates will admit
of

of private salt be-
-ing imported at a
profit and when
the trade is firmly es-
-tablished, he contin-
-uates the entire dis-
-continuance of Govt
importations. The Collector
of South Canara, Mr.
S. L. Morris - advocated
a similar course - the
local manufacture be-
-ing simultaneously
-ceased. Mr. Morris does
not appear to have been
asked to name any
particular rate of duty -
and it is not clear
whether 1 Rupee or 1-2
is the one he would
prefer.

Mr. Clarke en-
-tirely concurs with Mr.
Ballard in the desira-
-bility of transferring
the

This is in fact, risking
every thing in Malabar.
There is no risk, not
mentioning, in excising imposition of
the manufacture of Salt duty of 1-2
Rs. Canara - the rub
is how Orissa salt
for Malabar, if not
with draw.

33 19
the trade in salt to
the private merchant
but he believes
it would be better
at first to confine
the experiment to
the withdrawal from
the trade and the
the trade and the
imposition of
Salt duty of 1-2
Rs. Canara - the rub
is how Orissa salt
for Malabar, if not
with draw.
into both districts
reserving the ques-
-tion of excising the
manufacture in
Canara for con-
-sideration, if the
more limited ex-
-periment succeeds.
The

The Board of Revenue advocate the discontinuance of Govt importations and the resuming of the manufacture in Canara.

The Govt have already assented to much of what is now proposed and have endeavoured to transfer the trade to private enterprise. Their efforts however have entirely failed, owing, without doubt, to the Import duty being too high in comparison with the monopoly price.

The

and also the establishment required to manage the excise.

It is on this in fact that the question turns -

The important point for consideration is the rate of excise and Import duty.

The present rate of Import duty on Foreign salt is 1-6 per Indian maund. Mr Ballard proposes that 1-2 ^{Rs} be fixed for Malabar this being about the net profit realised by Government in that District.

The Collector of South Canara Mr G. L. Morris appears to concur in this recommendation. In para 137 of his report Mr Clarke advocates 1 ^{Rs} as the rate at which alone he conceives the experiment

on the Western Coast
would have a fair
chance of success. in para
143, he names ^{Rs. 1-2} 1-2. The
Board strongly advocate
the retention of the same
rate viz ^{Rs. 1-6} 1-6 as on the
Eastern Coast.

Under the monopoly
system introduced in 1805,
the manufacture and first
sale of salt except on account
of Government, was prohibited,
and the determination of
the price to be paid for
salt by purchasers was
reserved to the Government.
By Act VI of 1844 this
price was fixed at ^{Rs. 1-8} 1-8
per Indian maund. The

Governor

Governor General in Council
having power to allow
its reduction. The principle
adopted was to sell at a
fixed price. The difference
between which and the
cost of the article formed
the revenue or tax on salt.
no attempt was ever made
to graduate the charge with
reference to the cost of
production at different
places, and hence while
the price of salt at the
Government depots was
always the same the tax
or profit meaning there
by the sum paid to the
State

State by the purchaser
over and above the cost of
the article varied in every
District. When the Mono-
poly was extended to
the Western Coast in 1807
the same principle was
followed, and such
supplies of salt as Go-
vernment from time to
time were obliged to im-
port were sold at
the monopoly rate.
Though they were neces-
sarily imported at con-
siderable expense and
the net profit was pro-
portionately reduced.

In 1851 the Home
Government pointed out
that

the range of im-
portation in the Eastern
Coast being so small
the duty -

that in Bombay and
Bengal, Foreign salt was
admitted into competition
with indigenous, by being
admitted at a duty equi-
valent to the average profit
derived by Government from
the latter, and that its
admission was virtually
prohibited in Madras
by the duty of 3 Rs. per
maund levied on it while
some made salt was sold, prime
cost, included at 1 Rs. & they
desired the Govt. to take into
consideration the expediency of
adopting the same course as
in the other Presidencies. The
Board of Revenue calculates
the average profit at 12 annas
per maund and this was
accordingly

accordingly taken as the
Import duty on Foreign salt.

The duty was sub-
sequently raised to 16 annas
on the ground that the cost
had been over-rated. and
since then the import
duty or net profit has
always been taken at 2
annas less than the mono-
poly price.

As already stated
the monopoly system
disregards costs, and charges
a fixed price - the dif-
ference be it greater
or smaller being the
revenue or salt tax.

If then the principle
of the monopoly is

WR

This was done in
consequence of for-
Salt underselling
Home made Salt -
in Canara - yet,
strange to say, for-
omitted Canara
& Malabar in their
calculation!

3
to be retained, the import
and excise duty should
be the actual net profit
on the Western Coast -
of Salt there procurable
by manufacture - where
that is practicable and
sufficient - and by the
import where that is
forced on the Govern-
ment from the absence
of sufficient manufacture
petty variations and being
of course disregarded.

Mr. Clarke gives
the cost of Home Salt
in South Canara at
a. p. 16 3/4 per S. M. -
but carriage inland
is included in this
so that 4 annas would

seem

be sufficient and
the duty would thus
be 1-4 - In the
Southern part of the
District where there
is no manufacture, the
duty would be regulated
by the cost of import
which Mr. Clarke
states is 7-6 - In
Malabar the cost of
Salt according to Mr.
Clarke is 6-10 - So that
and this principle
there would be 3 rates
of duty viz, 1-2 in
the Gundapoor Talook
and 1-4-6 in the
rest of the S. Canara
District and 1-1-2

The duties can hardly
pay 12)

in Malabar. ³⁸ Mr.
O'Donoghue, the Salt
Commissioner, in his
Report (pages 668 of
the Report) that, the
overseer, and the
Malabar Coast should
be taken care of in the
manufactured salt of
Gundapoor and not at all
in the imported salt
of Malabar. No reason
for this course, which
would, felt equally in
favor of adopting
the price of the Eastern
Coast which Mr. O'Donoghue
depreciated - is given -
but it was probably
granted on his
proposal

proposal to permit the
manufacture of salt
in Malabar under
excise, and
the assumption
that salt could be
made as cheaply there
as in S. Canara. Ex-
perience however has
shown that this is a
mistake. The Govt.
endeavored in 1837
to revive the manu-
-facture bringing in
trained manufacturers
from Bombay, and
using every endeavor
for several years - but
as already stated
without success. Moreover
owing

39
owing to the impossi-
-bility of preventing
smuggling owing to the
natural features of the
country, it is not
desirable to force the
manufacture.

I do not suppose
however that Govt.
will care about ad-
-hering to the principle
of the monopoly system
in this respect - but
will be disposed rather
to make the people of
the Western Coast
contribute as much
towards the revenue as
the rest of the popula-
-tion do. They are, as
the

Mr. Labart's estimate
the minimum price
would be Rs. 13. but the
Borne manufacture
would doubtless largely
increase and keep down
the price. If the Govt.
deem it essential to regu-
late the duty so as to enable
Bombay salt to compete
at 1-8 the rate proposed
by Mr. Bellard viz 1-2 is
evidently the highest that
can be imposed. but it
must be remembered
that whether the duty be
1-2 or even only 1R. the Govt.
cannot ensure the price
being kept down to 1 1/2R.
unless they sell at the
latter price themselves.

The question
cannot however be
dealt with on general
principles

The Home Govt. have
ruled that the
Import duty shall
be precisely equal
to the Excise and
that no attempt
is to be made to
equalise prices - for
Lt. Stanley despatched
in Res. Com: 13 to 19 dtd
1859.

principles. For more than
half a century the Govt.
have accepted and fulfilled
the obligation of supplying the
people of Malabar and
Canara with salt and
they cannot in justice or
without risk suddenly throw
off the duty. That the risk
is not trivial is sufficiently
shown by Mr. Ballard's de-
sire to continue the Govt.
sales (though at an enhanced
rate) and by Mr. Morris'
declaration that a certain
quantity should be kept
in reserve, as a total
failure of salt would un-
doubtedly cause most
serious riots and distur-
bances. Mr. Plowden also
contemplated in Canara
at least if not also in
Malabar the importation
by Govt. of as much salt
as might be needed to
supplement

supplement the local manu-
 facture and private imports.
 The example of North &
 Canara on which the
 Board lay considerable
 stress is scarcely in point -
 there is extensive home
 manufacture, and salt
 can be imported from the
 adjoining territory of Goa;
 on the other hand half
 of South Canara and the
 whole of Malabar are
 entirely dependent on
 foreign sources and the
 import trade has been
 destroyed by the action
 of Govt. It seems to me
 therefore that the measures
 to be adopted must be more
 gradual than the Board
 propose; and the course
 I should adopt would be
 in some degree that proposed
 by the local officers.

I would at once
 reduce the import duty
 to 1-4 per cent. on all

can this be done without
 reference to the local officers?

It is proposed to arrange
 for an establishment of officers
 will the present personnel be
 sufficient?

can this be done
 without reference to the local officers?

It has been simply shown
 that Govt salt cannot be
 produced in Malabar -
 hence the proposal for
 a salt manufacture could
 be given up as it would be difficult
 to maintain a salt
 factory in a country
 so remote from the sea.

II. I would license the
 manufacture of South
 Canara from as early
 a date as practicable at
 the same rate of duty.

III. I would raise the
 Government selling price
 for all imported salt -
 which alone would be
 sold by Govt to the same
 duty plus cost.

IV. I would license
 manufacture in Malabar
 subject to the Bombay Excise
 restrictions.

For these measures
 permission of the Supreme
 Govt, and an Act will
 be necessary.

If the Supreme
 Government refuse to reduce

the

the present duty / 1. 6 / 10
1. 4 - there will be no
opening for private trade
except at great enhance-
ment of price, the re-
sponsibility for the con-
sequences of which they
must bear.

A Draft Act was
prepared some years ago
and will probably answer
with some slight modifi-
cations.

It may be that
the difference between the
import duty and the Govt
selling price may prove
insufficient to induce
private trade - in that case
it will be for consideration
whether

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whether the duty should
be reduced or the price
enhanced. I do not think
it would be advisable
to raise the Govt price to
the high rate / 1. 12. -
proposed by Mr Ballard
because the private trader
would infallibly regulate
his charge accordingly
and just undersell the
Government. The adoption
of 1. 2. as the Import
duty is open to the objection
urged by the Board, and
further ~~that~~ it will give
no indication of what
may be the effect, if the
people are made to pay
the same tax on their
salt,

salt as the people of other districts.

The sale of the Govt stock at auction is, I think, a very risky proceeding - The private imports into Malabar for a series of years are given in the margin, and as the manufacture

	J. M
1859/60.	700
1860/1	16860
1861/2	8
1862/3	8
1863/4	15.

has hitherto failed - no reliance can be placed on it. The Govt would not be warranted, I think, in encountering the hazard of a failure or deficiency in the supply of necessary of life which they have monopolised for so many years

Clearly not especially in such a ticklish district as Malabar. The Government have a regular stock of salt - so that at a pinch a little is available. The salt which the private dealer could sell until private importation has been fully established & Govt intervention becomes unnecessary
JP

The course in my opinion will be to get an Act authorising an officer & empowering the Govt to introduce it at discretion into any particular District - We can then feel our way beginning with S. Canara.

years. 44

It is possible that these papers may lead the Supreme Government to raise again the question of a general excise through out the Presidency - I do not myself think the time has come for such a

move - nor do I see much advantage in it - monopoly has an ugly sound in English ears - but when for fiscal purposes it becomes necessary to lay an article passed and the main article of universal consumption 1600 or 1700 per cent - selling for 180 R which costs us R 10 - the main question is whether by carrying out whether by excise or monopoly must be of the most stringent character - just as rigorous in the former case as in the latter - At all events we had better see how the excise system works in S. Canara before we try it elsewhere. I do not advocate any change - rather more pleasure in the other and do not see what benefit is likely to accrue from it - but I don't object to the experiment.

For Order

14 To the Board of Ordnance Dec 15 1804
1 4 J. C. Clarke Esq
21 3 The 6th Regt. of Artillery

NOTE

Cy. Linc. for P. 15 Dec. 1804
2 July 1804

Reported to England
21st June A. 3 of 1865
Sp. R.

15/7/57

6^{no} No. 391-392
27-2-64

Revenue 1865 Ditt
Pro. of Govt. for May

N^o 884A.

Pro. of the Madras Govt
of 1st May/65.

Pro. of the Board of Rev
15 July/65 C. A 1929.

Pro. of the Board of Rev
4th October/65 C. A 2829.

Pro. B of Rev. of 17th Dec 65
C. A 3620

Reviewing Mr. Clarke's
report with Board's opinion
in the Salt Departments of
Malabar and South Canara.

N^o 10A to 10E.