M.R.O. 14-5,450--22-10-25.

# MADRAS RECORD OFFICE.

## Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1087 Press Mis.

Dated 7-5- 1926.

***Not to be folded or roughly handled***

No. 135. Read the following Proceedings of the Board of Revenue, dated 20th April 1866, No. 2,774 :—

Read the following letter from the Deputy Consulting Engineer for Railways in charge, to the Secretary to the Board of Revenue, dated Madras, 15th March 1866, No. 137.

With reference to the Proceedings of Government in the Revenue Department, dated the 30th January and 16th February, Nos. 259 and 415, I have the honor to forward, for the information of the Board of Revenue, an extract from a letter from the Agent of the Great Southern of India Railway to the Railway Board of Directors in England, regarding the salt traffic.

Extract from a letter from the Agent and Traffic Manager, Great Southern of India Railway, to the Railway Board of Directors.

*Salt Traffic.*

I also send copy of Government Order, No. 415, of the 16th ultimo, from which you will gather that Government decline to keep the Negapatam depôt fully supplied themselves, or to make any allowance to merchants for the cost of bringing up salt from Vedarniem to Negapatam by sea. Both the Collector of the District and the Board of Revenue, however, were in favor of adopting the latter course. Past experience has shewn that it is impossible to manufacture, at Negapatam a sufficient quantity of salt to meet the demands of the town and the traders who use the railway. I believe I am right in saying that it is also impossible in Madras to manufacture a sufficient supply of salt to supply that place and the Railway traders. Is the same objection advanced there; that I mean as to the keeping of Madras supplied from their nearest depôt. No salt is brought up from Ennore or its neighbourhood in immense quantities and supplied to the Railway traders at Madras, whether the Government bring the salt up themselves, or whether they pay other people to do the work is immaterial; not long since Government on its own account carried many train loads of salt from Madras to the West Coast for sale there; and even now they pay for the carriage of salt from Bombay to Beypore or one of the Western Coast Ports near thereto.

As to the question of "diverting" the trade, it is highly inexpedient, on general principles that Government should divert the salt trade from its ordinary channel. I would ask whether the *cheapest* channel for conveyance is not the *ordinary* channel. Keep Vedarniem, Adrampatam, and Negapatam depôts *fully* supplied for a year, and at the end of that time we shall have practical evidence that the ordinary channel for the salt trade to the interior is from the Negapatam depôt; the mileage cost by Railway is less than half the cost by road. By keeping closed the cheapest line of communication, (to which the failure in supply at the Negapatam depôt is tantamount,) I contend that Government does divert the trade from its ordinary channel. "There is "an ample supply at the other depôts, and it will find its way into the interior by the cheapest "route." The cheapest route is from Negapatam; that being closed, the trade must perforce find its way to other depôts; but who suffers therefrom? The consumers, for the prices go up to cover the highest cost of carriage. Government may not gain now (they would certainly though when the line is opened beyond Trichinopoly) by having to incur the cost of moving from Vedarniem a sufficient quantity of salt to keep the Negapatam depôt supplied, and thereby reducing their loss under the head of guaranteed interest; but holding the monopoly of the first supply of salt in their hands, and at the same time being rulers of the country, I think *it is* part of the business of Government, as protectors of their people, to see that the monopoly is justly exercised, and that the people are able to draw their supplies along the cheapest line of communication. In addition to the complaint of not keeping the depôt supplied, you will see from a copy of the Collector of Tanjore's letter, which I enclose, that even salt is to be had at Negapatam, the allowance which is made at other depôts is withdrawn from Negapatam, in order that the Railway

traders may be prevented from buying. I cannot write the Government so plainly as I have written here; but I think it but right that the Directors should be made aware how their property is sacrificed for the sake of saving another depôt of Government a few Rupees. If the supply of salt was left to *private enterprise*, this loss of revenue to the Railway would, I am convinced, cease at once. Negapatam would be fully supplied, and the carriage inland would surely follow the cheapest channel of communication.

(True Extract.)

(Signed) H. N. D. FRENDERGAST, Major, V.C., R.E.,
*Deputy Consg. Engr. for Railways in charge.*

1. Ordered to be submitted for the information of Government.

2. The disallowance of the ordinary per-centage on wholesales at Negapatam, alluded to at the latter part of the Agent's letter, was cancelled as soon as it came to notice.

No. 136. ORDER THEREON, 7th May 1866, No. 1,087.

Separate Revenue, No. 1.

Ordered to be recorded.

(True Extract.)

(Signed) J. GROSE,
*Under Secretary to Government.*

To the Board of Rever

C.S.I. Ry Agency

Rec. 30 January 1866 pp 512-513
16 July — " " 2967 -

Rev - 1866. Department.
Pro of Govt for railway

No. 1195
PROCEEDINGS OF THE BOARD OF REVENUE,

*Dated 20th April* 1866.
Desp 24 - 4 -
Rec 25 -

No. 2,774.

Submitting for information with remarks letter from Deputy Consulting Engineer for Railways forwarding extract from a letter from Agent G. S. I. Railway to Railway Board of Directors regarding Salt traffic. Rec 1087 -

RECORDED.

Pro 30 January 1866 pp 512-513

Pro 27 June 1866