M.R.O. 14—5,450—22-10-25.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 3073 Press ~~Mis.~~

266.267

Dated 13 - 11 — 1866.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 13th November 1866.

No. 266. Read the following letter from the Secretary to the Board of Revenue, to the Secretary to Government, Revenue Department, dated Madras, 29th August 1866, No. 6,160 :—

1. Referring to the instructions conveyed in paragraph 16 of Government Order, dated the 22nd January 1866, No. 187, Revenue Department, for the revision of the price of salt for export, I am directed by the Board to submit, for the consideration of Government, the accompanying Minute by Mr. Clarke, their third Member, on the above subject, and on the consumption of salt in this Presidency under the monopoly, in the views expressed in which Minute the Board generally concur.

2. Mr. Clarke shews that in the thirteen years from Fusly 1260 to Fusly 1273, the population has increased $10\frac{1}{2}$ per cent., while the sales of salt for Home and Inland consumption have increased by $43\frac{7}{8}$ per cent., and the consumption per head from $13\frac{1}{2}$ lbs. to $17\frac{7}{11}$ lbs. per head. The following is an abstract of the Statement accompanying the Memorandum :—

Population.

	Fusly 1260.	Fusly 1271.	Increase.	Per-centage
Population of Coast Districts	14,802,679	16,342,865	1,540,186	$10\frac{1}{3}$
Do. Inland do.	7,499,018	8,313,644	814,626	$10\frac{8}{7}$
Do. Total...	22,301,697	24,656,509	2,354,812	$10\frac{6}{11}$

Salt Sales.

	Fusly 1260.	Fusly 1273.	Increase.	Per-centage
	In. Mds.	In. Mds.	In. Mds.	
Home	22,57,031	29,85,931	7,28,900	$32\frac{1}{2}$
Lbs. per head of population	$12\frac{1}{7}$	15	...	...
Inland	14,00,745	22,78,990	8,78,245	$62\frac{1}{7}$
Lbs. per head	$15\frac{3}{8}$	$22\frac{2}{3}$	...	...
Total Home and Inland...	36,57,776	52,64,921	16,07,145	$43\frac{7}{8}$
Lbs. per head...	$13\frac{1}{2}$	$17\frac{1}{3}$	4	30
French Government	63,831	66,556	2,725	$4\frac{1}{7}$
Exports by sea	2,51,576	3,97,617	1,46,041	58
Do. by land beyond Presidency frontier	10,13,548	11,29,336	1,15,758	$11\frac{3}{8}$
Total sales...	49,86,731	68,58,430	18,71,699	$37\frac{1}{2}$

3. It will be observed that the latest census of the population is for Fusly 1271, while the latest year for which the salt sales are given is Fusly 1273, the sales in which are distributed on the population of the last census.

4. The comparison is partially vitiated by the intermediate abstraction of North Canara from this Presidency, and the Board do not put forward the figures as absolutely correct. Indeed, they have little doubt that part of the apparent increase in the Home and Inland sales properly appertains to the trade beyond the frontier, under which head the increase appears disproportionate, (*e. g.*, Ganjam, where the increase is $762\frac{3}{4}$ per cent., and the Inland trade is ostensibly with the Vizagapatam District only.)

5. But the ultimate result of an increase in the total salt sales of 37½ per cent., the great bulk of it being ostensibly for Home and Inland sales, is unquestionable, and must be deemed very satisfactory, more especially in face of the fact that the price of salt was, in the interval, raised from Rupee 1 to Rupee 1-8-0 per Indian Maund of 82⅔ lbs., or an increase of fifty per cent. in price. The price has since been again raised to Rupee 1-11-0 per Indian Maund, but even at present rates the average consumption per head, as calculated for Fusly 1273, would not cost an individual so much as six annas, or nine pence a year, or half an anna a month.

6. The Board also do not doubt that the general results indicated by the above figures are correct, viz., that both on the coast and in the Inland Districts the individual consumption of Government salt is increasing; that the increase is greater in the latter than in the former districts, partly from the facilities which must always exist on the coast for illicit supply, and partly from the great cheapening of salt to the consumer in the interior caused by the improved facilities for carriage; and that the increase in the demand for the French territory (being little more than four per cent.) is not more than the probable increase in the number of the inhabitants would render necessary.

7. As regards the price charged for salt for export by sea, Mr. Clarke has annexed to his Minute two Statements, marked A. and B., shewing the actual cost to Government of each garce of salt exported from the nine salt-exporting districts, during the five years from Fusly 1269 to Fusly 1273, and the loss or gain resulting in each case to Government from the fixed charge of Rupees 18 per garce on board, made by Government.

8. The actual cost to Government is deduced from the *prime cost* including *Kudivarum*, or price paid to manufacturers, cost of storing, repairs to works, and measurers; *Revenue charges* including wastage, fixed, temporary, and police establishments, Saderwarid and sundries, and proportion of cost of Deputy Collector and his establishment; and *Exportation charges* including carriage to beach, loading charges, boat hire, and contingencies.

9. The average result on the five years is shewn below:—

Actual average cost on board of each garce of salt exported from Fusly 1269 *to Fusly* 1273.

	Including Revenue charges.	Excluding Revenue charges.
	RS. A. P.	RS. A. P.
Ganjam	16 8 6	15 4 4
Godavery	15 10 0	13 10 7
Kistna	14 8 11	12 13 11
Nellore	13 14 11	11 11 2
Madras	20 0 10	18 8 3
South Arcot	20 6 1	19 9 9
Tanjore	16 8 3	14 14 0
Madura	24 12 7	19 15 11
Tinnevelly...	21 14 8	20 14 10

10. The actual result of supplying the salt on board at Rupees 18 the garce was in these five years, that if the cost to Government be calculated *inclusive of*

Revenue charges, the Government lost a net sum of Rupees 3,554, or Rupees 711 yearly; but if the Revenue charges be *excluded*, then Government gained a net sum of Rupees 28,500, or Rupees 5,700 yearly.

11. The Board entirely concur with Mr. Clarke in opinion that the Revenue charges should be included in calculating the actual cost to Government of the salt supplied to the exporter.

12. Mr. Clarke concludes by recommending that, with reference to the extent of the export and the greater or less difficulty of shipping salt, the export trade be confined in future to the following ports:—

Iskapilly,
Madras and Ennore,
Covelong,
Mercanum,
Negapatam,
Tuticorin,

and that the Government should once in five years declare the price at which at each of these ports salt can be purchased at the platforms for export, leaving the exporters to make their own arrangements for shipping, and charging them *batta* for servants required to see on behalf of Government that the salt is actually shipped, and not brought into the local market.

13. He leaves it for consideration, whether a price should be calculated for each port, or an average struck for the whole.

14. The Board support these recommendations, but suggest for consideration that two prices might be fixed, viz., one for Madras and Ennore ports, and the other an average price for all the rest of the selected ports, this price being calculated on prime cost and revenue charges only, excluding exportation charges, which Government will no longer incur.

15. Mr. Clarke shews in the margin of paragraph 15 of his Minute, what this price would be, calculated on the latest year's export in his Statement, as quoted below:—

	RS. A. P.	
Iskapilly	12 14 7	per Garce.
Madras and Ennore	19 13 9	
Covelong	13 4 5	
Mercanum	15 1 8	
Negapatam	13 3 6	
Tuticorin	12 9 6	
	6) 86 15 5	
Average ...	14 7 11	

or deducting Madras, the average would be Rupees 67-1-8 ÷ 5 = 13-6-8; and the Board are disposed to recommend that Rupees 20 per Garce of 120 Indian Maunds on the platforms at Madras and Ennore, and Rupees 14 per Garce at the other ports selected, be notified as the present selling price of salt for export by sea, *plus* batta as above proposed, and that this price hold good for five years, and be then revised.

Proceedings of the Madras Government, Revenue Department, 13th November 1866

No. 267. ORDER THEREON, 13th November 1866, No. 3,073.

Separate Revenue, No. 11.
Salt.

1. In the Order of Government dated 22nd January last, No. 187, the Board of Revenue were instructed to revise the price charged for salt purchased for exportation by sea. The Board now submit a Memorandum on the subject drawn up by their colleague, Mr. Clarke, in whose views they generally concur.

2. The Board, in the first place, notice the very satisfactory increase, of late years, in the sales of salt for Home and Inland consumption. It is extremely difficult to obtain reliable data for such calculations, for the dealers are under no legal obligation to state the destination of their purchases, and no doubt much salt declared for a foreign market is really consumed at home and *vice versâ*. Indeed, the doubtful character of such calculations is evidenced by the Board's own statement, according to which the consumption in the Inland Districts, where the price of salt is greatly enhanced by the cost of carriage, agency, and wastage is 22⅔ lbs. per head, while in the Maritime districts it is only 15 lbs. per head. In the latter very probably a good deal of salt may be stolen, as the Board remark, still the difference in the rate of consumption can hardly be thus accounted for. All that can be safely said is, that notwithstanding its greater cost, the consumption of salt had increased in a considerably greater ratio than the population, and that this important branch of the revenue has steadily improved in a highly satisfactory manner.

3. As regards the more immediate subject of the Board's letter, the Government quite concur in the correctness of the principle adopted by Mr. Clarke and his colleagues, in calculating the actual cost of the salt to Government which should certainly include revenue charges.

4. The Government also deem it advisable that exporters should be left to make their own arrangements for conveying the salt they purchase, from the platform to the beach, and thence shipping it, a fixed rate of batta being charged for guarding the salt until shipped.

5. The Government would, however, increase the number of places at which salt should be sold for export, and would fix the price with reference to the actual cost at each place of sale. The object of selling salt for exportation at prime cost, without duty or profit, is to encourage trade, and benefit the manufacturers of the article. It should, therefore, be sold wherever the Government have an ample supply, and can conveniently dispose of it for export. The arrangement proposed by the Board would leave no place of sale north of Iskapilly in Nellore. As to the price the Government, following the statement in paragraph 15 of the Board's letter, would fix Rupees 13 per Garce for Iskapilly, Rupees 20 for Madras, Rupees 13½ for Covelong, and so on.

6. The Board will re-consider their recommendations with reference to these remarks.

(True Extract.)

(Signed) J. D. SIM,

Secretary to Government.

To the Board of Revenue.
Exd. S. T. Augustin.

MEMORANDUM.

1. Enclosed is a general statement showing the sales of salt from Fusly 1260 to Fusly 1273, or thirteen years, with the increase in the population during the same time.

2. The population by the Census has, during these thirteen years, increased from 22,301,697 to 24,656,509, or 10½ per cent.; and the sales of salt for consumption in the Presidency, from 36,57,776 Indian Maunds to 52,64,921 Indian Maunds, or 33$\frac{7}{15}$ per cent., and the consumption per head from 13½ lbs. per head to 17$\frac{7}{12}$ lbs. per head.

3. The increase of Home sales has been very marked in some Districts. In Ganjam the sales in Fusly 1273 were 762¾ per cent. in excess of what they were in Fusly 1260. In Vizagapatam, in Fusly 1273, they had increased 72,742 Indian Maunds over what they were in Fusly 1260, or fifty-eight per cent. In the Kistna District the increase was thirty-three per cent. In South Arcot ninety per cent., and in Malabar 58½ per cent. The Census of Fusly 1271 showed that the population of Madras, as in former years, was over-estimated, and its correct number was supposed to be 13⅜ per cent. less than it was rated at in Fusly 1260. Some of this decrease was no doubt to be attributed to the great emigration and depopulation, which has long been going on among the Mahomedan population of Madras, and which was doubtless increased on the death of the late Nabob. However, the home sales in Fusly 1273 were 38$\frac{5}{7}$ per cent. in excess of the sales of Fusly 1260. In Tanjore, there has not only been a slight decrease in the population in Fusly 1271, as compared with the population of Fusly 1260, to the extent of 1$\frac{7}{16}$ per cent., but also a decrease to about the same extent in the home sales, or 1$\frac{9}{11}$ per cent. In Tinnevelly, while the Home sales have increased they have not kept pace with the increase of population. The population has increased 31$\frac{7}{12}$ per cent., while the home sales have increased 14$\frac{5}{9}$ per cent. The general result is a very satisfactory one I think, and shows that our increased sales are not limited by an increase in the population, but show increasing prosperity and increased power to purchase this necessary of life, for while the population has increased from 22,301,697 to 24,656,509, the sale of salt for home and inland consumption, that is, within the Madras Presidency, have increased from 36,57,796 Indian Maunds to 52,64,921 Indian Maunds, or by 16,07,145 Indian Maunds, or 13,27,04,258 lbs.

4. With this Statement are also put up seven Statements showing the salt export trade from Fusly 1269 to Fusly 1273 of the nine Districts in the Presidency from which salt is exported. The Districts are named in the margin.

Ganjam.
Godavery.
Kistna
Nellore.
Madras.
South Arcot.
Tanjore.
Madura.
Tinnevelly.

5. Five of these Statements show all the expense the Government were put to from the time of purchasing the salt from the manufacturers, till it was put on board-a-ship in the Districts in question, divided under three heads:—

First, Prime cost; second, Revenue charges; and third, Export charges.

6. The first head shows the Kudivaram paid for the quantity of salt received into store during the year; the cost of storing; the repairs to salt works; and the cost of measurers to measure it into store. These charges are divided on the quantity of salt received into store in the year in question, and thus is obtained the prime cost to Government in that year of each garce of salt.

7. The second head shows the quantity of wastage and its value determined by the price of salt at its prime cost to Government; the cost of the fixed and temporary establishments, guards, Saderwarid, and proportionate cost of the Deputy Collector's salary and of his establishment.

The total of these expenses is divided on the whole amount of salt in store, both of that remaining at the beginning of the Fusly, and of that received into store in the year in question, which gives the cost of the revenue charge per garce. This added to the prime cost gives the price that each garce of salt on the platform has cost Government from the time of purchasing it, till it is sold.

8. The third head gives the exportation charges. The cost of conveying the salt from the platform to the shore; of placing it in the boats; of the boat-hire to the ship; and of the contingent charges. These charges divided on the quantity exported, give the cost of putting each garce of salt on board; and this added to the prime cost and revenue charges of each garce exported, enables us to arrive at the price which each garce of salt costs Government to put it on board at each port, both including and excluding the revenue charges: also the average price of salt in the several Districts during the years in question calculated in the same way, and the difference between the price received by Government, or 18 Rupees per garce, and that expended by them both including and excluding the revenue charges.

9. Two other Statements give the loss and gain to Government by the price received by them from the exporters, both including and excluding the revenue charges during the five years in question.

10. Taking all the charges, the net loss to Government in the five years, by allowing exporters to take the salt at 18 Rupees a garce, is Rupees 3,554-3-8, or annually Rupees 710-13-6. If the revenue charges be excluded, the Government have not been losers, but have gained during the five years Rupees 28,500-0-10, by selling their salt at 18 Rupees a garce. But I see no reason why the revenue charges should be excluded from the account of cost. The Government have kept and guarded the salt, and have also lost by its wastage. Mr. Bayley observes* on this point, that "as regards salt "sold for export, the price charged in Madras "should not only be the total of the cost price "and revenue charges, but there should be an *allowance for wastage*; and also the payments to "the French Government, and the compensation for pans abolished should be included, for, in "this case, the object is to clear every expense."

* Vide paragraph 185 of Memorandum on Salt Monopoly, dated 17th June 1854.

11. The quantity of salt exported from Ganjam is very small indeed, and the difficulties in the way of exporting are so great, from the distance at which the salt is stored from the port of shipment, that I would not encourage salt being exported from this District. The same may be said of the Kistna District. I would also discourage salt being exported from any other place than Iskapilly in the Nellore District, or from any other places than Ennore, the Madras Kotars and Covelong in the Madras District; from Mercanum in South Arcot, or from Negapatam in Tanjore, and Tuticorin in Tinnevelly. I would not allow salt to be exported from Vedarniem or the southern pans of Tanjore, from the District of Madura, or from any other of the salt stores of Tinnevelly than Tuticorin, as observed above.

12. The shipping charges vary very greatly, and this necessarily arises from the difference in the distance at which salt is stored in the several Districts from the sea-shore; the difficulty in obtaining boats and the difference in boat-hire, in the price of labor, and in the price of the several articles required for the safe carriage of salt to the vessel.

13. I think it would be far better that the Government should declare the price of salt in each District at which it can be obtained for export, and leave parties to make arrangements for shipping it, charging them at the same time batta for the servants required to see the salt on board. The price of the salt might be fixed every three years.

14. Private enterprise can work cheaper than Government, and I can see no objection to the exporter undertaking all the charge and trouble of securing boats and carrying his salt from the platform to the vessel. A trustworthy servant should be deputed to the beach to see the salt shipped in the boats, and the Police should take care that the salt is shipped on board the vessel.

15. There has been an increase of late years in the prime cost and the cost of guarding the salt; so that taking the places noted in the margin, to which I restrict the export, the price of salt at them, taking the last year's statement, would be from Rupees 12-9-6 to Rupees 19-13-9 per garce, as shown in the margin; or if an average were struck perhaps it would be better to fix on the existing price of 18 Rupees a Garce or 15 Rupees the 100 Indian Maunds, leaving parties wishing to export the salt, to make their own arrangements to carry it on board.

	Rs.	A.	P.	
Iskapilly...	12	14	7	per Garce.
Madras and Ennore	19	13	9	do.
Covelong...	13	4	5	do.
Mercanum	15	1	8	do.
Negapatam	13	3	6	do.
Tuticorin...	12	9	6	do.
	6)86	15	5	
	14	7	11	

(Signed) T. CLARKE,
Third Member, Board of Revenue.

Exd. J. Wright.

Enclosure in a letter from the Secretary to the Board of Revenue to the Secretary to Govt. C.B. & C. dated 29th Augt 1866. No 6166.

Rev = 2984/66.

Memo: of Mr. Clarke Esqre 3d Member Board of Revenue

Recd 1866.

No. 3073. 13th November 66.

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Sir

In their order of the 22d Jany last No 157, the Bd of Rev. were instructed to record the price charged for salt purchased for Exportation by sea: The Bd have submitted a memo: on the subject drawn up by their colleague, Mr. Clarke, in which they generally concur.

The Bd in the first place notice the very satisfactory increase, of late years, in the sales of salt for Home & Local consumption. It is

subject of the Bd's letter - the Sub. puts concurs in the Correctness of the principle adopted by Mr Clarke & his colleagues in Calculating the actual cost of the Salt. the Sub. which should include Revenue charges.

The Sub. also deem it advisable that Exporters should be left to make their own arrangements for conveying the Salt they purchase, from the platforms to the beach & thence shipping it - a fixed rate of Salt duty being charged for [illegible] the salt

The Sub. would how-ever circumscribe the number of places at which Salt should be sold for Exportation & would fix the price with reference to the actual cost at each place of sale. The object of selling Salt for exportation at prime cost, is that duty or profit, is to encourage trade and benefit the manufacturers of the article. It should therefore be sold where the Sub. have an ample supply and con-veyance by which distribute of it for Exportation. The arrange-

Merit prohibited by
the Wk would leave
no place of sale
for ~~Lucknow~~ product of
Lucknow & Kakrauli
in Kellner. ~~—~~
~~Cawnpore~~ As to the
price the fol., follo-
wing the statement
in para 15 of the Wks
letter would fix Rs.
13 per foire for Lucknow
Kakrauli - Rs. 20 for Meerut
Rs 13/8 for Cawnpore
and so on.

The Wk will
learn further that
he can have duplicates
of the reference &
other remarks.

14 Copies Further Rigd Revd Ordrs Wks
~~written~~ 8 Copies returned
to Kanpur/66

Revenue 1866 Dispt.
Pro of Govt for Nave

No 3073

Pro of the Madras Govt
d/13 November 1866.

From Bd Rev 19 Decr 66.
No 4595

Passing orders
on the price of salt for
export and requesting Bd
of Revenue to reconsider
their recommendation.—

Pro. No 3698. 22.1.66.

No 266-267.