

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	415	Press
		~~Mis.~~
296.297		
Dated	16 - 2 -	1866.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
16th February 1866.*

Read the following:—

No. 296: . . . Proceedings of the Board of Revenue, dated 30th January 1866:—

Read the following letter from the Collector of Tanjore, to the Secretary to the Board of Revenue, dated Point Calimere, Tritrapundi Talook, 16th January 1866, No. 10:—

1. I have the honor to bring to the notice of the Board of Revenue that the stock of salt in hand at Negapatam on the 11th instant was 289½ Garce, an amount only sufficient for about a month and a half's consumption, or till the end of February.

2. The Salt Deputy Collector informs me that but very little of the Negapatam salt which will be manufactured this year, will be available for sale there much before August. We shall have, therefore to, supply Negapatam with salt for the five months from March to July.

3. As the Board are aware, in June last, I recommended that a special discount of Rupees 12-6-0 and Rupees 20, for manufactured and spontaneous salt respectively, in addition to the usual 5 per cent., should be granted to wholesale purchasers of a heap of 10 Garce at Vedarniem, and conveyed thence to Negapatam; and that this special discount was sanctioned by Government in their Proceedings dated 11th July 1865, No. 1,590.

4. I beg now to report that this offer did not succeed in supplementing the stock of salt at Negapatam to so large an extent as I had anticipated and wished, and that only 120 Garce were brought to that place from Vedarniem.

5. This failure may, I think, be attributed to three causes:—

Firstly.—The comparative lateness of the season when the discount was asked for, and sanctioned.

Secondly.—The fact of salt being at the time actually procurable at Negapatam.

Thirdly.—The merchants at Negapatam combining together and determining not to go to Vedarniem, under the impression that if they held out, the Government would act as they did in the early part of 1864, and bring up salt from thence on their own account.

6. The first two causes will not exist any longer next month; and I am sure that the Government have only to be firm and shew the Negapatam traders that they will not do their work for them, and the result will be that the merchants will quickly go to Vedarniem and bring up salt from thence to Negapatam.

7. Mr. Ricketts, the Salt Deputy Collector, has very carefully calculated the present cost of bringing a garce of salt from Vedarniem to Negapatam by sea, and finds that it comes to Rupees 17-4-0, not including wastage, which is always a heavy item in the carriage of so perishable an article as salt. I beg, therefore, to propose that a sum of five Rupees per garce be added to the discount specified in my letter of the 29th June 1865, No. 196, and that I may be allowed to advertise as follows, viz., that a special discount of Rupees 17-6-0 and Rupees 25 per garce, for manufactured and spontaneous salt respectively, in addition to the usual five per cent., will be allowed until further orders to persons buying a heap of ten garce at Vedarniem and convey it from thence to Negapatam.

8. I respectfully request that early orders may be issued to me on this subject, as the southerly wind sets in early in February, and it is of importance that Negapatam should begin to be supplied by the beginning of March if possible.

*Proceedings of the Madras Government, Revenue Department,
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1. Ordered to be submitted to Government, with the Board's recommendation that the proposed special rate of discount be sanctioned for wholesale purchases of Vedarniem salt by the heap, pending further orders. The Board would not insist on the condition of the salt being taken to Negapatam, feeling assured that the merchants will, for their own interests, convey it to the most advantageous point to induce purchasers to come forward, and the route that will bring it most cheaply to the best market should be preferred.

2. If the rail from Negapatam offers superior advantages it will certainly be selected, and otherwise it is not desirable that it should be so.

No. 297. Proceedings of the Board of Revenue, dated 1st February 1866.
Read Proceedings of the Madras Government, Revenue Department, dated 19th January 1866, No. 170.

1. The Board observe that the Collector has lately brought to their notice the insufficiency of the Negapatam manufacture to meet the demand, and they have now under consideration a proposal to give additional discount to wholesale buyers of Vedarniem salt to induce the merchants to proceed thither for their supplies, which proposal will shortly be submitted for the orders of Government.

2. But, meanwhile, the Board think it desirable that the Agent for the Great Southern India Railway Company should be disabused of the idea that it is any part of the duty of Government to maintain a stock of Salt at Negapatam to meet the demand for inland trade by rail.

3. The "wants of the merchants" at the Negapatam depôt, to which he alludes, are really that Government should, at its own cost, bring salt from Vedarniem to Negapatam, and there sell it to them for inland trade, without any addition to the usual price; in other words, that for private advantage the public revenue should suffer. There is plenty of salt at Vedarniem if the merchants choose to go there for it.

No. 298. ORDER THEREON, 16th February 1866, No. 415.

Separate Revenue, No. 16.
Salt.

1. The Government regret to learn from the papers above recorded that the manufacture of the year at Negapatam has proved insufficient. When the Collector wrote to the Board, (16th ultimo,) there was only 289½ Garce in store, and even this quantity appears to have since been bought up by the merchants.

2. In 1864 when a similar deficiency occurred, the Government sent about 500 Garce of salt to Negapatam from Vedarniem at a cost of Rupees 38 per Garce, the wastage having been more than 20 Rupees.

3. Last year the stock of salt again ran short, and on the recommendation of the Collector and Board, Government allowed a special discount of Rupees 12-6-0 and Rupees 20 per Garce on Vedarniem salt conveyed to Negapatam for sale. The lower rate was allowed on manufactured and the higher on spontaneous salt, the reason of the difference being that the latter costs the Government less and fetches a lower price in the market. This discount was in addition to the regular

*Proceedings of the Madras Government, Revenue Department,
16th February 1866.*

discount of 5 per cent. on purchases by the heap, and it was expected that it would lead to 1,000 Garce being taken to Negapatam. In reality, however, only 120 Garce was taken there.

4. The Collector now proposes to adopt the same measures, but to raise the rate of discount to Rupees 17-6-0 and Rupees 25 respectively on manufactured and spontaneous salt.

5. The Board support the Collector's proposal except in one important respect, viz., that while he would give the discount only on salt taken to Negapatam, they would have no such restriction, but would leave the purchaser to carry it by the cheapest route to the best market. This, the Government apprehend, would lead to Vedarniem salt displacing the salt at other stations in localities where there is no scarcity. It is at Negapatam that salt is now wanted, and if the Government are to adopt any exceptional measures they should clearly be devised to meet that end. In their second letter above recorded, the Board think it well that the Agent of the Great Southern of India Railway should be disabused of the idea that it is the business of Government to maintain a stock of salt at Negapatam for the advantage or convenience of the Railway.

6. The Governor in Council has carefully considered the proposed measures, and has come to the conclusion that they are open to serious objection.

7. The scarcity is limited to a single locality—at Adrampatam, Vedarniem, and other stations there is an ample supply, and the wants of the District will, in the ordinary course of trade, be met from these. The trifling variation in the price of salt from month to month, as shewn in the price lists of the last three years, is proof that there has been no general scarcity of salt in the District, notwithstanding the occasional deficiencies at Negapatam. It is highly inexpedient, on general principle, that Government should divert the salt trade from its ordinary channels by holding out bounties for the conveyance of the article to particular places, and past experience in Tanjore shews that such an attempt is of little avail. The Government in fact have been yielding year after year to combinations among the salt manufacturers and the merchants.

8. Until the canal to Vedarniem is completed, every effort must continue to be used to get as much salt as possible manufactured at Negapatam, a fair price being given for salt with reference to the cost of labor and the quality of the article. Beyond this the Government are not prepared to go.

9. As regards Mr. Betts' complaints, the Government observe that it is no part of their business to provide salt at Negapatam or any particular station on the Railway for conveyance inland. There is an ample supply at the other depôts, and it will find its way into the interior by the cheapest route. As to any profit which the Government are likely to make by diverting the salt trade to Negapatam for conveyance inland by rail, and so reducing the amount of interest payable on the guaranteed capital, it is sufficient to observe that the discount proposed by the Collector would exceed the amount earned by the Company. The Government, if they sanctioned Mr. Morris' rates of discount, would in fact be paying more for the conveyance of the salt to Negapatam than the Railway would net in its carriage to Trichinopoly.

*Proceedings of the Madras Government, Revenue Department,
16th February 1866.*

10. The Collector will report what has been done, up to the latest date, in furtherance of the Order of Government dated 1st August 1865, No. 1,776.

11. These Proceedings will be communicated to the Public Works Department, in view to measures being adopted for the speedy completion of the Vedar-niem and Negapatam canal.

(True Extract.)

(Signed) J. D. SIM,

Secretary to Government.

To the Board of Revenue.
,, the Public Works Department.

Exd. S. T. Augustin.

From R^d of Riel
30 Jan 2 66
1 Feb 66

These papers relate
to the supply of salt
at Neapetum.

The Manufacture
of the year has
precluded in the
City - when the
City wrote the R^d
[16th ult.] there was
only 280 1/2 sacks
on hand - and even
this has since been
brought up by the
merchants.

In 1864 when
a similar deficiency

1836-37

11 July 1865 No 179-180

1866. 20th Jan 1866
No 1836.

Proceedings of the
Board of Revenue

20th Jan 1866
20th Jan 1866
20th Jan 1866

20th Jan 1866

Admiralty letter
from the Secretary
of the Admiralty
recommending that
certain the granted
to the proposed viz:
"Cause of the Admiralty
Alms to whole sale
purchase of the
Admiralty salt."

6764

occurred. put
lent about 500 Gane
of Salt to Khepatan
from Pedarmin
at a cost of Rs
38 per Gance - the
passage having been
more than 20 Rs -

Last year the
stock of Salt again
ran short and
on the recommendation
of the Collector
Govt. put allowed
a special discount
of Rs 12-6-0 and
Rs 20 per Gance
on Pedarmin Salt
conveyed to Khe-
patan for sale.

The lower salt was
allowed at main-
factured & the higher
on spontaneous salt
the reason of the
difference being
that the latter costs
the 1/2 less and
fetches a lower
price in the
market. This dis-
count was in ad-
dition to the 1/2
discount of 5% on
purchases by
the Govt. - and
it was expected
that it would lead
to 1000 G. being taken
to Khepatan.

It is now pro-
posed to adopt
the same measure.

but because the
rate of Discombs
to Rs 17-6 and
Rs 25 respectively.
The Deputy Commr.

Mrs Rickelto cal-
culates the cost
of conveyance from
Peddarnim to
Rajapetam at
Rs 17-4 - Exclu-
sive of Wastage.

and the rate of
Discombs offered
last year only
led to 120 Cane
being taken. For
this result other
causes are given
by the late Mr
the Secy - the
existence of other

Salt at Rajapetam
& continuation on
the part of the traders.
- The Bd. support
the Commr's proposal
except in one im-
portant respect -
viz that while he
would give the Dis-
combs only on salt
taken to Rajapa-
tam - they would
have no such re-
striction but would
leave the merchants
to carry it by the
cheapest route to
the best market.
This, I apprehend,
would lead to
Peddarnim salt

displacing the
salt at other sta-
tions in localities
where there is no
scarcity. It is
at Nepatani
that salt is now
wanted and
whatever measures
govt may adopt
should be devised
to meet that end.
See the second
letter the 18th. Think
it well that the
Agent of the Great
S. I. Railway, should
be disabused of
the idea that it
is the business of
govt to maintain
a stock of salt at

Nepatani.
Mr. Morris says
that the Railway
make 20 Rs per
force on each
force conveyed
from Nepatani
to Trichinopoly and
if as seems likely
this is nearly the
Railway charge
i.e. gross net
profit, but will
not fair much by
supplying Nepa-
tani with ^{salt} ~~the~~ ^{from}
fixed rates of dis-
count!
govt have on two
occasions stepped
in to supply de-

prices at
Repatan I
cannot, perhaps
well refuse to
to this time - Es.
pecially as the
Cott & Board Co.
can mend it.
But it seems to
me that this shall
be the last oc-
casion -

Every effort should
be made to increase
the manufacture
at Repatan
by giving a fair
price for salt -
varying of course
according to quality
and beyond this

In June last the Gov. of Peru
an order that the salt of two men
carefully to inspect on the tower of
Sargol the making of increasing
the salt of salt at Repatan.
This ~~order~~ ^{order} ~~was~~ ^{was} ~~not~~ ^{not} ~~afford~~ ^{afford}
means of ascertaining why that
order has been without apparent
results. Mr. Richetti, the Salt
Deputy Gov., seems to have been
deceived a voice, & apparently has
much authority in Salt matters
and we understand that he
has been unable to advise. The
difficulties we have are seen since
the salt-makers at Repatan
think they know what he
has been doing in this respect.
There have been miracles &
recently we cannot inspect, &
their plans have been closed. But
the state of things when salt
at the depot - in some, say at
to be permitted to continue

but I should not go -
I should doubt whether
the proposed rates
of 8. cents will
be true - for our own
officer says that the
cost of conveyance
in that hastage, is
17.4 per farce - but
the people are well
enough able to pay
for salt this way.

If there fore put
see pt. to pay
the 8. cents this
time, I would try.
Just that he be
held out of any
similar contention
again -

The Canal, I
fear, will be true

in completing - as
money is so scarce -

order requested

Ed

Mr. Richells should turn
his special attention to
the matter -

The experiment of raising
the discount rate sanctioned
last year & previously too,
does not seem to have been
effective. I doubt much
under the circumstances shown
that it is advisable to renew
the experiment. Such call
as may be wanted for trans-

mission to Duluth for

and use may be had on

application at a discount

when they are carried to a point

on the Railway line. ~~Westward~~

to Duluth, whence it will be carried
into Duluth.

I dare say the Supt. of the Ry. will

as usual with him, raise a blatant voice

and tell his Directors how badly he & his line
have been treated, if the experiment be not now

renewed, but there seems no reason why the

Gov. should go out of the way & force traffic in a

particular direction merely to swell the traffic

receipts of the Railway, ~~unwisely~~. We shall
perhaps in an appreciable degree diminish the

number of bankruptcies, but too that
we shall be paying out in another direction.

7.2.66

W.D.

I am disposed to concur in the above
view - let the salt trade take its natural course
and do not divert it from its channel by
bounties on salt bought at any particular
depot - It is no business of Gov. to provide
traffic for the Railway - nor are the finan-
cial interests of the Ry. in any

way affected - They get their 5% on
their capital any way and no
amount of salt that would take
the rail will give them more
J.P.

I quite agree that this is not the business of the Gov.
to provide traffic for the Railway, but it is di-
rectly business to provide salt for the people - while they
I quite agree with Mr. Phelps & Everett in objecting
to the proposed mode of attracting salt to the Ry.
I should be disposed to urge upon the Ry. the
necessity of doing something to facilitate the trans-
port of salt from the mines - which proposed in be-
half of the Ry. has lingered for the last five years in a sort of
semi-dormant state, one officer making one
proposition & another a different one. a
year's work properly applied should bring
the salt to the Ry. - but if the Dep. is
allowed to dicker on and then done
ten years will see matter much as they are

W.D.

Revenue Department

No. 11/15

Proceedings of the Madras Government
Under date the 16th February 1866. -

Read the following
Proceedings of the B.D. of Revenue.

Submitting letter from the
Collector of Tanjore, and recommending
that sanction be granted to the pro-
posed increase of the discount al-
lowed to wholesale purchasers of
Vedarvium Salt.

(Here enter 30th Jan^y 1866
N^o.)

Submitting remarks on letter
from the Agent G. S. P. Railway
reporting the insufficiency of the
Salt Manufacture at Negapatnam
to meet the demand for inland trade
by rail. -

(Here enter 1st Feb^y 1866 N^o.)

The Government
regret to learn from the
papers above recorded that
the manufacture of the
year at Negapatnam has
proved insufficient to meet
~~the inland demand~~
~~by the Railway~~. When
the Collector wrote to the

Board

Code 336/1350

MD
WMA
WMA
WMA

At Board (16th Ultimo) there
was only 289 1/2 Garses ~~in store~~
~~to meet the consumption~~
~~in store~~ and even this
quantity appears to
have since been brought
up by the Merchants -

In 1864 when
a similar deficiency
occurred, the Government
sent about 500 Garses of
Salt to Negapatnam from
Vedavien at a cost of
Rs 38 per Garce - the
wastage having been
more than 20 Rs.

Last year the
Stock of Salt again
ran short, and on the
recommendation of the
Colly and Board, Govt
allowed a special dis-
count of Rs 12 - 6 - 4
and

and Rs 20 per Garce^{12th}
on Vedavien Salt
conveyed to Negapatnam
for sale. The lower
rate was allowed
on manufactured
and the higher on
spontaneous salt - the
reason of the dif-
ference being that
the latter costs the
Government less and
fetches a lower price
in the Market - This
discount was in ad-
dition to the regular
discount of 5 per cent
on purchases by the Hoops
and it was expected that
it would lead to 1000 G.
being taken to Negapatnam

Ins

In reality however, only
120 fairies were taken there.

The Collector now
proposes to adopt the
same measures but to
raise the rate of dis-
count to Rs 17-6 and
Rs 25 respectively on
manufactured and sponta-
neous salt.

The Board
support the Collector's
proposal except
in one important
respect, viz that
while he would
give the discount
only on salt
taken to Negapatnam.
they

131
they would have no such
restriction but would
leave the purchaser
to carry it by the cheap-
est route to the best
market. Thus, the Gov-
ernment apprehend, would
lead to Vidarnem Salt
displacing the salt at
other stations, in locali-
ties where there is no
scarcity. It is at
Negapatnam that salt
is now wanted, and if
the Government are to
adopt any exceptional
measures they should
clearly be devised to
meet that end. In their
second letter above
recorded

recorded, the Board
think it well that the
Agent of the Great
Southern of India Rail-
way should be disabused
of the idea that it is
the business of Govern-
ment to maintain a stock
of salt at Negapatnam
for the advantage or
convenience of the Rail-
way.

The Governor and
Council ^{has} carefully con-
sidered, the proposed
measures and has come
to the conclusion that
they are open to serious
objection.

The scarcity is
limited

11 8
limited to a single lo-
cality - at Advampatan
Vedarnem and other
stations there is an
ample supply - and the
wants of the District
will in the ordinary

The trifling variations course of trade, be-
in the price of salt from month
to month, as shown in
the price lists of salt from there. It
the last 3 years ~~there~~
is proof that there is highly inexpedient
has been no general principle
scarcity of salt in
the District - not that Government
in the tariff the
occasional depreciation should divert the
at Negapatnam.

Salt trade from
its ordinary chan-
nels by holding out
bounties

11
countries for the con-
veyance of the article
to particular places
and past experience
in Tanjore shows that
such an attempt
is of little avail.

The Government
in fact have been
yielding year after
year to combinations
among the salt
manufacturers.

11 9
manufacturers and the
merchants.

Until the Canal
to Uedarumpe is com-
pleted, every effort must
continue to be
used to get as much
salt as possible at
Negapatam - a fair price
being given for salt
with reference to the cost
of labor and the qua-
lity of the article. Be-
yond this the Govern-
ment are not prepared
to go.

As regards Mr.
Datta's complaint to the
Government observe
that it is no part
of their business to
provide salt at Ne-
gapatam or any
particular

particular station on
the Railway for con-
veyance inland. There
is an ample supply at
the other Depots and
it will find its way
into the interior by
the cheapest route.
As to any profit which
the Government are
likely to make by di-
verting the Salt trade
to Negapatam for
conveyance inland by
rail and so reducing
the amount of interest
payable on the guar-
anteed Capital, it
is sufficient to ob-
serve that the discount
proposed by the
Collector would
exceed the amount
earned by the Com-
pany, the Government

1.16.11
if they save the ex-
cess rates of dis-
count, would in fact
be paying more for the
conveyance of the Salt
to Negapatam than the
Railway would net
on its carriage to
Trichinopoly.

The Collector will
report what has been
done up to the latest
date, in furtherance
of the order of Govern-
ment dated 21st Aug^r 1865
No. 171/6-2.

These proceedings
will be communicated
to the P. H. Dept in view
to measures being adopted
for the speedy comple-
tion of the Vedarnem
and Negapatam Canal.

14. To the Board of Directors
21. R. B. 1865 N

[Signature]

Revenue to the
Pro: of Govt for February

No 4/15

Pro: of the Madras Govt
Of 16th Feb: 1866

Order

Pro Board of Revenue of
20 April 1866 C no. 1195

Thompson

Passing orders on the best
mode of supplying the defi-
cient manufacture of Salt
at Nagapatam.

No 296 @ 298