M.R.O. 14-5,450—22-10-25.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 972 Press / Mis.

Dated 25-4- 1866.

Not to be folded or roughly handled

No. 397. Read the following Proceedings of the Board of Revenue, dated 7th April 1866, No. 2,353 :—

Read again letter from the Collector of Tinnevelly, dated 23rd January 1866, No. 30, recorded in Board's Proceedings, 1st February 1866, No. 759.

Read also the following letter from the same Officer, dated 12th February 1866, No. 70.

1. In answer to the Proceedings of the Board of Revenue, dated 1st February 1866, No 759, desiring me to report how I propose to meet the charge for the Salt sale establishment at Manjancolum, for how long it is likely to continue, and whether any special inducement should be held out to clear off the stock, I have the honor to state, that the charge can be met from the unexpended portion of Salt Budget Estimate for 1865-66, a separate provision being made in next year's Budget.

2. The stock at present in hand is 3,04,953 Maunds, which at the average rate of disposal, will take seven and a quarter years to clear off.

3. Five per cent. discount on heaps being ineffectual to induce sales in this inaccessible station, ten per cent. would, on the above quantity, amount to Rupees 45,000, at five per cent., 22,500.

4. The seven years' establishment to sell off at the usual rates, would amount to Rupees 1,468 × 7 = Rupees 10,276, net loss by reduction of price, by ten per cent. would be, say, Rupees 12,200.

5. The Deputy Collector is in favor of the establishment being retained for inland retail sales, (exportation is, I understand, out of the question, as it is off the coast,) and against reduction of the price.

6. I would, at any rate, try the experiment; better a defined loss of an extra five per cent. than an undefined loss from wastage in seven years, which would probably amount to as much.

7. If salt has been manufactured in an inaccessible place, of course there must be loss, but the loss is not a dead loss on cost price, but a prospective loss of anticipated revenue, and I think the possible wastage might perhaps, in some measure, counterbalance the difference between the cost of establishment, and the amount of reduction.

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1. Ordered that the foregoing letters be submitted for the orders of Government, with the Board's recommendation that the temporary establishment applied for by the Collector of Tinnevelly, for the disposal of the salt stored at Munjancolum, be sanctioned; the charge being met, as proposed by the Collector, from the unexpended portion of the Salt Budget Estimate for 1865-66, separate provision being made for the same in next year's Budget. The temporary establishment, as appears from the table appended to paragraph 2 of Mr. Wedderburn's letter to Mr. Clarke, dated 13th November 1865, No. 429, is to cost 62 Rupees a month, and is of the strength noted in the margin.

	Rs.	A.	P.
1 Assistant Superintendent... ...	20	0	0
1 Clerk or Shroff	15	0	0
2 Measurers at 6 Rupees	12	0	0
3 Vettyans at 5 do.	15	0	0
Total...	62	0	0

2. The Government are aware that Munjancolum is one of the salt stations of Tinnevelly, the abolition of which, on the recommendation of Mr. Clarke, was approved* by them on the ground that

* Government Proceedings, 2nd October 1865, No. 2,379, paragraphs 20 and 21.

"the salt is bad, the sales very small, the station isolated and inaccessible." The Collector now reports that the stock in hand at Munjancolum is 3,04,953 Maunds, representing a value at the usual selling price of 4,57,429 Rupees. To sell this stock at the ordinary rates, it is calculated that an establishment costing 1,468 Rupees per annum would be required for seven years, or 10,276 Rupees in all. To ensure rapid sales, however, the Collector recommends a discount of ten per cent. on heaps, as the ordinary discount of five per cent. is ineffectual for the purpose. A discount of ten per cent. would entail a loss on prospective gain of 45,000 Rupees, but really it would result in a net loss of only 12,200 Rupees, because against it must be set off the loss by the ordinary discount of five per cent., in round numbers Rupees 22,500, *plus* Rupees 10,276 the cost of the establishment which would be required in such case.

3. There is no question that, the abolition of the station having been once decided on, and the salt itself being pronounced of very indifferent quality, it is best to get rid of the stock in hand as soon as possible. It will only deteriorate and waste by keeping. On the one hand there is the larger discount, counterbalanced by the probability of the stock being rapidly sold off (though within what time it is not calculated), and by the smaller cost of an inexpensive temporary establishment; while, on the other, with the ordinary allowance, there is the undesirable prospect of retaining the salt on hand for seven years, and maintaining a more expensive establishment for that period. Added to this, there must be a large loss by wastage year by year, and the whole loss as estimated by Mr. Clarke, *i. e.*, for decrease, establishment, price of salt, storage, &c., at about a lac and a half; thus leaving a profit of only about three lacs in seven years, or about 25,000 Rupees each year.

4. As it does not seem worth while, for this small profit, to discourage sales by high prices, the Board beg to support the proposition of the Collector to allow a discount of ten per cent. on heaps, as an inducement to the more rapid clearing away of the stock; and if, after some time, it is found that this large allowance is insufficient for the purpose, they would recommend that the discount be increased to twenty-five per cent.

No. 398. ORDER THEREON, 25th April 1866, No. 972.

Separate Revenue, No. 18.
Salt.

1. The Government sanction the proposed establishment and rate of discount, viz., 10 per cent.

2. The Board will report how much this salt has actually cost the Government, and why so large a quantity was stored at so petty and inaccessible a depôt.

(True Extract.)

(Signed) J. D. SIM,
Secretary to Government.

To the Board of Revenue.
,, the Accountant General.

Exd. S. T. Augustin.

No. 759.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 1st February 1866.

Read the following letter from A. WEDDERBURN, Esq., Collector of Tinnevelly, to T. CLARKE, Esq., Member of the Board of Revenue, dated 23rd January 1866, No. 30:—

Adverting to my letter of the 13th November 1865, No. 429, I have the honor to request you will be good enough to obtain the early sanction of the Board, for the entertainment of the temporary establishment at Munjancolum, as the Deputy Collector in charge of the Salt Department reports, that operations having commenced at Viziabathi, a portion of the establishment of the above pans now retained at Munjancolum, is absolutely wanted at the former pans.

Transferred to the Board for disposal.

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

30th January 1866.

The Collector will report how he proposes to meet this temporary charge, and for what period it is likely to continue. He will also consider whether any additional advantages in the way of special discount, &c., can be offered to induce more speedy sales at Munjancolum.

(A true Copy and Extract.)

(Signed) W. HUDLESTON,
Secretary.

To A. Wedderburn, Esq., Collector of Tinnevelly.

Exd. J. Wright.

Requesting the Collector of Tinnevelly to report how the charge for the proposed temporary Salt Establishment at Munjancolum is to be met, and for what period it is likely to continue; and desiring him to consider whether any special discount can be offered to induce more speedy sales at that station.

Dated 1st *February* 1866.

Despatched

Received

No. 759.

PROCEEDINGS OF THE BOARD OF REVENUE

No. 2353

1866. Department.

No. 759.

No. 2,353.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 7th April 1866.

Read again letter from the Collector of Tinnevelly, dated 23rd January 1866, No. 30, recorded in Board's Proceedings, 1st February 1866, No. 759.

Read also the following letter from the same Officer, dated 19th February 1866, No. 70: —

1. In answer to the Proceedings of the Board of Revenue, dated 1st February 1866, No. 759, desiring me to report how I propose to meet the charge for the Salt sale establishment at Manjancolum, for how long it is likely to continue, and whether any special inducement should be held out to clear off the stock, I have the honor to state, that the charge can be met from the unexpended portion of Salt Budget Estimate for 1865-66, a separate provision being made in next year's Budget.

2. The stock at present in hand is 3,04,953 Maunds, which at the average rate of disposal, will take seven and a quarter years to clear off.

3. Five per cent. discount on heaps being ineffectual to induce sales in this inaccessible station, ten per cent. would, on the above quantity, amount to Rupees 45,000, at five per cent., 22,500.

4. The seven years' establishment to sell off at the usual rates, would amount to Rupees 1,468 × 7 = Rupees 10,276, net loss by reduction of price, by ten per cent. would be, say Rupees 12,200.

5. The Deputy Collector is in favor of the establishment being retained for inland retail sales, (exportation is, I understand, out of the question, as it is off the coast,) and against reduction of the price.

6. I would, at any rate, try the experiment; better a defined loss of an extra five per cent. than an undefined loss from wastage in seven years, which would probably amount to as much.

7. If salt has been manufactured in an inaccessible place, of course there must be loss, but the loss is not a dead loss on cost price, but a prospective loss of anticipated revenue, and I think the possible wastage might perhaps, in some measure, counterbalance the difference between the cost of establishment, and the amount of reduction.

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1. Ordered that the foregoing letters be submitted for the orders of Government, with the Board's recommendation that the temporary establishment applied for by the Collector of Tinnevelly, for the disposal of the salt stored at Munjancolum, be sanctioned; the charge being met as proposed by the Collector from the unexpended portion of the Salt Budget Estimate for 1865-66, separate provision being made for the same in next year's Budget. The temporary establishment, as appears from the table appended to paragraph 2 of Mr. Wedderburn's letter to Mr. Clarke, dated 13th November 1865, No. 429, is to cost 62 Rupees a month, and is of the strength noted in the margin.

	Rs.	A.	P.
1 Assistant Superintendent	20	0	0
1 Clerk or Shroff	15	0	0
2 Measurers at 6 Rupees	13	0	0
3 Vettyans at 5 do.	15	0	0
Total...	62	0	0

2. The Government are aware that Munjancolum is one of the salt stations of Tinnevelly, the abolition of which, on the recommendation of Mr. Clarke, was approved* by them on the ground that "the salt is bad, the sales very small, the station isolated and inaccessible." The Collector now reports that the stock in hand at Munjancolum is 3,04,953 Maunds, representing a value at the usual selling price of 4,57,429 Rupees. To sell this stock at the ordinary rates, it is calculated that an establishment costing 1,468 Rupees per annum would be required for seven years, or 10,276 Rupees in all. To ensure

* Government Proceedings, 2nd October 1865, No. 2,379, paragraphs 20 and 21.

rapid sales, however, the Collector recommends a discount of ten per cent. on heaps, as the ordinary discount of five per cent. is ineffectual for the purpose. A discount of ten per cent. would entail a loss on prospective gain of 45,000 Rupees, but really it would result in a net loss of only 12,200 Rupees, because against it must be set off the loss by the ordinary discount of five per cent., in round numbers Rupees 22,500, *plus* Rupees 10,276 the cost of the establishment which would be required in such case.

3. There is no question that, the abolition of the station having been once decided on, and the salt itself being pronounced of very indifferent quality, it is best to get rid of the stock in hand as soon as possible. It will only deteriorate and waste by keeping. On the one hand there is the larger discount, counterbalanced by the probability of the stock being rapidly sold off (though within what time it is not calculated), and by the smaller cost of an inexpensive temporary establishment; while, on the other, with the ordinary allowance, there is the undesirable prospect of retaining the salt on hand for seven years, and maintaining a more expensive establishment for that period. Added to this, there must be a large loss by wastage year by year, and the whole loss as estimated by Mr. Clarke, *i. e.*, for decrease, establishment, price of salt, storage, &c., at about a lac and a half; thus leaving a profit of only about three lacs in seven years, or about 25,000 Rupees each year.

4. As it does not seem worth while, for this small profit, to discourage sales by high prices, the Board beg to support the proposition of the Collector to allow a discount of ten per cent. on heaps, as an inducement to the more rapid clearing away of the stock; and if, after some time, it is found that this large allowance is insufficient for the purpose, they would recommend that the discount be increased to twenty-five per cent.

(A true Copy and Extract.)

Secretary.

To the Secretary to Government, Revenue Department,
with copy of Board's Proceedings, dated 1st February 1866, No. 759.

Copy to the Collector of Tinnevelly.

Exd. J. Wright.

Dr. 972.

The Govt sanction the proposed Establishment and rate of Discount viz 10 per Cent.

The Bd will report how much this Salt has actually cost the Govt and why so large a quantity ~~was the~~ was stored at so petty and inaccessible a Depôt

I. Dept.
25th April 1866

Read in Consn 1866. Department's No. 2353.

No. 1040.

PROCEEDINGS OF THE BOARD OF REVENUE,

Read the Report of the Collector of Tinnevelly, No. 759, dated 7th April 1866.

Resolved,

That the Collector of Tinnevelly be informed that the Board approve the proposition contained in his letter above referred to, and recommend that the sanction of Government be obtained for the establishment of a temporary establishment at a cost of Rupees 10,276 per annum for disposal of Salt stored at Murjanaikum, and that a discount of ten per cent be allowed on heaps for the present.

Ordered,

That a copy of the above Resolution be submitted to the Government for their information, with copy of the Collector's letter No. 759, dated 7th April 1866.

(A true Copy and Extract.)

Secretary.