

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	996	Press Mis.
Dated	27. 4-	1866.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
27th April 1866.*

No. 441. Read the following Proceedings of the Board of Revenue, dated 28th November 1865, No. 7,603 :—

Read again letter from the Collector of Cuddapah, dated 23rd May 1863, No. 77, recorded in the Board's Proceedings, under date 22nd June 1863, No. 3,747.
Letter from the Collector of Kurnool, dated 15th June 1863, No. 88, recorded in the Board's Proceedings, under date 30th June 1863, No. 3,950.

Read also the following letters :—

From the Acting Collector of Cuddapah, to the Secretary to the Board of Revenue, dated 22nd August 1863, No. 131.

1. With reference to the Board's Proceedings, dated 22nd June 1863, No. 3,747, expressing doubts as to the correctness of my estimates as regards the making of earth salt in this District, I have the honor to state that I have taken a considerable tour through the District, and having made personal inquiries of the salt makers, I see no reason to alter my statistics, unless *very great* accuracy is needed, for I find that in every place I have inquired, Government would work the heaps at a loss, if they undertook the making of earth salt.

2. I never intended the Board to understand that the salt makers actually *lost* by the transaction, but what I meant to point out was, that if the cost of making the heaps and working them was paid for in *real* money, according to the regular rates of hire, the turn-out of salt and demand would be so small, as to entail actual loss in the manufacture.

3. The estimate the Board have made of the hire of two men and two bullocks, costing only seven Rupees per month, is much lower than obtains in this District, for at the *lowest* it is not less than appears in the margin, making the total of fifteen Rupees a month, but very rarely indeed could labor be obtained at such a rate, indeed twenty-five to thirty would be nearer the mark.

4. In submitting also the quantity of cattle in the District in proportion to the quantity of earth salt consumed, I intended to shew the very great increase in the importation of marine salt since roads were made in the District, and consequently that not near so much earth salt was now required, in fact, that it (earth salt) was only made for the cattle, and not for general consumption, that marine salt also was given to cattle, whereas formerly they only consumed earth salt, the marine salt being too dear.

5. I am unable to inform the Board as to the actual cost of manufacture and sale per garce of earth salt, for no transactions take place for so large a quantity.

From the Acting Collector of Bellary, to the Secretary to the Board of Revenue, dated 20th October 1863, No. 148.

1. With reference to the Proceedings of the Board of Revenue, dated 17th April 1864, No. 2,201, requesting certain information on paragraphs 5 and 12 of Government Order, dated 1st April 1863, No. 603, I have the honor to state that the conditions of earth and sea salt manufacture are so different that the assimilation of Government control over the manufacture of the former is not practicable.

	Per month.		
	Rs.	A.	P.
Two men at two Annas each per day, amount to...	7	8	0
Two buffaloes at two Annas per day each amount to ...	7	8	0
Total...	15	0	0

2. Sea salt can be made under Government supervision in any quantities within a restricted area, the sea affording an unlimited supply of brine, and the sun doing the rest. Earth salt, on the contrary, can only be made in the vicinity of scattered patches of saline soil, which occur at various and widely distant localities.* In the former case, concentrated supervision is possible; in the other, with one Policeman to nine square miles of territory, I consider it impracticable.

3. With reference to the opinion expressed in paragraph 4 of the Proceedings of Government, it seems to be taken for granted that the cost of manufacture of both descriptions of salt is the same, and that earth salt should not be exempted from the monopoly price of Rupees 180 per garce. According to this estimate, the cost of manufacture of a garce of sea salt may be taken at Rupees 15, but as earth salt is made in a very different manner, its manufacture costs ten times as much, and amounts to nearly the rate of the Government tax on the product of the sea. It is evident, therefore, that taxing both alike, will not put the originally expensive and inferior salt on an equality with the more valuable and prized commodity, which costs scarcely any thing in its manufacture, irrespective of the cost of supervision.

4. The people have the choice of the salt they consume, and their choice is indicated by the price of a garce of sea salt being Rupees 420, while a garce of earth salt only brings Rupees 200, and is only used for cattle, and by the more indigent classes of the population, being by no means so palatable as the sea salt.

5. To make earth salt is a most expensive* and tedious process. The saline earth has to be collected, it is loaded on buffalo backs, and carried to the mound. Water has to be fetched, and as the manufacture is restricted to the dry season, a well has often to be dug and worked, to supply the water. The earth being dissolved in the water, the brine is run down the heap into the evaporating pan. The carriage of the earth and the water, and the subsequent process, and the slow and small out-turn, are elements of expense which do not enter into the manufacture of sea salt.

6. At present the manufacture of earth salt is taxed to the extent of thirty per cent. on the net profit as shewn below:—

Estimated out-turn of earth salt in the Bellary District ...	Garces.
Value of the same at Rupees 200 per garce ...	700
Cost of manufacture ...	1,40,000
Net profit ...	1,05,000
Amount of Moturpha salt tax re-imposed ...	35,000
	11,000
Remains Rupees ...	24,000

Thus leaves Rupees 24,000 as the profit on an expense of Rupees 1,05,000, or twenty-three per cent.

7. The sea salt is taxed with eleven times its cost of production. A similar rate of taxation on earth salt would extinguish its production even if it could be sold at the price of sea salt.

8. The selling price of earth salt being Rupees 200 per garce, it exceeds the monopoly price of sea salt on the coast by Rupees 20. So it appears to me that the sea salt is sufficiently protected without any further measures being taken.

9. The retail price of sea salt being Rupees 420 per garce at Bellary, and Rupees 180 at the coast, the difference must chiefly be attributed to the cost of carriage, and to the want of competition, and to the large profits charged by the native merchants to cover wastage.

10. The conveyance of a garce of salt from the coast to Bellary on carts would add Rupees 100 to the prime cost. On pack animals the cost is still more.* Say that the garce was bought at Rupees 200 on the coast, it costs Rupees 300 at Bellary, and forty per cent. retail profit brings up the price to Rupees 420.

11. It appears, however, that the retail price of salt in Coimbatore is not very different from that at Bellary, and, consequently, that the people of the Ceded Districts are unduly favored by the privilege of making earth salt. However, I would still advocate the privilege being continued, until a railway reaches Bellary, or its confines, as it now reaches Coimbatore, when it is to be hoped that native merchants will take advantage of the railway to import salt. The facility of carriage would add greatly to the quantity, decrease the price, and increase the consumption.

12. Even when the rail reaches Cuddapah it will cost at least Rupees 50 to bring a garce of salt 150 miles from that place to Bellary. The road is very bad still, and in wet weather scarcely practicable. Salt is a difficult article to carry,† and subject to wastage and loss, probably the demand further inland would still keep the price high.

13. There is said to be at present an inconsiderable export of earth salt from the adjoining villages of Bellary to Mysore. If the manufacture were prohibited in Bellary, the converse trade from Mysore and Hyderabad would be stimulated. The sole cause of the manufacture of earth salt appears to be the dearth and insufficient supply of sea salt from the absence of proper means of communication. The manufacture of earth salt appears to bring little profit, and to be as highly taxed as is politic, and the selling price, above its actual cost, shews the little estimation it is held in, as compared with sea salt.

Memorandum shewing the particulars of the cost of manufacture of a garce of earth salt.

	RS.	A.	P.
Cost of a salt pan ...	30	0	0
Do. of a well ...	10	0	0
Do. of two Buffaloes, from February to May of each year, during which period the earth salt is manufactured ...	50	0	0
Hire of four Coolies during do. ...	50	0	0
Cost of sundry articles ...	10	0	0
Total...	150	0	0

Price 24 seers per Rupee, or Rupees 200 per garce.

BELLARY,
20th October 1863.

(Signed) A. WEDDERBURN,
Acting Collector.

1. Resolved that the foregoing papers be submitted for the consideration and orders of His Excellency the Governor in Council.

2. In the Order of Government under date 1st April 1863, No. 603, instructions were issued to the Collectors of Bellary, Cuddapah, and Kurnool, to collect from all manufacturers of earth salt the payments which they had formerly made under the head of "Moturpha," such payments being credited to Salt Revenue. In the same Order the propriety of legalising the manufacture of earth salt in these Districts was discussed. It was pointed out that this was no doubt the proper course, if it could be done without unreasonable expense, for, as the wholesomeness of the earth salt was unquestionable, it was rather an object to encourage its manufacture and consumption than to suppress the use of it in order to induce the consumption of marine salt, for that would be to compel the people to consume an expensive article when a cheap one was at hand, and it was a matter of no moment to Government whether their salt tax was paid upon earth salt or upon marine salt. Information was accordingly called for (1) as to whether the places of manufacture could be so multiplied in proximity to each other, or could be made sufficiently productive, to pay the cost of the necessary establishment; (2) as to the expense attending the manufacture, and the selling price of the article in the market; and (3) as to whether there was any probability of earth salt being largely imported from Mysore or Hyderabad if the home manufacture was heavily taxed. As the earth salt in Kurnool proper was said to be of a very inferior description, and fit only to be consumed by cattle, it was proposed to legalise the manufacture temporarily by the imposition of a License tax at a somewhat higher rate than had been proposed by the Collector.*

* Rupees 5.

3. In forwarding this Order to the Collectors, and calling upon them to submit the desired information, the Board observed that the arguments brought forward by Government, and alluded to in the preceding paragraph, in favor of legalising the manufacture were doubtless of great weight, but that as they applied with equal force to the other inland Districts of the Presidency, and as the Board had been under the impression that there was no wish to extend the manufacture of earth salt beyond the three Districts under reference, they had not brought them forward in their Proceedings under disposal in the Government Order in question. The Board further explained that in all their propositions in those Proceedings, they had kept in view the eventual abolition of this exceptional manufacture, as they saw no reason why Bellary and Cuddapah should be placed in a more favorable position in regard to the salt tax than Coimbatore and Trichinopoly. They, therefore, requested information from Government, as to whether under the views the Government had then expressed, it was in contemplation to permit the manufacture of earth salt in any District in which the people might find it profitable to make such salt.

4. In reply to this observation the Government stated that they were not prepared to recognise the manufacture of earth salt in any District, and that their order on the subject referred solely to the Ceded Districts.† The Board, therefore, now presume that whatever arguments there may exist in favor of legalising

the general manufacture of earth salt, they may be altogether laid aside in the consideration of the question now under discussion, viz., the propriety of continuing or discontinuing the manufacture of earth salt in the three Districts of Bellary, Cuddapah, and Kurnool.

5. The papers recorded at the head of these Proceedings are the letters received from the Collectors of these three Districts on the points regarding which Government desired information. It will be observed that all three Officers are unanimous in considering the nature of the manufacture to be such as to preclude the possibility of sufficiently concentrating the modas, or places of manufacture, or of increasing the production at any of them to such an extent, as would enable an ordinary establishment to supervise the manufacture. As to the cost of production, the Collectors of Kurnool and Bellary place it respectively at Rupees 140 and Rupees 150 per garce, but the information submitted by the Collector of Cuddapah is not so clear. In Bellary the salt sells for Rupees 200 per garce, and in Kurnool for Rupees 52 for 1,040 measures, or at Rupees 160 per garce. It seems, however, that the demand for the article is generally local, and that the salt is often bartered for grain, so that much reliance cannot probably be placed on these figures.

6. No information is given on the third point referred to in the Government Order, except by the Collector of Bellary, who states that if the manufacture of earth salt were prohibited in Bellary, an export of the article would probably take place thither from Mysore and Hyderabad. The Board, however, see no likelihood of any large frauds on the revenue in this direction, as earth salt can readily be detected, and the possession of smuggled salt is a punishable offence.

7. All three officers are satisfied that an excise equivalent to the tax on marine salt would effectually put a stop to the manufacture, and the Collector of Kurnool states that prohibition would be the preferable measure of the two. The Collector of Bellary thinks that the manufacture should be permitted on the present terms until the railway reaches his District, and the Collector of Cuddapah would have rendered the manufacture for eighteen months from August 1863, after which he would have prohibited it. He shews that the manufacture and consumption of the article have gradually decreased as communication with the coast has been improved, and that no manufacture at all takes place in some Talooks.

8. Mr. Minchin gives no estimate of the quantity of earth salt produced in his District, but taking 1,040 measures as the produce of each moda, the 536 modas said to be at work in Fusly 1272, would give a result of 5,57,440 measures, or about 174 garces, and the present tax for the whole District being Rupees 2,093-9-0, would give a rate of about Rupees 12 per garce. In Bellary 700 garces are, it is said, produced, and Rupees 11,000 is the salt tax collected, which would make the rate about Rupees 15-12-0 per garce. In Cuddapah the manufacture is estimated at 6,85,520 measures, which represent about 214 garces, and the total tax paid is only Rupees 250 per annum. It appears, however, that in all these Districts this salt is used principally for cattle, marine salt being purchased for domestic use by all classes except the most indigent. The supposition, too, that the Kurnool salt was inferior to that made in the adjoining Districts seems to be a mistake.

9. On a due consideration of the information submitted by the local officers, the Board have no hesitation in recommending to Government that the manufacture of earth salt should be prohibited in Cuddapah after the 1st of July next, and

that it should be permitted, under existing arrangements in Bellary and Kurnool, only until the line of Railway is opened to Gooty, on the understanding that no fresh places of manufacture are to be opened.

10. As observed above, though there may be arguments in favor of permitting earth salt to be manufactured throughout the country, they do not apply to an exceptional permission in favor of certain Districts, and the Board see nothing in the social or the political condition of the inhabitants of the three Districts under consideration, that would justify Government in treating them any longer in an exceptionally favorable manner. The land Revenue in these Districts is lighter than in most other parts of the Presidency, there is a large extent of good cultivable land, Cotton and Indigo are largely produced, and the communications are in fair order. On the whole, the material prosperity of the inhabitants may be described as fully equal to that of the people of any other part of the Peninsula, and had it not been that the indulgence has been enjoyed for so many years, the Board would have advocated the immediate prohibition of the manufacture of earth salt in all three Districts. As it is, a sufficient consideration is given to this exceptional state of things by deferring the prohibition until the Railway shall reach the confines of each District, and both a ready access to the coast, and a cheap mode of carriage for marine salt shall have been thus secured.

No. 415.

ORDER THEREON, 27th April 1866, No. 996.

Separate Revenue, No.
Salt.

The information now submitted by the Board of Revenue shews that the manufacture of earth salt in the Ceded Districts and Kurnool cannot advantageously be either excised or monopolized. The works are sparsely scattered over a large extent of country, and the produce of each is small. Concentration is impossible, and without it the cost of the necessary establishment would be out of all proportion to the revenue derived. There is therefore no alternative between allowing the manufacture to continue on its present footing, and suppressing it. Under all the circumstances of the case, the Government consider the former to be the preferable course, though they quite admit the force of the Board's arguments in support of the latter alternative. The Collectors all state that earth salt, as an article of human consumption, is being rapidly superseded by marine salt, and that even now it is only used by the most indigent classes, and given to cattle. When the Railway is completed, and the communications of the Districts with the Railway and the coast are improved, this result will be fully attained; and, meanwhile, the Government are unwilling to withdraw a privilege which the people of these Districts have enjoyed for so many years, and to adopt a measure which, though no doubt correct in principle, will press with severity on the poor without adding sensibly to the finances of the State.

(True Extract.)

(Signed) J. D. SIM,

Secretary to Government.

To the Board of Revenue.

Exd. S. T. Augustin.

Note. It is clear that the scattered character of these Earth-salt works and the small output of each render Excising or Monopolizing unprofitable. The question therefore is - shall the manufacture be suppressed under Reg. 1 of 1805 as proposed by the Board, or shall it be taxed to such a degree as practically suppress it - or shall it be allowed to die a natural death? The estimated manufacture in Cuddalore is still large. I should very self prefer the second course.
L. D. S.

Pro. & Appl. 63071-2
- 30 April - 284-285

Reported to England
of 9th June No. 1 of 1866
de H. Rev. & Sal.

Rev. 1865.
Pro of Govt for April Department.

No. 3407.
PROCEEDINGS OF THE BOARD OF REVENUE,

Dated 28th November 1865.

Supd. Secy -
Rev. Secy -

B. 2 m. 102. 50. 0. 10. 10.

No. 7,603.

1899527-444

Submitting with remarks letters from the
Collectors of Cuddapah, Bellary and Kurnool
submitting information regarding the manufac-
ture of earth salt.

N: 11441

C25 200/15

Rev. H: 3457.
1866.

When employed in Kurnool
I saw much of the condition of the
makers of earth salt - and often had
before me specimens of the miserable
substitute for sea salt - which they
manufacture. The improvement of
the Bellary, Cuddapah & Kurnool
districts and other places, depends upon
at the present time, of any just claim
to more indulgence than is accorded to
the inhabitants of our other provinces.
But, referring to the progress made
in connecting those three districts with
the coast by means of the Railway
now open to Cuddapah, and to the
probability of its soon being com-
pleted to Hooleij, I feel averse to
the adoption of any new measure,
whether for taxing the salt or its
manufacturers, or for suppressing it.

manufacturer - He knows that salt
 is now conveyed daily in large quantities
 & sold in the districts of Cuddalore and
 I have no doubt that by degrees the
 better artists will be introduced
 into the three districts in question to
 an extent it will cause the
 makers of salt to sell before their
 hands and seek other means of
 livelihood: and then I think they
 will reckon upon with the greater
 certainty that the salt is
 usually made by them during only
 2 months out of the year -
 There seems however to be no
 fact proved for preventing the sale
 of the salt by the tax paid by them from
 being before the local districts and
 the removal of the salt control by
 the British Code -
 W.D.K.
 7.4.66

I agree with Mr Phillips and would
 not interfere with the manufacture
 of the salt in Billerig Cuddalore
 Kurnool or elsewhere - To put it down
 entirely would be impossible and the
 attempt would merely put in the
 hands of the subordinate Police & Revenue
 authorities powers which they would
 misuse to the annoyance and op-
 pression of the lower orders of the people.
 It seems from the reports of the
 Collector that in Mysore salt finds
 its way into their districts it gradually
 supersedes the use of earth salt, which
 they say is now used only for cattle
 and the more indigenous classes
 of the population - At the NW corner
 of the country and near the
 communication from the coast
 to the interior the use of earth salt is
 common and it is not until it comes to the interior that it is altogether abandoned.

the combination is very modest pro-
-portion and on that footing it has
been left to the good will of the
people to be disposed of in the B.D.
Estimates that the production of earth
salt was compared to the Belling
Kernool & C. and just by the way
in trust it is said in the B.D. in all
the Districts of the B.D. When
saline earth is found the poor
clashes with the saline products
and can pay the salt to obtain
from our own & that of the other,
and "all the things" however all the
things were seen as previous than
during the B.D.

9/4/66. Agree with the humane opinions embodied in the
B.D. recommendation. It does not seem expedient to suppress
the local fabrication of earth salt either by direct prohibition or by taxation.
Such measures would produce some operation and disturbance among the people
without any proportionate gain to govt. The manufacture will be relinquished
as far as human consumption is concerned by the gradual ascendency
of the better article from the seaboard. Should a contingency arise
of salt being in the B.D. or elsewhere to prevent it.

He 996

27e apt 1866

The information
now submitted by
the Board of Revenue
shows that the manu-
facture of Earth Salt
in the Ceded Districts
and Kernool can
not advantageously
be either excised or
monopolised. The
works are ^{scarcely} scattered
over a large extent
of country and the
produce of each is
small. Concentration
is impossible - and
without it the cost
of the necessary ex-
-tortionment would be
out of all proportion to

The revenue derived.
There is therefore no
alternative between
allowing the manu-
facture to continue
on its present footing
or suppressing it.
Under all the cir-
cumstances of the
case, the Govt. considers
the former to be the
preferable course, though
they feel to admit the
force of the Govt's argu-
ments in support
of the latter alternative.
The Census also shows
that Earthe Salt - as
an article of human
consumption - is being
rapidly superseded
by Marine Salt & that

even now it is only
used by the most indi-
gent classes - and
even to cattle. When
the Railway is com-
pleted and the com-
munications of the
districts with the
Railway & the Coast
are improved this
result will be fully
attained and means
while the Govt. are
unwilling to risk.
- Draw a principle which
the people of these
districts have ex-
pected for so many
years and to adopt
a measure - which
though not Govt. Cor-
rect in principle -
will pass with severity

on the poor without
adding sensibly
to the finances of
the State.

J. D. P.

14 To the Board of Directors of the

Committee

[Signature]

on the

to add

to the

the Sta

Reported to England

31st June No. 1 of 1866

Sept. Rev. Salt

Revenue 1866 Dep
Pro of Govt for Apr

No 996-

Pro of the Madras
Government D/
27th April 1866-

14th Dec 1866

Manufacture of
earth salt in the Ceded
Districts and Kurnool
to continue in its present
footing-

N:444-445-