

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

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132-33
1868

Proceedings of the Madras Government, Revenue Department,

5th June 1868.

No. 132. Read the following letter from the Acting Chief Secretary to the Government of Bombay, Revenue Department, to the Chief Secretary to the Government of Madras, dated Bombay Castle, 22nd May 1868, No. 1,982:—

In forwarding the accompanying proceedings ending with the Resolution of this Government of this day's date, No. 1,981, I am directed to draw the attention of the Government of Madras to the remarks made in paragraphs 36 to 54 of the report from Mr. P. M. Dulzell, No. 16, dated 8th January last, relative to the natural salt deposits in the Seergunda creek in the Province of Sind.

No. 133. ORDER THEREON, 5th June 1868, No. 1,574.

Separate Revenue, No. 2.

<i>Salt.</i>

1. Communicated to the Board of Revenue, who will draw the attention of the Collectors of Canara and Malabar to the testimony borne to the very excel-

lent quality of the Sind (Seergunda) salt, and to the facilities for its supply if required on the coast.

2. It is believed that the experiment of importing Sind salt into Canara was tried some eighteen years ago, but that the article did not meet with ready acceptance.

(True Extract.)

(Signed) W. HUDLESTON,
Secretary to Government.

To the Board of Revenue.

Erd. S. T. Augustin.

*Memorandum on the Salt Department of the Northern Division
of the Presidency.*

The proposals for a change in the Salt Department of the Northern Division of the Presidency divested of all sort of pen, ink, and paper habiliments, are—

To close all the sea-side works between the Runn and Bassein, and perhaps even there.

To trust to the five great works at the Runn to supply a better salt than the sea-side works produce, which can be done without any difficulty in the way of change in the constitution and working of the Runn establishments.

By using the proposed railway from Ahmedabad to Veerungaum and Patree, which approaches the Runn, to carry salt to an open air store at Ahmedabad; and by using the Bombay, Baroda, and Central India Railway to supply from Ahmedabad salt depôts along its line, which would with every possible advantage take the place of the sea-side works. The consumer thereby being provided with a better article at cheaper rates.

Cost of carriage by rail to be defrayed by an advance on the selling price of salt, which nevertheless would reach the consumer at a less price than he pays now, because the cost of carriage by rail would be less than the cost of carriage methods used now.

Advantage gained—a very superior article, supplied cheaper, and with greater satisfaction to every body concerned. The Government saving the cost of twenty odd large sea-side salt works, where it is cheated enormously, and gaining in many other ways. The salt carrier* more expeditiously and fairly dealt with, and his journeying curtailed and facilitated. The consumer supplied at cheaper rates with a better article, which would also be obtainable by persons now residing at a distance from the Runn works, which precludes their getting Runn salt.

Result attained without preposterous bouleversement of things as they are.

N.B.—An addition to cost price can always be made by the Bombay Government without reference any where else: as cost of production including all charges to the purchaser is distinct from the excise of Rs. 1-4-0 charged on a Bengal maund of salt.

A three years' charge of the Salt Department, Northern Division, convinced the undersigned, that he would not have to complain of ill-usage, if the Government were to insist on his sending in his papers, and paying them the next highest figure of lakhs of rupees per annum to that which has ever been credited to the treasury on account of the Salt Revenue of the Northern Division on condition that he be allowed to conduct the salt making and selling as he liked. The excise being left as it is, and a fair figure fixed for cost of production.

G. W. ELLIOT.

* Usually Brinjarees who carry it on pack bullocks. They would not have to go westward of the B. B. and C. I. Railway, except those who supplied Kattiawar, who would get their salt as usual from the works at the Runn, and this would be the case with some carriers who go in a direction north of the Runn works.

*Memorandum on the Salt Department of the Northern Division
of the Presidency.*

1. Salt made at the Runn, where there are five Government works, is certainly the best produced in India. Its quality is equal

Why salt made at the Runn is better than any but the very best salt made any where else.

to prime, and much better than average Cheshire salt. This is owing not merely to the Runn having been recently a sea bottom, the strata is impregnated with salt, which is found here and there in lumps, and the manufacture at the Runn is thoroughly understood, and conducted at an advantage consequent on the enormous heat of the place.

2. Runn salt is superior for every conceivable purpose to the miserable stuff which is made at sea-side works. The crystals

Why and how much it is superior to the sea-side salt made elsewhere in this Presidency.

are perfect cubes, it carries, and keeps, out of all proportion better, and is preferred by dealers, as being much more merchandisable at large distances from the works; and as the cost of production and selling rates of the two articles is precisely similar, the Runn salt has immensely the advantage.

3. At all the works in the Northern Division of the Bombay Presidency, salt costs at the works Rs. 1-6-0 per Bengal maund, of

Selling price of salt the same all through the Northern Division of the Presidency.

which Rs. $\frac{1}{4}$ is credited to excise, and 2 annas to cost of production, inclusive of every thing, rent, cost of labour, &c.

4. There are, I think, 25 salt works between the Runn and Damaun dotted over the country at large distances from each

Disadvantages connected with the sea-side works.

other, within a length of say over 200 miles, with expensive establishments at each, which cannot be watched as is essentially necessary to the proper carrying out of an excise system. No one, no dozen, no hundred European Officers could do it. Peculation of every sort is rife at the salt works, and I never heard of an instance in which anything like a deterrent detection had occurred.

5. I propose to abolish all the works in the Northern Division except those at the Runn. The five works there, which are

The Runn works capable of supplying salt enough for the demand if the sea-side works were closed (they could if extended supply the world, this sotto voce).

within a stretch of Runn shore of five and twenty miles, could make a larger outturn of salt than would be required of them, by the shutting up of the sea-side works. This, with proper looking after, even under present circumstances. But the task would be very light if the salt were stored anywhere else than where the heaps are now placed, that is on the Runn, on the ground, without any kind of precaution against melting, which consequently occurs yearly to an average extent of over 70 per cent. on the whole stock. In the rains the heaps are often standing in four feet water. I remember when they were for some days in six feet water, looking like so many little islands in

the Runn; which was a sheet of water extending over hundreds of square miles. To obviate this difficulty of melting, is simply to store the salt on dry land. By this I mean, that it should be heaped off the Runn. Even a shed to cover the heaps is not wanted. It is not necessary to select the sites of the heaps carefully. Short of putting them in depressions which would be ponds in the rains, all that there is to do, is to heap the salt on the ground, wash it over with water, and leave it alone. Salt stored in this way at the sea-side works, which are many of them under the influence of a heavy rainfall, loses within 7 per cent. per annum by wastage. This figure is about the annual average of wastage by melting at the sea-side works of the Northern Division of the Presidency. So that the altitude I point to is this: Annual waste by melting elsewhere 7 per cent. and all because the salt at the Runn is stored there. I notice it to show the feasibility of closing the sea-side works, and trusting to the capacity of the Runn works, as they are, to supply the call on them which would be occasioned by the change. I wish to convey that the one thing to do at the Runn would be to store the salt away from it, and that the saving from waste would be equal to all the salt made at the sea-side works. That therefore there is no objection to doing away with them on account of a lack of supply.

6. Taking for granted, then, that the Runn is capable of meeting the de-

Carriage of salt by railway from the Runn to an open air store at Ahmedabad.

mand I would put on it, I go on to that part of my proposal which rests on carriage of salt by railway.

I would use the proposed line of rail from Ahmedabad to Veerungaum and Patree to carry salt to Ahmedabad, where it would be stored in one large heap or in heaps of convenient size.

7. To do this, the salt must be taken from the pans to the railway, in small trucks like those employed in chalk pits in England.

How to do so cheaply by using the proposed line from Ahmedabad to Veerungaum and by means of portable rails on the Runn.

The trucks to be drawn by bullocks, and by using Adam's No. 1 flange rails, which are often employed by railway contractors: a permanent way would not be necessary. The Runn is a mud flat. without stick

or stone on it. The flange rails of say two feet gauge could be moved about as required half a dozen times a day, and the trucks would always be at the pan side. The distance from the farthest pan to the nearest point of railway would be under twenty-five miles, and the salt once there would be shot into goods trucks from the small ones in which it was brought, and then borne by rail to be stored at Ahmedabad. It is only necessary to add about this part of the scheme, that although one of the five works at the Runn is five and twenty miles from the line of railway, the other four works are all within twelve miles and the three largest of them are within ten miles. The conveyance of the Salt off the Runn to the railway would be done at a very small cost. The small flange rails, and the bullocks to draw them would be all that would have to be paid for, and that, and all extra outlay on salt to store it in Ahmedabad would be met by a very small addition to the present selling price. On that head I shall have to write presently.

8. The facility afforded by the Bombay, Baroda, and Central India Railway would make the establishment and feeding of depôts for salt from the great store at Ahmedabad at convenient points along the line of rail extremely simple, and these depôts would take the place of the sea-side salt works with immense advantage, and as I believe with no disadvantage whatever.

9. There would be the advantage of getting rid of some five and twenty salt works, and their costly establishments, impossible to watch effectively, and in every way cumbersome to work. To confine the manufacture to the Runn would be to produce a better article, which is much more convenient to transport to the large distances at which the salt of the Northern Division is used, that is even to the neighbourhood of Nagpore, and the area over which Runn salt is used would be extended. The question of carriage is of paramount importance; for the cost price at the works is an inconsiderable item in the salt buying expense of a consumer, at a distance from the works. Salt sold in Ahmedabad costs at least a rupee per Bengal maund more than it does at the Runn, and the price of carriage to distances over 300 miles is out of all proportion to the original cost of the articles. I know of instances in which Runn salt has fetched ten rupees per Bengal maund, the odd Rs. 8-10 beyond the cost price representing price of carriage.

10. Then, although the carriage per rail to the store at Ahmedabad and the depôts would of course have to be paid for, the expense would not fall on the Government, nor would it enhance the cost of salt, paid by the consumer at a distance. It would materially diminish what he had to pay; for the rail would carry the salt to the stores and depôts cheaper than it is now carried by Brinjarees, and on that account they would be glad enough to pay at Ahmedabad and at the depôts, a little more than they do now at the works; for they would be saved an expensive journey to and from the salt works, and so they would be able to sell at distances from the works at cheaper rates than they charge now, and yet do so at a profit, and they would not be kept hanging about the salt works as they are now waiting for salt to ripen; and by a judicious management of the stores they could always be supplied with old salt, which is what they want, and that they don't get it at present is a source of constant complaint of dealers at the works.

11. The changes I am advocating could also be inaugurated with a total reformation of the preventive dispositions, which I have over and over again proved are good for nothing, and a sheer waste of money. As it is, upwards of half a lakh of rupees is absolutely thrown away on that solemn sham. I apologise for the expression, but I know of no other to characterize it properly. I do

not wish to be understood on this point that the proposal I make in itself would require new preventive measures against smuggling. I mean that if any change were made, the first thing to do would be to do away with the so-called preventive posts, which cost much and do nothing.

12. The positions I am contending for require support by figures, and if I am allowed access to the records of the Salt Department at Surat, I will prove that the cost of my proposals will fall very much within the present expenditure; and in making such a report on this subject as it deserves, for the Salt Revenue of the Northern Division nearly touched 13 lakhs of rupees for the year 1863-64, I should attempt a systematization and method of proof by figures which is not attempted in this meagre Memorandum.

13. In conclusion I must say for my scheme, that it is fortified by the moral advantage which it secures to Government. It would provide the consumer with cheaper and better salt than he gets now when he lives at a distance from the works, and I must add on this head, that although it might not be desirable economically or otherwise to make a salt depôt at every railway station, my plan would obviously admit of arrangement which would use railways conveniently in all that concerns salt, and I am sure it admits of an expansion which would affect the whole salt trade of India.

These proposals have reference only to the Northern Division of the Presidency, the Salt Department of the Southern Division is affected by different circumstances; and requires distinct treatment.

G. W. ELLIOT.

Kaira, 21st January 1868.

No 483 of 1868.

REVENUE DEPARTMENT.

To E. W. REVENSCROFT, Esquire,

Acting Chief Secretary to Government.

Bombay, Office of Commissioner of Customs,

19th February 1868.

SIR,

I have the honour to forward the two reports as per margin from Mr.

No. 400 dated 19th July
1867 No. 16 dated 5th January
1868.

Dhanoo.	Baroda.
Bulsar.	Neriad.
Surat.	Ahmedabad.
Broach.	

Dalzell, suggesting a very important change in the arrangements for the supply of salt to the districts in the Northern Division, and which consist in a proposal to abolish or rather suppress all the salt works north of Bassein, and to provide for the supply of the districts in question, by the establishment of depôts on the line of the Bombay, Baroda, and Central India Railway at the stations enumerated in the margin.

2. The works in the Northern Division are all the property of Government, and therefore their suppression, if determined on, could be effected without difficulty, but the measure would involve such a radical change in the system of supplying salt to the people of the Northern Division of this Presidency, that although I consider it my duty to place these letters before Government, I cannot recommend the adoption of the proposal; for such a general and great change could, it seems to me, be alone effected by Government becoming the wholesale dealer in salt at the Railway stations, under a system probably similar to that in force in the Madras Presidency.

3. If the change can be effected gradually by the inducement, which, it would appear from the Statement marked A attached to Mr. Dalzell's letter No. 400 dated 19th July 1867, railway communications hold out to traders for the delivery of salt at a cheap rate at the several points indicated, it is much to be desired that it should be brought about, and when this has been accomplished in the natural course of business, Government might, with advantage, I am of opinion, suppress all the works between Cambay and Bassein.

4. The saving to Government would, I consider, be fully what Mr. Dalzell puts it down at; for it is clear that the cost of the present establishments at the salt works would, in the event of their suppression, be a saving to Government, whilst I am inclined to believe, that the amount lost to Government by salt being passed from the works without payment of duty, from theft, and the connivance of the badly paid salt establishments, has not been much over-estimated by him.

5. I however doubt whether, if the supply of salt at the several depôts named by Mr. Dalzell were left entirely to mercantile enterprise, it could be delivered to the public at the prices mentioned by him, as he has altogether left out of consideration the cost of carriage from the salt works to the railway stations, and of the labour of both loading and unloading the salt on the trucks, and the value of the bags or sacks in which it would have to be packed, as also the ingrain or loss in weight that would be incurred on transmission. An allowance also must be made to cover the profits which must be made by the dealers or agents through whose hands the salt would have to pass at each stage of its progress from the works to the depôts, before the net cost can be arrived at, so that I consider the prices at which salt brought by rail could be sold at the several points has been under-estimated by Mr. Dalzell, while on the other hand, from the inquiries I have myself made regarding the price of salt under the present system, this has been over-estimated by him.

6. Under no circumstances however would I recommend the suppression of the works on the Runn, as there is no salt, the produce of British territory, except perhaps the Seergunda salt of Sind, which is calculated to stand carriage to long distances so well, owing to the size and firmness of the crystals; in proof of which, I herewith beg leave to send samples of them obtained on my recent visit to the works.

7. As regards the substitution of the Seergunda salt from Sind, the same objections occur to me as those above stated in regard to the adoption of the depôts at the railway stations; for unless Government undertakes the importation of it, I do not perceive how it is to be introduced. If mercantile enterprise will do it, every encouragement should be given for the purpose, for it is no doubt a very superior article.

8. Extracts from Mr. Dalzell's letters relative to this salt, should, I would suggest, be sent to the Madras Government, who might think it desirable to invite tenders for the supply of it at their depôts instead of the marine salt of our works in the vicinity of Bombay.

9. I have omitted such portions of Mr. Dalzell's letters as appeared to me to be not pertinent to the question discussed, and which unnecessarily add to their length.

I have the honour to be,

Sir,

Your most obedient Servant,

A. D. ROBERTSON,

Commissioner of Customs.

No 400 OF 1867.

From P. M. DALZELL, Esq.,

Deputy Commissioner of Customs, N. D.

To A. F. BELLASIS Esq.,

Commissioner of Customs.

Surat, Office of Deputy Commissioner of Customs,
19th July 1867.

SIR,

The feasibility of closing the whole of the salt works in this Division including Oomurgaum and Tarrapoor in the Southern Division, which are maintained at a large and it seems to me, needless expense to Government, and supplying the demand for salt by the Bombay, Baroda, and Central India Railway, which between Bombay and Bassein passes through the very heart of the salt works, capable of producing any quantity of salt, has lately engaged my attention.

2. The saving of cost in establishments, &c. and from other sources hereafter to be noticed, would be secondary compared with the gain to Government in railway receipts, which estimated on an average of the sales of salt in this Division in the last 5 years, would amount to Rs. 4,66,141 per annum. (See Statement A annexed). Supposing Guzerat to be exclusively supplied with salt from Bombay, and assuming that the railway does no more now than meet its

expenses; hence throwing upon Government the payment of the guaranteed interest on the capital invested.

3. The Great Indian Peninsula Railway North Eastern Branch now exports large quantities of salt from Bombay and Callian into Khandeish, which have begun to tell unfavorably on the salt sales throughout this Division, which to Khandeish have fallen off in the past, as compared with the two years previous, to the extent of maunds 49,898, and to Malwa 71,533 maunds in the past as compared with the year previous, caused doubtless by the large railway exports into Khandeish, which formerly consumed only the salt produced in this Division.

Previously to the 1st January 1865 the salt trade by railway was unimportant and not registered.

From the returns furnished me by the railway authorities these exports have been as follows:—

From 1st January 1865 to 30th April 1865	Maunds	1,64,508
From 1st May 1865 to 30th April 1866	„	5,62,499
From 1st May 1866 to 30th April 1867	„	3,95,177
Total Maunds		11,22,184

The rate charged for conveyance by the Great Indian Peninsula Railway is 10 pies per ton per mile or 3 annas a maund per 100 miles, hence a maund of salt can be laid down at Kundawa, a distance of 353 miles from Bombay, for 10½ annas, whilst its conveyance from the coast by pack bullocks would not probably be less, including the transit duties levied by the Native States intervening between Khandeish and the Coast varying per 100 bullock loads of 2½ maunds each, from Rs. 18-12 to Rs. 100, according to the route taken—than four or five times that amount.

6. The conveyance of a maund of salt by the Bombay, Baroda, and Central India Railway from Bombay to Ahmedabad, a distance of 306 miles would, at the same rate charged by the Great Indian Peninsula Railway, be 9 annas and 2 pies and by pack bullocks from the Runn the nearest source of supply to Ahmedabad, about 4 annas more, that is 13 annas.

7. The Bombay, Baroda, and Central India Railway has now been open for traffic nearly five years, and up to this time scarcely any salt has been conveyed by it; the total quantity carried in the past year has been 8,208 maunds only from Broach to Baroda.

8. Were the salt works in this Division abandoned as proposed, the few interests to be consulted would present no impediment. The Chiefs whose territories border the Runn and Marwar and who are allowed salt for the consumption of their populations at the nominal duty of 2½ annas a maund, and in a few instances altogether free, are as follows:—

Names of Chiefs.	Quantity of Salt supplied at 2 annas 6 pies a Maund.	Quantity supplied free.
	Rs.	Rs.
Thurrad and Marwar	8,319	....
Pahlunpoor	40,749	....
Danta	2,421	....
Dessae of Patree.....	....	358
Thakore of Jinjoowara.....	....	340
Nawab of Radhunpoor.....	....	350
Ditto of Cambay .....	....	500
Total....	51,489	1,548

9. For the exclusive purpose of continuing the supply of salt to these Chiefs, to whom these remissions were made as the price of allowing the British Government to guard their frontiers against the ingress of foreign untaxed salt, it would be desirable to retain one of the Runn works—Unwurpoor, the smallest.

10. In addition to the aforesaid privilege, these Chiefs and a few others named below receive annually, as compensation for resigning in favour of the British Government their right of manufacturing salt at the Runn and for loss of transit duties, the sums set opposite to each:—

Dessae of Patree	Rs.	11,300
Thakore of Jinjoowara	„	9,200
The Nawab of Radhunpoor.....	„	11,048
The Thakore of Bhurriat	„	125
Ditto of Rojeka.....	„	45
Ditto of Kadipoor.....	„	75
Ditto of Gamph	„	225
Total....		32,018

11. These payments would, of course, be continued as heretofore.

12. The Nawab of Cambay receives annually half the revenue arising from the salt sold at Cambay, which, on an average of the last 5 years, amounts to Rs. 27,129-7-9, also 500 maunds of salt free, for the use of his Durbar. Were payment of this sum to be guaranteed to his Highness, with such stipulations as might seem desirable, he would probably be disposed to relinquish all connexion with the manufacture of salt, and allow the existing works to be closed; in which case, Neriad, on the line of railway, where it is proposed to establish a salt store, could supply the demands of his principality. The cost of his salt establishment would thus be saved to his Highness.

13. Unlike the Southern Division, the whole of the lands on which salt is cultivated in the Northern Division belong to Government, in which the cultivators have no private rights, beyond what may be supposed to arise from their having enjoyed the privilege of manufacturing salt for a quarter of a century, or more. Government have entered into no engagements with them, neither are

they bound to continue the manufacture, but may abandon it at pleasure. On every maund of salt sold they receive, as remuneration for their labour, five pice, which, as well as the ground rent, three pice a maund is paid by the traders, in excess of the excise duty Rs. 1-8-0, so that the manufacturers pay nothing whatever to Government for the privileges they enjoy, and all being cultivators of the soil, they are not solely dependent on salt cultivation, to which their spare time only is given, so that were Government to close the works, they would still have their agricultural pursuits.

14. Under these circumstances it seems questionable whether, in the event of closing the works, the manufacturers would be entitled to any compensation.

15. Were, however, remuneration considered expedient, the salt lands, which in some localities could be rendered capable of growing rice after a fallow of 3 or 4 years, might be made over to the cultivators, rent free, for a term of years, thus eventually forming a source of revenue to Government.

16. In Bengal, some years ago, the manufacture of salt was discontinued by Government, the demand being chiefly supplied from imported salt. It might be deemed advisable to ascertain whether any, and what compensation was given to the manufacturers on that occasion.

17. * * * *

18. In the Dhundooka Purgunnah no salt is manufactured. In several localities it is spontaneously produced, collected, and stored in godowns, whence it is sold. This system might be continued as at present. The excise levied in this Gussia salt, on an average of the past 5 years, amounts to Rs. 9,793-6-7.

19. There are some other localities where salt is naturally produced. At two places where this occurs—Oojulbann and Vasseo Oomrat banns—Bunds, which are annually repaired by Government, have been erected to prevent the encroachments of the tides; but notwithstanding this, on unusually high tides, these are sometimes broken through, flooding considerable tracts of low lying land, leaving on desiccation a residue of salt, to prevent whose clandestine removal a few Peons detached from the nearest salt works are placed over it, or if the formation be limited, the salt is destroyed.

20. For services of this nature, I have made no provision; but as the Deputy Commissioner's establishment, which he has left untouched, would admit of reduction, there would be ample funds available from this source for all such purposes.

21. The quantity of foreign salt openly entering our frontiers and paying duty, amounts on an average of the last 5 years, to 1,571 maunds only.

22. Were the proposed scheme for abolishing the salt works carried into effect, it would, I am of opinion, be desirable to treat as contraband all foreign salt entering our land frontiers.

23. The annexed Statement A shows the stations on the line of railway where I would propose that salt stores should be built by the Railway Company,

and let to parties desirous of engaging in the salt trade. It also shows the quantities of salt sold, on an average of the last 5 years, at the salt works nearest to the proposed stations, as well as the present retail selling prices of salt at these stations; and the rates at which salt could be laid down by the Railway.

24. It will be perceived by column 9 of Statement A that the retail selling prices of salt at the proposed stations are in excess of the rates at which railway imported salt could be sold, so that the introduction of railway salt at the chief cities on the line would be an advantage to the populations; and the consumption of these cities is about 57 per cent. of the total quantity of salt sold in this Division.

25. To the Brinjarees who purchase salt at the works for inland transport,—for example, at Chowrasee, which is distant 7 miles from Surat, and both ways 14 miles,—railway borne salt would cost more at Surat by about 2 annas a maund, the cost of conveyance to Surat by railway being $4\frac{1}{2}$ annas; whilst the cost of a maund of salt conveyed by Brinjaree bullocks from Chowrasee to Surat, both ways 14 miles, would be about 2 annas.

26. But to the cost of railway transit must be added the assumed profits of the merchant,—say one anna a maund; hence the price of railway salt to Brinjarees at Surat would be $3\frac{1}{2}$ annas a maund more than if they procured it from the works.

27. At stations further south the cost of railway salt would, of course, be less: for instance, at Danoo, one of the proposed stations, it would not exceed one anna a maund. These calculations are made for the whole distance from Bombay. Were the salt taken from Bassein, the rate of conveyance would be nearly one anna less at each of the stations throughout the line.

28. But on the other hand, for example, at Ahmedabad, which imports its salt from the Runn, 50 miles distant, or 100 miles both ways,—the price would be in favour of railway borne salt, the cost to Brinjarees of conveying a maund of salt from the Runn being about 13 annas. I have been well informed that in these times, for the conveyance of a bullock-load of salt, $2\frac{1}{2}$ maunds, 100 miles, Rs. 2 barely remunerates the Brinjarees: on this estimate, nevertheless, I have based my calculations of the cost of transport by bullocks.

29. Hence, whilst railway borne salt would cost at Ahmedabad 9 annas and 2 pies a maund, Runn salt would cost 13 annas,—the difference, 3 annas and 10 pies, or, say, 4 annas, being in favour of railway salt; deduct assumed profits of the merchant, say one anna a maund, which, taking the average annual sales in the Division in the past 5 years, would give an aggregate profit of Rs. 1,33,138—there still remains a difference of 3 annas a maund in favour of railway borne salt into Ahmedabad. In other words, railway salt could be sold at Ahmedabad 3 annas a maund cheaper than Runn salt.

30. Taking a similar average of the entire exports of salt from the works of this Division, and apportioning them according to the various routes adopted

the general average price of railway salt along the line would not exceed one anna a maund, as compared with the cost by the present mode of transit, after allowing 1 anna a maund as merchant's profits.

31. But as the cities on the line of railway consume, taking last year's exports, about 57 per cent. of the entire quantity of salt sold in this Division—for which it has been shown (see Statement A) that the inhabitants pay a retail price much in excess of the price at which railway salt might be sold, leaving a good margin of profit—there remains only 43 per cent. of salt which would be affected by this one anna transit increase, thus further reducing the general increase to a rate unworthy of consideration. The quantity of salt imported from the Runn, taking last year's transactions, is about one-third of the quantity supplied by all these works of the Division.

32. The total cost of maintaining the salt establishments of this Division (including the estimated loss by theft and peculation), 23 in number, with Oomergaum and Tarrapoor, in the Southern Division, but excluding the Frontier Preventive establishments, which will of course be continued as at present, is as follows:—

For Tarrapoor and Oomurgaum the expense of these items is not entered, not being known to me.	Establishments, excluding Deputy Commissioners	Rs. 1,31,599	a. 0	p. 0
	Payments to Chiefs, &c.	32,018	0	0
	Repairs	3,238	0	0
	Payments to Huckdars, as per Statement B annexed	8,971	0	0
	Stationary estimated	300	0	0
	Water supply	500	0	0
	Postage Service Stamps	2,000	0	0
	Contingencies	3,159	0	0
	Total	1,78,985	0	0

Theft and peculation, estimated at 10 per cent. on the average revenue of the last 5 years, which I believe to be an under rather than an over-estimate. 1,57,135 0 0

3,38,920 0 0

Deduct cost of establishment to be retained, &c :—

Deputy Commissioner's Office.	19,736			
Establishment at Uuwurpoor.	6,809			
Do. Dhundooka.	2,391			
Payments to Chiefs	32,018			
Saving by dispensing with Huckdar's services, as per Statement B annexed	4,207			
		65,161	0	0
Total Saving....	2,73,759	0	0	

It will be observed from the above statement that I have estimated at 10 per cent. the loss to Government by theft and peculation, calculated on the average sales of the last 5 years; an estimate which I believe to be under and not overstated.

34. To any person conversant with the system of salt management in force, and the strong temptations and opportunities for corruption which that system presents, will not, I think, consider that the estimate of 10 per cent. which I have formed as the minimum quantity of salt surreptitiously disposed of, is an excessive one.

35. The estimate of loss to Government thus arrived at is Rs. 1,57,135 per annum, taking the average sales of the last 5 years. Add to this the cost of establishments, as shown by the above Statement, viz., Rs. 1,31,599, and we have as the probable loss to Government from these sources, a sum of Rs. 2,88,734; add to this the sum of Rs. 4,66,141, noticed in the 2nd paragraph of this letter, which in the present condition of railway traffic may be considered as lost to the State by maintaining the salt works in this Division, and we have a sum of Rs. 7,54,875, which Government might save by abolishing the works and making Bombay the sole source of supply.

36. At present traders in salt, in districts lying between the railway and the coast, generally go with empty carts or sacks for salt to the coast. But with salt stores on the line of Railway, agricultural produce would be attracted to it, salt being taken in return.

37. The Railway Company would, I should suppose, be only too glad to build the necessary store-houses at the stations indicated (see Statement A); they need not be of very large dimensions, as they could from time to time be replenished during the season. The largest would be required at Ahmedabad, which should be capable of containing from 2 to 3,000 tons.

38. There is at almost all the salt works in this Division, a sufficient supply of salt for at least another year; in the meantime the store-houses on the line might be built, and the traders informed where in future they could obtain their supplies.

39. At present, I apprehend nothing which could interfere with the successful operation of the scheme proposed; more than the quantity of salt produced in this Division can always be procured in Bombay, whose free exports to Calcutta and Malabar have on an average of the past 5 years exceeded ten lakhs of maunds per annum more than is required in this Division, from which this Government derives no fiscal benefit, but, on the contrary, incurs much expense in establishments, &c. for guarding and superintending its removal; and surely it were a wiser economy to supply our own home wants* rather than manufac-

* Supposing the Salt works in this Division to be abolished.

ture salt for our neighbours at a large expense to Government for which no return is received.

40. A concentration of the sources of supply is most desirable for the interests of Government.

41. My estimate of railway receipts is, I have observed, based on the average sales of salt in this Division in the past 5 years; but with continued large exports into Khandeish by the Great Indian Peninsula Railway, whence, no doubt, they also enter Malwa, this average cannot be expected to be maintained; still, the Brinjarees who have been accustomed to bring grain from the interior to the coast districts, rather than return with empty sacks, would probably take salt at unremunerative rates, depending on their grain for profit. But the salt trade conducted by Brinjarees, will now probably seek other and new directions, not so immediately affected by railway imports.

I have, &c.,

P. M. DALZELL,

Deputy Commissioner of Customs, N. D.

Statement.

STATEMENT A.

Name of proposed Salt Store stations on the line of Railway.	Distance from Bombay.	Distance one station from another.	Salt works nearest to proposed Salt station.	Quantity of Salt sold at these Salt works on an average of the past 5 years.	Amount of Railway freight that would be realized at 10 pies per ton per mile calculated on the average Salt sales of the last 5 years.	Present retail prices of Salt per Maund at the proposed stations including duty, &c. Rs. 1-10-0.	Rate per Maund at which Salt at 10 pies per ton per mile could be laid down by Railway at the proposed stations including duty, &c. Rs. 1-10-10.	Difference in favor of Railway Salt per Maund.
1	2	3	4	5	6	7	8	9
				Mds.	Rupees.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1. Dapoo	74	....	Oonergaum and Tarapoor	38,704	5,476	2 6 0	1 12 3	0 9 9
2. Bulsar	120	46	Parnera, Bulsar, and Parchole	1,23,174	28,281	2 8 0	1 13 7	0 11 5
3. Surat		43	Munolee, Chowrasee, and Oolpar	1,93,397	60,249	2 8 0	1 14 11	0 9 1
4. Broach	199	36	Hansote and Wagra	87,709	33,332	2 8 0	2 0 0	0 8 0
5. Baroda	244	45	Ahmode and Jumboosur	90,193	42,102	2 8 0	2 1 4	0 6 8
6. Neriad	278	34	Cambay	82,266	43,741	2 12 0	2 2 4	0 9 8
7. Ahmedabad	306	28	Patree, Jinjoowarra, and Unwurpoor ..	4,32,124	2,52,960	2 12 0	2 3 2	0 8 10
			Total.....	10,47,567	4,66,141	.....	.....	....

P. M. DALZELL,
Deputy Commissioner.

STATEMENT B.

Showing the Annual amount of Allowances paid to Salt Huckdars in the Northern Division.

Description of Hucks.	Rs. a. p.	Amount. Rs. a. p.
Charitable allowance.....	3 14 0	
Temple ditto—		
For compensation bond	200 6 7	
As Cash.....	161 1 9	
	361 8 4	
Inamdar Huckdars—		
For Service.....	6,197 5 5	
Without ditto.....	1,552 0 4	
Allowance for keeping the Salt works in good condition.....	692 13 2	
On account of Goath and Nywed	117 6 3	
Interest on bonds	46 1 10	
	8,971 1 4	
Deduct Saving to be effected—		
For service to the Durroo of Patree.	2,193 0 0	
Do. to the Kanongu of the Surat Collec- torate.	648 0 0	
Do. Impara and Mohlia, at Hansote	228 0 0	
Do. Patels of certain Mahals	349 0 9	
Do. Gamkhurajat and Googree	547 7 9	
Do. For the prosperity of salt works.....	692 13 2	
Do. Goath and Nywed, except Unwurpoor .	105 10 3	
	4,763 15 11	
Total Payments to be made....	4,207 1 5	

P. M. DALZELL,

Deputy Commissioner of Customs, N. D.

No. 2409 of 1867.

TO THE DEPUTY COMMISSIONER OF CUSTOMS, N. D.

Bombay, Office of Commissioner of Customs,
18th October 1867.

SIR,

I have the honour to acknowledge the receipt of your letter, as per margin, recommending the closing of the whole of the salt works in the Northern Division, including those of Oomergaum and Tarrapoor, in the Southern Division, and proposing to supply the demand by railway imported salt from Bassein and Bombay.

2. In reply, I have the honour to state that this scheme does not meet with my approval, for I cannot see any force in the reasoning that we should close the long established salt works throughout large and populous provinces merely to increase railway profits. There is no doubt that railway carriage is much cheaper than conveyance by Brinjaree bullocks, and this the consumers and traders in salt have already found out and taken advantage of. As railways progress, so the Brinjarees with their bullocks will have gradually to retire, and seek other channels where railways do not exist.

3. This problem will gradually work itself out, and people will naturally go to the cheapest market to obtain their supplies of salt; but it appears to me contrary to all rules of political economy, and free trade, for Government to shut up the existing salt works, and to compel the populations of whole provinces to obtain their supplies from a distant market.

I consider it would be a great hardship and injustice to the citizens of Ahmedabad, Broach, and Surat, for instance, who have been in the habit of purchasing salt close to their doors, to oblige them to be dependent on a railway supply from Bombay. I consider it would be far better to allow them, as at present, to take their salt from their neighbouring salt pans, or from Bombay, or elsewhere, as they please, and that no force or compulsion should be directly or indirectly resorted to by Government.

5. I, however, am of opinion that, owing to the introduction of railways and other improved means of communication, several of the least productive and outlying salt pans might be closed with advantage; but to do this satisfactorily the Commissioner, together with the Deputy Commissioner of the Division, should make a tour of inspection, and decide on the spot what salt pans might be closed with advantage to Government and without injury to the population.

I have, &c.,

A. F. BELLASIS,

Officiating Commissioner of Customs.

From P. M. DALZELL, Esq.,

Deputy Commissioner of Customs, N. D.

To A. D. ROBERTSON, Esq.,

Commissioner of Customs, Salt, and Opium.

Camp Gogo, Office of Deputy Commissioner of Customs,
8th January 1868.

SIR,

With reference to the late Acting Commissioner Mr. Bellasis's letter, No. 400, dated 19th July 1867. No. 2409, dated 18th October last, being a reply to mine, as per margin, I have the honour to observe that my object in proposing to close the whole of the salt works in the Northern Division was not merely, in an abstract sense, to increase railway profits, as suggested by Mr. Bellasis, but to afford financial relief to the State; which, as the Bombay, Baroda, and Central India Railway does little more at present, I believe, than meet its expenses, is therefore burthened with the payment of a large amount as interest on the capital invested in the railway; and further, to relieve Government from the heavy cost entailed by the maintenance of the salt works in this Division.

2. In Statement A annexed to my letter above quoted, I have estimated the receipts from salt traffic, supposing Bombay to be the sole source of supply, at Rs. 4,66,141, which, assuming the railway income to be in the unfavourable condition suggested, would be a gain to Government to the extent of the guaranteed interest payable upon the capital.

3. The railway has a keen competitor in the coasting crafts, and should the cotton market become depressed in proportion as American crops attain their normal condition, cotton may be again forced to seek the cheaper mode of transit by water to the detriment of railway interest.

4. If, during a period of great commercial excitement, when the universal aim was to be first in the market, the railway only just paid its expenses, it may be reasonably asked, whether, under the present altered circumstances, it is likely to do more, or until the completion of the Baroda and Delhi extension line? It becomes, then, of vital importance to the interests of Government to give to the Bombay, Baroda, and Central India Railway every possible encouragement, and this, I believe, could be done with great advantage to the salt revenue, and without enhancing, in an appreciable degree, the general price of salt* by abolishing the salt works in this Division; the demand for salt being supplied from Bombay, just as tea, sugar, piece goods, and other commodities are supplied. These find their way wheresoever they are in demand, so unquestionably would salt, whensoever the source of supply.

* See paragraph 31st of my letter referred to.

5. In the 35th paragraph of my letter referred to, I have shown a positive and probable loss to Government of Rs. 2,73,759 per annum—positive by Rs. 1,31,599 the cost of salt establishments in this Division—and probable by Rs. 1,57,131, the estimated amount of loss to Government—through theft and speculation, taking these at 10 per cent. of the quantity of salt sold in this Division, on an average of the past 5 years, and this I believe to be an under rather than an over-estimate.

6. I might adduce many reasons which have led me to this conviction, but it seems to me unnecessary to do more than point to the system in force, which does not admit of even an approximate estimate of the quantity of salt in store. The method of taking stocks is simply haphazard, "Azmas," and as 25 per cent. is the limit within which errors in estimates are recognized, and admitted, that is, a rash of salt may contain 1,000 maunds, whilst the estimate may give only 750 maunds, it will be apparent that a very large amount of salt is at the disposal of the employés of the Salt Department. I have frequently found estimates as much out as 50 and 60 per cent., and it is a significant fact that these generally are found to be against quantity.

See my Annual Inspection Reports.

7. The class of men to whom this great temptation is offered are principally the Suzedars and Tolats who deliver and weigh the salt according to the permit granted at the office of the Sir Carcoon, which is frequently some miles distant from the works; the pay of these officers ranges from 9 to 30 Rs., there is one officer on Rs. 35, and Peons from Rs. 5 to Rs. 6 each. There are the Daroga's establishments, situated at a little distance from the works, who are supposed to check the Suzedar's and Tolat's proceeding. The pay of these responsible officers is from Rs. 18 to 40, there is one officer on Rs. 60. But it were invidious to specify any particular officers where, I believe, many profit by the opportunity which the system throws open to them.

8. The majority of the salt works in this Division are situated at isolated localities often in dreary and barren tracts of country where water is scarce and not always pure, sometimes it has to be brought from a distance of several miles, and where under ordinary circumstances, few, I believe, would be found willing permanently to reside on infinitely higher pay than they now receive involving, as it does, separation from relatives and friends—the employés are almost all foreign or strangers to the provinces in which they are employed; yet notwithstanding these drawbacks, the service is evidently popular, much sought after, and situations once obtained are clung to with tenacity. I have occasionally had applications from persons in other Government offices for situations in the Salt Department on much lower pay than they were then receiving.

9. Hard and unpalatable as existence at the salt works must be, partaking in some cases of the character of solitary confinement, I cannot recall to memory a single case of voluntary resignation amongst the 400 employés of the department during the 3 years of my administration of it, saving an occasional peon.

10. With such irresistible moral evidence, it will hardly, I think, be doubted that there is some illicit return for all these sacrifices; and that the opportunities for "improving the occasions" so temptingly offered, with the most remote chances of detection, are readily embraced, to supplement the meagre pittance which the officers of the Salt Department receive.

11. Assuming 8 per cent. of the total quantity of salt sold in this Division which, in the past year was 7,01,495 maunds, paying full duty, to be the proportion surreptitiously disposed of by the salt establishments; deducting, say 2 per cent. for theft; though, no doubt this is often connived at by the peons in charge, and that this proportion, 8 per cent, is sold to the traders frequenting the works at half the rate of duty, or 12 annas a maund, which is probable, it would require 25 per cent. of the gross quantity of salt legitimately disposed of simply for example to double the pay of the establishments all round. Need I say more in support of my conviction, that 10 per cent. is the very minimum quantity of salt. I say minimum emphatically and advisedly, annually thus lost to Government.

12. In vain have I looked for evidence of the efficiency of the check officers, the Darogas; this observation is also applicable to the Sir Carcoons, the general superintending officers, who are also very inadequately remunerated, considering the responsibilities of their office. But no, every thing seems to go on smoothly: the Suzedars and Tolats, or indeed, any officers of the establishments, are seldom or never found abusing their trust, a few unimportant cases of small delinquency, involving a trifling fine, or removal to another talooka, are all that come to light, and these do not I should say exceed eight or 10 per annum and there are 20 separate establishments, employing upwards of 400 hands; a state of things far too Utopian to be real—what, then, is the inference? That collusion is the rule and not the exception.

13. Under the provisions of the Salt Act, salt once passed the Daroga's hands and his chowkies is not again interfered with.

14.	*	*	*	*	*	*
15.	*	*	*	*	*	*
16.	*	*	*	*	*	*
17.	*	*	*	*	*	*
18.	*	*	*	*	*	*
19.	*	*	*	*	*	*
20.	*	*	*	*	*	*

21. If such glaring frauds can take place at the Bombay salt works, under the very eyes, as it were, of the authorities, will it be surprising that the estimate which I have formed after long experience and observation in the Salt Department, as the minimum probable loss to Government by theft and speculation in this Division, where the salt works extend over nearly 300 miles of country is an extravagant one? I think not: and in this opinion, I feel sure I shall be borne out by any officers of experience in the Department who may choose to speak their minds on the subject.

22. It is not the men who are exposed to temptation, but the system which admits of it, that I would condemn. Experience in all countries has shown that inadequate remuneration, under circumstances of privation such as are here represented, is usually attended with evil and demoralising results.

23. * * * * *

24. I am aware of the great difficulty that surrounds the question of obtaining a reliable account of salt and remedial measures, such as erecting store-houses, &c. &c., have from time to time been suggested by my predecessors, and by myself: still the system continues to work in the old groove.

25. But with a railway now available through Guzerat, the aspect of things is changed, obviating the necessity of perpetuating a system fraught with great loss to the State, demoralising in its effects, and not creditable to any one connected with it.

See my Annual Inspection Reports for 1866 and 1867.

26. No difficulty that I can foresee, would follow the closing of the salt works in this Division, making Bombay the sole source of supply. The gain to Government would be immense, and not for a moment to be compared with the almost inappreciable increase in the price of salt that might follow the change. Mr. Bellasis thinks that to shut up the existing salt works and to compel the populations of those provinces to obtain their supplies from a distant market, would be contrary to all rules of political economy and free trade, and that it would be a great hardship and injustice to the citizens of Ahmedabad, Broach and Surat, for instance, who have been in the habit of purchasing salt close at their doors, to oblige them to be dependant on a railway supply from Bombay.

27. With much respect for Mr. Bellasis' opinion, I venture to disagree with him on the following grounds.

28. As regards the supply of salt, Bombay is virtually nearer Ahmedabad by 10 days journey than the Runn, which is distant both ways from Ahmedabad 100 miles; and from which Ahmedabad exclusively obtains her supplies of salt. In a few minutes by telegram Ahmedabad could order salt from Bombay, which she might receive on the following day.

29. Surat the nearest city on the line of railway to the salt works, distant 7 miles, could, in similar manner, be supplied in a few hours from Bombay, whilst a whole day would elapse in getting a cart load from the works.

30. In Statement A of my letter referred to I have shown that the retail selling price of salt at all the cities on the line of Railway is considerably in excess of the prime cost, hence, the introduction of railway salt, which might be sold cheaper than the local produce, leaving a liberal margin of profit, would be an advantage to the inhabitants of these cities.

31. As to the "hardship" of the case, rather might it be said to lie in virtually denying to the populations the facilities of the railway and the opportu-

nity of obtaining a pure salt, by maintaining the existing sources of supply, thereby aiding and prolonging the tyranny of custom, incompatible with the progressive tendency of the times.

32. But furthermore as the salt conveyed to the cities on the line of railway, and eastward far beyond it, is as nine to one of the quantity which is consumed to the westward of it, (*see* Statement A annexed) it will be apparent that the line of railway, as the source of supply, and not the Coast and the Runn, where the salt is produced, is the most central and convenient to the populations, and "political economy" suggests, that the wants of the few shall give place to those of the many, and the "rules of free trade" would assuredly be better maintained by abolishing the salt works as proposed, where Government limit the remuneration to the manufacturers to 5 pice a maund, and thus compel the populations to consume a carelessly produced and very inferior salt; containing generally, from 7 to 10 per cent. of foreign matter; whereas by closing these works, and encouraging the importation of salt into Bombay, a pure natural commodity would be thrown into the market from various parts of the world at no cost whatever to Government save the first cost of erecting stores for its reception, as in Calcutta.

33. As the railway system in India is now far advanced towards completion, it would, I am earnestly of opinion, be a wise policy to close as circumstances might admit of it, all outlying salt works. Those of Bombay, Salsette, and Oorun only being continued until foreign importations should also admit of their gradual extinction.

34. I believe that the superior quality of imported naturally produced salt would soon to a great extent, if not altogether, supersede the very inferior local manufacture. In Calcutta it has done so, but then Government had comparatively relinquished connexion with local manufacture.

35. The duty on Calcutta salt is more than double the Bombay duty; and its average wholesale price about 8 annas a maund. Bombay salt frequently sells at Calcutta at from 15 to 20 Rs. per 100 maunds, I have known it to fetch only Rs. 8, whilst foreign imported salt often realises as much as 80 to 100 Rs. per 100 maunds; showing that the populations appreciate good salt, and are ready and willing to pay for it. Similar results would, no doubt, follow the introduction of a pure salt into Bombay.

36. Whilst there exists in Sind those immense natural deposits of the purest salt, accessible by water, and according to the late Captain Burke, an officer of the Bombay Engineers, who surveyed them many years ago, capable, as he expresses it "of supplying the whole world with salt for a hundred years"! no fear need ever be felt of the failure of an adequate supply at all times.

37. When Collector of Customs at Kurrachee, I proposed to the Government of Bengal to send a few ship loads of Sind salt to Calcutta on Government account; my offer was accepted, but instead of allowing me to engage ships at Kurrachee as opportunity offered, I was at once informed that 3 ships

had been chartered at Calcutta to proceed thence to Kurrachee to load. These vessels, two of them above 1,000 tons each, I loaded within 3 weeks, the salt being brought in native boats from Seergunda, after the arrival of the vessels, distant 150 miles from Kurrachee. The salt cost, put on board, including all charges of digging out and transport by camels &c., $2\frac{1}{2}$ annas a maund or Rs. 4-6-0 a ton, the price realised in Calcutta was, I believe Rs. 70 or 75 a 100 maunds, or about Rs. 20 a ton. Had I been permitted to charter the vessels at Kurrachee as opportunities offered, Government would have gained by the adventure; as it was, I fear there was a loss.

38. Up to this period the Bengal Government used to allow the Bombay duty on salt to be levied at Kurrachee on exports to Calcutta, credit being given there for the amount thus paid, in settling the Bengal duty. This practice was however discontinued, the whole of the duty being declared recoverable in Calcutta. The effect of this charge damped the efforts of the local Government to develop the trade, by which it would incur expense without any fiscal advantage to the province.

39. These natural salt deposits in Sind lie about 50 miles up the Seergunda creek, the most eastern arm of the Indus, up which boats of 50 tons burthen can at all times ascend; were a tramway of 4 or 5 miles laid down from the creek to the more distant deposits, this salt might be imported into Bombay at the same rate at which I imported it into Kurrachee; viz. $2\frac{1}{2}$ annas a maund, or Rs. 4-6-0 a ton.

40. Why this great natural and inexhaustible source of supply, of the purest description of salt, only 400 miles distant from Bombay, should not be utilised, in preference to manufacturing an impure and inferior salt, at a heavy cost to Government, as I have endeavoured to show, is indeed remarkable.

41. The price paid at the works for a maund of salt containing, as before observed, from 7 to 10 per cent. of impurity, dirt in fact, is 2 annas, that is, 5 pice for the salt, the manufacturer's share, and three pice as ground rent, both of which fall upon the purchaser of the salt to pay. Adopting the higher rate, of impurity, 10 per cent, which particularly as regards Bombay salt, I believe, to be pretty correct, gives, as the equivalent, 3 annas and 3 pies; thus virtually increasing the price of a maund of manufactured salt to 5 annas and 3 pies, whilst, as already observed, pure Sind salt which often sells in Calcutta at from 10 to 12 annas a maund, might be laid down in Bombay at $2\frac{1}{2}$ annas, or say 3 annas a maund, that is, Rs. 5 and 3 pies a ton.

42. Assuming then, that transit by railway, as compared with the existing method of transport, were to add one anna a maund to the cost of salt, there would still remain, allowing for the impurity of Bombay salt, one anna and 3 pies a maund in favour of Sind salt.

43. Let us consider what would be the probable gain to Government by importing Sind salt instead of manufacturing it.

44. In 1866-67 the quantity of salt sold in this Division, paying full duty, was 7,01,495 maunds. Ten per cent. of this quantity at which I have estimated the loss to Government by theft and peculation, gives 70,145 maunds, which at Rs. 1-8-0 a maund, the duty is equivalent to Rs. 1,05,217; add cost of establishments Rs. 1,35,599, and we have a sum of Rs. 2,36,816 as the cost to Government of producing 7,01,495 maunds of salt; this gives a rate of 5 annas 5 pies a maund, equivalent to nearly 23 per cent of the revenue, and about double the cost at which Government might import Sind salt on its own account, saving the difference.

45. Applying the above estimate of cost, viz. 5 annas and 5 pies, to the total quantity of manufactured salt sold throughout the presidency, which in 1865-66 amounted to 49,04,618 maunds, the result shows an annual loss to Government of no less a sum than Rs. 16,60,418 or nearly 17 lakhs; and in proportion as the salt duty may be increased, a measure now in contemplation, so would this estimated loss to Government increase.

46. Calcutta has shown wisdom in her salt arrangements. She repudiates local manufacture as costly, and encourages foreign importations. From Bombay she receives on an average four lakhs of maunds annually, which, at the above estimated cost of 5 annas and 5 pies a maund, amounts to upwards of a lakh and a half of Rupees, which it will be apparent, falls upon the Bombay Government to pay. Calcutta takes the kernel, in the full duty, and leaves the shell to her less fortunate sister.

47. But wherefore any sacrifice on the part of Government whilst natural salt of the purest description is lying available, it may be said, at the very door, procurable without cost to Government, why incur a large expense in manufacturing an impure and inferior article? As for the exports from Bombay to Calcutta, they simply involve a large expenditure by Government, uncompensated by any return, hence manufacturing salt for export is a dead loss to Government. Let Calcutta find her supplies in the natural and inexhaustible produce of the country. Sind salt is highly esteemed in Calcutta, and would no doubt soon find equal favour in the Western Presidency.

48. Were Government to erect in Bombay capacious and convenient store houses for salt, as has been done in Calcutta, which is the sole source of supply for extensive provinces reaching to the eastern frontiers of the Punjab, there can be no doubt that they would be soon filled with imported salt, the duty being levied on its removal from store. That foreign salt has not been hitherto imported into Bombay may be attributed to the utter want of accommodation for storing it, as well as to the fact of the populations having had no opportunity hitherto of imbibing a taste for pure salt; but give them the opportunity, and no doubt a preference would soon be manifested for it, as has been the case in Calcutta.

49. Sind salt has other advantages than purity over manufactured salt, being in large crystals, less deliquescent, and therefore less liable to waste, and

better capable of bearing transport without loss, than the manufactured salt of small grain.

50. All things considered, then, I have no hesitation in recommending the early abolition of the salt works of this Division, the demand in Guzerat being supplied from Bombay, which already manufactures more salt than suffices for its own wants,—the surplus about 10 lakhs of maunds more than this Division requires being annually exported to Calcutta and Malabar upon which this Government derives no fiscal benefit whatever, the trifling nominal duty marginally noted excepted.

51. In proportion as foreign trade in salt with Bombay took root and flourished, so might the local manufacture beyond it be discontinued, making Bombay eventually the sole source of supply for Western India, as Calcutta is for the Bengal Presidency; which, as railways now penetrate the continent in all directions, may be considered practicable.

52. By so conservative a people as the natives of India, innovations are not readily appreciated, so that it becomes often necessary and desirable to clear the path and lead the way in any new enterprise. Were then Government to erect salt stores as suggested, lay down a few miles of tramway to the more distant salt deposits in Sind, and fill its stores with Sind salt, capitalists would, no doubt, soon come forward to carry on the trade.

53. If the representations which I have ventured respectfully to make have the effect of awakening Government to a sense of the financial benefits to be derived from suppressing the salt works in this Division, and bringing about the development of the great natural deposits in Sind, thereby enabling the populations to obtain a pure for an impure and inferior commodity, my object in making these reports shall have been obtained.

54. The utilising of these deposits has always been a subject of interest to me; and that my efforts to develop them when Collector of Customs at Kurachee, were not altogether fruitless, the following extract from a letter to Government from Mr. Frere, now Sir Bartle Frere, will show:—

No. 88, paras. 2 and 3, dated 21st January 1856. "I cannot speak too highly of the manner in which Mr. Dalzell has discharged his duties which I described in the paragraphs of my letter above quoted, &c."

No. 562, dated 31st December, 1855, paras. 11 and 12.

"I consider that Mr. Dalzell's labors have most materially benefitted the interests of Government and the commerce of this port. I believe it to be mainly owing to him that the salt of this Province has at length become an article of export to such an extent that in six months after its first export, Government realised a duty of Rs. 30,000 upon it."

I have, &c.

P. M. DALZELL,

Deputy Commissioner of Customs, N. D.

STATEMENT A.

Memorandum of the quantity of Salt exported in 1866-67 to places East, West, and North of the Bombay, Baroda, and Central India Railway line.

Places.	Quantity.	Places.	Quantity.	Total.
<i>Eastward and on the line of Railway.</i>				
Khandeish	1,05,207	Broach	7,213	6,30,752
Ahmednuggur	938	Ahmedabad	65,686	
Doolia	783	Baroda	1,29,596	
Anawal	36	Gundavee	310	
Kurgoon	442			
Bansda	5,097	<i>Westward—</i>		70,743
Dhurumpoor	5,922	Dhundooka	453	
Jamvulla	559	Cambay	7,745	
Kakrech	46	Kaira	62,545	
Nadode	8,417			
Moglaee	1,940	<i>Northward—</i>		7,01,495
Indore	1,33,418	To the Native Chiefs		
Rajpore	3,991	at reduced rates on		
Kuthosunoo	118	the Marwar Fron-		
Sadra	2,878	tier	27,298	
Edur	384			27,298
Dura	22			
Nimar	18,968			
Loonawara	20			
Surat and Broach	1,38,761			

P. M. DALZELL,

Deputy Commissioner, N. D.

No. 748 of 1868.

REVENUE DEPARTMENT.

To G. W. ELLIOT, Esq.,

Acting Collector of Kaira.

Bombay Castle, 25th February 1868.

SIR,

I have received your interesting Memorandum dated 21st January 1868, with reference to the Salt Department of the Northern Division of the Presidency. The question is one of great importance; and I am desired by the Right Honourable the Governor in Council to forward the accompanying papers, which I request you will return at an early date with your opinion on Mr. Dalzell's suggestions.

I have, &c.

E. W. RAVENSCROFT,

Acting Chief Secretary.

No. 154 of 1868.

From P. M. DALZELL, Esq.,

Deputy Commissioner of Customs, N. D.

To A. D. ROBERTSON, Esq.,

Commissioner of Customs.

Surat, Office of Deputy Commissioner of Customs,
25th February 1868.

SIR,

I have the honor to acknowledge the receipt of your Endorsment No. 484 No. 400, dated 19th July 1867. dated 19th instant, forwarding copy of a letter 483 of the same date, which you addressed to Government on No. 16, dated 8th January 1828. the subject of my letters as per margin.

2. With reference to the 5th paragraph thereof I would beg to observe that the retail prices of salt of the several cities on the line were; for the most part, supplied to me by the Collectors, the Baroda Durbar, Mamlutdars, and others; and my own subsequent personal repeated inquiries fully confirmed the statements which I had officially received; I am therefore quite prepared to prove by the most unexceptionable evidence, viz., the dealers in salt themselves, that the retail selling price at all the cities on the line of railway, south of Neriad, is two pice a Surat seer, which is about half an ounce less than a lb.; so that a maund of salt really costs at these cities Rs. 2-9-0 a maund, whereas in Statement A of my letter No. 400 above quoted, I have entered the retail price of a maund at Rs. 2-8-0, and at one place, Danoo, at Rs. 2-6-0. At Ahmedabad and Neriad only I have entered the price at Rs. 2-12-0, as I believe that was the price given me by the Collector of Kaira, but whose letter I have not been able to find on my records to enable me to verify it. But if salt is sold by retail at Surat, 7 miles from the salt works, at the rate of Rs. 2-9-0 a maund, Rs. 2-12-0 would not be too much for it at Ahmedabad, 50 miles distant from any supply.

3. For cost of carriage from the salt works to the Railway station, I made no allowance, because I considered that the truck should go to the salt, and not the salt to the truck; hence the cost of loading and unloading would be very trifling.

4. Neither did I make any allowance for bags or sacks for storing the salt, because I consider these quite unnecessary. In England and elsewhere salt is carried loose in the trucks which are constructed with high sides for the purpose.

5. As regards the ingrain or loss that would be incurred on transmission by railway that would assuredly be far less than by the present mode of transit, loose, and in open carts, jolting along the roughest of roads, and in sacks on pack bullocks, which on a journey are laden and unladen sometimes twice a day,

causing loss, not to mention loss arising from rain, dew, bursting of bags, and other such casualties, facts which no doubt tend to enhance the retail price of salt at the cities on the line; whereas there need be no loss of salt in a well made truck.

6. One anna a maund on the average arrival sales in this Division in the past 5 years would yield a return or profit of Rs. 66,569, not Rs. 1,33,138, as by a clerical error is stated in the 30th paragraph in my letter No. 400 above referred to. But in statement A of that letter I have shown a margin of average profit of 9 annas and 2 pies a maund, being the difference between the present retail selling prices of salt at the cities on the line, and the rate at which it could be laid down by the railway; and this is in excess of the one anna profit above mentioned. A fact which must, I think, remove all doubt as to the feasibility of the undertaking in a paying point of view.

7. Every effort, I am humbly of opinion, should be made by Government to introduce Sind salt. The price at which it could be imported into Bombay, its superior quality, and its capability to bear transport without loss, are advantages which would speedily be felt and appreciated by the populations; but so long as Government maintain the salt works in this Division, private enterprise will attempt nothing.

8. You will perhaps consider it due to me to place this letter before Government.

I have the honour to be, &c.

P. M. DALZELL,

Deputy Commissioner of Customs, N. D.

No. 637 of 1868.

REVENUE DEPARTMENT.

Bombay, Office of Commissioner of Customs,
2nd March 1868.

True Copy forwarded to Government with reference to the letter from the Commissioner of Customs, No 413, dated 19th ultimo.

2. M. Dalzell has it is apparent taken the retail price of salt in his calculations and by multiplying the price per seer by the proper multiple has arrived at the price per Indian maund. But it is manifest that this is not a correct method of proceeding, for even supposing his proposals were adopted, the salt at the railway stations could not be disposed of by retail, but must be sold wholesale to those by whom it would be sold in retail, and it would of course have to be supplied to them at wholesale prices.

A. D. ROBERTSON,

Commissioner of Customs.

From G. W. ELLIOT, Esq.,

Acting Collector, Kaira,

To E. W. RAVENSCROFT, Esq.,

Acting Chief Secretary to Government, Bombay.

Kaira, 4th March 1868.

SIR,—I have done myself the honour to read and consider a report of Mr. Dalzell, and the Commissioner of Customs' remarks upon it, which came to me with the order of Government conveyed in your letter No. 748 of 25th February 1868.

2. The sketch which I recently placed before Government proposed to abolish all the sea-side works north of Bassein, to use the fine salt works at the Runn as the source of supply to a great salt store at Ahmedabad, the establishment of which would depend on the proposed railway from Ahmedabad to Veerungaum and Patree, and from which salt depôts at stations on the Bombay, Baroda, and Central India Railway could be supplied, to be resorted to by salt dealers.

3. Mr. Dalzell's scheme is to close all the salt works north of Bombay, except one of the Runn works at Unwurpoor, and to provide for the supply of the Districts consuming the salt of the works to be abolished, by salt sent from Bombay to depôts at stations on the Bombay, Baroda, and Central India Railway.

4. It is obvious that Mr. Dalzell's scheme is feasible with what railway accommodation there is, and that mine is not; because the keystone of the arch on which I rest my plans is the store at Ahmedabad, the establishment of which depends on the construction of a railway not even finally decided upon.

5. But notwithstanding this fatal objection, I must still adhere to a fixed opinion, that the right and large treatment of the salt question of the Northern Division is to do as I have suggested; and I hope that the assistance a railway between Patree and Ahmedabad would receive from salt traffic under the system I advocate, and it would be very large, may be made a reason for commencing it. However, all that I have to do at present is to make remarks on Mr. Dalzell's proposal, which will end in my venturing to recommend, that his scheme be accepted with modification.

6. I must notice, that Mr. Dalzell and I are at one with the support of the Commissioner of Customs, on the point, that it is desirable to abolish as many salt works as is compatible with a practically attainable beneficial result, and

Points in which Dalzell and the Commissioner of Customs (Mr A. D. Robertson) and I agree.

8 SALT

that we both wish to use railways to compass that end. The Commissioner does not think that Mr. Dalzell has shown how railways can be availed of for doing away with the salt works at once. But he seems to admit, that if it were feasible to do so, with the results hoped for, it would be a good thing to do.

7. As I understand Mr. Dalzell's views and my own, we should, I am certain, have little difficulty in convincing the Commissioner of Customs, that objections he has taken to details of Mr. Dalzell's scheme of using railways to carry salt to depôts, might be easily met, as is generally practical where objection rests on, and is chiefly urged against the details of a scheme. Indeed, to do so in this instance, I think, that added to the statistics furnished in Mr. Dalzell's report, it only remains to answer the doubt expressed by the Commissioner in paragraph 5 of his letter by repeating what I showed in my Memorandum, that cost of carriage by rail to the depôts could be defrayed by an advance on the selling price of salt, which nevertheless would reach the consumer at a less price than he pays now; because the cost of carriage by rail from the works to the depôts would be less than the outlay, which dealers have to spend now in journeying to and from works not so easy of access to them as the depôts would be. They would therefore be glad to pay a little more for their salt at the depôts, and still could sell it to the consumer at a profitable and smaller price than they do now.

8. Supposing it then to be admitted, that the closing of the works, and use of railways as indicated would lead to prosperity of the salt revenue, and benefit to the consumer, to which may be added, that the scandal and bad example of the wholesale cheating which goes on at the works would, if the least hopeful view be accepted on that point, be confined to a smaller number of centres, and thus easier to check. The discussion then between me and Mr. Dalzell, and the whole matter I have to write of would end in an inquiry as to where the source of supply ought to be, and how railways ought to be used; and any thing further which I have to remark on arising out of the Commissioner's letter on Mr. Dalzell's report I will reserve till I have concluded this discussion.

9. Except that I must begin it by mentioning, that I altogether agree with the Commissioner in his assertion, "under no circumstances however would I recommend the suppression of the works on the Runn, as there is no salt, the produce of British territory, except perhaps the Seergunda salt of Sind, which is calculated to stand carriage to long distances so well, owing to the size and firmness of the crystals." This statement is absolutely beyond cavil. The dirty unformed crystals of the sea-side made salt, are only received by the dealers who buy it because they can get nothing else; and apart from every other view, which this contro-

versy may assume, on the ground of the immeasurable superiority of the Runn article, I am bound to recommend the extension by all means possible of the market to which Runn salt is brought. Any thing which could at all tend to restrict it ought not to be done.

10. On this ground I have an insuperable objection to that part of Mr. Dalzell's scheme, which seeks to close four out of five of the Runn works. The large market extending east and north of the Runn works, which has hitherto dealt with the establishments there, could not be supplied with sea-side salt at nearly the same rates at which the distant consumers get Runn salt. The poor stuff which would be supplied to the northern depôts on the Bombay, Baroda, and Central India Railway from Bombay would be wasted enormously in carriage to the distant parts which are supplied from Patree and the other Runn works sought to be closed, and its price paid by the consumer would be proportionately enhanced; and immediately consequent on so fatal a

(This is supposing that the salt supplied was made in the neighbourhood of Bombay.)

Consequences of doing so, would be to throw us out of our markets, and establish in them the foreign works of Dhrangudra in Kattiawar on the south shore of the Runn.

Dhrangudra competition beats us hollow in Kattiawar, and even to the eastward, whither if our prevention posts were worth the salt the men at them eat, which they are not, a maund of Dhrangudra salt ought not to find its way, and many thousand maunds of it do. Salt smuggling is found difficult to prevent in the Punjab, where the measures to defeat it are singularly efficient. Here, where they are a silly farce, anything calculated to disturb us in our markets ought to be very carefully eschewed. To attempt to supply consumers with sea-side made salt, who have once used Runn salt, would be to ruin ourselves and make Dhrangudra a big place.

Reason why it would be overwhelmingly so, if the Runn works were closed.

11. I cannot too strongly oppose Mr. Dalzell's scheme for abolishing the Runn works. It is not easy to get salt made at the Runn. The Aggurrias (salt makers) there, used to occupy three months of my time every year on the spot to get them to work; and it was only by coaxing and by special measures which Government were good enough to approve of, that I was able to get the men to do their yearly task of salt making. They found cultivation pay better, and as they almost all combine agriculture with salt making, which is indeed no great part of their means of subsistence, they had to be tenderly dealt with. This, especially, because the salt is

Circumstances peculiar to the Runn works which make it highly desirable not to interfere with their working so as to stop it even for a short time.

stored on the Runn, in the open air exposed to the floods, by which some 70 per cent. of wastage occurs annually; and as this loss falls in toto on the Aggurias, who are not paid for the salt they make, till it is sold, they naturally don't care much about the business. If the salt made were stored on dry land, it would be a very different thing as concerns the prospects of a salt maker; he would not lose more than say 7 per cent. of the result of his labour; as it is, I have often wondered why the salt makers go on working for us. To lose as they lose yearly by flood would drive a less patient people raving mad. It would be very easy to stop salt making at the Runn works; but I believe that within three seasons of the stoppage, to commence work again would be impossible. The spell which keeps the people by us would be broken. Those of them who had not fields in the neighbourhood of the works would go at once to Dhrangudra, where some of them do go as it is. It would be very difficult to get salt making done again, and to have to try to do so, would certainly follow on an attempt to substitute a supply of sea-side made salt, to markets which are using Runn salt.

12. Mr. Dalzell selects Bombay and salt works near it as a source of supply to the markets using the salt of the works he proposes to abolish, because he considers it a central point, or rather one which would, looking to the market to be supplied, have superior railway facilities to any other, say Ahmedabad; and I think he is right in doing so with existing railway accommodation. But his selection is open to the objection, that the line between Ahmedabad and Veerungaum will be made some day, and then the point for supply will clearly be Ahmedabad, with some such arrangement as I have indicated in my Memorandum, that is, if a large way of dealing with the matter is accepted.

Why Mr. Dalzell selects Bombay as a source of supply to the markets now supplied by the sea-side works proposed to be closed.

Why I think he is right in doing so.

Why I think he would be wrong if Ahmedabad were connected with the Runn by a railway.

13. But as the railway has not been begun, and probably will not be for some time to come, I venture to recommend as a *pis aller*, that a modification of Mr. Dalzell's scheme be accepted experimentally. Let all the sea-side works between Bassein and the Runn be closed, keeping open the Runn works. It is a *sine qua non* that they should be open, and let the markets supplied by the sea-side works abolished be supplied by depôts at

Dhanoo.	Baroda.
Bulsar.	Neriad.
Surat.	Ahmedabad.
Broach.	

By doing so the difficulties I contend against, in Mr. Dalzell's scheme, will be obviated, and Government will reap the benefit of getting rid of the hordes of expensive cheats who infest the sea-side works, and render them a pest to the country.

14. The cost of conveyance of salt to the depôts may, as I have indicated in my Memorandum of January, be recovered by a small advance on the selling price of salt; and it will be quite unnecessary to make any expensive arrangements for storing salt at the depôts. As it is now stored at all the sea-side works, in the open air, in heaps, the wastage of salt is about seven per cent. per annum. It can be stored in that way at the depôts. Ground would have to be taken for public purposes under Act VI. of 1857, or could be arranged for otherwise. As to the difficulty of getting the salt on to trucks, or buying bags in which to send it by rail, and other matters which the Commissioner notices in the 5th paragraph of his letter: As the Bombay, Baroda, and Central India Railway runs through the heart of the large salt works near Bombay, small trucks like those used by contractors might be brought to the pan sides on 2½ feet gauge Adam's flange rails, which could be moved about a dozen times a day when wanted. The little trucks would shoot their contents into the railway waggons, and the salt would travel to the depôts loose on the waggons with an imperceptibly small amount of wastage. It would of course never be moved in the rains.

How cost of carriage of salt to depôts on line of railway is to be recovered.

Simple and quite inexpensive method of storing salt at railway depôts.

Way of moving the salt from the works near Bombay to B. and C. I. Railway for transport to depôts.

Commissioner's objections met.

15. The depôts I should place in charge of a Government establishment, which it would be easy enough to check. So many trucks of salt delivered, weighing each a certain amount, would have to be accounted for, and an average could be struck as is now done to account for wastage. I cannot see any difficulties in the way of this part of the scheme; and it does not require to carry it out any such radical change in present arrangements as the Commissioner seems to think necessitates a reference to Madras. What is being done here at the salt works every day, or rather what should be done, and is not done, that is, a properly checked system of selling salt, could not fail to be done at the depôts, as they would be arranged.

The depôts to be in charge of a Government establishment thoroughly and simply checked.

No bouleversement of things, as they are requisite to carry out the scheme.

16. I hope Mr. Dalzell's proposal, modified as I have recommended, will be tried by Government as a tentative measure, preparatory to the opening of a vast salt traffic from the Runn, which would inevitably follow upon its connection with Ahmedabad by railway and the means I have written of. The Runn salt being as good as it is, if it were easy of access, should I believe shut out all other salt from the Indian consumer, except the Seergunda salt, and such as is produced in the North-West near the Sambur lake. At any rate it could compete with English salt at an advantage. It is a better article, certainly as far as facility of land carriage is concerned, on which in fact hinges the whole question of price to the consumer; and that is a very

Mr. Dalzell's scheme to precede mine, and to be preparatory for it.

Runn salt able to compete with any salt, and importance of permitting it to do so.

serious matter. It is now in contemplation to raise the salt excise, and how far the excise can be raised, is a question dependant on facility of carriage of salt to the consumer, which regulates price.

17. It seems to me, that this question I am writing of is of very great importance, and depends largely on the use of railway communication. It is stated in the Review of Sir Richard Temple's career in the Central Provinces, that during the last seven years the retail price of salt at Nagpore has ranged from $7\frac{1}{2}$ to $8\frac{1}{2}$ seers for the rupee ($1\frac{1}{4}d.$ to $2\frac{1}{2}d.$ per pound). Since the salt trade and Customs department has been adapted to the requirements of railway traffic, the retail price of salt at Nagpore has ranged from $9\frac{3}{4}$ to $14\frac{1}{6}$ seers for the rupee ($1\frac{1}{2}d.$ to $1\frac{1}{2}d.$) per pound. The salt revenue of this Presidency has fallen alarmingly during the last three years, which is a state of things not only preventible, but the lost position can be easily retrieved, and the revenue raised to a point largely beyond anything which has hitherto been attained.

18. In the Northern and Southern Divisions of the Presidency a carefully reformed system is very much wanted. Things have changed immensely since the Salt Department of the Presidency was placed on its present footing, and alteration is absolutely necessary to the recovery and health of the revenue.

19. The remarks made by the Commissioner in the 3rd paragraph of his letter lead me to think that there would be no advantage in farming salt depôts at railway stations to contractors or others. The check on Government servants which could easily be applied by the ready and infallible estimate offered by the carriage of salt in railway trucks to the depôts renders it altogether unnecessary to use any other agency but the ordinary Government departmental means; and so far from anticipating the difficulties which the Commissioner apprehends, the experience I had in the Department assures me, that the check at the depôts would be real instead of theoretical, as is the check at the salt works. I cannot see one reason for retaining the sea-side works, and I know of a number of what I believe to be conclusive reasons for closing them.

20. To sum up briefly the plan which I recommend. I would close the sea-side salt works between Bassein and the Runn, and supply the demand on them from the depôts on the Bombay, Baroda, and Central India Railway, selected by Mr. Dalzell, to which salt would be sent from Bombay. The salt being stored in the open air as it is now at the sea-side works, and the sales conducted by Government establishments, far more effectually checked, by the constitution of the depôt, than is the case at the works, and as the same kind of salt would be supplied, as is now produced at the sea-side works adjacent the depôts, there could be no

objection on that head, except perhaps in a small degree at Neriad, where Runn salt is used: but this could be met as the works at the Runn are not to be interfered with by the modification of Mr. Dalzell's scheme which I am advocating.

21. It is now necessary for me to remark on Mr. Dalzell's report paragraph by paragraph, because the statistics they contain, especially the earlier of them, affect the positions I have been assuming; and I am of necessity confined to Mr. Dalzell's figures, and many of his facts, because I am writing entirely without access to salt records.

22. I agree with paragraph 1 of the report of the 19th July 1867 to the extent, that I would close all the salt works mentioned in it except the Runn works.

23. The argument in paragraph 2 has great weight even if there be a mistake in the figures; for clearly every ounce of salt carried by the Bombay, Baroda, and Central India Railway would be a means to enable it to float clear of the assistance of the guarantee.

24. The argument contained in paragraph 3 strengthens that adduced in paragraph 2.

25. The facts and figures of paragraph 8 are very telling to establish the position, that carriage by railway of salt ought to be availed of as much as possible.

26. If the statements adduced in paragraph 6 are true, (and I see no reason for doubting them,) of salt brought by rail from Bombay to Ahmedabad, a distance of 306 miles, how significant the circumstance is as bearing on my own scheme, seeing that the Runn is only 50 miles from Ahmedabad, and that therefore if railway communication between the two were in existence, the store there could be supplied at one-sixth the cost of bringing salt from Bombay.

27. Paragraph 7 requires no remark.

28. I concur in what is said in paragraph 8 about the question of compensation to Chiefs which could be managed easily enough.

29. The Runn works should not be closed under any circumstances.

30. Paragraphs 10 and 11 require no remark.

31. The proposal in paragraph 12 could be insisted on in the case of the Nawab of Cambay, whose right to keep open salt works would cease if we abandoned our sovereign right to make salt there; and we could pay him his half share of the profits and supply him with salt as proposed.

This negotiation has been proposed by the Commissioner of Customs and is under consideration.

32. I agree with all that is stated in paragraph 13.

33. I don't think it is even questionable as stated in paragraph 14, whether in the event of closing the works the manufacturers would be entitled to any

large majority of customers, who are to the eastward of the line, and are supplied by Brinjarees and others, the depôts would be a positive advantage. The Brinjarees would never have to go westward of the line as they have now, and so they could sell at diminished rates on account of having to carry salt smaller distances to their eastern customers; and so Mr. Bellasis' appeal to the principles of political economy falls to the ground. The customers to the eastward benefitted by the railway depôts are the many. The few are the inhabitants of the strip of country between the railway and the-sea side works, many even of whom would also use the depôts which are nearer to them than the points where are now the sea-side works. Mr. Dalzell's refutation of Mr. Bellasis' argument seems to be absolutely conclusive as far as it deals with the case of works to the southward of the Cambay works. But as I have shown, a totally different state of things affecting the Runn works, should have influenced Mr. Dalzell in excepting them from his remarks, and I feel certain he will see that, when the matter has been put before him in the form in which I present it.

49. I am glad to be able to support Mr. Dalzell in all that he says in paragraphs 6, 7, 8, 9, 10, 11, 12, 13, 21, 22, 24, 25, 26, except as regards the closing of Runn works. The check system at all salt works is purely theoretical. In practice it cannot be carried out. Of course this remark applies to the arrangements at the Runn works;

I agree with Mr. Dalzell in what he says about the check system in force at all salt works. It is a sham.

but there must be works there, and when the sea-side works have been abolished, it will be practical to attempt a closer surveillance at the Runn, which is impossible now, owing to the existence of the works to be abolished rendering it impossible for the Department to deal adequately with so large a charge. Lessen the extent of charge, and the control can be made more efficient at the Runn establishments.

50. The importation into Bombay of Seergunda salt, and its bearing on the matters I am reporting on, as treated of by Mr. Dalzell at paragraph 33 and in subsequent paragraphs of his report, seem to me to call for very careful attention. If what Mr. Dalzell states in his 39th paragraph is correct concerning the price at which this most excellent article could be brought to Bombay, it would be better to supply the depôts on the Bombay, Baroda, and Central India Railway with Seergunda salt brought by sea to Bombay than with the miserable stuff made at the sea-side works near Bassein and Bombay; and if that view be accepted, there would arise a question, whether the importation of Seergunda salt to Bombay had better be by Government agency, or by private enterprise?

51. I am inclined to think the latter agency would be preferable. The Government could take its excise at the Seergunda mines, and it would be open to dealers to take the excise paid salt where they liked. If they chose to go to Bombay, to sell along the line of the Bombay,

The Seergunda salt to be brought to Bombay by private enterprise.

Baroda, and Central India Railway, where our depôts were, selling the sea-side salt, and preference by customers for the better article rendered it unnecessary for Government to keep the depôts open, they could be shut with profit to Government, and without inconvenience to any body else.

52. So that as regards this part of the inquiry, I would open works at Seergunda, take excise there, and leave it to dealers to go where they like, and in the event of any of them choosing the markets supplied by the depôts on the Bombay, Baroda, and Central India Railway, I would do every thing that could be done to encourage the competition, so as if possible to sustain it in taking the place of the depôts. In short, I would begin with Government depôts supplied with inferior salt from Bombay in the hope that facilities offered at Seergunda might end in the good article of that place being supplied to the depôt markets, by private traders.

53. It now only remains for me to exhibit what I conceive would be the attitude of Government if Mr. Dalzell's scheme were accepted with the modification I propose.

1. There would be Government establishments at Seergunda to supply all Sind and the northern markets with excise paid salt of an excellent sort. I believe an Act of Legislature would be necessary for this; at any rate some four years ago when I was in the Salt Department, salt produced in Sind did not pay excise.

Summary of my proposals and attitude in which Government would be if they were acted on.

2. There would be Government establishments at the Runn better looked after than is now possible, to supply an excellent salt to markets adjoining on the north and east the market supplied by the Seergunda works; and the Runn works would be available to carry out the scheme I have proposed in connection with the Ahmedabad and Veerungaum railway when it is made.

3. There would be depôts at railway stations on the Bombay, Baroda, and Central India Railway having Government establishments of an inexpensive and simple character, which could barely cheat, to take the place of the sea-side works between Bassein and the Runn, and to supply the markets now dealing with the sea-side works, with at the outset Bombay salt, which is no better, and no worse, than what is being now sold at the sea-side works, and afterwards with Seergunda salt or Runn salt. This last contingency depending on whether the Seergunda salt established itself first, or whether the completion of the railway from Ahmedabad to the neighbourhood of the Runn occurred before the Seergunda salt had obtained a footing; and whichever won the race would seem to me to be a matter of indifference as far as the Government interests are concerned.

54. And when I have added, that this position could be attained easily and immediately, or say within three months, with advantage of all sorts, especially

ally that of a large saving of expenditure, I have written all that I have to write on the subject.

55. I think it due to myself to state, that in a letter dated 25th July 1865, I proposed to Mr. George Inverarity, then Commissioner of Customs, the scheme for using railways for salt traffic, which I addressed to Government a month ago, and that Mr. Inverarity was pleased to inform me, that he considered my arguments conclusive. He also told me, that had he continued in the service, he would have placed my proposals before Government with the weight of his full concurrence and support to back it; and it is curious, that until I received the reports of Mr. Dalzell which I am writing of, I did not know that the question of the use of railways for the carriage of salt had been mooted by any body but myself.

I have the honor to be,

Sir,

Your most obedient Servant,

G. W. ELLIOT,

Acting Collector.

P.S.—The accompaniments forwarded with your letter No. 748 of 25th February 1868 are herewith returned.

Memorandum on the Preventive dispositions against Salt smuggling in the Northern Division of the Bombay Presidency.

I venture to attach to this report a few words drawing attention to the Frontier Preventive measures of the Northern Division against smuggling. They cost I believe about half a lakh of rupees per annum, and I do not like to trust myself to say what I think of the service. I will content myself with explaining what the dispositions are. The line of posts commences from a point 40 miles to the southward of Gogo, and continues to the Runn, at or near Patree, and on in a broken, heartless, meaningless way to the northward, skirting the Runn for 30 miles and then tending north-east to near Mount Aboo, after which the line takes a sweep to the southward, and comes to a stand still at the Edur territory, which it would go through if it could, to shut out Marwar salt; but a six years' negotiation with the Maharajah of Edur, and a correspondence concerning it, which weighs many hundredweights, has failed to produce any result, save annoyance to every body who has ever had any thing to do with it; and has left the frontier line stranded to the northward of the Edur frontier. Past this point it ought to proceed unbroken to Dohud, but as it can't, after a gap of more than 70 miles of Edur territory, it terminates miserably in a thoroughly good-for-nothing line of posts reaching to Dohud.

I have purposely given this meagre sketch of the frontier arrangement; because it is absolutely a skeleton. I can't even call it a corpse, though it is

dead and utterly useless. I believe its length is nigh on 900 miles counting the Edur gap, and I call it a skeleton, and describe it without an attempt at detailed accuracy, because there is no accuracy about it, and because it has no kind of coherence such as a line of frontier posts ought to have to give them even a semblance of vitality. The empty unguarded spaces between the so-called posts have always reminded me of fleshless places between the bones of a skeleton. The posts if placed at all, which is by no means always the case, consists of two, sometimes of one underpaid, miserable Puttawalla, separated from the next post, generally by about three miles, sometimes by a greater distance. The post are not supposed ever to communicate one with another. But an Inspector in charge of a number of them, fixed upon no principle, that could ever have had a meaning in it, is supposed to pass along the line as often as he likes, or oftener, or indeed not at all, as in reality I believe he does not; but even if he did, he would be of no use. He is usually a Brahmin, always some body who has been brought up to do work in an office; and if he had not been, and were fit for active work, what could he possibly do with posts placed as they are, to prevent smugglers preferring to pass through the unguarded miles between the posts, to going to them to deliver themselves up; and without a smuggler did so, I cannot conceive how he could be caught or interfered with. He would absolutely have to go to a post, awake or find the Puttawalla or Puttawallas, and say to them: "This is my salt, it is going to be smuggled. Take me at once." I wrote voluminously on this matter while I was Deputy Commissioner of Customs, N. D., but I must believe that the tedious length of my reports operated against their utility; at any rate, I used to hear that they would be considered when the Commissioner had time to take up so large a subject. I will take leave of it by expressing a hope, that any change made in the interior economy of the Salt Department, N. D., may embrace a re-arrangement of the Preventive frontier.

G. W. ELLIOT.

Rev. 1819/68
Jan. 5th 1868 L. 2 R. 2

Salt.

No. 1981.

REVENUE DEPARTMENT.

Bombay Castle, 22nd May 1868.

Memorandum by Mr. G. W. Elliot, Acting Collector of Kaira, dated 21st January 1868—Submitting a proposal to close all sea side Salt Works between the Runn and Bassein, and to use the five works at the Runn as the source of supply to a great Salt Store to be established at Ahmedabad.

Letter from the Commissioner of Customs, Salt and Opium, No. 483, dated 19th February 1868—Forwarding, with his observations and opinion, two reports from his Assistant, Mr. Dalzell, who proposes that the Salt Works north of Bassein be suppressed, and that the Districts of the Northern Division be supplied with salt from Bombay by means of Depots at certain stations on the line of the Bombay, Baroda and Central India Railway; and suggesting that extracts from Mr. Dalzell's reports relative to Sirgunda salt in Sind be forwarded to the Government of Madras, who might think it desirable to invite tenders for the supply of it at their Depots, instead of the marine salt of the salt works in the vicinity of Bombay.

Memorandum from the Commissioner of Customs, Salt and Opium, No. 637, dated 2nd March 1868—Forwarding, with his observations, a report by his Deputy, Mr. Dalzell, regarding the retail prices of salt at the several cities on the Railway line.

Letter from Mr. G. W. Elliot, Acting Collector of Kaira, dated 4th March 1868—Submitting his observations and opinion on Mr. Dalzell's scheme.

RESOLUTION.—The question discussed in these papers is one of great importance. Mr. Elliot, the Acting Collector of Kaira, deserves the acknowledgments of Government for the trouble he has taken in explaining the views he has formed after long experience in the Department.

2. His proposals to use the Railway from Veerungaum to Ahmedabad to convey the produce of the Runn works are certainly premature, for the Railway has not been made, and is not yet even sanctioned. But the very great importance of this line in reference to the Salt Works on the Runn appears not to have been brought forward with sufficient prominence in the discussions on the propriety of making this line. The Commissioner of Customs should be requested to submit a statement of the average produce of salt at the Runn Works, and its value. This statement, with extracts from the present correspondence, shewing the importance of the line to the Salt Works, might then be forwarded to the Railway Department for consideration.

3. However, as the Railway is not yet sanctioned, Mr. Elliot's proposals, based on the existence of a Railway from Patreo and Veerungaum, cannot be entertained.

4. There are in any case objections of great weight to resting our dependence for a supply of salt on any one source of supply. This consideration would be against Mr. Elliot's view that Government should rely exclusively on the Runn supply, but it furnishes a strong argument in addition to the very cogent reasons given by Mr. Elliot against Mr. Dalzell's proposals to shut up all the Northern Salt Works, and depend exclusively on the works near Bombay.

5. On this proposal Government concur with both Mr. Bellasis and Mr. Robertson. It is clear that no consideration of favor to the Railway should induce Government to lessen the sources of supply of a necessary of life, and if the Railway Company were favored with a monopoly of salt carriage and salt depots such as Mr. Dalzell contemplates, the results which usually follow all monopolies may be anticipated, and the public will suffer seriously.

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6. It seems that Mr. Dalzell's reform begins at the wrong end. Instead of Government forcing the people to take railway carried salt because it is cheaper and better than other salt, Government should rather leave it to private enterprise, and the Railway Company to develop the trade, and convince the consumers that salt so carried is, as asserted by Mr. Dalzell, better and cheaper. When the consumer is so convinced, all other salt will naturally fall into disfavour, and Government will close works at which no salt is manufactured. Thus the end desired will be attained by legitimate means, and not by a violation of the true principles which ought to regulate Government interference in such matters.

7. There are some suggestions in this correspondence which demand early attention from the Commissioner. Thus Mr. Elliot states that 70 per cent. of the salt stored at the Runn is wasted to the grievous loss of the manufacturers, if not of the revenue. Enquiry should be made as to the best mode by which such loss may be prevented.

8. Again, in taking stock at the works, a difference of 25 per cent. is stated by Mr. Dalzell to be usually admissible. It does not seem creditable to the many able Officers in the Department that not one of them has yet devised some system which may correct this evil, and the Commissioner of Customs should turn his attention to this point.

9. It is quite clear, from the concurrent testimony of all Officers of experience who have been employed in the department, that the subordinates are underpaid, and that any establishments to be maintained must be put on a more satisfactory footing. The subject of the revision of establishments is now before Government, and the facts stated in this correspondence will be borne in mind. Mr. Dalzell states that at least 10 per cent. of the salt made passes from the works free of duty, and this is owing to the untrustworthiness of those who are employed on the works. It will be useless to give high salaries for supervision and for inspection if those who are trusted with the executive duties are not sufficiently paid.

10. The Preventive Service also suffers from the same cause. It is evidently underpaid, and also undermanned, and in this branch also increase will be necessary; but it does not follow, as Mr. Dalzell seems to suppose, that because the establishments on their present footing are untrustworthy, therefore no means can be devised for improving them and making them efficient.

11. Mr. Robertson's suggestions in paragraph 8 of his letter for a reference to the Madras Government regarding the Sirgunda salt should be carried out. Extracts from this correspondence on the same subject should be sent to the Commissioner in Sind, who may be reminded that under the recent decision of the Government of India removing the additional duty which was before laid on the Sind salt, it will probably be possible for him to induce merchants or others to try again to develop the great fields of salt near Sirgunda.

M. J. SHAW STEWART,
Acting Chief Secretary to Government.

To
G. W. ELLIOT, Esq., Acting Collector of Kaira,
The COMMISSIONER of CUSTOMS, SALT and OPIUM, } With copies of the
The COMMISSIONER in SIND, } papers.
The GOVERNMENT of MADRAS (by letter).

No. 1982 of 1868.

REVENUE DEPARTMENT.

Bombay Castle, 22nd May 1868.

To the CHIEF SECRETARY to the GOVERNMENT of MADRAS.

SIR,—In forwarding the accompanying proceedings ending with the Resolution of this Government of this day's date, No. 1981, I am directed to draw the attention of the Government of Madras to the remarks made in paragraphs 36 to 54 of the report from Mr. P. M. Dalzell No. 16, dated 8th January last, relative to the natural salt deposits in the Seergunda creek in the Province of Sind.

I have the honor to be,

Sir,

Your most obedient Servant,

M. J. Shaw Stewart
Acting Chief Secretary to Government.

