M.R.O. 1—38,000—16-10-29.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 3052 Press ~~Mis.~~

321-322

Dated 26th November 1869

Not to be folded or roughly handled

No. 321. Read the following Proceedings of the Board of Revenue, dated 16th September 1869, No. 6,944:—

Read again Board's Proceedings, dated 12th July 1869, No. 4,978.

Read also the following letter from the Collector of Madras, to the Acting Secretary to the Board of Revenue, dated Sydapet, 5th August 1869, No. 252.

WITH reference to the Proceedings of the Board of Revenue, dated 12th ultimo, No. 4,978, I have the honour to forward, herewith, copy of a letter, together with enclosures, from Mr. Smith, showing the financial result of raising the Kudiwaram in this district to Rupees 12 and 15 a garce all round.

2. The additional expense cannot, however, I am sorry to say, be met from the Budget provision of the current year, and will, therefore, have to be so from the general savings under Salt.

3. I beg to call the attention of the Board of Revenue to the recommendation contained in the 5th paragraph of Mr. Smith's letter,* and should be glad if it could be favourably received and acted up to.

* Dated 12th July 1869, No. 158, copy enclosed.

4. The Salt Manufacturers in this district have had a very bad time of it lately, having been put to great expense in having to lift the water for the manufacture so much higher than usual, and in having to provide temporary platforms to store their salt upon; the advance, therefore, that Mr. Smith asks to be paid them, is, I think, really a necessity, and only a proper proportionate relief from their misfortunes. The salt is at the different pans, and the Government, therefore, run no risk in paying the half price of it as asked for.

ENCLOSURE No. 1.

From A. SMITH, Esq., Deputy Collector in charge of Salt, to the Collector of Madras, dated 12th July 1869, No. 158.

I HAVE the honour to submit, for your consideration, three petitions to my address from the Salt Manufacturers of the northern division, relative to the losses which they allege they have sustained in the manufacture of salt during the past and the present year.

2. Petitioners represent in their Tamil Arzee, of which a translation accompanies, that their outlay on the manufacture of salt during the present year has been two lacs of rupees; that the quantity made up to date has been fourteen lacs of maunds, of the value to Government of twenty-two lacs of rupees, and that they have not yet received one pie in the shape of return on the money laid out by them. They submit, with their printed petition, an elaborate statement, which, for its ingenuity, is deserving of all commendation; its object being to show, by a process peculiarly their own, that while they sustained, during 1868 and 1869, the enormous loss of about two lacs of rupees, the Government have obtained, through their "great labour and outlay," a revenue amounting to thirty-four lacs thirty-two thousand and five hundred rupees. They further point out, for the information of the authorities it is presumed, that "the source of revenue on salt is an important item;" that they "collectively and individually work by the sweat of their brow to produce a sufficiency of the essential staple article for the consumption of millions of British subjects;" and they deliberately wind up their petition with the following rather startling prayers:—

Paragraph 8, printed Petition.

1*st*.—That compensation, at the rate of 20 rupees per pan, be disbursed to them, in consideration of the losses that they have sustained, and that the advances for manufacture recently granted be deducted therefrom.—*Paragraph 5, printed petition.*

2ndly.—That the salt manufactured during the current year, and now lying at the pans, be weighed and stored there, and the Kudiwaram due thereon be disbursed to them.—*Paragraph* 6.

3rdly.—That if this proposal be deemed objectionable, an estimate may be made of the quantity of salt manufactured at the pans, and three-fourths of the Kudiwaram due thereon be disbursed at once, and the remainder after the salt has been received into store at Madras—*Ditto.*

4thly.—That adverting to former applications, representing the inadequacy of the present rate of Kudiwaram,—namely, 10 rupees per garce, it be raised to "at least 20 rupees per garce."—*Paragraph* 7.

3. In reference to the first of these prayers, involving the grant of compensation of no less a sum than 1,13,380 rupees, I may observe that it is a fact, capable of abundant proof, that petitioners have really sustained losses during the past and present year, from causes over which they have had no control. But these losses, which are incidental to all human transactions, and which petitioners knew beforehand would befall them if the season proved unfavourable, form in themselves no sufficient ground for basing a claim to compensation. The plea, therefore, of loss, strictly speaking, is, in my opinion, inadmissible, though it may perhaps be allowed as a ground for compassionate consideration. And, looking to the fact that the failure in the manufacture has occurred during *two successive* years from no fault of petitioners, I am disposed to think that a remission of the sum recently advanced to them for manufacture, amounting to Rupees 41,252, would be a great, if not sufficient, relief for all losses which they may have sustained during the past and the present year. And this remission I would venture to recommend as a special and exceptional grant, not to be quoted as a precedent in any future case; and further, to urge that a like remission be made of the sum of Rupees 7,860, advanced to the manufacturers of the southern division, who have also suffered pecuniary losses from the untowardness of the season, and who have submitted the accompanying petition, praying for the grant of compensation at the rate of 40 rupees per pan.

Pans 5,669 × 20 = 1,13,380 rupees.

4. The second prayer is a preposterous proposal, and I cannot recommend it. The double weighment and storage of salt, first at the pans and subsequently at Madras, would entail great expense and loss in wastage; and petitioners themselves must have felt the unreasonableness of their request, inasmuch as they have proposed an alternative in their third prayer.

5. In fairness, however, to petitioners, I am bound to say that the alternative conveyed in their third prayer is one which cannot be characterized as unreasonable. Notwithstanding that the Entore bar was gradually narrowing and silting up, so early in the season as January last, they proceeded with the manufacture of salt in pursuance of orders, and in spite of a well-founded apprehension that they would sustain loss this year also by their venture. And now that no less a quantity than 14 lacs of maunds has been manufactured, in the face of difficulties and discouragements of a more than ordinary character, it seems hard that the stipulated share of the produce of their labours should not yet have been disbursed to them, because, from no fault of their own, the salt lies at the pans, instead of being housed in safety at the Madras Cotaur. At the same time, I also feel bound to add, in the interests of Government, that a compliance with the prayer of petitioners, to the extent requested, would not be safe, inasmuch as little dependance can be placed on mere estimates, or guesses made at hap-hazard on inspection of thousands of heaps of salt, and as more money may in consequence be paid on such estimates than may eventually be found to be actually due. I would, therefore, venture to suggest, in partial modification of the prayer of petitioners, that a careful estimate be made of the quantity of salt manufactured by each ryot, as it now lies at the pans, and that *half* of the Kudiwaram due thereon be disbursed at once, and the remainder after receipt and weighment of the salt at the Madras Cotaur.

6. The last prayer, which relates to an increase in the present rate of Kudiwaram, is the most important of all to petitioners, inasmuch as it involves a question which will permanently affect their future interests. In paragraphs 4 and 5 of my letter to the Hon. Mr. Ellis, late Acting Collector of Madras, dated 9th April 1863, No. 66, I ventured to express my views on the subject, and now take the liberty of reproducing them below for the purpose of facilitating reference:—

Proceedings of the Madras Government, Revenue Department,
26th November 1869.

"With regard to the propriety of increasing the Kudiwaram paid for the salt manufactured "in the northern pans, respecting which you have called for my opinion, I beg to refer you to the "reasons urged in favour of that measure, in paragraph 4 of my letter to Mr. Cunliffe, dated 5th "November 1861, No. 80, and to the concurrence in my views expressed by the Board in para-"graph 5 of their Proceedings of the 6th February 1862, No. 820.

"My conviction as to the propriety, not to add justice, of increasing the rate of Kudiwaram, "has since been strengthened by the changes which have lately been introduced, both for the "manufacture of a better description of salt, and for its safe custody at the pans. Inferior salt "and lax and imperfect guarding have hitherto enabled the manufacturers to reimburse themselves "for the inadequate rate paid for their salt; but now that both these sources of gain have been "cut off, it is obvious that they cannot afford to manufacture good salt, on a system which "involves greater labour and expense, unless some compensation is made in the shape of an increase "to their Kudiwaram."

7. In addition to the reasons above adduced, it may not be amiss to point out here that the price of labour and of the necessaries of life has continued to increase since I first suggested the propriety of raising the rate of Kudiwaram, while that rate has remained intact since the date it was originally fixed. But the prayer of petitioners, that it may be raised to "at least 20 rupees per garce," is simply absurd; and I believe that an increase of 2 rupees on the present rate, or 12 rupees per garce, would be sufficient to meet the rise in the value of labour, and leave a profit that will satisfy every reasonable man. To this extent, therefore, I would venture to support the prayer of petitioners.

ENCLOSURE NO. 2.

From A. SMITH, Esq., Deputy Collector in charge of Salt, Madras, to the Collector of Madras, dated 28th July 1869, No. 169.

WITH reference to your letter of the 21st instant, No. 417, I have the honour to state, that the effect of raising the Kudiwaram to 12 rupees per garce on the salt manufactured at the northern pans, during the present year, will be an increase of Rupees 17,651-5-1, as shown in the accompanying Statement A.

2. Referring to your endorsement on Board's Proceedings of the 12th instant, No. 4,978, I have the honour to state that the additional expense of raising the Kudiwaram to 12 rupees a garce would be, on the present year's manufacture, Rupees 17,651-5-1; and to Rupees 15 a garce on the same quantity of salt, Rs. 55,475-9-1, as shown in that statement. In the former case, the actual increase per garce would be Rupee 1-6-5; in the latter Rupees 4-6-5. If, however, an actual increase of 2 rupees be made on the present rate of Rupees 10-9-7, the Kudiwaram would be Rupees 12-9-7 per garce, and the additional expense that would be incurred on the salt made during the present year would be Rupees 25,216-2-8.

	Rs.	A.	P.
If Kudiwaram be raised to	12	0	0
Present rate...	10	9	7
Increase per garce	1	6	5
If raised to	15	0	0
Present rate	10	9	7
	4	6	5
Present rate	10	9	7
Add..	2	0	0
	12	9	7

3. As regards the inquiry whether the additional expense of increasing the Kudiwaram can be met from the Budget provision of the current year, I regret to report that it cannot. After deducting the charges of manufacture, storage, etc., as shown in Statement B., there will actually be a deficiency of Rupees 17,832-1-2, which must be met from some other source.

4. I also forward a Statement C., showing the great reductions made by the Government of India in the amounts applied for under the heads of "purchase of Salt and Manufacturer's

share," and "Charges for conveying and storing Salt." Had it not been for the unfavourableness of the present season, by which the manufacture of salt has been retarded, and a reduction in the charges rendered thereby practicable, the whole or nearly the whole amount applied for in column 2 would have been expended.

ENCLOSURE No. 3.—Statement.

THE Board resolve to submit these papers for the orders of Government.

2. In Government Order, 27th November 1865, No. 2,919, Government remarked that the bulk of salt made in the Madras District was paid for at the rate of Rupees 10-9-7 a garce, that they saw no necessity for introducing any change at that time, and that they left it to the Board to bring the subject forward again when the necessity had arisen.

3. The Board have been strongly of opinion, for some time past, that the rate of Kudiwaram in the Madras District is insufficient. Many changes have taken place of late years, and all to the pecuniary disadvantage of the manufacturers. Bad salt has been more systematically rejected, illicit dealings have been more completely checked, and the wages of labour have risen considerably. The difficulties of last season and the present, which have already been represented to Government in Board's Proceedings, recorded with Government Order, 30th December 1868, No. 3,208, 2nd March 1869, No. 534, and 19th June 1869, No. 1,747, have brought matters to a crisis, and the Board believe that the security of the revenue demands that immediate relief should be given to the manufacturers.

4. After careful consideration the Board are convinced that the rate of Kudiwaram must be permanently raised to, at least, Rupees 12 a garce. The extra expenditure which this will cause on the average annual manufacture of 14,813 garce, is Rupees 20,755. The Board resolve to recommend Government to adopt the proposed new rate from the commencement of the next official year.

5. In the letter recorded in Board's Proceedings, 12th July 1869, No. 4,978, the Collector of Madras showed very clearly the extraordinary losses which are suffered by the manufacturers this year through no fault of their own, but through the failure of water in the canal. He recommended that the Kudiwaram should be raised at once to Rupees 12 a garce, but this measure would involve an extra expenditure of Rupees 17,651, which, as far as the Board can foresee, could not be met from the Budget provision for salt charges, curtailed as it has been by the Government of India.

6. The Deputy Collector now recommends that the advances made to the manufacturers in accordance with Government Order, 30th December 1868, No. 3,208, and 2nd March 1869, No. 534, may be altogether remitted. It must be remembered that the failure of the manufacture in the season of 1868-69, resulted in a falling off of 12,00,000 maunds, two-thirds of the produce of the previous year; that the Government were thus

	Rs.
Northern pans	41,252
Southern pans	7,860
	49,112

placed in a critical position, and found it necessary, with the aid of advances, to stimulate the manufacturers to great efforts; that the manufacturers did their part zealously, but that the untoward circumstances of the year have again deprived them of a large portion of the profit on which they calculated, and have left them as heavily pressed with debt as they were when the advances were made. Under these circumstances, the Board consider the remission of the advances may reasonably be asked for, and that the manufacture of next season will suffer if it is not granted.

7. The request of the manufacturers that a portion of the salt, which the state of the canal has compelled them to store at the pans instead of delivering as made, should be paid for in advance, is one which the Board are competent to dispose of themselves. They resolve to authorize the Collector to pay Kudiwaram at once on half the quantity of salt now stored ready for transport. Of course great care will be necessary to secure a sufficiently accurate estimate of the quantity before any payment is made.

No. 322. ORDER THEREON, 26th November 1869, No. 3,052.

Separate Revenue, No. 19.
Salt.

UNDER the circumstances represented by the Board of Revenue, the Right Honourable the Governor in Council is pleased to sanction the remission of the advances, amounting to Rupees 49,112, referred to in paragraph 6 of the Board's Proceedings.

2. As to the permanent increase to the Kudiwaram or price paid for salt to the manufacturers, which will involve an additional annual outlay of Rupees 17,651, His Lordship in Council desires to know whether the Salt Pans, even at the present rates of Kudiwaram, are not a remunerative property, and easily saleable by the present holders. The prices paid for Salt Pans when now transferred by sale, as compared with those paid for the same description of pans some years back, should be reported.

3. The concession granted in paragraph 7 of the Board's Proceedings has doubtless considerably mitigated any unusual pressure upon the manufacturers, owing to the Northern Canal having been closed for some months.

(True Extract.)

(Signed) R. A. DALYELL,
Acting Secretary to Government.

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

Exd. S. T. Augustin.

1st November 1869. No. 507/8
30 Dec 1868 — 401-2
2 March 1869 — 37-38
19th June 1869 — 437. 438.

Revenue 1869. Depart.

Board of Revenue,
MADRAS.

9/c-3234.

PROCEEDINGS, 16TH SEPTEMBER 1869, No. 6,944.

Desp 22 Septr 1869 Encl 1
Received 23 do. Ordo

Salt 3252 - 26 Nov 69

SEPTEMBER.

No. 6,944.

Kudivaram—allowed to salt manufacturers in Madras District,—Recommendation to Government that present rate of, be raised to 12 Rupees a garce, from commencement of 1870-71, and that advances recently made to them, be remitted.—Collector authorized to pay Kudivaram to manufacturers, on half the quantity of salt now stored at northern pans ready for transport.

Copy to Accd 321.

Letter from Board of Rev. C.N. 395 of 1870.

C. 1869 Sept. 16

REVENUE.

To

THE BOARD OF REVENUE,

&c., &c., &c.

Dated November 26th 1869.

Rec'd. Encl.

C. O., 26th November 1869, No. 3,052.

NOV 27 1869

Rec. 321-869.

Abstract sent to Salt Manufactures &c.

Madras District—Remission of the amount recommended by the Board of Revenue, sanctioned. Board to report on the Salt Pans with reference to the question of increase to the Kudivaram.

Revenue Department.

No. 3052.

Proceedings of the Madras Government.

Under date the 26th November 1869.

Read the following

Rep. of the Board of Revenue.

Recommending that present rate of Kudiwaram allowance to dalli manufacturers in Madras Distt. be raised to 12 Rs. a garce from commencement of 1870-71, and that advances recently made to them be remitted. — (R. & L. 16th Sept. 1869 No. 6944.)

Under the circumstances represented by the Board of Revenue, the Right Honorable the Governor in Council is pleased to sanction the remission of the advances amounting to Rs. 49,112 referred to in para 6 of the Board's Proceedings. —

As

2. As to the permanent increase to the Kudiaranum prices paid for salt to the manufacturers, which will involve an additional annual outlay of Rs. 17,651, His lordship in Council desires to know whether the Salt Pans, even at the present rates of Kudiaranum are not a remunerative property, and easily saleable by the present holders. The prices paid for Salt Pans when now transferred by sale as compared with those paid for the same description of pans some years back should be reported. — The

3. The concession granted in para 7 of the Board's Proceedings has doubtless considerably mitigated any unusual pressure upon the manufacturers owning to the Northern Council having been closed for some months. —

How would an increase of Kudiaram to 25 Rs. affect what has been represented to be a fair rent while an addition to 30 Rs. would be an exaction? Review

1st Letter B. of Revs with an Index Despy.
6 — Sept. 1851