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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Rev DEPARTMENT

G.O. No. 64		Press
B.P. No.		Mis.
Dated 10-6-1873	196	.

Not to be folded or roughly handled

64/1

Proceedings of the Madras Government, Political Department, 26th May 1873.

No. 49. Read the following letter from A. O. HUME, Esq., C.B., Secretary to the Government of India, Department of Agriculture, Revenue, and Commerce, to the Secretary to Government, Fort St. George, dated Simla, 14th May 1873, No. 64 (Customs):—

I am directed to forward, for the information of His Excellency the Governor in Council, a copy of a letter this day addressed to the Government of Bombay, having reference to the levy in this latter Presidency of the full rate of duty on all salt thence exported prior to its removal from the works.

2. According to the tenor of the engagements entered into with the States of Cochin and Travancore, these latter were to be supplied with salt on the same terms as this was supplied to the Madras Government. Now that duty-paid salt alone will be supplied to this latter, it is obvious that the spirit of the Convention will require some such special arrangements as shall secure to those States an equivalent for the duty (less the cost of collection) levied by the Bombay Government on salt consumed within their limits, or that free permission should be accorded to them to manufacture salt within their own territories.

3. It is believed that insuperable objections exist to the adoption of the latter alternative, and, if this be so, the only point for consideration apparently is the manner in which the compensation to be awarded to these States should be calculated.

4. It will apparently be impracticable to grant a refund of duty on all salt actually imported into Travancore and Cochin, since good reasons exist for believing that salt there imported finds its way into consumption in British districts, and that the quantities imported of late years have largely exceeded the possible consumption of the inhabitants of those States.

5. The local officers, however, will doubtless be able to suggest some manner of adjusting this difficulty, which, while equitable to both parties, shall at the same time be acceptable to the Native States in question; and I am to request that, with the permission of His Excellency the Governor in Council, the matter may be inquired into and reported on at an early date.

6. I am to add that, in accordance with His Excellency's wishes, a Draft Act (a copy of which will be submitted at an early date for His Excellency's consideration) is under preparation, fixing an uniform duty for the Madras Presidency at the same rate now obtaining in Bombay, and authorizing the Madras Government to fix, from time to time, by executive order, in each district, or group of districts, the selling price of Government salt, at such a rate as shall cover both the duty and all expenses of manufacture, transport, storage, sale, wastage, &c.

From A. O. HUME, Esq., C.B., Secretary to the Government of India, Department of Agriculture, Revenue, and Commerce, to the Chief Secretary to the Government of Bombay, dated Simla, 14th May 1873, No. 63-(Customs).

I am desired to state, for the information of His Excellency the Governor, that, in accordance with views repeatedly expressed by the Bombay Government, in which His Excellency the Governor-General in Council entirely concurs, it is proposed, pending a general consolidation of the Salt Laws, to pass a short Act rendering compulsory the pre-payment of the full duty for the time being in force in the Bombay Presidency on all salt, whether intended for export or not, prior to removal from the works.

2. It is not improbable that this measure will diminish the amount of salt exported to Calcutta and the Straits, and it may possibly restrict that exported to South Canara and the Malabar Coast; but so much smuggling has been carried on under cover of this export trade, that His Excellency the Governor-General in Council is of opinion that, despite any such decrease, the proposed rule is imperative.

3. From and after the introduction of this rule, all refunds on account of duty paid on exp[illegible] salt lost or said to have been lost in transit should cease. Salt traders must, like all [illegible] merchants, insure their goods, and look to Insurance Offices, and not to Government, for compensation for any losses sustained.

4. Bombay salt will, on proof of payment of full duty prior to export, be admitted into the Madras Presidency free of further duty-payments, and in the Bengal Presidency on payment of the difference between the duty in force for the time being in the latter and in Bombay.

5. It is believed that certain Native States, exclusive of Cochin and Travancore (in regard to which special arrangements will be made through the Madras Government, and all salt for which must pay full duty prior to export) are still supplied by the Bombay Government with salt to the extent of 30,000 to 40,000 maunds per annum at a nominal price of 1 Anna per maund. The proposed Act must probably contain a clause exempting the salt thus supplied from the operation of the general rule. A distinction will have to be drawn between private and Government works, the arrangements at which latter it would be undesirable to hamper by legislative restrictions, and other provisos which can be locally best appreciated will doubtless need introduction.

6. Under these circumstances, I am to request that, if His Excellency concurs in the general principle of the proposed measure, he will favour His Excellency the Governor-General in Council, at an early date, with draft of the Act which he considers best calculated to give effect to that principle.

7. I am to add, that this opportunity may, if His Excellency approves, be taken to make any other minor emendations or alterations in the existing salt laws of the Bombay Presidency that the recent re-organization of the salt arrangements may have shown to be necessary or desirable.

No. 50. ORDER THEREON, 26th May 1873, No. 210.

Communicated to the Revenue Department.

2. The Resident in Travancore and Cochin will be requested to report to Government, in the Political Department, on the subject of paragraphs 1 to 5.

(True Extract.)

Acting Under Secretary,
for *Chief Secretary.*

To the Revenue Department.
,, Resident in Travancore and Cochin.

Extd. J. H. Burns.

Rec'd 16th Sept 1602

9/17 cwt

Govt. of India.

POLITICAL.

To

THE REVENUE DEPARTMENT,

&c., &c., &c.

Dated May, 26th.

Recd. June 4th

Encl.

G. O., 26th May 1873, No. 210.

MAY.

Nos. 49-50.

No 64. 10 June 1873

Communicating certain papers from the Government of India relative to the manner in which compensation is to be awarded to the Travancore and Cochin States for salt imported from Bombay

10 June 1873.

13 Sept. 1873 Desp. No. 16.

No. 64