Proceedings of the Madras Government, Revenue Department,
28th July 1873.

Read again Proceedings of Government, 13th February 1873, No. 179.

Read also the following papers :—

No. 249. From G. THORNHILL, Esq., Third Member of the Board of Revenue, to the Secretary to Government, Revenue Department, dated Madras, 25th March 1873.

I HAVE the honour to submit the report called for in G. O., dated 13th February 1873, No. 179.

2. As directed in the order above quoted, I proceeded, in the first instance, on the 19th February to Cuddapah, where I met Mr. Horsley. I conferred with him, with the Deputy-Collector Mooroogesha Moodelliar, and with the Tahsildars of Cuddapah, Sidhout, Budwail, Prodatur, and Jummalmudugu, whom Mr. Horsley had called in to Cuddapah to meet me.

3. I inspected the process of making earth-salt at three villages in the neighbourhood of Cuddapah, and subsequently proceeded to the village of Pootladdurti near Prodatur, where I encamped and inspected the salt-works in that and in the adjoining village of Annamalagutti. There are nearly 100 modas (salt factories) in these two villages; the salt made is of superior quality, and the manufacture, which is on the increase, is more carefully conducted than in any other locality that I visited.

4. From thence I went into the Bellary District. I met Mr. Master at Royalchervoo, and proceeded, in company with him, to Ghooty and Bellary, visiting salt-modas at each place and at the village of Sundur,—not the jaghire,—12 miles from Bellary, where salt is made in large quantities. I had also the benefit of conferring with the Sub-Collector Mr. Crosthwaite, with Deputy-Collector Venkatachellum, and with several of the Tahsildars.

5. After leaving Bellary, I proceeded to Pyapully, in the Kurnool District, where I met D. Timmappah, the Deputy-Collector, and some of the Tahsildars. As Mr. Chase had just left the district, I did not proceed to Kurnool. I also inspected salt-modas near Pyapully, and there, as elsewhere, examined several heads of villages and men engaged in making salt.

6. The process of making salt is much the same in all three districts; it differs only in the minor details in different places. It is, however, free of all taxation in Cuddapah, whereas the manufacture is lightly taxed in Bellary and Kurnool.

Description of a Moda or Salt Factory.

7. A moda consists of (*a*) one, two, or three earthen basins in which the process of lixiviation goes on, (*b*) one or two reservoirs (generally one), lined with a coating of smooth chunam at a lower level than the basins, into which the brine from the basins is conducted by a (*c*) small channel, generally lined with chunam and covered with stones and earth; and (*d*) a set of evaporating pans, carefully levelled and plastered with chunam, into which the brine from the reservoirs

is poured by means of chatties, and where it is allowed to stand until it is converted into salt by solar evaporation.

8. The accompanying rough sketch will make the above description clear:—

9. A moda is worked by men and buffaloes; ordinarily by two men and one buffalo; sometimes by as many as four men and four buffaloes, and occasionally by two men without the aid of buffaloes.

Process of Manufacture.

10. The basins,* which are built up at the beginning of the season, and carefully lined with stiff clay, have each a hole in the bottom communicating with the channel. The mouth of this hole is stopped with twigs which are covered over with sand. The basin is then filled with salt-earth, and water is poured on it until it is fully saturated; after the lapse of three or four hours the brine begins to flow through the channel into the reservoir beneath, from whence it is transferred to the evaporating pans.

* The ordinary size of a basin is 4½ to 5 feet in diameter and 2 to 2½ feet deep.

11. The salt-earth is collected from the adjacent lands, where it effloresces. Its presence is discovered by the powdery appearance of the soil, and, wherever it is found, it is scraped into heaps, and carried to the modas by the buffaloes. The powdery surface only is scraped up, and it takes a considerable time to collect a buffalo-load. Sometimes men have to travel from one to two miles to procure a sufficiency of earth to fill the basin.

12. The modas are generally formed on the top of high mounds of earth. These mounds are simply formed by the refuse-earth which is cast out of the basins after each washing. The basins are formed on the top of the mound only for the convenience of being near the reservoirs and pans. They are re-made year after year, until the mounds become so high that the labour of carrying up the earth is too great for the buffaloes; they are then abandoned. I have seen "modas" worked on mounds twenty feet high, and I have seen newly constructed modas with the basins not more than two feet from the ground.

13. It is by no means universally the case that the efflorescence of common salt whitens the ground. When the ground is whitened, it is generally by the presence of soda, known to the people as Washerman's earth.

14. The time occupied in producing salt varies considerably: in some places the brine resulting from two fillings of the basin is poured on the pans and produces salt on the third day, which is then scraped up; in other places, the brine produced is added day after day to that in the pans for five or six days, and the whole scraped at once about the eighth day; the pans in the latter case are larger and deeper than in the former.

15. The quality of the salt varies greatly in different localities: that produced from the black cotton soil is generally the best; it is pure white and of well-formed but small crystals; that produced in red soil is of a dirty red appearance, and the crystals are flat and flaky. The former is largely used for human consumption; the latter exclusively for cattle.

Quality of the Salt.

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16. As regards the quantity of salt produced by each moda, the estimates I have received vary so greatly that it is difficult to arrive at a fair average applicable to the three districts. No doubt the outturn depends much upon the nature of the soil, some localities being much richer in saline deposits than others; it also varies much with the season, a heavy monsoon being favourable to the efflorescence of salt during the following dry season, and occasional showers during the hot weather being also of great service.

Quantity produced.

17. The accompanying statement will show the produce according to the returns already received from the taluqs. I have, however, requested the Collectors of the different districts to cause the actual outturns of modas in different localities to be measured by some of their most trustworthy officers during the present manufacturing season, and by this means I hope to be able to check the returns now given, and to arrive at a more accurate estimate of the quantities produced.

18. The price at which earth-salt is sold varies also very much according to the quality and to the season at which the sale is effected; it differs also in different districts. The best quality* produced near Bellary sells as high as 12 Madras measures the rupee, or only 25 per cent. less than sea-salt, which is to be had at the Bellary railway station at 9 Madras measures the rupee. In Cuddapah, it is much cheaper, the ordinary price of the best sort varying from 24 to 32 Madras measures the rupee, whereas common salt for cattle is to be had at 40 and 50 measures. The price is always much lower during the season of manufacture, at which time ryots appear to lay in their stock for the year, bartering grain for salt. The statement shows the price as per returns from the different taluqs.

Selling Price.

* I have reason to believe that this salt is used largely to mix with sea-salt.

19. I also submit a statement showing the price at which sea-salt is sold at the several railway stations and at the different towns in the district, as well as the quantity sold at the several railway stations by the Agents of Messrs. Cammiade & Co. and Messrs. Arbuthnot & Co., as furnished to me by those firms.

20. These statements, of course, do not show the entire quantity of sea-salt imported into the districts, as the trade is still carried on by Brinjaries and others to a limited extent, and salt imported by them is sold, I understand, even in towns near the railway. If this is the case, it is, of course, sold to a greater extent in more remote localities. The north-eastern part of Kurnool is no doubt largely supplied direct from the coast, while the southern parts of Cuddapah and Bellary may well receive a portion of their supplies from Bangalore and stations on the south-west line of rail.

21. It would not be of much avail to attempt to estimate the quantity of sea-salt consumed in the districts from the very imperfect information at command; but the return will show that sea-salt is

Estimate of quantity of sea-salt consumed in the three districts.

available to all who desire to purchase it at rates quite as moderate as in other inland districts.

At a very rough calculation, however, it may be stated that the salt sold at the stations on the north-west line represents one-half of the consumption of the three districts.

22. The two firms abovementioned sold last year about 30 lakhs of Madras measures; this doubled will give 60 lakhs, which, at 4 measures (12 lbs.) a-head per annum, will provide for 15 lakhs or 1½ millions of human beings. The population of the three districts number 4 millions; hence, if this calculation be correct, five-eighths of the people must consume earth-salt.

23. Estimates, based on such uncertain data, must be more or less fallacious. It is, however, matter of notoriety and beyond dispute that the great bulk of the agricultural population in those parts where earth-salt is made consume it to the almost entire exclusion of sea-salt. The Deputy-Collector of Kurnool estimates that four-fifths of the population of Pattikonda Taluq use nothing else. The same is doubtless true of all the chief salt-producing taluqs; and it is probable that the consumers of earth-salt in the three districts are nearer three-fourths than one-half of the population.

24. It is worthy of remark that in Koilguntla Taluq, one of those transferred from Cuddapah to Kurnool in 1860, and where the manufacture of earth-salt had been previously prohibited, one-half of the population is said to have taken to the use of sea-salt, although earth-salt is made in the adjoining country in large quantities.

25. From all I can gather, there is no reason to believe that the use of earth-salt is injurious to the health of those who are accustomed to it, although it is said to cause skin-diseases and bilious affections to persons not in the habit of using it. I have procured specimens of the different kinds, and shall obtain a report on them from the Chemical Examiner for the information of the Government. One thing is certain that earth-salt is used almost entirely by the agriculturists of the black cotton plains of the Ceded Districts, and Southern India does not possess a finer race of men than they are.

Earth-salt not injurious to health.

26. I beg to submit a map, showing the villages in which earth-salt is made, with the number of modas in each village. It will be seen from this how widely scattered the seats of manufacture are. In no case are more than 100 modas to be found in a circuit of three miles, and the largest number of modas in one taluq is 400.

Factories widely scattered.

27. Now the produce per moda, as calculated by most Tahsildars, does not exceed 5,000 Madras measures per annum; the average produce is much less. If therefore, the entire produce of a taluq were collected in one place for the purposes of excise, it could not exceed 62 garce. To watch even this quantity would require an establishment quite out of proportion to the returns; and I need not point out that it would be quite impossible to collect all the salt in one taluq into one store.

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28. But, in order to levy an excise on all salt sold, it would be necessary not only that each place of sale should be watched, but that each place of manufacture also should be watched.

Difficulties attending the levy of an Excise.

29. The earth-salt is made almost exclusively by a class of men called "Upparas," who are scattered over the country, a few families only, as a rule, being found in each village. To concentrate the manufacture, it would be necessary to draw all these people to one spot, and, even if that could be done, the material for making salt will not be forthcoming.

30. Under all these circumstances, I am of opinion that it would be impossible to levy an excise on the actual quantity of salt made. If the manufacture is to be permitted, the same system of scattered manufactories must continue, and some other means of realizing a revenue must be found.

31. The district officers are all naturally more or less averse to the suppression of the manufacture; but all agree as to the impossibility of excising the salt. It is admitted that sea-salt is procurable everywhere within moderate reach of the railroad at reasonable rates; but it is argued that at more distant places the price is still high, and especially high when compared with that at which they now procure earth-salt. It is argued that the bulk of the population have for years used nothing but this salt, and that they would feel it hard to be deprived of its use; that, as it is made in the adjoining countries of Mysore, Hyderabad, and Banganapilly, it would surely be smuggled into their districts if the manufacture were to be discontinued. It is stated that some distress would be caused to the class who make the salt, and who live thereby for four or five months of every year; but the chief argument is that the cattle would be summarily deprived of the salt which they have long been accustomed to; for the ryot would not be able to purchase Government salt for the use of his cattle, even if obliged to do so for his own consumption.

Views of district officers.

32. Officers are generally of opinion that any great increase in the price of earth-salt would lead to a discontinuance of its use: they think that the manufacture would not bear a very heavy license duty, as the people by whom it is made are invariably poor, and realize but a very small profit. As a rule, however, officers are not averse to a moderate enhancement of duty or to partial suppression of the manufacture, compensation being given to the manufacturers.

33. The result of my enquiries, then, may be briefly stated as follows:—

Summary.

(1.) That earth-salt is made throughout the entire district of Bellary, and in considerable portions both of Cuddapah and Kurnool.

(2.) That the quality and price vary greatly in different places.

(3.) That the better and dearer kinds are consumed chiefly by human beings, and that the inferior and cheaper kinds are used almost exclusively for cattle.

(4.) That the manufacture is scattered widely over the country, and is conducted almost exclusively by a single caste* of people called "Upparas."

* These men do not answer to the "Upparavandlu" or "Tank-diggers" of the Northern Circars.

(5.) That these people make their living by the work for four or five months in the year, but that the profits they derive beyond that are very small.

(6.) That a very large proportion of the rural population and the poorer classes throughout the three districts use earth-salt to the entire exclusion of sea-salt.

(7.) That sea-salt is readily procurable at a fair price everywhere within a moderate distance of the railway, and that it is certain that the supply will readily keep pace with the demand to what extent soever the latter may increase.

(8.) That there is no real objection, except on the score of price, to the use of sea-salt by the population at large, except for consumption by their cattle.

(9.) That, owing to the scattered nature of the manufacture, the levy of an excise on all salt made is absolutely impracticable, except at a cost which would consume the greater part of, if not all, the revenue to be derived from it.

34. It remains, then, to determine in what way the interests of the State can be best protected.

People of these districts as well off as in other parts.

The inhabitants of the districts under consideration are in all respects as well able as those of other parts of the country to bear their share of taxation, and now that sea-salt has been placed within their reach at a fair price, there is no reason whatever for their being exempted from the effects of the monopoly.

Manufacture prohibited elsewhere; why not here?

35. In other districts the manufacture of earth-salt is strictly prohibited, and, unless the earth-salt of the Ceded Districts can be so taxed as to return a revenue to Government equivalent to that which would be derived from the consumption of monopoly salt, or unless some other very cogent reasons can be found for the exemption, I cannot see why the prohibition should not be extended to these countries likewise.

License-tax—Objections to.

36. I believe that the imposition of a License-tax in any way equivalent to the duty realized by Government on sea-salt to be quite impossible.

37. The numbers of the modas in the three districts may be taken at 5,000, roughly calculated. The average tax now levied in Bellary is Rupees 4-4-0 per moda; the highest, and that quite exceptional, Rupees 24.

38. The profits of working a moda have been so variously stated that I cannot place much reliance on them. Some Tahsildars estimate the net profit derived from the work of two men and a buffalo for the season (four or six months) as low as Rupees 10; others rate it at nearly 100.

39. Supposing the tax to be raised to Rupees 20 a-moda, nearly fourfold the present rate, the return would be only one lakh of rupees, and that only on the supposition that all the modas were retained in work. This, however, I am sure would not be the case: a rise to that extent would cause a vast number to be closed.

40. I do not, however, judge of the possibility or otherwise of imposing a remunerative License-tax on the calculation of supposed profits made on imperfect data, so much as on the state of the salt-makers and the conditions under which they pursue their calling.

Upparas who make the salt are poor.

41. They are as a body undeniably poor; so far as I could learn there is not a rich man amongst them. It was acknowledged on all sides that, beyond making a livelihood for about half the year, they had no tangible profits: some few of them hold land on putta to a trifling extent; others work for cooly during the season when no salt is made; some are employed in carrying stone and earth for building purposes by means of their buffaloes; some carry the surplus salt about the country for sale.

Factories possess no saleable value.

42. A certain amount of property is acknowledged to exist in the modas, and occasional disputes arise; but they possess *no saleable value whatever*, and no one ever heard of a salt moda being attached either for arrears of revenue or under decree of a Civil Court; an industry conducted on such terms could never bear heavy direct taxation!

43. I believe to raise a revenue of one lakh of rupees, even by means of licensing the manufacture, would be almost impossible; but I think I shall be able to show that the loss to Government by the use of earth-salt in these districts to the exclusion of taxed salt is not less than eight or ten lakhs.

Estimate of loss to the State by the manufacture of earth-salt.

44. The quantity of salt made in the year is so very uncertain that I hardly like to base any calculation on it; still 5,000 modas, at 3,000 Madras measures per moda, would give 150 lakhs of measures = 4,687 garce, which, at Rupees 240 a-garce, will give over eleven lakhs of rupees.

45. Again, the population of the three districts is close on four millions. I am assured on all sides, with the exception of the town populations and Brahmins generally, that earth-salt is the only salt used by the people in the greater number of the taluqs. Four-fifths of the population in many taluqs use it. I do not think I am far wrong in assuming that three millions use no sea-salt; this, at 12 lbs. a-head, would give 36 million pounds, about 440,000 Madras measures at Rupees 2 = nearly nine lakhs.

46. These calculations are, I am aware, but rough approximations to truth; but I believe they are not far from the truth; at all events, they show that the yearly loss of revenue is very great.

47. To remedy this, I can see no course but that of gradually suppressing the manufacture, until it has been brought down to a point, which will only allow the production of a small quantity of the inferior red salt sufficient for the working bullocks of the people; these animals have always had salt, and if earth-salt be denied them, most of them will be deprived of the use of salt entirely. The cattle used are very superior animals, and it were a pity to risk a falling off in the quality of the stock.

Proposal for gradual suppression of the Manufacture.

48. I submit a statement showing the number of modas in different villages in each taluq as they now exist, the number I propose to suppress year by year during the next three years, and the number I would then license, either permanently or experimentally for a few years more for the use of cattle.

49. I would recommend that early instructions be issued to the Collectors to notify that from and after the current season no manufacture of earth-salt would be permitted, except on license issued before the 1st January; that Collectors should at once proceed to determine to whom licenses should be issued in each village, and what modas should be suppressed.

Proposed instructions to Collectors.

50. They should be instructed to suppress, in the first instance, those modas in which the best description of salt is made, as it is the best kinds that interfere most with the consumption of sea-salt.

51. Compensation should, of course, be paid for whatever modas are thus suppressed. I think, on a rough computation, four or five years' net profits would be a fair sum to pay. A maximum, however, might be fairly fixed, say, at Rupees 200. I think the rates would be found to vary from Rupees 50 to Rupees 200, and that an average of 100 would be a very fair sum to pay.

Compensation.

52. It must be borne in mind that the makers are not legally entitled to anything, as they have only been allowed to make salt all these years on sufferance; that they have no manufacturing plant or stock in trade whatever; and that they have all other means of livelihood at hand. At the same time, as they will be deprived of an occupation which found them living for about five months of each year, they should receive enough to set them up either with a plough and pair of bullocks or few buffaloes.

53. As the suppression will be gradual, I do not think the consumers will feel any inconvenience beyond paying a higher price for their salt, and believe there is no aversion to the use of sea-salt *per se*, and that in a very short time the use of it will become an established custom, and that earth-salt will be, as a rule, given up.

54. There, are however, other difficulties to be provided against. As stated in the Government order, earth-salt is made in Mysore, in Hyderabad, and in Banganapilly, and the suppression of the manufacture in the Ceded Districts and Kurnool would certainly give an impetus to smuggling from those countries.

Difficulties as regards smuggling from foreign States.

55. As regards Mysore, the frontier is so extensive, and, in some places, so involved that to keep up a frontier Preventive Establishment would be very vexatious and very ineffectual. Smuggling can only be prevented by some restrictive action on the part of the Mysore Government simultaneously with that taken in Bellary and Cuddapah. It will not be too much to expect that measures should be taken in Mysore to restrict the quantity of earth-salt made to that required in the country. If that be strictly done, smuggling would still go on, but not to a very injurious extent; and if earth-salt be exported from Mysore into the Madras Districts, the loss of revenue will be recouped in some degree by enhanced sales of sea-salt in Mysore. As the Imperial revenue is at stake, the Madras Government may fairly look to the Imperial Government to aid them in this matter.

56. As regards Hyderabad, the frontier is protected along its whole length by the rivers Tungabudra and Kistna. A Preventive Guard at each ferry will be necessary for a few years until the people of these districts have become accustomed to use sea-salt; the custom once established I believe that the amount of smuggling will be small. Timely notice must, of course, be given to the Nizam's Government, in order that it may be fully proclaimed in the frontier districts that the import of earth-salt into the Madras provinces is prohibited.

57. As regards Banganapilly, I can only recommend that arrangements be made with the Nawab to restrict or absolutely to suppress the manufacture of earth-salt within his territory; the Imperial Government reimbursing him for any loss of revenue he may sustain, and compensating the makers of salt in his villages in the same way as will be done in our own.

58. I am given to understand that the Nawab is anxious in all respects to meet the wishes of the British Government, and that no difficulty need be apprehended in coming to an understanding on the subject. I have already asked the Collector of Kurnool to favour me with his views on this point, and shall submit his letter when received.

59. Should the measures I have recommended, or any similar to them be adopted, a considerable increase in the consumption of sea-salt will probably take place next year. In order to meet this, provision should be made both in Madras and Nellore for increasing the quantity of salt to be manufactured during the current season, and endeavours should be made to place the salt-roads and railway-feeders in as good a state as possible.

Measures required to meet the probable increased demand for Salt.

I believe the natural course of trade will be found quite sufficient to meet the increased demand for sea-salt; but I think now, as I have always thought, that sufficient importance has not been attached to the state of the roads along which the salt-traffic passes, and to the wants and comforts of traders at the Government stores.

60. I would again respectively urge that in no way can this be so effectually done as by assigning a small percentage of the salt-revenue of each coast district as a grant to the Local Funds to be expended in perfecting the approaches to the salt stores and in providing for the wants and comforts of traders.

And to improve salt-roads.

61. I do not anticipate any serious difficulty in preventing clandestine manufacture of salt. The modas in each village should be carefully inspected once or twice during the manufacturing season by the Revenue Inspectors and by the Police, and the village authorities should be held strictly responsible for reporting the existence of unlicensed modas or any breach of the law.

Prevention of clandestine manufacture.

62. It does not require much outlay to prepare a moda for work, but still it requires some days to lay out the evaporating pans and to plaster them with fine chunam; so if all unlicensed modas were ordered to be broken up they could not be restored and brought into work without the knowledge and connivance of the village authorities.

63. I think that all modas licensed for next year and the following two years should pay an enhanced license fee.

I would classify them as follows:—

	Rs.	A.	P.
First-class modas producing white salt fit for human use.	20	0	0
Second-class do. do. do. ...	10	0	0
First-class modas producing inferior salt fit only for cattle	5	0	0
Second-class do. do. do. ...	2	8	0

I think in this as in all other matters all three districts should be treated alike.

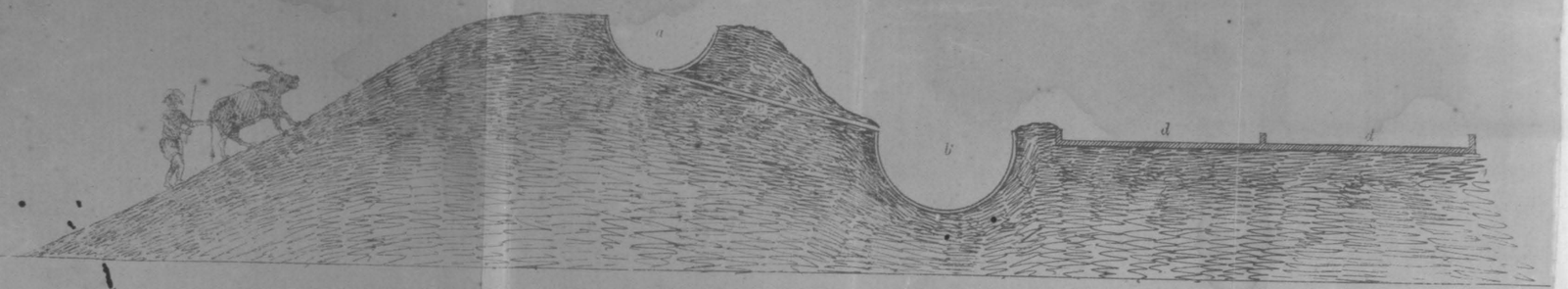
I beg to submit a file of rough Memoranda received from Tahsildars and others which may help to illustrate my report. My conclusions were chiefly drawn from personal communication with the different district officers and with those connected with the manufacture of salt.

64. I have taken the liberty of forwarding copies of this Report direct to my colleagues in the Board of Revenue.

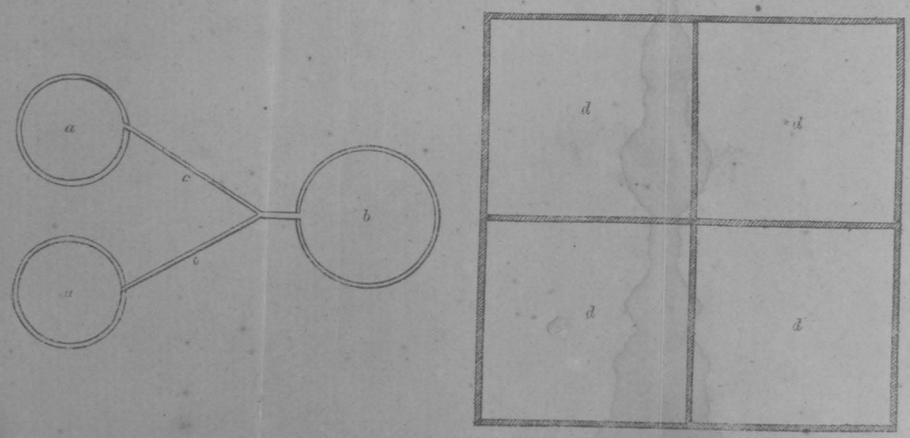
Paras 7 & 8

SKETCH OF A SALT MÓDA

SECTION



GROUND PLAN



REFERENCE

a Basins

b Reservoir

c Channels

d Evaporating Pans

Photo-Lithographed by Alex : Barren, Central Survey Office, Chepauk Madras, 14th August 1873.

No. 250. From H. St. A. GOODRICH, Esq., Acting Sub-Secretary to the Board of Revenue, to the Hon. R. A. DALYELL, Acting Secretary to Government, Revenue Department, dated Madras, 30th May 1873.

ADVERTING to the report called for in G. O. dated 13th February 1873, No. 179, I am desired to state that the Board of Revenue have considered the result of Mr. Thornhill's inquiries and the statements of the report.

2. The extinction of the manufacture of salt from saline earth appears to the majority of the Board to be necessary, no likelihood existing of the produce being successfully excised. The readiest means to effect this object would be the suppression recommended by Mr. Thornhill.

3. The Second Member, however, deprecates suppression altogether at the present time, and has recorded his views in a separate Minute.

4. The analysis of ten specimens of this salt is added for the information of Government. It will be seen that the salt varies but little in its composition from the salt manufactured on the sea-board, and gives about 86 per cent. pure chloride of sodium on an verage.

5. Letters furnishing additional information on the subject lately received from Bellary and Cuddapah are also appended for the information of Government.

No. 251. MINUTE BY HIS EXCELLENCY THE GOVERNOR dated 22nd July 1873.

I AM most reluctant to adopt any measure which can have the effect of increasing the pressure of the salt-tax upon the people of this Presidency; and I look upon the question now before us as one of very serious importance. The course now proposed in regard to these hitherto privileged districts is, in effect, the imposition of a heavy tax upon an article necessary to life and health as regards a population, amounting to about 10 per cent. of the whole number of persons in this Presidency, obtaining with difficulty the necessaries of life, and comprising a large body of labourers, whose principal means of support will be taken from them by the very measure which increases the price of that without which they cannot live.

2. But the only *present* justification of a privilege which was formerly, in some degree at least, justified by the geographical position of these districts is that it has been so long enjoyed; and I am afraid that this reason ought not to prevail against the claims of "distributive justice." It ought, however, to be so far regarded as to induce us to withdraw the privilege by a very gradual process; and I should, therefore, be disposed, while adopting the mode of action proposed by Mr. Sim, to allow a large period, say, five years, for the gradual assimilation of the position of these districts to that of the Presidency in general.

3. The question of smuggling from Mysore was, I think, recently brought to our notice by the Government of India, and it will now, I presume, be more than ever necessary to take some special precautions in this respect.

(Signed) HOBART.

the very measure which increases the price of that article without which they cannot live.

12. At the same time, the only present justification of a privilege which was formerly, in some degree at least, authorized by the geographical position of these districts, is that it has been so long enjoyed; but this can hardly be pleaded in favour of continued immunity from a tax which the people of every other district pay. It is nowhere alleged that the people of the districts in question are not as well able to pay the tax as the people of other districts, nor are they subject to any special tax which does not obtain elsewhere, nor are they, otherwise, in a peculiarly unfavourable position as regards taxation, or in any other respect.

13. In consideration, however, of the long period for which the manufacture of earth-salt has been permitted, the privilege must be gradually withdrawn. The Board of Revenue will accordingly be good enough to instruct the Collectors of the three districts not to permit the opening of any new places of manufacture, and to make proposals for licensing those already in existence, at slightly increased rates of tax, in the year 1874, with reference to the productive powers of each; the rates to be charged in Cuddapah being assimilated to those decided upon for the other two districts. These rates will be gradually increased each year until 1879, when they should reach a sum per estimated garce manufactured equal to the tax on a garce of marine salt.

14. The information before Government leads to the supposition that any increase of the present rates of tax is likely to result in the closing of many of the existing salt factories, and it seems probable that all will be voluntarily closed before the highest rates now proposed are reached. At the same time, every effort should now be made to induce the voluntary cessation of manufacture by the offer of liberal compensation in every case, calculated on the terms proposed by Mr. Thornhill.

15. Negotiations should at once be entered into with the Nawab of Banganapilly for the suppression of the manufacture in his territory, and also with the Jaghiredar of Sundoor, if any earth-salt is made within the limits of his property. The suggestions made by Mr. Thornhill for the employment of a preventive guard on the Hyderabad frontier should receive the Board's consideration, and as suggested by the Government of India in their letter, dated 20th January 1871, No. 401, the Mysore authorities will be addressed in view to the restriction of the manufacture of earth-salt in that province.

16. The Board should submit to Government at an early date a statement showing the existing number of salt factories in the three districts, an estimate of the quantity of salt produced at each, some description of its quality, the sum now paid as tax, and that proposed to be charged in 1874. A Notification should at once be published in each district, intimating that no salt-moda will be permitted to be worked without a special license in 1874, that the present rates of tax will be then increased, but that persons willing to close existing modas on the payment of compensation should address the Collector.

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

1806, when Colonel (afterwards
Sir Thomas) Munro noticed in
his

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REVENUE DEPARTMENT.

No. 923

From Pres: Bd of Rev: E.S

Dated 25th March 1873.

FOR ORDERS.

I would ask the Govt
for their opinion as the
Enamel Liquor Sale in the
Nilgiris. — and
as soon as they can
conveniently do so.

A.D.I

Original

Govt. of India 1873 Madras

REVENUE.

To

THE BOARD OF REVENUE,

&c., &c., &c.

Dated July 28th.

Read.

Read.

G. O., 28th July 1873, No. 790.

JULY.

NOS. 241—253.

Earth-salt.—Directing the Board to give orders to instruct the Collectors of Cuddapah, Bellary and Kurnool, not to permit the opening of any new places for the manufacture of — to make proposals for licensing those already in existence at increased rates of tax in 1874 to be gradually raised until 1879 when they should reach a sum equal to the tax on marine-salt, to induce the voluntary cessation of manufacture by the offer of compensation, and to negotiate with the Nawab of Banganapilly and the Jaghirdar of Sundoor for the suppression of the manufacture of — in their territories; and requesting the Board to consider about the employment of a preventive guard on the Hyderabad frontier.

☆

Vide Board's Proc. 27 May/73
No 1269.

FOR ORDERS.

Recd Office Memo dy 8
7 April 1873
Rev. Dpt. & Board
29 May 1873 [illegible]

R.C. 25 July A 28 July.
C 22 April 73 R 6. R.C. 15 July A 23 July

Revenue Dept. 12

Memo: for Orders on Nos 923 & 1371.

As observed by the Board in para 14 of their Proceedings recorded in the Order of Govt dated 13 February last No 179, the anomaly of permitting the manufacture of earth salt in the Ceded Districts whilst a strict monopoly is in force in all other parts of the Presidency, and the desirability of regulating and restricting, within the narrowest limits, and, eventually, suppressing the manufacture has attracted the attention of the Board and Govt from time to time ever since the year 1806, when Colonel (afterwards Sir Thomas) Munro noticed in his

N.B. The undersigned has not thought it necessary to circulate the large lithographed maps forwarded with Mr Nicholls report as they are of an inconvenient size and merely verify the statements made in his report as to the sentiment obtaining in the salt factories, throughout Bellary and throughout the southern parts of Kurnool & Cuddapah.

TAS

his report to the Supt. of Salt monopoly that the general manufacture of earth-salt in these Districts operated strongly against the Sea-salt monopoly.

2. In 1849, the Govt. of the day proposed to legalize the manufacture which was then, as it is now, contrary to the provisions of Reg. I of 1805, either by farming out the privilege to manufacture and sell, or by licensing the manufacture. The difficulties attending either proposal were, however, found to be so considerable that in June 1857 it was determined to continue the system of charging the Salt-makers of Kurnool and Bellary the Moturpha or Professional tax, but

but to leave those of Cuddapah untaxed as they had always hitherto been.

3. Again in 1863, when the Moturpha tax was abolished throughout the Presidency the Government directed that the Salt makers of Bellary and Kurnool should be excluded from this exemption, and that the tax hitherto collected from them, as Moturpha, should be credited to the Head "Salt" in future. They observed in the same order that the proper course was, obviously, to legalize the manufacture, for that it was a matter of no moment whether the

the salt tax was paid upon earth salt, or marine salt, and that it would be unfair to compel the people to consume an expensive article /sea-salt/ when a cheap one was at hand.

4. In reply to this order, and after consultation with the Collectors, the Board of Revenue remarked that the observations of Govt. were of equal force in all inland Districts, and that unless it was proposed to permit the manufacture of Earth salt in Coimbatore and Trichinopoly they saw no reason why on general principle it should be allowed in Bellary or Cuddapah. It was also pointed out that the places

of manufacture were so scattered and the outturn from each so small that it would be impossible to bring them under such control as to admit of the imposition of an Excise duty, but that, even if this could be done, a rate of duty equal to that charged on sea-salt would inevitably put an entire stop to the manufacture. The Board finally recommended that as the Railway was complete to Cuddapah, the manufacture should at once /1865/ be suppressed, and that it should be suppressed in Kurnool and Bellary when the line was completed to Gooty.

5. The Govt. in their Order of 27th April 1866, No. 996, acknowledged

acknowledged that it was clear that the manufacture could neither be excised, nor monopolized, and that therefore it must either be permitted on the existing footing, or suppressed. Though the force of the Board's arguments in favor of the latter alternative was admitted, the former was resolved upon, mainly under the belief that the salt was then only used by the most indigent classes, and that when the line of Railway was completed it would be entirely superseded by Marine salt

salt.

6. In August 1871 the Board reported that, in their opinion, the time had arrived for definitely prohibiting the manufacture of Earth-salt in the three Districts concerned. They showed that the completion of Railway communication had not had the effect anticipated in 1866, as a very large proportion of the people, including wealthy ryots, consumed earth salt in preference to marine salt, owing to its cheapness, and observed that there was no reason to suppose that the people of the Ceded Districts were less able to pay the monopoly price than the inhabitants

inhabitants of other Districts.
They accordingly recommend-
=ed that the prohibition
should take effect from 1st
April 1873, that the Salt
makers should be com=
=pensated for their loss,
and that the communica=
=tion with the Railway
should be improved.

7. The Govt did not
deal with this paper until
February of the present
year, when they again
expressed a decided opinion
in favor of excising the
manufacture, and directed

Mr

Mr. Thornhill to proceed to
the Districts in question and
report upon the whole ques=
=tion.

8. Mr. Thornhill after
inspecting the localities in
which much of the Salt is
manufactured, reports that
it varies much in quality
and price. That produced
on black cotton soils is e=
=qually the best, being pure
white and the crystals well
formed though small, and
it is largely used for human
consumption. The salt
made on red soil is of
inferior quality, and is
exclusively used for cattle.

The

The price varies from one half to one third of the price of sea-salt.

9. He estimates that nearly three fourths of the population of the three Districts consume nothing but earth-salt, and that the loss to the revenue is from £80,000 to £100,000 per annum. In paras 28 to 30 he shows conclusively that the information formerly obtained as to the impracticability of levying an excise duty owing to the scattered position of the places of the manufacture, the small produce of each,

and

and the special character of the soil required for the process, was perfectly correct.

10. He explains that sea-salt is now readily procurable at prices no higher than are paid in other inland Districts, and that the supply would keep pace with any future increased demand, and adds that the price is the only objection to the consumption of sea-salt by the whole population, who, in his opinion, are in all respects as well able to bear their share of taxation as the people of other parts of the

Presidency

Presidency.

11. He points out that, under these circumstances, the manufacture of earth salt should clearly be prohibited in these Districts, unless it can be so taxed as to return a revenue to Govt. equivalent to that which would be derived from the consumption of monopoly salt, and shows that the profits of the manufacture are so petty that even at present the Factories possess no saleable value and that if the present tax on them were increased four fold it would only reach £10.000, and would certainly result in the closing of many.

12. Finally he proposes the gradual suppression of the manufacture during the next three years until it is reduced to such dimensions as will only allow of the production of a small quantity of inferior

red

prd. salt for the working cattle. He would effect this by suppressing at first most of those factories at which the superior salt is made, paying a compensation Equal. to four or five years nett profits to the owner of the factory, which he estimates will vary from Rs. 50 to Rs. 200.

13. As to the probability of the measure advocated resulting in increased

increased smuggling of earth-salt from the Banganapilly Estate in Kurnool, from Ellyore and from Hyderabad, he proposes that arrangements be made with the Nawab and with the Ellyore Govt: to restrict the quantity of earth-salt manufactured and that a preventive guard be maintained at each of the ferries over the Tungabudra and Kistna rivers which separate this Presidency from Hyderabad.

* of Banganapilley

14. He would tax the factories allowed to be maintained during the next three years in Addapalli (where they are now free) and would also enhance the rate charged in the other two Districts, and he finally recommends that special attention be paid to the improvement of the salt roads and railway feeders and suggests that a per centage of the Salt Revenue should be allowed for this purpose

15. The majority of the Board of Revenue support Mr. Thornhill's recommendations.

Lastly

but the second Member has recorded a Minute of dissent on the grounds (1) that a large body of people will be deprived of their means of livelihood which will probably result in an increase of crime (2) that the taxation of the lower orders will suddenly be increased by from £80000 to £100,000 (3) that the cattle will be sacrificed owing to the failure of a supply of cheap salt (4) that smuggling will be encouraged to a large extent (5) that difficulties will be thrown in the way of procuring a necessary of life (6) that heavy outlay will be incurred for compensation (7) that the deliberate opinion of every District Officer who has reported on the subject from the earliest times will be over-ruled. He is also of opinion that Mr. Thornhill's proposal gradually to restrict the manufacture to such salt as is suitable only for cattle is impracticable as it will merely give the licensees a monopoly who will take to themselves all the margin between the price of sea and earth-salt.

It is submitted that Mr. Thornhill's proposals may be approved and sanctioned with effect from the 1st July 1874 and if deemed advisable that a concurrent arrangement be made under which during the years 1874/75, 1875/76 and 1876/77 sea salt will be sold at special rates at all stations on the North-West line of Railway (the price being fixed at a figure somewhere between the present price of sea and earth salt at those stations and being gradually raised to the full price plus cost of carriage

17 The arguments in favor of the eventual suppression of the manufacture brought forward in para 10 of the Board's Proceedings dated 28th November 1865 as noted overleaf have however it is submitted, been successfully controverted, and if this is ever to be carried out, it cannot any longer be delayed especially when the salt-tax of Canara and Malabar is about to be brought up to that paid elsewhere

"As observed above, though there may be arguments in favor of permitting earth-salt to be manufactured throughout the country they do not apply to an exceptional permission in favor of certain districts, and the Board see nothing in the social or the political condition of the inhabitants of the three Districts under consideration that would justify Government in treating them any longer in an exceptionally favorable manner. The land Revenue in these Districts is lighter than in most other parts of the Presidency, there is a large extent of good cultivable land, Cotton and Indigo are largely produced and the communications are in fair order. On the whole, the material prosperity of the inhabitants may be described as fully equal to that of the people of any other part of the Peninsula, and had it not been that the indulgence has been enjoyed for so many years, the Board would have advocated the immediate prohibition of the manufacture

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manufacture of earth-salt in all three Districts. As this a sufficient consideration is given to this exceptional state of things by deferring the prohibition until the Railway shall reach the confines of each District and both a ready access to the coast and a cheap mode of carriage for marine salt shall have been thus secured".

18. As to the objections raised in the Minute of the Second Member of the Board, it is to be observed, as to the first that the present Collector of Cuddapah reports that the earth-salt manufacturers are not a class who will be thrown out of work by the stoppage of the manufacture, as they are mere labourers and can easily turn their hands to work performed by ordinary coolies — As to the second, that the increase of taxation will

+ See letter forming enclosure to this 1541

will only raise that paid by the poorer classes of these three districts to the amount paid by the same classes in all other districts — As to the third that Mr Thornhill's proposals provide for the supply of salt to the working cattle — As to the fourth that they also provide against smuggling, and that moreover there is no more reason to expect the smuggling of earth-salt over the frontier in these districts than in North Arcot, Salem, Coimbatore, Malabar and South Canara all of which adjoin the Dutch Territory — As to the fifth, that the difficulties thrown in the way of procuring a necessary of life will not be greater than those which at present exist in other inland Districts — As to the sixth that the outlay for compensation will be speedily recovered by an increased salt revenue — As to the seventh that Mr Wedderburn who had had a larger experience

of the Ceded Districts than any officer in the service, reported his opinion ten years back, that the privilege of a Ryot to earth salt should only be continued in the Bellary District till the railway reached the town of that name, that the Collector of Cuddapah, the late Mr Smith, who had a prolonged knowledge of that District, recommended that it should be permitted only till the year 1865, and that Mr Municlin, who had an intimate acquaintance with the Kurnool District, was not opposed to the suppression of the manufacture on general principles — and as to the general objection taken to Mr Thornhill's proposed measures for suppression, that inasmuch as the manufacture of the inferior kind of salt only will be permitted it can not have the effect anticipated, as it is reported to be unsuitable for human consumption

The question at issue is really whether the people of these 3 Districts are to enjoy an immunity from a tax which the people of every other District pay — It is asserted that they are not equally able to pay — Nor are they the best Judges of a special tax which does not obtain elsewhere — Nor are they likely to be influenced by any interested motives in opposition to a tax which is universally uniform and which is not levied in any other District

really know no other
but to make the people
of these Districts pay
what the people of
every other District
pays. This should
be done gradually.
by notifying that
in 1874. the Duties
in creased to a certain extent - which
will be raised in 1875 & 1876 to such
an amount as will equal the regular
Salt tax. a premium being given for
closing factories and no fees being
levied. & the Abkarry Officers
Powers the manner Salt must be delivered
of ensure as regards imported Salt
Salt & Liquor records kept &c &c
protection

L.D.Ross
18 July 73

Memo. for Orders.

Mr Thornhill's report
on manufacture of
Earth Salt in the Bellary
Kurnool Cuddapah Dts

C. 15 July/73 R 23 July N 225/228

Revenue Department.

No. 790

PROCEEDINGS of the MADRAS GOVERNMENT.

Under date the 28 July 1873

Read the following again Proc^s of Govt 13 February 1873. N° 179.

Read also the following letters

From G. Thornhill, Esq: Submitting to Govt report on manufacture of Earth Salt in the Bellary, Kurnool Cuddapah Dts	H. E. 25 March 1873.
Off: Sub Secy: Board of Revenue. Recommending suppression of the manufacture of Salt from Saline Earth.	H.E. 30 May 1873.
Minute by H. E. the Governor —	H.E. 22 July 1873.
by the Honble J. D. Sim. Csl. —	H.E. 18 July 1873.

L D S

1. In their Proceedings recorded in the Order of Govt first quoted above, the Board of Revenue reported that in their opinion the time had arrived for definitely prohibiting the manufacture of Earth-salt in Cuddapah, Bellary and Kurnool. They showed that

the

the completion of Railway communication had not had the effect anticipated in 1866, as a very large proportion of the peoples, including wealthy ryots, consumed earth-salt in preference to marine salt, owing to its cheapness, and observed that there was no reason to suppose that the people of the three Districts concerned were less able to pay the monopoly price than the inhabitants of other Districts. They accordingly recommended that the prohibition should take effect from 1st April 1873, that the salt makers should be compensated for their loss, and that the communications with the Railway should be

12

improved.

2. The Governor in Council, however, deemed it advisable before passing orders in the matter to depute an officer of standing to make a personal enquiry into the matter, and directed Mr. Thornhill, 3d Member of the Board of Revenue, to proceed to the Districts in question for this purpose.

3. The second paper above recorded contains the report submitted in accordance with those orders. Mr. Thornhill after inspecting the localities in which much of the salt is manufactured, reports that it varies much in quality and price. That produced on black cotton soils is usually the best, being

crystals well formed though small, and it is largely used for human consumption. The salt made on red soil is of inferior quality, and is exclusively used for cattle. The price varies from one half to one third of the price of sea-salt.

4. He estimates that nearly three-fourths of the population of the three Districts consume nothing but earth-salt; and that the loss to the revenue is from £80,000 to £100,000 per annum. In paras 28 to 30 he shows conclusively that the information formerly obtained as to the impracticability of levying an excise duty owing to the

the scattered position of the places of the manufacture, the small produce of each, and the special character of the soil required for the process, was perfectly correct.

5. He explains that sea-salt is now readily procurable at prices no higher than are paid in other inland Districts, and that the supply would keep pace with any future increased demand, and adds that the price is the only objection to the consumption of sea-salt by the whole population, who, in his opinion, are in all respects as well able to bear their share of taxation as the people of other parts of the Presidency

He

6. He points out that under these circumstances the manufacture of earth-salt should clearly be prohibited in these Districts, unless it can be so taxed as to return a revenue to Govt. equiva= =lent to that which would be derived from the con= =sumption of monopoly salt, and he shows that the profits of the manu= =facture are so petty, that, even at present, the factories possess no saleable value, and that if the present tax on them was increased four fold it would only reach £10.000, and would certainly result in

in the closing of many.

7. Finally he proposes the gradual suppression of the manufacture during the next three years, until it is reduced to such dimensions as will only allow of the production of a small quantity of inferior red salt for the working cattle. He would effect this by suppressing at first most of those factories at which the superior salt is made, paying a compensation equal to four or five years net profits to the owner of the factory, which he estimates will vary from Rs. 50 to Rs. 200. for each.

8. As to the probability of the measure advocated resulting in increased smuggling of earth-salt from the Bangana-pilly Estate in Karnool, from Mysore and from Hyderabad, he proposes that arrangements be made with the Nawaub of Banganapilly and with the Mysore Govt to restrict the quantity of earth-salt manufactured and that a preventive guard be maintained at each of the ferries over the Tungabadra and Kistna rivers which separate this Presidency from Hyderabad

Hyderabad.

9. He would tax the factories allowed to be maintained during the next three years in Cuddapah (where they are now free) and would also enhance the rate charged in the other two Districts, and he finally recommends that special attention be paid to the improvement of the salt-roads and railway ferries and suggests that a percentage of the salt revenue should be allowed for this purpose.

10. The Board of Revenue support Mr. Thornhill's recommendations, though the Second Member

member has recorded a minute of dissent.

11. The Governor in Council is most reluctant to adopt any measure which can have the effect of increasing the pressure of the salt tax upon the people, and consequently views the question now under consideration as of the most serious importance. The course now proposed to be adopted in regard to these, hitherto privileged, Districts is in effect the imposition of a heavy tax upon an article necessary to life and health, in regard to a

a population equal to more than ten per cent of the population of the whole Presidency, and comprising a large body of labourers whose principal means of support will be taken from them by the very measure which increases the price of that without which they cannot live.

12. At the same time the only present justification of a privilege which was formerly in some degree, at least, authorized by the geographical position of these Districts, is that it has been so long enjoyed, but this

can

can hardly be pleaded in favor of continuing ~~to permit an~~ immunity from a tax which the people of every other District pay. It is no where alleged that the people of the Districts in question are not as well able to pay the tax as the people of other Districts, nor are they subject to any special tax which does not obtain elsewhere

nor

nor are they, otherwise, in a peculiarly unfavorable position as regards taxation, or in any other respect.

13 In consideration, however, of the long period for which the manufacture of earth salt has been permitted, the privilege must be gradually withdrawn. The Board of Revenue will accordingly be good enough to instruct the Collectors of the three Districts not to permit the opening of any new places of manufacture and to make proposals for licensing those already in existence, at slightly increased rates of tax, in the year 1874, with reference to the productive powers of each. The rates to be charged in Cuddapah being assimilated to those decided upon for the other two Districts. These rates will be gradually increased, each year, until 1879 when they should reach a pice per

per estimated garce manufactured, equal to the tax on a garce of marine salt.

14. The information before Government leads to the supposition that any increase of the present rates of tax is likely to result in the closing of many of the existing Salt Factories and it seems probable that all will be voluntarily closed before the highest rates now proposed are reached. At the same time, every effort should now be made to induce the voluntary cessation of manufacture by the offer of liberal compensation in every case, calculated on the terms proposed by Mr. Thornhill.

15. Negociations should at once be entered into with the Nawaub of Banganapillay for the suppression of the manufacture in his territory, and also with the Jaghiredeer of Sundoor, if any earth salt is made within the limits of

of his property. The suggestion made by Mr. Thornhill for the employment of a preventive guard on the Mysoria land frontier should receive the Board's consideration, and as suggested by the Govt. of India in their letter dated 20th January 1874 No 401 the Bly Govt authorities will be addressed in view to the restriction of the manufacture of earth salt in that Province.

16. The Board should submit to Govt. at an early date a statement showing the existing number of salt Factories in the three Districts an estimate of the quantity of salt produced at each, some description of its quality, the sum now paid as tax, and that proposed to be charged in 1874. A notification should at once be published in each District intimating that no salt works will be permitted

permitted to be worked without a special license in 1914, that the present rates of tax will be then increased, but that persons willing to close existing modes on the payment of compensation should address the Collector.

WTD

150 if Rec
Mr Thornhill

To The Board of Revenue with the Encls.
Mr Thornhill 3rd Member of the Board of Revenue

Cyp 26/5-

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Fig. 8

Mr Thornbill's report
on manufacture of Earth
salt in the Ballarat, Kerrnot
& Seddapatt Districts

Rec'd 25 July 73 R. 28 July