1135/29

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# MADRAS RECORD OFFICE

## GOVERNMENT OF MADRAS

Revenue. DEPARTMENT

G.O. No. 1135 Press

~~B.P. No.~~ Mis.

Dated 4-9-1874. 196 .

*Not to be folded or roughly handled*

1
1135

REVENUE DEPARTMENT,
OOTACAMUND,
*4th September* 1874.

No. 35.

No. 63.

To THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF REVENUE,
AGRICULTURE, AND COMMERCE.

Separate Revenue, No. 3.
*Sal*

SIR,—In reply to your letter of the th August 1874, No. 216, (Commerce nd Trade), I am directed to express the regret of the Right Honorable the Governor in Council for the omission on t of this Office to reply to the letters received from the Government of India d 873 on the subject of the suggested alterations in the arrangements heretof sting for the export of Salt from Bombay.

2. The decision having now been p , making prepayment of duty compul- sory from 1st October next, it only rema o reply to the 3rd paragraph of your presen letter; but before doing so, I am tate that the whole question in its differ- ent bearings has long been under the an is consideration of this Government, and that the delay which has occurred in ans ring the inquiries of the Government of India has principally arisen from the desi f the Governor in Council to arrive at a satisfactory conclu a very importan nd difficult subject.

3. The Travancore and Cochin State have always possessed and exercised the full and unrestricted right of manufac Salt tent in their respective terri- tories. At the time when the Interportal Convention of 1865 was arranged, the selling prices of Travancore and Cochin Salt were respectively Annas 10-1 and Annas 12-8 per maund, while the price of British Salt was Rupees 1-8-0. These great differences in price naturally led to consi ble smuggling along the extended and unguarded frontier. To prevent this, and to make good to the States some of the revenue given up in consequence of the new interportal arrangements, the States agreed to raise their selling prices to whatever might be the British rate from time to time. As a part of this agreement they were to be permitted to import Salt from Bombay on the same terms as the Madras Government then imported it into Malabar, *viz.*, a payment of 3 Pies per maund in Bombay, and allowance to their contractors of 10 per cent. for wastage and losses by sea. Now that the full British duty must be paid before the Salt is removed from Bombay, the Cochin and Travancore States must be repaid that duty (less their present payment of 3 Pies per maund) and allowance for *bona fide* wastage not exceeding 10 per cent. Possibly some further consideration may be required if it be found that the expenses hitherto incurred for insurance, *etc.*, are seriously increased. The best method of granting compensation will be by annual deductions from the subsidies of the States calculated on this principle.

4. As the consumption of Bombay Salt varies from year to year, and must increase with the population, and as home manufacture supersedes it, a fixed payment in perpetuity would not meet the case. An arrangement similar to that which now obtains in Chandernaghore seems also inapplicable to States of such extent, possessing home manufactures.

5. With reference to paragraph
(Customs), I am to state that very li
into British territory, the equalisatio

* Average of five years before Conve
I.M. 4,52,772.
Average of seven years since Conve
I.M. 4,80,420.

† Average of five years before Conven
I.M. 2,16,706.
Average of six years after Conven
I.M. 88,162.

above given show that it must be very
the frontier, and cannot have any sens
more of British Salt finds its way into

6. Adverting to paragraph 5 of y
state that Salt exported by sea fro

your letter of the 14th May 1873, No. 64,
of Travancore and Cochin Salt finds its way
price has removed the motive which formerly
existed. In Travancore* the consumption has increased but slightly since the Convention, while that of Cochin† has very largely decreased. It was from the latter that smuggling into British territory was greatest. No doubt some Salt does find its way from the Native States into British territory, but the figures less than was formerly smuggled acro effect on the revenue. In all probability Native States.

dated 9th June 1873, No. 9, I am to pay duty before export.

I have the honor to be,
Sir,
Your most obedient servant,
(Signed) C. G. MASTER,
*Acting Secretary to Government.*

Erd. F. R. Bantleman.

Agriculture 1874 Department.

[ ]

*From*

Government of Fort St. George.

*D.* No. 1,135.
*Enclosures.*
5 spare copies.

*D. No.* Progs.

*L. No.* No.

REPORTING that the best method of granting compensation to Travancore and Cochin States for Salt exported from Bombay will be by annual deductions from the subsidies of those States calculated on a certain principle.

3/1135

The enclosed Off letter (copied
Collector of Robinson) is
respectfully to the present state of
things, as it is a remonstrance
against a measure proposed by
the G. I., which measure has
since been adopted. And we
have now only to reply (what
we must do speedily) to the
letter per the G. I. 18 Aug/74, in
which they ask us what would be
the most suitable arrangements

found to be
carried

Agriculture 1874 Department.



respts Ivanicore & Cochin -
Have appears to have left
arrangement than that of
refunding annually to those
States a sum to be calculated
as proposed in the Bill passed
by the Legislature.
under than the Chandernagore
arrangement - shall indeed
seem hardly applicable in any
satisfactory manner to
those States. And as this issue

I rec'd your visite to this subject
& to be regretted that
we did not discover this difficulty
earlier, and that we have thus acted
upon these a measure of
very doubtful expediency; which
possibly might not have been
adopted if these representations
had been before them. I think
we are bound to respect any
just regret that owing to
inadvertance or mistake we
have been led to cause these letters

found to be
carried

have remained without reply.
Respect for authority required
that they should be answered, either
a reasonable time, and more especially
that we should apologise for not
having done so.

I think a letter should be circulated
to the Revenue Secretaries drawing their
attention to our said ~~our~~ request
asking for a reply to the
Salt Bill if any should.

23/8

culated on a certain principle.



Revenue Dept.

No.

To,
The Secretary to the Govt. of India
Dept. of Rev. Agri: & Commerce

Sir,

I am directed to acknowledge the receipt of your letters dated 14th May and 9th June Nos. 84 & 9 and of that from the Legislative Department dated 11th June 1873 No. 317.

2. The first communication gives cover to a letter to the Govt. of Bombay expressing the opinion of the Govt. of India that in order to prevent the smuggling which is said to be carried

carried on under cover
of the export trade in
Salt, from Bombay, it
is imperatively necessary
that, in future the pre
payment of full duty
on the article must be
insisted on prior to re-
moval from the works.
With reference to this
determination you point
out that in as much
as under it full duty
will be levied by the
Bombay Govt. on all
salt consumed within
the limits of the States
of Travancore and
Cochin it will be neces
sary to enter into some
special arrangement
with those States which
will secure them an
equivalent



equivalent for this duty
(less cost of collection)
or to allow them free
permission to manu-
facture salt within
their own territories.
You add that it is
believed that insuper-
able objections exist
to the latter alternative
and that as there are
good reasons for believ-
ing that much of the
salt imported into these
States finds its way
into consumption in
British Districts, it
will also apparently
be impracticable to
grant a refund of duty
on all salt imported,
but that the local
officers will doubtless
be

be able to suggest some other mode of meeting the difficulty, which while equitable to both parties shall at the same time be acceptable to the Native States in question.

3. In reply I am directed to explain that the Travancore and Cochin States have always possessed and exercised the full and unrestricted right of manufacturing salt to any extent in their respective territories. At the time when the interportal Convention of 1865 was arranged the selling prices

prices of Travancore and Cochin Salt were respectively 10 as 6 p 1 and 12 as 8 p per maund while the price of British Salt was Rs 1-8-0. These great differences in price naturally led to considerable smuggling along the extended and unguarded frontier. To prevent this and also to make good to the States some of the revenue given up in consequence of the new interportal arrangements, the States agreed to raise their selling prices to whatever might be the British rate,

From

from time to time.
As a part of this
agreement they were to
be permitted to import
salt from Bombay on
the same terms as the
Madras Govt. then
imported it into Ma-
labar- viz a payment
of 3 pies per maund
in Bombay- and an
allowance to their con
tractors of 10 per cent
for wastage and
losses by sea. If it
be determined that
the full British duty
must be paid before
the salt is removed
from Bombay, the
Cochin and Travan-
core States must be
repaid



repaid that duty
less their present pay
ment of 3 pies per
maund and the 10
percent allowance
for wastage, and in
equity, they must also
receive the additional
charge which their
contractors must make
to cover interest on the
money sunk in pur-
chasing their salt
at the full price and
to insure such costly
cargos- The larger
capital which the
trade under such
conditions will require,
will necessarily raise
the rates of contracts
for the conveyance of
salt

Salt by reducing the field of competition. It is scarcely necessary to point out how difficult it will be to arrive at a correct determination of these indirect consequences of the proposed change. Their amount, whatever it may be, will represent the loss to the British Treasury which it will entail.

4. The only compensating advantage alleged is the prevention of smuggling supposed now to exist. But it is easy to see that there can be but little of this. The contractors of



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of the States have to deposit security at Bombay for the payment of full duty on all Salt shipped there but not landed in those States after deducting the fixed allowance for wastage, and such duty is always exacted. This margin of 10 percent is therefore all that can under any circumstances be smuggled and when the long sea voyage - the inferior character of the Coasting Vessels employed - and the deliquescent nature of Salt are considered it will be obvious that the surplus available for smuggling must be

be very small indeed. It must be remembered moreover that no cases of actual smuggling are adduced - it is only the possibility that has suggested the existence of illicit practices.

With reference to para 4 of your letter I am to state that very little of Travancore and Cochin salt finds its way into British territory - the equalisation of price has removed the motive which formerly existed. In Travancore the consumption has increased but slightly since the convention while that of Cochin has

× Average of 5 years before Convention Im. Mds 452,772
average of 7 years since convention. I. Mds 480,420

⁜ Average of 5 years before convention. I. Mds. 216,706
average of 8 years after convention. I. Mds 88,162

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has very largely decreased. It was from the latter that smuggling into British territory was greatest. No doubt some salt does find its way across the frontier from the Native States into British territory but the figures above given show that it must be very much less than was formerly smuggled across the frontier - and cannot have any sensible effect on the revenue. In all probability more of British salt finds its way into the Native States.

Believing that little

if

nulle

if any advantage be gained while some expense and considerable inconvenience will result from the proposed change the Governor in Council earnestly deprecates it. If however it be determined upon, the only method of granting conspensation will be by annual deduction from the subsidies of the Native States. calculated on the principle above mentioned.

As the consumption of Bombay Salt varies from year to year and must increase with the population unless home manufacture supersedes it



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it a fixed payment in perpetuity is impossible. An arrangement similar to that which now obtains in Chandernagore is also impossible in States of such extent, possessing home manufactures.

Similar objections exist to the levy of full duty at Bombay on salt supplied to this Govt. The inevitable result must be an enhancement of the cost of salt to the consumer unaccompanied by any advantage to the State, save the prevention of smuggling which though possible to a limited extent is not shown really to occur under

under the present system.
The price of salt is
already high enough
and certainly any ad-
dition to it especially
in addition which
will yield nothing to
the revenue is much
to be deprecated. If
the object be to secure
the Revenue to Bombay
the simplest method
of attaining it is by
crediting Bombay and
debiting Madras with
the full duty in the
public accounts and
the same course can
be adopted with
respect to shipment
to Travancore and
Cochin without any

difficulty

difficulty. 12/135

The Govt of Bombay
it is observed, are un-
favorable to any change
of system - because it
would be impolitic
unless the importation
of salt into this Presi-
dency (and it is presumed
into Travancore and
Cochin) were at the
same time absolutely
prohibited - a measure
which they rightly con-
demn - The Governor in
Council therefore con-
tents himself with
expressing the hope
that a proposition so
unjust to the people
of this Presidency - as
shutting them out from

the

the cheapest markets
in which they can obtain
such a necessary of
life as salt in order
that the revenues of
Bombay may be in-
creased will never be
entertained by the Govt
of India. The Madras
Govt might as reason-
ably desire that English
salt should be excluded
from Calcutta and
the people of North
India be obliged to
consume Madras salt
alone. Foreign salt
pays the same duty
as Bombay salt. and
this being the case, the
Indian consumer has

a



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a right to take which
ever he likes best or
can procure cheapest.

10 The proposal to
restrict imports to Vessels
of 300 Tons and up-
wards is so far objec-
tionable that its tendency
must be to increase the
cost of conveyance. Any
material enhancement
of the cost of Bombay
salt may lead to its
being supplanted by
English salt.

11 While on this
subject I am to draw
attention to paras 400
to 424 of Mr Plowden's
Report on Salt in

British

British India

Drafted by
the Hon'ble the Secretary.

Cancelled.

C 21st Aug 5/74 R 25th

Revenue Department

15/1135

To The Secretary to the Govt of India,
Dept of Revenue Agriculture & Commerce

Sir,

In reply to your letter of the 6th August 1874, No 216, (Commerce and Trade) I am directed to express the great regret of the Right Hon'ble the Governor in Council at the omission on the part of this Office to reply to the letters received from the Government of India during 1873 on the subject of the suggested alterations in the arrangements heretofore existing for the export of Salt from Bombay.

2. The decision having now been passed making prepayment of duty compulsory from 1st October next, it only remains

Sent for as Para 5.
Has no bearing on
Question under discussion now
finished.
2/6.

remains briefly to the 3d paragraph of your present letter, but before doing so I am to state that the whole question in its different bearings has long been under the anxious consideration of this Government and that the delay which has occurred in answering the enquiries of the Government of India has principally arisen from the desire of the Governor in Council to arrive at a satisfactory conclusion on a very important subject.

3. The Travancore and Cochin States have always possessed and exercised the full and unrestricted right of manufacturing salt to any extent in their respective



respective territories. At the time when the interportal Convention of 1865 was arranged the selling prices of Travancore and Cochin salt were respectively 10 As. 1 P. and 12 As. 8 P. per maund while the price of British salt was Rs 1-8-. These great differences in price naturally led to considerable smuggling along the extended and unguarded frontier. To prevent this and also to make good to the States some of the revenue given up in consequence of the new interportal arrangements, the State agreed to raise their selling prices to whatever might be the British

British rate, from time to time. As a part of this agreement they were to be permitted to import salt from Bombay on the same terms as the Madras Government then imported it into Malabar. viz, a payment of 3 pies per maund in Bombay and allowance to their contractors of 10 per cent for wastage and losses by sea. Now that the full British duty must be paid before the salt is removed from Bombay, the Cochin and Travancore States must be repaid that duty less their present payment of 3 pies per maund and the 10 per cent

and allowance for wastage not exceeding 10% can be admitted - Possibly some further consideration

from which may be required if the Madras Government incurs the expenses, Albert &c are personally increased -

I do not see this. The Cargo with the consent to the Native Crews & Their value of Timber is the present of it -

17/1135

cent allowance for wastage, and in Equity, they must also receive the additional charge which their contractors must make to cover interest on the money sunk in purchasing their salt at the full price and to insure such costly cargoes. The larger capital which the trade under such conditions will require will necessarily raise the rates of contracts for the conveyance of salt by reducing the field of competition. It is scarcely necessary to point out how difficult it will be to arrive at a correct determination of these indirect consequences of the proposed change. Their amount, whatever it may be

be, will represent the loss to the British Treasury which it will entail. The best method of granting compensation will be by annual deductions from the subsidies of the States calculated on this principle.

4. As the consumption of Bombay salt varies from year to year and must increase with the population unless home manufacture supersedes it, a fixed payment in perpetuity is impossible. An arrangement similar to that which now obtains in Chandernagore is also impossible in States of such extent, possessing home manufactures.

5. I am to add a few explanatory remarks with reference to some portions of the correspondence on which misapprehension appears to exist.

The

18/1135

P. The chief advantage of the new arrangement is alleged to be the prevention of smuggling supposed now to exist. It is easy however to see that there can be but little of this. The contractors of the States have to deposit security at Bombay for the payment of Imp. duty on all salt shipped there but not landed in those States after deducting the fixed allowance for wastage, and such duty is always exacted. This margin of 10 per cent is therefore all that can under any circumstances be smuggled and when the long sea

voyage

voyage - the inferior character of the Coasting Vessels employed - and the deliquescent nature of salt are considered it will be obvious that the surplus available for smuggling must be very small indeed. It must be remembered moreover that no cases of actual smuggling are adduced - it is only the possibility that has suggested the existence of illicit practices.

7. With reference to para 4 of your letter of the 14th May /73 No 64 (Customs) I am to state that very little of Travancore and Cochin salt finds its way into British territory - the equalisation of price has removed the motive which formerly existed. In Travancore the consumption has increased but slightly since the convention while that of Cochin has very largely decreased - It was from the latter that smuggling into British territory was greatest - No doubt some salt does find its way from the Native States into British territory but the figures above given show that it must be very much less than was formerly smuggled across the frontier, and cannot have any sensible effect on the revenue - In all probability more of

British

Same not inclined to say much about this - It is a fact that under the system that obtained much large quantities were delivered on board than were shown in the manifest - & the diff was sold en route

Stat

* Average of 5 years before convention S. Ms 452,772, average of 7 years since convention. S. Ms 480,420

* Average of 5 years before convention S. Ms 216,706. Average of 6 years after convention S. Ms. 88,162.

British salt finds its way into the Native States.

8. [The inevitable result of the new arrangement as regards the western Districts of this Presidency must be an enhancement of the cost of salt to the consumer unaccompanied by any advantage to the State, save the prevention of smuggling which though possible to a limited extent is not shown really to occur under the present system The price of salt is already high enough and certainly any addition to it especially an addition which will yield

Draft

Since a general uniformity of duty throughout the Native States will not affect the question of a duty reserved for the subject of the effect of the measure in Bombay

What? It becomes the Rate 1-13-0 instead of 1-8-0 as now - for no doubt the Govt of Bombay will not Sanction Rates as low as left us below that in force it has cost to place the salt at the disposal of the Consumer.

2.0.0
1-13-0
8
1-8-0

Omit

yield nothing to the revenue is much to be deprecated. If the object be to secure the Revenue to Bombay the simplest method of attaining it would be to credit Bombay and debit Madras with the full duty in the public accounts, and the same course could be adopted with respect to shipment to Travancore and Cochin without any difficulty.

9. The Governor in Council had hoped that the unfavorable opinion expressed by the Government of Bombay would have prevented the change which has now been ordered

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ordered. It appears to His Excellency contrary to sound policy and unjust to the people of this Presidency to shut them out from the cheapest markets in which they may obtain such a necessary of life as salt yet it is apparent from the papers communicated with your letter of 1st September 1873 No. 70 that the present change must entail the absolute prohibition against the importation of foreign salt into this Presidency and, it is presumed, into Travancore and Cochin. Foreign salt pays the same duty as Bombay salt and this being the case the Indian Consumer has

I do not quite see that we are not precluded from manufacturing our own Salt—but in the true remedy—not from us but the East Coast factories where it can be got cheap enough. These are the true remedies.

and interfere with trade for Salt is conveyed down the coast as ballast. The native craft also visit the harbours & convey away the exports.

Put

I do not think H.E. the Governor has any power to prohibit the importation of salt. I suppose he means to raise this question in the Council.

has a right to take which ever he likes best and can procure cheapest.

10. The proposal in the same letter to restrict imports to Vessels of 300 Tons and upwards is so far objectionable that its tendency must be to increase the cost of conveyance.

11. Adverting to paragraph 5 of your letter dated 9th June 1873 No. 9, I am to state that salt exported by sea from Madras does not pay duty before export.

12. It appears probable that Bombay salt may hereafter be supplanted in the Western Districts of this Presidency by

by salt from the East Coast the transport of which across the peninsular will be rendered feasible owing to the enhanced price which salt must fetch in Malabar and Canara under the new arrangement. Manufacture in the West Coast will also be stimulated. Under these circumstances it is probable
feared that Bombay may lose some of her salt revenue.

E M M.

To The Govt of Travancore

Salt imported into Travancore from Bombay

Emergent

C.C

Revised draft circulated with reference to the accompanying note from H.E. the Governor.

C M

Note. The memorandum required in the concluding paragraph of H.E.'s note will be prepared immediately the papers on the subject can be found. It is believed that they are in circulation still

C 26th Augt 17

23/1931

I agree with His Excellency the Governor in greatly regretting the delay which has occurred in replying to the Communications of the Government of India on the subject of charging the full duty on Salt on Export from Bombay – more especially as to the way in which it will affect Travancore and Cochin. An apology is due.

The immediate effect of the measure is

is that Bombay Salt
cannot be sold by
Either the Madras Govt:
(in Canara & Malabar)
or by the Cochin or
Travancore Ports
for Rs: 2 per maund,
the price which has
hitherto obtained in the
West Coast Districts
and adjacent Native
States - And that the
Native States - if they
still import British
Salt - will pay the full
British Monopoly value
for their Salt instead
of the Cost price only -
Their Salt Revenue
must pro tanto disappear
Entirely and there is
Subjects contribute
to the British Exchequer - A
Continuance of these
Conditions



Conditions cannot for one
be expected

The question is - Is there
any obligation to supply
these Native States with
British Salt at Cost price
and any advantage
to be derived from
so doing. I think that
the international Convention
of 1865 created such
an obligation, and that
faith should be kept
with the States Even
although they are not
dependent on the British
Supply, but are free
to manufacture any
Quantity they may require

The most simple
plan would be to ask
the Government of India
to remit the duty on
a moderate Annual
Supply

Supply to Each State
- say Equal to the average
of the Supply taken Each
Year since the Convention -
subject to the above rules
which must obtain in
respect to wastage &c.
If this plan be in
incompatible with the
Law a reduction of
the tribute Equal to the
duty on such Supply
will be necessary.

As regards the
advantage of continuing
the Supply and
maintaining the Convention
I think that if Bombay
Salt is still to be sold
in Malabar, it may
be assumed that the
Government must
raise its price to more
than 2 Rs: per maund.
Smuggling from the
Cochin

Cochin Circars will in
that case again set
in, as I do not think
we can ask the Circars
to raise their prices further.
But we hope to revive
the local manufacture
or introduce East Coast
Salt for the Supply of
Malabar, in which case
the Existing Equalization
will again operate to
protect our Revenue. I
would deprecate any
recommendation of the
Convention for the present.

After I think that the
Letter of the Collector
the effect of the Measure
as respect the Circars -
an apology

29/10 [illegible]

2b/1135

Revenue Department

No. 1135. 4 Septr. 74.

To.

The Secretary to the Govt. of India
Dept. of Revenue, Agriculture & Commerce

Sir,

In reply to your letter of the 6 August 1874 No. 216, (Commerce and Trade) I am directed to express the great regret of the Right Honorable the Governor in Council at the omission on the part of this office to reply to the letters received from the Government of India during 1873 on the subject of the suggested alterations in the arrangements heretofore existing for the export of salt from Bombay.

2. The decision having now been passed making prepayment

prepayment of duty com-
pulsory from 1st October next,
it only remains to reply to
the 3rd paragraph of your
present letter, but before
doing so I am to state that
the whole question in its dif-
ferent bearings has long
been under the anxious con-
sideration of this Government,
and that the delay which
has occurred in answering
the enquiries of the Govern-
ment of India has princi-
pally arisen from the desire
of the Governor in Council
to arrive at a satisfactory
conclusion on a very import-
ant & difficult subject.

3. The Travancore and Cochin States have always possessed and exercised the



27/135

the full and unrestricted right of manufacturing salt to any extent in their respective territories. At the time when the interportal Convention of 1865 was arranged the selling prices of Travancore and Cochin salt were respectively as Rs 10-1 and as Rs 12-8 per maund, while the price of British salt was Rs 1-8-. These great differences in price naturally led to considerable smuggling along the extended and unguarded frontier. To prevent this, and also to make good to the States some of the revenue given up in consequence of the new interportal arrangements, the States agreed to raise their selling prices to whatever might be the British rate, from time to time. As a part

part of this agreement they were to be permitted to import salt from Bombay on the same terms as the Madras Government then imported it into Malabar viz. a payment of 3 pies per maund in Bombay and allowance to their contractors of 10 per cent for wastage and losses by sea. Now that the full British duty must be paid before the salt is removed from Bombay, the Cochin and Travancore States must be repaid that duty (less their present payment of 3 pies per maund) and allowance for bona fide wastage not exceeding 10 p. Possibly some further consideration may be required if it be found that the expenses hitherto incurred for insurance &c are perionsly increased. The best method of granting compensation will be by annual deductions from the subsidies of the States calculated on this principle.

As

28/1435

4. As the consumption of Bombay salt varies from year to year and must increase with the population unless home manufacture supersedes it, a fixed payment in perpetuity ~~is impossible~~ would not meet the case. An arrangement similar to that which now obtains in Chandernagore seems also inapplicable to ~~is also impossible in~~ States of such extent, possessing home manufactures

5. With reference to para 4 of your letter of the 14th May 1873 No 64 (Customs) I am to state that very little of Travancore and Cochin salt finds its way into British territory - the equalisation of price has removed the motive which formerly existed. In

Travancore

I pray that the consumption has increased but slightly since the Convention, while that of Cochin has very largely decreased. It was from the latter that smuggling into British territory was greatest. No doubt some salt does find its way from the Native States into British territory but the figures above given show that it must be very much less than was formerly smuggled across the frontier, and cannot have any sensible effect on the revenue. In all probability more of British salt finds its way into the Native States.

6. Adverting to paragraph

× Average of 5 years before Convention I. Mds. 452772
Average of 7 years since convention I. Mds. 480420

* Average of 5 years before Convention I. Mds. 216706
Average of 6 years after convention I. Mds. 88162

6. With reference to paragraph of your letter of the 20th ult - No 228 Customs Salt, I am directed to say that the Govt must defer giving an opinion as to the quantity of salt which should be allowed to these Native States, and other matters affecting this question, until the Siccars have replied to the communication which has been made to them.

paragraph 5 of your letter dated 9th June 1873 No 9 I am to state that salt exported by sea from Madras does not pay duty before export.

Despatched in Manuscript 1st Septr 74. PC Copy Sept 11-9-74

11135

63.