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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue. DEPARTMENT

G.O. No.	1136.	Press
B.P. No.		Mis.

Dated 4-9-1874 196- .

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department,
4th September 1874.

Read the following papers :—

No. 64. From C. A. BALLARD, Esq., Resident in Travancore and Cochin, to the Hon. W. HUDLESTON, Chief Secretary to Government, Fort St. George, dated Trevandrum, 30th June 1873, No. 55.

I HAVE the honor to acknowledge receipt of G. O., No. 210, dated 26th ultimo, communicating certain papers from the Government of India relating to the supply of Bombay Salt to Cochin and Travancore and the manner in which compensation should be awarded if full duty is charged on such Salt before exportation from Bombay.

2. Mr. Hume's letter seems to have been written under several grave misapprehensions. In paragraph 3 he observes that it is believed insuperable objections exist to according these States free permission to manufacture Salt within their own territories. But, in fact, the free right of the States to manufacture Salt within their own territories has never been questioned or attempted to be controlled. The Convention of 1865 provides that the Sirkar's selling price of Salt shall be maintained equivalent to the British Indian selling price, but in no way affects manufacture.

3. Travancore now manufactures Salt to a large and increasing extent in her southern districts where the rain-fall is less than higher up the coast. In the northern parts of Travancore and in Cochin Salt manufacture is seldom attempted for the same reason that it was abandoned towards the beginning of the present century (if I remember right) in the adjoining British Indian province of Malabar, *viz.*, that the extreme moisture of the climate and peculiar qualities of water and soil are unfavorable to satisfactory production. Recommencement of local manufacture has several times been contemplated in Malabar, and had it not been trammeled by fiscal regulations would probably have been undertaken both there and in Cochin Sirkar. Under our fiscal policy, however, importation has been found more convenient, and the same causes operate to a considerable extent in Cochin and partially in Travancore.

4. The obvious objections to, and inconveniences caused by, different tariffs in adjoining States with long open borders led to the Interportal Convention of June 1865. At that time Salt was a monopoly under each Government, and the prices of Salt were as noted*. The States under certain conditions, and excepting a few special articles, gave up the customs until then realised on imports from British India.

	Per Maund.' Rs.	A.	P.
* Malabar (British India)	1	8	0
Cochin State	0	12	8
Travancore	0	10	1

5. to compensate for the loss of revenue to themselves and to avoid the inconvenience felt by the neighboring Madras districts from the much lower prices of Salt in the States, they agreed, though not without much demur and hesitation, to raise their selling prices of Salt to the Madras rates and keep them equivalent. As part of this arrangement they were to be allowed to import British Indian Salt free of British Indian duty.

5. In paragraph 4 of his letter, Mr. Hume observes that good reason exists for believing that Salt imported into Travancore and Cochin "finds its way into consumption in British districts, and that the quantities imported of late years have largely exceeded the possible consumption of the inhabitants of those States."

	Popn'lation.
* Travancore (1854)	12,62,647
Cochin (1857)	3,99,056
	16,61,703

This statement requires examination. The populations of the States are [illegible] given as noted,* but the figures are taken from returns of 1854 and 1857.

There is no doubt but that the populations have greatly increased since.

In the last ten years the returns of population of Malabar have increased from 15,87,312 to 22,74,466. Much of the apparent increase is doubtless due to more accurate returns being now rendered. Be that as it may, there is an increase in the ten years of over 43 per cent. Applying the same ratio of increase to the population of the States instead of little over 16½ lakhs, the population now should be nearly 24 lakhs. The consumption on these calculations would be about one-fourth of an Indian Maund, or 20 lbs. per head on the average over both Cochin and Travancore. Considering the amount of fish cured and salted along the coast, this far from exceeds the possible consumption. It is very doubtful, indeed, if the standard of wholesome consumption is fully reached.

6. The returns of consumption for the five years immediately after the Convention are much less in Cochin, but rather greater in Travancore than before it. The aggregate consumption of the two States, however, is, on the whole, decidedly less than before, which fact alone may be taken as indicative that smuggling has at any rate greatly diminished. This consequence was to be expected from the equalisation of prices, and there can be no reasonable doubt that it has ensued.

7. In fact, the only quantity now *available* for smuggling is the 10 per cent. allowed for wastage or loss of any sort on the Salt shipped from Bombay for importation. The actual quantity allowed for wastage has been as noted†. A portion of this may have been smuggled into British Indian or State ports from the vessels bringing it down the coast during their voyage. I believe the Salt departmental authorities at Bombay have a very exaggerated idea of the amount of smuggling that prevails. Considerable real wastage is not improbable; in fact, is unavoidable. But even supposing the whole quantity just above said smuggled, the aggregate loss of revenue to British India cannot be at all what it was by smuggling from Cochin alone before the Convention.

† *Average of five years* (1867-68 *to* 1871-72).

	Wastage actually allowed.	Per-centage on shipment.
	MDS.	
Cochin	6,401	7·37
Travancore	19,439	8·58
Total ..	25,840	

8. I have made the above remarks at perhaps unnecessary length, because Bombay authorities, and perhaps the Government of India, seem under the impression that the concession to these States of an allowance for wastage is an uncalled for act of gratuitous liberality, for which no sort of equivalent is made; whereas, in fact, it is (as it seems to me) an unavoidable part of a Convention between the British Government and the States that confers considerable benefits on all parties thereto. From the nature of the Convention, the States must be allowed to procure Bombay Salt at its [illegible] Government, *plus* only the cost of carriage. All the difference between manufacturing cost, *plus* freight to the State depôts, and the Government selling price should find its way to the State coffers, not to those of Government.

Under the pressure that has been and will be put on the States to keep their prices up to the British Indian rates, it seems only just that facilities should be given them to import Salt, if they desire to do so, in such way that relatively to the quantity consumed the monopoly shall be as nearly as possible as remunerative to the States as to the British Government.

9. The system now followed is as follows:—The State contractor on shipping Salt from Bombay makes a certain deposit as the full duty on possible deficiency in delivery, and obtains receipt and Certificate of quantity shipped from Bombay. The Certificate is produced on the landing of the Salt at the Sirkar port, and the duty up to 10 per cent. wastage on the shipment is refunded by the Sirkar. This refund again is recouped to the Sirkar by the Madras Government. The State authorities' Certificate is produced at Bombay where the Bombay authorities, retaining full duty on the deficiency shown therein and the 3 Pies per maund duty on the rest, repay the balance of the contractor's deposit.

10. If the present system must be altered and only duty-paid Salt exported in future from Bombay, I can only suggest that the States be informed that they must arrange with their contractors to pay the duty in full at Bombay; but that the Madras Government will recoup them in full* on presentation of the Bombay Certificates, provided the quantity certified as landed at the Sirkar ports is not more than 10 per cent. under the quantity shipped from Bombay.

* Saving the 3 Pies per Indian maund duty.

TRANSFERRED to the Revenue Department for disposal.

OOTACAMUND, 10*th July* 1873.

(Signed) W. HUDLESTON,
Chief Secretary.

No. 65. From G. A. BALLARD, Esq., Resident in Travancore and Cochin, to R. A. DALYELL, Esq., Secretary to Government, Revenue Department, Fort St. George, Ootacamund, dated Trivandrum, 2nd August 1873, No. 63.

ADVERTING to your official memorandum, dated 17th ultimo, No. 137, I have the honor to forward herewith the returns of Salt consumption in the States of Travancore and Cochin for the five years before Convention and for the seven years since, and to add that the figures include the home-made Salt as well as that imported.

The duty of 3 Pies per maund of Bombay Salt is the prime cost of the article to the British Government, *viz.*, the cost of manufacture. This 3-Pie duty has to be paid for every maund of Salt exported by the contractors, and no portion of it is ever refunded to them or to the Sirkars. In addition to this payment the contractors deposit with the officer in charge of the Salt at Bombay 10 per cent. of the full duty on the whole quantity exported as security for the penalty leviable on deficient delivery. The deposit is either made in cash or the contractors find security for the same.

3. The amount so deposited becomes liable to forfeiture if the Bombay Commissioner's Certificate of Salt exported is not returned within three months with the Commercial Agent's Certificates of the quantity received.

ENCLOSURE No. 1.

Consumption of Salt.

—	Travancore before Convention.	Cochin before Convention.
	INDIAN MDS.	INDIAN MDS.
[illegible]61	423,120	239,964
1861-62	423,480.	217,242
1862-63	460,450	249,206
1863-64	479,062	166,147
1864-65	477,750	210,970
After Convention.		
1865-66	461,400	34,428
1866-67	463,560	88,006
1867-68	470,760	81,639
1868-69	492,000	83,199
1869-70	490,920	96,349
1870-71	497,040	90,674
1871-72	487,260	89,105

TREVANDRUM,
2nd August 1873.

(Signed) G. A. BALLARD,
Resident.

No. 66. Proceedings of the Board of Revenue, dated 14th August 1873, No. 1,574.

Read the following Memorandum from G. A. BALLARD, Esq., Resident in Travancore and Cochin, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Trevandrum, 17th July 1873, No. 501.

ABSTRACT.—Forwarding copy of a letter to Government, dated 30th June 1873, No. 55, on the supply of Bombay Salt to Travancore and Cochin.

WITH reference to G. O., dated 10th June 1873, No. 64, Revenue Department, the Board having obtained from the Resident in Travancore and Cochin copy of his letter to Government on the subject of the supply of Salt to those States are of opinion that no advantage is to be gained by any change in the system described in that communication.

No. 67. ORDER THEREON, 4th September 1874, No. 1,136.

Separate Revenue No. 3A.
Salt.

RECORDED, with reference to G. O. dated 4th September 1874, No. 1,134.

(True Extract.)

(Signed) C. G. MASTER,
Acting Secretary to Government.

To the Resident of Travancore and Coch
" the Board of Revenue.

Exd. F. [illegible] Bambleman.

Govt. of {1874} Madras.

REVENUE.

To

The RESIDENT in TRAVANCORE and COCHIN,

&c., &c., &c.

Dated September 4th.

Read.

G. O., 4th September 1874, *No.* 1,136.

SEPTEMBER.

Nos. 64—67.

Bombay Salt imported into Travancore and Cochin.—Recording certain papers having been enc to —.

No. 1,574.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 14th August 1873.

Read the following Memorandum from G. A. BALLARD, Esq., Resident in Travancore and Cochin, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Trevandrum, 17th July 1873, No. 501:—

ABSTRACT.—Forwarding copy of a letter to Government, dated 30th June 1873, No. 55, on the supply of Bombay salt to Travancore and Cochin.

WITH reference to Government Order, dated 10th June 1873, No. 64, Revenue Department, the Board, having obtained from the Resident in Travancore and Cochin copy of his letter to Government on the subject of the supply of salt to those States are of opinion that no advantage is to be gained by any change in the system described in that communication.

(A true Extract.)

H Ethelston

Acting Sub-Secretary.

To the Acting Secretary to Government, Revenue Department.

Copy to the Resident in Travancore and Cochin.

Exd. G. A. Turton.

Rec'd 13 Aug 1873
No 22553
1873.
Board of Revenue,
MADRAS.
Proceedings, 14th August 1873, No. 1,574
Dept. Q
Encl.
Received
AUGUST.
No. 1,574.
Bombay salt.—Opinion expressed to Govern-
ment that no advantage is to be gained by an
change in present system of supply of —
Travancore and Cochin.

5/136

Residents Office,
Trevandrum, 30 June 1873

No. 55.

From,

G. A. Ballard Esquire
Resident in Travancore & Cochin

To,

The Honorable W. Hudleston
Chief Secretary to Government
Fort St. Geo.

Sir,

I have the honor to acknowledge
receipt of G. O.* dated 26 Ultimo, communi-
cating certain papers from the Government
of India relating to the supply of Bombay
salt to Cochin and Travancore and the
manner in which Compensation should be
awarded if full duty is charged on such
salt before export from Bombay.

*No 210.

2. Mr Fumes letter seems to have
been written under several grave misap-
prehensions. In para 3 he observes that it
is believed insuperable objections exist to
according these States free permission
to manufacture salt within their own
territories. But in fact the free right

of

of the States to manufacture salt within their own territories has never been questioned; or attempted to be controlled. The Convention of 1865 provides that the Sirkar's selling price of salt shall be maintained equivalent to the British Indian selling price - but in no way affects manufacture -

3. Travancore now manufactures salt to a large and increasing extent in her Southern districts where the rain fall is less than higher up the Coast - In the Northern parts of Travancore and in Cochin salt manufacture is seldom attempted for the same reason that it was abandoned towards the beginning of the present Century (if I remember right) in the adjoining British Indian province of Malabar viz that the extreme moisture of the climate and peculiar qualities of water and soil are unfavorable to satisfactory production - Recommencement of local manufacture has several times been contemplated in Malabar and had it not been trammeled by fiscal

fiscal regulations it would probably have been undertaken both there and in Cochin Sirkar - Under our fiscal policy however importation has been found more convenient - and the same causes operate to a considerable extent in Cochin and partially in Travancore -

4. The obvious objections to and inconveniences caused by different tariffs in adjoining States with long open borders led to the Interportal Convention of June 1865 - At that time salt was a monopoly under each Government and the prices of salt were as noted - The States under certain conditions and excepting a few special articles gave up the Customs until then realized on imports from British India.

	Per Candy Rs. a. p.
Malabar (British India)	1 - 8 - 2
Cochin State	" - 12 - 8
Travancore "	" - 10 - 1

But to compensate for the loss of revenue to themselves and to avoid the inconvenience felt by the neighbouring Madras districts from the much lower prices of salt in the States they agreed though not without much demur and hesitation to raise their selling prices of

salt

salt to the Madras rates, and keep them equivalent. As part of this arrangement they were to be allowed to import British Indian salt free of British Indian duty.

5. In para 4 of his letter Mr. Prume observes that good reason exists for believing that salt imported into Travancore and Cochin "finds its way into consumption "in British Districts, and that the "quantities imported of late years "have largely exceeded the possible "Consumption of the inhabitants of "those States."

This Statement requires examination. The populations of the States are usually given as noted but the figures are taken from returns of 1854 and 1857.

		Population
Travancore (1854)		12,62,647
Cochin (1857)		3,99,056
		16,61,703

There is no doubt but that the populations have greatly increased since.

In the last 40 years the returns of population of Malabar have increased from 15,87,312 to 22,74,466. Much of the apparent increase is doubtless due to more accurate returns being now rendered. Be that as it

it may there is an increase in the 10 years of over 43 per cent. Applying the same ratio of increase to the population of the States; instead of little over 16½ lakhs the population now should be nearly twenty four lakhs. The consumption of Salt on these calculations would be about Indian Maunds ¼; or 20 lbs per head on the average over both Cochin and Travancore. Considering the amount of fish cured & salted along the Coast this far from exceeds the possible Consumption. It is very doubtful indeed if the standard of wholesome Consumption is fully reached.

6. The returns of Consumption for the 5 years immediately after the Convention are much less in Cochin, but rather greater in Travancore than before it. The aggregate consumption of the 2 States however is on the whole decidedly less than before. which fact alone may be taken as indicative that smuggling has at any rate greatly diminished. This consequence was to be expected from the equalization of prices. and there can be no reasonable doubt that it has ensued.

In

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p. In fact the only quantity now available for smuggling is the 10 percent allowed for wastage or loss of any sort on the salt shipped from Bombay for importation - The actual quantity allowed for wastage has been as noted - A portion of this may have been smuggled into British Indian or State Ports from the vessels bringing it down the Coast during their voyage - I believe the Salt department authorities at Bombay have a very exaggerated idea of the amount of smuggling that prevails - Considerable real wastage is not improbable, in fact is unavoidable - But even supposing the whole quantity just above said smuggled the aggregate loss of revenue to British India cannot be at all what it was by smuggling from Cochin alone before the Convention.

	Average of 5 years (1867/68 to 1871/72)	
	wastage actually allowed.	Percentage on Shipments
	Tons.	
Cochin	6401	7-37
Travancore	1439	8.68
Total	25840	

8. I have made the above remarks at perhaps unnecessary length because the Bombay authorities, and perhaps

The

the Government of India, seem under the impression that the concession by the States of an allowance for wastage is an uncalled for act of gratuitous liberality for which no sort of equivalent is made, whereas in fact it is (as it seems to me) an unavoidable part of a Convention between the British Government and the States that confers considerable benefits on all parties thereto - From the nature of the Convention the States must be allowed to procure Bombay salt at its cost to Government plus only the cost of carriage - All the difference between manufacture cost plus freight to the State Depôts, and the Government selling price, should find its way to the State coffers, not to those of Government -

9. Under the pressure that has been and will be put on the States to keep their prices up to the British Indian rates it seems only just that facilities should be given them to import salt

up

if they desire to do so in such way that relatively to the quantity consumed the monopoly shall be as nearly as possible as remunerative to the States as to the British Government.

9. The system now followed is as follows. The State Contractor on shipping salt from Bombay makes a certain deposit as the full duty on possible deficiency in delivery and obtains receipt and certificate of quantity shipped from Bombay. The certificate is produced on the landing of the salt at the Sirkar port and the duty up to 10 per cent on wastage on the shipment is refunded by the Sirkar. This refund again is recouped to the Sirkar by the Madras Government. The State authorities certificate is produced at Bombay where the Bombay authorities retaining full duty on the deficiency shown therein and the 3 pies per maund duty on the rest repay the balance of the Contractor's deposit.

10. If the present system must be altered and only duty paid salt exported in future from Bombay I can only suggest that the States be informed that they must arrange with their Contractors to pay the duty in full at Bombay but that the Madras Government will reimburse them in full on presentation of the Bombay certificates provided the quantity certified as landed at the Sirkar ports is not more than 10 per cent under the quantity shipped from Bombay.

* Saving the 3 pie per Indian Maund duty.

I have the honor to be,
Sir,
Your most Obt Servt
S. Davidson
Resident.

J. S.

11/1136

Resident's Office

No. 63. Trevandrum 2 August 1873

From

G. A. Ballard Esqre

Resident in Travancore & Cochin

To

R. A. Dalyell Esqre

Secretary to Government Rev: Departt.

Fort St George

Ootacamund

Sir

No 137 — Adverting to your official Memo: dated 17 Ult., I have the honor to forward herewith the returns of Salt consumption in the States of Travancore & Cochin for the five years before convention and for the seven years since and to state that the figures include the home made Salt as well as that imported.

2 The Duty of three pies per maund of Bombay Salt is the prime cost of the article to the British Government with the cost of manufacture. This three pies duty has to be paid for every maund of Salt exported by the Contractors and no portion of it is ever refunded to them or to the Sirkars.

In

Transferred to the Revenue Department for disposal.

Ootacamund 10 July 1873

for the Secretary

for the Revenue Department

Rec'd 10 July 1873

No 2010

Revenue Department

Letter from Resident in Travancore & Cochin dated Trevandrum 2 August 1873 No 63

To Chief Secretary to Government Fort St George

Encloses Returns

Ex 5842

Read the enclosed copy of the letter from Bombay Salt Agents to Cochin and Travancore and the Commissioner and the Commissioner to the Resident to the Resident to whom he wrote on the subject

SA 4 Sept/73 No 1136

Manjusha

In addition to this payment the contractors deposit with the officer in charge of the Salt at Bombay, 10 per cent of the full duty on the whole quantity exported as security for the penalty leviable on deficient delivery. The deposit is either made in cash or the contractor find security for the same.

3 The amount so deposited becomes liable to forfeiture if the Bombay Commissioners Certificate of Salt exported is not returned within 3 months with the Commercial Agents' Certificates of the quantity received.

I have the honor to be
Sir
Your most Obed^t Servant.

Resident.

J. V.
Sm. & L.

Consumption of Salt.

	Travancore Before Convention Indian maunds	Cochin Before Convention Indian maunds
1860/61	423,120	239,964
1861/62	423,480	217,242
1862/63	460,450	249,206
1863/64	479,062	166,147
1864/65	477,750	210,970
	After Convention	
1865/66	461,400	34,428
1866/67	463,560	88,006
1867/1868	470,760	81,639
1868/1869	492,000	83,199
1869/70	490,920	96349
1870/71	497,040	90,674
1871/72	487,260	89,105

Resident's Office,
Trevandrum,
2d August 1873.

Resident

Returning herewith
the Statement called
for.

Sd 4 Sept/74 No 1136

Revenue Department. 15/1136. 9

No. 1136

Proceedings of the Madras Government.

Under date the 4th ~~August~~ September 1874.

Read the following:-

Letter from the Resident in Travancore Cochin on the subject of Bombay Salt to these States and compensation awarded for wastage while in transit.	R.E. 30th June 1873. No. 55.
~~Rec. Board of Revenue, submitting opinion of Collr. Trichinopoly as to grant of Company Salt duty in Bombay on salt exported to~~	~~R.E. 8th July 1873 No. 1229.~~
~~Rec. Board of Revenue, submitting Report on Bill framed by Govt. of India to amend the Salt Act in force in Madras & other Presidency & Port Agency~~	~~R.E. 12th July 1873 No. 1246.~~
~~Rec. Board of Revenue, submitting letter from Collr. Tinnevelly forwarding an estimate of proposed Cost for repayment of duty on Salt exported from Tuticorin to Madras Presidency &c.~~	~~R.E. 24th July 1873 No. 1351.~~
Letter from Resident in Travancore & Cochin forwarding returns of Salt consumption in those States.	R.E. 2nd August 1873 No. 63.
Rec. Board of Revenue, expressing opinion that no advantage is to be gained by any change in present system of supply of Salt to Travancore & Cochin	R.E. 11th August 1873 No. 1574.

2910

Recorded with reference to G.O. dated 4th Sept. 74. No. 1134.

(Con No. 2776/74)

To Resident of Travancore & Cochin

Postage Rs. 17/9

3/43

In a letter from the Resident in Travancore & Cochin to the Chief Secretary to Government, dated 30th June 1873, No. 55, the Resident forwarded a letter from the Collector of Tinnevelly, dated 23rd June 1873, No. 163.

Returns of Salt consumption in the States of Travancore & Cochin.

R.O. No. 1136

Rs. As. P.

Rs. As. P.

1136

64-67.