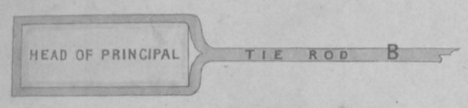
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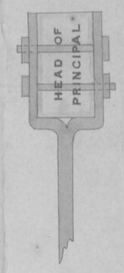
ELEVATION & SECTION

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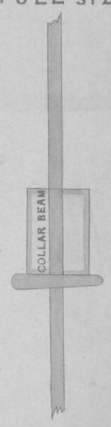
ROOF for SALT PITS.



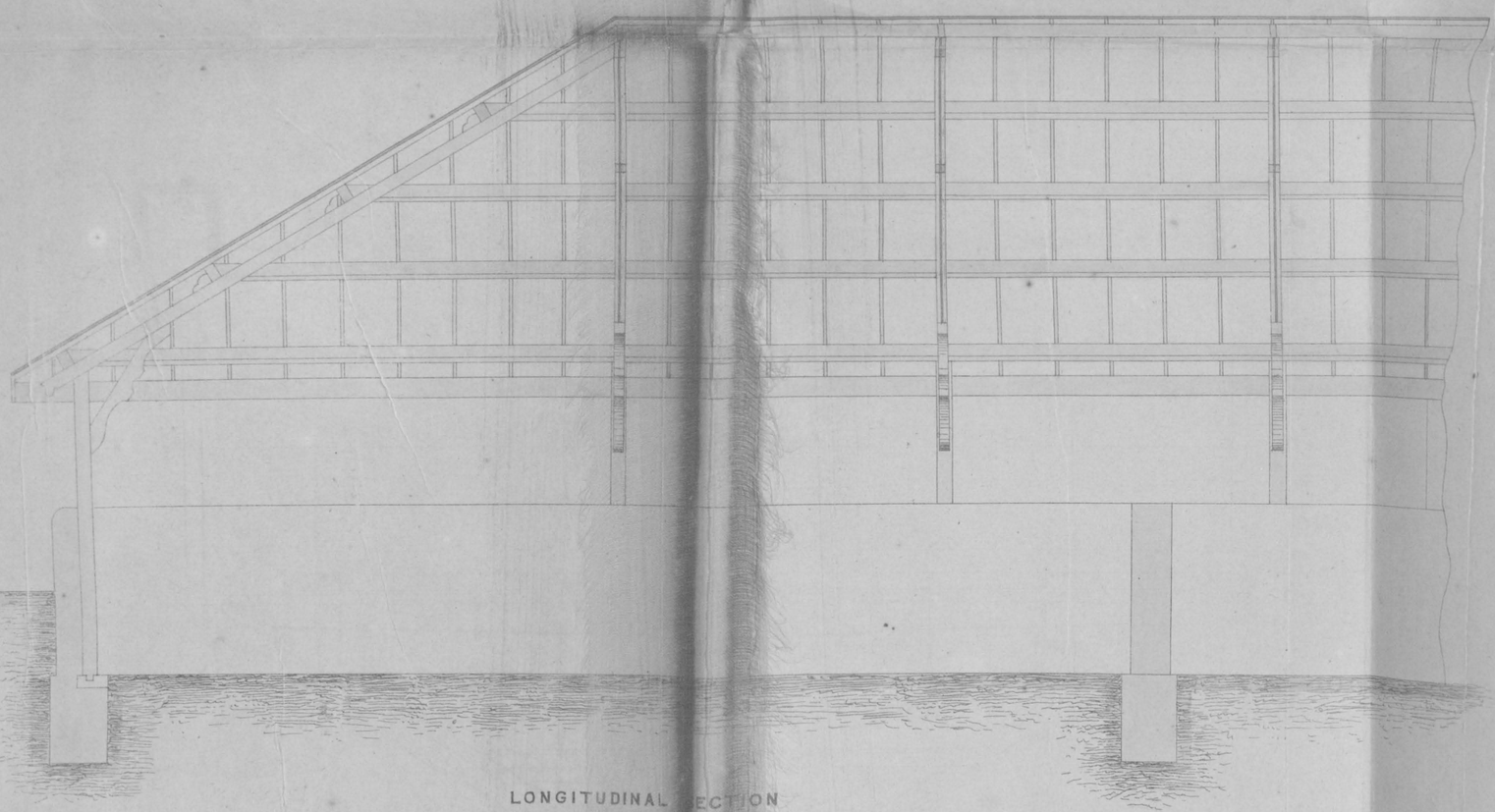
FULL SIZE



FULL SIZE



CROSS SECTION



LONGITUDINAL SECTION

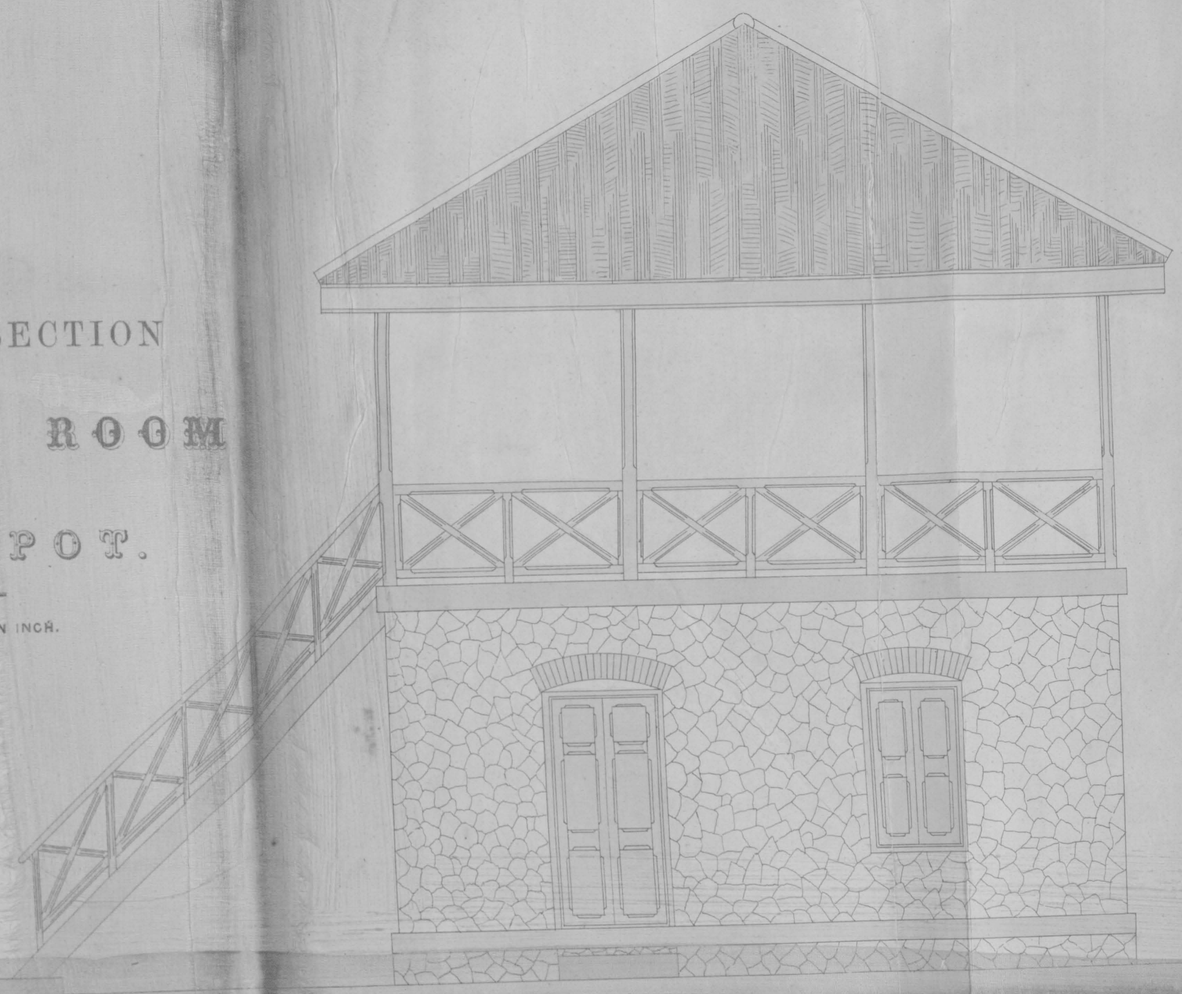
SCALE 4 FEET TO AN INCH

(Signed) W. J. ADDIS, C. E.

PLAN,
ELEVATION & SECTION
of
KARKOON'S ROOM
for the
SALT DEPOT.

SCALE 3 FEET TO AN INCH.

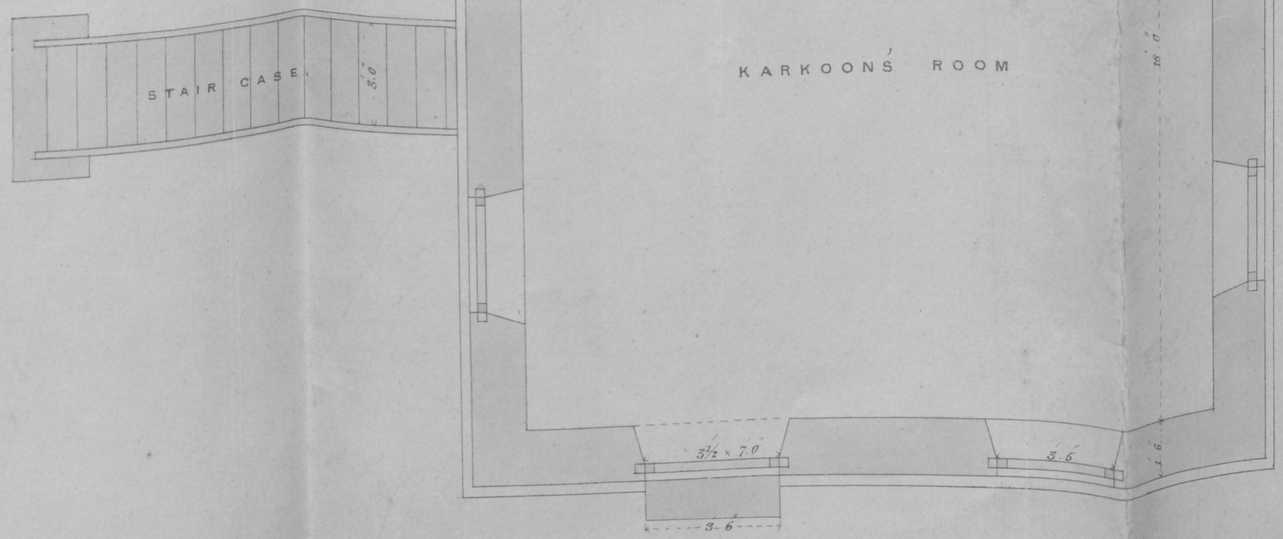
ELEVATION.



SECTION.



PLAN.



(Signed) W. J. ADDIS, C. E.

GOVERNMENT LITHO PRESS, BOMBAY JULY 1871.

PLAN,

ELEVATION AND SECTION

of

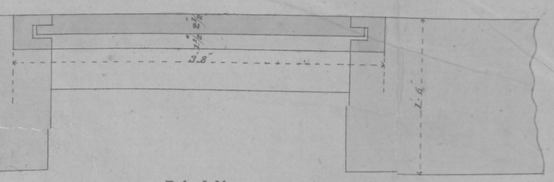
SALT DEPOT.

SCALE 20 FEET TO AN INCH

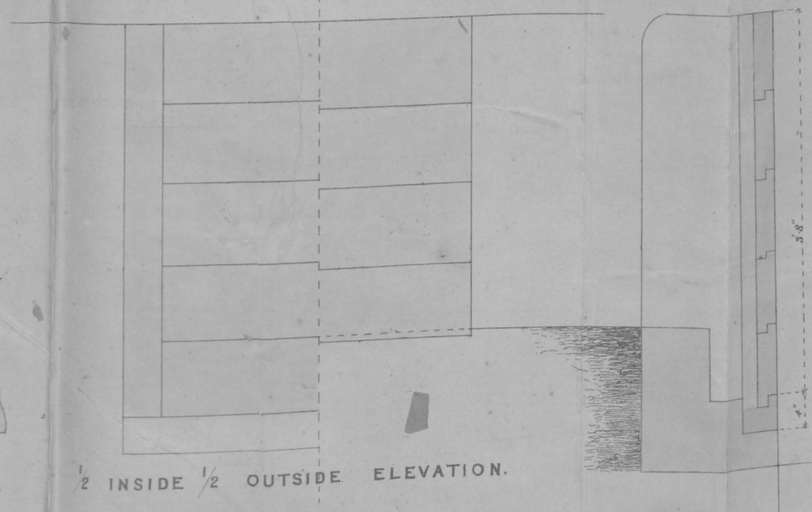
DETAIL OF

DOOR TO PITS.

SCALE 1 INCH TO A FOOT.



PLAN



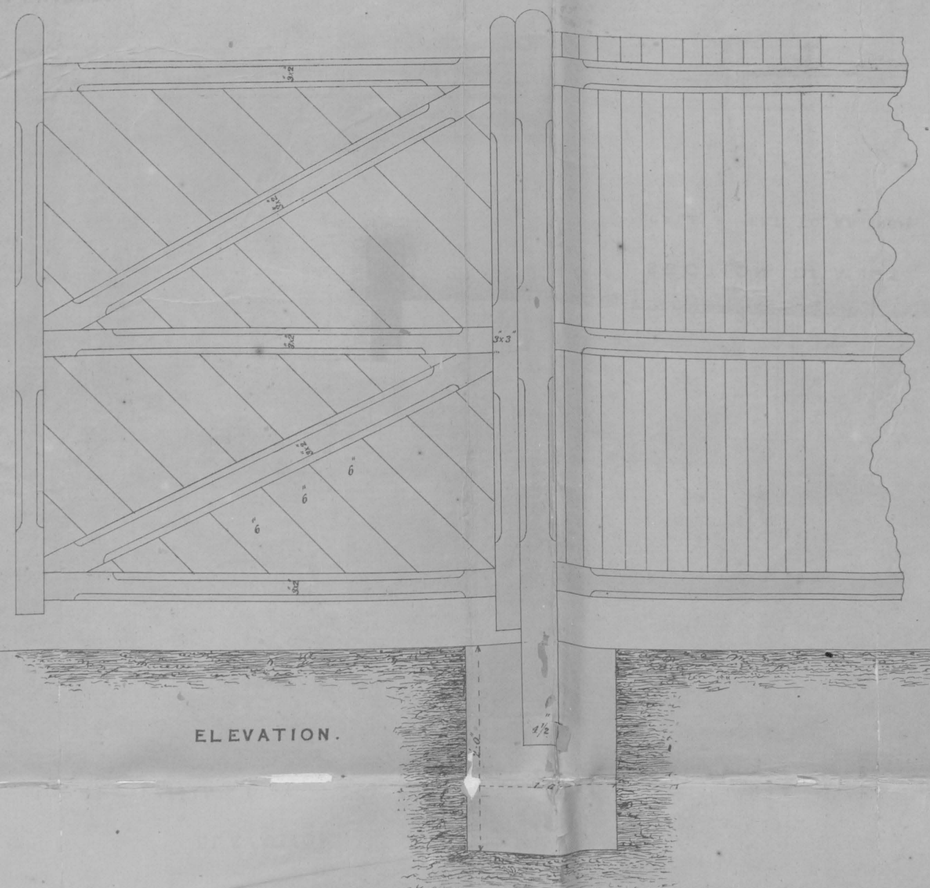
½ INSIDE ½ OUTSIDE ELEVATION.

SECTION.

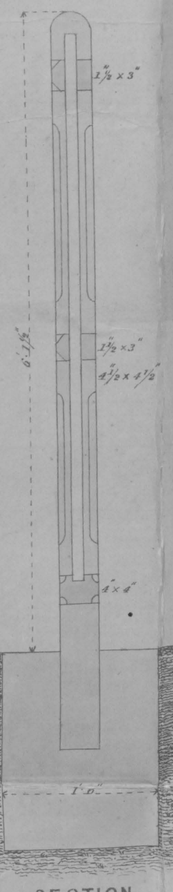
DETAIL OF

COMPOUND GATE & WALL.

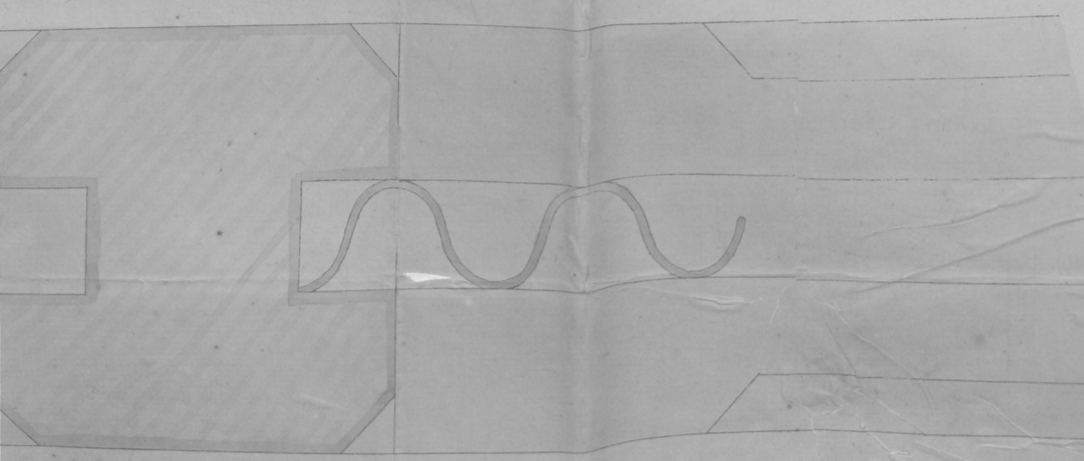
SCALE 1 INCH TO A FOOT.



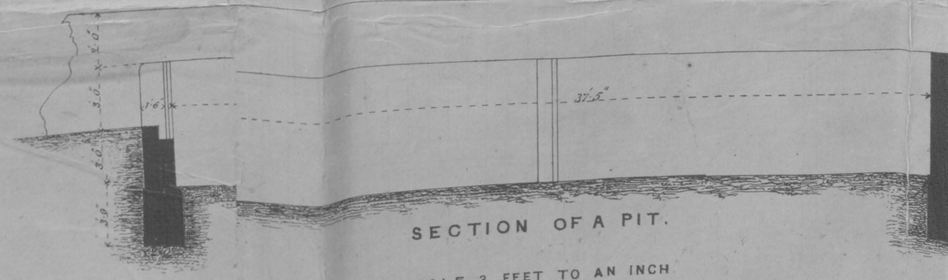
ELEVATION.



SECTION



PLAN OF COMPOUND WALL, FULL SIZE.



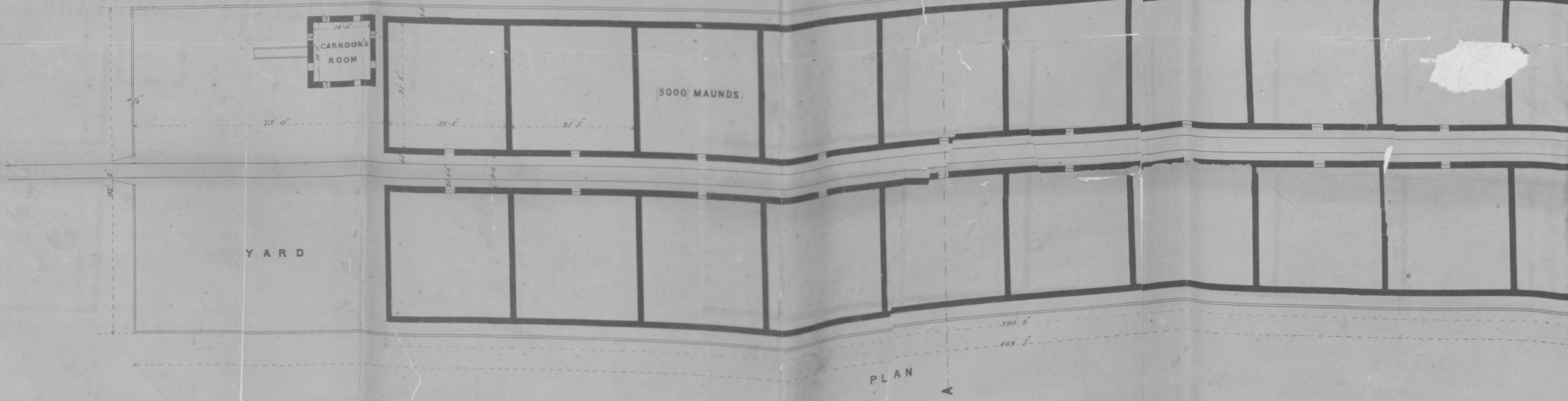
SECTION OF A PIT.

SCALE 3 FEET TO AN INCH

PLAN,

ELEVATION AND SECTION

of



M.R.O. 1—20,002—12-8-65.

(1) Number of Pages 354

(2) Date of repair 19-1-67

(3) Initials of the Referencer

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No. 1139	Press
~~B.P. No.~~	Mis.
Dated 4-9-1874 ~~196~~ .	

Not to be folded or roughly handled

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113

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

No. 72. Read the following Proceedings of the Board of Revenue, dated 18th July 1874, No. 1,869 :—

Read the following letter from Surgeon J. J. L. RATTON, M.D., on Special Duty, to C. A. GALTON, Esq., Acting Sub-Secretary to the Board of Revenue, dated Madras, 11th October 1873, No. 11 :—

ABSTRACT.—Submitting the first part of his report on salt manufacture in the Southern Districts of the Madras Presidency.

ENCLOSURE No. 1.

ABSTRACT.—Printed Report on the Salt Stations in South Arcot, Tanjore, Madura, and Tinnevelly.

THE report submitted by Dr. Ratton deals with the four districts—South Arcot, Tanjore, Madura, and Tinnevelly—which were visited by him during the working months of 1873.

2. The first district visited was South Arcot. The principal salt division in this district, viz., Merkanum, having been reported on separately, and the Board's Orders having been passed thereon, the present paper deals with the minor divisions of Gundalum and Killé only.

3. *Gundalum.*—The Gundalum Division, consisting of five stations, is near to Cuddalore, Gundalum itself being near the mouth of the river, and the other stations further from the sea.

The pans of this division have never been held in much esteem : the salt produced is inferior in quality and deficient in quantity. Dr. Ratton shows clearly the causes to which this inferiority may be attributed. In some places the soil is porous and unsuitable, and in others the brine is weak ; in all, the ullums have been so much sub-divided as to render it almost impossible to work them at a profit.

It is clear that no great extension of manufacture can be looked for here : there is a good prospect of a better source of supply being found elsewhere, as stated below ; but, in the meantime, the pans in the Gundalum Division must be maintained and improved, so far as improvement is possible without any large outlay.

4. There is one point, however, noticed by Dr. Ratton in paragraph 9, which demands immediate attention : the manufacture of salt from brine, contaminated by sewage, cannot be permitted to continue. The Collector will consider and report whether the sewage can be in any way diverted from the creek, or whether the bund at the north end of the canal can be cut, so as to admit the tide, and replaced by a bridge at a moderate cost. He will also consider whether the suggestion in paragraph 37 to connect the sand bank with the works, and so form a collecting reservoir, can be carried out at a reasonable cost.

As regards the size of the ullums, it will probably be found difficult to correct the mischief already done ; but it should be carefully guarded against in opening new stations, and the Collector should insist that no sub-division below a certain standard, the dimensions of which will be determined in consultation with Dr. Ratton and communicated hereafter, should take place, at all events as far as the working of the pan is concerned : it may not be possible to prevent sub-division of property in pans, but any reduction of the working size of an ullum without permission may, no doubt, be prevented.

5. *Killé.*—The Killé Division consists of four stations, at all of which the brine-supply is bad, owing to the close proximity of large tracts of wet cultivation.

On this account the manufacture of salt cannot commence until late in the season. The salt is generally deficient in quantity and inferior in quality ; but, being very light in proportion to its bulk, is rather liked by the retail-dealers. Dr. Ratton suggests the search for new sites ; and since this report was submitted a new and highly promising site has been selected at Harigoshte, not far from Killé : until Harigoshte is opened the manufacture at Killé must be maintained, but,

after that, the sooner the owners of the Killé pans are allowed to convert them into paddy fields the better.

6. In his concluding remarks Dr. Ratton recommends that Merkanum be looked to as the chief source of supply in South Arcot; but he had not then visited Harigoshte: with Merkanum in the north and Harigoshte in the south, and the Gundalum pans improved so as to meet local demands, South Arcot ought to be well supplied.

7. Tanjore District—*Needavasel.*—In this district there are no less than eight divisions, the most northerly, and therefore first visited, being *Needavasel.* The salt manufactured here is not of good quality, but may, no doubt, be much improved by attention to Dr. Ratton's suggestions: beside minor faults of detail in manufacture, Dr. Ratton points out that the brine-pits undoubtedly suffer deterioration from the proximity of paddy fields. The want of a catch-drain should at once receive attention from the Collector, and it should be considered whether a supply of water from the sea to supplement that from the pits cannot be conducted to the pans by means of pipes crossing the canal, or whether, if the canal be useless, a bund might not be thrown across it.

Paragraph 5.

8. *Tranquebar.*—The report on this division is altogether more favorable. The salt is better in quality, and the outturn is good: some of the details will admit of improvement; but, on the whole, there is little to be done. The system of covering the heaps is defective, and the inner coating of palmyra leaves might well be dispensed with. Should occasion arise for increasing the quantity of salt made here, it would appear that it might easily be done.

9. *Negapatam.*—This division has four separate stations—three on the west, and one on the east bank of the Vedarniem Canal. They depend chiefly on pit brine for the manufacture, but the soil is good, and the outturn large in proportion to area: the cost of manufacture is, however, said to be heavy. The supply of salt at this place is altogether insufficient to meet the great demand which the railway creates. Another set of pans, some eight miles down the canal, is being opened, and a new canal through some of the existing pans is being constructed, in the hope of inducing ryots to take up additional land for salt culture. Want of labor is said to be the chief obstacle in the way of extending the salt works. The rate of Kudiwaram is exceptionally high at Negapatam, and it is hoped that the want of labor is merely temporary. The question of increasing the supply of salt is, as the Board are aware, engaging the attention of the Collector and his Deputy, and the Board have every confidence that the difficulty will be overcome in some way by their exertions. The Board will be glad to receive an early report from the Collector, showing what are the prospects of the current season in regard to an increased supply of salt at Negapatam. Dr. Ratton's remarks on the details of manufacture should receive every consideration, and the Deputy Collector should endeavour to explain to the ryots how, by a careful attention to details, the cost of manufacture may be reduced and their profit increased.

10. *Vedarniem.*—The salt works here are situated close to Point Calimere, and are connected by canal with Negapatam, to which place all the salt is transported for storage. Salt is produced here by three different processes—at the pans the manufacture is carried on as elsewhere; secondly, so-called spontaneous salt is formed by confining the waters of the Vishagum or storm wave, which flows over the swamp, between earthen embankments, and there leaving it to evaporate; and, lastly, swamp salt is produced from the water which remains in the hollows of the swamp after the wave has receded. The manufactured salt is of excellent quality, but the manufacture is often carried on at a loss, owing to the minute sub-division of the ullums. The brine is mostly drawn from pits, but the supply is apt to fail late in the season, and Dr. Ratton's suggestion to connect the pans with the canal by a short channel should receive attention.

Paragraph 6.

11. The spontaneous salt, although of great purity, does not find its way into the market owing to its great weight. All the retail transactions in salt are by measurement, and of course dealers prefer light, though inferior salt, to the heavy spontaneous salt. Dr. Ratton advises

that the sale of salt by weight should be enforced by law. The Board cannot endorse his recommendation but the question how this great wealth of produce can best be turned to account should not be allowed to drop, and the Collector and his Deputy will give every consideration to the subject. It is, as Dr. Ratton shows, admirably suited for carriage by rail, and it may be possible at some future time to substitute it for Bombay salt in those parts of Malabar which adjoin the railway. That this is not, however, feasible at present is shown at paragraphs 13, 14, and 15 of the Board's Proceedings, dated 27th February 1874, No. 439. The swamp salt is similar but rather inferior to the spontaneous salt. The produce might be increased to any extent, if a market could be found for it.

12. *Thumbikottai.*—This is a small division west of Vedarniem. The salt produced here is good, all the conditions being favorable, but the sub-division of ullums has deprived the makers of all profit. Sea-water alone is used, but it might well be supplemented by the use of sub-soil brine.

13. *Adrampatam.*—This is another station still to the westward. The produce is good, and there is ample room for extension in good soil. Dr. Ratton condemns the re-opening of the sub-station at Magalancottur; this was done to meet the demand of return candies, as the existing supply at Adrampatam was found insufficient. The Collector should consider whether it may not be advisable to extend the manufacture at Adrampatam, and eventually to close these pans again.

Paragraph 8.

14. *Kuttamavadi and Arasanagiri.*—These two remaining divisions are at the southern extremity of the district. They are described as being very inferior in natural advantages to those previously noticed, but they must be maintained to meet local wants, and attention to Dr. Ratton's suggestions may tend to improve the manufacture.

15. Madura District—*Vettanam, Viravanadapatam, and Autengarai.*—The three northern divisions in this district, viz., *Vettanam, Viravanadapatam, and Autengarai*, are conducted on principles so similar that they may be treated as one. In the two first the soil and natural conditions are good, and in the last fairly good. The system of manufacture, however, differs widely from that pursued in the more northern districts, and is, as Dr. Ratton points out, in many respects very defective. There are no separate reservoirs or condensing beds, but the entire process of evaporation goes on in small crystallizing beds, and there is no means of getting rid of the bitterns, the consequence being that magnesium is present in the salt in considerable quantity; although there is an abundant supply of sub-soil brine, it is never used, as it might be with advantage, sea-water alone being supplied to the pans. The yield relatively to area is very large, but that is because the manufacture is delayed until very late, and is carried on only in the very hottest weather, it not being usual for manufacture to begin before July. The salt in store is reported to be clean, but poor in quality. The manufacture was, however, commenced so late that Dr. Ratton had not an opportunity of seeing it in full working.

16. *Paumbem.*—A certain quantity of spontaneous salt is produced here annually, and collected to meet local requirements. The quality is good, and Dr. Ratton points out that facilities exist here for a very large manufactory, should a demand for salt arise in connection with the proposed canal through the Island.

17. *Morekolam.*—The pans in this division are laid out on good soil at some distance from the sea. No sub-soil brine is used, but the sea-water is concentrated in the channel which surrounds the pans and supplied to the beds at a good density. The more extended use of condensing beds would be, no doubt, of great benefit, but, on the whole, the state of affairs at Morekolam is satisfactory.

Dr. Ratton's description of the solid deposit of salt in the bed of a Pagoda Tank is highly interesting. He states that the salt produced there is much sought after for medicinal purposes.

18. *Muthuraganathapatam.*—The manufacture here is entirely from sub-soil brine which is raised at great labor from a considerable depth. Dr. Ratton proposes to cut a canal through an adjoining swamp at Pombari to bring sea-water to the pans, and to neutralize the formation of

swamp salt, which it is now necessary to watch and destroy. This project has already been brought to notice, and has been dealt with separately.

19. Tinnevelly District.—*Vypaur and Arasady.*—There are five divisions in this district. The two most northerly stations are Vypaur and Arasady, and the conditions of manufacture at these two places are much the same. The soil in both is good, and the brine-supply plentiful. There are no ullums consisting of reservoirs and condensers, but the brine drawn from the moat surrounding the pans is baled direct into the irrigation channels, which convey it to the crystallizing beds, and there allowed to evaporate. Dr. Ratton says that the salt produced is white and pure, but, in the absence of proper means for removing the mother liquor, he thinks it certain that much magnesium and other impurities must be deposited with the salt. The size of the properties is small, but not so much so as in other places.

20. *Tuticorin.*—The old Kurapa pans lie near the beach, and are well situated for export by sea, but are not well connected with the country inland. The outturn is not large, and there are certain imperfections in the way of leakage, etc., all of which should receive attention. Near to these pans are those newly re-opened at *Levingepuram*. Having been at work only a short time, Dr. Ratton is unable to say much about them, but he points out the want of a canal to bring sea-water, and states that there is much leakage. Even when these pans are in full work, the supply will be altogether insufficient to meet the demand which will spring up on the opening of the railway. There is, however, ample space for extension, and the Board have already recommended the opening of a new set of pans under Dr. Ratton's supervision. The Collector is fully alive to the wants of Tuticorin in regard to salt, and it is to be hoped that the current season will not pass by without much progress being made towards supplying them.

21. *Coilpatam.*—This is at present the largest division in the district. The conditions for making good salt are, however, not favorable, neither the soil; nor the brine-supply being good, and the salt produced is light and bad. It is nevertheless much coveted by the traders, who buy by weight and sell by measurement. Magnesium is supposed to be largely present in this salt, and to be one of the chief causes of the light friable quality of the article. Every endeavour should be made to reduce this evil; if removed, the Coilpatam salt will cease to be as popular as hitherto with the dealers, but the people will get a larger quantity for their money, and other pans will not be deserted for Coilpatam.

22. *Kuthankuli.*—The last division in Tinnevelly is *Kuthankuli*; it differs in many respects from those before mentioned, and is not possessed of any great facilities for salt-making; on the contrary, it has difficulties to contend against in the way of soil and leakage. The pans are near Cape Comorin, and must be maintained to meet local demands. Careful attention to Dr. Ratton's suggestions will enable improvements to be made, but the pans will never be really good.

23. In conclusion, Dr. Ratton points out that the system of manufacture differs in almost every division, certainly in every district, all that is now required being that salt of a certain quality should be delivered at a certain price; the quality indeed is not very closely scrutinized. Scarcely any question is asked as to how the salt is manufactured. No attempt is made to exercise control over the details of manufacture. So long as this system, or rather want of system, is continued, Dr. Ratton points out that it will be hopeless to introduce any real improvement into the quality of the salt. With a view to remove this difficulty, Dr. Ratton thinks it necessary that the manufacturers should be bound to follow certain rules in laying out their beds, and that the sub-division of pans below a certain fixed standard of area should be strictly prohibited. He shows clearly that sub-division has already gone so far in some instances as to preclude all profit from the production of salt.

24. Dr. Ratton shows forcibly at paragraph 8, page 76, that a direct premium is held out for the production of inferior salt by the system now prevailing amongst retail-traders of buying by weight and selling by measurement. He urges the appointment of a Permanent Inspector of Salt Works, and recommends that Deputy Collectors should be encouraged to visit districts other than

they are employed in, with a view to comparing the different systems. All Dr. Ratton's suggestions deserve attention; he has observed closely all that he has seen, and has evidently discovered some of the weakest points in the system.

25. The first point for consideration is, what should be done as regards controlling the operations of the ryots? They have been so long accustomed to have their own way, that any attempt to coerce them into new methods of manufacture would certainly end in failure. A great deal, however, may be done by Deputy Collectors and Superintendents, in the way of pointing out errors, and aiding in correcting them. At all *new* pans an uniform plan of procedure should be insisted on, and in all old divisions of any magnitude, where conditions are favorable, a model ullum should be prepared and worked at Government expense by the Superintendent.

The exact form will be determined on after the experiments now being conducted by Dr. Ratton have shown which is the best.

26. Further, the universal adoption of some plan for getting rid of the impure mother liquors might well be insisted on, and ryots should not be allowed to retain it in the pans to the injury of the salt.

27. As to the sub-division of pans, it is a very difficult question to deal with. Sub-division of property cannot be prohibited, but it may be possible to prescribe a certain standard ullum, and to fix a minimum area for the separate manufacture of salt in future, the working of pans falling short of such standard being prohibited. Dr. Ratton is requested to state what limit should be fixed, due regard being paid to existing circumstances and interests. It is not possible to enforce the amalgamation of existing properties; but without interfering in any way with the rights of property, the amalgamation of small properties might be carried into effect by registering a large pan in the joint names of the holders of its constituent parts, just as a field is held by joint puttadars, as opportunities occur.

28. The practice of sales by weight at the Government Stores and by measurement elsewhere is a further difficulty. The Board do not see how they can interfere with the retail-dealers. To attempt to regulate such a matter by law would be misunderstood, and would lead to all sorts of complications. The Board have already, at paragraph 7 of their Proceedings, dated 27th February 1874, No. 439, pointed out the impracticability of such a measure. The only remedy for the existing state of things is to endeavour to make all salt as much as possible of the same quality, but it is one which will take years to effect: in the meantime, the poor are the sufferers; they get their salt light and bad, instead of heavy and good. The Board resolve to request all Collectors of Salt Districts to report whether they can suggest any remedy. The evil probably exists to a greater or less extent in every district, though at Coilpatam its effects are most apparent.

29. The Board do not consider the appointment of a Salt Inspector necessary, but Deputy Collectors should be encouraged to visit each other, whenever circumstances admit of their doing so. It would also be advisable for Collectors of Salt Districts to depute their Assistants to visit the salt works and acquire a knowledge of the method of manufacture.

30. The Board direct that a register, embodying the requisite information on the eight points suggested by Dr. Ratton in the last paragraph of his report, be kept at each salt station and submitted annually.

31. In submitting to Government these Proceedings, the Board desire to express their appreciation of the value of Dr. Ratton's services, and to thank him for his report. Ten copies will be sent to Government for transmission to the Government of India, with reference to G. O., 17th May 1873, No. 499, Revenue Department.

No. 73. Order thereon, 4th September 1874, No. 1,139.

Separate Revenue, No. 4.
Salt.

His Excellency the Governor in Council has recently reviewed another report of Dr. Ratton's (G. O., 21st July 1874, No. 908), and in so doing has dis-

posed of most of the general questions discussed in the foregoing Proceedings, including that relative to the appointment of a permanent Inspector of Salt.

2. He observes that the Board have carefully examined the present report on the manufacture of salt in the southern districts, and he considers that their conclusions may be adopted. The point to be now kept in view is the initiation of prompt and active measures of improvement.

3. The necessary action will be taken with reference to the last paragraph of their Proceedings.

(True Extract.)

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

To the Board of Revenue.

Exd. A. Grubert.

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Govt. of {1874 Madras.

REVENUE.

To

THE BOARD OF REVENUE.

Dated September 4th.

Recd.

Encl.

G. O., 4th September 1874, No. 1139.

Salt manufacture in South Arcot, Tanjore, Madura, and Tinnevelly Districts.—Adopting Revenue Board's proposals on Dr. Ratton's report on the —; and remarking that the point to be now kept in view is the initiation of prompt and active measures of improvement.

SEPTEMBER.

Nos. 72-73.

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No. 1,869.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 18th July 1874.

Read the following letter from Surgeon J. J. L. RATTON, M.D., on Special Duty, to C. A. GALTON, Esq., Acting Sub-Secretary to the Board of Revenue, dated Madras, 11th October 1873, No. 11 :—

SUBJECT.—Submitting the first part of his report on salt manufacture in the Southern Districts of the Madras Presidency.

ENCLOSURE No. 1.

SUBJECT.—Printed Report on the Salt Stations in South Arcot, Tanjore, Madura, and Tinnevelly.

THE report submitted by Dr. Ratton deals with the four districts—South Arcot, Tanjore, Madura, and Tinnevelly—which were visited by him during the working months of 1873.

2. The first district visited was South Arcot. The principal salt division in this district, viz., Merkanum, having been reported on separately, and the Board's Orders having been passed thereon, the present paper deals with the minor divisions of Gundalum and Killé only.

3. *Gundalum.*—The Gundalum Division, consisting of five stations, is near to Cuddalore, Gundalum itself being near the mouth of the river, and the other stations further from the sea.

The pans of this division have never been held in much esteem : the salt produced is inferior in quality and deficient in quantity. Dr. Ratton shows clearly the causes to which this inferiority may be attributed. In some places the soil is porous and unsuitable, and in others the brine is weak ; in all, the ullums have been so much sub-divided as to render it almost impossible to work them at a profit.

It is clear that no great extension of manufacture can be looked for here : there is a good prospect of a better source of supply being found elsewhere, as stated below ; but, in the meantime, the pans in the Gundalum Division must be maintained and improved, so far as improvement is possible without any large outlay.

4. There is one point, however, noticed by Dr. Ratton in paragraph 9, which demands immediate attention : the manufacture of salt from brine, contaminated by sewage, cannot be permitted to continue. The Collector will consider and report whether the sewage can be in any way diverted from the creek, or whether the bund at the north end of the canal can be cut, so as to admit the tide, and replaced by a bridge at a moderate cost. He will also consider whether the suggestion in paragraph 37 to connect the sand bank with the works, and so form a collecting reservoir, can be carried out at a reasonable cost.

As regards the size of the ullums, it will probably be found difficult to correct the mischief already done ; but it should be carefully guarded against in opening new stations, and the Collector should insist that no sub-division below a certain standard, the dimensions of which will be determined in consultation with Dr. Ratton and communicated hereafter, should take place, at all events as far as the working of the pan is concerned : it may not be possible to prevent sub-division of property in pans, but any reduction of the working size of an ullum without permission may, no doubt, be prevented.

5. *Killé.*—The Killé Division consists of four stations, at all of which the brine-supply is bad, owing to the close proximity of large tracts of wet cultivation.

On this account the manufacture of salt cannot commence until late in the season. The salt is generally deficient in quantity and inferior in quality; but, being very light in proportion to its bulk, is rather liked by the retail-dealers. Dr. Ratton suggests the search for new sites; and since this report was submitted a new and highly promising site has been selected at Harigoshte, not far from Killé: until Harigoshte is opened the manufacture at Killé must be maintained, but, after that, the sooner the owners of the Killé pans are allowed to convert them into paddy fields the better.

6. In his concluding remarks Dr. Ratton recommends that Merkanum be looked to as the chief source of supply in South Arcot; but he had not then visited Harigoshte: with Merkanum in the north and Harigoshte in the south, and the Gundalum pans improved so as to meet local demands, South Arcot ought to be well supplied.

7. Tanjore District—*Needavasel*.—In this district there are no less than eight divisions, the most northerly, and therefore first visited, being *Needavasel*. The salt manufactured here is not of good quality, but may, no doubt, be much improved by attention to Dr. Ratton's suggestions: besides minor faults of detail in manufacture, Dr. Ratton points out that the brine-pits undoubtedly suffer deterioration from the proximity of paddy fields. The want of a catch-drain should at once receive attention from the Collector, and it should be considered whether a supply of water from the sea to supplement that from the pits cannot be conducted to the pans by means of pipes crossing the canal, or whether, if the canal be useless, a bund might not be thrown across it.

Paragraph 5.

8. *Tranquebar*.—The report on this division is altogether more favorable. The salt is better in quality, and the outturn is good: some of the details will admit of improvement; but, on the whole, there is little to be done. The system of covering the heaps is defective, and the inner coating of palmyra leaves might well be dispensed with. Should occasion arise for increasing the quantity of salt made here, it would appear that it might easily be done.

9. *Negapatam*.—This division has four separate stations—three on the west, and one on the east bank of the Vedarniem Canal. They depend chiefly on pit brine for the manufacture, but the soil is good, and the outturn large in proportion to area: the cost of manufacture is, however, said to be heavy. The supply of salt at this place is altogether insufficient to meet the great demand which the railway creates. Another set of pans, some eight miles down the canal, is being opened, and a new canal through some of the existing pans is being constructed, in the hope of inducing ryots to take up additional land for salt culture. Want of labor is said to be the chief obstacle in the way of extending the salt works. The rate of Kudiwaram is exceptionally high at Negapatam, and it is hoped that the want of labor is merely temporary. The question of increasing the supply of salt is, as the Board are aware, engaging the attention of the Collector and his Deputy, and the Board have every confidence that the difficulty will be overcome in some way by their exertions. The Board will be glad to receive an early report from the Collector, showing what are the prospects of the current season in regard to an increased supply of salt at Negapatam. Dr. Ratton's remarks on the details of manufacture should receive every consideration, and the Deputy Collector should endeavour to explain to the ryots how, by a careful attention to details, the cost of manufacture may be reduced and their profit increased.

10. *Vedarniem*.—The salt works here are situated close to Point Calimere, and are connected by canal with Negapatam, to which place all the salt is transported for storage. Salt is produced here by three different processes—at the pans the manufacture is carried on as elsewhere; secondly, so-called spontaneous salt is formed by confining the waters of the Vishagum or storm wave, which flows over the swamp, between earthen embankments, and there leaving it to evaporate; and, lastly, swamp salt is produced from the water which remains in the hollows of the swamp after the wave has receded. The manufactured salt is of excellent quality, but the manufacture is often carried on at a loss, owing to the minute sub-division of the ullums. The brine is mostly drawn from pits, but the supply is apt to fail late in the season, and Dr. Ratton's suggestion to connect the pans with the canal by a short channel should receive attention.

Paragraph 6.

11. The spontaneous salt, although of great purity, does not find its way into the market owing to its great weight. All the retail transactions in salt are by measurement, and of course dealers prefer light, though inferior salt, to the heavy spontaneous salt. Dr. Ratton advises that the sale of salt by weight should be enforced by law. The Board cannot endorse his recommendation but the question how this great wealth of produce can best be turned to account should not be allowed to drop, and the Collector and his Deputy will give every consideration to the subject. It is, as Dr. Ratton shows, admirably suited for carriage by rail, and it may be possible at some future time to substitute it for Bombay salt in those parts of Malabar which adjoin the railway. That this is not, however, feasible at present is shown at paragraphs 13, 14, and 15 of the Board's Proceedings, dated 27th February 1874, No. 439. The swamp salt is cheaper but rather inferior to the spontaneous salt. The produce might be increased to any extent, if a market could be found for it.

12. *Thumbikotta*.—This is a small division west of Vedarniem. The salt produced here is good, all the conditions being favorable, but the sub-division of ullums has deprived the makers of all profit. Sea water alone is used, but it might well be supplemented by the use of sub-soil brine.

13. *Adrampatam*.—This is another station still to the westward. The produce is good, and there is ample room for extension in good soil. Dr. Ratton condemns the re-opening of the sub-station at Magalancottur; this was done to meet the demand of return bandies, as the existing supply at Adrampatam was found insufficient. The Collector should consider whether it may not be advisable to extend the manufacture at Adrampatam, and eventually to close these pans again.

Paragraph 8.

14. *Kuttamavadi and Arasanagiri*.—These two remaining divisions are at the southern extremity of the district. They are described as being very inferior in natural advantages to those previously noticed, but they must be maintained to meet local wants, and attention to Dr. Ratton's suggestions may tend to improve the manufacture.

15. Madura District—*Vettanam, Viravanadapatam, and Autengarai*.—The three northern divisions in this district, viz., *Vettanam, Viravanadapatam, and Autengarai*, are conducted on principles so similar that they may be treated as one. In the two first the soil and natural conditions are good, and in the last fairly good. The system of manufacture, however, differs widely from that pursued in the more northern districts, and is, as Dr. Ratton points out, in many respects very defective. There are no separate reservoirs or condensing beds, but the entire process of evaporation goes on in small crystallizing beds, and there is no means of getting rid of the bitterns, the consequence being that magnesium is present in the salt in considerable quantity; although there is an abundant supply of sub-soil brine, it is never used, as it might be with advantage, sea-water alone being supplied to the pans. The yield relatively to area is very large, but that is because the manufacture is delayed until very late, and is carried on only in the very hottest weather, it not being usual for manufacture to begin before July. The salt in store is reported to be clean, but poor in quality. The manufacture was, however, commenced so late that Dr. Ratton had not an opportunity of seeing it in full working.

16. *Paumbem*.—A certain quantity of spontaneous salt is produced here annually, and collected to meet local requirements. The quality is good, and Dr. Ratton points out that facilities exist here for a very large manufactory, should a demand for salt arise in connection with the proposed canal through the Island.

17. *Morekolam*.—The pans in this division are laid out on good soil at some distance from the sea. No sub-soil brine is used, but the sea water is concentrated in the channel which sur-

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rounds the pans and supplied to the beds at a good density. The more extended use of condensing beds would be, no doubt, of great benefit, but, on the whole, the state of affairs at Morekolam is satisfactory.

Dr. Ratton's description of the solid deposit of salt in the bed of [illegible] Tank is highly [illegible]. He states that the salt produced there is much sought after for medicinal purposes

18. *Muthuragan thavatam.*—The manufacture here is entirely from sub-soil brine, which is raised at great labor from a considerable depth. Dr. Ratton proposes to cut a canal through an adjoining swamp at Pombari to bring sea water to the pans, and to neutralize the formation of swamp salt, which it is now necessary to watch and destroy. This project has already been brought to notice, and has been dealt with separately.

19. TINNEVELLY DISTRICT.—*Vypaur and Arasady.*—There are five divisions in this district. The two most northerly stations are Vypaur and Arasady, and the conditions of manufacture at these two places are much the same. The soil in both is good, and the brine-supply plentiful. There are no ullums consisting of reservoirs and condensers, but the brine drawn from the moat surrounding the pans is baled direct into the irrigation channels which convey it to the crystallizing beds, and there allowed to evaporate. Dr. Ratton says that the salt produced is white and pure, but, in the absence of proper means for removing the mother liquor, he thinks it certain that much magnesium and other impurities must be deposited with the salt. The size of the properties is small, but not so much so as in other places.

20. *Tuticorin.*—The old Kurapa pans lie near the beach, and are well situated for export by sea, but are not well connected with the country inland. The outturn is not large, and there are certain imperfections in the way of leakage, etc., all of which should receive attention. Near to these pans are those newly re-opened at *Levingepuram*. Having been at work only a short time, Dr. Ratton is unable to say much about them, but he points out the want of a canal to bring sea water, and states that there is much leakage. Even when these pans are in full work, the supply will be altogether insufficient to meet the demand which will spring up on the opening of the railway. There is, however, ample space for extension, and the Board have already recommended the opening of a new set of pans under Dr. Ratton's supervision. The Collector is fully alive to the wants of Tuticorin in regard to salt, and it is to be hoped that the current season will not pass by without much progress being made towards supplying them.

21. *Coilpatam.*—This is at present the largest division in the district. The conditions for making good salt are, however, not favorable, neither the soil; nor the brine-supply being good, and the salt produced is light and bad. It is nevertheless much coveted by the traders, who buy by weight and sell by measurement. Magnesium is supposed to be largely present in this salt, and to be one of the chief causes of the light friable quality of the article. Every endeavour should be made to reduce this evil; if removed, the Coilpatam salt will cease to be as popular as hitherto with the dealers, but the people will get a larger quantity for their money, and other pans will not be deserted for Coilpatam.

22. *Kuthankuli.*—The last division in Tinnevelly is *Kuthankuli*; it differs in many respects from those before mentioned, and is not possessed of any great facilities for salt-making; on the contrary, it has difficulties to contend against in the way of soil and leakage. The pans are near Cape Comorin, and must be maintained to meet local demands. Careful attention to Dr. Ratton's suggestions will enable improvements to be made, but the pans will never be really good.

23. In conclusion, Dr. Ratton points out that the system of manufacture differs in almost every division, certainly in every district, all that is now required being that salt of a certain quality should be delivered at a certain price; the quality indeed is not very closely scrutinized. Scarcely any question is asked as to how the salt is manufactured. No attempt is made to exercise control over the details of manufacture. So long as this system, or rather want of system, is continued, Dr. Ratton points out that it will be hopeless to introduce any real improvement into the quality of the salt. With a view to remove this difficulty, Dr. Ratton thinks it necessary that the manufacturers should be bound to follow certain rules in laying out their beds, and that the sub-division of pans below a certain fixed standard of area should be strictly prohibited. He shows [illegible] division has already gone so far in some instances as to preclude all profit from the production of salt.

24. Dr. Ratton shows forcibly at paragraph 8, page 76, [illegible] direct premium is held out for the production of inferior salt by the system now prevailing amongst retail-traders of buying by weight and selling by measurement. He urges the appointment of a Permanent Inspector of Salt Works, and recommends that Deputy Collectors should be encouraged to visit districts other than those they are employed in, with a view to comparing the different systems. All Dr. Ratton's suggestions deserve attention. He has observed closely all that he has seen, and has evidently discovered some of the weakest points in the system.

25. The first point for consideration is, what should be done as regards controlling the operations of the ryots? They have been so long accustomed to have their own way, that any attempt to coerce them into new methods of manufacture would certainly end in failure. A great deal, however, may be done by Deputy Collectors and Superintendents, in the way of pointing out errors, and aiding in correcting them. At all *new* pans an uniform plan of procedure should be insisted on, and in all old divisions of any magnitude, where conditions are favorable, a model ullum should be prepared and worked at Government expense by the Superintendent.

The exact form will be determined on after the experiments now being conducted by Dr. Ratton have shown which is the best.

26. Further, the universal adoption of some plan for getting rid of the impure mother liquors might well be insisted on, and ryots should not be allowed to retain it in the pans to the injury of the salt.

27. As to the sub-division of pans, it is a very difficult question to deal with; the division of property cannot be prohibited, but it may be possible to prescribe a certain standard ullum, and to fix a minimum area for the separate manufacture of salt in future, the working of pans falling short of such standard being prohibited. Dr. Ratton is requested to state what limit should be fixed, due regard being paid to existing circumstances and interests. It is not possible to enforce the amalgamation of existing properties; but without interfering in any way with the rights of property, the amalgamation of small properties might be carried into effect by registering a large pan in the joint names of the holders of its constituent parts, just as a field is held by joint puttadars, as opportunities occur.

28. The practice of sales by weight at the Government Stores and by measurement elsewhere is a further difficulty. The Board do not see how they can interfere with the retail-dealers. To attempt to regulate such a matter by law would be misunderstood, and would lead to all sorts of complications. The Board have already, at paragraph 7 of their Proceedings, dated 27th February 1874, No. 439, pointed out the impracticability of such a measure. The only remedy for the existing state of things is to endeavour to make all salt as much as possible of the same quality, but it is one which will take years to effect: in the meantime, the poor are the sufferers; they get their salt light and bad, instead of heavy and good. The Board resolve to request all Collectors of Salt Districts to report whether they can suggest any remedy. The evil probably exists to a greater or less extent in every district, though at Coilpatam its effects are most apparent.

29. The Board do not consider the appointment of a Salt Inspector necessary, but Deputy Collectors should be encouraged to visit each other, whenever circumstances admit of their doing so. It would also be advisable for Collectors of Salt Districts to depute their Assistants to visit the salt works and acquire a knowledge of the method of manufacture.

30. The Board direct that a register, embodying the requisite information on the eight points suggested by Dr. Ratton in the last paragraph of his report, be kept at each salt station and submitted annually.

31. In submitting to Government these Proceedings, the Board desire to express their appreciation of the value of Dr. Ratton's services, and to thank him for his report. Ten copies will be sent to Government for transmission to the Government of India, with reference to G. O., 17th May 1873, No. [illegible], Revenue Department.

(A true Copy and Extract.)

Acting Sub-Secretary.

To the Acting Secretary to Government, Revenue Department, [illegible]
with 16 copies of Dr. Ratton's Report.

,, Dr. Ratton, with do.

,, all Collectors of Salt Districts, with do.

Copy to Surgeon-General, Indian Medical Department, with do.
,, to all other Collectors, with do.
,, to all Salt Deputy Collectors, with do.
,, to Inspector-General of Police, with do.
,, to all Police Superintendents of Salt Districts, with do.

G.O. 17th May 1873 No. 225
Rev. 1874. Dept.

Board of Revenue,
MADRAS.

Proceedings, 18th July 1874, No. 1,693.

Received [illegible]

SO 4 September 74 [illegible]

JULY
No. 1,693.

Salt manufacture—in South Arcot, Tanjore, Madura, and Tinnevelly Districts.—Dr. Ratton's report on — reviewed. Board's Proceedings submitted to Government with expression of Board's appreciation of Dr. Ratton's services.

No. 30 of 1870.

From G. PEDDER, Esq.,

On Special Duty.

To THE ACTING CHIEF SECRETARY TO GOVERNMENT.

Camp Oorun, 15*th April* 1870.

Sir,—The duty which Government, in the letter marginally noted, has been pleased to entrust to me, may be conveniently divided under the following heads :—

No. 5130, dated 23rd November 1869.

1*st*.—Internal Management of the Salt Department in the Northern Division of this Presidency.
2*nd*.—Internal Management in the Southern Division.
3*rd*.—Frontier and External Preventive Arrangements.
4*th*.—Revision of Salt and Customs Establishments.

2. I am now engaged upon inquiries with reference to the 2nd and 3rd of these heads, and hope shortly to be able to submit reports upon them. The last cannot well be discussed till I learn how far Government is inclined to approve of my other suggestions ; and the accompanying Report contains my proposals under the first head.

3. This Report is divided into five Sections—
I.—Details of the Proposed Scheme.
II.—Its Estimated Financial Results.
III.—Explanatory Remarks.
IV.—Discussion of certain possible Modifications
V.—Reply to Objections.

4. It will be observed that the proposed scheme is based upon the suggestions of Mr. G. W. Elliot, C. S. All I have done is to reduce those suggestions to a practical form. If, therefore, the scheme, as I hope and expect, proves successful, the credit of it will belong to Mr. Elliot.

5. It may, at first sight, appear that Mr. Elliot's proposals and those made about the same time by Mr. P. M. Dalzell (both based upon the idea of supplying salt for consumption from Depôts at railway stations) are almost identical. In reality, there is a very essential difference between them. Mr. Elliot's view was that Government could at once benefit the revenue, and convenience consumers by selling its salt at railway stations, instead of at the places of manufacture, rem-

from the principal centres of trade and difficult of access. That this view is correct the accompanying Report will, I hope, convince Government. Mr. Dalzell's view, on the other hand, was that Government might close all its own salt works and, establishing depôts along the line of railway, might rely upon private enterprise to fill them with imported salt, and to thus supply the quantity required for consumption. Independently of minor objections, I confess that I think this scheme a very dangerous one. In my opinion it would in all probability lead to the establishment of a sort of monopoly in the trade, and to a considerable increase of price to the consumer.

6. I ought, however, to acknowledge the originality and, in many respects, correctness of Mr. Dalzell's views, and also the assistance which he has given me in framing these proposals.

7. I must also acknowledge the kind assistance I have received from Mr. W. J. Addis, C. E., in making the plans and estimates that accompany this Report.

8. I would suggest that my proposals be now transferred to the Railway Department for early consideration, with reference to Government Resolution No. 10, dated 4th January 1870, and in order that, if possible, a trial survey of the branch from Veerumgaum to Patree be made, before the rains, by the Engineers who are now surveying for the extension of the Bombay, Baroda, and Central India Railway from Ahmedabad to Wudwan *vid* Veerumgaum.

9. Should my proposals be generally approved, I would suggest that the branch railway be taken in hand immediately after next rains. Communication between Ahmedabad and Patree will, I imagine, be hardly established before the commencement of the salt manufacturing season of 1872-73 or until October 1872. But the system should be introduced as soon as the line is open; and in order to effect this, the Salt Department should be directed so to conduct the management of the seaside works during the next two seasons that they may be finally closed at the end of the season 1871-72, or in June 1872; with no stock in hand, or but a very small one. By October 1872 the depôts should be ready to receive the Runn salt, and their establishments should have been formed. During next season 1870-71, preparatory arrangements should be made to start the new work at Khare-ghora in October 1871. The tramway should be laid at that date; the manufacture should be carried on at the new work during the season 1871-72, and a sufficient stock should be accumulated by the end of that season to fill the depôts as soon as the line is open.

I have the honor to be,
Sir,
Your most obedient servant,

W. G. PEDDER,
On special duty.

SECTION I.

Memorandum of Scheme for Supplying Salt from the Runn by Railway to the Guzerat Markets.

I.—A light railway to be constructed from the Veerumgaum station, on the Veerumgaum and Wudwan extension of the Bombay, Baroda, and Central India Railway to Khare-ghora, west of Patree.

II.—All the Runn works to be amalgamated into one large work, as near as possible to the railway terminus at Khare-ghora.

III.—A tramway, on the "Addis'" principle, to be laid from the railway terminus to the salt works.

IV.—In the salt works, the pans to be regularly laid out each season in lines, so that the tramway may pass between the lines of pans.

V.—(*a*). The Agrias to be paid for as much salt as they manufacture, at the fixed rate of annas $1\frac{1}{4}$ per Indian maund.

(*b*). One-half the price to be paid on delivery of the salt at the pan to the Government officer, the other half before the commencement of the next season's manufacture.

(*c*). The quantity of salt manufactured to be checked by licenses being issued each year for that number of pans only which the probable demand of the ensuing season may render necessary.

(*d*). Salt not approved in quality to be rejected and thrown back into the pan.

VI.—The system of sales at the works and of storing the salt in heaps (Rasses) to be totally abandoned, and no "Ajmash" or estimate of the quantity of salt manufactured by each Agria to be made.

VII.—The works to be under the charge of a European officer, whose duties will be:—

(*a*). To superintend the works themselves generally.

(*b*). To supply the different depôts as required.

This officer should be well paid (say Rs. 600 to Rs. 800 per mensem) and should have a house at Khare-ghora, where he should reside, except during the rains, when he would live in Ahmedabad.

VIII.—No daroga's establishment will be anywhere necessary. The works on the Runn will have, of course, to be guarded by an establishment of Peons, and the following rules should be adopted for the protection of the salt at them:—

(*a*). The works to be entirely isolated and their limits defined by a trench, or light iron railing, run round them. No one to be allowed to visit them except on business.

(*b*). The Agrias to be required to come to and leave the works by a particular route, and to be searched if suspected of removing salt.

(*c*). The European officer in charge to ride or walk round the limits of the works frequently, reporting his having done so. Footmarks on the mud of the Runn would show him if even a single donkey had been brought in.

IX.—At all important railway stations from Patree to Dhanoo, depôts to be established for the sale of the salt, varying in dimensions according to the average demand.

X.—A Native officer to be in charge of each depôt. He will be required to give security and will be personally responsible for all the salt sent him. His pay will vary in amount, according to the importance of the depôt. He will have an account current with the officer in charge of the salt works, who will debit him with the amount of salt sent him, and credit him with his sales.

XI.—The management to be briefly as follows :—

(*a*). When the salt in each pan is ready for removal (according to the present practice) to the "Rass," notice to be given to the officer in charge of the works, who will send trucks for it, and it will be put into the trucks instead of into the Rass.

(*b*). Each tramway truck to be of exactly the same capacity, to carry, say, 75 maunds of salt. The salt will thus measure itself, and the Agria will be paid according to the number of truck loads he delivers. In case there should not be enough salt in the pan to fill the last truck, this broken quantity should be measured into the truck by the "Furrah" of one maund.

(*c*). The Agria to be then given credit in his receipt book for the quantity delivered.

(*d*). The tramway truck, which must be made so as to tip up and discharge itself, immediately on arrival at the terminus to be discharged into the railway waggon waiting for it.

(*e*). Each railway waggon (the tare of which will previously have been ascertained) when fully loaded with salt, to be passed over the weigh-bridge, and the weight of salt it carries noted in the book kept for the purpose. A counterpart of this entry, which will contain the date, number of railway waggon, &c., to be delivered to the railway officer for transmission, together with the salt, to the depôt officer.

(*f*). Each railway waggon to be so secured as to prevent both the chance of theft and deterioration of the salt by dirt and dust in transit.

(*g*). The depôt officer, if he thinks that the salt has been tampered in transit from the works, may weigh it in the presence of the station master; otherwise he will receive it without weighing.

(*h*). The officer in charge of the works will know, from his account with each depôt, what is its stock on hand, its probable requirements, its available vacant space, &c., and will distribute his salt among the various depôts accordingly. If a sudden demand is made by purchasers upon a depôt which cannot be met by the stock in hand, the Karkoon in charge will telegraph to the officer at the works, who will supply him as soon as possible from the works or, if absolutely necessary, from another depôt.

XII. Each depôt to be near the railway station, and the Railway Company to lay a siding, so as to run the salt waggon into the depôt.

XIII. The depôt to be an open space, surrounded either by a wall, a corrugated iron fence, or a strong prickly-pear hedge. At the entrance to be the Karkoon's kutcherry, weighing machines, &c., and above it a place for the Peon's guard. The salt to be stored so that stock may easily be taken by the Inspecting Officer, probably in thatched walled enclosures, each of a certain cubical capacity, arranged on each side of the central siding.

XIV. Each depôt to be examined about once a month, the books inspected and stock taken, by an Inspecting Officer.

XV. The price per Indian maund at which the salt is sold (viz., cost of manufacture—annas 2 + excise = Rs. 1-13-0 + Railway freight at 3 annas per Indian maund per 100 miles from the works to the particular depôt) to be conspicuously painted up outside the depôt. The salt to be sold wholesale, and a minimum quantity to be fixed for sale, according to the circumstances of each depôt.

XVI. The depôt Karkoon to be required to pay all his receipts into the nearest Treasury, either daily, in the case of large depôts at a Mamlutdar's station, or as soon as a certain amount has been realized for smaller depôts. The Mamlutdar's receipts to be the vouchers to accompany the Karkoon's cash account.

XVII. The depôt Karkoon to have a small allowance for wastage and dryage. This need not at first exceed two or three per cent. After a few years' experience, the exact average amount will have been ascertained.

XVIII. All seaside works north of Bassein, and the existing works on the Runn, to be closed. A small preventive establishment to be entertained to prevent illicit manufacture of salt.

W. G. PEDDER,

On special duty.

STATEMENT showing the probable number of Railway depôts; the present Salt Works to which each depôt will correspond; the probable annual demand upon each depôt; the cost of Railway carriage to each depôt; the total amount of Railway freight; and the effect of the scheme upon the price of Salt.

Name of depôt.	Distance from Works. Miles.	Corresponding present Salt Works.	Probable Annual Demand, Indian Maunds.	Carriage to depot of 1 Indian Maund of Salt at 3 annas per 100 miles.	Total amount of Railway Carriage, Rupees.	Total wholesale Price of one Indian Maund at depôt including Railway carriage, cost of salt at 2 annas, and excise at Rs. 1-13-0.	Present Retail Price per Indian Maund. Rupees.	Remarks.
1	2	3	4	5	6	7	8	9
				Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Patree	6	Runn	5,000	0 0 2	52 1 2	1 15 2	.....	(a.) The figures in column 4 are the average sales for the last five years from the works in column 3 plus 10 per cent., the estimated allowance for smuggling.
Veerumgaum	23	Do.	10,000	0 0 8	416 10 8	1 15 8	2 3 7	
Ahmedabad	60	Do.	239,165	0 1 10	27,404 5 2	2 0 10	2 12 0	
Mehmoodabad	77	Do.	10,000	0 2 4	1,458 5 4	2 1 4	2 13 9	
Neriad	88	Cambay	10,000	0 2 8	1,666 10 8	2 1 8	At Kaira.	
Anund	100	Runn	190,000	0 3 0	35,625 0 0	2 2 0	2 13 0	(b.) I have estimated that the Ahmedabad depôt will require a supply equal to the present sales from the Runn works, with the allowance for smuggling, minus 25,000 Indian maunds for the local demand of Patree, Veerumgaum, and Mehmoodabad, and 190,000 Indian maunds the average demand of Malwa and the Punch Mahals, which it is expected will be sold at Anund. Similarly, I have estimated that Baroda will require a supply equal to the present sales from the Cambay and Jamboosur works, minus 20,000 Indian Maunds for the local demand of Neriad and Palej.
Baroda	121	Jamboosur and Cambay	137,562	0 3 8	31,524 10 0	2 2 8		
Palej	150	Jamboosur	10,000	0 4 6	2,812 8 0	2 3 6	.....	
Broach	166	Hansote and Wagra	95,156	0 5 0	29,736 4 0	2 4 0	.....	
Keem	187	Hansote and Oolpar	10,000	0 5 7	3,489 9 4	2 4 7	.....	
Surat	202	Oolpar and Chowrassi	145,876	0 6 1	55,463 4 4	2 5 1	.....	
Nowsari	221	Muroli and Parchole	110,045	0 6 8	45,852 1 4	2 5 8	2 7 6	
Bulsar	245	Bulsar and Parnera	61,690	0 7 4	28,274 9 4	2 6 4	.....	
Dhanoo	291	Oomurgaom and Tarapoor	43,704	0 8 9	23,900 10 0	2 7 9	.....	
		Total	10,78,198	.....	2,87,676 9 6	.....	.....	

W. G. PEDDER,
On special duty.

SECTION II.

Estimate of Financial Results.

A *Debit against the Scheme.*

1. Capital Account—

a. The cost of branch railway from Veerumgaum to Khare-ghora I estimate not to exceed Rs. 10,35,000.
Vide Section III. B, para. 1.

b. The cost of the tramway and its trucks from the salt works to the railway terminus I estimate not to exceed Rs. 30,000.
Section III. B, para. 5.

c. For cost of rolling Stock on railway I give no debit.
Section III. B, para. 4.

d. The cost of the Superintendent's Bungalow and Kutcherry at Khare-ghora I estimate not to exceed Rs. 10,000; and that of 14 depôts at railway stations Rs. 1,12,000; total Rs. 1,22,000.
Section III. B, para. 6.

e. Compensation to manufacturers, &c., I put down at Rs. 25,000.
Section III. B, para. 13.

f. The original expenditure which the scheme involves is thus—

Railway branch	Rs.	10,35,000
Tramway	,,	30,000
Compensation	,,	25,000
Depôts, &c.	,,	1,22,000
	Rs.	12,12,000

or, at 5 per cent., Rs. 60,600 per annum.

2. Annual Cost of Establishments—

a. The cost of the Native establishment at works I estimate not to exceed Rs. 5,000 per annum.
Section III. B, para. 14,

b. The tramway establishment and maintenance Rs. 4,700.
Section III. B, para. 15.

c. Establishments at 14 depôts, Rs. 25,200.
Section III. B, para. 16.

d. Preventive establishment, (*vide* Rule XVIII.) Rs. 2,500.
Section III. B, para. 18.

3. The Total Annual Cost of the Scheme will then be—

Interest on capital account	Rs.	60,600
Establishment	,,	37,400
	Rs.	98,000

4. Present Annual Revenue—

a. The amount of excise, at the present rate of duty on the average sales
Section III. B, para. 19, 20. of the last five years, is Rs. 15,70,514.

b. The Government profit, or ground rent, on the average sales of the
Section III. B, para. 21. last five years, is Rs. 41,900.

5. To make, therefore, the proposed system worth considering in a financial point of view, it must show, either in saving of cost, or in increase of revenue, a sum exceeding the total of the above items, *viz*:—

Its own annual cost	Rs.	98,000
Present annual revenue	,,	16,12,414
	Rs.	17,10,414

B *Per Contra, Credit to the Scheme.*

1. Savings—

The present establishments cost Rs. 71,409, the proposed establishments
Section III. B, para. 19. Rs. 37,400, saving Rs. 34,009 per annum.

2. Excise—

The estimated nett amount of excise, at the present rate of
Section III. B, para. 22. duty, Rs. 1-13-0, with an anticipated increase in licit consumption of 10 per cent. due to the prevention of smuggling is ... Rs. 17,56,359

Deduct present excise (*vide* A 4 above)	,,	15,70,514
Increase...	Rs.	1,85,845

3. Government Profit or Ground-Rent—

This item, under the proposed system, is estimated at	Rs.	50,540
The present amount (*vide* A 4 above) is	,,	41,900
Increase ...	Rs.	8,640

4. The probable nett amount of profit on railway carriage,
Section III. B, para 26. deducting interest on the Capital Account, is ... Rs. 2,27,076

5. The nett annual profit on the scheme is therefore estimated to be as follows:—

I. Saving on establishments	Rs.	34,009
II. Increase in excise by checking smuggling	,,	1,85,845
III. Increase in profit or ground-rent	,,	8,640
IV. Profit on railway carriage	,,	2,27,076
	Rs.	4,55,570

W. G. PEDDER,
On special duty.

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SECTION III.

Remarks explanatory of the Scheme.

A.—REMARKS ON SECTION I.

Para. II.—I have ascertained that there will be no difficulty in getting the
No fear of a deficient supply. Agrias to manufacture at Khare-ghora. They ar so pleased at the prospect of getting rid of their immense loss by wastage that they will make no objection. The Ooroo and Patree people will hardly be inconvenienced at all, and as Khare-ghora is a Government village (which is one reason why I have selected it as the site of the proposed works and railway terminus), there will be no difficulty in arranging for the lodging of the Futtehpoor, Jinjoowara, and Anwurpoor people, who will have to leave their own villages during the season of manufacture. Even should the latter, which is not likely, refuse to manufacture at Khare-ghora, there is no fear of the supply being deficient. The Patree Agrias are ready to pass an agreement to make 200 pans annually, and the Ooroo people 150. As the average produce of these works for the last five years has been 416,000 maunds, and the average number of pans about 140, 350 pans, worked by these people alone, would produce more than is required.

The exact site of the new works I have not been able to determine, and it
Exact site of the proposed work not yet determined. should be decided upon careful consideration of the best line for the railway; of the supply of fresh water; of the convenience of the manufacturers, &c. My own opinion was that it should be on the north side of the kind of promontory on which Khare-ghora is situated, and about halfway between that village and Ooroo, or about 2½ miles from each. This site would be most convenient to the Ooroo people, who might still live in their own village during the season of manufacture. But Mr. H. L. Wright, Assistant Commissioner, whose opinion I requested, while allowing that the site selected by me is suitable with regard to the supply of brine, and the nature of the soil for making the pans and brine-pits, thinks that the present site of the Patree works, a mile south of Khare-ghora, is the best, especially on account of the abundant supply of fresh water which two or three tanks in the vicinity give, and that the inconvenience to the Ooroo people of this site would not be great. The selection of this site would shorten the railway by two or three miles, and would, I think, save one bridge.

Para. V. *a.* and *b.*—This proposal may at first sight appear a large conces-
To pay for the quantity of salt made very advantageous to Agrias, and no less to Government. sion to make to the Agrias, who are now paid only for their salt that is sold, not for the quantity manufactured. The whole scheme, however, hinges upon this. For it is evident that if we have to keep an account of each man's salt and pay him for it only as it is sold, the whole system of railway carriage and depôts must fall to the ground; and Government will lose nothing

whatever by the proposed change. On a rough estimate, half the salt sold at the Runn is sold in the year it is manufactured, and the rest the next year. Consequently, the Agrias receive half the total price in the year of manufacture and the rest the next year. This is precisely what my proposal amounts to.

But the gain to the Agrias will be very great. First, they will be saved the enormous loss by wastage. On an average of the last five years, the wastage at Patree and Ooroo has been 136,000 maunds out of a produce of 416,009 or about 32 per cent. That is, the people have lost one rupee in every three of the returns to their labour and capital. In 1866 they lost by floods 138,000 maunds out of a total manufacture of 147,000, and in 1868, 469,000 out of a total manufacture of 587,000 maunds. That is to say, they received (at the price of $1\frac{1}{4}$ anna per maund) in these two years respectively, Rs. 703, instead of Rs. 13,484 and Rs. 9,219, instead of Rs. 45,834. It is wonderful how, in the face of such heavy losses, they have gone on manufacturing at all. And it must be clearly understood that I do not propose to transfer the loss from the Agrias to Government, for there will be no loss of the kind at all.

Secondly, the Agrias will be taken out of the hands of the Waneeas. At present, their heavy losses have involved them deeply in debt; they cannot begin the manufacture in any year without advances from the Waneeas, and thus the latter really command the manufacture. When I was at the Runn, the Ooroo people, who had not yet begun to manufacture, told me that the reason was that their Waneeas being doubtful about the course of the trade this season, had refused to make them advances.

This is one reason why I propose to pay the Agrias one-half the price of their salt at the commencement of the next season. They will thus always have money in hand on which to begin manufacturing. Another reason is, that with a balance outstanding, which they are not entitled to claim till they have begun to work the following season, there will be no fear of their becoming troublesome and refusing to manufacture.

The Agrias fully agree that half the price shall be paid on delivery of the salt, and the other half at the beginning of the next season.

I have not noticed another advantage to the Agrias of the proposed arrangements. They will no longer have to pay to the salt traders a drawback from the price to induce them to purchase, which now often amounts to 10 per cent. I think it likely that all these advantages will induce more people to apply for licenses to manufacture than are required, and if so, the payment to the Agrias may, after a few years, be reduced from $1\frac{1}{4}$ anna to 1 anna per maund, which will add Rs. 10,000 per annum to the item of profit.

I think that on the starting of the new work, as the Agrias will be put to considerable expense in sinking new wells, &c., such of them as require it should receive an advance, as has several times been sanctioned in exceptional seasons, to be recovered, without interest, by instalments in three or four years.

(*d.*) It is of the greatest consequence to keep up the quality of the Runn salt. The officer in charge should therefore pay especial attention to this point. The simplest way of testing the quality is by means of a sieve with meshes of a certain uniform size. Salt, a certain percentage of the crystals of which pass through the sieve should be refused. Such rejected salt will not be destroyed, but will merely have to undergo another period of steeping in brine and ripening in the pan.

Necessity of maintaining the quality of Runn Salt.

VI. I am very strongly of opinion that the system of making an estimate of the quantity of salt produced, which is at best very fallacious, will be entirely unnecessary under the proposed system.

No "Ajmash" required.

IX. The accompanying statement shows the depôts which I propose experimentally, and the probable demand of salt from each. But experience must finally decide both what number of depôts it will be well to keep up, and what amount of salt must be supplied to each. For instance, looking merely at distances, it is probable that the Brinjarees who carry the large quantity of salt (upwards of 180, 000 maunds) now exported to Malwa will purchase their supply at Anund. But the country about Anund is fully cultivated and affords little grazing, and for this and other reasons the Brinjarees may perhaps prefer Ahmedabad or Mehmoodabad.

Probable number of depôts and supply of each.

X. This para. contains the essence of the scheme. For every maund of salt sent him, the depôt officer must either show a receipt from the Treasury for its selling price (which includes excise, cost of manufacture, and cost of carriage) or must produce it still in stock. Fraud on his part is therefore impossible, and even supposing there was collusion between him and the officer in charge of the works, the railway authorities would discover it, for they would take care that no salt leaves the works without its freight being paid.

Responsibility of depôt officer.

XI. I hope that this para. does not require much explanation.

Management.

(*b.*) There will, of course, be a slight variation, about 2 per cent. at the outside, either way, between real weight and measurement in the truck, but this is of no consequence either to Government or to the Agria. A design for a truck will be submitted hereafter; it is so constructed as to unload easily into the railway waggon, and a moveable roller which runs on the top of the sides strikes the salt down to the proper level.

(*d.* and *h.*) I consider that it will be quite as easy, with proper arrangements, and far cheaper as saving labour in moving the salt, to despatch the salt, as soon as it is received from the pans, to the depôt

where it is to be sold, and store it there for sale, as to form an intermediate depôt at Khare-ghora, and supply the other depôts from that as required. But for the first season a stock of salt must be accumulated at Khare-ghora, in order to fill the depôts as soon as the line is opened, and it may be necessary to continue this plan for a year or two, till the average demand on each depôt is ascertained. I would not, however, make a regular depôt at Khare-ghora; it will be enough to store the salt there in large heaps and thatch them. The European officer in charge will see that they are not tampered with.

(e.f.,g.) I imagine that a formal agreement will be entered into between Government and the Railway Company with respect to the construction of the branch line and all these minor arrangements; the former pledging itself to give the railway the monopoly of the carriage of its salt within certain limits; the latter engaging to carry the salt at a certain maximum rate, and to observe minor regulations, such as those here laid down.

XIII. The question of the best design for depôts will be found discussed below, among the remarks on financial results.

XIV. As there will generally be a large stock on hand in the depôts, a dishonest Karkoon might go on for some time without detection (though *ultimate* detection would be certain), defrauding Government by selling more salt than he brought to account, unless a strict supervision is kept up. In the revision of the Salt and Customs' Establishments, one Assistant on moderate pay should have this duty, and also the supervision of the small Preventive Establishment proposed in paragraph XVIII.

Necessity of inspection of depôts.

XV. In small depôts the minimum quantity to be sold should be very low—not more, I think, than five maunds or two bullock-loads. In large depôts the minimum must be much higher, or the cost of the establishment will be too great. At such depôts, in large towns such as Ahmedabad, Baroda, or Surat, I think that a retailer of salt should be established in connection with and near the depôt who, in consideration of his agreeing to retail salt at a fixed and moderate advance on the wholesale price, should have certain privileges such as a short credit for the salt he buys from the depôts.

Sale of salt from the depôts.

When the transactions are small, the salt may be sold from the depôts after weighing by the "campan" or still-yard. In large depôts an improved weighing-machine will be necessary. I hope to be able to submit one which will weigh a ton at a time and, running on a lorry on the railway siding through the depôt, will remove that quantity at once. The Inspecting Officer should always test the weighing-machines.

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B.—*Remarks on Section II., Financial Results.*

1. I have estimated the length of this branch at twenty-three miles, but it will probably be something less. I have examined the line with Mr. Warren, Resident Engineer, Bombay, Baroda and Central Indian Railway, and we find—

Cost of branch railway.

1*st.*—That the present road, or rather land taken up for a road, from Veerumgaum to Patree, may be adopted for the line, which will save the cost of taking up land.

2*nd.*—That only two small bridges, and perhaps only one, involving no engineering difficulty, will be required.

3*rd.*—That there will be no excessive gradients if the line adheres closely to the contour of the country.

4*th*—That the speed required being low, and as the trains need run only by day, fencing will probably be unnecessary.

5*th.*—That for the low speed required, 40 lb. rails will be sufficient. I think, therefore, that the branch should be made for from Rs. 40,000 to Rs. 45,000 per mile. Taking the higher estimate of cost of contribution and length of line, the cost will be (Rs. 45,000 + 23) Rs. 10,35,000. I deprecate the proposal to make the branch a narrow-gauge one. The loss by break of gauge, and the necessity of building new rolling stock, would far more than swallow the trifling saving in original cost.

II. The working expenses of the branch will, I think, be paid by traffic other than salt. It is difficult to make an estimate of the amount of this, but I note—

Working expenses.

1*st.*—That Patree is a town of from 8,000 to 10,000 inhabitants.

2*nd.*—That a good deal of cotton is grown in the villages about and beyond Patree.

3*rd.*—That the traffic of the town of Mandul, and country about it, will strike the branch at the station intermediate between Veerumgaum and Patree.

III. The last paragraph, it will be understood, refers merely to local traffic. There is, I think, a strong probability that the opening of the branch to Patree will attract traffic from a much wider area, viz., across the Runn, which is always passable in the dry weather, from Kutch, the north of Kattywar, and even Sind; and from the Native States north of Patree. Mr. Dalzell (in his letter to Customs' Commissioner, No. 174 of 26th February 1870) estimates this traffic (exclusive of salt, of down traffic towards Patree, and of passengers) at upwards of 300,000 tons per annum. The sources from which Mr. Dalzell has derived his information are not reliable, and without doubt this estimate is enormously exaggerated. Still I think his letter shows that there is a possibility of the branch proving remunerative independently of the carriage of salt.

IV. I give no debit for the cost of rolling stock, nor for working the salt traffic on the main line, because Mr. Currey informs me that his Company has already more rolling stock available than will be required for the salt traffic, and need not run an additional train to carry it. I should think, however, that eventually a debit on this account will be necessary, and if so, its amount which I cannot estimate, must be deducted from the Rs. 2,27,076 which I have entered as the profit on the carriage of salt.

Rolling Stock, &c.

A. The length of the tramway will depend on the relative position of the salt works and of the railway terminus. It will probably be about two miles, with an extra mile for the length required between the rows of pans or three miles in all. If laid with the ordinary wooden sleeper, it will cost Rs. 5,000 per mile, as per estimate marked A. If with Mr. Addis' patent triangular iron sleeper, as per estimate marked B, and accompanying drawing, Rs. 5,740 per mile, or Rs. 17,220. I prefer the latter, as being more suitable for the Runn (since the portion of the tramway within the Runn will have, I expect, to be taken up each June and relaid the following October), and because the cost of maintenance is one-third less. Thirty salt waggons will be required, estimated to cost Rs. 400 each, or Rs. 12,000. I have put the total cost as Rs. 30,000, to be on the safe side. I may mention that I think the Addis' tramway particularly well suited to the Runn, which is perfectly level, with a hard clay soil.

Tramway.

VI. I have here estimated that a depôt will, on the average, cost Rs. 8,000, but according to the plan of construction finally decided on, this amount may be exceeded or the reverse.

Depôts.

VII. The most complete design for a depôt which I have been able to make is as follows:—

A rectangular space surrounded by a corrugated iron fence six feet high. The railway siding to pass lengthways through the middle. An entrance at each end, by one of which the siding enters, by the opposite one purchasers, &c., closed by strong gates.

On each side of the siding to be places for storing the salt, each a masonry chamber thirty-seven feet and five inches square, by six feet high, of which three feet would be below the surface of the ground and three feet above, with a door opening on the siding, and each range roofed with corrugated iron. Each such pit would contain 5,000 Indian maunds when full, and a gauge of maunds, feet, and inches, painted against its door would show its contents at any time when partly full. This arrangement would enable the Inspecting Officer to check the stock in hand effectually at any time.*

* Further experience has convinced me that the storage pits may be altogether dispensed with, and that it will be enough to store the salt in thatched heaps of uniform size within the depôt. This will reduce the estimate for depôts by upwards of one lakh of rupees.

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At the end opposite the siding entrance to be a yard about ninety feet square, for weighing and delivering the salt to purchasers, &c., and in this yard to be the Karkoon's Kutcherry, a room eighteen feet square, with an open upper storey for the Peons on guard.

VIII. The accompanying plans and elevations are for a depôt of this kind to hold 100,000 maunds of salt in twenty pits. The estimates marked C and D show the cost of such a depôt, Rs. 26,499.

IX. If this plan were adopted the total cost of depôts would be about as follows, supposing storeage is required at any one time for seven lacs of maunds, or about two-thirds the total estimated annual sales:—

Fourteen Kutcherries, at Rs. 1,825 each	Rs.	25,550
Storeage for seven dakhs of maunds, at Rs. 3,600 per 10,000 maunds	,,	2,52,000
Total...	Rs.	2,77,550

X. I by no means recommend, however, an expenditure of this amount. In the first place, I have no doubt that a great reduction may be made from these estimates without abandoning the principle I have adopted, which I think a good one on account of its security, and of the facility it gives for taking stock. The upper storey of the Kutcherry, the doors to the pits, and a portion of the corrugated iron walls, may probably be dispensed with; the pits may be deepened and their superficial area diminished, and perhaps the roofing may be replaced by thatch. And next, in small depôts, it may probably be safe merely to heap the salt in an enclosed space.

XI. I should therefore recommend that to begin with depôts on the plan now proposed, but with whatever economies can be suggested, be constructed at Ahmedabad, Baroda, Broach and Surat, and that at other stations the salt be merely heaped in an enclosed space, thatched and carefully guarded, till experience shows what the demand at each place will be.

XII. Mr. Currey tells me that he is pretty sure that there is sufficient vacant land belonging to Government or to the Company at each station for its depôt.

XIII. I have estimated Rs. 25,000 as compensation, and I think that less than this sum will be required. Properly speaking, the Guzerat Agrias cannot claim any compensation, as all the works are the property of Government. But their rude implements, which will be useless for the future, belong to them, and to prevent distress or any appearance of injustice I would pay each Agria a small sum, not exceeding the average annual amount he has received for his salt during the last three years of the old system. When the salt-pans, as is the case in some localities, can be converted into rice-land after a few years' fallow, the Collectors should be requested to grant them to the Agrias free of assessment for ten years. In the Tannah works, Oomergaum and Tarapoor, there are "shilotrees" or proprietors of the pans, who must be compensated for their outlay upon them.

Compensation.

XIV. I think that Rs. 5,000 per annum will be ample for the Native establishment at the Khare-ghora works. There will be little office work, merely the account of salt purchased from each Agria and payments to him, and the account of salt forwarded by railway to each depôt.

Establishment at works.

XV. Thirty trucks carrying seventy-five maunds each and making three trips per diem will carry upwards of ten lakhs of maunds in 150 days. As the season for carrying the salt will be only the six months from the middle of December to the middle of June, and holidays must be deducted, it is not safe to estimate more than 150 working days. I think that a pair of bullocks and a driver can always be hired about Patree for the six months during which agricultural operations are suspended for from Rs. 12 to Rs. 15 a month. At the higher rate (30 × 15 × 6) the annual cost will be Rs. 2,700. The maintenance of the tramway (inclusive of the cost of taking up the portion of it that lies within the Runn before the rains and relaying it after the rains) will be about Rs. 2,000 per annum. Total Rs. 4,700 as estimated.

Tramway Establishment.

XVI. The depôt establishments will vary much in cost, according to the magnitude of the transactions at each. The following is, I think, rather above what the average cost should be :—

Depôt Establishments.

	Monthly Cost Rs.
1 Head Karkoon	60
1 2nd Karkoon	25
1 Tolat or Weighman	15
1 Ditto	10
4 Peons at Rs. 8	32
Contingencies	8
	150

or Rs. 1,800 per annum, which for fourteen depôts gives Rs. 25,200 per annum. The Karkoons, it may be remarked, will have the great advantage of living at the best towns in Guzerat, instead of at the remote and inconvenient seaside works.

Cost of weighing and moving salt.

XVII. The cost to Government of moving and weighing the salt, in addition to the fixed establishment will be *nil*, for—

1*st*.—At the works the Agrias will place the salt in the trucks as they now do in the Rasses.

2*nd*.—At the terminus the railway officers will load their waggons from the trucks.

3*rd*.—At the depôt the railway officers will unload their waggons into the store.

4*th*.—When the salt is sold the purchasers will bear the expense of the removing the salt and placing it on the scales, as they now do at the works.

XVIII. A very small Native preventive establishment should be necessary if, as I have suggested, the same European officer be appointed to supervise it and to inspect the depôts. Strict orders should be given to the district police and village officers in British territory to look out for attempts to manufacture salt illicitly, and the duties of the preventive establishment would thus be chiefly in foreign territory.

Preventive Establishment.

XIX. The total produce, sales and cost of establishments of the works which it is proposed to close, on an average of the past five years, are as below :—

Present excise revenue.

Collectorate.	No. of Works.	Average Produce.	Average Sales.	Cost of Establishments.
		I. Mds.	I. Mds.	Rs.
Tanna	6	40,306	39,730	3,090
Surat	10	350,294	923,283	31,793
Broach	3	159,813	148,013	12,229
Ahmedabad	5	683,343	412,878	21,828
	24	1,233,756	893,904	68,940
Kaira (Cambay)	1	96,556	86,277	2,469
Total	25	1,330,312	980,181	71,409

The excise at Rs. 1-13-0 on 893,904 maunds would be Rs. 16,20,201. Half the same excise (the share of the British Government) on the Cambay sales, 86,277 maunds, would be Rs. 78,188. The total revenue at the present rate of excise on the average sales of the last five years is thus Rs. 16,98,389. This calculation of course makes no allowance for a decrease in illicit consumption caused by the recent increase of excise.

XX. From the above must be deducted the amount of free salt which certain Native States—Palunpoor, Eedur, &c.—are entitled to receive in compensation for concession of the right to manufacture salt, of permission to impose preventive lines, &c., made by them to the British Government. The maximum amount which these States are entitled to claim is 88,109 maunds annually. The average amount really taken, however, is about 70,000 maunds, the duty on which, Rs. 1,27,875, must be deducted, leaving Rs. 15,70,514 as the nett amount of excise at present rates.

XXI. Taking the Government profit, credited under the head of ground-rent or proprietary right to be nine pies per maund, the present rate throughout the Northern Division (except in Cambay), we get an item of Rs. 41,900.

Ground-rent.

4. On account of the increase in the selling price of salt caused by the distance from the Runn to the depôts south of Surat, the Honorable Mr. Bellasis and Mr. Faulkner, Acting Deputy Commissioner, think that it would be well to keep open some at least of the works south of the Taptee. I do not myself think that this is necessary. I think that the superiority in quality of the Runn salt will more than compensate the consumer for the cost of its carriage, and I expect to see it compete with sea-salt, even south of Dancc.

Honorable Mr. Bellasis' opinion that certain Surat works should not be closed.

5. But if Government agree with Mr. Bellasis I should recommend that the works either at Chowrassi near Surat, or nearest to Bulsar or both, be kept open. I would, however, introduce the same system at them as at the Runn; that is, I would forbid all sales at the works, would purchase the salt from the Agrias as it is made, and would convey it to the depôt at Surat or Bulsar by a tramway laid between the works and the station. The distance in the case of Surat would be about seven miles, in that of Bulsar about four; so that the cost would not be very heavy,—about Rs. 40,000 for the Surat tramway, and Rs. 25,000 for that from Bulsar including trucks.

6. In my estimate of financial results I have entered the probable amount of compensation to the Nawab of Cambay for closing his salt-works at Rs. 70,000 per annum. But this question demands further consideration.

Compensation to His Highness the Nawab of Cambay.

7. On the original imposition of salt excise in this Presidency in 1837, His Highness the Nawab refused to alter the price of salt made in his territories. Government then placed a frontier line to prevent the import of his salt into Guzerat, and finally he agreed that his salt should be excised, and that he should receive half the excise and also a small huk. The cost of establishments is borne partly by the Nawab, and partly by the British Government, the expense to the former being Rs. 4,898, to the latter Rs. 2,469 per annum. The Nawab also receives 500 maunds of salt duty-free for the use of his Durbar.

8. The present price of salt at the Cambay works is Rs. 1-15-1, including excise, thus divided—

	Rs.	a.	p.
British Government	0	14	$5\frac{7}{16}$
His Highness the Nawab	0	14	$5\frac{7}{16}$
Manufacturers	0	1	6
Hukdars	0	0	$7\frac{15}{16}$
Dhurmáda	0	0	$6\frac{14}{16}$
	1	15	1

9. The receipts of the Nawab from his share of excise for the five years preceding 1867, when the duty was Rs. 1-4-0, and for one year Rs. 1-8-0, averaged Rs. 54,259.

For the last five years they have averaged Rs. 62,373.

And taking the present rate of excise, Rs. 1-13-0, the Nawab's receipts upon the average sales for the last five years (85,777 maunds, deducting 500 maunds received duty-free by the Durbar would be Rs. 77,344, besides a small huk.

10. From these sums must of course be deducted, in calculating compensation, the Nawab's expenditure on establishments, Rs. 4,890 per annum.

11. It appears to me that the original arrangement with the Nawab, made without reference to a probable necessity for raising the excise, was a very disadvantageous one for Government, however fair it may have seemed at the time. It can hardly be considered reasonable that a petty foreign chief should share equally in the taxation which the necessities of the State compel Government to impose upon its own subjects in the Kaira Collectorate. For, between the free salt given to the Durbar and the quantity known to be smuggled, it is pretty certain that the Nawab's own subjects contribute very little to the salt revenue.

12. Still, the arrangement having been made, the Nawab has a right to abide by it and must be dealt with liberally.

13. I recommend, therefore, that an annual sum, such as Government may deem fair but not to exceed Rs. 70,000, be offered to the Nawab in full compensation of all claims, including Huks, Dhurmada, &c., in consideration of his engaging to close his salt-works altogether. To gratify the dignity of the Durbar, the arrangement might nominally be that Government exchanged its half-share in the customs of the port of Cambay for the estimated average value of the Nawab's half-share in the salt, paying annually the difference in amount.

14. Should the Nawab refuse this offer, one of two courses should be adopted.

15. The milder course, and one which could not be objected to, but which would have the disadvantage of not at once putting a stop to the notorious Cambay smuggling, would be to simply continue the present arrangement. Runn salt would drive the inferior and dearer Cambay salt so completely out of the most extensive of its markets—Baroda and the country beyond the railway—that the Nawab's receipts would soon fall so much as to make him glad to accept a compromise.

16. The other course is for Government to withdraw entirely from the present arrangement with the Nawab, and to draw a cordon of frontier posts round his territory, so as to prevent the export of his salt. This would reduce his receipts almost to nothing.

17. I must now notice the question of the right of certain chiefs to receive salt free of duty or at a nominal rate.

Supply of free salt to certain chiefs.

18. The Nawab of Radhanpoor, the Thakoor of Jinjoowara, and the Dessai of Patree are entitled to receive a small quantity of salt (350 maunds to the first, and 340 each to the latter) free of any payment. They will merely for the future receive this quantity from the Patree or Veerumgaum depôt, as most convenient to them, instead of from Anwurpoor.

Radhanpoor, &c.

Chiefs on Marwar frontier.

19. In consideration of their permitting Government to place a preventive line through their territories, the Dewan of Palanpoor and other chiefs of the Marwar frontier are entitled to receive* 51,489 maunds of salt, at 2½ annas per maund, from Anwurpoor, on certain conditions, intended to ensure the salt being consumed in the their own territories. They do not take the whole amount, which is more then their subjects require. I recommend that, as the Anwurpoor works will now be closed, these chiefs be permitted to obtain the salt either from Veerumgaum or from Ahmedabad, as most convenient to them, at two annas (the cost of production), and the cost of railway carriage. Ahmedabad is rather further from the places where most of this salt is consumed than Anwurpoor, but I think the carriage by return carts which have brought grain to the Ahmedabad market will be cheaper than carriage from Anwurpoor.

* Government Resolution, No. 2963 of 1866.

Eedur.

20. The Raja of Eedur is permitted to receive 35,088 maunds of salt from Anwurpoor at one anna per maund, or half the cost of production.

The circumstances under which this was conceded are as follows:—In 1859 it was found that a great deal of untaxed Marwar salt entered Guzerat through the Posseena pass in the Eedur territory, and it was proposed† to extend the frontier line through Eedur to Dohud, in the Punch Mahals, so as to shut out this salt. The Raja refused to allow this line to be placed unless, besides other concessions, he received as much salt as all the States subject or tributary to him could consume at one anna per maund at Anwurpoor. Government long contested this point, but the Raja was firm, and at last it and other claims were conceded, and the line was completed in 1869, Government having sustained a loss of revenue estimated at from a lakh to a lakh and a half of rupees per annum for ten years.

† Government Resolutions No. 83 of 1865 and 4737 of 1868.

21. The Eedur Durbar affirmed that, although the price of Marwar salt at Punch Buddra is three or four annas per maund, that salt is subject to heavy transit dues on its way to Eedur, and Punch Buddra is distant 160 miles from Eedur, Anwurpoor only 90; yet on account of there being a large export of grain and mowra from Eedur to Punch Buddra, the Punch Buddra salt is carried so cheaply by return bullocks that Anwurpoor salt, which must be brought by carts sent empty for the purpose, would be dearer at Eedur than Punch Buddra salt if even it cost nothing at Anwurpoor.

22. The argument was I think a preposterous one. But whether this is so or not, it will entirely lose its force under the proposed arrangements. Ahmedabad is only about 50 miles from Eedur, against Punch Buddra 160, and numbers of carts now bring grain and other produce from Eedur to Ahmedabad and return empty.

23. I hope to be able to suggest a modification of the frontier line which will avoid the Eedur territories altogether, and thus obviate the necessity of giving Eedur untaxed salt. But as long as the present arrangement remains in force I beg to recommend that the Eedur salt be delivered at the Ahmedabad depôt free of duty, but at the price of two annas per maund, *plus* the railway carriage from the Runn to Ahmedabad.

24. Until the arrangements above proposed are made the Anwurpoor works must not be closed.

SECTION V.

Objections.

1. I will now notice briefly the principal objections to the system I propose.

2. In the Resolution marginally noted, Government pointed out the danger of depending upon a single source for the supply of salt; and if any proposals involved the most remote danger of a salt famine this would be enough to condemn them. But it is not so. Supposing, which is in the highest degree improbable, that the Runn works suddenly ceased to be able to supply salt (either from the manufacturers refusing to work, or from a general failure of the bridges along the line of railway), nothing would be easier then to fill the Guzerat depôts with salt from Bombay or Sind brought by sea *viâ* the ports of Bulsar, Surat, Broach or Cambay, and the only inconvenience would be a slight and temporary increase to the price of salt.

No. 1961 of 22nd May 1868.

3. Other objections have been very forcibly stated by Mr. E. Pratt, Assistant Commissioner of Customs. His criticisms, it is fair to say, were chiefly directed against Mr. Dalzell's original scheme.

To Commissioner of Customs, No. 161 of 13th June 1868.

4. Mr. Pratt argues that Mr. Dalzell* compared the wholesale price at the depôt with the present retail price in the bazaar, whereas he should have added to the wholesale depôt price the profit of the retailer. This criticism is just, but it will be perceived that by my proposals, especially that which contemplates the establishment of an authorized retail dealer in connexion with the depôt in large towns, the retail price in the greater part of Guzerat will be reduced.

5. He further urges that the price of salt to the Brinjarees, who carry it inland, will be everywhere raised, while the saving of cost to them by shortening their journey will be altogether inappreciable.

6. Take first the case of the Brinjarees who now carry the large export of salt from the Runn to Malwa. If these people purchase their salt at the Ahmedabad depôt, they will pay for it 1 anna 10 pies more than at the Runn. For this sum they will be saved a journey of 120 miles to the Runn and back; they will get their salt where they sell the grain they import, instead of having to sell the

grain in Ahmedabad and go on sixty miles with unladen bullocks; and they will get the salt without any delay, instead of having to wait about at the [illegible] till the salt ripens, as now often happens. If they buy at Anund, the [illegible] is even stronger. The difference to many of these people will be that they will be able to make two trips in the season instead of one.

7. The case of the Brinjarees from the Taptee valley who frequent the Surat works is more in favor of Mr. Pratt's view. They will have to pay six annas a maund more for their salt, and will be saved only a journey of 15 miles after selling their grain in the Surat market. But they will get an article which is 10 per cent. superior in purity to the sea-salt, and travels with at least 10 per cent. less waste.

8. Mr. Pratt sums up his objections on this head by saying (the figures are those of Mr. Dalzell's Report) that he fails to perceive how ten lakhs of maunds of salt, for which purchasers have hitherto paid fifteen lakhs of rupees at the pans, can be sold at the depôts at a lower rate and still realize fifteen lakhs of rupees and four lakhs of rupees for railway carriage.

9. The argument is ingeniously put, but it involves a fallacy. The purchasers now pay fifteen lakhs *plus* an unknown sum for conveying the salt to the places where it is consumed by rude, wasteful, and expensive methods of transport, for which a cheaper method will now be substituted. According to Mr. Pratt, money spent in railway carriage is always a dead loss.

10. Mr. Pratt next contends that the scheme involves two or three additional weighments of the salt, and that the extra expense thus caused has been overlooked. According to the system now proposed, there is only one weighment, that on delivery to the purchaser at the depôt. The manufacturer is paid by measurement, and the salt measures itself in the truck which removes it, with no expense whatever. It is delivered to the depôt officer after weighment in gross on a weighbridge, which involves no expense except the original cost to the Company of erecting the bridge.

11. And finally Mr. Pratt argues that, granting the estimate of 10 per cent. on the sales to be correct for the quantity now smuggled from existing works, an equal quantity will be smuggled from the new works, and perhaps a smaller proportion from each depôt.

12. With the arrangement I propose and ordinary care, smuggling from the new Rann works will be I think impossible, and as each depôt officer will be responsible for the amount of salt sent him the only check required upon him is an efficient inspection of his accounts and stock in hand.

13. I feel convinced that the system now submitted will be found simple and efficient, provided that the officers of the Salt Department first make themselves thoroughly acquainted with its principle and details, and next exercise ordinary intelligence in working it.

W. G. PEDDER,
On special duty.

20

A.

ESTIMATE for One mile of TRAMWAY with WOODEN SLEEPERS

24	tons of Rails, 30 lbs. to the yard, at Rs. 150 per ton.	Rs.	3,600	0 0
4,400	Spikes, 700 lbs., at two annas a lb.	„	87	8 0
1,760	Sleepers, at four annas each	„	440	0 0
1,760	yards of Construction	„	392	8 0
	Ballast	„	[illegible]	0 0
1,760	yards Royalty, at annas 2 per yard	„	220	0 0
	Sundries, Trainage, &c	„	60	0 0
	Total cost per mile	Rs.	5,000	0 0

Maintenance of One mile of Tramway per Annum.

Platelayers ..... } Rs. 55.
Renewing Sleepers, Ballast, &c. .....
Repairs to Waggons .....
Oil, Grease, &c. .....

(Signed) W. J. ADDIS, C. E.

(True copy).
W. G. PEDDER,
On special duty.

B.

ESTIMATE for One mile of TRAMWAY with TRIANGULAR IRON SLEEPER as per Drawing No. 2.

	Weight in Tons.	Cost per Ton.	Amount in
		Rs.	Rs.
1. Plates, 18" × 3" × ¼"	36·7935	80	2,943
2. Rails, at 20 lbs. per yard	15·7143	80	1,256
Add freight, at Rs. 20 per Ton	.....	.....	1,050
Total cost delivered in Bombay			5,249
Laying down, per mile		Rs. 100	
Royalty, at 3 annas per yard		„ 330	 491
Sundries, Trainage, &c.		„ 61	
Total cost per mile			5,740

The cost of maintenance of Tramway if constructed after Plan No. II. will be one-third that of maintenance of wooden Sleepers.

(Signed). W. J. ADDIS, C. E.

(True copy).
W. G. PEDDER,
On special duty.

7 2 2

C.

ESTIMATE for SALT DEPOT.

MEASUREMENTS.

Excavating Foundation.

	No.	L.	B.	D.	C. feet.
A { Long walls of the Pits	4	377·75	2	6	18,132
A { Cross walls	22	37	2	6	9,768
A { Posts	104	1·5	4·5	2	468
Pits	20	37·42	37·42	3	84,015·38
Total C. feet Excavating foundation					112,383·38

Filling in Foundation with rubble, stone, and lime.

	C. feet.
Same as Excavation marked A	28,268
Total C. feet Filling in foundation	28,268

Superstructure.

	No.	L.	B.	D.	C. feet.
Long walls of Pits	4	377·75	1·5	6	13,581·00
Cross do. do.	22	37·42	1·5	6	7,409·16
					20,990·16

Deduct.

Doors to Pits	20	3·5	3	1·5	315·00
Total C. feet Superstructure					20,675·16

Teakwood work.

	No.	L.	B.	D.	C. feet.
Posts to compound wall of Pits	104	7	·33	·33	79·27
Bottom rails to compound walls	1	1132	·33	·33	123·27
Middle do. do.	4	1132	1½"	3"	141·50
Top, bottom, and middle rails of gate	12	5·75	3"	2"	2·87
Uprights	8	5·75	3"	3"	2·87
Braces	2	3·25	3"	3"	1·75
Total C. feet Teakwood work					351·53

Planking.

	No.	L.	B.	S. feet.
Of doors	4	4·75	4·5	85·5
Doors to Pits	20	3·50	3	210·0
Total S. feet Planking				295·5

Corrugated Iron-work.

	No.	L.	B.	S. feet.
Compound long wall	8	1·13	6	6792
Total S. feet Corrugated Iron-work				6792

Painting.

	No.	L.	B.	S. feet.
Long walls of Pits	2	390·75	3	2344·50
Cross walls	4	38·42	3	461·40
				2805·54

Deduct.

Doors of Pits	20	3·50	3	210·00
Total of S. feet Painting				2595·54

Plastering.

	No.	L.	B.	S. feet.
Cross walls of Pits	80	37·42	6	1796·16
Total S. feet Plastering				1796·16

Whitewashing.

	S. feet.
Same as Plastering	1796·16
Total S. feet Whitewashing	1796·16

Cowdunging.

	No.	L.	B.	D.	C. feet.
Cowdunging	1	18	18"	1·5	466
Total C. feet Cowdunging					466

ABSTRACT.

Quantities.	Items.	Amounts. Rs.	a.	p.
112383	Cubic feet Excavating Foundation, at Rs. 1 per 100 cubic feet	1,123	13	0
42,308	Do. Filling in Foundation with Rubble, Stone, and Lime, at Rs. 15 per 100 cubic feet	4,255	3	0
20,675	Do. Superstructure of Rubble, Stone, and Lime at Rs. 25 per 100 cubic feet	5,168	12	
351·5	Do. Teakwood work, at Rs. 5 per cubic foot	1,757	8	
293·5	Square feet Planking, As. 4 per square foot	73	14	
6,792	Do. Corrugated Iron work, at Rs. 30 per 100 square feet	2,037	9	0
486	Cubic feet Cowdunging, at As. 3 per 100 cubic feet	0	14	0
2,586	Square feet Pointing, at Rs. 4 per 100 square feet	103	[illegible]	
1,796	Do. Plastering, at Rs. 8 per 100 square feet	143	11	0
1,796	Do. Whitewashing, at As. 8 per 100 square feet	9	0	0
	Karkoons' rooms, as per separate estimate	1,825	0	0
	Total	16,499	0	0
	Estimated cost of Roofing, say	10,000	0	0
	Grand Total ... Rupees	26,499	0	0

W. J. ADDIS, C. E.

W. G. PEDDER,

On special duty.

D.

ESTIMATE for KARKOONS' ROOM.

MEASUREMENTS.

	No.	L.	B.	D.	C. feet.
Excavating Foundation.					
Long walls of the Karkoons' Room	2	17	2·5	3	255
Cross walls do. do.	2	22	2·5	3	330
Steps to Staircase	1	4	3	1	10
Steps to Karkoons' Room	1	3·5	1	1	3·5
Total C. feet Excavation foundation					598·5

Filling in Foundation with rubble, stone, and lime.	C. feet.
Same as Excavation	598·5
Total C. feet Filling in foundation	598·5

	No.	L.	B.	D.	C. feet.
Superstructure.					
Plinth, Karkoons' Room, long walls	2	17·5	2	1·5	105
Do. do. cross walls	2	21·5	2	1·5	129
Superstructure of Karkoons' Room, long walls	2	18	10	1·5	540
Do. do. cross walls	2	21	10	1·5	630
					1404

Deduct.					
Doors to Karkoons' Room	1	7	3·5	1·5	36·75
Windows do.	7	3	5	1·5	157·50
Arches over door	1	4	9"	1·5	4·50
Do. over windows	7	3·5	9"	1·5	27·56
					226·31
Total C. feet Superstructure					1177·69

Brick Archwork.	No.	L.	B.	D.	C. feet.
Over door	1	4	9"	1·5	4·5
Over windows	7	3·5	9"	1·5	27·56
Total C. feet Brick Archwork					32·06

Teakwood work.

	No.	L.	B.	D.	C. feet.
Posts to Karkoons' Rooms	13	9·25	3"	3"/8	9·25
Post plates and wall plate	4	21	4"	4"	9·33
Top and bottom rails	6	21	3"	2½"	6·14
Do. do.	2	16	3"	2½"	1·67
Uprights	34	3	3"	2½"	5·31
Braces	46	4	2½"	3"	6·39
Angle ties	1	24	4"	4"	3·33
Total C. feet Teakwood work					42·01

Flooring

	No.	L.	B.	D.	C. feet.
Joists	19	19	11"	2½"	60·94
Tarm—					
Tie beam	1	21	3"	-	1·31
Principals	2	11	6"	2½"	2·29
King post	1	6·5	6"	2½"	0·67
Struts	2	5·5	3"	2½"	0·57
Hip rafters	4	13	6"	2½"	2·50
Purlins	1	40	6½"	4·25"	7·67
Eavsboard	1	96	6"	1¼"	5·60
Total C. feet Flooring					89·95

Doors and Windows.

	No.	L.	B.	D.	C. feet.
Frame uprights	2	7	4"	5"	1·94
Do. top rails	2	9·5	4"	5"	0·92
Framework to shutters upright	4	6·53	4"	1¼"	1·05
Top, bottom, and middle rails	6	1·08	4"	1¼"	0·27
Middle rails	2	1·06	7"	1¼"	0·14
Planks	1	4·83	2·33	1"	0·93
Window frame uprights	14	5	3"	4"	5·07
Top and bottom rails	14	3	3"	4"	3·50
Frame to shutters upright	28	4·83	4"	1¼"	4·21
Top and bottom rails	28	1	4"	1¼"	0·97
Middle rails	14	1	6"	1¼"	0·73
Planking	7	9·25	1"	1"	1·89
Rafters	4	15·76	3"	3"	23·46
Railing	4	15	3"	2"	2·50
Top rails and bottom and uprights	10	2·5	3"	2"	0·63
Braces	10	5	3"	2"	1·29
Do.	10	2	3"	2"	0·55
Side pieces to staircase	2	15	1"	2½"	6·25
Treads	13	3	1"	1¼"	4·87
Risers	13	3	9"	1¼"	3·94
Total C. feet Doors and Windows					68·81

Flooring.

	No.	L.	B.	D.	C. feet.
Deal wood planking	1	21	21	1½"	55·12
Total C. feet Flooring					7·12

Stone Steps

	No.	L.	B.	D.	C. feet.
Step	1	3	1	9"	2·25
Do.	1		2	6"	4·00
Total C. feet Stone Steps					6·25

Corrugated Iron work.

	No.	L.	B.	S. feet.
Roofing over K[illegible] room	2	14·9"	24"	708
Total S. feet Corrugated Iron work				708

	No.	L.	B.	D.	C. feet.
To Karkoons' room	1	18	18	1·5	486
Total C. feet Moorum Flooring					486

Painting

	No.	L.	B.	S. feet.
Long walls Karkoons' room	4	21	11·5	966
				966

Indent

	No.	L.	B.	S. feet.
Doors to Karkoons' room	1	7	3·5	24·50
Windows	7	5	3·0	105·00
				129·50
Total S. feet Pointing				836·50

Plastering.	No.	L.	B.	S. feet.
Walls Kachoora' room	4	18	10	720
Total S. feet Plastering				720

Whitewashing.	S. feet.
Same as Plastering	720
Total S feet Whitewashing	720

ABSTRACT.

Quantities.	Items.	Amount. Rs.	a.	p.
3385	Cubic feet Excavating Foundation, at Re. 1 per 100 cubic feet	6	0	0
3385	Do. Filling in Foundation with Rubble, Stone, and Lime, at Re. 15 per 100 cubic feet	89	12	0
1178	Do. Superstructure of Rubble, Stone, and Lime, at Re. 25 per 100 cubic feet	294	8	0
52	Do. Brick Archwork, at Re. 40 per 100 cubic feet	12	15	0
200	Do. Teakwood, at Re. 5 per cubic feet	1,000	0	0
705	Square feet Corrugated Iron work, at Re. 30 per 100 square feet	212	6	0
836·5	Do. Pointing, at Re. 4 per 100 square feet	33	7	0
720	Do. Plastering, at Re. 8 per 100 square feet	57	9	0
720	Do. Whitewashing, at As. 8 per 100 square feet	3	10	0
6·25	Cubic feet Stone Steps at As. 6 per feet	2	5	0
55·12	Do. Flooring of Dealwood Planking, at Re. 2 per cubic feet	110	4	0
486	Do. Moorum Flooring, at Re. 1 per 100 cubic feet	1	14	0
	Total Rupees	1,825	0	0

(Signed) W. J. ADDIS, C. E.

W. G. PEDDER,

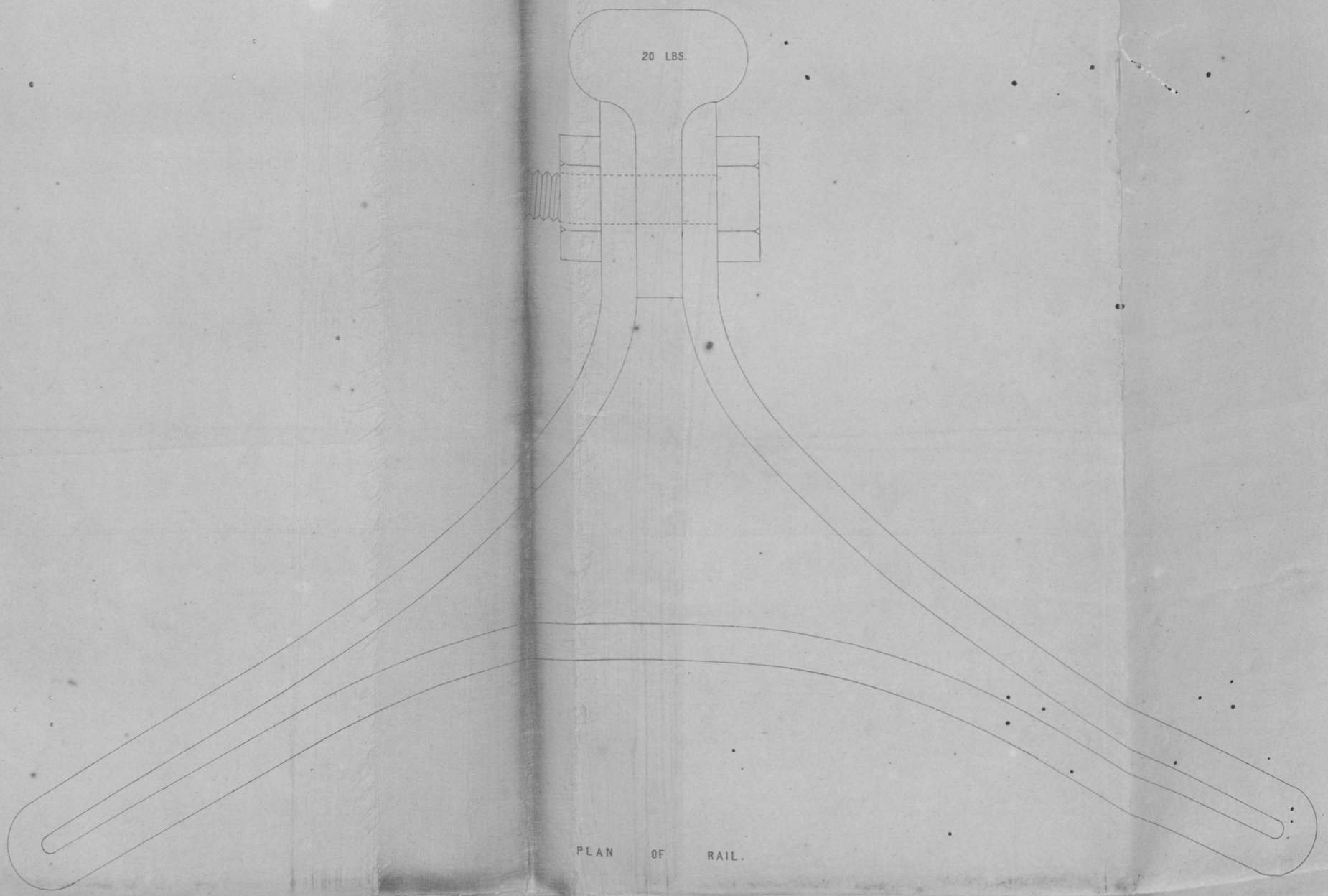
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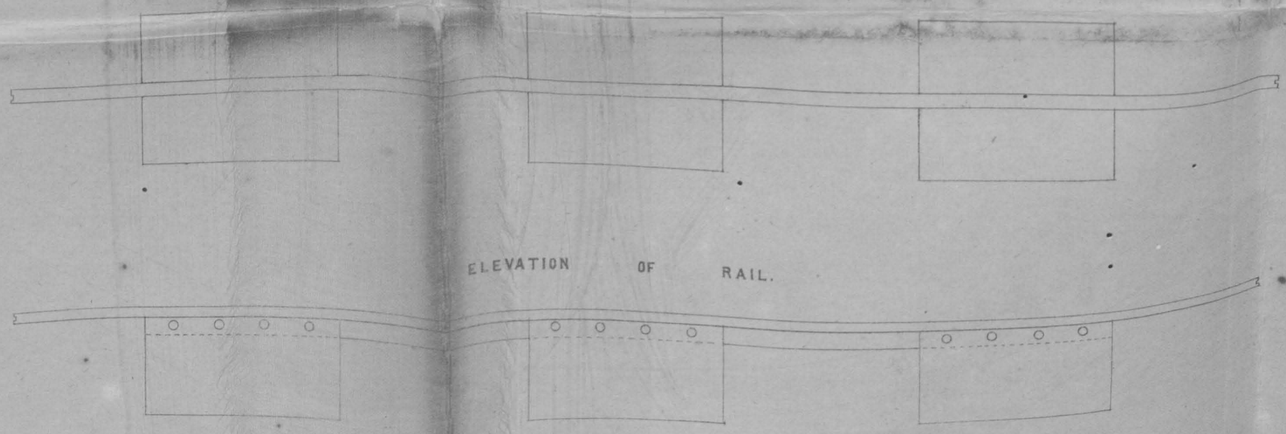
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No. 2.

FULL SIZE SECTION OF
ADDIS'S PATENT SINGLE HEADED RAIL
DESIGNED FOR A SINGLE RAIL TRAMWAY.



PLAN OF RAIL.



ELEVATION OF RAIL.

SCALE 1 FOOT TO AN INCH.

March 25th 1870.

/Signed./ W. J. Addis, C.E.

Government Lithe. Press, Bombay. 1871.

REPORT

(No. 103 of 30th July 1870)

UPON

THE INTERNAL MANAGEMENT OF THE SALT DEPARTMENT

IN THE

SOUTHERN AND PRESIDENCY DIVISIONS OF THE BOMBAY PRESIDENCY,

WITH PROPOSALS FOR THE REVISION OF ESTABLISHMENTS,

BY

W. G. PEDDER, C. S.,

ON SPECIAL DUTY.

BOMBAY:

RE-PRINTED AT THE ECONOMIST PRESS, FORT.

1872.

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The APPENDICES to this Report submitted in MS. are:—

Map of Oorun Talooka (para. 187).
Map of part of Tanna Collectorate (para. 134).
List of Salt Talookas and Works (para. 32).
Calculation of contents of a Salt heap (para 164 *e*).

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No. 103 of 1870.

From W. G. PEDDER, Esq.,
On Special Duty,

To The CHIEF SECRETARY to GOVERNMENT,
Bombay.

Bombay, the 30th July 1870.

Sir,—In my letter marginally noted, I propose to divide the duty entrusted to me under four heads:—

To Acting Chief Secretary, No. 30, of April 15th, 1870, para. 1.

I.—Internal management of the Salt Department in the Northern Division.

II.—Internal management in the Southern and Presidency Divisions.

III.—Frontier arrangements.

IV.—Revision of Establishments.

The present letter is on the second of these heads, the first having been disposed of in my letter above quoted. It deals also with the fourth head, Revision of Establishments, as far as it is possible for me to enter on the subject pending the decision of Government upon my other suggestions.

2. But to enable Government to judge of my proposals, it is desirable that I should submit a succinct history of the Salt Revenue of this Presidency; an account of the manufacture of and trade in salt; a general view of the management of the Department; and certain statistical information relating to the consumption of salt, to the pressure of the salt tax, &c. This I was unable to do before submitting my proposals for the Northern Division, which I was anxious to despatch in time to allow of certain surveys being made before the rains. I will, therefore, prefix my general observations to this report.

Section I.

History of the Bombay Salt Revenue.

3. A regular excise upon salt in Bombay dates only from 1838. But before that year a certain amount of revenue was derived from salt, which averaged about 4 lakhs of Rupees, and was levied in different ways (exclusive of the rent or assessment of land occupied by salt works), of which the principal were transit and customs duties; sale of the Government share of salt produced in works the property of Government; and a duty on the produce of works not the property of Government.

4. The question of raising an increased revenue from salt attracted the attention of the Bombay Government as early as in 1816, and in 1823 that Government submitted to the Court of Directors a proposal to establish a monopoly

Proposal to tax Salt, A.D. 1823.

in the article similar to that of the Madras Government, at a maximum selling price of 45 lbs. the rupee, or about Rs. 1-13-6 per Indian maund, which it was estimated would amount to a tax of something under 4 annas per annum on each head of population. The Court, however, negatived this proposition, on the grounds that the Bombay Presidency was still in a depressed and unsettled state; and that a monopoly might possibly cause a deficiency in the supply of salt, and consequent enhancement of its price beyond the amount of duty realized by Government.

5. Shortly afterwards, however, the evils of the numerous and oppressive transit and town duties, taxes on trades and professions, and other similar imposts which were at that time in force in the Presidency, and in the aggregate formed a considerable proportion of its revenues, became apparent; and in 1826 it was proposed by Mr. Bruce, a member of the Bombay Customs Committee, to abolish transit duties generally, and to replace them by an excise on the manufacture of salt equivalent to annas 6-4 per Indian maund. This proposal was generally approved both by the Bombay Government and by the Court of Directors, and much inquiry and correspondence ensued, but nothing was decided upon till 1836, when the whole question was referred for the consideration of the Customs Committee for India, then sitting in Calcutta.

Referred to Customs Committee, 1836.

6. The Committee came to the conclusion that transit duties in the Bombay Presidency were so injurious to trade and commerce that they ought to be at once abolished; that the state of the finances did not admit of their being abolished without some equivalent; and that an uniform excise and import duty of 8 annas per Indian maund on salt was the least objectionable method of replacing them, and would produce a sufficient revenue to make their total abolition financially practicable.

7. In accordance with these views, Acts XXVII. of 1837 and I. of 1838 were passed.

Excise of 8 Annas imposed, 1837.

8. The principal provisions of the former Act were these—

(a.) An excise of 8 annas was imposed upon every Indian maund of salt delivered from any salt work in the territories subject to the Bombay Government.

(b.) The manufacture of salt was prohibited till notice had been given to the Collector of the district.

(c.) On receiving such notice, the Collector was to depute officers to be stationed at the places of manufacture.

(d.) Such officers to have free access to the works; to keep an account of the quantity of salt manufactured and stored; and to prevent its removal till the duty had been paid.

(e.) Chowkies to be established near the works as a further check upon thee irregular removal of salt.

(f.) Salt works of the construction of which notice had not been given to be destroyed, and salt clandestinely removed or stored to be confiscated.

(g.) Persons transgressing the provisions of the Act to be punishable by fine or imprisonment.

9. It will be seen that this Act was defective in several particulars. The Collector, on receiving notice of the intention of any person to manufacture salt, could not forbid him to do so (at least if the land was not the property of Government), however unfavourable for supervision the locality; nor could he close any works not easily guarded, or the revenue derived from which did not repay the cost of supervision; nor could he lay down rules for the manner in which salt should be stored; nor were vessels, animals, or vehicles conveying smuggled salt liable to confiscation.

10. Act I. of 1838 established a revised system of sea and land customs in the Bombay Presidency; imposed an import duty of 8 annas per Indian maund on salt imported from foreign territory; and finally abolished the transit duties which had been suspended in 1837.

And transit duties abolished, 1837.

11. The financial effect of these measures was as follows:—

Financial results.

Net annual amount of revenue relinquished by the abolition of transit duties and compensation for their abolition to Jageerdars, Hereditary Officers, &c.....Rs.	16,60,000
Net annual revenue, on an average of 6 years, from the 8 annas duty on salt deducting charges of collection... „	14,09,000
Loss.....Rs.	2,51,000

and, in addition to this, a variety of petty taxes, amounting in the aggregate to about 6¾ lakhs of rupees per annum, had been abolished by the Bombay Government in anticipation of Act I. of 1838.

12. Transit duties having been thus finally got rid of, the Bombay Government turned its attention to the equally objectionable, in their then form, town duties, taxes on trades, and similar imposts, and it was determined to abolish them, and to replace the revenue thus sacrificed by an enhancement of the salt excise.

13. Bombay Acts XVI. of 1844, raising the excise and import duty on salt to Rupee 1 per Indian maund, and XIX. of 1844, altogether abolishing all town duties, taxes on trades, and similar imposts throughout the Presidency, were therefore passed. But before Act XVI. came into operation a despatch was received from the Court of Directors

Excise raised to 12 annas, and town duties abolished, 1844.

prohibiting the levy of a higher duty on salt in Bombay than 12 annas, at which amount the duty to be levied under Act XVI. was consequently fixed by Notification of 14th September 1844.

14. An unfortunate *contre-temps* attended this legislation. Owing to certain information which the Bombay Government had to supply to Calcutta on the subject of town duties being delayed, and to the necessity for enhancing the Bombay salt tax simultaneously with that of Madras, the intention of Government to increase the salt tax became known in Bombay before the proposed abolition of town duties; much discontent was caused; a serious riot occurred in Surat; and an impression got abroad that the abolition of town duties, and the subsequent reduction of salt tax to 12 annas, was due to the disturbance. Such was not the case. The increase of the salt tax above 8 annas was part of the original scheme for abolishing town duties, and the orders of the Court of Directors, that the tax was not to exceed 12 annas, had been received by the Government of India before the Surat riot occurred.

Financial results.

15. The financial results of these measures were as follows:—

Net annual revenue relinquished by the abolition of town duties and compensation to Huckdars, &c.	Rs. 10,88,000
Net annual increase of salt revenue (on an average of 8 years) due to the change of duty from annas 8 to annas 12	„ 7,31,000
Loss.....	Rs. 3,57,000

16. The financial legislation connected with the imposition of the Bombay salt tax was beyond question exceedingly beneficial to the inhabitants of this Presidency. Taxation annually amounting to about Rs. 34,85,000 was abolished, and replaced by taxation annually amounting to only about Rs. 23,18,000; of the latter sum a considerable proportion was paid by salt consumers not living in the Bombay Presidnncy, so that the net annual relief to the tax-payers of the Presidency must have been close on 15 lakhs of Rupees per annum. But more than this, a simple, indirect, and far from oppressive tax was substituted for a system of taxation, descended from the times of Mahratta rule, which formed an intolerable burden upon trade and industry, and, in the words of Mr. Plowden, was "so full of inequalities, anomalies, and complications, that it would be almost vain to inquire from what objections and abuses it was even free."

17. While the Acts of 1844 were under discussion, the Bombay Government pointed out that with an increased rate of excise a more stringent law for the protection of the salt revenue was required. The Government of India were, however, reluctant to mix up measures for the suppression of salt smuggling with those for the reform of the financial system, and directed the Bombay

More stringent law against smuggling, 1850.

Government to submit a distinct project of law. After considerable discussion, Act XXXI. of 1850 was passed, the principal provisions of which were the following:—

(a.) A duty equivalent to the excise was imposed on salt imported from, or (unless covered by a pass) exported to, foreign territory.

(b.) Vehicles, animals, or vessels used to convey contraband salt were made liable to confiscation.

(c.) The permission of Government was made necessary before opening new salt works or old ones closed for three seasons.

(d.) Government were empowered to suppress any work which, on an average of any three years, had produced less than 5,000 Indian maunds per annum.

(e.) Preventive posts might be established wherever they might be required, and not only in the vicinity of salt works.

18. Measures had been taken under Act I. of 1838, Section 9, for the establishment of frontier preventive lines. On this subject I hope to submit a separate report, but I may here mention that the first portion of our most important frontier, that which divides Guzerat from Kattywar and Marwar, was laid in 1846. This length extended only from near Gogo northwards to Patree, and thence along the eastern shore of the Runn to the locality where the southern frontier of the Marwar States touches the Runn, and was meant to keep out of Guzerat Kattywar salt and that naturally produced in the Runn. It was afterwards found that Marwar salt entered Guzerat in large quantities, and in 1856, by arrangement with Pahlunpore and other Native States, a preventive line was laid from the northern extremity of the original length near Mowasari on the Runn eastwards to Danta, north of Edur. Successive enhancements of the Bombay excise were found to render it profitable to smugglers of Marwar salt to round the eastern extremity of this line, and finally, in 1869, it was extended through the Edur territories to Dohud in the Punch Mahals. The other Bombay preventive lines, those which isolate the Portuguese possessions of Damaun and Goa, and the territories of the Hubshee, were laid about 1840.

Preventive Frontier Lines, 1846.

19. In 1854 Mr. Plowden, the Commissioner for reporting upon the system of levying the salt revenue throughout India, visited Bombay, and his comprehensive and valuable report (of which I have made free use in this letter) was published in 1856. While entirely approving of the Bombay system of an excise on the manufacture of salt as opposed to the Bengal and Madras systems of a State monopoly in the article, Mr. Plowden was of opinion that even at the then low duty of 12 annas per Indian maund there was much smuggling, and that the system of management required reform. To this end he made a number of suggestions, some of which, as I shall have occasion to show,

Mr. Plowden's enquiry, 1854.

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have not been carried into effect ; some were probably impracticable ; and one or two which have been adopted appear to have proved rather injurious than otherwise.

Organization of the Department.

20. On the original introduction of the salt excise in 1837 the works in the island of Bombay were placed under the management of the Collector of Bombay, and all other works under that of the Collector of Continental Customs and Excise. The latter officer was aided by 1 Deputy and 5 Assistants, vested with powers in the Departments both of Salt and of Customs, and whose salaries were debited, $\frac{2}{3}$rds to Customs and $\frac{1}{3}$rd to Salt. The Collector's head-quarters were at Tanna, his Deputy's at Surat, and an Assistant lived at Ahmedabad, Gogo, Bassein, Carrenjah, and Vingorla. The salt excise was thus an entirely distinct Department, though managed by officers who also controlled customs or land revenue, and all the Departments were subordinate to the Revenue Commissioner. In 1852 the management of the Bombay salt works was taken out of the hands of the Collector of Bombay, and placed under the management of the Collector of Customs at the Presidency, who was assisted in this duty by one of his Customs assistants.

Changed in 1854.

21. Act VI. of 1848 abolished interportal duties and reduced the customs revenues at ports on the continent so much that separate establishments for the collection of salt excise and customs duties appeared no longer necessary, while the Salt Department much needed strengthening. Act I. of 1852 had provided for the appointment of one or more Commissioners of Customs, and it was determined, in 1854, to abolish the Offices of Collector of Continental Customs and Excise and of Collector of Sea Customs at the Presidency, to relieve the Revenue Commissioner of the control of the Customs and Excise Departments, and to introduce the system which, with slight modifications, still remains in force. One Commissioner for Customs and Excise was appointed, assisted by 3 Deputy Commissioners and 10 Assistant Commissioners. Of these the Senior Deputy and 6 Assistants were employed upon the customs of the port of Bombay, and had no duties connected with the salt excise. One Deputy, whose head-quarters were at Oorun, aided by two Assistants, who lived at Bassein and Vingorla respectively, managed the salt excise, the frontier establishments, and also customs at continental ports, everywhere south of Damaun. The other Deputy, living at Surat, with 2 Assistants at Surat and Gogo, controlled the salt excise, the frontier establishments, and the customs, everywhere north of Damaun (except of course in Sind), and, whenever practicable, the same establishment conducted the duties of both excise and customs. The saving in cost of European supervision effected by the change was Rs. 18,396 per annum.

Claim of His Highness the Gaekwar to open ports and salt works, 1855.

22. Between the years 1855 and 1859 a very important discussion took place. His Highness the Gaekwar claimed the right of establishing salt works and of opening ports on the coast within his own territories. This pretension was opposed by the Salt Department. It was pointed out that this right had never been exercised, or even

claimed, before 1854; that customs, which should be understood to include salt revenue, were reserved to the Peishwa's Government in the partition of the revenues of Guzerat between the Peishwa and the Gaekwar; that all existing salt works, even those situated within the Gaekwar's dominions, were in like manner included in the Peishwa's possessions in Guzerat; that the Peishwa, as paramount power, had always asserted a right throughout Guzerat to the shore of the sea, or of creeks between high and low-water marks, and thus to all the land upon which seaside works can be constructed; that the British Government had succeeded by treaty to all the rights of the Peishwa in Guzerat, and finally that to concede the Gaekwar's claim would totally destroy the salt revenue of the Northern Division, inasmuch as not only would the Gaekwar's own subjects escape the tax, but from the manner in which the Gaekwar's possessions in Guzerat were interlaced with those of the British Government it would be impossible at any reasonable expenditure, and without insufferable annoyance to legitimate trade, to prevent the consumption of untaxed salt in British territory.

23. Colonel Malcolm, the then Resident at Baroda, argued warmly in defence of the Gaekwar's claim both to establish salt works and to open ports in his dominions through which untaxed salt might be introduced into Guzerat, and in all probability, untaxed opium be exported to China. The Resident's main argument was that, as no treaty between the British Government and the Gaekwar barred in express terms the rights claimed by His Highness, to prevent him from exercising them would be a direct interference with the perfect independence as a sovereign power guaranteed to him by treaty.

Negatived in 1859.

24. A long discussion took place; the question was referred to the Government of India and to the Court of Directors, and finally (letter to Government of Bombay No. 3,193, of May 31st, 1869,) the Supreme Government declined to admit either of the claims advanced by the Gaekwar.

25. I may be allowed to remark that one very strong argument against the claim of His Highness the Gaekwar that his subjects should be exempt from salt tax was not apparent in 1856. Since that year the B. B. & C. I. Railway has been constructed. This line has benefited the possessions of the Gaekwar in Guzerat at least as much as British territory, and has largely increased the revenue of His Highness. But it has not paid, and does not seem likely to pay, the guaranteed interest upon the capital raised to make it, and therefore were it not for the salt tax the fact would be that a railway for the benefit of the Gaekwar and of his subjects would have been provided entirely out of the taxation of British India.

26. In 1859 the financial condition of India urgently requiring increased taxation, the Bombay Government proposed to cancel the Notification of 14th September 1844, and to levy the full duty of Rupee 1 per Indian maund imposed by Act XVI. of 1844. At the same time the Government of India proposed to raise the duty both in Bombay and in Madras to Rs. 1-8-0 per Indian maund.

The question was referred for report to the two Revenue Commissioners and to the Commissioner of Customs. The two former officers were of opinion that the tax might safely and advantageously be raised to Rs. 1-8-0, but the latter, Mr. Spooner, an officer of great ability and experience in the Salt Department, was strongly opposed to this course. He argued that as the cost of production of salt in Bombay averaged only 1¼ anna per maund, a twelve anna duty was 1,000 per cent. on cost of production, and a Rs. 1-8-0 duty 2,000 per cent., the proposed doubling of the duty would both increase smuggling and diminish consumption; that, therefore, the estimated increase of revenue would not be obtained; that the only way in which smuggling could be at all effectively checked with a high duty was by introducing the Madras monopoly system in Bombay; that this would be highly undesirable, both on account of the theoretical objections to the trade in a necessary of life being in the hands of Government and on account of the great interference with, and destruction of, existing private rights, and consequent discontent which it would cause; and that, finally, a heavy duty would ruin the fishermen who live by salting fish on the Bombay coasts. The Bombay Government adopted these views, and also pointed out that, though the Bombay duty was absolutely lighter than that of Bengal, it was heavier relatively to the cost of production. The Government of India then directed that the Bombay duty should be raised to Rupee 1 per Indian maund, which was done from 17th August 1859; and at the same time sanctioned an increase to salt establishments to the amount of 84,000 Rupees per annum.

Excise raised to Rupee 1, 1859.

27. By Notification dated 13th April 1861, the Bombay salt tax was raised to Rupee 1-4-0 per Indian maund, and this measure was legalized by Act VII. of 1861, which empowered the Governor General in Council to raise the Bombay tax as high as 1-8-0 per Indian maund. During the discussion upon this measure the Government of Bengal strongly urged the justice of raising the salt tax in other provinces to the level of that in Bengal. The Lieutenant Governor observed that it had always been the practice to make Bengal pay much more than its share of Imperial revenue. Subsequent discussion has, I think, completely disproved this assertion. It is now generally admitted that Bengal contributes less, not more, than its fair share to Imperial revenue. But another remark appears to me both true and of great importance. The Lieutenant-Governor argued in effect that the salt tax is essentially a poll tax, or labourer's tax; that differences between Bombay or Madras and Bengal in respect of the comparative wealth of the landed or commercial classes do not affect the question; and that the only just reason for taxing the masses higher in Bengal than in Madras or Bombay would be that they are better off and their wages higher than in the latter provinces, which, he might have added, is notoriously not the case. The only reply to this argument, it appears to me, is that, in justice to the rest of the empire, Bengal must somehow contribute something like its share to the Imperial treasury, and that if former legislation in Bengal has alienated the property of the State, or has made it impossible to tax the rich, it becomes necessary to increase the burden upon the poor.

And to Rupee 1-4-0, 1861.

28. The District of North Canara having been transferred from Madras to this Presidency, the Customs Commissioner recommended, in January 1863, that the Madras monopoly system in that district should be discontinued, and the Bombay system of free manufacture with an excise substituted. Government approved of this proposal, and it was carried into effect in the course of the year 1863.

Excise system introduced in North Canara, 1863.

29. In August 1864 the Government of India proposed to raise the Bombay salt tax to the full amount, Rs. 1-8-0, legalized by Act VII. of 1861. The opinion of the Customs Commissioner, Revenue Commissioners, and Collectors in the Presidency, having been called for, the general opinion appeared to be that the measure was feasible, and the Bombay Government concurred in this view, stating, however, their opinion that a continuance of the Income Tax was a preferable measure. The tax was raised to Rupees 1-8-0 by Notification of 19th January 1865.

Excise raised to Rs. 1-8-0, 1865.

30. In June 1867 the Government of India again mooted the question of the equalization of the salt tax of Bombay with that of Bengal, and the principal Revenue officers of this Presidency were once more consulted on the subject. This time the balance of opinion was distinctly opposed to a further enhancement of the tax. It was pointed out that, though the Presidency in general was prosperous, and the wages of labour had risen greatly in the preceding decade, the price of the necessaries of life had risen in a still larger proportion; that a succession of deficient harvests had produced much distress among the poorer classes; that though the construction of railways had lowered the cost of carriage of salt along the main lines of communication, this reduction had been at least balanced by the increased cost of carriage by carts or pack animals where railway carriage was not available; that every increase in the excise caused a still larger increase in the retail price of salt, as equal returns upon a larger sum invested in the wholesale purchase must be obtained; that an addition to the cost of a necessary of life tended to raise wages, already so high as to trench on the legitimate returns to capital invested in individual enterprise; that very heavy taxation, especially for municipal and local purposes, had been of late years imposed in this Presidency independently of an increase of 100 per cent. to the salt tax within ten years; that there were good grounds for believing that the different enhancements of the salt tax had greatly diminished the amount of licit and even of actual consumption; and that, finally, another enchancement would absolutely debar the future imposition of other taxation for local purposes. These views were embodied in the Government letter of 28th January 1868 to the Government of India.

31. Financial necessity, however, compelled the Government of India to call for another increase to the salt tax in Bombay and Madras, to which the Governments of those Presidencies consented with reluctance, the Madras Government, however, stipulating that the measure should be looked on as a

step towards the reduction of the tax in the Bengal Presidency. The Bombay salt tax was accordingly raised to Rs. 1-13-0 per Indian maund from October 5th, 1869.

Excise raised to Rs. 1-13-0 in 1869.

Section II.

Manufacture of and trade in Salt.

32. The accompanying Statement (A) will show that there are in this Presidency (exclusive of Sind) 30 salt talcokas, or superior charges; 111 Sujas, or subordinate charges; and 733 "Agurs," or distinct salt works.

33. Bombay salt is manufactured entirely by solar evaporation, but there are two classes of works—

(*a.*) Sea-side works, producing more than $\frac{1}{2}$ths of the total quantity manufactured, in which sea-water is evaporated.

(*b.*) Inland works (almost entirely upon the lesser Runn of Kutch), producing less than $\frac{1}{2}$th of the total quantity in which the water to be evaporated is drawn from wells or brine pits.

Sea-side works.

34. The process of manufacture in sea-side works is as follows :—

35. Upon the vast alluvial flats, so common on the coasts of the Konkan and Guzerat, a spot is selected, which possesses the following requisites :—

It must be submerged at ordinary spring tides.

It must be so sheltered that its embankments will not be likely to be overflowed, or swept away, during very high tides, or stormy weather.

Its soil must be of tenacious clay free from sand and stones.

This spot is then reclaimed by an embankment, which of course varies much in cost according to the locality. In some places it is made of mud only, and is comparatively low and slight; in others it is high, strong and substantial, chiefly constructed of large stones.

36. The interior area (supposing the chief embankment to include one work only, it sometimes includes 2 or 3,) is then divided by smaller embankments into three spaces—

(*a.*) The "Khajina," or main reservoir.

(*b.*) The "Tapownee," or smaller reservoir (omitted in a few works).

(*c.*) The "Agur" proper, or space in which the salt is made.

The levels of these different works must be so adjusted that the "Khajina"

may be filled at each spring tide, and that the water may flow gently from it into the "Tapownee," and thence into the pans when the sluices are opened. The usual rule is that the area of the "Agur" proper shall be equal to that of the "Tapownee," and their aggregate area to that of the "Khajina," so that evaporating pans one acre in area (which area is roughly estimated to produce on an average above 4,400* Indian maunds of salt in a season) required 3 acres of reservoirs. But the proportion varies much in different works. The "Agur" itself is divided into rectangular pans called "Koondees," something under a foot deep, laid out in regular lines called "Patis," and separated by low flat banks about 2 feet wide. The average dimensions of a pan are about 40 feet by 10, but in some works they are larger, and in others smaller than this.

37. Immediately after the rains each salt pan is prepared by being levelled, and its floor trodden and beaten with rammers till it is hard and water-tight. The commencement of the manufacture depends upon the season, but, as a rule, it begins towards the end of January, and lasts till the rains set in. The "Tapownee" is first filled from the "Khajina," in which the water has stood for a few days to clear. After it has been 8 or 10 days in the "Tapownee" the water becomes a strong brine, and it is then drawn off, in some works at once, in others at intervals of three or four days, to fill the pans to a depth of from 3 to 9 inches. As it evaporates the salt crystallizes at the bottom of the pan, and, as a rule, is ready for removal (after the first crop, which takes longer) in about 14 days from the first admission of the brine. In a pan fully worked there are thus 6 or more crops of salt in the season. But the time required for evaporation depends much on the weather. There are, however, two different processes. In most works the water is suffered to evaporate entirely, and when the salt is tolerably dry the whole of it is removed, after which a fresh supply of brine is admitted and the process re-commences. But in a few works in the Matoonga, Trombay, and Ghorebunder talookas before the whole of the water has evaporated the upper portion only of the crust of salt is removed, and fresh brine is then added to what is left. Salt made in this way is very pure and white, but the crystals are very small, and so brittle and flaky that it will not travel without great loss. Hence it is chiefly used for local consumption, especially in the island of Bombay, where it is much liked, and fetches at the works (exclusive of duty) 4 or even 5 annas a maund, or more than double the average price of other salt. The other kind is harder, and travels better, but is much less pure, containing when carelessly manufactured (as it often is, especially in those works which supply the export trade by sea) as much as even 10 per cent. of dirt.

38. In either process, when the salt in the pan is ready, the manufacturer,

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* In the Talookas of Oorun, Penn, and Ghorebunder, the average produce of salt per acre of total area included in the works is 470, 275, and 367 Indian maunds respectively, or, assuming the area of the evaporating pans to be $\frac{1}{4}$ the total area, 1,880, 1,100, and 1,468 Indian maunds per acre of evaporating pans respectively. But the total area includes a great deal of land not actually included in the pans or reservoirs, and many pans are not fully worked. I believe my estimate to be near the truth. Mr. Hume (page 45 of his annual report for 1867-68) estimates the average produce of an acre of evaporating pans at Oorun to be about 16,000 Indian maunds, but this I am sure is much too high.

standing on the bank of the pan, scrapes it up with a sort of rake into small heaps of 1 or 2 maunds each, which remain for a day or two on the banks to dry, and it is then carried in baskets to the Rasses, or large heaps, in which it is permanently stored. As will be further explained below, it is not stored indiscriminately; every manufacturer, of whom there may be 20 or 30, has his separate heap or heaps, and consequently heaps vary much in contents, from 200 or 300 to 3,000 or 4,000 Indian maunds. The law only requires that the heaps shall be within the line of chowkeys, and therefore, as a rule, the manufacturer makes them just where he pleases, that is, as near as possible to the pan in which the salt has been made, to save the trouble of carrying it far, and also, in the works from which salt is removed by boat, as near as he can to the creek in which the boat lies. The Rasses must be elevated above the surface of the swampy ground in which the works are situated, and are therefore usually placed upon the main embankment, which is widened in places for the purpose, but sometimes there are separate earthen platforms. The Rasses are sometimes thatched for the rains, and often not, but the salt cakes some inches deep with the first fall of rain, and hence the loss from ordinary rain is not so much as might be supposed, only, the people say, 3 or 4 per cent. The great loss is sustained when, from very heavy rain or floods, the platforms give way, and the salt heaps consequently crack and open. In these cases entire heaps are often washed away.

39. The process of manufacture on the Runn is altogether different. Within one of the portions of the vast saline desert called the Runn, which have been ceded by different Chiefs to the British Government for the manufacture, and are defined by chowkeys, the manufacturers (who usually unite in little firms of two or three partners) construct a pan (there called "Pati") and small reservoir, and dig a well. The well is from 5 to 15 feet deep according to the locality, and the brine is drawn from it by a lift (called "Chanch") worked by manual labour. The reservoir is very small, as the brine remains in it only a short time, and the pan may average about 150 feet by 60, lowered 2 feet below the surface of the soil, and embanked with the clay dug out. It is not divided into small pans, but its whole floor is levelled and made water-tight.

Inland Works.

40. The manufacturing season usually begins in December, when the pan is flooded with brine from the well. As the water evaporates, and the salt begins to crystallize, small quantities of brine are daily drawn from the well and admitted, and the salt is every day or two broken up by a sort of rake with long teeth, the manufacturer walking about in the pan for the purpose. This goes on sometimes for two months, sometimes for the whole season, till all the salt has crystallized in a bed a foot or more deep, into beautiful regular cubes of half an inch, or even larger. The water is then allowed to evaporate entirely, the salt is raked up into small heaps within the pan, and, after drying for a few days, is carried in baskets to the Rass, or permanent heap, upon an earthen platform near. Usually one crop of salt only is removed during the season, and the best salt is made in this way; often there are two crops, and sometimes three, but in this case the crystals are small and the salt inferior. From a statement prepared at the Runn it appears that at

the Ooroo works, during the five years ending 1868-69, 310 pans were worked, of which 215 were worked once only in the season, and produced an average quantity of Indian maunds 3,244 per pan; 88 were worked twice, and produced an average of Indian maunds 4,848; and 7 only were worked thrice, producing an average of Indian maunds 6,645; the total average being Indian maunds 3,854 per pan, per season.

41. The Runn, or "Baragara" salt is very superior to any sea-side salt. It is far purer, and, from the size and hardness of its crystals, it travels very much better. The Brinjarees at the Runn told me that even in their long journey to Indore the wastage was very trifling, whereas it is well known that the best sea-side salt, even after being sifted so as to leave only the largest and hardest crystals (a practice to which I shall have to refer again), loses a very large per-centage in a long journey on pack bullocks.

42. There is a very essential and important difference between the Guzerat salt manufacture north of Damaun and the salt manufacture of the Konkans.

Tenure of works and connection of Government with the manufacture.

43. Throughout Guzerat the salt works, and the salt itself when manufactured, belong to Government. Government fixes the price, which is everywhere annas 2 per Indian maund, and pays each manufacturer when his salt is sold at that fixed price at the fixed rate of annas 1¼ per Indian maund, the balance 9 pies being credited among miscellaneous receipts under the head of proprietory right.

In Guzerat.

44. The system is thus essentially that of the Madras monopoly, but with a difference very important as regards the security of the revenue. In Madras the manufacturer is paid for his salt as soon as it is *made*, in Guzerat not until it is *sold*; consequently in Madras the salt is stored in large heaps of uniform size, properly secured, the contents of which are accurately known, and which are opened and sold in succession. In Guzerat each salt manufacturer's heap is made separately, is placed nearly where he likes, the heaps are of very different sizes, the contents are not known within a very large per-centage, and there is no restriction upon the sales; a purchaser may, if he likes, buy a little out of a dozen different heaps; consequently, while in Madras the stock account is a real check upon the subordinate officers of the Department, it is in Guzerat a mere farce.

45. I very strongly recommend that if the proposal to close all the Guzerat sea-side works is not approved, the Madras system be adopted for them; the manufacturers be paid for their salt as soon as they deliver it into store; and the salt be properly stored and sold on the Madras plan. The manufacturers themselves would be delighted with the change, and it would be only necessary to refuse permission to open more pans than are required to supply the demand, and to reject and destroy salt of inferior quality.

46. South of Damaun the system is that of a real excise; Government is not the owner of the works, and has nothing to do with the sales. It is true that several important works still belong to Government, but they are always leased for terms of years, and during his lease the lessee is in the position of a Shelotree, or private proprietor. Of all other works, in some cases the body of Agrias, or manufacturers, are themselves also proprietors; in others the manufacturers are mere hired servants of the proprietors, receiving daily or monthly wages. But generally the Shelotree and the Agrias have joint rights in the works; each Agria stores the salt he makes in a distinct heap; the Agria, the Shelotree, and the purchaser, agree among themselves as to the price at which the salt shall be sold; the price is paid directly by the purchaser to the Shelotree, and not through a Government officer, and the Shelotree gives a certain proportion, usually one-half, to the Agria. As pointed out below, paragraph 160, the existence of this system makes it very difficult to devise an effectual method of storing salt.

In the Konkans.

47. Originally, a large proportion, though not all, of the Konkan salt works belonged to Government. In 1840-50 it was strongly urged, especially with reference to the Bengal monopoly, that Government should withdraw altogether from any connection with the manufacture, and leave it perfectly free, it being assumed, perhaps rather hastily, that perfect freedom in the manufacture of an article is compatible with an excise of over 2,000 per cent. on its cost of production. Mr. Plowden warmly espoused this view, and recommended the sale of all Government works in Bombay for which a reasonable price could be obtained, and the leasing of the rest. I confess I doubt whether it would not have been a wiser measure to buy up existing rights of Shelotrees, and thus to introduce the Madras system. But the time when this was possible has gone by, and discussion is therefore useless.

Section III.

Present organization of the Department and mode of levying the Revenue.

48. The present organization of the Salt Department is as follows:—

49. The general control is vested in the Commissioner of Customs, Salt and Opium, and the Presidency Division, or Talooka of Matoonga, is supposed to be under his personal charge.

Commissioner.

50. There are two Deputy Commissioners of Customs, Salt and Opium, one with the supervision of all salt works and duties connected with Customs north of Damaun, the other of all south of Damaun, except in the Island of Bombay. Certain salt Talookas and ports are under the personal charge of each Deputy.

Deputy Commissioners.

51. The Deputy Northern Division is aided by two Assistant Commissioners; the Deputy Southern Division by three. All charges not immediately under the Deputy Commissioners are divided among their Assistants.

Assistant Commissioners.

52. The following Table shows the different ranges, or charges:—

Ranges.

Southern Division.	
Oorun, Panwell, Penn, Alibagh,	Deputy Commissioner, Southern Division.
Oomargaum, Tarapoor, Bassein, Ghorebunder, Trombay,	Assistant Commissioner, Tannah range.
Rutnagherry, Malwan, Vingorla, Viziadroog (suppressed), and Beedee Frontier,	Assistant Commissioner, Rutnagherry range.
Karwar, Ankola, Honore, and Diggi Frontier,	Assistant Commissioner, Karwar range.
Northern Division.	
Patree, Jinjoowara, Unwurpoor, and Northern Frontier from Dholka to Dohud,	Assistant Commissioner, Ahmedabad range.
Dhundooka, Cambay, Gogo (suppressed), Jumboosur, Wagra, Hansote, Oolpar, Chowrasee and Dhundooka Frontier,	Assistant Commissioner, Gogo range.
Murolee, Parchole, Bulsar, Parnera, and Damaun Frontier,	Deputy Commissioner, Northern Division.

The above are only the salt talookas and frontiers; each Deputy or Assistant has also charge of the ports in his own range.

53. The chief Native officer of each talooka is the Sir-Karkoon. His duties in the Salt Department are to receive the excise duty; to grant permits or orders empowering the officers at the works to deliver salt; to examine stocks and test the accuracy of the accounts at the works; and to exercise a general supervision over all the officers at the works. He is responsible for the accuracy of the numerous monthly and annual returns submitted to him by the officers at each work, and compiles from them the monthly and annual returns for his talooka, submitted to the Deputy or Assistant Commissioner in whose charge his talooka is. He has an office varying in number of men according to the extent of his charge.

Sir-Karkoons.

54. When some of the works of a talooka are so distant from the Sir-Karkoon's Kutcherry as to make it inconvenient for purchasers of salt to go to the Kutcherry to pay the duty, there is a "duty Karkoon" at such works, empowered to receive the duty and grant permits.

Duty Karkoons.

55. The works of each talooka are divided into a number of groups called "Sazas." Sometimes a Saza consists of one large "Agur," or work only, sometimes it includes many as 16 small and tolerably contiguous works. Each Saza is under the charge of an officer called the Sazedar, whose duty it is to weigh out and deliver to the purchasers the quantity of salt entered in the permit which they produce from the Sir-Karkoon. He is also responsible for the interior management of the works in his charge, for the storing and taking stock of the salt, for the behaviour of the peons who guard the works, &c. The average deliveries of a Sazedar per annum are about Indian maunds 42,000. The checks which are relied on to prevent the Sazedars from delivering a larger quantity of salt than that entered in the permits are two: first, the examination of removals by the preventive officers, *vide* para. 65 below; secondly, the stock account. The quantity of salt placed in each heap is estimated, and the estimates are checked by the Sir-Karkoon and Daroga, and if the estimate was a correct one the check would be effectual, as the Sazedar could be really held responsible for the disposal of the quantity of salt in each heap. But as the estimates are not supposed to be nearer the real quantities than within 25 per cent., owing to the difficulty of estimating the contents of irregularly-shaped heaps on the present system, and often are not even within that per-centage, this check is evidently worthless.

Sazedars.

56. Each Sazedar has usually one Assistant, or "Mudutnees," who helps him in weighing out the salt.

Assistants.

57. The works are guarded by Peons. As a rule, there is one chowkey and two Peons to each work, but some large works have three or four chowkies and six or eight Peons, while three or four small contiguous

Peons.

works are sometimes guarded by the same chowkey. The duties of the peons are to patrol round their charge at night, to see that no theft is going on from the salt in the pans, to watch the manufacturers while at work, to see that all the salt made is removed to the heaps when ready, to guard the heaps and mark them daily while unfinished or in process of removal, and to assist in weighment.

58. To each talooka, except Matoonga, is a preventive officer called a "Daroga." He is not, however, under the orders of the Sir-Karkoon, but is directly subordinate to the Assistant Commissioner of the range. His duties are to supervise all the preventive arrangements, to visit frequently his preventive posts, to himself test the removals at his posts and examine the permits, to board boats loaded with salt and examine their cargo, and to aid the Sir-Karkoon in checking the estimates of stock.

Daroga.

59. Under the Daroga are certain officers called Nakedars, each of whom is posted with a party of peons at a "Naka" commanding some approach to the works. Properly speaking, a chain of these posts ought to enclose all the works of the talooka, and the space between them should be regularly patrolled. But, as explained elsewhere, the way in which the works are scattered generally prevents this, and as a rule one "Naka" is placed so as to command a "Saza." The duty of the Nakedar is to prevent illicit removals of salt or removals without passing his examination, to examine all permits, and to compare the removals with the quantities entered in the permits; in the case of removals on bullocks by counting the loads and weighing a per-centage of them; in that of carts or boats laden with loose salt, by cubic measurement.

Nakedars.

60. The Preventive Peons aid the Nakedars, under whose orders they are, in the above duties.

Preventive Peons.

61. The system under which the duty is levied and the salt delivered is in outline as follows. Minor details differ somewhat at different places, but the principle is everywhere the same :—

System of delivering salt.

62. When a person wishes to buy salt, he first goes to the work where he means to make his purchase, fixes on the heap or heaps from which he wishes to buy, and arranges the price with the owners (except in Guzerat, where the price is fixed). He then gives a petition to the Sir-Karkoon, stating the quantity of salt which he has bought, from what work and what owner, and, in the Konkun, the price, and the place to which he intends to remove it.

Application.

63. The Sir-Karkoon then receives from him the duty, and gives him the permit. The permit consists of three portions. The first portion contains a record of the transaction, and remains in the Sir-Karkoon's file of permits, and

Permit.

the other two portions are torn off and given to the purchaser to deliver to the Sazedar. The second portion is an order to the Sazedar to deliver the salt the; Sazedar tears this off, and files it as his voucher. The third portion is filled up and countersigned by the Sazedar and returned to the purchaser; it contains the details of the delivery, the number of bags if the purchaser is a Brinjari, the name of the vessel if the salt is removed by sea; and it enables the purchaser to pass the preventive posts, or to land his salt at the Bunder to which it is consigned.

64. When the permit is produced, the Sazedar proceeds to weigh out the salt. This is almost everywhere, except at the Runn, where the Brinjaries insist upon scales, done by the stilyard. When the purchasers are Brinjaries, the gross tare of all the bags is first ascertained, and afterwards each full bag is weighed separately and its weight marked upon it. When the salt is removed loose, it is weighed out maund by maund in a basket suspended from the stilyard, the tare of which is first ascertained, and each basketful after being weighed is thrown on a heap close by, from which it is removed in baskets by coolies to the boat or cart. The Sazedar observes the index of the stilyard; a peon calls out the basketsful in tallies of ten; and the Assistant Karkoon standing by notes the tallies as they are called in a book.

Delivery.

65. Each removal has to pass the Preventive Officer. Boats carrying salt are boarded by the Daroga, or by a Nakedar, who estimates the quantity of salt by cubicomeasurement, and if the estimate differs from the quantity noted in the permit by more than a certain per-centage, detains the boat and re-weighs the cargo. The quantity of loose salt carried in carts is similarly estimated at the preventive posts. And the number of bags carried by each Tanda of Brinjaries is counted at the preventive post, and a per-centage of bags weighed.

Preventive Examination.

66. But salt removed by boat under permit for certain Bunders, undergoes a further examination. On landing at Kallian Bunder, it is entirely weighed out maund by maund by the stilyard; at Carnac Bunder it is packed in bags, under the superintendence of a peon of the Salt Department, on board the boat, each bag being filled with two measures of one maund each; the bags are then loaded, counted, and their average weight ascertained; and the total quantity thus obtained compared with that entered in the permit.

Examination at Bunders.

Section IV.

Statistics of Salt Consumption and Salt Revenue.

67. The accompanying Diagram and Statement show the annual consumption of, and revenue derived from, salt in the Bombay Presidency (exclusive of

Diagram.

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DIAGRAM *showing* DELIVERIES OF SALT FOR INTERIOR CONSUMPTION AND FOR EXPORT, TOTAL DELIVERIES AND DUTY COLLECTED FOR THE 31 YEARS, 1838-39 TO 1868-69.

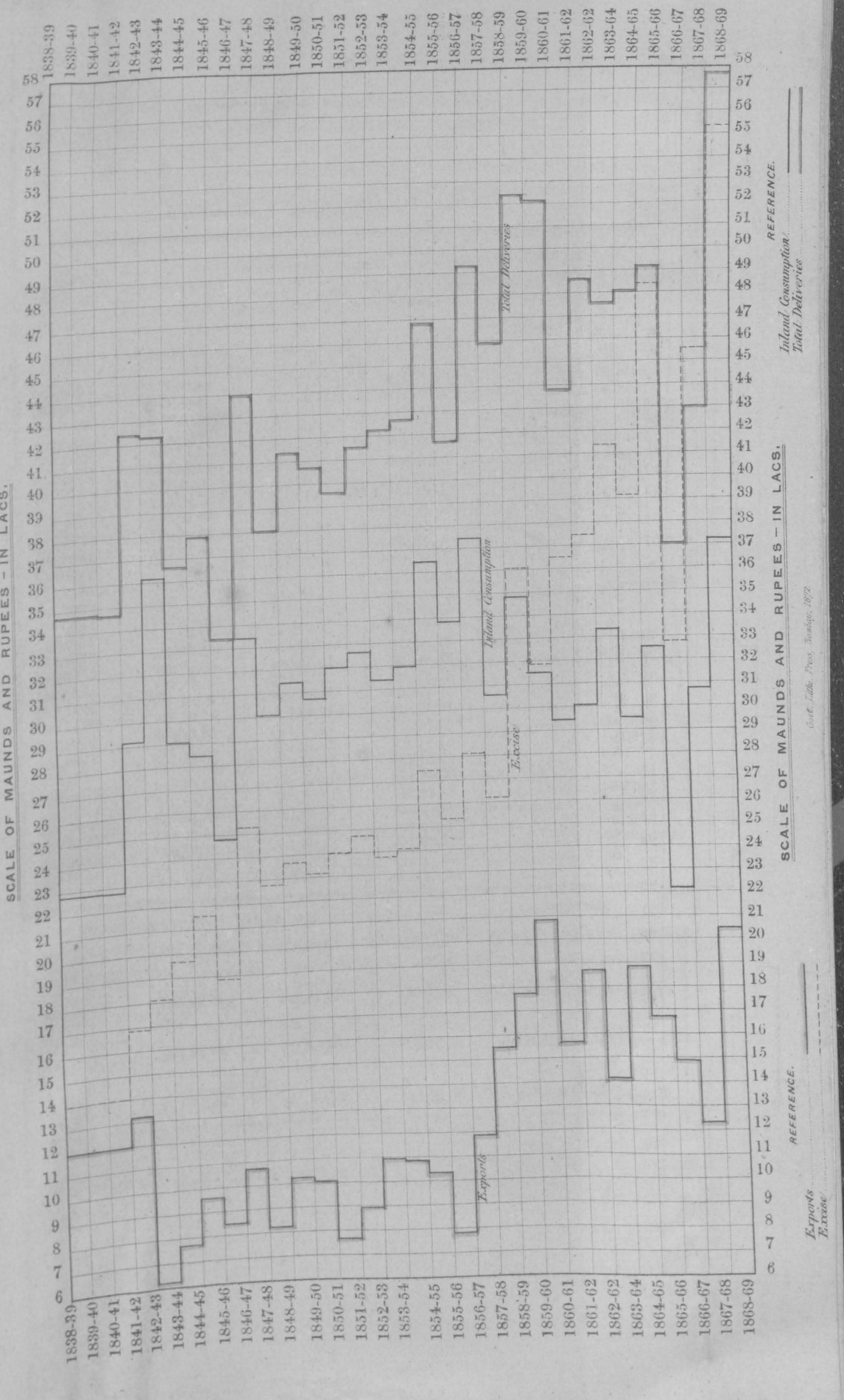


TABLE TO ACCOMPANY DIAGRAM.

Years.	Deliveries for Inland consumption on payment of full Excise or Import Duty.	All other deliveries for export by Sea and Inland deliveries free, or at reduced rates.	Total Deliveries.	Total Excise and Import Duty.
	Indian Maunds.	Indian Maunds.	Indian Maunds.	Rupees.
1838-39	22,70,119	11,98,351	34,68,470	14,00,000
1839-40	22,70,119	11,98,351	34,68,470	14,00,000
1840-41	22,70,119	11,98,351	34,68,470	14,00,000
1841-42	22,70,119	11,98,351	34,68,470	14,00,000
1842-43	29,18,406	13,25,646	42,44,052	16,91,302
1843-44	36,19,809	6,13,313	42,33,122	18,21,514
1844-45	29,06,901	7,62,611	36,39,512	19,72,742
1845-46	28,41,997	9,50,685	37,92,682	21,55,814
1846-47	24,82,337	8,58,481	33,40,818	18,81,026
1847-48	33,45,719	10,66,368	44,12,087	25,31,156
1848-49	30,06,635	8,12,096	38,18,751	22,64,139
1849-50	31,35,514	10,16,121	41,51,635	23,60,862
1850-51	30,17,420	10,07,828	40,78,248	23,11,179
1851-52	32,02,506	7,63,353	39,65,859	24,00,704
1852-53	32,67,876	8,93,734	41,61,610	24,65,062
1853-54	31,42,904	10,97,274	42,40,178	23,78,315
1854-55	31,96,498	10,83,128	42,79,626	24,04,348
1855-56	36,49,223	10,33,684	46,82,907	27,43,018
1856-57	33,85,029	7,87,435	41,72,464	25,40,241
1857-58	37,41,294	11,85,028	49,26,322	28,16,022
1858-59	30,53,847	15,40,729	45,94,576	26,18,087
1859-60	34,79,913	17,72,450	52,52,363	36,06,954
1860-61	31,54,015	20,73,435	52,27,450	31,88,354
1861-62	29,34,325	14,57,815	43,92,140	36,51,615
1862-63	30,03,178	18,61,574	48,64,752	37,49,068
1863-64	33,31,517	14,07,695	47,39,212	41,37,744
1864-65	29,44,546	18,74,183	48,18,729	39,17,524
1865-66	32,60,402	16,66,743	49,27,145	48,48,202
1866-67	22,20,314	14,86,915	37,07,229	32,86,091
1867-68	30,71,443	12,31,305	43,02,748	45,54,467
1868-69	37,24,498	20,43,078	57,67,576	55,32,386
Averages.				
From 1844-45 to 1858-59	31,61,915	9,90,570	41,52,485	23,89,514
From 1856-60 to 1860-61	33,16,964	19,22,942	52,39,906	33,97,654
From 1861-62 to 1864-65	30,53,391	16,50,317	47,03,708	38,63,987
From 1865-66 to 1868-69	30,69,164	16,07,010	46,76,174	45,55,286

Sind and of North Canara) for the 31 years from 1838-39, the first year after the imposition of the excise, to 1868-69. They require some explanation.

(*a.*) Under the heads of "Deliveries" and "Excise" are included salt imported into the Presidency (from Goa, Damaun, &c.,) and the import duty thereon, as well as salt manufactured in the Presidency and the excise thereon. But miscellaneous items of revenue, ground-rent, proprietary right, &c., are not included under the head of Excise.

(*b.*) Deliveries are divided under two heads—

1*st.*—Deliveries for interior or inland consumption, whether in British or in foreign territory, within or beyond the limits of the Presidency, on payment of full duty.

2*nd.*—All other deliveries, viz., exports by sea to Calcutta, Malabar, and other places beyond the limits of the Presidency, and deliveries inland, but free or at reduced rates, as to the Chiefs of Pahlunpore or the Myhee-kanta.

(*c.*) From the year 1843-44 inclusive, the figures, which have been prepared with great care, are, I believe, absolutely correct. For the five years before 1843 accurate accounts are not forthcoming, and I have, in order to make the Diagram as complete as possible, entered for the year 1842-43 the figures given in Appendix K. to Mr. Plowden's Report, which, however, appear not to include imports; and for the four preceding years the average estimated by Mr. Dalzell at para. 41 of his Memorandum on Mr. Plowden's Report.

(*d.*) In the Diagram—

The *dotted* line represents Excise.

The *black* line, Deliveries for Interior Consumption.

The *yellow* line, All other Deliveries.

The *red* line, The Total Deliveries.

Deliveries for interior consumption are alone important for the purpose of this inquiry, *i.e.*, to find the effect upon consumption of the successive enhancements of duty. The other deliveries do not pay Bombay duty, and are not affected by it. It would, of course, have been better had I been able to show the actual consumption of the Bombay Presidency distinct from inland deliveries beyond the Presidency, but, as is explained below, the returns which are supposed to show this are untrustworthy.

Analysis of interior consumption.

68. In 1843-44, the last year of excise at 8 annas (I take this year because, as explained above, the returns for the preceding five years are not accurate), the interior deliveries were Indian maunds 36,19,809. In the year 1845-46,

succeeding the increase of duty to 12 annas, they fell to Indian maunds 28,41,997, and in the next year to Indian maunds 24,82,337, but then recovered themselves, and on the whole rose steadily till 1857-58, the year before the increase of duty to Rupee 1, when they were Indian maunds 37,41,294. The average of the 15 years at a 12 annas duty is Indian maunds 31,61,915.

69. The effect of the increase of excise (and perhaps also of the disturbed state of the country in 1857—1860) was to pull down the sales considerably, and they averaged in the two years 1859—1860, during which the duty was Rupee 1, Indian maunds 33,16,964. With the next increase of excise the sales again fell off, and in the four years, 1861—1864, of duty at Rupee 1-4-0 they averaged only Indian maunds 30,53,391. In 1863 the duty was again raised to Rs. 1-8-0, and the average of the last four years is Indian maunds 30,69,164. But the small increase is only apparent; as the new export trade to the Central Provinces sprang up during this period, there is in reality a considerable decrease; and the fluctuations during these four years are extraordinary. In 1866-67, the sales fell to Indian maunds 22,20,314, or lower than they have ever been, but this is partly owing to that year being 11 months only;* and in 1868-69 they rose to Indian maunds 37,24,498, or higher than they have ever been, except in 1857-58. This was probably caused, partly by the necessity for supplying stocks exhausted by the short sales of previous years, partly by the expectation that the duty would be again enhanced.

70. The average sales for the first five† years of the series (commencing with 1843-44) are Indian maunds 30,39,353. Those of the last five years‡ (ending 1868-69) Indian maunds 30,44,240, and it would thus appear that, supposing the area of consumption to have remained the same, sales have been almost exactly stationary.

71. But a large correction has to be made for an increase in the area of consumption. On the one hand, the average exports from the Runn works to Malwa have fallen off about 1 lakh of Indian maunds (from $2\frac{3}{4}$ to $1\frac{3}{4}$ lakhs Indian maunds) in consequence of the enhancement of duty. On the other, the export trade to Berar and the Central Provinces has been almost created of late years. I learn from Mr. Hume's report that before the construction of the G. I. P. Railway little Bombay salt found its way to those Provinces, while for the last three years these exports have averaged $4\frac{3}{4}$ lakhs Indian maunds. I think then it is reasonable to estimate that of the average sales of the last five years at least three lakhs of Indian maunds are the net increase due to the widening of the area of consumption; and with this correction it will appear that average sales have fallen off from Indian maunds 30,39,353 in the first five years of the series to Indian maunds 27,44,240 in the last five years.

Increase in area of consumption.

* The sales in the excluded month, April 1867, were Indian maunds 4,95,155.

† Duty 1 year, 8 annas—4 years, 12 annas.

‡ Duty 1 year, Rupee 1-4—4 years, Rs. 1-8.

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72. But allowance must be made for increase of population during the interval of 21 years, and unfortunately the data we have on which to estimate the ratio of this increase are most imperfect.

Ratio of increase of Population.

73. I have been favoured by Lieutenant Pedder, Assistant Settlement Officer in Guzerat, with statements showing for 11 talookas in different parts of Guzerat the increase of population which has taken place between the census of the old and that of the present survey. This increase is in the aggregate from 5,45,229 souls to 7,11,697, or rather more than 30 per cent. in about 35 years. I have not been able to get similar statements from the Deccan and Konkan Collectorates, but Colonel Francis tells me that in the talooka of Indapoor the increase was 31 per cent. in 30 years, and that he thinks this is about the rate of increase of population throughout the Deccan. I think, therefore, that we shall be safe in assuming that the ratio of increase for the last quarter of a century in this Presidency has been about 1 per cent. per annum, or say 20 per cent. in 21 years.

74. For a correct comparison of the average sales, therefore, we must add 20 per cent. to the average sales, of the first five years of the series, and it will thus appear that the average licit consumption of this Presidency has diminished in the last twenty-one years in the proportion of Indian maunds 36,47,224 to Indian maunds 27,44,240, or about 25 per cent.

75. It is important to ascertain whether this large decrease is chiefly due to a real diminution of consumption caused by enhancement of duty, or to smuggling.

76. I have given below, para. 109—3 my reasons for believing that the present rate of duty is not so high as materially to check actual consumption, and the view that the decrease of licit consumption has been caused chiefly by smuggling appears to me to be strengthened by a comparison of our returns with those for the Madras Presidency, in which the rates and successive enhancements of duty have been nearly the same as in Bombay.

Increase of consumption in Madras.

77. I find* that in the sales for Home and Inland consumption in the Madras Presidency there has been a steady annual increase from 1853-54 to 1868-69; that these sales averaged in the first 3 of a series of 16 years, beginning 1853-54, Indian maunds 49,22,861, and in the last 3 years Indian maunds 67,28,596, an increase of $36\frac{3}{4}$ per cent. in 13 years.

78. As far I know, this increase cannot have been caused, at least to any considerable extent, by Railways widening the area of consumption in the manner in which the G. I. P. has opened up the Central Provinces market to Bombay salt. Nor do I think that the prosperity of the Madras population has increased in a greater proportion than that of the people of this Presidency; the reverse, I should imagine, is the case. The inference, therefore, seems irresistible that the decrease in our average licit consumption is chiefly due to smuggling.

* From a statement at page 161 of the "Statistical Reporter" of June 10th, 1870.

79. The increase of revenue does not call for any particular remarks. It must only be observed that before 1860 exports to Calcutta paid the full Bombay duty in Bombay, and since that year have paid no Bombay duty, but the full Bengal duty at Calcutta.

Increase of Revenue.

80. In the 3 years ending 1868-69 the total average quantity of salt annually sold or disposed of in the Bombay Presidency (exclusive of Sind) was Indian maunds 48,24,190. The details are as follow :—

Analysis of returns of Salt Trade and Revenue for the last three years ending 1868-69.

Northern Division—			
Home Manufacture	In Mds.	8,39,542	
* Imported	„	89,569	
			9,29,111
Southern Division—			
Home Manufacture	In. Mds.	31,45,375	
† Imported	„	1,47,162	
			32,92,557
Presidency Division—			
Home Manufacture	In. Mds.	5,98,932	
Imported	„	3,608	
			6,02,540
			48,24,190

81. Of this quantity Indian maunds 15,54,271 were exported by sea to places beyond the Bombay Presidency, as shown in the following Table :—

From what Division exported.	To Malabar Coast.	To Calcutta.	Beyond India.	Total.
Northern Division	434	.....	.....	434
Southern Division	7,38,609	2,88,933	27,430	10,54,972
Presidency Division	1,76,262	2,88,720	33,883	4,98,865
Total	9,15,305	5,77,653	61,313	15,54,271

The average Inland consumption was thus Indian maunds 32,69,910.

82. This Inland consumption may be divided under four heads :—

I.—Consumption of British territory within the Bombay Presidency.

II.—Of Native States supposed to consume exclusively Bombay taxed salt, such as Baroda and Kolapore.

* Chiefly from Cambay. † Chiefly from Goa.

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III.—Of Native States which consume Bombay taxed salt only partially, such as Malwa.

IV.—Of British territory not within the Bombay Presidency, such as the Central Provinces.

83. I will endeavour to estimate what the total consumption is under each of these heads, and what is the average licit consumption per head of population under the two former. But it must be remembered that such estimates can be only approximately accurate, and this for two reasons. In the first place, the information possessed by the Salt Department regarding the places to which salt is removed from the works is derived only from the permits, and but little salt is consumed in the locality entered in the permit. Thus all the very large quantity of salt carried by the G. I. P. Railway from Kallian Station to the Central Provinces, or the Nizam's territory, is entered in the permits as removed from the Bassein or Ghorebunder works to the Tanna district, in which Kallian, where the salt changes hands, is situated. Secondly, our population returns are not trustworthy, and must be considered as only approximately true. Those that I have chiefly employed are for British districts, returns with which I have been favoured by the Revenue Commissioners, checked by others lately prepared by the Director of Public Instruction; and for Foreign States the returns printed at pages 16—19 of "Return to address of the House of Commons (maps and statistical information relating to India)" dated July 2nd, 1869.

British Guzerat.	
Surat	5,12,309
Broach	2,94,803
Kaira	6,39,413
Punch Mahals	1,55,537
Ahmedabad	8,14,665
	24,16,727

84. The population of the British districts in Guzerat, as per margin, is about 24,16,727 souls. The consumption of these districts, according to the permits, has average Indian maunds 3,49,971, showing an average consumption of lbs. 11$\frac{1}{16}$ per head.

	In Maunds.
Surat and Broach	1,70,124
Kaira and Punch Mahals	91,934
Ahmedabad	87,913
	3,49,971

85. The population of those Foreign States in or on the borders of Guzerat which are supposed to consume exclusively either taxed salt or salt removed free or at reduced rates from British works is about 29,85,783 souls, as per margin. According to the permits (and making an allowance of 30,000 Indian maunds per annum, the estimated quantity of Marwar salt introduced into the Myhee Kanta before the imposition of

Foreign Guzerat.	
Gaekwar's Dominions	17,10,404
Pahlunpore States	3,21,645
Rewa Kanta	2,52,388
Myhee Kanta	3,11,046
Cambay	1,75,000
Bansda	19,000
Dhurumpoor	15,000
Sucheen	22,200
Peint	55,500
Wasrawee	33,300
Dangs	70,300
	29,85,783

the Preventive Frontier Line through Edur last year) this population consumed about 3,00,258 Indian maunds, showing an average consumption of about 8¼ lbs.

86. And the total population of Guzerat and the bordering States is 54,02,510; the licit consumption about Indian maunds 6,50,229, giving an average licit consumption of 9½. This average consumption is probably a *little* below the mark, for some of the salt removed nominally for export to Malwa and other States beyond the frontier is sold on its way to the frontier.

Consumption of Guzerat, British and Foreign.

87. The population of the remainder of the Presidency, and of the Native States included within its limits, which, as will be seen from the next marginal table, cannot be considered separately, is about 10,270,497.

Deccan, Konkan, and Southern Mahratta Country.	
Khandeish	8,47,111
Nassick	5,39,846
Nuggur	6,89,439
Poona	7,26,330
Sholapoor	5,54,552
Sattara	9,93,276
Kulladghee	7,11,555
Belgaum	8,01,578
Dharwar	8,80,075
Canara	3,67,585
Rutnagherry	8,14,776
Colaba	2,57,664
Tanna	6,08,485
Total British Districts.	87,92,272
Jowar	8,000
Kolapore	5,46,156
Sattara Jagheers	3,61,393
Sawant Waree	1,52,206
Southern Maratha Country Jagheers	4,10,470
Total Foreign Territory.	1,478,225
Grand Total...	10,270,497

Indian Maunds.	
Khandeish	1,25,916
Tanna and Colaba	7,52,703
Rutnagherry	3,93,691
Poona	2,62,626
Nuggur and Nassick	2,897
Sattara	873
Sholapoor	36,444
Kulladghee	2,061
Belgaum	1,24,985
Dharwar	18,998
Canara	13,623
Jowar	188
Kolapoor	4,129
Waree	64
Total.....	19,39,198

88. According to the permits, the average consumption, as noted in the margin, of the above population is Indian maunds 19,39,198, an average per head of 15½ lbs. But this requires very great correction: the large exports of salt, for instance, to Berar, the Central Provinces, and the Nizam's Dominions from Callian, are included in it.

89. I am, however, able to make this correction with a fair approach to accuracy by the aid of a statement with which I have been favoured by Mr. LeMesurier, Agent of the G. I. P. Railway, which shows for the past three years the quantity of salt carried by G. I. P. Railway, the stations at which it was loaded, and those to which it was consigned. I have carefully analysed this statement, and give the results:

	1866-67 I. M.	1867-68 I. M.	1868-69 I. M.	Total I. M.	Average I. M.	Balance after deducting 5 per cent. from the average.
A.—From stations in the Island of Bombay to stations within the Presidency, viz., as far as Nimbora on the northern line, as Nargoond on the Nagpore line, and as Jehwoor on the S. E. line	35,881	58,621	61,764	1,56,266	52,088	49,484
B.—From stations in Island of Bombay to stations east of Jehwoor, ⅘ths of which salt is estimated to be consumed in the Nizam's country	3,27,613	3,55,913	3,56,783	10,40,309	3,46,769	3,29,431
C.—From stations in Island of Bombay to stations north of Nimbora, *i.e.*, to Nimar and Central India	4,196	20,743	21,243	46,182	15,394	14,625
D.—From stations in Island of Bombay to stations east of Nargaon, *i.e.*, to Berar and the Central Provinces	80,630	1,79,383	1,46,560	4,06,573	1,35,524	1,28,748
Total from Island of Bombay...	4,48,320	6,14,660	5,86,350	16,49,330	5,49,775	5,22,288
E.—From Continental stations (chiefly Kallian) to stations in the Bombay Presidency	67,550	69,992	1,22,135	2,59,677	86,559	82,232
F.—From Continental stations to stations east of Jehwoor, ⅘ths of which is estimated to be consumed in the Nizam's territory...	1,61,482	80,795	1,36,810	3,79,087	1,26,362	1,20,044
G.—From Continental stations to Nimar.....	9,439	13,997	25,997	49,433	16,478	15,654
H.—From Continental stations to Berar and Central Provinces	2,38,617	2,88,581	4,68,415	9,95,613	3,31,871	3,15,278
Total Continental stations...	4,77,088	4,53,365	7,53,357	16,83,810	5,61,270	5,33,208
Grand total of salt carried by G. I. P. exclusive of transit from one station to another within the limits given for each clause.....	9,25,408	10,68,025	13,39,707	33,33,140	11,11,045	10,55,496

90. I am confident of the accuracy of this statement, for having been supplied with figures showing the sums realized on the carriage of the salt, I have been able to check the quantities by them, and there can be no important errors in the above statement. But for the purposes of this report a deduction of 5 per cent. must be made from the quantities given above, partly because the Railway returns are for 36 months, those of the Salt Department for 35 only, the financial year 1866-67 being of 11 months; and partly because the tare of the bags in which the salt is carried has not been deducted in the Railway returns.

91. I must also explain that the stations east of Jehwoor on the Sholapore line are in British territory, but close on the Nizam's frontier, and it is known that an immense quantity of salt is removed from these stations for consumption in the Nizam's territory. I have estimated, therefore, that four-fifths of the

total quantity of salt brought to these stations is for foreign consumption, and one-fifth for that of British territory, and this estimate, I think, is near the truth.

92. To correct the statement in paragraph 88 therefore, we must—

1*st.*—Add Indian maunds 49,484, that is, the average exports (deducting 5 per cent.) from the Island of Bombay to continental stations, as per Clause (*a*) of the statement at paragraph 89.

2*nd.*—Add Indian maunds 65,886, that is, one-fifth (minus 5 per cent.) of the Railway exports from Island of Bombay to stations east of Jehwoor (Clause *b*). With these additions the total of the statement at paragraph 88 will be Indian maunds 20,54,568. From this must be deducted the following quantities—

1*st.*—Four-fifths of the total average export (minus 5 per cent.) from Kallian and other continental stations to stations east of Jehwoor, Indian maunds 96,035. (Clause *f*.)

2*nd.*—Average exports (minus 5 per cent.) from continental stations to Nimar and Centrâl India, Indian maunds 15,654. (Clause *g*.)

3*rd.*—Average exports (minus 5 per cent.) from continental stations to Berar and Central Provinces, Indian maunds 3,15,278. (Clause *h*.)

4*th.*—A quantity of salt is carried from the Railway stations between Neephar and Nargaum into the Nizam's country above the Adjunta range. I estimate this roughly at Indian maunds 20,000.

5*th.*—The average export from North Canara into Mysore is estimated at Indian maunds 40,000.

93. The aggregate of these quantities, therefore, Indian maunds 4,86,967, being deducted from Indian maunds 20,54,568, leaves the real annual licit consumption of the people detailed in the statement at paragraph 87 at Indian maunds 15,67,601, an average consumption of lbs. 12½ per head. This estimate may, I think, be relied on within about ½ lb. either way, that is, the licit consumption is not more than lbs. 13, nor less than lbs. 12.

94. I now come to the consumption of the Town and Island of Bombay, which by the census of 1864 contain a population of 8,16,562 souls. I believe, however, that good authorities think that the population has somewhat decreased since that year.

Town and Island of Bombay.

95. The results at which I have arrived on this point are truly startling. Summarized, they amount to this, that on an average of the last three years, Bombay has received Indian maunds 4,66,004 of salt; while Indian maunds 4,97,047 have left it by railway, proving that the entire consumption of the city itself (which at 12 lbs. per head amounts to Indian maunds 1,19,500 per annum), and 31,093 Indian maunds besides, is smuggled—a loss of revenue, at the rate of Rs. 1-13-0 per Indian maund, of nearly 2¾ lakhs of Rupees.

96. This assertion is so startling, and will doubtless provoke so much criticism, that I think it right to give the exact figures on which it is founded The following statement shows the exact quantities of licit salt which Bombay has received; that is, salt brought into it under permits from the works on the island itself, or from works of the Southern Division, such as Oorun or Ghore bunder, and salt imported by sea. I may add that though it is *possible* that salt may be removed from, say, Oorun under permit to Tanna or Poona, and be really brought into Bombay, it is notorious that this hardly ever happens, as nearly all the salt brought into the island from the Southern Division is brought in by boat :—

		1866-67.		1867-68.		1868-69.		Average.	
		I. Mds.	Seers.	I. Mds.	Seers.	I. Mds.	Seers.		
Salt brought into Bombay under permit from works in Northern Division		.....		.....		1	0		
Do. Southern Division		3,05,237	0	5,43,351	0	4,42,502	36		
Do. Presidency Division, Matoonga		25,607	0	34,349	0	36,140	0		
Imports by Sea.	From Persian Gulf	1,354	33	.....		6,242	31		
	„ Kutch	1,963	16	.....		156	20		
	„ Great Britain	150	37	210	16	742	20		
	„ Arabian Gulf	0	0	1	14	.....			
	„ Goa	.....		.....		3	16		
	Total	3,34,313	6	5,77,911	30	4,85,789	3	4,66,004	0

97. These figures are taken from the Commissioner's Annual Salt Reports (Supplementary Statements to Statement No. 1), and must be correct, as they correspond to realizations of salt revenue. A statement specially called for from the Salt Department makes the imports nearly 60,000 Indian maunds less, but this was clearly incorrect.

98. The quantities of salt exported from Bombay, *i.e.* from Boree Bunder, Byculla, and Dadur Stations, by railway are given in detail in the table at paragraph 89 above. They amount to an average (deducting 5 per cent. for tare of bags, &c.) of Indian maunds 5,22,288, but from this quantity must be deducted Indian maunds 25,241, the average quantity removed from the Matoonga pans under permit for Nagpore, which was, of course, carried by railway. Ths net amount of salt exported from Bombay is thus Indian maunds 4,97,047, or Indian maunds 31,043 more than the imports.

99. From the above it will be seen that the total population of the Bombay Presidency and of the Foreign States which are supposed to consume taxed salt is 16,489,569 ; that the total licit consumption (including 30,000 maunds of Marwar salt hitherto introduced into the Myhee Kanta—*vide* paragraph 85 above, and deducting Indian maunds 31,043 for salt smuggled from Bombay—*vide* last paragraph) is Indian maunds 21,86,787 ; and that the average consumption per head is lbs. $10\frac{14}{16}$. The average pressure of a tax of Rs. 1-13-0 per Indian maund is thus just over annas 3-8 per head of population.

Total consumption of Presidency

100. The exports of Bombay salt by land beyond the Presidency are about as follows :—

Exports by land.

To Berar, the Central Provinces, and Nimar.....	In. Mds.	4,74,305
To Malwa and other Foreign States, chiefly from the Runn	,,	1,76,327
To the Nizam's Dominions (including Indian maunds 33,383 taken by permit from the works by Brinjaries)...	,,	3,92,964
To Mysore	,,	40,000
Total.....	,,	10,83,596

101. The total average amount of salt manufactured in or imported into this Presidency is, therefore, thus disposed of :—

Total Sales.

Exported by sea to places beyond the Presidency.....	In. Mds.	15,54,271
Exported by land to places beyond the Presidency	,,	10,83,596
Consumed within the Presidency, including Native States	,,	21,86,787
Total.....	,,	48,24,654

The trifling discrepancy between this total and that given at paragraph 80 does not require detailed explanation.

102. I have now determined, with as near an approach to accuracy as I think can be obtained, the average *licit* consumption of salt in this Presidency. It will be observed that the results at which I have arrived differ very widely, from those that have hitherto been accepted. In his Annual Report for 1863-64 Mr. G. Inverarity estimated the average consumption of the Northern Division at 13 lbs., that of the town of Bombay at $11\frac{1}{4}$ lbs., and that of the Southern Division with Bombay at 18 lbs. per head. In the report for 1865 Mr. Bellasis estimated the average consumption at 14 lbs. for the Northern Division, and 19 lbs. for the Southern Division and Bombay. I must now attempt to estimate the *actual* consumption, and the difference between the two quantities will, of course, be the estimated quantity of smuggled salt.

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103. To make some sort of estimate of this is essential, for the probable amount of revenue lost by smuggling will, of course, chiefly determine Government in deciding how much expenditure it is worth while to incur in measures for the prevention of smuggling. But an estimate even approximately accurate is excessively difficult to make. The questions, what is the natural or maximum consumption of alimentary salt, what the minimum consumption, and what effect an increase of price has in checking consumption, have been very differently answered by persons qualified to judge of the subject. I will, therefore, state the grounds on which I have formed the conclusion that 14 lbs. is the probable actual consumption of the Bombay Presidency, and leave Government to judge of their soundness.

104. In Great Britain salt is not taxed, and its price is usually from 12*s.* to 14*s.* per ton, or about $3\frac{1}{2}$ to 4 annas per Indian maund. The consumption is about 22 lbs. per head, but this includes a large quantity used in manufactures, agriculture, &c.

Consumption in Great Britain.

105. In France salt is taxed at 1 franc per 10 kilogrammes, or rather more than $9\frac{1}{2}d.$ per lbs. 22, which is nearly equivalent to Rs. 1-8-0 per Indian maund. The average consumption is 8·297 kilogrammes, or lbs. 18-4-11 per head, and the average incidence of the tax 83 centimes, or about annas 5-4. This consumption also includes salt used in manufactures and agriculture.

In France.

106. Mr. Plowden roughly estimated the consumption both in Bombay and in Madras at something over 12 lbs. per head.

Mr. Plowden's estimates.

107. In the discussion regarding the recent increase to the Madras salt tax, the Madras Government and Board of Revenue examined the question of consumption. It was stated that the average licit consumption per head of population in the coast districts of Madras is about 15 lbs., in inland districts 13 lbs., and on the whole 14 lbs., "an allowance which is very far short of the amount desirable on social and sanitary grounds," and "is inadequate to quality the almost purely vegetable diet of the people." On this point, however (the inadequacy of an average allowance of 14 lbs.), it was allowed that opinions differ much. The Madras Board of Revenue had estimated that the average consumption, if salt were untaxed, would be 18 lbs. Sir T. Munro considered 9 lbs. a full allowance. Two officers, after minute enquiries, considered a fair allowance to be, one 14, the other 25 lbs. ; and Dr. Cornish (in a Memorandum on the food of the inhabitants of Southern India and on Prison Dietaries) stated that actual experiment had shown that nearly an ounce of salt is eliminated by the human body daily, and that to repair this waste at least from $\frac{3}{4}$ to 1 ounce daily (from lbs. 17-1 to lbs. 22-13 annually) of alimentary salt should be consumed. The allowance for prisoners in the Madras jails is lbs. 22-13 per head, of which $\frac{7}{8}$ths, or just under lbs. 20, are actually consumed.

Consumption in Madras.

108. On the other hand Mr. Hume, Commissioner of Inland Customs, in his Annual Report for 1867-68, estimates the entire average consumption of the provinces of India which pay the higher rate of salt tax (Rs. 3 or 3-4) at from 8½ to about 9 lbs. per head, and argues that this allowance is fully sufficient for the health of the population, inasmuch as an allowance of lbs. 5-2 is found to keep adult prisoners in the jails of Upper India in perfect health. I presume of course that no food containing salt, such as salt fish, is given to these prisoners. In Bombay, I believe, the allowance to prisoners has been recently reduced to 6 lbs. per annum.

Consumption in Bengal Presidency.

109. It will thus be seen that the estimates of necessary consumption vary from about 5 lbs. te over 20 lbs. per head per annum. In the face of so great a discrepancy of opinion, it seems presumptuous to attempt to determine the question, but I may be allowed the following remarks :—

Discrepancy of Estimates.

1*st*.—It is, I believe, generally acknowledged that a population which consumes rice and fish almost entirely requires much more alimentary salt than one which lives on wheat and flesh, and this will, in some measure, account for the great discrepancy between the Madras estimates and those of Mr. Hume.

2*nd*.—Dr. Cornish seems to me to have argued in a circle. If a man consumes 1 ounce of salt per diem, I do not doubt that his body will excrete that amount, but it by no means follows that only ¼ ounce will not be excreted if ¼ ounce only is eaten, nor that his health will suffer in consequence. We know that in every country the poorer classes consume much less food than the richer ones, yet it does not appear that, within certain limits, any perceptible effect upon health is caused by the difference.

3*rd*.—Salt, it appears to me, is an article which admits of being greatly economised in use without any decrease of the actual consumption; in other words, the apparent consumption may diminish without a decrease of the real consumption. If salt is dear, for instance, it will naturally be kept more carefully than if it is very cheap, and if it is not kept carefully it is very liable to waste. To purify sea salt thoroughly again causes a great waste, and if salt is dear it may be used, as it is generally by the mass of the population, without being cleaned. Now I cannot believe that an increase in the price of salt caused by the tax to the maximum amount of 5 annas per head per annum, this tax too being paid almost imperceptibly and by extremely small instalments (for a family of four persons buying their salt weekly would pay instalments of little more than one pice) can in this Presidency, except perhaps among the very poorest, cause any diminution of actual consumption. But I can understand that it may diminish the quantity which would be purchased if salt were cheaper, and reduce the apparent consumption from, perhaps, 18 lbs. to 14 lbs. per head.

4*th*.—But salt is much dearer below the Imperial customs line, not only on account of the heavier tax on it, but on account of the greater cost of carriage. Mr. Hume says that Bombay salt is driving all other salt out of the market in the Central Provinces on account of its greater cheapness. Now, salt which costs at Bombay 2 annas + Rs. 1-13 tax, costs at Nagpoor about 2 annas + Rs. 3 tax + annas 14 Railway freight, or Rs. 4 against Rs. 1-15-0, and the retail price must be proportionately higher, as profit must be earned on a larger capital invested in the wholesale trade. The *actual* consumption of the Central Provinces is, therefore, probably reduced considerably by the heavy cost of salt. Taking the price of Bombay salt, including duty, to average Rs. 1-15-0 per Indian maund, and the average cost of carriage to be 6 annas (which is probably much over the real average, since railway carriage to Sholapoor, the most distant of our stations from the works, is only 9 annas per Indian maund,) it will be seen that the average cost to the consumer in this Presidency is under ¾*d*. per lb., while Mr. Hume estimates that out of a population in the Bengal Presidency of 98½ millions, 1,800,000 only get salt at less than ¾*d*. per lb., and 26½ millions pay more than 1½*d*. per lb.

5*th*.—I have, I think, proved to demonstration that there is immense smuggling in the town of Bombay, and it is not reasonable to suppose that smuggling is confined to that locality. I have, indeed, a further proof that it is not. From paragraph 86 above it will be seen that the average licit consumption of Guzerat is lbs. 9⅛ per head, from paragraph 93 that the average licit consumption of the Southern Division is lbs. 12½. There is no reason, but rather the reverse, in the price of salt or condition of the people, that the population of Guzerat should consume less salt than that of the Deccan and Konkan, and the inference is irresistible that *at least* lbs. 2⅛ per head is smuggled in Guzerat.

110. On the whole, therefore, I think we shall be safe in coming to the conclusion that the licit consumption of the Bombay Presidency averaging lbs 10⅛ per head (and I am pretty sure it is not more than this), the actual consumption averages lbs. 14, the average of smuggled salt being thus lbs. 3⅞ per head. This on a population of 16,489,569, gives Indian maunds 6,28,413, which, with a duty of Rs. 1-13-0, amounts to a loss of revenue of Rs. 11,38,998. The same proportionate rate of smuggling may be presumed to exist upon our exports to Malwa, the Nizam's dominions, and Mysore. As these exports amount in the aggregate to Indian maunds 6,09,291, the quantity smuggled will be Indian maunds 1,75,084, and the loss of revenue Rs. 3,17,339. Exports to Berar and the Central Provinces, or exports by sea, do not affect the question. The aggregate quantity of salt smuggled I thus estimate to be about Indian maunds 8,03,497, the excise on which is Rs. 14,56,337.

Estimate of loss of revenue caused by smuggling.

111. If these calculations are approximately accurate, the effect of the

total prevention of smuggling will be an addition to revenue of about 14½ lakhs of Rupees. This, it must be remembered, is not equivalent to an increase of taxation to that amount. Neither will there be any addition to the burden of the tax-payer, nor is there danger of consumption being checked, by a heavier tax. For smuggled salt is no cheaper, or but a fraction cheaper, than licit salt; the people now pay these 14½ lakhs, only they pay them to the smuggler instead of to the State.

112. There is another consideration. Mr. Hume has pointed out with perfect truth that the possibility of equalizing the salt tax throughout India, and thus of abolishing the greater portion of the Imperial customs line—measures which appear to me of immense importance—depends entirely upon the effectual prevention of salt smuggling in Bombay.

113. These arguments will, I trust, convince Government that if the measures which I am about to propose seem likely to prove really effectual in preventing smuggling, it will be worth while to incur considerable expense, both immediate and annual, to carry them out.

Section V.

Ways in which smuggling is carried on.

114. I will now proceed to consider the different ways in which salt is smuggled.

115. Of illicit manufacture there is, I believe, little or none in this Presidency. A little earth salt may be made, and fishermen on the Coast may, perhaps, evaporate sea-water in their own houses, but the aggregate quantity so made must be small.

Illicit manufacture.

116. Of smuggling across our frontier from foreign territories (Kattywar, Marwar, and the Portuguese dominions), there is undoubtedly a great deal. The frontier question will, however, form the subject of another report.

Smuggling across frontier.

117. Smuggling from our own works may, it appears to me, be effected in four ways :—

Smuggling from works.

118. *1st.*—By illicit removal from the pans in small quantities before the salt is placed in the Rass or heap and credited into store.

From the pans.

119. The extent to which this kind of smuggling is carried on depends, I think, very much upon the locality of the works. There is no market adjacent to most of the continental works in which small quantities of salt can be always retailed, and in them I think that this kind of smuggling merely supplies the consumption of the neighbouring villages. But the case is widely different with the Matoonga and other works near Bombay, close to which there is a market

in which every maund of salt can be immediately disposed of at a profit of at least Rs. 1-12-0. There is practically no check upon the manufacturers themselves carrying away small quantities; they are allowed to come to and leave the works when and how they please, and I have no hesitation in saying that even without bribing the Peons, an Agria and his family could remove 10 lbs. daily, or upwards of 20 Indian maunds in the season, without fear of detection. If he *can*, there is, I should say, very little doubt that the does.

120. The same is the case at Panwell. Here there are three large suzas close to the town (which, as will be seen, I propose to close); and within 500 yards of the pans just beyond the chowkies are several large store-houses, belonging to traders of Panwell, in which salt is stored in large quantities. The Native officials there, while allowing that there is a great deal of petty theft from the pans, say that the pilfered salt is only retailed in the neighbouring villages, and that the traders have nothing to do with it. This I do not believe. I do not see why the godowns exist at all, except to facilitate smuggling. If the trader himself exports, why should he lose the interest of his money between his paying the duty at the pan and his exporting the salt, and also have the expense of storing the salt in the godown and taking it out again, when he might export direct from the pan close by at any time? If, as is stated, the salt is stored as a speculation, to sell to Brinjarees who come down to Panwell from the Deccan, the price must be raised, besides the profit of the dealer, by at least the loss of interest on the cost price and duty while the salt remains stored, and by the expense of removing and storing it in the godowns, and why should the Brinjaree pay this enhanced price when he might get the salt at cost price by going 500 yards further to the pan itself?

121. *2ndly.*—Salt may be smuggled by theft from the Rasses. This, I believe, is mostly managed in this way. A boat comes up the creek for salt and lies opposite the Rass. She begins to load at perhaps 4 P.M.; and is only a quarter filled by evening, when the Sazedar leaves, putting a peon of the pan in charge. He gets a rupee or two, and the boatmen and manufacturers during the night take another quarter load from the broken Rass, or from another near, taking care that the theft is not too evident. When the Sazedar returns in the morning his suspicions are probably excited, but even supposing he is not bribed, he can only prove the fact by unloading and re-weighing the quantity loaded, which of course the people vehemently oppose. Then the only difficulty is to pass the very ineffective water measurement.

From the Rass.

122. *3rdly.*—Salt may be smuggled by the Sazedar intentionally giving over-weight. To what extent this is done, I confess myself quite unable to form an opinion. I have weighed a per-centage of the bags carried by Brinjarees on several occasions after their passing the preventive chowkees, and have never found any discrepancy. I have also watched the measurement of boats' cargoes,

By over-weight.

with a similar result. Still it is impossible that the establishments, knowing that I was in the neighbourhood, were on their guard, or that I did not happen to hit on the right loads or cargoes. I have also carefully inspected the books at Kallian Bunder, where every boat-load which is brought there from Bassein and Ghorebunder is re-weighed. Of several hundred boat-loads one only showed an excess of under 5 per cent., and regarding this the owner asserted that there had been an error in the stilyard by which the salt was originally weighed. If then there is any smuggling from Bassein and Ghorebunder to Kallian, the Bunder establishment and that at the works must be in league; and this of course is possible. But I find that the Railway exports from Kallian station (which are entirely supplied from the two talookas named above) have averaged for the last three years Indian maunds 4,35,220, while the average quantity removed from the works for interior consumption has been Indian maunds 5,60,304, the difference, 1¼ lakhs of Indian maunds, being about what I should estimate the local demand to be. And the officers of Imperial Customs (one of whom is placed at Kallian station to collect the extra duty) say that while an immense quantity of smuggled salt used to be landed at Kallian Bunder before orders were given for re-weighment there, very little is now brought there. This shows how easily smuggling may be checked by appropriate measures.

Of salt removed free.

123. *4thly.*—I myself believe that the greatest amount of smuggling in Bombay is of salt removed free from the pans nominally for export to Calcutta or Malabar. But on this subject I shall have to write more below.

124. When I commenced this inquiry I expected to find a great deal of petty smuggling, but not organized smuggling on an extensive scale. That such a system does exist, however, seems to be proved by the extent of smuggling into Bombay, which could not, I think, be carried on without it. With a really efficient system it ought to be impossible that extensive smuggling should go on without suspicion being aroused.

Section VI.

Proposals.

125. I have now laid before Government information sufficient, I trust, to enable them to judge of the adequacy and fitness of the proposals I am about to make. Before submitting these proposals I will state the steps I have taken to acquire a competent knowledge of the subject. I have visited, with hardly an exception, every salt work in the talookas of Bassein, Ghorebunder, Trombay, Panwell, Oorun, Penn, Alibagh, and Matoonga, which works produce nearly nine-tenths of all the salt manufactured south of Guzerat. I should like to have visited the works in Ratnagherry and North Canara also, but the season was getting so late that I could not afford the time to do so, and my general proposals, if approved, can easily be applied to

those districts. I have noted on the spot every peculiarity of system, manufacture, locality, &c. I have taken pains to ascertain the opinions of the officers of the Department, European and Native. I have conversed freely with the owners of works, the manufacturers, and the traders. I have carefully perused former correspondence regarding the Salt Revenue, and have acquired some knowledge of the systems in force in other parts of India. I have put myself in communication with Mr. Hume, Commissioner of Inland Revenue, with Madras Officers, and with firms in Bombay and Calcutta interested in the salt trade. I have visited the Bunders and Railway Stations to which salt is removed for export. And in this way, considering that I have had no very long time in which to learn the details of a difficult and intricate subject, I trust that I have qualified myself to give an opinion with some confidence.

Scheme like that proposed for Northern Division impracticable.

126. It is impossible to propose for the Southern Division of this Presidency any such scheme (of substituting for sales at the works sales from depôts at Railway Stations) as I have based upon Mr. Elliot's suggestions for Guzerat; and this for two reasons. No Railway runs parallel with the sea in the Southern Division, and the works in the Southern Division are the property not of Government, but of private owners.—*Vide* paragraph 46.

Madras monopoly system to be avoided if possible.

127. I therefore considered the feasibility of introducing in Bombay the Madras monopoly system. I confess that I think the evils of this system have been much exaggerated. But it has been condemned by many theorists; its introduction here would be much opposed, and would be considered a retrograde measure; and Government would therefore never sanction such a step, unless it were clearly proved that under no other system could smuggling be effectually prevented.

Modification of existing system recommended.

128. Modification and reform of the existing system is the only alternative that remains, and on this view my proposals are based. They fall under the following heads:—

I. Concentration of works.

II. Storing of salt.

III. Checks on the manufacturers.

IV. Prohibition of removal of loose salt.

V. Weighing machines.

VI. Ground rent.

VII. Statistics.

VIII. Miscellaneous suggestions.

129. This is one of the most necessary measures. It is much easier to guard the manufacture of 50,000 maunds of salt in one place than that of 5,000 maunds scattered about in a dozen different localities. By concentrating the works we shall not only be able to reduce the numbers and raise the pay of our Native Establishments (the necessity for which latter measure is urged below, Section VIII.), but we shall also be able to secure, what under the present system is almost totally wanting, that each set of works shall have really effective European supervision.

I. *Concentration of Works.* Necessity of this measure.

130. But it is easier to show the necessity of the measure than to carry it out. The sea-side works are not like those on the Runn; on the Runn we might make as much salt as we want wherever we please; in the Konkan, as already noticed, paragraph 35, comparatively few localities possess the requisites for the manufacture. And we must take care that the limits we assign are capable of supplying the demand, which, as Mr. Hume has shown, is certain to be largely increased by the extension of the G. I. P. Railway. Mr. Hume thinks that even the Allahabad market will eventually be supplied with Konkan salt. Again, we must take care that our works are not too distant from the places where the manufacturers live; that we do not throw a large number of people out of employment by closing works; and that our works are conveniently situated for the trade in salt. Finally, we must consider the cost of compensation for closing works, which must be considerable, for many of the works which most require to be suppressed are valuable.

Difficulties.

131. I do not pretend to say that all my suggestions on this head are correct or feasible. But I have some confidence that the scheme I propose is in the main the right one.

132. The present method of dealing with this question, founded upon the law which permits the suppression of works not producing 5,000 maunds per annum, appears to me devoid of any reasonable principle. One man has as much difficulty in getting permission to enlarge a pan situated in the heart of a talooka as another has in getting leave to open one on its extreme verge. One pan entirely surrounded by other works is closed because it does not produce 5,000 maunds; another producing a little more is left alone, though in a most dangerous locality and unreasonably costly to guard, as, for instance, the work near Pahadi Station on the B. B. Railway, which produces 11,000 maunds, and requires 5 Chowkeys, 3 Karkoons, and 12 Peons.

Present law unsatisfactory.

133. The general principles I lay down are the following:—To confine each salt talooka within convenient, reasonable, and compact limits; to increase the area of manufacture freely within those limits, and totally suppress it beyond them; and to employ the preventive force in guarding the limits of the talooka effectually and systematically.

Principles on which proposals are founded.

134. The accompanying maps will show the limits I propose to assign for each talooka, and the works which will be in consequence suppressed.

Maps.

135. The talookas of Tarapoor and Oomergaum have been already recommended for suppression in connection with the Guzerat scheme, and are therefore not noticed here.

Tarapoor and Oomergaum.

136. This talooka now contains 6 Sazas and 21 Agurs. I propose to suppress 2 Sazas or 6 Agurs:—

I. *Bassein.*

1. Saza Manikpore, containing 5 Agurs, producing on an average Indian maunds 11,585. The works are scattered about in the middle of cultivated country a mile or two from Bassein Road Station, are far from supervision, difficult to guard, and notorious for smuggling.

2. Saza Nowghar, containing one Agur, average produce Indian maunds 5,537. It is isolated, and difficult to guard.

137. I was much inclined to recommend the closing of Panjoo Saza also. The railway runs right through it, and there are workshops on the island close to the pans, so that petty theft is inevitable. But the Saza is in other respects easily guarded, and very convenient for the removal of salt either by boat or railway, and it produces Indian maunds 73,000.

138. I estimate that within the limits I have assigned is room for the production of a lakh, or a lakh and a-half, of maunds more than is at present manufactured.

139. This important talooka contains 6 Sazas and 37 Agurs. The limits I propose for it are on the west the Doongree hills, on the north the Bassein creek, on the east the Railway, and on the south a creek crossing the upper part of the Manora creek. The adoption of these limits will suppress—

II. *Ghorebunder, or Rai-Moorda.*

1*st.*—2 Agurs of Saza Bhaidur, Nuwa Bunderwari, a small and bad work close to the railway, producing only Indian maunds 583, and Parkoop, a fine work, but very isolated, on the shore of the Bassein creek, more than a mile east of the Railway. It produces Indian maunds 17,493.

2*nd.*—Saza Ghoregaum, containing one Agur, belonging to Mr. Byramjee Jejeebhoy, who has a house near. It is about 1½ mile from the Pahadi Railway Station, and 10 miles from the Sir-Karkoon's head-quarters. It is entirely isolated, and very difficult to guard. The average produce is Indian maunds 10,845, but it might produce much more. It is a fine and costly work. The salt is of the fine white kind, and goes almost entirely by cart to Bombay.

3*rd.*—Saza Malwani, containing 4 scattered Agurs, producing altogether Indian maunds 24,646, the salt being similar to that of Ghoregaum, and chiefly consumed in Bombay. The works belong to the manufacturers themselves, 30 or 40 in number, chiefly Christians. I am sorry for these people, who begged hard that their works might not be closed, saying that they

do not cultivate, and have no means of livelihood except salt making. But I see no help for it. The works are so remote and isolated that it took me 15 hours to inspect them, and Ghoregaum, which is about 3 miles from one of them, going by train and returning by boat to Bassein. Perhaps the people might have a new site given them within the proposed limits of the talooka.

140. I estimate there is room within the assigned limits to manufacture about 2 lakhs of Indian maunds more than is made at present.

III. *Trombay.*

141. This talooka contains 5 Sazas and 21 Agurs, besides one fine Saza at Bhandoop, 5 miles south of Tanna, which has been closed for some years owing to a dispute among the proprietors. It should not be re-opened, and I recommend that the following works be closed :—

1. Saza Coorla, containing 2 Agurs near the Railway Station at Coorla, said to produce Indian maunds 17,599. The impossiblity of guarding these works effectively will be evident to any one who looks at them from the railway.

2. Saza Mahool, containing 7 Agurs, with an aggregate average produce of Indian maunds 96,472. The works are scattered about in the flats on the west of Trombay hill from Peer-pow point to near Coorla, a distance of nearly 4 miles. They are difficult to guard, and far from the Sir-Karkoon's station at Trombay.

142. The works to be retained will therefore be 2 Sazas, containing 11 Agurs, upon the island near Trombay, and 1 Saza, Ghatkoopar, containing one fine compact work producing Indian maunds 63,922, about 2½ miles north-west of the island. The flats between this work and the island should be included in the limits, and there will, I estimate, be space enough to manufacture an additional lakh of maunds.

IV. *Panwell.*

143. Of this talooka, now containing 10 Sazas and 58 Agurs, I propose to retain only the 4 Sazas containing 12 Agurs, which extend from the point at Kurweh at the mouth of the Panwell river northward to Sheeruneh. The works to be closed will, therefore, be—

1. Bellallpoor Saza, 3 Agurs, average produce Indian maunds 12,926. The works lie close round the village of Bellallpoor, and cannot be guarded properly.

2. Waghole Saza, 2 Agurs, produce Indian maunds 20,078, is on an island in the river about 1½ mile above Bellallpoor, and is isolated.

3. Saza Joor Kamot, 8 Agurs, average aggregate produce Indian maunds 14,776.

4. Saza Khanda, 16 Agurs, produce Indian maunds 37,064.

5. Saza Panwell, 16 Agurs, produce Indian maunds 42,506. These Sazas, which are near the town of Panwell, are notorious for smuggling (*vide* paragraph 120 above), and cannot be properly guarded.

6. Saza Jooya Kulboosar, 1 Agur, Indian maunds 39,216, is 10 miles from Panwell across the hills, and gets its water supply from the Karanjeh creek. If not suppressed, it should be included in talooka Oorun. But it is entirely isolated, and should be closed.

144. I do not think that there is space within the assigned limits for any great increase of manufacture. The works to be retained now export salt chiefly by sea, and Brinjarees frequent the three Sazas to be closed near the town of Panwell. But there is nothing to prevent their going 5 or 6 miles further to the works to be retained, which can supply much more than they require.

V. *Oorun.*

145. This talooka, the largest and most important of all, contains 19 Sazas and 104 Agurs. I propose to close only 2 small works—Lotuncha, Indian maunds 4,944, and Wooand Khochee, Indian maunds 1,384, upon Hog Island, belonging to Nahweh Saza,—thus making the creek that separates the Island of Karanjeh from Hog Island the limit of the talooka on the north.

146. Nearly all the works of this talooka are upon the Island of Karanjeh, which is chiefly occupied by them, and it would be convenient to make the limits of the talooka co-terminous with the island. But on the main land across the Karanjeh creek near the village of Pirkoon, in revenue talooka Panwell, is the Saza Olee Bhendee, containing four fine compact works producing Indian maunds 1,18,109. The demand on the talooka is likely to increase, and I do not think there is available vacant space on Karanjeh Island to supply the deficiency if these works were closed ; they are easily guarded and convenient for export by boat, and I would retain them. About ¾ mile north of them, also on the main land, is a small Agur of Saza Sonkher, the other works in which are in Karanjeh, and near this is land, belonging to a Mahomedan gentleman called Baba Khote, which he has spent Rs. 10,000 in trying without success to reclaim for rice cultivation, but which is suitable for salt making. He is anxious to make it into an Agur which will produce about Indian maunds 60,000. I would, therefore, bring the eastern limit of talooka Oorun across the Karanjeh creek, so as to include all these works, and would offer the Agrias of the Panwell Saza Jooya Kulboosar (*vide* 143 above), whose village is at no great distance, the option of making a new work on the vacant space between Olee Bhendee and Baba Khote's land. There will thus be two compact Sazas on the east of the Karanjeh creek.

VI. *Penn.*

147. There is no occasion to make any change in the limits of this talooka, the most compact and best arranged of all.

VII. *Alibagh.*

148. This talooka contains 6 Sazas and 17 Agurs, much scattered, and I propose to suppress it entirely. The two most important works are Hiragur and Shahabagh, about 2 miles apart, not far from Poindur Bunder, and 14 or 15

miles from the Sir-Karkoon's station at Alibagh. They are Government works, and could produce about 1½ lakh of Indian maunds, but have been almost entirely closed for several years past owing to a dispute with the manufacturers. The 3rd Saza, Wursoli, is about 3 miles from Alibagh, and contains 4 small Agurs, with an aggregate produce of Indian maunds 6,079; the 4th, Alibagh, 6 Agurs, Indian maunds 9,862, is about a mile above the town; the 5th, Chowl, 2 Agurs, Indian maunds 3,804; and the 6th, Rajpoori, 3 Agurs, Indian maunds 10,024, are very distant from the Sir-Karkoon's station, and extremely isolated.

149. All these works are scattered and difficult to guard, and as the Alibagh district can with ease, and at a very trifling expense, import its salt by boat from Penn or Oorun, I see no occasion to incur the expense of keeping them up.

150. This talooka (which forms the Presidency Division) is compact and well arranged, and none of its works could be advantageously suppressed.

VIII. *Matoonga.*

Suggestions for more effectually guarding it will be found below, paragraph 167.

151. The following Table contains an abstract of the above proposals. It will be seen that while I propose to close 87 works out of 311, or 28½ per cent., the average manufacture suppressed is only Indian maunds 4,01,889 out of Indian maunds 39,86,476, or 10 per cent., and that the annual saving in cost of establishment will be about Rs. 25,500:—

Name of Talooka.	No. of Sazas.	No. of Agurs.	Total Average Produce, Indian Maunds.	To be suppressed.						Saving.		Remarks.
				Government Agurs.	Average Produce, Indian Maunds.	Private Agurs.	Average Produce, Indian Maunds.	Total number of Agurs.	Total average Produce, Indian Maunds.	Men.	Pay per Annum, Rupees.	
1	2	3	4	5	6	7	8	9	10	11	12	13
											Rs.	
Bassein	6	21	2,15,075	2	3,976	4	13,146	6	17,122	26	1,989	
Ghorebunder	6	37	5,58,828	...	.....	7	53,567	7	53,567	24	2,046	
Trombay	5	21	3,50,949	..	.....	9	1,14,061	9	1,14,061	23	2,652	
Panwell	19	58	3,62,488	...	.....	46	1,66,506	46	1,66,506	65	6,250	
Oorun	19	104	13,76,646	...	.....	2	6,323	2	6,323	5	403	
Penn	8	32	4,33,819	...	.....	...	.....	...	.....	...	.....	
Alibagh	6	17	44,243	2	14,475	15	29,770	17	44,245	110	9,201	In addition to this saving on establishments at the works, the greater part of the Sir-Karkoon's pay and establishments,—45 gun fix. 5,532—now debited to Customs, may be dispensed with.
Matoonga	8	21	6,44,466	...	.....	...	.....	...	.....	262	22,546	
Total	80	311	39,86,476	4	18,451	83	3,83,438	87	4,01,889	263	22,546	

152. The next question for decision is what compensation should fairly be given for the suppression of works, whether to the Shelotris or proprietors, or to the actual manufacturers.

153. Of the works I propose to close, four belong to Government, and it will only be necessary to compensate the Lessees for cancelling their leases. Of the rest, not less than 66 produce on an average less than Indian maunds 5,000,* and, according to the present law, can be summarily closed without compensation. But this, I think, would be an excessively harsh measure, and I would give their owners compensation at the same rate as others.

Compensation to Proprietors.

* In Bassein	3	Agurs.
Ghorebunder	4	„
Trombay	2	„
Panwell	40	„
Oorun	2	„
Alibagh	15	„
	66	

154. The best way of determining this rate will be by giving a certain number (I should recommend 20) of years' purchase of the profits of each work, to be ascertained from the average sales of the last five years, and average price obtained for the salt which is recorded in the Sir-Karkoon's books. The calculation must, of course, be made for each work separately, but I can give an approximate estimate of what it will amount to.

155. The average price of salt of late years has varied from about Rs. 10 to about Rs. 5 per anna of 70, 72, or 80 Indian maunds. It is curious (as being entirely at variance with the axiom that there cannot be two prices in the same market) that salt sold for export by sea fetches a price decidedly lower than salt of the same quality sold for inland consumption, the only reason assigned being that this is the custom. And salt sifted for sale to Brinjarees, or the fine white salt made at some works in Ghorebunder for sale in Bombay, sells as high as 4, or even 5 annas per maund. But, on the whole, Rs. 10 per anna of 80 maunds, or 2 annas a maund, is probably a little over the real average. Of these 2 annas the manufacturer receives one as his wages, and out of the other the ground rent—in some works as high as 4 pies per maund—and the repairs of the works must be paid for. The net profit cannot then be more than from ½ to ¾ anna per maund on the sales, and 20 years' purchase of the average net profit will not be more than 12 annas per maund on the sales. As the average sales from all the proprietory works to be closed have been Indian maunds 3,22,855, the total compensation, supposing all owners to be compensated in cash, would be under 2½ lakhs of Rupees.

Cash compensation.

156. But among the works which will not be closed are the Government ones marginally noted, most of which are very fine ones; and large owners, such as Mr. Byramjee Jeejeebhoy, would probably like to receive one of them in exchange for their suppressed works better than cash compensation.

Exchange of works.

In Bassein	4	Agurs.
Matoonga	5	„
Penn	2	„
Oorun	1	„
	12	

157. In many places the works to be closed will after a time grow rice, and I would let the owners have them free of assessment till the end of the survey lease for this purpose.

Exemption from land assessment.

158. No general rule for compensating Agrias can, I think, be laid down. When they can continue the manufacture in neighbouring works (as in the case of the works to be closed on Hog Island) they need not be compensated at all; when they have the resource of cultivation to fall back on, I think they need only be compensated for the cost of their salt-making tools, which will become useless; but when, as in the case of the people of Malwani Saza in Ghorebunder, they are not cultivators of the soil, and lose their only means of livelihood, I think they should have compensation sufficient to enable them to start in some other trade. These Malwani people are the owners of the works as well as manufacturers, and the simplest plan with them will probably be to give them, as owners, a higher rate of compensation than other owners.

Compensation to Agrias.

159. Mr. Plowden's second recommendation was "the adoption of the method of measuring the produce into store and of adjusting the stock account which prevails in Madras," instead of the Bombay system of estimate.

II. *Storing of Salt.*

160. The Madras system, as described by Mr. Plowden himself, is as follows:—When the salt is ready, it is received from the manufacturer by measurement, and is paid for as soon as the whole produce is measured into store. Each manufacturer's account is kept separately, but the salt is stored indiscriminately in one common store at the depôt, in heaps of 10 or 20 garce each, of a regular shape and well thatched, on rectangular platforms raised 3 or 4 feet. The earth taken to raise these platforms is dug in such a manner as to form a deep ditch round each, with one wide entrance. They are as large and hold as many heaps as possible to diminish the cost of guarding. Each platform is enclosed with a palisade or a hedge of prickly-pear, and the entrance is secured by a gate. Within the enclosure is a raised hut for the Peons, and a space for measuring and loading salt. Each heap is marked with the quantity it contains, and they are sold in order of their numbers, so that one heap is not opened before another is finished, and, if possible, entire heaps are sold. The stores are periodically inspected by the Collector, some of the heaps measured, and a record of results kept.

Madras system of storing salt.

161. Curiously enough, it does not seem to have struck Mr. Plowden that (as was pointed out by Mr. Spooner) the feasibility of this very effectual plan of storing salt depends entirely upon the adoption of the Madras monopoly system, which he condemned. We cannot store salt indiscriminately, because, as I have explained above, each manufacturer receives his share of the price of

Inapplicable in Southern Division.

53

salt he has made when it is sold. We cannot have heaps of uniform size, because one manufacturer makes 100 maunds and another 1,000. And we cannot insist that one heap shall be entirely sold before another is opened, because with a system of free excise the owners and purchasers of salt settle among themselves by bargain what salt shall be sold and its price.

162. I think, however, that it is both possible and advantageous to assimilate our system partially to that of Madras. And I must first explain that there are two objects to be gained. The object of storing salt in a compact depôt, instead of in heaps all over the neighbourhood of the works, is self-evident. So stored it is much more cheaply, easily, and effectually guarded, and is also less liable to waste. But the object of keeping an accurate account of the quantity of salt stored in each heap is to check our own officers. If the supervising officer knows within 2 or 3 per cent. that a certain Rass contains 1,000 maunds, he knows that when it has disappeared the Sazadar's books ought to account for 1,000 maunds, and the excise upon that quantity; and that if 750 maunds only are accounted for, the balance must have been stolen, or the Sazadar must have given over-weight. But if, as with the present system of "Azmash," the supervising officer does not know the real contents of the heap within 25, or even 40 per cent, it is evident that the check is quite worthless.

But a modification of it feasible.

163. My suggestions under this head are, therefore, as follows:—

Proposed system.

164 *a*. For each Agur, or, where practicable, for 2 or 3 contiguous Agurs, a spot should be selected, conveniently situated for the removal of the salt, *i. e.*, accessible by a road, or near a creek where boats can lie, not too far from any part of the pans, so that the maximum distance that salt shall have to be carried from the pan to the heap shall not exceed, at most half a mile, and including as much as possible of the existing platforms on which the salt is stored.

b. This spot should be formed into a rectangular platform, as on the Madras system, raised above the surface of the ground from 3 or 4 to 7 or 8 feet, according to the locality, so as to be in no danger of flooding, and surrounded by a ditch, with the requisite number of entrances, each closed by a gate.

c. Upon the platform to be a hut for the Peons, and sufficient space to be left between the heaps for the weighing and loading and removal of the salt.

d. The surface of the platform to be divided into spaces, one for each Agria, varying in area according to the quantity he manufactures. Each man will require room for at least two heaps, one for salt being sold, and the other for salt being stored.

e. Each heap to be made in the same way, of a circular form, by emptying each basket into the middle of the heap; when completed, the contents to be calculated by ascertaining the height and circumference of the heap, and a slip of wood on which the name of the Agria and number and contents of the heap are painted to be fastened to it.

Vide Appendix, in which the calculation is given.

f. Sales from a heap to be forbidden till its contents have been thus estimated. The European inspecting officer to check the estimates in as many cases as possible.

g. The gates to be closed, and no person, except the Peons, allowed upon a platform after sun-set.

Expense by whom to be borne.

165. The expense of making these platforms will in some cases be considerable, and it is not fair that Government should bear the whole of it, as the owners will gain by their salt being more securely kept and guarded. I would, therefore, require the Agrias and Shelotris to give the labour required for raising the platforms, Government contributing the cost of gates, &c. In special cases when the cost of raising the platforms is very considerable, Government might defray a portion of it.

III. *Checks upon manufacturers.*

166. In many talookas, such as Oorun and Penn, the villages in which the manufacturers live are in the heart of the talooka, and surrounded by the works. In these cases it will be impossible to prevent petty smuggling for the consumption of these villages. We must chiefly depend upon our external cordon of posts to prevent illicit salt being removed for sale beyond the limits of the talooka. But even in these cases I would require all the manufacturers to leave the pans between sun-set and sun-rise; would make them liable to be searched if suspected of removing salt; and would empower the officers of the Department to search the villages if they suspect the existence of stores of illicit salt. At Cambay, a few years ago, a fire occurred in the suburb in which the salt-makers live, and it was found that each house contained a pit for storing salt, which in the aggregate could contain upwards of a lakh of maunds, and which in fact were half-full. This salt had not paid duty.

167. But in other talookas, and especially in Matoonga, where, as I have shown above, paragraph 119, petty smuggling of new salt from the pans is most dangerous, all the manufacturers live beyond the limits of the works, and I would require them to pass through a Chowkey in leaving their work. At Matoonga, in particular, I would surround the whole of the works on the land side with a strong fence. For the greater portion of the length (about 3½ miles) I think an impenetrable prickly-pear hedge might be raised, but where a hedge will not grow there should be a wall, palisades, or a corrugated iron fence. There should be a convenient number of gates, locked from sun-set to sun-rise, and each guarded by a Peon, and any bundles carried by the manufacturers or others should be examined.

IV. *Prohibition of the removal of loose salt.*

168. To entirely prohibit the removal of loose salt, that is, of salt not packed in bags, would be, I am convinced, one of the most effectual checks to smuggling. For the preventive or inspecting officer to re-weigh a boat-load, or even a cart-load, of loose salt is a troublesome, costly and wasteful operation,

and in the case of salt exported by sea is by no means satisfactory, as is shown by the difficulties attending the trade with Calcutta and Malabar—*vide* paragraph 215 below; but if salt is removed in bags nothing can be easier than to count the bags in transit, or on arrival at their destination. To smuggle salt packed in bags either (in the case of salt removed on payment of duty) each bag must be made to hold more than it is stated to do, or (in the case of removals duty free) a little must be taken out of each bag before it arrives at the place, say Calcutta, where the duty is levied. In either case the fraud would be certainly detected by weighing a per-centage of the bags.

169. A large proportion of the salt removed from our works has eventually to be packed in bags. All that is removed by Brinjarees is bagged before leaving the works. All the large quantity carried by railway, and most of that conveyed in carts to places at a distance from the works, is bagged after leaving the works. A good deal of our salt exported to Calcutta is bagged before removal from that port for consumption.* The same, I believe, is the case with a portion of our exports to the Malabar Coast.†

170. When salt has eventually to be packed in bags, it can make but a very small difference in the price whether it is bagged before or after leaving the works. It may indeed make a small difference, for in the case of salt exported to Calcutta the interest on the money expended upon bags in Bombay which accrues during the voyage must be added to the price, but, on the other hand, the wastage of salt packed in bags is almost *nil*, and the trader saves in this way.

171. I would, therefore, lay down as a general rule that all salt removed except for export by sea, shall be bagged before leaving the works, the number of bags and other particulars being entered in the permit; and would admit exceptions to this rule only under orders specially passed by the Assistant in charge for each work. There need usually, I think, be only one exception, that of small removals really for local consumption, *i.e.*, for consumption of towns or villages near the works; and removals from Matoonga to Bombay should not be excepted.

172. The question of removals for export by sea is discussed below, paragraph 231.

173. Each bag need not be weighed separately and marked with its weight, as is now done with Brinjarees. The number of bags and their gross tare having been ascertained, the purchasers should be permitted to fill them as they please,

* I was under the impression from information I received from Calcutta that this was the case with most of our salt imported there, but I have just learnt from a Calcutta firm that it is not so, and that a great deal of salt leaves Calcutta loose in boats.

† I have just heard from the Collector of South Canara that only salt carried by Brinjarees is bagged on landing there.

and when all are filled they should be weighed in gross, 5, 10, or 20 at a time, as may be convenient. The permit should then be made out in the following form :—

	In Mds.	Seers.
Gross weight of 1,000 bags of salt	2,050	0
Deduct tare of 1,000 bags empty	50	0
Net weight of salt	2,000	0
Average weight of each bag, including tare	2	2

If then the bags on being counted are found to correspond in number with the permit, and also in average weight on 5 or 10 per cent. being re-weighed, it is evident that there can have been no smuggling.

174. Until within a few years, salt was delivered sometimes by weight and sometimes by measure, and many efforts were made to substitute everywhere measurement for weighment. But the inconveniences of this were found to be great, both because a system of measurement is very liable to fraud, and because the specific gravity of different kinds of salt varies so much that in one case it was found that the purchasers, who were by law required to pay 12 annas duty for 82 lbs. of salt, were in reality paying 12 annas for only 60 lbs. It has, therefore, been rightly decided to make all deliveries, as the law requires, by weight.

V. *Weighing Machines.*

175. But the present system of weighment is very unsatisfactory. The weighing machine used is almost always the stilyard. When salt is removed in bags each bag is separately weighed when filled (the tare of empty bags having been previously ascertained), and as each contains from 2½ to 3 maunds, the process is less troublesome. But loose salt is weighed out maund by maund in a basket, a most laborious and tedious process. Take, for instance, the case of a boat which loads 1,000 maunds at Bassein for Kallian. Every maund is separately weighed in at the works and out at the Bunder, and, however honest the weighing Karkoon may be, it is almost impossible that he can keep up his attention during the repetition 1,000 times of the same process, and this day after day.

176. If my proposal to prohibit the removal of loose salt be approved, the difficulty is solved. Each bag might either be weighed by the stilyard, or, as would be better, a large pair of scales being erected on each platform several bags might be weighed at once. But if loose salt is to be delivered, it will be absolutely necessary to have improved means of weighing it.

177. Weigh-bridges have been proposed, but are, I think, out of the question, except for re-weighment at places like Kallian or Carnac Bunder. They are very expensive, and if one were to be erected at each storing platform their aggregate cost would be something enormous; they cannot be moved about; they are convenient to weigh goods placed in a vehicle only; and they are very apt to get out of order, especially when used for loose salt, which corrodes the knife edges.

178. Unless the delivery of loose salt is prohibited, I recommend that an adequate reward, Rs. 3,000 or 4,000, be offered for a weighing-machine expressly for salt. It should be simple, and not liable to get out of order; should run on wheels or rollers, so as to be moved about between the salt heaps; should be able to weigh at least 5, and, if possible, 10 maunds at a time; and should empty itself easily.

179. The table in the margin will show the rates at which ground-rent is levied in different talookas. In my opinion the variety of rates founded on no fixed principle is objectionable, and especially the practice of levying a fixed sum, 2, 3, or 4 pies per maund sold. This impost is more an excise than a rent, and its effect is to prevent the sale of inferior salt. At Penn, for instance, the people say that much of the old sifted salt would have been sold at ¼ or ½ anna per maund were it not for the 4 pie ground-rent.

VI. *Ground Rent.*

Talooka.	*Rates.*
Oomergaum.....	1 pie per maund sold or fixed sum on each work.
Tarapoor	Rs. 5 per beegha.
Bassein	Ditto, and Deshmookhi.
Ghorebunder ...	2 pies per maund sold.
Trombay	Ditto, ditto.
Panwell	Rs. 1-8 per beegha and Deshmookhi, or 4 pies per maund sold, or annas 8 per acre.
Oorun	3 pies per maund sold, or Rs. 1-14 per acre, or fixed sum on a work.
Penn.....	4 pies per maund sold.
Alibagh	Ditto, ditto.
Rutnagherry ...	Rs. 6 per beegha.
Malwan	3 pies per maund sold, or fixed sum on a work.
Vingorla	Ditto, ditto.
Matoonga	6 pies per 60 square yards.

180. Strictly speaking, each work ought to be assessed to land revenue in proportion to its capabilities. If from its situation one work will produce to an equal area, and with equal labour and cost, more or better salt than another, it should be assessed higher in proportion. But it would be extremely difficult to ascertain this with any approach to accuracy, and I think the fairest and simplest way would be to assess the entire area of all works at the average rate of salt batty lands in the villages in which they are situated. Works held in Inam should be assessed, and treated under the Summary Settlement Act like arable Inam lands. It will, perhaps, be better that the assessment be levied by the Salt Department, as at present. But it should be paid over to the Collector of Land Revenue, and should not appear among miscellaneous items of Salt Revenue.

181. I think that for the future greater attention should be paid to the statistics of the Department. In the first place, more care should be taken that the real destination of each delivery of salt is entered in the permit. The returns of removals should then be compared with returns obtained quarterly or annually from the Railway Companies, showing the quantities of salt they have carried, the loading stations, and the stations to which the salt was consigned. The figures so obtained should again be compared, much as has been done in Section IV. of this report, with the returns of population, which will be more trustworthy after the approaching census. If this is done steadily for a few

VII. *Statistics*

years, the results being embodied in the Annual Report of the Department, I think that much valuable information will be obtained, and that any extensive system of smuggling must attract notice.

VIII. *Miscellaneous suggestions.*

182. My note-books are full of minor suggestions, the more important of which I will notice here.

Destruction of old salt.

183. At most of the works frequented by Brinjarees, and especially at Penn, there is a practice of sifting the salt before sale. The Brinjarees buy only the large grained salt, which will not pass through the sieve, and pay, of course, a higher price for it than for unsifted salt. The small grained salt, which will not travel in bullock packs without very great waste, is left, and this amounts to from ½ to ⅔rds of the whole quantity sifted. It is occasionally sold cheap for export by sea, but is generally not sold at all, and remains in stock, sometimes seven or eight years, till gradually wasted away by the weather. The evil of this is obvious. The ground and the books are cumbered with this old salt, its quantity is never exactly known, and no one looks after it. There should be a rule, first, that all salt left after sifting shall be made again into a heap regularly estimated; secondly, that salt remaining unsold during one entire season shall be destroyed at the commencement of the next season, *i. e.*, of the third after the season in which it was made. It should be destroyed by being thrown into either the pans or the reservoirs, and would thus be utilized, as it would increase the strength of the brine and would re-crystallize.

Responsibility of owners of works.

184. Extensive smuggling cannot be carried on without the connivance of the owners of the works, but, owing I suppose to the difficulty of obtaining evidence against them, I believe that no attempt is ever made to punish them. But whenever connivance can be proved against an owner he should be punished by fine or imprisonment, or in bad cases by the confiscation of the work.

Authority to search stores of salt.

185. When it is known or suspected that salt is stored for sale in considerable quantities by speculative dealers, the officers of the Department should have authority to enter on the premises, ascertain the quantity so stored, and require the owner to show from his books whence the salt was procured, and that it has paid duty.

Boats.

186. At almost all sea-side works the Sir-Karkoon and Daroga must have a boat each, to enable them to visit the works, or to board vessels loaded with salt. Sometimes the boat belongs to Government, sometimes it is hired for the season. The kind of boat used is that called "Chabina," and there could not be a worse one for the duties required. A "Chabina" is always slow; will not sail on a wind; will not work under sail in a narrow creek; is too heavy to row; draws too much water for a shallow creek, and requires too many men

What is wanted is a light 4-oared ship's gig with a lug sail. Such boats can often be picked up cheap in Bombay, and should be purchased for the Department.

Maps.

187. The existing departmental maps, which show on a very large scale one or two groups of salt works on separate sheets, with no general view of the talooka, of the position of neighbouring villages, of lines of communication, &c., are useless for practical purposes. Each talooka, as re-arranged, should be mapped as a whole on a scale of 4 inches to the mile (which will, I think, be large enough), and the map should show each work with its reservoir, each storing platform, the cordon of preventive posts, the position of villages within or near the limits, hills, creeks, roads, and all other particulars useful in giving a comprehensive view of the talooka. The accompanying map of Oorun talooka will show what I mean. I do not think that any surveying will be required for such a map; a good draughtsman can compile it from the Revenue Survey village and talooka maps, and from the existing plans of the Sazas.

Supply of drinking water.

188. Steps should be taken, wherever practicable, to give a better supply of drinking water to the Karkoons and Peons at the works. At present not only do the people suffer much, but a number of men are constantly absent from duty fetching water from a distance of sometimes 2 or 3 miles.

Dredging of Creeks.

189. In some talookas, and especially at Ghorebunder, the creeks up which the salt boats come to the works, and by which also the sea water reaches the reservoirs, have of late years silted up so much that some works have had to be abandoned. Formerly a small fee was levied on each boat at Ghorebunder, and the proceeds applied to dredging the creeks. There is, probably, a small dredge at Bombay that would do this work, and if not, I think one should be procured. It could visit each work in turn, and when not required would, probably, be useful in Bombay harbour.

Means of approach to works.

190. The approaches to most works are at present in a detestable state. The coolies who carry the salt on their heads from the work to the boat have sometimes to walk 200 yards through mud over their knees; and many of the roads by which carts or bullocks come from the land side are almost equally bad. I cannot, however, recommend Government to incur much expense for facilitating the removal of salt, as the traders and owners ought to do this themselves. But when the storing platforms are being made, I think that a little additional expense might be incurred in widening and deepening the creeks opposite to them, so as to enable the boats to lie as near as possible; and also in improving the approaches on the land side.

Salt used in curing fish.

191. When the excise was first imposed inquiry was made as to its effect upon the trade of curing fish, and it was decided that fish cured in British territory

should, in consideration of the salt used having paid excise, be exempt from import or export duties at British ports. The effect of this was, of course, to impose a protective duty on foreign fish. But (by Act XVII. of 1867, Schedule A., No. 46,) the duty has been taken off foreign fish, while the Salt excise has been more than trebled, and it is, of course, hopeless to expect that fish cured with taxed salt can compete with the fish of Goa, Damaun, Jinjeera, or Kattywar. Our fishermen, it is believed, meet the difficulty by the simple expedient of smuggling all the salt they use, but this is not a desirable state of things, and it may be hoped that an improved system will put a stop to it.

192. One of two steps ought then to be taken. Either a protective import duty equivalent to the Salt excise should be imposed upon foreign fish, which would be the fairest way for the revenue, but would, I fear, be not easily enforced ; or each fishing boat should be annually allowed a certain quantity of salt free of duty. I regret that while I was on the coast I overlooked this question, and did not make the inquiries which would have enabled me to lay definite proposals before Government as to the quantity which should be allowed, and on what terms. But I think there would be little difficulty in making a fair arrangement.

Effect upon price of these suggestions.

193. I do not think that the suggestions made in this Section violate the important rule that the existence of an excise should add nothing, or as little as possible, beyond the amount realized as revenue to the price of the article taxed. The existence of smuggling, as I have pointed out above (paragraph 111), is the most flagrant violation of this rule. Smuggled salt is sold no cheaper than licit salt, and thus pays the tax, but to the smuggler, instead of to Government. Even in the interest of the consumer, therefore, very considerable stringency is justifiable, if it will prevent smuggling. But I do not think the measures I have proposed will really operate to raise the price of salt at all.

194. The concentration of works would raise the price if this measure limited the supply, increased the cost of production, or increased the cost of carriage. But within the limits I have assigned salt enough to meet any possible demand can be produced ; the works retained are those which have the greatest natural facilities for the manufacture, and the cost of production in them is therefore not more, but probably less, than in the works to be closed ; and as I propose to maintain in every talooka, except Alibagh, the works most favourably situated for the removal of salt, it is only the consumption of villages in the immediate vicinity of works to be closed which will have to bear a higher cost of carriage, and that to a very small amount.

195. Regulations for manufacture and sale do tend to raise the price of an excised article. It will, for instance, cost the manufacturer a trifle more to store his salt as recommended in this report than to store it just as may be most

convenient to himself. But, on the other hand, the rules for storing, removal in bags, &c., which I propose will greatly diminish wastage, and will thus tend to lower the price.

196. And, finally, I have endeavoured to avoid all unnecessary interference with the trade. Merely to count the bags landed at Kallian Bunder for instance, instead of, as at present, re-weighing a cargo of loose salt, will be much less vexatious to the trader, while it will afford greater security to the revenue.

Section VII.

Export Trade.

197. The average quantities of salt exported beyond this Presidency are as below (*vide* Section IV.) :—

		Indian Maunds.
Exports by Land—	To places below the Imperial Customs line.	4,74,305
,,	To Nizam's Dominions.....	3,92,964
,,	To Malwa, &c.	1,76,327
,,	To Mysore.....	40,000
	Total.....	10,83,596
Exports by Sea—	To Calcutta.....	5,77,653
,,	To Malabar Coast	9,15,305
,,	Beyond India	61,313
	Total.....	15,54,271
	Grand Total.....	26,37,867

Exports by land.

198. Of exports by land it is not necessary to notice here those to the Nizam's dominions, to Malwa and Central India, and to Mysore. They all pay full Bombay duty, and the removals are conducted under the same rules as those for Home consumption. Exports to Malwa, however, require some notice, but I will discuss them in my Frontier Report.

To places below Imperial Customs line.

199. Export to places below the Imperial Customs line are subject to a duty of Rs. 3 per Indian maund, with a drawback of Rs. 1-13-0 for the Bombay duty. Regarding the mode of levying and crediting this duty there has lately been much discussion.

200. Salt is exported from Bombay to the Central Provinces entirely by railway, and is taken either—

From what works.

1*st*.—By cart from the Matoonga works on the Island of Bombay to the Dadur Station.

2*nd*.—By boat across the harbour from the works at Trombay, Panwell, Oorun, or Penn, to the Carnac Bunder, and thence to the Boree Bunder Station.

3*rd*.—By boat from the Bassein and Ghorebunder works up the Kallian creek to the Kallian Bunder, and thence to Kallian Railway Station by carts.

201. I have already, paragraph 66, described the precautions taken at the Bunders by the Bombay Preventive Officers. When the salt has passed the Bunder examination the Bombay Salt Department has no more to do with it. But at the different stations is an officer of the Imperial Customs who weighs a per-centage of the bags (for the G. I. P. Railway will not carry salt, except in bags), and, striking an average of the whole number from that weighment, collects the balance of duty, Rs. 1-3 per Indian maund, on the whole quantity thus ascertained. The bags are then placed in a covered railway waggon, which is locked and sealed, and on passing the Customs line at the station on the borders of the Central Provinces, or Berar, the waggon is opened, and the bags counted by a Patrol there. If any salt is brought from stations at which there is no collecting officer, it is, I presume, detained and weighed, and the duty levied at the frontier.

Arrangements for levying the Imperial Customs duty.

202. With all this the Bombay Salt Department has, of course, nothing to do, but it is evident that if smuggled salt can get the drawback of Rs. 1-13-0, the revenue is defrauded to that amount. It is, therefore, necessary to be certain that salt claiming the drawback shall really have paid the Bombay duty.

203. It has been proposed that the full duty of Rs. 3 shall be levied at the works on salt destined for consumption below the Customs line. This is altogether impracticable; it is sufficient to say that the up-country traders do not buy direct from the works, but from speculators, who when they purchase at the works do not know whether the salt will cross the Customs line or not.

204. Mr. Hume has proposed, and indeed has ordered, his collecting officers that no salt be allowed the drawback unless covered by the Bombay pass or permit. At first sight this appears feasible and simple, but in reality there is the difficulty stated in the last paragraph that the up-country traders do not purchase from the works.* One of the Bombay traders in salt brings, say, 1,000 maunds to Carnac or Kallian bunders, and there sells, perhaps, 300 maunds

* *Vide* on this subject my letter to the Acting Commissioner of Customs No. 48, May 11th, 1870.

for Sholapoor, 300 to cross the Customs line, and the rest to Brinjarees, or for local consumption, the transactions, perhaps, extending over a couple of months, during which time the permit has ceased to be in force. If he sells 300 maunds first to cross the Customs line, he cannot give the permit to the buyer, lest he should want it to cover the rest. If he has sold 700 maunds for Sholapoor, and afterwards 300 to cross the line, he will give up the permit; but this is useless for the comparison which Mr. Hume desires to be made with the records of the Bombay Salt Department, for it is for 1,000 maunds, when the extra duty has been levied on 300 only.*

205. Mr. Hume's reason for wishing, in the interests of the Imperial Customs revenue, to be certain that salt exported to the Central Provinces on payment of Rs. 1-3-0 per Indian maund has previously paid the Bombay duty, is that, in accordance with the views expressed in the despatch of the Secretary of State No. 8, of 1st June 1859, he desires that the whole duty of Rs. 3 per Indian maund shall be credited to the revenue of the Province in which the salt is consumed. In this he is, I think, quite right. As the whole Salt excise is ultimately paid by the consumer in the Central Provinces, that Government is, it appears to me, undoubtedly entitled to credit for a contribution to that amount to Imperial revenue, and the only reason for not letting salt meant for consumption below the Customs line go free from our works, as salt exported to Calcutta is allowed to go, is the impossibility of preventing extensive smuggling within our territories under such a system.

206. But, at the same time, I conceive that so long as credit is given for the full duty it makes no difference where it is actually paid. I would, therefore, recommend that no pass be demanded by the officers of Imperial Customs at Kallian and other Bombay stations; that the duty of Rs. 1-3-0 collected by them be paid over by them to the Bombay Commissioner of Customs and Salt excise; and that for every Rs. 1-3-0 so paid he should credit the Imperial Customs with Rs. 3. If salt is smuggled at all from our works, it can make no difference to the Imperial Treasury where it is consumed, provided that if it crosses the Customs line it pays the extra duty, for the levy of which the Imperial Customs Department is responsible; and as such smuggling is certainly the fault of the Bombay Salt Department, it is fair that the consequent loss of revenue should be borne by it.

Suggestions.

207. It appears to me that the salt trade to the Central Provinces, and indeed railway exports of salt generally, might be facilitated. Salt loaded at Kallian station is now discharged from the boats at Kallian Bunder, and has to be taken 1½ mile in carts to the station, while if a small bunder with a siding on it were made a mile or two south of Kallian, where the railway runs close to the creek, the salt might be discharged direct from the boats into the railway waggon.

* Of the total average quantity of salt carried by railway in the last three years, Indian maunds 4,99,267 crossed the Customs line, and Indian maunds 6,11,778 did not.

And the salt carried by railway which is manufactured at the Oorun, Panwell, and other works in Bombay harbour, is now taken by boat to Carnac Bunder, and thence to Boree Bunder station. If, instead of this, it were taken to the bunder south of Tanna railway-bridge, and a short siding laid on to that bunder, it might be at once transferred from the boat to the waggons, and 20 miles railway carriage saved. The boat voyage, though longer in appearance, is not so in reality, for the boats have to beat against the wind to Carnac Bunder, but would have a favourable wind to Tanna, so that the time spent in the voyage would be about equal. The Railway Company, I understand, discourage the loading of salt at Tanna, on account of losing the extra carriage from Bombay. But I should think that the relief to the traffic at Boree Bunder station ought to compensate the Company for the decrease of carriage, and the change would relieve the Carnac Bunder, now inconveniently crowded, and would also diminish the facilities for smuggling into Bombay.

208. At all Bunders where large quantities of salt are re-weighed on landing, a weigh-bridge should be put up. This would greatly diminish the expense, trouble, and inconvenience to the trade, and the objections to weigh-bridges at salt works (*vide* paragraph 177) do not apply.

Exports by sea to Calcutta.

209. The salt trade with Calcutta is now in an exceedingly unsatisfactory state. The annoyance and risk to shippers are intolerable, and are rapidly destroying the trade, while the precautions against smuggling are, it appears to me, very ineffective.

Former system.

210. Originally, salt removed for export to Calcutta paid the full Bombay duty in Bombay, but exporters were allowed 4 months' credit on entering into a bond to pay the duty on the whole quantity so removed at the end of the term. At Calcutta drawback of the Bombay duty up to, but not above, the quantity manifested was allowed, and there was no allowance for wastage.

211. Mr. Plowden strongly recommended that the export to Calcutta should be entirely free of duty, that no bonds should be taken from the exporters, and that preventive measures against smuggling should alone be relied on to ensure the quantity removed free from the Bombay works paying duty at Calcutta. He pointed out, first, that Bengal, the province in which the salt was consumed, was entitled to credit for the full duty upon it; secondly, that as foreign salt (*i.e.*, salt imported into Calcutta from England, or from the Persian Gulf,) paid no duty till actually landed at Calcutta, Bombay salt was placed at a great disadvantage as compared with foreign salt, since the capital used to pay the duty at Bombay was exposed to all the risks of the sea transit to Calcutta. There is now a further reason that salt landed at Calcutta may be bonded there, an advantage which salt that had paid duty in Bombay could not enjoy.

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212. In 1859 the Government of India called on the Bombay Government to give effect to Mr. Plowden's recommendations. On receiving these orders Mr. Spooner, the Bombay Commissioner of Customs, remonstrated against them. He argued that the system of exports to Calcutta worked very well, that of exports to the Malabar Coast at a nominal rate of duty very badly, deficiencies constantly occurring in the quantity landed at the port of import, which were attributed to wastage, but were in reality caused by smuggling; that owing to the abolition of Interportal duties, and consequent very small amount of Customs collections at ports along the coast, the Bunder Establishments and Coast Guard were so weak that they could not effectively prevent the clandestine landing of salt; and that to place preventive arrangements along the coast on a really effective footing would be very costly. The Government of India, however, adhered to its instructions, with the slight modification that the Customs Commissioner might take bonds for the eventual payment of the excise on the whole quantity removed if in particular cases he thought this desirable.

213. Consequently, from 1st January 1860, the export of salt to Calcutta has been free. But it was found that there was great delay and difficulty in obtaining the landing certificates, and Mr. Spooner, therefore, issued a notification that from 1st April 1861 no free export would be permitted unless the exporter deposited 2 annas per Indian maund (the deposit has been recently raised to four annas), and entered into a bond to produce the landing certificate within 4 months, the deposit to be forfeited if the landing certificate was not produced, and the duty upon any deficiency landed in excess of the authorized allowance for wastage, 10 per cent., to be recovered from the deposit.

Present system.

214. Under this system, therefore, the Calcutta Custom House levied the Bengal duty upon only the quantity actually landed, and the duty upon the excess deficiency was recovered from the shippers in Bombay. This plan seems to have worked tolerably well, exports increased, and the trade seems to have been satisfied. But, at the request of the Calcutta Board of Revenue, a notification, dated 6th February 1869, was issued by the Bombay Customs Commissioner, which has caused great, and, it appears to me, reasonable dissatisfaction. First, it reduced the authorized allowance for wastage from 10 to 5 per cent., and secondly, the full Bengal duty upon excess deficiency was to be recovered, not at Bombay, but at Calcutta, the ship, not the owners or exporters of the salt, being held liable under Section 49 of Act VI. of 1863.

Wastage.

215. It is the general opinion in the Bombay Custom House that 5 per cent. does not cover unavoidable wastage. On this point I have two observations to make. The first is that an excess over the quantity manifested is not seldom discovered at Calcutta, and when this is the case the explanation given is that the salt has gained weight by exposure to the sea air. I believe the truth is

that in these cases, in order to protect himself from loss at Calcutta, the shipper, who was also the owner of the pans, shipped a little more salt than was entered in the permit. But be this as it may, it is very curious that of two ships loaded at the same time, in one case the voyage to Calcutta should cause an increase in the weight of the salt, in the other so large a decrease as 10 per cent. Secondly, from Appendix Q. to Mr. Plowden's Report, I find that in the years 1852 to 1854 inclusive 81 ships carried from Bombay to Calcutta Indian maunds 976,030 of salt, and actually landed Indian maunds 1,005,795, an excess over the quantity manifested of nearly 3 per cent. In March to June 1869, 13 ships took salt to Calcutta; of these 3 landed an excess over the quantity manifested. The other 10 manifested Indian maunds 277,058, and actually landed only Indian maunds 251,934. It must be observed that in 1852 to 1854 there was no object in removing from the works a larger quantity than that manifested, for drawback of the Bombay duty was allowed at Calcutta for only the quantity manifested; the full Calcutta duty was levied on the excess. Although, therefore, it is very probable that better weight used to be given at the Bombay works than was allowed on landing at Calcutta, and that the small excess may be thus accounted for, the inference appears to me irresistible that the great deficiency of over 10 per cent. in 1869 is due either to smuggling or to gross carelessness on the part of the shippers; and in my opinion a wastage allowance of 5 per cent. is enough to make.*

Liability of the ship.

216. To explain the way in which the other change made by the notification, that of holding the ship liable at Calcutta for duty on excess deficiency, affects the trade, I must give an account of the mode in which the trade is carried on.

Way in which the trade is carried on.

217. Salt is exported to Calcutta chiefly in the rains. Ships which are too late for the cotton trade from Bombay to Liverpool, not having got a cargo before the monsoon breaks, often go round to Calcutta, where they are just in time to catch the Calcutta export trade in produce which is brought down the flooded Ganges; and the freight on a cargo of salt, which it is not worth while to send except in lieu of ballast, is estimated just to pay the ship's port dues in Calcutta.

218. When a Bombay firm wishes to send salt to Calcutta, it procures the salt from the works through a contractor, who engages to deliver so many maunds on board a certain ship at a certain rate. But in reality no steps are taken to ascertain whether the stipulated quantity is actually delivered or not: the permit from the pans is taken as evidence of the delivery. The contractor

* I have just heard from the Collector of South Canara that of the imports of Bombay salt to his district during the last four years there has been found an excess of 2·64 per cent. on shipments amounting to Indian maunds 77,803; and a deficiency of 4·60 per cent. on shipments amounting to Indian maunds 519,888. The salt is carried in Native craft, and no wastage is allowed.

is the ostensible shipper, and is the person from whom the bond and deposit is taken. The salt is removed from the pans in small open boats, as small boats only can ascend the shallow creeks to the works, and, putting smuggling out of the question, it is evidently the interest of the contractor to employ as few boats and load them as heavily as possible, knowing that the firm which employs him will take no steps to ascertain that he has fulfilled his contract, that is bond with Government will not be enforced, and that it will not be worth the while of the captain of the ship to return and sue him in Bombay if the ship has had to pay duty on a deficiency, caused by his neglect, at Calcutta. And as he can make at least Rs. $1\frac{3}{4}$ on each maund he contrives to smuggle on pretence of wastage, it is not surprising that he takes no precautions against wastage. Consequently the boats are loaded gunwale deep. I have even seen a ridge of clay made along the gunwale to keep out the water, and with stormy weather at the beginning of the monsoon a quantity of salt sometimes really has to be thrown over-board to save the boat. The salt too is exposed to the rain, and there is at any rate always a plausible excuse for a deficiency.

219. Now, the captain of the ship is in a very difficult position. He is the person held responsible at Calcutta for full delivery according to manifest; yet, even if he weighs the salt as he receives it, he cannot tell that there is a deficiency till he has transshipped each boat-load; he cannot then refuse to take it; the firm in Bombay that has chartered him tells him to represent the circumstances on arrival at Calcutta: when he does so, the Calcutta Custom House officers tell him that they have no means of ascertaining the truth of his story, and he must produce a certificate from the Bombay Custom House that, in effect, his manifest is a false one; if he applies to Bombay for such a certificate the Bombay Custom House cannot possibly grant it, as three or four months have elapsed and no inquiry was made at the time of the alleged loss of salt. In one case the captain knew by the displacement of his ship that he had received some hundred tons less than the boat notes showed; in another he weighed the salt on board, and found a large deficiency; yet in neither case could the Bombay Custom House grant a certificate, for it had no means of ascertaining that the salt had not been smuggled by the shipper, though it was clear that the captain was not to blame.

Suggestions of Calcutta merchants.

220. The Calcutta merchants desire that the salt shall be guarded by Government officers till weighed on board, and that the manifest be for the amount so shipped only. This appears to me unreasonable, first, it is in effect a demand that Government shall deliver on board the salt which traders are allowed for their own convenience to remove from the works free of duty, and they might as well ask that Government shall deliver it for them at Calcutta; and next, to send each boat in charge of a low paid peon would be no guard at all, as there is no security that he would not be bribed to state that unavoidable wastage had occurred. And to place more highly paid officers in charge of the boats would be to incur considerable expense, which, as far as Bombay is concerned, there is no revenue to debit against.

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221. The Calcutta Board of Revenue has suggested first, that there should be more effectual supervision over deliveries at the works. This, as has been pointed out in this report, is very desirable, but not more so for Calcutta exports than for other deliveries. Secondly, that the salt should be guarded by Government officers in transit to the ship, the objection to which has been noticed in the last paragraph. And, thirdly, that decked boats with properly secured hatches should be used to convey the salt from the works to the ship. This is an excellent suggestion, and it will, I hope, be gradually adopted by the salt dealers, but as there are as yet no boats of the kind in Bombay harbour, to insist upon it now would, I fear, put a stop to the trade.

Of Calcutta Board of Revenue.

222. The late and present Commissioners of Customs are of opinion that the former practice should be reverted to of levying the Bombay duty on deliveries from the works. But Mr. Plowden's argument (*vide* paragraph 211 above) appears to me conclusive against this course, and I learn from Calcutta that the merchants there have determined to import no more Bombay salt if it is adopted.

Of Bombay Customs Commissioners.

223. It appears to me that the proper course is to fix the responsibility upon the shipper till the salt has been transshipped, and upon the captain afterwards.

224. The salt may be smuggled either on arrival in the Hooghly river, upon the voyage, or before it is transshipped in Bombay harbour. I do not know whether or not it is likely to be smuggled in the Hooghly, but if it is, the captain is evidently responsible, and the Bombay Custom House has nothing to do with it. On the voyage it is generally admitted that there is no fear of smuggling. It would never be worth the while of the master of a square-rigged vessel to endanger his ship by approaching the coast, and run the risk of her confiscation if detected, in order to smuggle a small quantity of salt, particularly when he knows that on arrival at Calcutta he will be held responsible for the quantity manifested. Regarding smuggling in Bombay harbour, the officers of the Salt Department generally affirm that there is none. Mr. Reid, late Commissioner of Customs, says (No. 209, of January 22nd, 1870, paragraph 151), "The loss during transit is more imaginary than real. After obtaining port clearance, there is no place at which a vessel can safely land its cargo; it must come direct to Bombay. They (the boatmen) would meet at every Bunder with a preventive establishment, and the magnitude of the risk involved is shown by the fact that no attempt at landing has ever been recorded."

Danger of Smuggling.

225. Now, if there were no reason to suspect the existence of smuggling into Bombay on other grounds, this argument would be a perfectly sound one. But I think I have proved that there is smuggling to a large extent into Bombay,

and it seems to me that there are greater facilities for smuggling salt which is allowed to leave the pans free than other salt. If the smugglers landed it at the Carnac or Apollo Bunder it might indeed be seized by the preventive officers. But I imagine they would hardly try this, but would land it by night somewhere on the foreshore, between Sewree and the Saw Mills for instance. At any rate, if there is smuggling in the harbour, the shipper, not the master of the ship, should be held responsible.

Proposals.

226. I propose, therefore, that the following system be adopted:—

227. The bond and deposit of 4 annas per Indian maund to be taken from the shipper as at present, but the bond to be an engagement to produce, not a certificate of landing at Calcutta, but one of delivery on board the ship. The captain of the ship to be required to weigh the salt on board, and give a certificate of the quantity he has actually received, and that quantity to be entered in his manifest. The shipper to produce the captain's certificate, and if the quantity certified by the captain corresponds (with a small allowance for wastage) to the quantity removed from the pans, the bond to be cancelled, and the deposit at once returned; but if there be an excess deficiency, the Bombay duty upon it to be recovered from the deposit. As the manifest will be made out according to the captain's own certificate of the quantity he has shipped, the Calcutta duty to be levied on any deficiency there, subject to whatever rules the Calcutta Custom House may see fit to adopt, but with no reference whatever to Bombay.

228. It will be necessary to make a small allowance to the shipper for wastage in transshipment, and this, I think, should be 3 per cent. From about 1½ to 2 per cent. is found to be the average wastage on landing salt at different bunders in this Presidency, and as salt is often transshipped during rainy or stormy weather, it will be fair to give a large allowance. But the rule of recovering duty upon excess deficiency should be strictly adhered to, unless in very exceptional cases, such as the loss of a boat, and then only on notice being immediately given, so that satisfactory inquiry may be at once made. The shippers will at first complain of this, and declare that owing to storms and rain a large wastage in particular cases has been unavoidable, but they should be answered that they should have used decked boats; and if the rule is firmly enforced, I have little doubt that they will find it their interest to do so, when further security may be given by locking and sealing the hatches.

229. The adoption of these rules will, it appears to me, both prevent hardship, by throwing the responsibility upon the right person during each stage of the transit of the salt from the pans to Calcutta, and do away with present difficulties between the Bombay and Calcutta Custom Houses.

230. The merchants and ship-masters, I learn from Calcutta, are quite

willing to agree to weigh the salt on board,* and if there is a question between the shipper and the captain as to the correctness of the weighment, they must settle it in a court of law ; there is no more reason for Government to interfere than in the case of a disputed delivery of any other kind of merchandize.

231. The security against smuggling would be still greater, and the whole process would be facilitated if the salt were removed from the pans in bags. The ship-master need then only count in the bags and weigh a per-centage of them, and I should have thought that the saving in wastage would be so great on an article so perishable, and when subject to the heavy Bengal duty, so costly as salt, that it would be worth the importer's while to bag it.† But the Calcutta merchants so strongly object to the proposal that I do not feel justified in urging it, either for Calcutta or for Madras exports.

Exports to Malabar Coast.

232. Salt exported to British ports on the Malabar coast originally paid 3 pies per maund duty in Bombay, besides the full Madras duty, and that exported to foreign ports, in Cochin and Travancore, 1 anna. But in 1865, the latter having been made free ports, the Bombay duty on salt exported to them was reduced to 3 pies by order of the Government of India. In all cases exporters had to enter into a bond with sureties for payment of full duty unless they produced a landing certificate within six months, but wastage up to 10 per cent. was allowed.

Wastage not allowed.

233. In June 1865, the Government of Madras pointed out that the wastage allowance was excessive, and that there was reason to believe that it was taken advantage of to smuggle salt into Bombay or Madras districts along the coast ; and recommended that no wastage allowance should be made. This proposal was supported by the Bombay Commissioner of Customs, and orders were passed accordingly. Great dissatisfaction was caused by this, and the merchants engaged in the trade, and the Dewan of Travancore, remonstrated against it, but the orders are still in force.

234. The trade to the Malabar coast is more dangerous than that to Calcutta, because, as pointed out above, paragraph 224, salt to Calcutta is exported in square-rigged ships, and there is little fear of its being smuggled on to the coast during the voyage ; while salt is exported to the Malabar coast in native craft, and there is reason to suspect that they either run in

* Some Bombay firms, however, appear to think that weighment on board will take too much time.

† Bags used for railway transit here cost either Rs. 50 or Rs. 31 per 100, according to quality, and hold about 3 Indian maunds each. The addition to the price of the salt would then be about annas 2 to 2¾ per maund. This would, of course, be recovered upon that portion of the salt which has under any circumstances to be bagged in Calcutta for removal by cart or railway, and even for carriage by boat upon the rivers. I should have thought the greater security of bagged salt would have made its selling price cover the cost of the bags.

and land salt on the coast or are boarded by fishing boats, to which it is transferred. At the same time, I think that the refusal of any allowance for wastage is a very harsh measure.*

Proposals.

235. I recommend that the same principle be adopted for exports to Madras ports as for exports to Calcutta ; that the shipper be required to enter into a bond to deliver the salt removed from the works, with a wastage allowance of 3 per cent., on board the sea-going vessel ; that on his producing a certificate from the master that the salt has been shipped, the bond be cancelled and the deposit returned ; that the manifest be made out for the quantity certified by the master ; and that the Madras authorities levy duty on the quantity so manifested under whatever rules they see fit to adopt, with no reference whatever to Bombay. In fact, with exports both to Madras and to Calcutta, the Bombay Custom House should be freed from all responsibility when the salt has once left the port of Bombay.

Export Duty.

236. Mr. Plowden pointed out that the levy of 3 pies per maund at Bombay on salt exported to Madras was contrary to principle, and should be discontinued.

237. This opinion, it appears to me, is perfectly correct. The law enjoins that the Madras consumer of imported salt shall pay to Madras revenue an import duty of Rs. 1-13 per Indian maund, whereas he is now required to pay that duty plus an export duty of 3 pies. This duty should be abolished.

Difficulty regarding Bombay cost of collection of salt revenue.

238. But the real difficulty, which has repeatedly been represented by the Bombay Salt Department, is that while it is absolutely necessary to incur the expense of supervising and guarding the whole quantity of salt manufactured, this expense has to be debited against that portion which only pays Bombay duty ; that the cost of collecting the Bombay Salt revenue is thus made to appear unduly high ; and that consequently it is difficult to obtain from the Government of India sanction to expenditure absolutely necessary for efficiency.

239. Out of the 45 lakhs of Indian maunds manufactured in this Presidency on an average of the last three years, upwards of 19½ lakhs (including export by land below the Imperial Customs line, the full duty on which, as I have said, ought to be credited to the revenue of the Provinces in which the salt is consumed) pay duty not credited to Bombay. As far, therefore, as Bombay revenue and Bombay consumption are concerned, we might close ⅔ths of our works, and reduce ⅔ths of our establishments, and per-centage of cost of collection to revenue might either, in round numbers, be reduced ⅔ths, or remaining as it is, we might secure a much higher degree of efficiency by increasing the pay of our men.

* Since this paragraph was written, I have heard from the Collector of South Canara, who tells me that since allowance for wastage has been discontinued, and the shipper has been obliged to pay full duty upon any deficiency in the quantity shipped, there is no smuggling upon the coast.

240. I very strongly recommend, therefore, that the provinces in which Bombay salt is consumed without payment of Bombay duty be debited with a proportion of the total cost of collection and supervision of salt revenue in Bombay, corresponding to the proportion which the quantity of salt each has received bears to the total sales of salt in Bombay. No actual transfer will be necessary; the Commissioner of Customs in his annual report should merely state the quantities of salt and the proportionate cost of collection, and the different provinces should be debited accordingly.

Proposals regarding the debiting of cost of collection.

241. I trust that immediate effect may be given to these proposals regarding export to the Malabar coast and to Calcutta. I understand that the merchants interested in both trades have resolved to export no more salt till matters are placed on a more satisfactory footing. As far as the Bombay salt revenue is concerned, this will make no difference to it, but for other reasons I think it most desirable that the export trade should be maintained. The Malabar coast districts, I believe, consume Bombay salt almost exclusively, and would suffer from a salt famine if the supply were withdrawn. And though Bombay salt forms but a small portion of imports into Bengal, and the Calcutta people say they can do very well without it, yet an alteration in the course of trade between Liverpool and Calcutta which is by no means impossible, might raise the freightage cost of English salt so much as to make it very desirable that Bengal should be able to obtain a large supply of cheap Bombay salt.

Necessity of immediate reform of existing arrangements regarding exports.

242. The exports to the Straits Settlements and to Australia are now entirely free; but the shipper is bound to produce the landing certificate, on which, however, but little reliance can be placed, as there is no import duty on salt at those ports, and the Custom Houses do not, of course, weigh it on landing. It would be reasonable that these exports should pay a small export duty to cover cost of supervision; but I believe it has been found that the trade cannot bear even a 3 pie duty, as the salt is shipped only as ballast.

Exports beyond India.

243. I recommend that a certificate from the ship-master that he has received the salt on board be required from the shippers of these exports, as for salt exported to Calcutta or Madras ports. In the case of salt exported to Australia in square-rigged vessels, this will be quite sufficient, as there is no fear of salt being smuggled from them along the coast. But with native craft carrying salt to Singapore, there will always be danger of smuggling along the coast, and these exports should be carefully watched; and if there is any large increase in the trade the reason of it should be ascertained, and further precautions taken against smuggling.

Proposals.

Section VIII.

Organization of the Department.

244. In treating of this important portion of my subject, I hope to be understood as making no reflections upon individual officers, but merely as stating the opinion I have formed regarding the Department as a whole.

245. I am bound to say that I think the measures I have proposed will be of little service unless the Department is organized differently to what it is at present, that it is now not efficient, and that there is much corruption among its subordinate officers. Were the Department in an efficient state, it seems to me that the frauds which (unless I am altogether mistaken in the conclusions I have arrived at) have now been shown to exist, would have been at least detected long ago; that the evils pointed out in this report would have been brought to notice, and suggestions for their removal made, by officers of the Department itself; that the accuracy of the statistical information hitherto accepted would have been questioned. Nor can I believe that an organized and extensive system of smuggling could exist without general, I might almost say universal, connivance of the subordinates of the Department.

Department at present not in a satisfactory state.

246. It appears to me that his important Customs duties, which require his almost constant presence in Bombay, and occupy the greater portion of his time and attention, prevent the Commissioner himself from bestowing upon the Salt Department that close personal supervision which it wants. Of late years, too, one Commissioner has succeeded another at short intervals, and each, to judge from my own experience, cannot have had sufficient time to master the details of the Department. The Deputy Commissioners seem to me to have so much office work that they cannot spare time for really effective personal supervision. Whether from the same cause, from the inconveniently scattered character of their charges, or from other reasons, the control and supervision of the Assistants appear to be lax and ineffective. The Sir-Karkoons, even if honest and diligent, have so much pressing office work that they cannot, I am convinced, perform effectively the duties of inspection and control which are entrusted to them. Almost every Sir-Karkoon, if he visited each work under his charge as often as he should do, would be absent from his Cutcherry three or four days a week, and he has always a full day's work in his customs duties, in the granting of permits and realization of the salt revenue, in current routine work, and sometimes in supervision of distilleries. It thus comes about that the suzedars and the peons, miserably paid and exposed to constant temptation, are under control and supervision so lax as to be practically worthless.

Causes of this.

247. It has been proposed to place the Salt Department under the Collectors of Land Revenue. I cannot too strongly deprecate this change, which

Proposal to place Salt Department under Collectors of Land Revenue.

I am persuaded would be for the worse. What the Department wants is to be administered as a whole, by a single head intimately acquainted with its details, and able to devote his whole time and attention to its management. Considering that its annual revenue now exceeds sixty lacs of Rupees, it is I think of importance sufficient to justify such an arrangement. But the proposed change would break it up into sections, each administered on no general principle by an officer who certainly would know nothing of the work, who would probably take little interest in it, and who would have abundance of more pressing and congenial occupations.

Proposed organization.

248. The organization upon which (supposing that my other proposals are generally approved) I venture to recommend that any revision of establishments shall be based, is in outline as follows: —

249. I would still leave the Department under the general control of the Commissioner of Customs ; the annual reports and correspondence with Government should pass through his office ; and the revenue and charges should be included in his Budget. But he should be relieved of all responsibility for the internal administration of the Department.

One Administrative Head.

250. The administrative head should be in the position of the Collector of Continental Customs and Excise before 1854. He should be called Collector of Salt Revenue ; his appointment should be reckoned as one of the Collectorates, and he should receive the pay of a Junior or of a Senior Collector, according to his standing in the service. But, as a rule, he should hold his appointment for a considerable period, and should not be transferred to a Collectorate of Land Revenue ; and it would probably be a convenient understanding that the Deputy Commissioner of Customs at the Presidency should look forward to promotion as Collector of Salt Revenue, and the Collector of Salt Revenue to be Commissioner of Customs.

251. The extent of the Collector's charge would be as follows :—

Salt Talookas.	Frontiers.
The Runn.	Guzerat.
Bassein.	Damaun.
Ghorebunder.	Jinjeera.
Trombay.	Goa.
Panwell.	
Matoonga.	4 Frontiers.
Ooran.	
Penn, and probably either two or three in Rutnagherry & Canara.	The Salt Depôts on the Bombay, Baroda, and Central India Railway. And the Sea Preventive Service.
Total 10 or 11 Salt Talooks.	

252. With present facilities for communication, I think that the Collector, if an active and energetic officer, would be able to visit the whole of his charge during the course of the season, and that he would be able to exercise over it an effectual general supervision and control, provided that his Assistants were efficient, and that he did not burden himself too much with petty detail.

Deputy Commissioners to be dispensed with.

253. The two appointments of Deputy Commissioners would then be unnecessary, and might be abolished.

254. The number of Assistants ought I think to be increased from 5 to 8.

Duties of an Assistant Commissioner.

255. The duties of an Assistant are now defined to be : throughout the year, to exercise a general control over the establishments within his range, to supervise the preparation and transmission of the periodical returns, and to adjudicate customs and salt cases cognizable by him ; and, during the fair season, to visit the Custom Houses, bunders, salt works and nakas in his charge, and see that the establishments are efficient ; to examine the condition of the salt works and heaps of stored salt ; to check the stock account by an examination and estimate of the heaps ; to see that no works have been opened without sanction ; to examine the Dufturs and cash balances ; to receive complaints and petitions and dispose of them after inquiry on the spot ; to satisfy himself of the accuracy of the stilyards or scales used in delivering salt ; to inspect dead stock and buildings ; and to visit the posts along the preventive frontier, if a frontier forms part of his range.

It appears to me that these duties cannot be effectively performed by an Assistant in charge of a range so extensive and so scattered as it will be seen, from para. 52 above, that the present ranges are. Really close and constant personal supervision seems to me to be essential to prevent fraud in the collection of such a revenue as the salt excise ; and every native subordinate ought to know that there is, at any rate, a strong probability of any dereliction of duty on his part being detected by the Assistant himself. But on the present system the Assistant is not always on the spot ; he must make a regular tour and pay a formal visit to each portion of this charge ; and his intended movements are, of course, known perfectly well beforehand.

256. I would require the Assistants to live in the midst of their charges, would give them more power, and exact from them greater responsibility and efficiency. If Deputy Commissioners are abolished, two more Assistants must be appointed to take charge of the ranges now under the immediate control of the Deputies, and if my proposals for concentration of works are approved, I think we can secure the supervision required by the appointment of one more Assistant.

257. I would arrange the charges as follows:—one Assistant to superintend the works at the Runn, residing there; one with head-quarters at Ahmedabad to superintend the whole of the northern frontier; one residing, in the rains, at Surat, to superintend the Damaun frontier, the railway depôts, and a small preventive force for the Northern Division; one residing at Bassein in charge of the Talookas Bassein and Ghorebunder; one residing at Trombay, in charge of talookas Matoonga, Trombay, and Panwell; one residing at Ooran, in charge of talookas Ooran and Penn; one at Rutnagherry, Rutnagherry salt works and Beedee frontier; one at Karwar, Canara salt works and Diggi frontier.

Northern Division three Assistants.

Southern Division five Assistants.

258. Rules regulating the appointment of Assistants in the Salt Department are laid down in Government notification of 13th January 1869. They have, however, I understand, been set aside in one or two cases. They appear to me to be well adapted to secure efficiency, and at the same time, not to be unnecessarily severe, and I think that they should be adhered to for the future. I think, however, that it would be well that the Assistants should be required to pass in Guzarathi and Marathi instead of in Hindustani and either Guzarathi or Marathi. A young officer is sure to pick up Hindustani enough for conversation, and it is essential that he should be able to read the Guzarathi and Marathi returns and records with ease. The routine office work of an Assistant should be reduced as much as possible, and it should be distinctly understood that his most important duty is a close personal supervision of his charge. He should be required to keep a diary, to be submitted weekly to the Collector, and showing the duties performed in detail.

Rules for appointment of Assistants.

259. The charges proposed in para. 257 above, differ considerable in difficulty and importance; I would, therefore, attach a fixed salary to each, and no Assistant should be promoted to a higher grade of pay on account of seniority unless he is considered fit actually to take charge of the more important post.

Promotion of Assistants.

260. The duties of Sir-Karkoons and of Sazedars will remain much as at present. Close personal supervision by the Assistant will however, relieve the Sir-Karkoon of much of his work of inspection, and what is left to him he should be required to perform with greater care than at present.

Duties of Sir-Karkoons and Sazedars.

261. I have explained above, para. 65, that the theory is that every delivery of salt should be examined at a distance from the works, to ascertain whether the quantity actually removed corresponds to that entered in the permit, and that the Preventive Force being distinct from the Executive one the former acts as a check upon the latter. Government are aware that there has always

Preventive Force.

been, among the officers of the Department a great difference of opinion as to the merits of this system,—some holding that it is absolutely essential, others that it is a farce and should be altogether abolished. I will not burden this long Report with a recapitulation of the arguments on either side, but will merely state my own opinion, that while a preventive force is absolutely necessary, and the present theory is a good one, the present practice does not agree with the theory and is altogether inefficient.

162. Penn is the only talooka in which the theory is acted up to. There all the works of the talooka lie, as it were, within a ring fence formed by the preventive posts, which command all the paths across the range of hills surrounding the talooka on the landward side. There is only one regular road across these hills, and in the gorge through which it passes and by which every cart or bullock load must go, distant about a mile from the nearest work, is the Daroga's chowkey where the removals are tested.

263. But almost everywhere else the manner in which the works of a talooka are scattered about makes an arrangement of this kind impossible. Consequently, the usual practice now is to have one preventive post near one or two works, the posts having no connection with each other; and I have seen the Sazedars weighing out a delivery to Brinjarees, and the Nakedar testing it at the same time not 10 yards off. The Sir-Karkoon and the Daroga, too, generally have their Kutcherry in the same building; and the Sazedars and Nakedars often live together, so that there is every facility for a concert between the two establishments.

Present system unsatisfactory.

264. If my suggestions for the concentration of works and storing of salt are approved, I recommend the following arrangements, retaining the system of a preventive force distinct from the executive establishments:—

Proposed arrangement.

265. The watching force, or inner establishment of Peons, should be arranged, according to the storing platforms, into groups or parties, one for each platform. On each platform should be a chowkey, well built, with conveniences for keeping water, &c., in which the Peons should live, and the number of Peons in a party should be proportioned to the extent of pans to be guarded. One man should always be on duty in the chowkey, to guard the salt in store, and the rest should patrol round the pans, allotted to the platform, during the night, to see that no theft of the raw salt takes place. If the store is a small one, two Peons will be enough, but as a rule, each party should consist of not more than five, nor less than three men, one of whom should be a Naique. For each talooka should be a Jemadar and one or more Havildars of Peons, experienced and trusty men with good pay, whose duty it should be to go rounds at night and visit each storing platform frequently and unexpectedly. The whole force should be under the Sir-Karkoon, and each Sazedar should be responsible for bringing to the notice of the Sir-Karkoon any neglect of duty among the Peons in his Saza.

Watching force.

266. The land preventive force should be a totally distinct one, under a Daroga responsible directly to the Assistant.

Land preventive force.

267. Each talooka should be surrounded on the land side by a cordon of posts, so placed as to command all approaches to the works, and the line of posts should be regularly patrolled. All vehicles or loads passing through the cordon should be searched. Salt should be permitted to be removed by certain roads only, and on each of these should be a chowkey with a Nakedar for the examination of deliveries. The Nakedar should countersign the permit and return it to the holder, entering particulars in a form to be sent weekly direct to the Assistant. Each Sazedar should submit a similar form, and the Assistant should compare them and enter them in a book in the following form :—

Saza.	Date of delivery.	Quantity delivered and details.	Nakd.	Date of Examination.	Details.	Remarks.
	10th May 1870.	500 mds. in 210 bags to Rowjee Brinjari, for Nasik	No. 10.	May 11th, 1870.	210 bags, 5 per cent. tested, correct, Rowjee Brinjari, to Nasik.	

The Daroga and Assistant should visit the nakas as often as possible unexpectedly and examine deliveries after passing the naka.

268. The Daroga should have nothing to do with the sea preventive service, which should be entirely distinct, and the practice of the Daroga or his Nakedar boarding boats laden with salt and estimating the quantity they carry by cubic measurement, should be abandoned, as, in my opinion, this check, while troublesome and annoying to the trade, is useless.

Sea preventive service.

269. Salt removed by boat from the works is either free of duty, for sea export, in which case, as recommended in the last section, the check upon the shipper will be his being obliged to produce a receipt from the master of the sea-going vessel ; or duty paid, to be landed at certain bunders, where it has to be examined and re-weighed. There are, therefore, two things to be guarded against the removal of boat-loads of salt without a permit at all, and the removal of a larger quantity than is entered in the permit, the excess being smuggled on shore before the arrival of the boat at the bunder or at the sea-going ship's side. The check chiefly to be relied on against these frauds must be effectual supervision at the works themselves. But an additional check should be supplied by the coast guard, which, it appears to me, much requires to be strengthened and placed on a more effective footing, not only on account of salt, but for the prevention of smuggling generally.

66

270. I know so little of coast guard arrangements in the Northern Division that I do not like to give any decided opinion regarding it. I believe, however, that it is generally admitted that much theft, smuggling, and fraud, in salt, opium, cotton, and other merchandize goes on along the coasts of Guzerat and Kattywar, with which the existing preventive force is too weak to cope effectually. Mr. Dalzell, the present Deputy Commissioner, Northern Division (*vide* his letter to Customs Commissioner No. 54, of 19th January 1870), has recommended that the coast guard of his Division be strengthened to the amount of Rs. 6,600 per annum ; that there be three European preventive officers, with salaries of Rs. 200, 300, and 400 per mensem, and three sea-going vessels, and that their ranges be, the Kattywar Coast from Cutch to Diu, from Diu to Cambay, and from Cambay to Damaun.

In the Northern Division.

271. In the Southern Division, coast guard arrangements are, I am convinced, altogether ineffective. The force consists of one senior inspector, an East Indian, on a salary of Rs. 200 per mensem, and a boat, with charge of the whole coast from Damaun to Bhatkul, a distance of 500 miles ; and of a junior inspector, a Brahmin, on a salary of Rs. 40, and a boat, with charge of the Bassein, Kallian, and Tanna rivers.

In the Southern Division.

272. The duties of the senior inspector are as follows :—To exercise a general supervision over all preventive establishments, at bunders and salt works; to visit them frequently and unexpectedly in order to ascertain that the men are present and effective ; to board country craft, examine their cargoes, and ascertain that no contraband goods are on board ; to visit creeks and parts of the coast where there are no preventive establishments, and ascertain that goods are not landed in such places ; to look after light-houses ; to lay and look after buoys ; and generally to detect any irregularities and infringements of Customs laws. It is, I think, evident that the range is too extensive for any one man to perform all these duties efficiently. The duties of the junior inspector are confined to the Bassein river ; and are in reality merely to supervise preventive arrangements at the Ghorebunder and Bassein works. It is a great mistake to appoint any Hindoo to such a post ; he is always on shore when he should be on board his boat, and the inefficiency of the arrangements is shown by the fact which Mr. Faulkner has brought to my notice, that though there was, at any rate a few years ago, extensive and notorious salt smuggling in the Bassein river, a seizure has never been made by the junior inspector. No Hindoo, in my opinion, should ever be appointed to the coast guard ; and the inspectors should always be either Europeans or East Indians, or perhaps Parsees.

Duties of coast guard inspectors.

273. Mr. Faulkner recommends that there be five inspectors instead of two, with charges thus divided :—

Senior inspector, with general supervision of the whole coast, and personal charge of the coast south of Rewas, and from Damaun to Bombay. Junior

inspector, in charge of the harbour between Elephanta and Trombay. Junior inspector, in charge from Elephanta to Karanjeh Bunder. Junior inspector in charge from Karanjeh to Rewas. Junior inspector in charge of Bassein river.

274. This arrangement, I fear, would be too expensive, and I would propose : one junior inspector, a Parsee in charge of Bassein River ; one junior inspector, an East Indian or European, in charge of the harbour from Trombay to Karanjeh ; one senior inspector, in personal charge of the rest of the coast, and with general supervision.

Proposed arrangement for coast guard.

275. It would add greatly to the efficiency of the harbour inspector if he had a small fast steam-boat. But this, I fear, would be too costly. Each inspector, however, should have a good sea-going boat, and be required to live constantly on board.

276. It would be advantageous were loose salt permitted to be removed only in boats having decks and hatches, in which case the coast guard would only have to see that the hatches, sealed on leaving the works, had not been tampered with. The only reason why I do not recommend the adoption of this rule is that, as such boats do not now exist, I fear it would be a great blow to the trade After a time, however, I think it would be possible to enforce a rule that salt must be removed either in bags or in decked vessels.

277. Meanwhile, I would not require cubic measurement from the coast guard officer, unless he suspects that the boat is carrying more salt than stated in the permit. But every boat used for carrying salt, the first time she is loaded, should be loaded under the inspection of the Assistant, the Sir-Karkoon, or Daroga ; a line should be painted inside her gunwale, up to which she should always be required to load, and the number of maunds she carries, when so loaded, should be painted upon her. The inspecting officer could then tell at a glance whether she is properly loaded, and if so whether her cargo corresponds within a small per-centage to the quantity entered in the permit.

278. It appears to me very desirable that there should be a much greater mixture of castes and classes than there is at present among the subordinate officers of the Department. There is no Department, I think, in which it is advantageous to have a very large majority of the lower officers of one caste, and that caste the Brahmin, but it is particularly undesirable in the Salt Department, both on account of the necessity of relying to a great extent for the prevention of fraud upon the check of one class of officers upon another, and of the ease with which frauds can be committed by a combination of subordinate officers, and because many of the duties of the Salt Department entail exertion and exposure, for which Brahmins are not

Desirableness of a greater mixture of castes in the Department.

well fitted, physically or by habit. In every Department in this Presidency there will, of course, always be a very large proportion of Brahmins, and they will have the advantage of mutual support and assistance, nor is this unfair, since this caste most readily devotes itself to and fits itself for the public service. But appointments, especially in the Salt Department, should not be allowed to become a monopoly of Brahmins.

279. I feel that I am bound to notice one cause of the preponderance of the Brahmin element in the Department.

280. The personal Assistant of the Commissioner, who is, of course, in a very influential position, is a Brahmin. He is, I believe, a very able and valuable Officer, but, like most men of his class, he is fond of power and prejudiced in favour of his caste fellows. It is, at any rate, the general belief in the Department that he has long systematically exerted his influence in one direction, and it has been pointed out to me that but very few men not Brahmins, such as Parsees, Mahomedans, or Purbhoos, succeed in the Department, or even stay long in it. As an instance, I am told that every Sheristadar of a Deputy or Assistant Commissioner is now a Brahmin, and a man supposed at any rate to be a protége of the personal Assistant.

281. I must now enter upon the question of the pay of the lower grades of Officers in the Salt Department, and I shall have to show that it is, considering the onerous and laborious nature of the duties to be performed, the responsibility and the temptations, very much too low.

Pay of Officers of lower grades in the Salt Department.

282. It was pointed out by Mr. Plowden that, at the time of his visit, the lower grades of Salt Officers were underpaid. There have been so many changes in the way of debiting the charges of the Salt and Customs Departments respectively that I have not been able to compare the total cost of the Department in 1853 with its total cost now.

283. But the following Table will show the lowest and highest rates of pay of the five principal classes of subordinate Officers:—

	In 1853.		In 1869.		
	Maximum Pay.	Minimum Pay.	Maximum Pay.	Minimum Pay.	Average Pay.
Sir-Karkoons	200	25	200	30	76
Darogas	102	15	80	18	42
Sazedars	20	8	35	11	17
Nakedars	15	6	20	7	10·8
Peons	13	4	15	5	5·8

284. I have, unfortunately, not been able to find the average pay of each grade in 1853, but the above Table will show how very little the pay which Mr. Plowden thought inadequate has been raised, although the revenue of the Department has risen from 23¾ to 55¼ lakhs of Rupees, although the Salt Tax, and consequently the temptations to fraud, has been more than doubled; and although the actual cost of living has trebled since 1853.

Increase to pay in 1859.

285. In 1859 Mr. Spooner urged the necessity both of strengthening salt establishments and of raising the pay of the men; he pointed out, for instance, that considering the duties, the responsibility, and the temptations of a Sazedar, his pay should be Rs. 25 or Rs. 30 per mensem according to his grade. In consequence of these representations, the Government of India, on raising the Salt Tax to Re. 1 per Indian maund, sanctioned an increase of Rs. 7,000 per mensem, or Rs. 84,000 per annum, to salt establishments. This sum Mr. Spooner disposed of as follows :—

Northern Division, in increased establishments, chiefly on the frontier	Rs. 775	
In increase of pay	,, 1,217	1,992
Southern Division, chiefly in increase of pay.....	,, 3,734	
Presidency Division do. do.	,, 1,274	5,008
		7,000

286. Mr. Spooner stated that the absolute necessity of increasing the strength of some establishments, especially frontier ones, rendered it impossible to raise pay, especially of Sazedars and Peons, as high as he had before recommended and thought desirable, and also to graduate the pay of each class of officers. This opinion, it must be remembered, was expressed in 1859, when the great rise in prices and consequent increase in the cost of living had only just commenced.

Duties and pay of establishments at salt works.

287. The classes of officers whose pay most urgently requires increasing, it appears to me, are those at the works. The Sir-Karkoons and their establishments and the Huzoor establishments of the Deputies and Assistant Commissioners are doubtless underpaid, but not to the extent that Sazedars and Peons are underpaid, if we consider the labour and responsibility thrown upon the latter.

288. A Sazedar generally has to live away from his family in a dreary and unhealthy locality, with no proper accommodation and no society, in a village of kolies and fishermen. He often has great difficulty in obtaining proper food and even water; he is continually exposed to the sun the whole day during the hottest part of the year; his duties are very monotonous and uninteresting, and require considerable physical exertion. Salt to the value of Rs. 75,000, on an average, passes through his hands in the course of the season; the temptation to

fraud is very great, and the risk of detection at present very small, and his average remuneration is Rs. 17 per mensem while on duty, great part of which is retrenched when sickness or family affairs compel him to absent himself.

289. The Peons have to inhabit miserable huts in the midst of dreary and unhealthy swamps, their life is monotonous and solitary, and if they do their duty they can hardly be on good terms with the manufacturers, with whom alone they can associate; they ought to be constantly on duty at night; they have to procure their food and water from long distances; they are constantly exposed to temptation, and their average pay is Rs. 5½ per mensem, often for 9 months in the year only.

290. If it is said that notwithstanding all this, the fact is that the appointments of a Sazedar or Salt Peon are eagerly sought after, and that there is no difficulty in procuring men at present rates of pay, I reply that this only shows to what an extent the men must obtain illicit emoluments, and that if an improved system does away with those emoluments, we shall find it impossible to fill the places.

Proposals.

291. I recommend that there be three grades of Sazedars, with pay at Rs. 25, 30, and 35; and three grades of Peons, with pay at Rs. 8, 9, and 10 per mensem. The numbers of men in each grade should be fixed, and promotion should be regulated strictly by seniority, except when the man whose turn it is for promotion is passed over as a punishment for misconduct. I may remark that in the revision of establishments, submitted by Messrs. A. D. Robertson and Peile in 1867, it was proposed to increase the pay of each appointment of Sazedar, which is supposed to be regulated by the importance of the charge, by a per-centage. But a system of grades, as noticed above, was approved by Mr. Spooner, and it appears to me that it is more just and satisfactory both to the men and to the European superintending officer. I have always found that if subordinate officers are selected for promotion on account of their supposed merits, there is great room for favoritism on the part of the huzoor office and consequent dissatisfaction; whereas, if the rule is to promote by seniority, a man is superseded only for definite and assigned reasons. The Assistant will of course appoint men of the highest grade to the most important charges. Mr. Robertson also recommended the uniform pay of Peons to be Rs. 9. I have fixed the average pay at the same amount, but I think it better to have three grades of pay, so that the men may have the hope of obtaining an increase by good conduct, and the Assistant may be able to punish a careless Peon by stopping his promotion.

Financial results.

292. It is, of course, impossible for me to state exactly what will be the financial effect of these changes without submitting detailed statements of proposed establishments, which I cannot do without knowing how far Government approve my proposals. But I will endeavour to give some idea of the probable results.

293. The saving in establishments, as stated in the Table at para. 151 above, is Rs. 25,500, which will probably be increased to Rs. 30,000 by reductions in the districts south of Alibagh. The net saving to be effected by the Guzerat scheme, I estimate at Rs. 34,000, so that the total estimated saving by reduction of establishments, available for increase of pay of the establishments to be maintained south of Damaun (for the new establishments in Guzerat have been estimated, *vide* Section II. of my letter No. 30, of 15th April last), will be about Rs. 64,000 per annum.

294. The present total number of Sazas is 111, and the average pay being Rs. 17, the total monthly pay of these appointments is Rs. 1,887. I estimate that the total reduction in the number of Sazedars will be about 40, so that there will remain about 71 Sazedars to be paid, on an average of Rs. 30, Rs. 2,130 per mensem, an increase of Rs. 2,916 per annum, against which must be set the saving in grain allowance now drawn by Sazedars on account of dearness of food.

295. The number of Peons (exclusive of those at bunders and in kutcheries) is now 974, and their pay at an average of Rs. 5-8, is Rs. 5,357 per mensem. Assuming that they can be reduced in number to 650, which is, I think, about the practicable reduction, their pay, at Rs. 9 per mensem, will be Rs. 5,850, an annual increase of Rs. 5,916, against which must be set the saving of grain batta now given which considerably exceeds it in amount.

296. As far, therefore, as I can judge without preparing detailed estimates, I think that the saving of Rs. 64,000 per annum to be effected by reduction of establishments, added to the saving of grain compensation and batta, which in 1868-69 amounted to about Rs. 35,000 per annum, will enable us, without extra cost, to increase the pay of all establishments to be retained in about the same proportion as I have recommended for Sazedars and Peons, and thus to place it upon a thoroughly satisfactory footing.

Present and proposed cost of European supervision.

297. The difference in the cost of European supervision of the Department as it is at present, and as I should recommend it to be fixed, is as follows :—

Present Cost.

		Pay per mensem.	Remarks.
Deputy Commissioner,	Northern Division ...	Rs. 1,400	Including Rs. 100 personal allowance.
Ditto	Southern Division ...	,, 1,100	
Assistant Commissioner,	Ahmedabad	,, 700	
Ditto	Gogo	,, 540	
Ditto	Tannah	,, 670	
Ditto	Rutnagherry	,, 540	
Ditto	Canara	,, 450	
		Rs. 5,400	

The pay here given includes acting and travelling allowances, and is the actual amount drawn by the gentleman who now happens to fill each appointment. It varies with the grade of the officer who is in charge of each range :—

298. *Proposed cost* :—

		Pay per mensem.	Remarks.
Collector of Salt Revenue		Rs. 2,000	Rs. 2,500 if a Senior Collector.
Assistant at the Runn		,, 750	
Do.	Ooran	,, 750	
Do.	Bassein	,, 650	
Do.	Trombay	,, 650	
Do.	Northern Frontier	,, 550	
Do.	Canara	,, 550	
Do.	Rutnagherry	,, 400	
Do.	Surat, for Railway Depôts	,, 400	
		Rs. 6,700	

The average pay would thus be only Rs. 587-8-0 against Rs. 580, the present average pay. But as each Assistant should have a good house, and will have to travel less than at present, I think that the proposed scale of pay will really be better than the present one. When Assistants have to travel beyond the limits of the talookas actually in their charge, as to visit a frontier, or to inspect bunders and Custom-houses, they should draw batta at Rs. 5 per diem.

Comparison of cost of Bombay Salt Department with that of Inland Customs Department.

299. In discussing the cost of supervision and collection of the Bombay Salt Revenue, it is, I think, fair to compare it with that of the Inland Customs Department of the Punjaub, North-West Provinces, and Central Provinces, the revenue of which is chiefly derived from salt. According to the printed returns, the charges in the Bombay Department are Rs. 4-10-10 per cent. of the revenue, in the Inland Customs Department Rs. 13-3-10 per cent. This however, as explained below, is not a fair comparison, on account of the way in which our charges are debited to salt and customs respectively, and I, therefore, give the exact figures for each Department. Those for the Inland Customs Department are from Mr. Hume's Report for 1868–69. In a separate statement with which I have been favoured, the total charges of that Department exclusive of the pay of the Commissioner and his staff, are set down at Rs. 17,91,586, but I imagine that this is the total amount sanctioned, and that given in the annual report the cost actually incurred. I do not

know, however, whether the cost of collection in the Inland Customs Department includes the pay of the Commissioner and his staff; that for the Bombay Department does include these items :—

	Total Revenue. 1868-69.	Charges. 1868-69.	Per-centage of charges to Revenue.
	Rs.	Rs.	Rs. A. P.
Inland Customs Department	1,17,25,775	15,69,784	13 3 10
Bombay Salt	61,03,291	2,85,398	4 10 10
Customs	84,42,475	7,79,516	9 3 9
Total—Bombay Department	1,45,45,766	10,64,914	7 5 1

300. I have in the last paragraph alluded to the way in which charges are debited to salt and to customs respectively, which throws an unduly high proportion of the cost of collection upon the Customs revenue.

Present mode of debiting charges.

301. Before 1865, the practice was as follows :—

Of the whole cost of supervision $\frac{1}{16}$th was debited to the opium revenue, half of remaining $\frac{15}{16}$ths to salt, and half to customs.

Of establishments, those for opium were entirely distinct and were debited to opium ; wherever distinct establishments existed for salt and customs (as at salt works or at bunders where there was no work connected with salt) the entire cost was debited to salt or to customs as the case might be ; and where the same establishment performed duties in both Departments one-half the charge was debited to each

302. In 1865 the Government of India (Resolution in Financial Department of 20th April 1865, No. 2,189 para. 10, III.) directed "the cost of establishments in the Bombay Presidency common to customs and salt, including the charge for the Commissioner, to be shown under Customs." In accordance with these orders, the cost of actual establishments at the salt works is alone debited to salt, the charges for Deputy and Assistant Commissioners and their offices and for Sir-Karkoons and their establishments, are debited to customs, though the salt revenue collected by these officers exceeds 60 lacs of Rupees ; the import and export duties at continental ports were in 1868–69 only Rs. 22,446 and Rs. 42,996 respectively. The charges against Customs revenue in the Northern and Southern Divisions are thus shown as Rs. 36-7-9 per cent., while the per-centage charges against salt revenue are only Rs. 4-10-10.

303. The following Table will show this more clearly :—

Talooka.	Receipts.				Remarks.
	Customs.	Salt.	Customs.	Salt.	
	Rs.	Rs.	Rs.	Rs.	
Ooran	378	12,63,675	35,170	26,032	Still-head duty on spirits Rs. 6,31,478, is collected under the supervision of the Ooran Sir-Karkoon.
Panwell	1,018	2,08,716	7,450	17,065	
Ghorebunder	317	9,09,923	1,329	21,375	
Penn	74	5,66,680	.....	19,993	
Alibagh	884	38,792	7,432	12,009	
Total	2,671	30,17,376	51,348	96,474	

304. If my proposal to place the Salt Department under a Collector be approved, I would suggest that the total cost of the Department under him, that is, of all establishments except the customs establishments in the island of Bombay, and establishments solely for customs at other ports, be debited to salt ; and the other charges on account of the Commissioner, his Bombay Assistants, and customs establishments in Bombay, to customs. This arrangement will be simpler than the present one, and will show with a very near approach to accuracy, the actual cost of each Department.

305. It appears to me that there will be no difficulty in leaving the control and supervision of customs revenue at continental ports under the Collector of salt revenue and his Assistants. As far as I can learn, these duties are at present not very onerous, and might with advantage be curtailed. On this subject Mr. Bellasis, when Commissioner of Customs, recorded the following observations (to Chief Secretary No. 2,709, of 22nd November 1867, para. 3) :—

Customs at Continental Ports.

"To make the provisions of the Customs Act VI. of 1863 applicable only "to dutiable goods and dutiable ports, not to free goods and free ports, will "enable Government to dispense with the services of the district establishments "which are at present employed at free ports for purely customs purposes, and "which collect, comparatively with cost, little or no revenue. Although the "levy of customs duty at British ports was abolished so far back as 1848, yet "the provisions of the present Customs Act are so literally enforced at those "places, that any petty trader in free goods has to undergo the same amount of "trouble and annoyance at the hands of the customs establishments in comply-"ing with all the formalities to which he was subjected when he actually had to

"pay customs duty before its abolition. The maintenance of such establish-
"ments is not only unnecessary but useless, and I consider it a great burden
"on the State and a constant public grievance."

306. From this it would seem that Mr. Bellasis would totally abolish all customs establishments at free ports, and discontinue the collection of the small amount of export and import duties now realized. I should doubt if this is safe or desirable, but I should think that the proposal of Messrs. A. D. Robertson and Peile, "to reduce the sea customs establishments to a minimum, not more than sufficient to register the trade," ought to be adopted. The Salt Collector and his Assistants would then be able to supervise the customs at all Continental ports without any hindrance to their more important duties in the Salt Department.

Conclusion.

307. Legislation is needful to give effect to several of the proposals submitted in this letter. It has for some time been admitted that modification of the existing law is required, and several draft Acts have been prepared by different officers. The last of these was submitted by Mr. Bellasis with his letter No. 1,411, of June 29th, 1867, and was forwarded for the approval of the Viceroy in Council, with Bombay Government letter No. 2,754 of 1867. The Government of India, however (No. 142 of 1868), returned it for certain alterations, and others were suggested in Mr. A. D. Robertson's letter No. 450, of February 15th, 1868. It has not yet been submitted to the Legislative Council, pending the decision of the High Court upon an appeal in a smuggling case, which it is expected will settle a doubtful point in the existing law.

Legislation necessary.

308. Provisions to the following effect, ought, I think, to form part of any new salt law :—

Provisions required.

1*st*. Removal of salt from the works without payment of full duty for export by sea should be legalized. Mr. Bellasis was opposed to this provision, and held that on the contrary the existing law which makes illegal any removal whatever, except on previous payment of full duty, should be strictly enforced. I have given above (para. 211) reasons against this view, but whether or not it is theoretically sound, it is certain that the Government of India have finally decided against it.

To legalize removals free of duty.

2*nd*. To carry out my proposals for the concentration of works (paras. 129—158), the Governor in Council must be empowered to close any works which produce on an average more than Indian maunds 5,000 per annum upon giving reasonable compensation to the owners, the amount of such compensation not to exceed twenty times the nett average annual profit upon the works. Mr. Bellasis proposed to empower the Commissioner of Customs to close summarily any work not producing an average of Indian maunds 50,000. Mr. Robertson thought this both unnecessary and hard upon the owners of valuable works, and proposed to substitute Indian maunds 10,000, for the present

For suppression of works producing more than 5,000 Indian maunds.

limit Indian maunds 5,000. The latter proposal would not, however, enable Government to carry out the scheme which I have submitted, and I think it both more fair and practically more convenient to have the power of closing any work on giving reasonable compensation.

3*rd*. The officer to whom the Governor in Council may delegate this authority should be empowered to lay down rules for each work, regulating the storing of salt (paragraphs 159—165); its removal (paragraphs 168—174); the management of the works (paragraph 166); the destruction of old salt (paragraph 183); and similar details; and generally to exercise control and supervision over the manufacture of and trade in salt.

For enforcing Departmental orders.

4*th*. When owners of salt works are proved to have connived in smuggling, the works should be made liable to confiscation (paragraph 184).

For the confiscation of salt works, the owners of which smuggle.

5*th*. The officers of the Department should be empowered to enter on and inspect premises in which salt is known or suspected to be stored, and to suppress store-houses, if this should seem desirable for the protection of the revenue (paragraph 185).

For the inspection or suppression of store-houses.

6*th*. Purchasers of salt should be required to give such information as may be demanded by the officers of the Department regarding the place for which the salt is destined (paragraph 181), and salt conveyed to a place other than that entered in the permit should be made liable to be treated as contraband.

Regarding entry in the permit of destination of removals.

309. With regard to the penal authority to be vested in officers of the Salt Department, there was some difference of opinion between Mr. Bellasis and Mr. A. D. Robertson. Mr. Bellasis remarked (paragraph 8 of his letter No. 1,411 of 1867)—"I do not think it necessary to give the inquiry, in a case of smuggling under the Act, a judicial character; it should be looked on merely as the recovery of Government revenue or salt duty, just in the same way that any person trying to smuggle or under-value any article subject to customs duty is liable to have his goods summarily confiscated or to be subjected to double or treble duty. All offences of a criminal nature should, as a matter of course, be tried by the magisterial authorities, and with these the officers of the Salt Department should have no connexion except as prosecutors."

Powers of Departmental Officers.

310. On this Mr. Robertson remarked, "the objection I have is, that Mr. Bellasis has entirely done away with the powers of fining, which, I think, should be retained. These powers are given by the Customs Act, and are found to be very useful and beneficial for checking irregularities."

311. I am inclined to think Mr. Bellasis' view, on the whole, the correct one. It appears to me that to empower the officers of the Salt Department, acting departmentally, to confiscate smuggled salt, or salt a part of which is contraband, to confiscate vessels, vehicles, or animals used to convey contraband salt, or to enforce the payment of double or treble duty on salt in connexion with which any irregularity has been committed, will be sufficient for the ordinary administration of the Department, and that in cases in which a heavier penalty seems necessary, the offenders should be prosecuted in the ordinary criminal courts. But on the other hand, officers of the Department say that they find it frequently happens that to confiscate a boat which has a little smuggled salt on board is a great hardship to her owners who are perfectly ignorant of the transaction, and yet that simply to confiscate the smuggled salt is too light a penalty for the owners of the salt, who should be heavily fined.

312. Whether, too, the power of withholding or cancelling licenses to manufacture, will in practice be found sufficient to enforce obedience to departmental rules regarding the storing of salt, the management of the works, &c.; or whether the officers of the Department should not have authority to punish summarily, by fine, refractory manufacturers or owners of works, is a point on which I am doubtful, and it should, I think, be decided in accordance with the opinions of the officers who have a practical acquaintance with the difficulties met with in managing salt works.

313. In conclusion, I have to regret that this Report is neither so complete nor so lucidly arranged as I could wish. It contains, however, I think all information necessary to enable Government to come to a decision on the question of the internal administration of the Salt Department; and I do not, therefore, think it needful to lose time in trying to improve it.

I have the honour to be,

Sir,

Your most obedient Servant,

W. G. PEDDER,

On special duty.

RE-PRINTED AT THE ECONOMIST STEAM PRESS, FORT.

STATEMENT A.

Showing the Salt Talookas of the Southern, Northern, and Presidency Divisions, the Sujas or separate charges in each Talooka, the Number of Works in each charge, the Average Produce, Sales, and Realizations of Salt Revenue, and Number and Cost of Establishment.

SOUTHERN DIVISION.

Name of Talooka.	Name of Suza.	No. of Agurs or Salt Works.	Area in Acres and Goontas.	Average Produce for the last five years.	Average sales for the last five years.	Average amount of salt written off for the last five years as loss, wastage, &c.	Average amount of duty realized for the last five years.	Establishment. No. of men employed.	Establishment. Their total annual pay.	Remarks.
1	2	3	4	5	6	7	8	9	10	11
				In. Mds. Srs.	In. Mds. Srs.	In Mds. Srs.	Rs. A. P.		Rs.	
Oomurgaom	Suza Sunjan	2	25 8	9,071 35	9,641 28	810 21	7,276 14 4	14	1,092	
	„ Phunsa	3	74 27	23,530 37	23,164 35	1,996 35	10,528 0 3	14	966	
	Total	5	99 35	32,602 32	32,806 23	2,807 16	17,804 14 7	28	2,058	
Tarapoor	Tarapoor	1	24 38	7,704 23	6,925 38	205 15	10,153 8 0	6	576	
	Total	1	24 38	7,704 23	6,925 38	205 15	10,153 8 0	6	576	
Bassein	Suza Manickpoor	5	491 4	11,585 9	8,929 3	2,544 13	11,288 7 8	26	1,989	
	„ First Jooichundra	4	308 23	39,222 14	31,710 33	6,521 19	43,954 3 7	12	985	
	„ Second Do.	4	246 16	43,244 32	35,753 25	5,472 35	47,369 13 2	10	840	
	„ Rajawulee	4	193 19	42,508 5	35,313 29	5,874 4	44,617 14 3	20	1,593	
	„ Panjoo	3	184 31	72,977 8	67,936 0	5,121 15	1,00,379 15 2	14	1,200	
	„ Nowsur	1	47 3	5,537 27	3,865 27	918 27	3,304 2 8	7	588	
	Total	21	1,471 16	2,15,075 15	1,83,508 37	26,452 33	2,50,914 8 6	89	7,195	
Ghorebunder	Suza Bhaidur	10	389 16	4,22,830 25	1,08,028 24	14,222 15	1,40,046 11 10	24	1,890	
	„ Moordha	6	279 24	1,40,022 22	1,29,311 5	15,916 6	1,80,056 8 0	16	1,530	
	„ Moorwa	10	362 19	1,27,476 32	96,984 8	17,456 6	1,43,107 7 7	19	1,644	
	„ Doongaree	6	332 14	1,33,006 22	1,15,072 23	20,062 30	1,27,911 9 0	14	1,320	
	„ Mallanee	4	69 9	24,646 34½	23,990 32	735 19½	35,171 4 9	12	1,026	
	„ Goregaom	1	89 25	10,845 19	9,791 2	902 17	14,173 10 2	6	414	
	Total	37	1,522 27	5,58,828 34½	4,83,178 14	69,295 13½	6,40,467 3 4	91	7,824	
Trombay	Suza Trombay	8	297 16	1,15,122 0	1,02,642 0	7,829 0	1,229 0 0	26	2,274	
	„ Dewanur	3	156 7	57,854 0	53,562 0	3,839 0	485 0 0	13	1,152	
	„ Ghatcopur	1	128 2	63,922 0	54,262 0	6,297 0	439 0 0	13	1,080	
	„ Mohool	7	568 24	96,472 0	80,452 0	19,219 0	958 0 0	22	2,454	
	„ Kewanee Doongun	2	66 3	17,599 0	16,114 0	881 0	23,402 0 0	20	1,728	
	Total	21	1,216 12	3,50,969 0	3,07,032 0	38,065 0	26,513 0 0	94	8,688	
Oobun	Suza Koondekhur	7	175 13	91,896 16	81,617 8	8,542 16	82,640 1 8	16	1,284	
	„ Sankhar	7	211 10	1,07,645 10	96,639 37	4,983 32	74,046 1 4	13	1,074	
	„ Buracha	6	122 29	47,422 30	38,011 38	3,184 27	38,220 3 5	6	570	
	„ Moosghut	8	156 18	1,11,624 24	96,321 4	12,045 5	1,12,442 9 8	6	642	
	„ Dabyeechekarat	10	154 30	79,574 32	69,845 8	5,930 32	62,514 3 3	10	912	
	„ Doongukhar	3	120 34	79,669 12	69,217 13	9,058 33	48,778 7 2	6	558	
	„ Bokurweera	4	174 5	1,05,477 36	95,101 6	10,256 11	53,533 7 4	9	756	
	„ Chiwree	6	175 4	70,137 27	64,475 21	6,519 3	29,094 6 1	6	702	
	„ Pond	3	187 32	53,448 24	49,863 27	4,881 23	28,361 1 4	6	618	
	„ Gumtee	8	131 28	44,791 22	40,062 30	3,284 16	43,151 14 3	6	558	
	„ Kantekhar	6	89 17	41,482 8	38,550 24	2,709 16	45,743 7 5	6	558	
	„ Bahad	5	66 37	25,331 24	22,129 32	1,271 8	19,568 4 5	6	558	
	„ Sonaree	4	121 14	42,172 12	37,173 24	4,362 26	39,660 7 6	8	744	
	„ Zugree	9	148 5	81,825 0	75,682 24	6,484 16	90,303 2 4	9	828	
	„ Sheewah	3	229 28	1,21,611 16	1,13,711 8	6,878 32	1,23,644 2 0	6	702	
	„ Nahawag	3	100 19	36,864 16	34,591 32	3,316 24	38,655 7 2	5	408	
	„ St. Antone	6	173 20	46,046 25	40,728 12	4,756 27	6,582 9 6	11	888	
	„ Zeerowlee	2	167 39	71,514 8	70,004 16	2,630 16	65,489 0 0	8	696	
	„ Wowlee Bhendee	4	204 8	1,18,109 37	1,04,522 32	9,841 29	1,25,901 11 4	14	1,020	
	Total	104	2,911 30	13,76,646 19	12,38,250 36	1,10,938 32	11,28,330 11 2	157	14,076	

Southern Division—Continued.

Name of Talooka.	Name of Suza.	No. of Agurs or Salt Works.	Area in Acres and Goontas	Average Produce for the last five years.	Average sales for the last five years.	Average amount of Salt written off for the last five years as loss, wastage, &c.	Average amount of duty realized for the last five years.	Establishment. No. of men employed.	Establishment. Their total annual pay.	Remarks.
1	2	1	4	5	6	7	8	9	10	11
				In. Mds. Srs.	In. Mds. Srs.	In. Mds. Srs.	Rs. a. p.		Rs.	
Panwell	Suza Panwell	16	124 38	42,506 0	38,995 6	2,250 6	57,353 5 6	10	810	
	„ Khunda	16	122 7	37,064 29	34,898 25	2,639 4	50,992 5 2	10	762	
	„ Jooyaka Mota	8	81 0	14,776 6	13,209 14	1,985 17	19,622 13 9	10	750	
	„ Waghewlee	2	69 31	20,078 16	15,724 32	1,838 7	10,280 8 1	8	590	
	„ Jooyakalboosur	1	105 20	39,216 1	29,557 18	4,901 24	42,786 11 8	9	702	
	„ Bellapore	3	62 3	12,926 16	10,947 22	1,881 35	673 10 5	5	414	
	„ Kurawag	4	158 39	58,777 37	56,271 4	2,549 24	15,538 2 2	13	1,068	
	„ Nerool	3	160 18	76,524 0	71,884 32	3,490 12	2,069 13 5	11	936	
	„ Surseta	3	99 34	36,626 22	32,799 12	2,779 9	778 12 7	8	684	
	„ Sheerowna	1	95 37	23,992 27	20,610 34	2,052 28	987 10 5	5	438	
	Total	57	1,080 27	3,62,488 34	3,24,899 29	27,367 39	2,01,083 13 2	89	7,154	
Sanksay	Suza Oomurdha	4	173 35	36,545 16	25,581 30	8,468 13	36,139 1 8	8	684	
	„ Sumbree	3	213 33	63,460 31	37,304 1	10,833 7	45,866 3 7	6	558	
	„ Sheelotur	3	168 34	38,817 19	30,898 18	3,826 27	39,347 12 0	5	486	
	„ Heeragur	4	168 34	48,415 17	30,387 39	6,362 3	40,333 12 4	8	648	
	„ Motee	4	114 30	39,707 2	22,623 13	5,762 7	32,869 5 0	8	624	
	„ Sirlear Sonagur	4	154 5	41,007 2	24,724 31	7,894 29	36,515 15 6	6	558	
	„ Chicklee	3	270 14	1,07,621 15	62,402 23	16,156 15	83,510 14 7	9	900	
	„ Crishnagur	7	314 9	58,245 14	44,595 27	10,814 22	52,407 6 6	9	696	
	Total	32	1,578 34	4,33,819 36	2,78,518 22	70,118 3	3,66,990 7 2	59	5,154	
Alibag	Suza Alibag	6	51 28	9,862 26	6,575 6	1,069 39	9,504 3 4	12	876	
	„ Wursolee	4	62 2	6,079 8	4,236 16	428 32	6,025 13 10	7	528	
	„ Heeragur	1	83 36	8,979 5	6,642 16	2,960 31	9,670 2 8	11	822	
	„ Chowl	2	15 24	3,804 3	2,354 5	271 32	3,151 8 3	6	456	
	„ Shahabaz	1	108 6	5,496 15	3,660 12	1,636 7	2,221 2 1	8	612	
	„ Rajporee	3	63 21	10,024 12	5,283 36	1,317 3	6,381 6 3	10	822	
	Total	17	384 37	44,245 29	28,752 11	7,684 24	36,954 4 5	54	4,116	
Rutnagherry	Suza Bhatee and Wara Mira at Rutnagherry	16	16 2	13,809 15	14,597 0	505 18	21,221 12 0	22	1,944	
	Total	16	16 2	13,809 15	14,597 0	505 18	21,221 12 0	22	1,944	
Malwun	Suza Arjoonwurgawada	9	11 4	7,752 21	5,142 35	921 39	7,166 8 11	8	584	
	„ Krishu Bhat	10	15 12	11,477 37	7,866 16	1,117 8	11,280 13 4	7	512	
	„ Sukho Ramchunder	13	24 15	19,460 7	15,595 3	925 0	22,818 12 10	23	2,196	
	„ Kandalgaom	7	20 22	14,366 10	6,584 29	1,683 2	9,238 2 0	11	818	
	„ Achare	5	8 35	6,768 8	5,411 29	655 34	7,992 9 6	8	612	
	„ Meetbow	6	9 4	5,218 35	4,350 1	427 31	6,420 13 7	11	846	
	Total	50	89 12	65,043 38	44,950 33	5,730 34	64,917 12 2	68	5,568	
Vingoorla	Suza Vingoorla	8	20 4	14,646 38½	13,431 31½	408 27	19,744 5 4	17	1,332	
	„ Khajanbag	2	13 18	7,408 4½	6,871 27¾	306 39	9,990 3 6	8	630	
	„ Jeewajee Vishram	10	23 22	16,712 36	14,058 7½	1,258 31	20,683 8 2	8	642	
	„ Gunesh Vittul	10	24 4	13,370 1	10,215 38¾	1,742 28	15,037 10 0	19	1,944	
	Total	30	81 8	52,138 0	44,576 37	3,717 5	65,455 10 11	52	4,548	
Carwar	Suza Sudashegur	9	6 2	708 20	.....	.....	.....	9	972	Permanent.
	Total	9	6 2	708 20	264 30	5 0	448 1 0	10	350	Temporary.
					264 30	5 0	448 1 0	19	1,322	

Southern Division—Continued.

Name of Talooka.	Name of Suza.	No. of Agurs or Salt Works.	Area in Acres and Goontas.	Average Produce for the last five years.	Average sales for the last five years.	Average amount of Salt written off for the last five years as loss, wastage, &c.	Average amount of duty realized for the last five years.	Establishment. No. of men employed.	Establishment. Their total annual pay.	Remarks.
1	2	3	4	5	6	7	8	9	10	11
				In. Mds. Srs.	In. Mds. Srs.	In. Mds. Srs.	Rs. A. P.		Rs.	
Anekola	Suza Nagurbyll	175	178 15	1,56,000 8	1,40,187 36	18,228 12	1,99,519 13 1	15	1,872	Permanent.
								36	1,260	Temporary.
	„ Burgee	17	15 39	1,922 25	1,372 0	711 24	2,040 0 0	5	618	Permanent.
								4	140	Temporary.
	Total	192	194 14	1,57,922 33	1,41,559 36	18,939 36	2,01,559 13 1	60	3,890	
Honore	Suza Compta	24	69 16	34,476 16	30,023 12	2,134 15	44,088 1 0	9	1,128	Permanent.
								25	875	Temporary.
	„ Beloor	15	17 22	4,822 8	3,310 16	1,108 16	4,814 8 0	7	816	Permanent.
								6	210	Temporary.
	„ Butcul	19	20 30	5,159 32	4,608 0	1,019 0	6,768 0 0	7	816	Permanent.
								6	210	Temporary.
	„ Sheerally	35	60 22	12,213 24	6,065 6	315 21	8,869 4 8	9	1,068	Permanent.
								16	560	Temporary.
	„ Kirky	2	.....	30 32	30 8	 24	45 5 0	8	894	
	Total	95	168 10	56,702 32	44,037 12	4,577 36	64,585 1 8	93	6,577	
	Grand Total	687	10,846 24	37,28,707 0½	31,73,860 16	3,86,411 24½	30,97,600 9 2	981	80,790	

W. G. PEDDER,
On Special Duty.

NORTHERN DIVISION.

Name of Talooka.	Name of Suza.	No. of Agurs or Salt Works.	Area in Acres and Goontas.	Average Produce for the last five years.	Average sales for the last five years.	Average amount of Salt written off for the last five years as loss, wastage, &c.	Average amount of duty realized for the last five years.	Establishment. No. of men employed.	Establishment. Their total annual pay.	Remarks.
1	2	3	4	5	6	7	8	9	10	11
				In. Mds.	In. Mds.	In. Mds.	Rs.		Rs. A.	
Parnera	Mugode	1	89 35	27,654	21,515	1,993	30,999	48	4,917 8	
	Pulsana	1	23 39		34,567	8,011	51,007	50	5,155 8	
Bulsar	Churwara	1	189 28	53,672	51,788	1,586	75,688	45	4,617 0	
	Dhurana	1	123 16		48,953	3,827	71,148	46	4,917 0	
Parchole	Purnar	1	140 37	63,320	1,02,818	7,136	1,49,968	93	9,465 0	
Morolee	Bhutta	1	130 37	54,105						
Chowrasseb	Jeeao	1	88 34	1,17,170	34,342	1,059	50,661	26	2,721 0	
	Boreea	1	45 35		77,752	2,288	1,14,126	45	4,980 0	
	Oomur	1	85 37		13,299	3,317	19,745	22	2,292 0	
Oolpar	Koondiana	1	144 32	34,373	56,962	5,050	73,677	42	4,957 8	
Hansote	Kutpore	1	178 23	80,075	86,277	10,366	62,373	25	2,469 0	
Wagra	Delej	1	114 14	17,251	4,451	299	6,431	28	2,391 0	
Jumboosur	Dolia	1	132 14	62,487	2,71,472	1,36,011	3,99,982	86	10,597 8	
Cambay	Cambay	1	.....	96,556						
Dhundooka	Dhundooka	6	.....	4,750	74,332	53,587	1,08,782	63	6,342 0	
Patree	Patree	1	2,928 0	4,16,813	67,074	59,925	51,231	41	4,888 8	
	Ooroo	1	805 9							
Jinjoowara	Jinjoowara	1	761 2	1,32,027						
	Futtehpore	1	350 4							
Nuwurpoor	Koorda	1	474 24	1,34,503						
	Total.....	25	6,798 2	12,94,756	9,44,902	2,94,455	12,65,818	660	70,710 8	

W. G. PEDDER,
On Special Duty.

CALCULATION REFERRED TO IN PARA. 164 *e*.

Solution of Problem.

Given a conical heap of salt: Height, — feet — inches ; circumference at base, — feet — inches ; to find its contents in Indian maunds, assuming 2,900 cubic inches = 1 Indian maund.

The ordinary expression for the volume of a right cone is $\frac{1}{3}\ h\ \Pi\ r^2$, where h is the perpendicular height, and r the radius of the circular base ; this form, however, is not suited for the end in view ;

But $\frac{1}{3}\ h,\ \Pi\ r^2 = 4\ \Pi\ r^2 \times \frac{1}{12}\ \frac{h}{\Pi} = (2\ \Pi\ r)^2 . \frac{h}{12\ \Pi} = c^2 . \frac{h}{12\ \Pi}$; where c = the circumference of the cone at its base. If, then, c and h be given in inches the solid contents of the cone will be the number of cubic inches derived by performing the operation indicated above ; and the number of Indian maunds in the heap will be, always, (on the above assumption as to the number of cubic inches in a maund) $\frac{c^2 h}{2,900 \times 12 \pi}$.

A set of tables can be made for heaps of all dimensions by means of this formula.

W. H. HAMILTON,
Tutor to Sons of Sir J. Jejeebhoy, Bart.

Mr. Addis, C.E., was kind enough to send me the above paper.

W. G. PEDDER,
On Special Duty.

P.S.—Since this Report was printed I have received, through the Commissioner of Customs, a letter from Mr. Nilkunt Anunt Joshee, Personal Assistant to the Commissioner, complaining of the observations made regarding him in paragraphs 279-280. Mr. Nilkunt altogether denies that he has systematically exerted his influence in favour of Brahmins, and submits statements which show that when he entered the department, in 1863, of 65 District Officers and First Karkoons in the Southern and Presidency Divisions 33 were Brahmins, 27 Hindoos not Brahmins, 4 Parsees, and 1 a Mahomedan, and that at present of 71 officers of similar rank 38 are Brahmins of different classes —the majority, however, not of his own caste—30 Hindoos not Brahmins, 2 Parsees, and 1 a Christian.

Mr. Nilkunt's explanation shows, I think, that the opinion I have expressed regarding his influence is an erroneous one, and I take blame to myself for having submitted it—depending upon information I thought reliable—without further inquiry.

With reference, however, to my 278th paragraph, I would notice that there are at present in the Southern and Presidency Divisions 109 subordinates drawing upwards of Rs. 20 per mensem. Of these 104 are Hindoos—61 Brahmins of different classes, and 43 Hindoos not Brahmins—2 are Parsees, 3 Christians, and none Mussulmans. As Parsees and Mussulmans are, in my opinion, better fitted in some respects than Hindoos for the duties of the department, I do not think that this state of affairs is a satisfactory one.

It occurs to me that paragraph 245 of the Report may be misunderstood. I do not mean that no officers of the department have pointed out its defects—I am aware that several officers, Mr. Elliot and Mr. Dalzell, for instance, have done so—but faulty organization has caused the failure of individual attempts at reform.

W. G. PEDDER.

No. 125 OF 1870.

To THE CHIEF SECRETARY TO GOVERNMENT,
Bombay.

Bombay, 22*nd August* 1870.

SIR,—I have now the honor to submit my Report upon our Frontier arrangements and establishments.

2. There are in this Presidency four distinct Preventive Frontier Lines:—

I.—That which divides Northern Guzerat from Kattiawar and Rajpootana.

II.—That which isolates the Portuguese territory of Damaun.

III.—That which isolates the Hubshee's country.

IV.—That which isolates the Portuguese territory of Goa.

3. The chief object of all these lines is to keep out of the territories subject to the Salt Tax untaxed salt, but they are also intended to prevent the import of other contraband goods, and in particular the northern line is meant to prevent the untaxed opium of Malwa and Foreign Guzerat from being brought into Kattiawar. On all the lines are numerous stations for the levy of import duties, but, except upon the Goa Frontier, little revenue is collected, and the lines must be considered as chiefly preventive.

I.—*Northern Frontier.*

Its History.

4. The Northern Frontier being the most important, I will commence with it. The correspondence regarding it is exceedingly voluminous and confused, but I will endeavour to make my account as short and as clear as I can.

Runn works purchased by Government.

5. On the introduction of British rule in the Ahmedabad Collectorate, there existed five large salt works along the eastern shore of the Lesser Runn of Kutch, viz. (beginning from the south), Patree, in the estate of the Dessai of Patree; Ooroo, Jinjoowara, and Futtehpoor, in the territory of the Thakoor of Jinjoowara; and Anwarpoor, in that of the Nawab of Radhunpoor.* A half-share in the Patree and Anwarpoor works belonged to Government.

6. It was thought desirable to acquire the exclusive control over these works, and the rights in them of the Dessai of Patree and Thakore of Jinjoowara were purchased in 1822; those of the Nawab of Radhunpoor in 1840. Patree received Rs. 11,300 per annum and 358 Indian maunds of salt free; Jinjoowara Rs. 9,200 and 340 maunds; and Radhunpoor Rs. 11,048 and 340 maunds; and

* The Dessai of Patree holds an estate on Talookdaree tenure within the Ahmedabad Collectorate; the other two Chiefs are under the jurisdiction of the Political Superintendent of Pahlanpoor.

in consideration of these payments the Chiefs ceded all their rights to the salt works, and agreed to open no new works; to prevent the collection of natural salt, to impose no transit dues upon British taxed salt; and to prevent the import into, or passage through, their territories of foreign untaxed salt.

Markets supplied by the Runn works.

7. The works thus acquired upon the Runn supplied the Ahmedabad and part of the Kaira Collectorates, and the Gaikwar's territories north of the Myhee, almost exclusively; and the Native States under the Pahlanpoor and Myhee Kanta Agencies, Malwa or Central India, and the northern States of the Rewa Kanta, to a great extent. I have not been able to procure figures showing the quantities supplied to each of these markets when the salt excise was first imposed in 1837, but the following statement gives, according to the permits, the average sales from the Runn works for the five years ending 1868-69:—

AVERAGE SALES FROM RUNN WORKS FOR FIVE YEARS ENDING 1868-69.

Name of Works.	For British territory, &c., Ahmedabad and Kaira.	For the Gaikwar's territories.	For Malwa or Central India.	For other foreign territories.	Total.	REMARKS.
	I. M.	I. M.	I. M.	I. M.	I. M.	
Patree and Ooroo	1,07,119	34,445	1,25,672	3,753	2,70,989	
Jinjoowara and Futtenpoor	9,759	24,314	37,127	2,928	74,128	
Anwarpoor.....	894	13,835	14,698	37,297	66,724	Chiefly free salt.
Total.....	1,17,772	72,594	1,77,497	43,978	4,11,841	

Different kinds of salt in Northern Guzerat.

8. I must explain that there are in the markets of Kattiawar and Northern Guzerat five different kinds of salt.

I.—"Daiya Noo Mith," manufactured on the coast by the evaporation of sea-water. The process is explained in paragraphs 34—38 of my Report No. 103, of 30th July 1870.

II—"Wuragura," or the manufactured salt of the Runn, the preparation of which is described in paragraphs 39—41 of my Report above quoted.

III.—"Gassya," or the natural salt deposited on parts of the Runn, or in the beds of streams which fall into it by the drying up of the water in the hot weather. It is very abundant in some places and of fair quality, but it has a bitter taste and will not travel without great waste, and hence it is chiefly used by the poorer classes in the neighbourhood of the places where it is found.

IV.—Rock salt, found in a few places on the southern frontier of Marwar, but little used on account of the labour and cost of digging it.

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V.—"Kansia," the salt of Punch Buddra, 36 miles S.S.W of Jodhpoor, which is fully described at pages 48 to 51 of the Annual Report for 1867-68 of Mr. Hume, Inland Customs Commissioner. This salt is exceedingly good and pure, and travels as well as "Wuragura."

Imposition of Salt Excise caused smuggling.

9. About 1845 it was found that the Government works on the Runn, which, previous to the imposition of the excise, had, for three reasons—their convenient situation, the excellence, and the cheapness of their produce—possessed a practical monopoly of the supply, were exposed to a very dangerous competition of untaxed salt. The sales from Anwarpoor in particular fell off from one lac of Indian maunds to about 16,000.

Places in which untaxed Salt is made.

10. The salt the competition of which affects the Runn works is produced in the following localities:—

I.—Kattiawar. From information obtained by the Political Agent in 1863, it appears that salt of one kind or another is produced in almost every division of Kattiawar, but that which is most dangerous to the revenue of British works is made in the State of Dhrangudra, in Jhalawar, where at two villages, Koora and Seetapoor, but a few miles from the western frontier of the Ahmedabad Collectorate, are extensive works manufacturing excellent "Wuragura." Mr. Major, Assistant Commissioner, visited them in 1867, and found that the annual produce was about one and a-half lacs of Indian maunds, two-thirds of which were consumed in Kattiawar, and one-third was said to be smuggled across our frontier, chiefly into the Gaikwar's district of Pattan. "Gassya" is also largely formed upon the Runn within the Dhrangudra limits, and salt made in Bhownuggur also enters the Ahmedabad districts of Gogo and Dhandooka.

II.—The Runn itself, Kutch, and Nuggur Parkar. The arrangements made with the Chiefs of Jinjoowara and Radhunpoor prevented the illicit manufacture or collection of salt on the east shore of the Lesser Runn. But in Kutch, nearly opposite Anwarpoor, are salt works; on the east shore of the Greater Runn, north of Radhunpoor, within the territories of certain Chiefs under the Pahlanpoor Agency, are tracts in which natural salt exists in immense quantities; and just across the northern extremity of the Runn near Nuggur Parkar, is an extensive salt marsh called the "M[illegible] lake," yielding an unlimited supply of natural salt of fair quality.

III.—Marwar, or the States feudally subject to the sovereign of Jodhpoor, is full of salt-producing tracts, but the places which, from their comparative proximity to the frontier of this Presidency, are most dangerous to our salt revenue are Punch Buddra (*vide* paragraph 8 above) and the small States of Bakesir and Boyatra,

near the northern extremity of the Runn. Here several streams, especially the Loonee (or Salt River) and Sookree, fall into the Runn, and in their beds immense quantities of natural salt of fair quality are produced. Rock salt also exists in these States.

Proposal to lay a Preventive line from Dhundooka to Mowsaree.

11. To return. The sale of untaxed salt in Guzerat having attracted attention, inquiry showed that the "Gassya" salt was collected on the Greater Runn, and entered Guzerat by a route passing north and east of the territory of the Radhunpoor Nawab, who could, consequently, do nothing to prevent the smuggling, and also that Dhrangudra salt was crossing the frontier south of Patree into the Ahmedabad Collectorate. After a long correspondence, the Revenue Commissioner wrote to Government that the danger to which the salt revenue was exposed—a danger increased by the recent enhancement of excise to twelve annas—called for immediate measures, and that one of two alternatives must be adopted—to buy up the right to manufacture or collect salt of the Chiefs of North Kattiawar and the east shore of the Runn, or to oppose preventive measures to the entrance of untaxed salt into Guzerat. The first would be an endless and unprofitable attempt, since—the area of foreign territory in which salt may be produced being practically unlimited—no sooner would one Chief receive compensation than his next neighbour would commence the manufacture. The scheme proposed by the Political Agent at Pahlanpoor and the Collector, Continental Customs, should therefore be adopted. This scheme was, first, to compensate the petty Pahlanpoor Chiefs along the eastern shore of the Greater Runn for the loss of their transit dues on untaxed salt, by annual payments aggregating Rs. 1,018 (which sum was afterwards slightly increased), on condition of their preventing the transit of untaxed salt through, or production of it in, their districts. The inhabitants of these districts were to be (as they still are), permitted to remove sufficient "Gassya" for their own consumption. Secondly, to establish frontier lines, consisting of two Karkoons and two Naiks throughout the year, and fourteen Peons for nine months, at five posts along the east shore of the Greater Runn, from Anwarpoor to Mowsaree, where the Marwar frontier touches the Runn; and four Naiks throughout the year, and eight Peons for nine months for the Kattiawar frontier between Patree and Dhundooka. The space intermediate between these two lines was to be guarded by the establishments at the salt works which are situated in it. The scheme was approved by the Government of Bombay,* and the necessary expenditure† was sanctioned by the Government of India.‡

Sanctioned 1846.

12. These arrangements seem totally inadequate to protect a frontier over 300 miles in length passing through a perfectly plain and open country densely peopled in parts, and threatened by numerous salt works, distant only a few miles from it; but the preventive force was to be aided in British territory by the village police and revenue officers and by patrols of the Guzerat Horse, in foreign territory by the Chiefs and by patrols of Pahlanpoor Horse; and in fact I believe that the system worked tolerably well as long as the excise was at 12 annas.

* Resolution No. 312 of 1846.

† Compensation..... Rs. 1,018
Establishment ..... „ 2,259
Total per annum... Rs. 3,277

‡ Letter No. 116, of February 14th, 1846.

Smuggled Salt then turned the northern extremity of the line.

13. This preventive line stopped, more or less effectually, the entrance into Guzerat of the Kattiawar and Runn salt (I. and II. in paragraph 10 above). But it was soon found that the salt from the Loonee river entered in rear of the line, through the territories of the Chiefs of Pahlanpoor, Tharrad, and Danta, which march with the southern frontier of Marwar. In 1850 negotiations were set on foot to induce these Chiefs to enter into agreements similar to those made with the Chiefs on the Runn, but they refused to make any arrangement which should raise the price of salt to their subjects.

Proposal to extend the line eastward to Danta.

14. In 1856 the Deputy Commissioner, Mr. Stewart, again called attention to the import of foreign salt across the Marwar frontier, which he estimated to amount to a lac of maunds annually, and proposed that a preventive line should be laid from the northern post of the existing line along the Marwar frontier eastward to Danta, thirty miles N.N.W. of Eedur; that the Chiefs of Pahlanpoor, Tharrad, and Danta, through whose territories the line would pass, should be allowed compensation for loss of their transit dues on Marwar salt; that the import of "Gassya" into their districts should be entirely stopped, and in lieu of it they should be allowed salt from Anwarpoor at 2½ annas per maund to the maximum quantity of 51,489 Indian maunds, *i.e.*, at the annual rate of 18 lbs. per head of the population of their territories, with certain precautions (*vide* paragraph 38 below) to ensure that this salt should be consumed in the frontier districts only. The annual cost of the preventive line would be Rs. 3,558, that of compensation for transit dues Rs. 675, total Rs. 4,233, from which the profit on the salt sold at 2½ annas, about Rs. 2,500, should be deducted. This scheme was sanctioned by Government,* and the line was laid on 1st May 1857.

Sanctioned 1856.

15. In the course of this discussion an important principle was laid down. The Pahlanpoor Political Agent proposed that certain petty States not bordering on the Runn, and through which the preventive line did not pass, but which had hitherto obtained untaxed salt, should be supplied with Anwarpoor salt at 2½ annas. Government refused this,† observing that cheap salt was given to Pahlanpoor only in consideration of the Chief having allowed the preventive line to pass through his territory, and that the Gaikwar might claim the privilege with as much reason as the Chiefs whose demand was supported by the

* Resolution No. 2,908 of 1856.

† Resolution No. 3,804 of 1866.

Pahlanpoor Agent. This Resolution establishes the principle that it is just and desirable to increase our salt revenue by cutting off the supply of untaxed salt to foreign States.

16. On the east or extreme right of the preventive line thus established from Dhundooka to Danta, lies Eedur, and it was possible for either Boyatra or Punch Buddra salt to enter Guzerat by the Posseena Pass in that State. But careful inquiry in 1857 showed that, owing to the distance he had to travel, and to the heavy transit dues upon it, "Kansia" salt was no cheaper than Runn salt at Eedur, and about four annas dearer at Wurnuggur, a Gaikwari town fifty miles north of Ahmedabad.

17. But the salt tax was raised to Rs. 1 per maund in 1859, to Rs. 1-4-0 in 1861, to Rs. 1-8-0 in 1865, and to Rs. 1-13-0 in 1869. The effect of the first enhancement was to equalize the price of "Kansia" and of Runn salt at Wurnuggur, and the next increase gave the "Kansia" an advantage of four annas. It immediately began to pour into Guzerat through the Posseena Pass, and it was ascertained that while prior to 1859 only about Indian maunds 5,500 were annually imported by this route for the consumption of Eedur only, in sixteen days of May 1861 17,000 Indian maunds crossed the pass and were brought into all parts of Northern Guzerat.

Increase of Excise enabled untaxed salt to round the eastern extremity of line.

18. After a long correspondence with the Political Agents, the Deputy Commissioner, Mr. E. P. Robertson, proposed in 1861 that the frontier line should be extended in a S.E. direction from Danta, through the Eedur territory, closing the Posseena Pass and including the petty States subject to Eedur, thence along the frontier of the Ahmedabad Collectorate, east of Morassa, through Loonawara and other petty States of the Rewa Kanta to its termination at Dohud, in the British Punch Mahals; that Eedur and the other Chiefs should be compensated, to the amount of about Rs. 2,000 per annum, for the loss of their transit dues; and that for the consumption of the Bheel population of the eastern Myhee Kanta, about 40,000 Indian maunds, 6,500 of Anwarpoor salt should be supplied at a price a little lower than they could get "Kansia" for, which would be about twelve annas at the works. It was considered that the settled population of the western part of the Myhee Kanta could not claim cheap salt, as they had always consumed taxed Runn salt.

Proposal to extend the line S.E. to Dohud.

19. It was understood that the Eedur Durbar would generally consent to this arrangement, which was sanctioned by Government.* But the Political Agent, Myhee Kanta, wrote that the Durbar refused to accept the terms, and that an examination of the Wania's books showed that "Kansia" salt had been sold in Eedur at the average price of Rs. 0-9-2 per maund, while Anwarpoor salt, costing twelve annas at the works, could not be sold there for less than Rs. 1-12-7, the reason being that Brinjarees carried large quantities of grain,

Sanctioned in 1862.

* Resolution No. 805-A, of 1862.

mowra, &c., from the Myhee Kanta to Punch Buddra, and returned with salt; while, there being no traffic between Eedur and the Runn, carts would have to be sent empty to Anwarpoor for the salt.

20. The Deputy Commissioner then offered 6,500 maunds at 2½ annas at Anwarpoor, but this was refused by the Durbar, who finally demanded at the rate of one anna (or less than the cost of production) Indian maunds 35,089 (*i.e.*, at the rate of 18 lbs. per head on the entire estimated population of the State), further compensation in land, and exclusive jurisdiction over smugglers. The Deputy Commissioner pointed out the exorbitancy of these demands, but recommended that they should be conceded, on account of the great loss which the revenue was sustaining. Government* therefore granted all that the Durbar asked, and the portion of the line from the south of Eedur to Dohud was laid at once. The Rewa Kanta Chiefs, it must be observed, who had hitherto received no transit dues on salt, obtained no compensation, and raised no objections to the line.

21. The Eedur Durbar, however, still refused to allow the line to be placed through their territory till the Government share in four Morassa villages which they demanded as compensation was handed over, and the line was not completed till February 1869. The loss of revenue from the introduction of untaxed salt through Eedur was estimated by Mr. Elliot, then Deputy Commissioner, at upwards of 1¼ lacs of rupees annually, and the cost of the isolated portion of the line from Morassa to Dohud was entirely wasted during these six years.

But line not completed till 1869.

22. The conduct of the Eedur Durbar throughout these negotiations seems to me to have been grasping in the extreme. They persuaded the Political Agent (*vide* para. 19) that "Kansia" salt was sold at Eedur at Rs. 0-9-2 per maund, and was thus cheaper than Runn salt free of excise, though careful inquiries, partly made by the Agent himself, had shown that the price at Punch Buddra of "Kansia" and transit dues on it to Eedur amounted to at least six annas per maund,† leaving little over three annas per maund for the cost of carriage 160 miles; while they estimated the carriage of Runn salt to be over one rupee for 60 miles, though it had been shown by their own accounts that with an excise of twelve annas on Runn salt and no restriction on the import of "Kansia" more than two-thirds of the Eedur consumption had been supplied from the Runn, and though it is notorious that the Brinjarees dislike going to Punch Buddra, owing to the want of forage and water there (*vide* para. 59 below). If therefore, Government can withdraw from the present arrangement with Eedur, and by a modification of the existing frontier (*vide* para. 74) oblige it to consume taxed salt without compensation, the Durbar will deserve no sympathy or consideration. And if the frontier line is not altered I think that

* Resolution No. 4,556 of 1862.

† The average price at Punch Buddra, exclusive of transit dues, is five annas per maund—*vide* para. 58.

the proposal made in paras. 22—23 of Section IV. of my Report No. 30 of 15th April last, to supply the stipulated quantity of salt at cost price at Ahmedabad, should be adopted.

23. The appended Statement A. shows the number of seizures, the amount of import duty realised, and other particulars on the northern frontier for the past five years.

24. The following Table shows the Length of the line, the number of Posts, Strength, and Annual Cost:—

Name of Section.	Length in Miles.	No. of Inspectors.	No. of Posts.	No. of Men.	Amount Cost of Rupees.	Remarks.
1	2	3	4	5	6	7
Dhundooka	121	1	29	61	5,712	
Dholka	107	1	24	64	5,967	
Veerumgaum	20	...	5	11	730	These men are borne on the Salt Works Establishments and supervised by the Daroga.
Soeegaum	84	1	19	37	2,584	
Myhee Kanta	60	2	19	69	7,632	Five of these men are Carkoons, to supervise delivery of free salt.
Rewa Kanta	60	1	12	34	3,630	Besides the Peons, fourteen Sowars of the Gaikwar's contingent are stationed at Goria and Jinjoowara, and seven of the Pahlanpoor Horse at Anwarpoor. The line is now rather stronger than its sanctioned strength here given, some men of the abolished Gogo line having been transferred to it as a temporary measure.
Total.....	582	7	136	332	33,149	

The Dhundooka section is supervised by the Assistant Commissioner in charge of the Gogo range; the rest of the line by the Assistant in charge of the Ahmedabad range. Each of these officers has also the salt works and ports in his charge to supervise and control.

25. It will be useful *(parvis componere magna)* to compare the cost and strength of this line with those of the Inland Customs line, extending from the Indus to the Bay of Bengal. Of course I do not mean to imply that the cost of the Guzerat line, which is almost purely preventive, should be at all equivalent to that of the Inland Customs line, which collects a revenue of 117 lacs. But in some respects the two lines may be fairly compared; both pass for a portion of their length through an open and densely-peopled country, and are threatened by extensive foreign salt works at no great distance, and for another portion through wild and sparsely-peopled districts remote from foreign works. And I think I can show that the cost of the Guzerat line bears no reasonable proportion whatever to that of the Inland Customs line. The following Table will illustrate this:—

	Length in Miles.	No. of Inspectors, Patrols, or Assistant Patrols.	No. of Posts.	No. of Men including Karkoons who collect duty.	Cost per annum.
					Rs.
Guzerat Line	582	7	136	332	33,149
Inland Customs Line*	1,777	77	1,595	8,448	11,40,084

Analyzed, these figures give the following results:—

The cost of the Guzerat line is Rs. 56-12-0 per mile; that of the Inland Customs line Rs. 641-8-0 per mile.

On the Guzerat line there is one post to every four miles three furlongs; on the Inland Customs one post to every one mile one furlong.

On the Guzerat line there is one man (*i.e.*, below the grade of an inspector or assistant patrol) to every one mile six furlongs; on the Inland Customs one man to every 350 yards.

On the Guzerat line each inspector—a Hindoo, on a salary of Rs. 55 to 100—has charge of eighty-three miles; on the Inland Customs line each patrol or assistant patrol—nearly always a European, with a salary of Rs. 125 to 400—has charge of twenty-three miles.

On the Guzerat line the monthly pay of a peon is Rs. 5-8-0 or 6. I do not know what it is on the Inland Customs line, but from remarks in Mr. Hume's Annual Report I imagine that it has recently been raised to a rate much higher than this.

The Guzerat line cannot even be regularly patrolled; the Inland Customs line is regularly patrolled throughout its whole length, and several hundred miles of it are protected by a strong hedge.

26. Considering the weakness of the line, it is, I think, creditable to the department that the smuggling of salt is kept under control at all. That it is checked to a considerable extent is shown by the average consumption per head of licit salt in Northern Guzerat, which is at least two-thirds of the total consumption.† It appears to me that the origina line was formed—on the principle of interesting the different Chiefs and their

Line more efficient than might be expected as regards Salt.

* The figures relating to the Inland Customs line are taken from the half-yearly list of the Inland Customs Service of April 1st 1870. They are, however, only for that portion of the actual line which extends from the Sutlej to Sumbulpoor, and do not include the Punjab or Orissa sections.

A statement kindly sent me from Mr. Hume's office makes the length of line 2,467 miles, its cos Rs. 17,91,586 (exclusive of the pay of the Commissioner and his Staff), and the number of men 11,458. I imagine, however, that this includes the internal branch of the Department, not the actual line only.

† *Vide* paragraph 86 of my Report No. 103, of 20th July.

subjects in the prevention of smuggling *through* their territories, while removing, by a supply of free salt, inducement to smuggle for their own consumption—with remarkable skill. But since the first portion of the line was laid, the excise, and consequently the profits of the smuggler, have been trebled; the Guzerat Horse, patrols of which used to support the line, has been disbanded, and prices have risen so much that the pay of the line peons is quite inadequate to support them.

But quite useless against opium smuggling.

27. Salt, however, is a bulky article, usually carried, in Northern Guzerat, by large slowly-moving droves of bullocks or donkeys, and hence a line too weak to check petty smuggling may to a certain degree control salt smuggling on a large scale. But for the prevention of opium smuggling the line is simply useless. Government are aware that the cultivation of the poppy is prohibited in Kattiawar, and that the population of that large province, opium-eaters to a man, are supposed to consume taxed opium supplied by Government. I have, unfortunately, lost some notes which I made on this subject, but I think I am within the mark in saying that not one-twentieth of the consumption of Kattiawar is licit. Opium is grown everywhere in the Gaikwar's territories in North Guzerat, and there is nothing but the line to prevent its import into Kattiawar. The Runn itself is passable in the dry weather, and the country between the Runn and the Null is generally open and unenclosed. Smugglers might, therefore, cross the line by night, avoiding the roads, with no fear of detection, but they do not even take the trouble to do this. Parties of two or three fast camels, each carrying a maund of opium and ridden by an armed man, go along the roads in broad daylight; if they are unlucky enough to meet a party of armed police, they are too fast for them, and they laugh at the line peons. A few years ago a peon met a single camel and called to the rider to stop. The latter might have got away, but he stopped, dismounted, knocked the peon down, tied him hand and foot with his own turban, threw him into a cactus hedge, and went his way with some sarcastic observations.

Points where is most smuggling.

28. Mr. Major, Assistant Commissioner, who was for some time in charge of the Ahmedabad range, tells me that he thinks the greatest amount of smuggling across the line is from Dhrangudra into the Gaikwar's district of Pattun. The smuggling direct east from Dhrangudra into the Ahmedabad Collectorate is, he thinks, comparatively petty—not that large quantities cannot get across the line there, but that there is the risk of being seized by the police after crossing. But smugglers can go north from Dhrangudra, keeping well on the Kutch side of the Runn, to an island called Veechar Solankhee, whence a few hours' night-march brings them safe through Radhunpoor into the Gaikwar's territory. This part of the frontier, where opium also crosses to Kattiawar, is now the weakest, and wants strengthening most of all.

Mr. Elliot's proposals.

29. Mr. Elliot, when Deputy Commissioner, Northern Division, submitted proposals* for the re-organization of the Guzerat frontier lines. These should

* To Commissioner of Customs, No. 370 of 1st June 1863.

be referred to, as he took great trouble in selecting the fittest places for posts. His proposals were, to strengthen the force; to employ a body of sowars as well as peons; to increase the number of inspectors, and to employ as inspectors respectable pensioned officers of the army, instead of Hindoo clerks brought up in offices.

Suggestions.

30. My own suggestions are as follow:—

(*a.*) Closer European supervision. In my suggestions for a re-organization of the Salt Department* I have proposed that one assistant shall be employed solely on the line.

(*b.*) A greater number of inspectors. Each should have a range of not more than thirty to forty miles. And a large porportion at least of the inspectors should be pensioners, as proposed by Mr. Elliot, Parsees or Mahomedans, not Hindoos from offices.

(*c.*) An increase to the strength of the force. As far as I can judge, the posts should be at an average distance from each other of not more than two or two and a-half miles. The peons should also be generally armed.

(*d.*) The employment of a body of sowars to support the line, especially where there is opium smuggling on camels.

(*e.*) Increased pay to the men. Peons should be paid at least on the scale proposed for peons at salt works—Rs. 8, 9, and 10 per mensem.

(*f.*) In British territory the district police and village officers should be required to exert themselves vigorously to seize smuggled salt; and liberal rewards should be granted for captures. At present (though the practice is not strictly legal) the permits granted at our works are not cancelled at the Daroga's posts, and each cart or bullock gets, in addition to the general permit, which covers the whole removal, a separate ticket to protect its load from the police in our districts. This practice should be authorized and kept up; and all salt not covered by a ticket found passing through our districts should be detained by the police or village officers.

(*g.*) In foreign territory (Radhunpoor, Pahlanpoor, &c.), I think it would be well to increase somewhat the compensation for loss of transit dues to the Chiefs, and to call on them for greater strictness with regard to salt smuggled through their territories. Their village officers and people should be liberally rewarded for seizures.

* Paragraph 257 of No. 103, of 30th July 1870.

(*h.*) Of the 136 [illegible] now on the line, twelve (all except three in Dhundooka and Dholka) are for levying import duty, and of the men in column 5 of the statement at paragraph 24, thirteen are Carkoons employed to levy duty, paid from Rs. 11 to Rs. 40 per mensem, who are of little use as preventive officers. Considering the small realizations of import duty, three or four of these Carkoons might, I should think, be reduced.

(*i.*) The portion of the line between Loonawara and Dohud may, I think, be taken off. I believe no seizures have ever been made on it, and as all the taxed salt which goes from the Runn to Malwa crosses this line from the westward, it does not seem likely that untaxed salt can cross it from the east.

(*k.*) Perhaps also the Dhundooka section of the line may be taken off, and the line made to commence from the coast of the Gulf of Cambay at the mouth of the Samburmutty river. The population of the Dhundooka pergunnah being only 1,06,000, the salt tax from it cannot exceed Rs. 25,000 to Rs. 28,000; the cost of establishment at the small works on the east is Rs. 2,391; that of the frontier establishment Rs. 5,712, which must be at least doubled to make it efficient, so that, even if smuggling is altogether prevented, the cost of collection will be 50 per cent. of the gross revenue. This, however depends upon the view which Government may take of the subject discussed in the following paras.:—

Gogo frontier.

31. Until lately the Ahmedabad pergunnah of Gogo, which is on the east coast of the peninsula of Kattiawar, isolated from other British districts, and separated from the Dhundooka pergunnah by intervening territory of the Thakoor of Bhownuggur, was surrounded by a frontier line meant to keep out Bhownuggur and other untaxed salt, and the pergunnah itself was supplied by small works at Gogo. It was, however, found that the profits of these works did not pay the cost of their establishment and of the frontier line, and it was evident that the consumption of the pergunnah would never pay the cost of a frontier sufficiently strong to exclude smuggled salt.

32. It was therefore decided* to close the Gogo works and take off the frontier line, thus freely admitting untaxed Bhownuggur salt to the villages of the Gogo district. But for the consumption of the town of Gogo itself an import duty on the Bhownuggur salt was to be levied at the gates. The Gogo people and the Collector of Ahmedabad now complain that Gogo is doubly taxed; that Bhownuggur being a rival port, and its interest being to depress and annoy Gogo in every way, the Durbar will not supply Gogo with salt at all, or supply it at an exorbitant price; and Mr. Borradaile represents that it seems very hard that when

* Government Resolution No. 624, of 17th February 1868.

Bhownuggur, a foreign town, has been given the same advantage of being a free port as Gogo, it should have the additional advantage of untaxed salt. I think there is some truth in these arguments, but another is conclusive. The population of the town of Gogo is only about 7,000 souls; the proceeds of the tax on their salt can therefore be only from Rs. 1,700 to Rs. 2,000 per annum, while the collecting establishment costs Rs. 1,620 per annum. It is certainly not a very judicious proceeding to get some Rs. 200 per annum out of Gogo, at a cost of collection and with a burden on the people of eight or nine times that amount. I recommend that the collection of salt tax at the gates of Gogo be at once discontinued.

Exemption of Bhownuggur from salt tax.

33. It seems to me, however, doubtful whether the Bhownuggur State itself might not fairly and advantageously be made subject to the salt tax. First, it seems unreasonable that the port of Bhownuggur should have the advantage of being a British free port without the corresponding obligation of paying salt tax. Secondly, I doubt much if Bhownuggur ever was entitled to make salt. It is notorious that, prior to the introduction of British rule in Guzerat, the Peshwa's Government—to whose rights the British Government afterwards succeeded—reserved to itself the right to manufacture salt along the whole coast of the Gulf of Cambay. And I find that, in 1840, the Bombay Government* issued strict orders that the Thakoor of Bhownuggur was not to make new salt pans nor extend old ones in his territories. He was, however, as a special favour, permitted to work five pans, then existing, for the use of the town of Bhownuggur only. Thirdly, I understand that it has lately been decided that Bhownuggur is to pay a heavy "nuzzerana" on the occurrence of a succession to the "gaddee." While fully allowing the justice of obliging Bhownuggur—which owes so much to the British Government—to contribute something to Imperial revenue, I may be allowed to remark that a succession tax has several disadvantages. The liability to pay it may recur two or three times within a short period, or may not happen for a great number of years, and the practice of Native States is to provide the means of paying a demand of this kind by special taxation of its subjects, which causes hardship and discontent. It might be worth consideration, whether the liability of Bhownuggur to nuzzerana might not be with advantage commuted for the salt tax. If such an arrangement were made, I would extend the frontier line down to the coast of the Gulf of Cambay on the southern limit of the Bhownuggur State south of Gogo, as shown by the dotted line in the large map of India which accompanies this Report; would thus include within the line the whole of the Bhownuggur territories and the Ahmedabad pergunnahs of Dhundooka and Gogo; and would supply the consumption by excised works, either in Gogo, Bhownuggur, or Dhondooka, as might be convenient. The tax contributed by the territory thus included would amount to from three-fourths of a lac to one lac of rupees per annum, and the cost of establishments would be not more than 20 or 25 per cent. on this.

34. Two further points regarding the northern frontier call for some notice.

* Chief Secretary's letter to Mr. Blane, Political Agent, Kattiawar, No. 2,776, of 8th September 1840.

35. The first regards proposals which have been at different times made to purchase the right in their salt works of the Chiefs of Boyatra and Dhrangudra, both of whom have expressed their willingness to enter into an arrangement of this kind.

Proposal to purchase Dhrangudra and Boyatra salt works.

36. With regard to Boyatra, I have no doubt that the arrangement would not be an advantageous one. It would cause a dispute with the Jodhpoor Durbar, who claim a royalty in the Boyatra salt; it would not enable us to dispense with any part of the frontier line, which must still be kept up on account of the "Kansia" and other Marwar salts, and it would entail the cost of an establishment to prevent the collection of the Boyatra salt.

37. Regarding Dhrangudra, I am more doubtful. To close these works (except to the extent necessary to supply the Dhrangudra State itself with untaxed salt, for which the Chief stipulates) would undoubtedly relieve the Dholka and Veerumgaum section of the line from its most pressing danger, since these works are nearest to it, and supply the only salt of that part of the country which can be compared with Patree salt in point of quality. But it would not enable us to dispense with any portion of the line; it is very possible that as soon as the Dhrangudra works were closed, other Chiefs, of Jhalawar or the Muchoo Kanta, just west of Dhrangudra, would commence the manufacture in hopes of also getting compensation; and the expense would be considerable. I think, therefore, that it would not be well to buy the Dhrangudra works unless in connection with any scheme which may hereafter be proposed for making Kattiawar subject to the salt tax.

38. The other point relates to the supply of salt at the low rate of two and a-half annas, to the Chiefs of Pahlanpoor, Tharrad, and Danta—*vide* paragraph 14 above.

Supply of cheap salt to Pahlanpoor.

39. When these Chiefs permitted the Preventive line to be laid through their territories, it was agreed that their subjects should be supplied with cheap salt; and to ascertain the quantity required it was arranged that contractors, employed by the Durbars, should receive salt from Anwarpoor to the maximum quantity of Indian maunds 51,489 per annum, which was the estimated quantity required at 1½ lbs. per head of the population: that this salt should then be placed in three depôts and be delivered for consumption, under rules made by the Durbars, on requisitions signed by the patels of villages; that the quantities so delivered should be ascertained by Karkoons stationed at the depôts: and that, after a few year's experience, the average quantity actually delivered should be taken as the fixed quantity to be annually given to the Durbars, and the depôts closed.

40. The depôts, however, never have been closed, and the quantity annually delivered, on an average of the thirteen years during which the system has been in

operation, is Indian maunds 30,666. Mr. Delvigne now proposes to close the depôts, thus saving their cost, Rs. 840 per annum, and to give the Chiefs Indian maunds 30,666 every year.

41. This proposal should be adopted, but I would fix the quantity at Indian maunds 36,000, as, for several reasons, I doubt whether Indian maunds 30,666 is the whole consumption. This quantity should be divided among the Chiefs, and the share of each annually delivered on demand, either at Anwarpoor or at the Ahmedabad depôt, after the Anwarpoor work is closed. But I think that some stipulations should be made with the Chiefs as to the rate at which this salt is sold to their subjects. I have heard complaints that the contractors now sell it nearly as dear as taxed salt, and the fact that some thousand maunds of taxed salt has been sold at the Runn works to private persons for removal to Pahlanpoor seems to corroborate these stories. If this is the case, the object of giving cheap salt—to remove any inducement to the people to smuggle across the frontier—is frustrated.

42. I have been able to obtain very little information regarding the history of the other three frontier lines, and this is of no consequence, as the lines are almost entirely within British territory, and there is no complication from their passing through the possessions of Native Chiefs.

43. The Damaun territory is supposed to manufacture something over a lac of maunds of sea salt annually, and the population being only about 30,000, the internal consumption, even with an allowance for the large quantity of fish cured there, cannot be more than from Indian maunds 20,000 to 30,000. The balance is said to be exported to the Malabar Coast, where it pays duty, but the returns of imports there do not bear out this assertion. There used to be a great deal of smuggling across the frontier, chiefly by large bands of Kolies who carried head-loads and were armed, and who, on several occasions, killed peons of the Preventive force who opposed them. The line, however, as will be seen from the table in para. 45, is now very strong, and I believe the smuggling from Damaun is chiefly by sea. Our fishermen procure large quantities of salt there to cure their fish,* and it is probable that a great deal is smuggled by sea to places along the coast.

H. Damaun Frontier.

44. Appendix B. gives details of seizures, &c., upon the Damaun frontier.

45. The following table shows the strength of the line. It is under the supervision of the Deputy Commissioner, Northern Division:—

Strength.

Miles.	Number of Inspectors.	No. of Posts.	No. of Men.	Annual Cost.
				Rs.
33	1	32	114	11,151

* *Vide* para. 191 of my Report No. 103, of July 30th, 1870.

Nine posts are for the protection of duty, and twenty-three Preventive. Of the men, eighteen are Karkoons and the rest Preventive peons, twenty of whom are armed police.

46. This frontier, it will be seen, is now very strong, and the only suggestions I can make are, that the pay of the peons should be raised here as elsewhere, and that a saving may probably be effected by reducing the number of dutiable posts, which seems excessive.

47. South of Damaun, within the Tanna Collectorate, is the petty State of Jowar. It is almost entirely inland, but one or two villages touch a tidal creek, and here, I am informed, salt works have been recently established. They should, I am of opinion, be suppressed.

III. Jinjeera Frontier.

48. Appendix C. gives the details of seizures, &c., upon the Jinjeera or Rajpoori frontier.

Strength.

49. The following table gives the strength of the line; it is supervised by the Deputy Commissioner, Southern Division:—

Miles.	Number of Inspectors.	No. of Posts.	No. of Men.	Annual Cost.
				Rs.
34	1	6	31	3,474

Suggestions.

50. This strength appears insufficient, but I believe that the line is considered to be strong enough, as but little salt seems to be made in Jinjeera, and the frontier is easy to guard. The pay of the peons should of course be put upon the same footing as that of other salt peons. I would suggest that it might be advisable to enter into negotiations with the Hubshee, with a view of closing or excising his works.

IV. Goa Frontier.

51. Appendix D. gives the details of seizures, &c., upon the Goa frontier.

52. The Goa differs from the other frontiers in the quantity of salt which crosses it on payment of import duty. The Goa sea salt is said to be particularly good, and to be preferred to the Rutnagherry and Canara salt all along the coast and in Mysore.

Strength.

53. The line consists of three sections—the Waree and Beedee, under the supervision of the Rutnagherry Assistant; the Diggi, under that of the Canara Assistant Commissioner.

The following table shows its strength:—

Section.	Miles.	No. of Inspectors.	Posts.	No. of Men.	Annual Cost.
					Rs.
Beedee	42	1	3	79	8,172
Diggi	103	1	7	98	14,052
Waree	57	1	9	116	11,742
Total.....	202	3	19	293	33,966

Suggestions.

54. The line was re-organized by Mr. A. Bettington, C.S., about twenty-five years ago. I think there must be a mistake in the statement I have received regarding the number of posts. I imagine that posts for collecting the import duty have been alone entered. But it will be seen that the strength in number of men is less than three men to every two miles, and though I believe that the line is easy to guard for a great part of its length, the passes over the Ghauts being few and difficult, yet I should think that this strength is insufficient. Three inspectors also seem hardly enough, the average length of the range of each being upwards of sixty miles. The pay of the men should, of course, be put on the same footing as that of others.

Total length and cost of Bombay Customs lines.

55. It will be seen that there is in this Presidency an aggregate length of 851 miles of preventive lines, with a strength of 782 men, and costing annually Rs. 81,740. What increase of cost will be caused by the reorganization it is, of course, impossible to estimate without submitting a detailed scheme showing the proposed number of posts, the number of men at each post, and other particulars, and this it would be absurd for me to attempt to do. The average pay of a line peon is now under six rupees per mensem, and I propose to raise it to [illegible]. This alone would add 50 per cent. to the largest item, the pay of peons, even supposing that their number is not increased. But against this there would be a saving of the batta now given on account of the dearness of grain. On the whole, I roughly estimate that our preventive lines may be placed on an efficient footing for an expenditure of from a lac and a-half to [illegible] lac and three-quarters of rupees per annum, and this sum, when compared with the cost of the Inland Customs line, will not, I trust, be thought exorbitant. This estimate is, of course, for the existing lines; if the adoption of any of the suggestions made below should enable us to dispense with any portion of the lines, the cost will be proportionately diminished.

Exports from the Runn to Malwa.

56. It will be observed that in discussing the question of our northern frontier I have not mentioned our exports from the Runn works to Malwa.

The existence of the preventive line hardly affects these exports at all, for they cross its Myhee Kanta or Rewa Kanta sections from the westward, and the Punch Buddra or "Kansia" salt, which is the chief competitor with Runn salt in Malwa, enters that province *viâ* Banswarra or Pertabghar, and avoids the line altogether. The Marwar section, however, cuts off the shortest route for Boyatra salt to Malwa.—*Vide* the large map of India which accompanies this Report.

57. Our exports from the Runn to Malwa are almost entirely carried by Brinjarees, and are still large, though successive enhancements of the excise have reduced them considerably. When the excise was 8 or 12 annas per Indian maund they averaged from $2\frac{3}{4}$ to 3 lacs of Indian maunds per annum. For the last three years, with the duty at Rs. 1-8-0, they have averaged just over $1\frac{3}{4}$ lacs. And it must be remarked that the duty on exports to Malwa has in reality been raised more largely than on other salt, for before January 1st, 1867, when the practice was discontinued by order of the Commissioner, Brinjarees at the Runn were allowed $94\frac{1}{2}$ lbs. to the maund instead of $82\frac{2}{7}$, on account of the great waste in their long march to Indore.

58. It was anticipated by officers of the Salt Department that any increase of excise beyond one rupee would entirely destroy our export trade to Malwa. Punch Buddra is from Indore only about thirty miles further than Patree, the distances being respectively about 290 and 260 miles. The difference in distance to Rutlam, to which place a great deal of our salt goes, is only ten or fifteen miles, and "Kansia" salt, equal in quality to "Waragura," is sold at Punch Buddra at about five annas per maund,* including the Jodhpoor tax; "Waragura" costs at Patree Rs. 1-15-0.

59. I have endeavoured to ascertain why this anticipation, apparently so reasonable, has proved incorrect, and why the Runn salt can still compete largely, though not so successfully as it used to do, with "Kansia" salt in Malwa. The reasons seem to me to be the following:—

Why taxed can compete with untaxed salt in Malwa.

1*st*.—Water and forage are much more scarce at Punch Buddra than at our Runn works, especially in the hot season.

2*nd*.—Guzerat being a wealthy and populous province, and importing grain largely, and Ahmedabad, on the road from Indore to the Runn, being connected with Bombay by a railway, the Brinjarees have to come to Ahmedabad to sell the grain, loaded with which they start from Malwa at the beginning of the season. From Ahmedabad they have only sixty miles to go with unladen bullocks to Patree, but 200 miles to Punch Buddra.

* *Vide* paragraph 34 of Mr. Hume's Annual Report for 1867-68.

3*rdly*.—With an exception in the Punch Mahals (to be noticed below, paragraph 69), the Brinjarees have to pay no transit duties whatever on their journey from the Malwa frontier to the Runn and back. On the road from Punch Buddra transit duties are levied in almost every pergunnah. As far as I have been able to ascertain, the aggregate amount of transit dues levied on the road to Indore from Punch Buddra, *viâ* Meywar, Banswarra, and Rutlam, exceeds that on the road from the Runn, *viâ* the Punch Mahals, by about five annas per maund. This is only a small part of the difference in price at the works of "Kansia" and Runn salt, but transit dues cause annoyance to the Brinjarees beyond their actual amount.

60. But it must be remembered that for the last year or two Marwar has been famine-stricken, and that it has been impossible for large numbers of Brinjarees to go to Punch Buddra, and also that the Bombay duty has recently been enhanced by five annas. If, therefore, there is for the next few years abundant rain in Marwar, I much doubt whether the Runn exports to Malwa will not fall very much below $1\frac{3}{4}$ lacs of Indian maunds per annum, even if the trade does not altogether disappear.

Trade in a critical state.

61. It has been proposed, in order to save the trade, to remit one-half or more of the excise on salt purchased at the Runn for removal to Malwa. This suggestion deserves serious consideration.

Proposal to lower the tax on exports to Malwa.

62. To secure that the salt delivered at the lower rate of duty should not supply the consumption of Northern Guzerat one of two expedients would have to be adopted—either the Brinjarees must pay the full rate at the works, and the remitted duty, say one rupee per maund, be returned upon the quantity which actually crosses the frontier line in the Punch Mahals into Malwa; or they must pay the reduced duty at the works, but the balance must be recovered at the frontier on any deficiency in the quantity which crosses it.

63. On the second plan, there would be the danger that the purchasers would never cross the frontier at all, but would sell all their salt within it, and I do not know whether this could be effectually prevented. On the first, it would be necessary that the refund should be made by an European officer, as subordinates could not be trusted. And as the Brinjarees do not go by one route, but cross the frontier into Malwa anywhere along a line many miles in length, according to the market they are going to, and as they find water and forage, it might be necessary to have two or three refund officers, which would be very costly.

64. The probable financial result of the measure must also be considered. Taking the reduction of duty to be one rupee, there must be an annual difference due to it of $1\frac{1}{4}$ lacs of maunds in the sales to make it pay. For Indian maunds 1,00,000 × Rs. 1-13-0 = Rs. 1,81,250, and Indian maunds 2,25,000 × Rs. 0-13-0 =

Rs. 1,82,813. I doubt whether the difference would be so great as this, for we have hitherto sold Indian maunds 1,75,000 at Rs. 1-8-0, and when the duty was 12 annas the sales were under Indian maunds 3,00,000.

65. I would not, therefore, reduce the duty on exports to Malwa, at any rate till the following measures have been tried, and their effect ascertained.

66. If the scheme proposed in my report No. 30 of April 15th, 1870, be adopted, the Brinjarees will buy their salt at the railway depôts at Ahmedabad or Anund, and will be saved a journey of from 120 to 200 miles at the cost of an extra two or three annas to the price of the salt.

Suggestions.

67. During the ensuing season the Ahmedabad Assistant should explain to the principal Brinjarees who frequent the Runn the advantages of the new scheme, and endeavour to ascertain from them what depôt they will purchase at, and by what route they will approach it. Every facility should then be given to the Brinjarees on the portion of the route which may lie within British territory; camping-places, and, if necessary, grazing-grounds, should be set aside for them, and wells dug. The roads to Anund station should in particular be examined, since this depôt will be the nearest to Malwa, and Brinjarees buying there will be saved a journey of 200 miles to the Runn and back. A good broad road leads from it towards the Myhee, but for the first fifteen or twenty miles from Anund the country is so enclosed and highly cultivated that I fear there will be great difficulty about grazing and camping-grounds.

68. I would revert to the practice, the abolition of which in 1867 was much complained of, of giving the Malwa Brinjarees 94½ lbs. to the maund instead of 82. This is about equivalent to a reduction of four annas in a duty of Rs. 1-13-0, and is preferable to a declared reduction of duty to that extent, as it will be understood as merely meant to cover wastage.

69. I would abolish the Punch Mahal and Baria transit duties, the former Rs. 12-8-0, the latter Rs. 6-4-0, per 100 bullock-loads, which is nearly equivalent to 1½ annas per maund. On this subject I have received a letter from Mr. Clarke Jervoise, Acting Agent in the Punch Mahals, a portion of which is transcribed:—"Previous to the cession of the Punch Mahals to the British Government a very complicated system of transit, import, and export duties was in force; but subsequently, in 1860, it was modified and assimilated in its nature to the levy of tolls, with the sanction of Government,* the collections forming the local funds of the district in lieu of a one-anna cess, which is held in abeyance pending the completion of the Revenue Survey and Assessment. But even on the introduction of the cess the receipts from it will not be sufficient for a large outlay annually required to effect local improvements, such as roads, tanks, wells, &c., which are greatly needed in this district, and the continuance of the present levies is therefore indispensable for some time to come."

* Resolution No. 1,964 of 29th May 1866.

70. I am aware that the toll theory, advanced by Mr. Jervoise, now finds much favour with energetic district officers. They think—to parody the quotation—that a transit due by any other name does not smell as bad. But I would point out, 1st, that a salt excise was originally imposed in this Presidency in lieu of all transit dues; 2ndly, that Brinjarees do not use made roads, and it makes no difference to them whether the proceeds of a transit duty are spent by Mr. Jervoise in local improvements, or by a Native Chief in nautches; and, 3rdly, that while the inhabitants of other British districts raise their own local funds, those of the Punch Mahals obtain theirs nominally at the expense of the Brinjarees or of the people of Malwa, but really at a cost to Imperial Salt Revenue of a sum which probably far exceeds the amount realized in the Punch Mahals.

71. I recommend, therefore, that the Punch Mahal levy be at once abolished. Baria is a small State, under the Rewa Kanta Agency, which separates the Punch Mahals of Dohud and Godra, and I recommend that the Chief be compensated, and his levy also stopped. The average realizations from salt in the Punch Mahals for the last five years have been Rs. 4,413 per annum, and as the Baria duty, I am told by the Brinjarees, is half that of the Punch Mahals, the compensation will be about Rs. 2,200 per annum.

72. If these proposals are approved, the effect to a Brinjaree buying at the Ahmedabad Depôt will be about as follows:—

He will pay there for his salt Rs. 2-0-6 per maund of 94½ lbs., or Rs. 1-12-6 per Indian maund. From this must be deducted five annas, the price of "Kansia" at Punch Buddra, and 6½ annas difference of transit dues, leaving the net difference between the cost of "Kansia" and of "Wuragura" Rs. 1-1-6 per maund. For this sum the Brinjaree will be saved 240 miles of his journey from Malwa and back. Ahmedabad being distant from Indore 170, Punch Buddra 290 miles; he will get his salt in the market in which he sells his grain, and will not have to wait for it; and he will have an easy march with abundance of water and forage instead of a very difficult one. These advantages will, I think, make it worth his while to resort to Ahmedabad or, still more, Anund, instead of to Punch Buddra.

73. But the only effectual method of protecting and enhancing the revenue derived from our export trade to Malwa is to be found in an alteration of frontier preventive lines, which, I am humbly of opinion, is highly desirable for other reasons of much greater importance.

Suggested alteration of Customs lines.

74. The scheme which, with great diffidence, I venture to suggest for consideration is this:—

To connect the Bombay northern frontier with the Inland Customs line by a line laid from near Mount Aboo to Agra, *vid* Ajmere.†

* *Vide* para. 6 of my Report, No. 103, of 30th ultimo.

† This proposal is not an original one. It was suggested by Sir R. Shakespeare in 1861, and I hope that the authority of so distinguished a political officer may recommend it.

To cancel the Inland Customs line everywhere south and east of Agra, and the Bombay northern line everywhere east of Mount Aboo.

To equalize the salt tax throughout India at the uniform rate of Rs. 2 per Indian maund.

75. The large map of India,* which accompanies this Report, will show the existing and the suggested lines, and, for facility of reference, I insert opposite this para. a small map, which, though very rough, is, I hope, sufficiently accurate.

Comparison of Bombay system of levying salt tax with that of other Presidencies.

76. In the course of this inquiry, I have been obliged to comment with some severity upon the laxity of administration which prevails in the Bombay Salt Department, and to point out the amount of smuggling and consequent loss of revenue which it permits to exist. But, with all its defects, it appears to me that the Bombay system of levying a revenue from salt may compare favourably with that of Continental India, if we look at the relation which the amount of revenue realized bears to the burden imposed upon the people under either system.

77. In the Madras Presidency the competition of untaxed foreign salt is, I believe, little to be feared; the only dangers which threaten the salt revenue are illicit manufacture and smuggling from licensed works. In Continental India the reverse is the case: all salt works within British territory have been suppressed; interior establishments are required only to prevent illicit, not to regulate licit, manufacture; and the revenue is levied by an import duty. But in Bombay we have not only to supervise and regulate home manufacture, as in Madras, but also, as shown in this letter, to prevent or to tax the import of foreign salt, as in the Upper Provinces.

78. Yet, with this disadvantage,† our licit consumption is nearly 11 lbs. per head of population; we realize at a duty of Rs. 1-8 a tax of nearly annas 3-3 per head; our cost of collection is only Rs. 7-5-1 per cent. on realizations; our total consumption is 14 lbs. per head, or probably within 1 lb. of what it would be if there were no tax;‡ there is no artificial scarcity of salt, and the price to the consumer is enhanced but little—not more, I think, than 20 per cent.—beyond the amount realized by the tax.

79. In the Upper Provinces§ the licit consumption is only 7 lbs. per head; the realizations, therefore, at a 3 rupee duty, are under 4 annas per head; the per-centage cost of collection is Rs. 13-3-10; the actual consumption is only about 7½ lbs. per head, or 5½ lbs. less than it would be if there were no tax;

* For this map I have to thank Colonel Thuillier, Surveyor General, who sent it to me; and Mr. Hume, who kindly had the Inland Customs line marked upon it.

† For these statements *vide* paras. 99, 110, and 299 of my Report No. 103 of 30th ultimo.

‡ In the Native States to which we have engaged to give free salt up to 18 lbs. per head of their population, actual consumption is found to be under 15 lbs.

§ For the statements made in this para. I beg to refer to Mr. Hume's Annual Reports for 1867-68 and 1868-69, especially to pp. 7, 8 of the former, and 5—7 and 25—28 of the latter; and also to the Hon. Mr. Strachey's speech delivered in Council 26th November 1869.



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the supply of salt is artificially diminished; the price to the consumer is enhanced from 50 to 150 per cent. beyond the amount of the tax; and a customs line, which has been described by the Hon. Mr. Strachey as "one of the most serious evils from which the country suffers," employing nearly 12,000 men and almost 2,500 miles in length*—half of which, moreover, does not collect Rs. 3 per maund, but only Rs. 1-3-0, the difference between the duty in the Upper Provinces and that of Madras or Bombay—has to be kept up, to the great injury of trade and annoyance of the people.

80. The fact is, therefore, that the people of the Upper Provinces are taxed three times, perhaps four times, as high as the people of Bombay, with the effect of realizing a net revenue higher by perhaps 6 pies per head, that is, by 15 per cent.† Indeed, the system seems ingeniously devised to produce a minimum of revenue with a maximum of cost, injury, and annoyance.

81. It is evident that, with the system in force in Upper India, to lower the duty alone would not be likely to cause an increase of consumption sufficient to make the measure financially successful. For if salt, the cost of which without the tax and with no restriction on manufacture would be only five or six shillings per ton, is sold in the cities of the North-Western Provinces at £16 per ton, one-half of which represents the duty, and the rest the cost of carriage, profits of dealers, &c., to reduce the duty by £3 a ton would still leave the price £13, and the reduction, 18¾ per cent., would probably be too small to give a large stimulus to consumption.

82. But measures are now being taken to reduce greatly the portion of the cost of salt due to carriage. I understand that large works are to be opened, under Act XXV. of 1869, at several places in Oudh and the North-Western Provinces; railways to the mines of the Punjaub and to the Sambhur Lake will bring the salt of those places cheaply and in abundance to all parts of Upper India; and the G. I. P. Railway has already increased the supply and lowered the cost of salt in the Central Provinces. I see no reason, therefore, to suppose that an equalization of the tax would not eventually equalize, or nearly equalize, the consumption of Upper India and of Bombay.

83. Mr. Hume, however, has justly pointed out that the Inland Customs Department must not be considered alone, but in its relation to the Salt Department of the Lower Provinces. In Bengal the salt tax is Rs. 3-4-0; the consumption, about 11 lbs. per head, is larger than in the Upper Provinces; and the cost of collection seems to be little over 5 per cent. The revenue, therefore, is very large, nearly half the total salt revenue of British India. Without the Inland Customs line this large revenue could not be raised, as Bengal would be flooded with cheap salt from the north and west.

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* This does not include the Indus line.

† A comparison with Madras would be still more unfavourable to the system of the Upper Provinces, for in Madras the licit consumption is 14 lbs., and the average incidence of a tax of Rs. 1-8-0 is over annas 4·1 per head.

84. In estimating, therefore, the probable financial effect of equalizing the salt tax at Rs. 2, Bengal must be included, and I have framed the following statement accordingly. The figures showing realizations (taken from the "Statistical Reporter" of June last) are for 1867-68. I have not the figures for an average of several years, which would be more satisfactory.

Estimated financial result of equalizing Salt Tax.

Statement showing the estimated Financial Result of proposed Equalization of Salt Tax at Rs. 2.

Presidency.	Present rate of Tax.	Present consumption per head.	Realizations of Salt Tax in 1867-68.	Proposed rate of Tax.	Estimated average consumption.	Estimated Realizations.	Remarks.
	Rs. A. P.	lbs.	£	Rs. A. P.	lbs.	£	
Bombay ...	1 8 0	11	489,321	2 0 0	12	711,739	
Madras	1 8 0	14	1,049,970	2 0 0	12	1,199,965	
Bengal	3 2 0	9	4,017,662	2 0 0	12	3,428,404	Including Bengal, N. W. Provinces, Central Provinces, and Punjaub.
Total...	.....	.....	5,556,953	.....	.....	5,340,108	

85. (*a*) I have estimated that the enhancement of the tax from Rs. 1-8-0 to Rs. 2 will lower licit consumption in Madras from 14 lbs. to 12 lbs. But Madras has shown such an extraordinary power of increasing her consumption in the face of successive enhancements of duty,* that I doubt if the increase to Rs. 2 will long keep it below 14 lbs.

(*b*) The consumption of Bombay I have taken at 12 lbs. instead of 11 lbs., presuming that smuggling, which now amounts to 3 lbs. per head,† will hereafter be not larger than in Madras.

(*c*) Mr. Hume estimates that the average consumption of Bengal and Upper India together is now 9 lbs. per head, with an average tax of Rs. 3-2-0. I estimate that this consumption will rise to 12 lbs. It will be said that the reduction of the tax by one-third and the measures that are being taken to cheapen the supply will not increase the consumption of Upper India beyond 10 lbs. or 11 lbs., and this is probably true. But, on the other hand, if Bengal, with a duty of Rs. 3-4-0, now consumes 11 lbs., the reduction to Rs. 2 will probably raise her consumption beyond 12 lbs.

(*d*) An uniform tax of Rs. 2 per maund with an average consumption of 12 lbs. throughout British India will give an average incidence to the tax of annas 4-8 per head per annum, which can hardly be considered excessive.

* Madras consumption has risen 36¾ per cent. in 13 years, *vide* para. 76 of my Report No. 103, of 30th July.

† *Vide* para. 110 of my No. 103, of 30th July.

(*e*) I have been obliged to calculate as if the rate of tax in Bombay and Madras were Rs. 1-8-0, as it was in 1867-68, instead of Rs. 1-13-0, as it is now: for the figures showing realizations at the higher rate of duty have not yet been published. But it must be remembered that the Madras Government consented to the enhancement, on the understanding that it was to be considered a step towards the equalization of the tax.

86. The estimated loss of revenue shown by this part of the scheme is thus £217,000 per annum.

Rajpootana.	
Banswara	150,000
Boondee	220,000
Dholpoor	500,000
Dongurpoor	100,000
Kerowlee	188,000
Meywar	1,161,400
Pertabgurh	150,000
Tonk	182,000
Bundelcund.	
Datteah	120,000
Sumptur	28,000
Central India.	
Rajpoor Ali	69,400
Amjhera	57,200
Bhopal	663,700
Dewas	25,000
Dhar	125,000
Gwalior	2,500,000
Indore	576,000
Jaboora	132,000
Jowrah	85,500
Koorwaee	19,600
Ragghur	132,000
Rutlam	91,700
Part of Myhee Kanta	250,000
British Ajmere, about	125,000

87. But, secondly, the population of the Native States which the scheme would newly include within the line, as shown in the table in the margin, is 7,631,500. At 12 lbs. per head this population would consume about 11 lacs of Indian maunds, which would give 22 lacs of rupees. But from this must be deducted the revenue, at a duty of Rs. 1-8-0, of the $1\frac{3}{4}$ lacs Indian maunds which Malwa now imports from the Runn, or Rs. 2,62,500; and a little taxed Kokun salt may also enter Central India. Taking the total annual revenue now contributed by Central India a 3 lacs of rupees, the profit on this portion of the scheme will be 19 lacs.*

88. Thirdly, the whole of the Central Provinces section, and the Jhansie Division of the North-Western Provinces section, of the Inland Customs line will be abolished. This portion of the line is in length 1,329 miles, its strength 5,092 men, and its cost Rs. 8,15,872. In addition to this, a portion of the Agra Division, which costs $2\frac{3}{4}$ lacs, and the Rewa Kanta, Myhee Kanta, and part of the Marwar portions of the Bombay northern line, will be abolished, so that the aggregate saving will be at least nine lacs of rupees. The reduction of the tax will also diminish the inducement to smuggling, and probably render a reduction in the cost of the remaining portion of the Inland Customs line practicable.

89. Against this saving must be set the cost of the new line from Agra to Mount Aboo. The distance is about 400 miles, and assuming this line to cost the average per mile of the Inland Customs line as now constituted, or about Rs. 641, its total cost will be Rs. 2,56,400, or say two lacs and a-half, per annum, and the net saving will be $6\frac{1}{2}$ lacs of rupees.

90. But the effect of the scheme upon the export duty on sugar levied by the Inland Customs line must be examined.

* I assume that these States cannot manufacture salt. Could they do so, at least to any appreciable amount, they would not import from the Runn and Punch Buddra.

91. Mr. Hume* defends this duty on the grounds that it is too light to injure the trade, and is paid either by British subjects whose salt tax is light, or by foreigners.

92. I think, however, that a strong argument might be framed against it.

1*st.*—I do not think that a duty of 9 per cent. *ad valorem* is inappreciable. If we imposed such a duty on the export of cotton, or on the import of piece-goods, I imagine we should soon hear from Manchester on the injury done to trade.

2*nd.*—As far as British territory is concerned, the duty appears to me just about as defensible as a duty between London and Edinburgh, or—to give full weight to Mr. Hume's argument about the difference in rates of salt tax—as one between Liverpool and Dublin. It is not an excise on sugar; it is nothing but a transit duty. Besides, we actually tax sugar imported into Bombay from the Mauritius 7½ per cent., that from Upper India 9 per cent. *ad valorem*—thus turning, so to speak, the principle of protection to Native industry inside out.

3*rd.*—Even on the export to Foreign States the duty, it appears to me, injures the producer in our territories, though it is not in the first instance paid by him. For the abolition of the tax would benefit the producer, either by an addition of 9 per cent. to the price he gets for his sugar, or, as is more probable, by a corresponding increase in the quantity he can sell at his present rate of profit.

93. But, granting the sugar duty should be retained, the scheme I propose would cause only a very small decrease in the revenue derived from it. I find that of the total quantity of sugar, Indian maunds 18,16,442, which crossed the line on an average of three years ending 1870, only Indian maunds 1,54,152, or 8½ per cent., crossed in the sections which I propose to abolish. As the sugar revenue for 1867-68, which was higher than the average, was £162,345, the loss upon it would thus be only about £14,000.

94. The aggregate financial effect of the scheme I thus estimate to be as follows:—

	£
Increase of salt revenue in Foreign territory	190,000
Saving on line.....	65,000
	255,000
Deduct—	
Loss of salt revenue in British territory	217,000
Loss of sugar duty	14,000
	231,000
Net Increase.....	24,000

* Paras. 66, 67 of his Annual Report for 1868-69.

95. It will be said that these estimates are too sanguine; that I have overestimated the effect upon consumption of a reduction of the tax in Bengal; that Bombay smuggling cannot be so effectually prevented as the scheme pre-supposes. And I readily admit that I have neither the knowledge nor the information required to make my estimates trustworthy. Suppose, then, that they are wrong by a quarter of a million sterling; that instead of a profit of £24,000 my scheme will cause a loss of £226,000. Is it worth while to levy this £226,000 at a cost to the people* of, at the very least, five times that sum? The merest tyro in fiscal science cannot hesitate with his answer.†

96. But the political bearings of the scheme I suggest must of course be carefully examined.

Political question.

First, with regard to the Native States through which the line must pass.

States through which proposed line passes.

For the first 200 miles from Agra the line will pass chiefly through the country of the Maharaja of Jeypoor, and on this part of the scheme my opinion is worthless, as I know nothing of the country. It has only struck me that the line might be laid along the railway now being made to the Sambhur lake, and that as this railway will immensely benefit the territories through which it passes, and the Customs line will not injure them—since they, of course, would have free salt for their own consumption, and compensation for any loss of transit dues—Government might very reasonably insist upon the concession of the line. For the next 100 miles the line passes through the British territories of Ajmere and Mairwarra, and there will be no difficulty about it. And for the last 100 miles through the States of Godwar and Serohi, the former a tributary of Jodhpoor. No loss whatever will be caused to these States by the imposition of the line, for they will of course receive free salt for the use of their own subjects, and compensation for loss of transit dues. But I do not expect that they will yield the point unless considerable pressure is applied. I confess that if I were the political officer charged with the negotiation I should be inclined to use very plain language, and to say to the Durbars "Your territory is either an integral portion of the Indian empire, and subject to the paramount authority of Her Majesty, in which case you cannot expect that your whims shall be allowed to impede a measure of Imperial policy; or it is an independent Foreign State, in which case you must be prepared to resist by force of arms the consequences of causing an intolerable annoyance to a powerful neighbour." That all the inhabitants of British Continental India should suffer in purse, and possibly in health, because two petty Rajpoot Chiefs will not accede to an arrangement which will not injure them in the least, seems to me hardly tolerable.

* The cost to the people will be at least the difference between a tax of Rs. 2 per I. M. and one of Rs. 3-4-0, *plus* the expense and inconvenience of the Customs line.

† The charge of loss might be avoided by keeping the tax in Bengal, as it is now, 4 annas higher than in the upper provinces, or at Rs. 2-4-0 instead of Rs. 2. This difference would not make a frontier line needful, it would probably have little effect on consumption, and it would produce £200,000 or 225,000.

97. But Colonel Keatinge has pointed out to me that as far as Godwar is concerned the question is complicated by superior rights of Jodhpoor. If—as I believe, but am not certain, is the case—Godwar has now the right of levying transit dues on Marwar salt, I should think that Jodhpoor cannot forbid Godwar to cede it to the British Government. If not, the question is one for negotiation with Jodhpoor, who has already made a very advantageous bargain with regard to the Sambhur lake.

98. The other question is with regard to the Native States (enumerated at para. 87) which the scheme will for the first time make subject to the salt tax.

States included by the proposed line.

99. That this measure is just and desirable can, I think, scarcely be doubted. One of the great difficulties of our financial position is that the two-thirds of the area and population of British India which are directly subject to the Crown pay almost the entire cost of the government, the improvement, and the defence of the whole empire, and a measure which transfers a small part of this burden from British subjects to Native States can hardly be looked on as other than beneficial to the empire at large. And Mysore, Hyderabad, Baroda, all the States below our Customs lines now pay the tax; what just claim has Gwalior or Indore to exemption?

100. As far as great part of Central India is concerned, the change will cause no excessive increase in the price of salt to the people, for, as I have shown, the taxed salt of the Runn is even now able to share this market with untaxed salt from Marwar. And if the railway *vid* Neemuch is ever made, Sambhur or Runn salt at Rs. 2 will probably be cheaper than untaxed "Kansia."

101. But the case is different with Meywar. Here the increase to the price of salt will be considerable, and it may be desirable, for some time to come, to give salt for the consumption of Meywar at a lower rate of duty than Rs. 2. If, however—as will, I suppose, be eventually the case—the Bombay, Baroda, and Central India railway is extended to Agra, either *viâ* Wassad and Neemuch, or *viâ* Ahmedabad and Oodeypoor, the benefit to Meywar will be so immense that it will be cheaply purchased by the full salt tax.

102. If any scheme similar to that I have here roughly sketched be adopted, almost all foreign territory except some States of Rajpootana and Kattiawar will be placed on the same footing as regards the payment of salt tax, and the only important Customs line left in India will isolate Rajpootana west and north of the Aravelli range. But in Bombay we shall still have small lines isolating the Portuguese dominions, and dividing Kattiawar from Guzerat, and it would be very desirable to abolish these.

Lines which would remain if this scheme is adopted.

103. Perhaps it is worth considering whether by commercial treaty with Portugal it might not be possible to

Goa and Damaun.

place Goa and Damaun on the footing of free ports, and to excise the salt manufactured at these places, the Portuguese Government receiving a fair share of the Excise and Customs revenues.

104. In Kattiawar, assuming that the States included in that province are to be held liable to a nuzzeranna on successions, it might be practicable to commute that liability for the salt tax, as suggested above in the case of Bhownuggur (para. 33). To avoid the danger of additional taxation pressing too hardly upon the people it might be well to share the proceeds of the tax with the different Chiefs, on condition of their abolishing transit dues and other objectionable imposts in their dominions.

Kattiawar.

105. The whole question of the way in which our excise revenues are affected by our relations with Native States seems to me, in this Presidency at least, one of great importance. Nothing can be a more legitimate source of revenue than the internal consumption of opium. We are supposed to tax it heavily; our Collectors have strained the law to prevent its production in our own districts; yet the only effect has been that our cultivators are debarred from profiting by the cultivation of the poppy, while the use of the drug is not checked in the smallest degree, and the consumption is supplied entirely by smuggled opium grown in foreign territory. In 1832 the licit sale of opium in the Ahmedabad Collectorate was Indian maunds 448-28, and the revenue from it Rs. 2,36,408. In 1868 the licit sale was Indian maunds 5-9, and the revenue Rs. 5,450. I have no hesitation in saying that if the present actual consumption of Ahmedabad and Kaira was licit, the revenue* would be at least ten lacs of rupees. Our receipts from the excise on other drugs and on spirits are similarly affected, though not perhaps to so great an extent. And an excise on tobacco, a tax which may one day be necessary, would produce nothing in this Presidency, from the impossibility of preventing smuggling from the foreign territory which is everywhere intermixed with, or borders on, our own districts.

Political aspect of taxation by excise.

106. It may be true that the position which Native States, by treaty or otherwise, occupy with regard to the Supreme Government, precludes any attempt to make the feudatory portion of the empire contribute appreciably to its revenues. But it would hardly seem unjust or unreasonable to require Native States so far to assimilate their system of taxation to ours as to render financial reform within our own territories possible.

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* In Statement 49 of Mr. Bell's valuable Abkari Report he estimates that the proportion of opium-eaters to the adult male population in Ahmedabad and Kaira is 9 per cent., and that if each consumes 20 tolas per annum—and many Rajpoots eat ½ a tola a day—the actual consumption is I. M. 376, the licit consumption being little over 6 maunds. At the rate of Rs. 26 per seer, Rs. 1,050 per maund, the revenue ought to be nearly four lacs of rupees. But Mr. Bell has much underestimated both the number of consumers and the average quantity each consumes. Having been long a Settlement Officer in Guzerat, I am well acquainted with the habits of the people, and I feel sure that a majority of the adult male population of Northern Guzerat, of all classes except the mercantile and literary, are habitual consumers of the drug.

107. I must apologize for having, in the latter part of this Report so far transgressed the limits of the duty assigned to me. But the questions of the equalization of the salt tax, and of the position of our excise revenue with regard to Native States, seem to me so important that I thought I might venture to contribute something to their discussion.

I have the honour to be,

Sir,

Your most obedient Servant,

W. G. PEDDER,
On Special Duty, Salt Department.

APPENDICES.

Appendix

STATEMENT showing the Seizures of Contraband Goods upon the Northern

Contraband Goods.	Number of Seizures.							Quantities and Values of Goods seized.						
	1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	Total.	Average per year.	1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	Total.	Average per year.
								L.M. S. T.	L.M. S. T.	L.M. S. T.	L.M. S. T.	L.M. S. T.	L.M. S. T.	L.M. S. T.
Salt.....	9	35	75	51	49	219	44	20 35 0	627 30 15	1,434 16 40	1,485 7 15	2,033 35 60	5,602 4 50	1,120 16 74
								L.M.S.T.	L.M. S. T.	L.M. S. T.	L.M. S. T	L.M. S. T.	L.M. S. T.	L.M. S. T.
Opium	5	5	10	8	6	34	7	1 19 11	2 32 35	2 18 5	3 12 29	4 20 39	14 9 39	2 27 39
Other Contraband Goods...	*	.....	.....	.....	.....	...	...	.....	.....	.....	.....	.....	.....	.....

* No other goods are noticed by this

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A.

Preventive Frontiers of the Bombay Presidency for the five years ending 1869-70.

Amount realized on account of Import and Export duty and Salt excise.							Remarks.
1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	Total.	Average per year.	
Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
2,318 3 0	679 11 2	1,171 8 3	1,548 1 6	1,189 15 7	6,907 . 7 6	1,381 7 11	On the Guzerat Preventive Frontiers, Import duty is leviable on salt only on the Dholka and Dhundooka frontiers, but no salt has hitherto been imported openly, on the Dholka frontier, so that the levy of duty has always been confined to the Dhundooka Frontier. The Runn, Soorgaum, Marwar, Myhee, and Rewa Kanta frontiers were established solely as a check against the ingress into Guzerat of foreign untaxed salt. In about one-fourth of the salt cases, the smugglers were seized and convicted. In November 1869, three dutiable Nakas were opened, two on the Marwar and Rewa Kanta frontiers, experimentally, and one on the Myhee Kanta permanently; no duty has however been levied at any of these Nakas up to 31st March last. In all the cases of salt smuggling the salt has been conveyed on donkies or carts, chiefly on the former, all of which have been confiscated.
.....	.....	.....	.....	.....	.....	.....	All opium seized is sent to the Magistrate or the Political Agent for disposal; all the smugglers in the cases entered in the Statement were seized and convicted. Since 31st March last, three cases, not entered in the Statement, have been adjudicated by the Political Agents, involving 54 maunds 5 seers, and 20 tolas of opium, which was seized by the Frontier establishment. The smugglers in three cases were seized and convicted.
.....	.....	.....	.....	.....	.....	.....	

Department on these Frontiers.

P. M. DALZELL,
Deputy Commissioner of Customs, N. D.

Appendix

STATEMENT showing the Seizures of Contraband Goods upon the Demaun

Contraband Goods.	Number of Seizures.							Quantities and Values of Goods seized.						
	1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	Total.	Average per year.	1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	Total.	Average per year.
								I.M. S. T.	I.M. S. T.	I.M. S. T.	I.M. S. T.	I.M. S. T.	I.M. S. T.	I.M. S. T.
Salt.....	244	238	89	149	140	860	172	979 11 40	1,039 6 40	363 8 40	471 27 40	565 12 40	3,418 26 40	683 29 24
Opium.....	...	...	...	...	...	...	...	.....	.....	.....	.....	.....	.....	.....
														Import
								Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Other Contraband Goods.	9	6	15	10	5	45	9	243	93 18 5	151 3 0	120 1 9	204 6 9	813 1 2	162 9 10
														Export...
														Total...

Supplement to

STATEMENT showing the Seizures of Contraband Salt seized on the Demaun Frontier, bordering for the past 5 years

Contraband Goods.	Number of Seizures.							
	1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	Total.	Average per year.	1865-66.
1	2	3	4	5	6	7	8	9
								I. Mds.
Salt	.....	8	4	30	11	53	10½	.....

Tannah, Assistant Commissioner's Office, 20th August 1870.

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B.

Frontier of the Bombay Presidency for the five years ending 1869-70.

Amount realized on account of Import and Export Duties and Salt excise.							Remarks.
1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	Total.	Average per year	
Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
595 11 1	688 1 9	85 6 5	45 6 2	57 3 0	1,471 12 5	294 5 8	In every instance the salt seized has been confiscated; it is generally attempted to be passed across the frontier in small quantities equal to one person's load; not a sixth of the smugglers have been seized, as when discovered they throw down their load and run away.
.....	.....	.....	.....	.....	.....	.....	No opium has been seized passing across this frontier.
1,405 9 4	1,580 3 1	1,479 12 9	1,947 6 5	799 15 6	7,212 15 1	.....	The seizures have consisted of grain, hides, twist, bamboos, &c., in small quantities; their value is shown in the lump.
9,198 0 0	9,159 1 10	11,825 13 11	10,437 9 8	7,623 13 2	48,244 6 7		Of the number of seizures (45) 22 were confiscated, 3 fined in lieu of confiscation, and 20 discharged on payment of duty.
10,603 9 4	10,739 4 11	13,305 10 8	12,385 0 1	8,423 12 8	55,457 5 8	11,091 7 6	

P. M. DALZELL,
Deputy Commissioner of Customs, N. D.

Appendix B.

on the "Oomergaum" Talooka, within the Range of the Assistant Commissioner of Customs, Tannah, ending 1869-70.

Quantities Seized.						Remarks.
1866-67.	1867-68.	1868-69.	1869-70.	Total.	Average per year.	
10	11	12	13	14	15	16
I. Mds.	I. Mds.	I. Mds.	I. Mds.	I. Mds.	I. Mds.	
13 32 60	9 3 0	48 25½	31 4 0	102 25½	20 21 4	The salt in all these cases was confiscated and sold by public auction; half the sale proceeds were awarded to the seizers, and the other half credited to Government. Out of 53 cases shown in column No. 7, nine were sent for trial to the Magisterial authority at "Oomergaum." In 8 cases convictions were obtained. In the remaining 44 cases the smugglers were not apprehended.

THOMAS M. MAJOR,
Assistant Commissioner of Customs.

Appendix

STATEMENT showing the Seizures of Contraband Goods upon the Preventive
five years ending

Contraband Goods.	Number of Seizures.						
	1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	Total.	Average per year.
1	2	3	4	5	6	7	8
Salt	9	4	4	8	6	31	6
Opium	.....	.....	.....	.....	.....	.....	.....
Other Contraband Goods.	30	32	10	11	10	93	18
Total...	39	36	4	19	16	124	24

Tannah, Deputy Commissioner's Office,
20th September 1870.

Frontier of Rajpoory in the Southern Division of the Bombay Presidency for the
1869-70.

Quantity Seized.														Remarks.
1865-66.		1866-67.		1867-68.		1868-69.		1869-70.		Total.		Average.		
9		10		11		12		13		14		15		16
M.	S.	M.	S.	M.	S.	M.	S.	M.	S.	M.	S.	M.	S.	
9	23	0	37	4	24	5	37	14	28	35	29	7	5	Out of the total number of 31 cases, in 21 the salt was confiscated and the defendant sentenced by the Magisterial authorities. In 3 cases the defendants were acquitted but the salt was confiscated, and in the remaining 7 cases the smugglers escaped.
.....		.....		.....		.....		.....		.....		.....		
.....		.....		.....		.....		.....		.....		.....		Out of the 93 cases in 58 the goods were confiscated. In 22 the goods were released on payment of duty, and in one on payment of a fine. In the remaining 12 cases the goods were released for want of evidence.
9	23	0	37	4	24	5	37	14	28	35	29	7	5	

A. TAYLOR,
Deputy Commissioner of Customs,
Southern Division.

STATEMENT showing the Realizations on account of Import and Export

Description of Goods.	Imports.				
	1865-66.	1866-67.	1867-68.	1868-69.	1869-70.
1	2	3	4	5	6
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Salt	25 13 11	22 2 10	15 11 7	10 15 2	18 7 9
Opium	.....	.....	.....	.....	.....
Other Goods	201 2 8	171 13 1	217 6 3	225 4 6	218 0 2
Total...Rs.	227 0 7	193 15 11	233 1 10	236 3 8	236 7 11

Tannah, Deputy Commissioner's Office,
20th September 1870.

Duty during the last five years ending 1869-70 *on the Rajpoory Frontier.*

Exports.					Remarks.
1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	
7	8	9	10	11	12
Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
.....	.....	.....	.....	.....	
.....	.....	.....	.....	.....	
1,389 13 4	810 8 7	1,097 13 8	1,125 10 5	736 5 4	
1,389 13 4	810 8 7	1,097 13 8	1,125 10 5	736 5 4	

A. TAYLOR,
Deputy Commissioner of Customs, Southern Division.

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Appendix

STATEMENT showing the Seizures of Contraband Goods, and also the Import and Export Duties collected upon the Goa Preventive Frontiers in the Southern Division of the Bombay Presidency, for the five years ending 1869-70.

Contraband Goods.	Number of Seizures.						
	1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	Total.	Average per year.
1	2	3	4	5	6	7	8
Beedee Frontier.	No.	No.	No.	No.	No.	No.	No.
Salt	10	17	10	15	9	61*	12
Other Goods	4	.....	1	6	1	12	2
Total.....	14	17	11	21	10	73	14
Waree Frontier.							
Salt	65	53	24	66	110	318†	64
Other Goods	41	24	11	32	44	152‡	30
Total.....	106	77	35	98	154	470	94
Vingorla.—*Rairee.*							
Salt	.....	2	.....	3	10	15	3
Other Goods	3	3	1	10	7	24	5
Total.....	3	5	1	13	17	39	8
Canara. *Diggy Frontier.*							
Salt	10	8	20	32	26	96	19
Other Goods	2	1	12	21	20	56	11
Total.....	12	9	32	53	46	152	30

† Out of these cases 94 were proved before the Magistrate, 4 were dismissed by him, and in the rest 220 of the smugglers ran away, abandoning their property (Mds. 817 Srs. 17). In all salt seizures one-half of the sale proceeds is generally awarded to the seizers.

‡ Out of these, ten were spirit-smuggling cases. The spirits in every instance were destroyed, as it did not realize the full amount of duty leviable thereon. Ten were sent to the Police for collection of the jungle fee to which the wood seized was liable. Thirty-two were dismissed, viz., the goods valued at Rs. 292-3-4 were restored to the owners. In 11 cases ordinary, in 9 cases double, in 2 cases triple, and in one, fourfold duty was levied, while in sixteen cases the accused parties were fined in small sums, then the goods being restored to them. In 61 cases the goods were confiscated and half the proceeds awarded to seizers and informers. No convictions obtained in these cases.

Quantities Seized.							Remarks.
1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	Total.	Average per year.	
9	10	11	12	13	14	15	16
I. Mds.	I. Mds.	I. Mds.	I. Mds.	I. Mds.	I. Mds.	I. Mds.	* In 46 cases offenders escaped, the rest were fined before the Magistrate. One-half the sale proceeds of all the articles given as rewards. No conviction obtained in these cases, but the goods were confiscated and the proceeds credited to Government. Amounts shown in columns Nos. 9 to 14.
28 27½	30 27	15 25½	5 34¾	13 26½	94 21 0	19 0 0	
12 5 3	.....	2 11 3	8 8 6	12 0 0	35 9 0	7 2 0	
191 2½	162 25¼	116 22¾	212 33	401 35⅜	1,084 38⅞	217 0 0	† See note below.
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
192 7 9	138 10 5	69 10 4	151 6 3	247 0 10	799 3 7	159 0 0	‡ See note below.
.....	1 10 0	.....	19 15 0	20 2¼	41 0¾	8 0 0	In 5 cases the accused escaped; 10 were proved before the Magistrate. In all half the sale proceeds were awarded to seizers.
1 loogde 1 lamp.	5 barrels paddy 12 srs.	Paddy 23 srs.	Paddy 2 7, earth pots 21, barrels 3, cocum 9 srs.	Barrels 14.	Paddy 3 2, Barrels 22, Loogde 1, 1 lamp. Pots 21, cocum 9 srs.	.....	Three cases of Paddy were dismissed. In 8 cases the spirits seized were destroyed. In one case the goods (loogde) were restored on payment of a fine, and in two on payment of double duty. In ten cases the goods were confiscated, and half the proceeds awarded to seizers or detainers.
5 23 40	15 30 40	35 36 30	95 3 0	92 9 0	244 22 30	48 36 38	All parties concerned in the salt smuggling cases herein mentioned were punished by the Sub-Magistrate of Soopa, Hullial, and Carwar, and the salt seized was confiscated. In 1868-69 a case of smuggling 3 maunds and 9 seers of salt was released consequent on there not being sufficient proof for the prosecution.
.....	.....	.....	.....	.....	.....	.....	In 1865-66 some goods were released in a case, a fine equivalent to one-tenth part of the real value having been levied; the goods in all other cases have been confiscated. The quantity of goods have not been mentioned, all being very trifling and it being difficult to enter them in this Statement, owing to some being calculated by weight and others by numbers.
5 23 40	15 30 40	35 36 40	95 3 0	92 9 0	244 22 30	48 36 38	

Appendix

STATEMENT showing the Seizures of Contraband Goods, and also the Import and Export collected upon the Goa Preventive Frontiers in the Southern Division of the Bombay Presidency, for the five years ending 1869-70.

Talookas over the Frontiers.	Description of Goods.	1865-66.	1866-67.	1867-68.	1868-69.	1869-70.	Total.	Average per year.	Remarks.
1	2	3	4	5	6	7	8	9	10
		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
BEEDER.									
Import	Salt	63,497 0 4	65,194 15 6	66,543 13 5	76,151 12 11	64,720 2 4	3,36,107 12 6	67,221 9 0	
	Other goods	5,309 9 2	3,174 4 5	5,047 7 10	5,285 4 11	4,720 8 8	23,537 3 0	4,707 7 0	
	Total	68,806 9 6	68,369 3 11	71,591 5 3	81,437 1 10	69,440 11 0	3,59,644 15 6	71,929 0 0	
Export	Salt	.....	.....	.....	.....	.....	.....	.....	
	Other goods	5,918 0 0	7,023 7 1	13,323 1 7	13,449 3 3	8,578 15 5	48,292 11 4	9,658 8 8	
	Grand Total	74,724 9 6	75,392 11 0	84,914 6 10	94,886 5 1	78,019 10 5	4,07,937 10 10	81,587 8 8	
WARREE.									
Import	Salt	1,04,660 12 0	74,125 14 11	62,030 5 10	54,406 6 6	67,655 1 5	3,62,878 8 8	72,575 11 4	
	Other goods	7,928 10 10	3,939 6 0	5,825 11 7	7,318 0 3	7,233 9 11	32,245 6 7	6,449 0 8	
	Total	1,12,589 6 10	78,065 4 11	67,856 1 5	61,724 6 9	74,888 11 4	3,95,123 15 3	79,024 12 0	
Export	Salt	.....	.....	.....	.....	.....	.....	.....	
	Other goods	8,384 15 6	5,143 9 5	7,280 6 11	8,819 1 4	8,310 13 6	37,938 14 8	7,587 12 6	
	Grand Total	1,20,974 6 4	83,208 14 4	75,136 8 4	70,543 8 1	83,199 8 10	4,33,062 13 11	86,612 8 6	
VINGORLA.									
Import	Salt	0 6 0	0 11 9	0 7 9	0 10 10	3 12 2	6 0 6	1 3 4	
	Other goods	21 0 4	30 6 9	15 0 10	22 5 7	41 15 2	130 12 8	26 2 6	
	Total	21 6 4	31 2 6	15 8 7	23 0 5	45 11 4	186 13 2	27 5 10	
Export	Salt	.....	.....	.....	.....	.....	.....	.....	
	Other goods	25 3 6	23 0 7	29 0 2	73 12 9	42 10 1	193 11 1	38 12 2	
	Grand Total	46 9 10	54 3 1	44 8 9	96 13 2	88 5 5	330 8 3	66 2 0	
CANARA.									
Diggy Frontier.									
Import	Salt	60,882 10 1	44,233 2 5	43,806 7 4	42,209 0 7	60,494 3 10	2,51,625 8 3	50,325 1 8	
	Other goods	10,408 5 1	6,117 11 4	9,681 0 10	10,811 3 5	11,750 6 3	48,768 10 11	9,753 11 9	
	Total	71,290 15 2	50,350 13 9	53,487 8 2	53,020 4 0	72,244 10 1	3,00,394 3 2	60,078 13 5	
Export	Salt	.....	.....	.....	.....	.....	.....	.....	
	Other goods	11,802 5 5	9,086 1 8	14,410 5 5	17,059 2 2	17,570 7 5	69,928 6 1	13,985 10 10	
	Total	11,802 5 5	9,086 1 8	14,410 5 5	17,059 2 2	17,570 7 5	69,928 6 1	13,985 10 10	
	Grand Total	83,093 4 7	59,436 15 5	67,897 13 7	70,079 6 2	89,815 1 6	3,70,322 9 3	74,064 3 3	

(Signed) G. B. SPRING,
Assistant Commissioner, Vingorla Range.
(„) C. M. COTGRAVE,
Assistant Commissioner, Canara Range.

True Copy,
J. W. ROBERTSON,
Commissioner of Customs.

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D.—(Continued.)

PRINTED AT THE PRESS OF THE REVENUE, FINANCIAL AND GENERAL DEPARTMENTS OF THE SECRETARIAT.

No. 645 of 1873.

REVENUE DEPARTMENT.

To

THE CHIEF SECRETARY TO GOVERNMENT,

BOMBAY.

Camp, Ahmedabad Districts, 8th February 1873.

SIR,

I have the honour to submit, for the consideration of Government, the following report on the administration of the Salt Department in the Southern Division, with suggestions for the improvement of its internal management, and the draft of a Bill for consolidating and amending the Law relating to salt in the Presidency of Bombay.

2. In his report No. 103, dated the 30th July 1870, Mr. Pedder has given a comprehensive account of the existing organization of the department, and of the system on which it works, and has made many excellent suggestions for improvement in its management and for the suppression of smuggling. And his suggestions have received the general approval of the Governments of India and Bombay, as recorded in their resolutions quoted in the margin. But no definite scheme of management has yet been drawn up. It will be my endeavour, in the present report, to supply this want, and to place the whole subject before Government in a clear and concise form.

Government of India, Financial Department, No. 663, dated 23rd May 1871.

Government of Bombay, Revenue Department, No. 1035, dated 3rd March 1871.

3. The scheme sanctioned for Gujrát cannot be extended to the Southern Division, because the works in the Southern Division are the property, not of Government, but of private owners; and because there is no railway running parallel with the coast, by means of which salt can be distributed from a single central work. The success of an attempt to introduce the Madras monopoly system into the Koncan is problematical, as the measure would be immensely unpopular among the proprietors of salt works, who have grown rich from the profits of the last 30 years, and who are now in a position to stop manufacture for a time at any rate, and so to bring about a salt famine. I agree with Mr. Pedder in the opinion that the only practicable alternative is a modification and reform of the existing system.

* I have attempted to contrast the relative advantages of a monopoly system and a system of excise in my letter No. 123, dated the 7th January 1873.

4. It is necessary that I should describe this system in full detail, and in doing so I shall quote largely from Mr. Pedder's report. Koncan salt is produced entirely by the solar evaporation of sea water.* A suitable site is reclaimed by a substantial embankment from some muddy flat on the sea-shore which is submerged at spring tides, and its interior is divided into three sections—

1.—The "Khajina" (or main reservoir).
2.—The "Tapownee" (or smaller reservoir).
3.—The "Agur" proper (or evaporating pans).

The levels of these works must be so adjusted that the "Khajina" may be filled at each spring tide, and that the water may flow gently from it into the

1 P S

"Tapownee," and thence into the pans when the sluices are opened. The "Agur" itself is divided into rectangular pans called "Koondees," which are laid out in regular lines, and divided by low flat banks about two feet wide.

5. Immediately after the rains each pan is levelled, and its floor trodden and beaten till it is hard and water-tight. Manufacture usually commences in January and lasts till the rains. The "Khajina" is filled at the top of spring tide, and the sluice is then closed. After the water has stood a few days to clear, a portion is let into the "Tapownee," where it remains for 8 or 10 days. At the end of that time it has become a strong brine, and is then admitted into the evaporating pans, which are filled to a depth varying from 3 to 9 inches. As the water evaporates salt crystalizes at the bottom of the pan, and, as a rule, the crop becomes ready for removal in about 14 days after the first admission of the brine, so that at least six crops are gathered each season. As soon as the salt is ripe, the manufacturer scrapes it up into small heaps of one or two maunds each, which are left to dry on the low flat banks between the pans, and it remains there until the manufacturer chooses to remove it to the Rasses, or large heaps, in which it is permanently stored. From February till the season closes there is not a day on which quantities of loose salt are not lying scattered about the pans at every work, and there is no law under which the manufacturers can be compelled to move it to the store heaps. The law again only requires that these heaps shall be within the line of chowkees, so the manufacturer makes them where he pleases, and of any size and shape he pleases.

6. Each large work, or group of smaller works, is under the special charge of an officer called a "Suzedar," whose duty it is to keep an account of the salt manufactured and stored in his "suza," and to superintend the weighment and removals of salt under permit. He is assisted by a "Mudutnis," and the peons who guard the works are under his orders. Neither he nor the Mudutnis reside on the works, but at the head quarter station of the taluka, which in some cases is as much as 8 miles distant. The salt is not brought to account until placed on the store heaps, although the manufacturer may sell it loose from the pans. In such cases the quantity delivered is credited and debited in the suza books. Once a month, during the manufacturing season, the Suzedar estimates the contents of every heap within his charge. This he does entirely by the eye, and indeed no other means can be used while manufacturers are allowed to store their salt in irregularly shaped masses. So long as a heap remains intact, the Suzedar cannot alter the first estimate of its contents entered in his books. But as soon as any salt is added to a heap (and manufacturers may, if they like, add new salt to an old heap), or any is removed for sale, the Suzedar again estimates its contents, and if his new estimate does not exceed or fall short of his previous estimate by 25 per cent., he may, on his own authority, alter the quantity entered in his books in accordance with his new estimate. Thus, suppose a heap is brought to account as containing 1,000 maunds and that 50 maunds are removed on permit, the Suzedar may at once reduce the quantity credited against that heap to 750 maunds, writing off 200 maunds under the head of "loss and wastage," or he may increase it to, 150 maunds, crediting 200 maunds as "gain by measurement." The only check on the Suzedar's estimates [illegible] the chief proprietors, go and the works each June or July, and estimate the contents of each heap; at whatever their estimate is within 25 per cent. either way of the Suzedar's assessment, the quantity entered by the Suzedar is allowed to stand unaltered. It needs no argument to show the fallaciousness of a stock account kept on these principles, or the opportunities for fraud which the system places in the hands of Suzedars and their subordinates.

7. In North Kanara the system is somewhat different. Salt produced there is not stored on the works but in separate warehouses* called "kottars," into which it is measured in baskets full, so that the quantity stored is brought to account pretty accurately. But the check is lost for want of a law under which the disposal of the salt can be subsequently controlled. The manufacturers are inveterate smugglers, and are careful always to maintain a large stock in each "kottar," and to mix together the produce of different seasons, so that stock can never be taken without considerable trouble and expense, and without examining the accounts of several years and making complicated calculations to ascertain the legitimate "wastage." And they purposely keep the "kottars" in a state of thorough disrepair, so that, though the doors are double-locked, the salt inside is exposed to the weather, and any one can gain an entrance through a hole in the roof or the side walls, a state of things which serves to divest both the manufacturers and the Government officers concerned of criminal responsibility whenever deficiencies are discovered.

* The old Government warehouses which were built when the district formed a part of the Madras Presidency, and when the monopoly system was in force. On the introduction of the Bombay excise system in 1863 they were made over to the owners of the salt works.

8. An insight into the manner in which the system works may be gained from an inspection of the following table, which shows the stock-in-hand, the gain by measurement, and the loss by measurement (*i.e.*, loss from over estimation), for each of the last 10 years throughout the Southern Division:—

Years.	No. of Heaps.	Stock.		Gain by Measurement.		Loss by measurement	
		Ind. Mds.	Seers.	Ind. Mds.	Seers.	Ind. Mds.	Seers.
1862-63	12,119	5,031,289	32	209,937	22	241,262	16
1863-64	11,715	4,072,089	14	173,572	4	296,104	13
1864-65	11,690	5,029,704	28	328,848	27	119,021	20
1865-66	12,164	5,657,608	16	243,529	30	250,861	7
1866-67	12,416	5,717,616	35	142,142	21	249,455	5
1867-68	12,438	6,257,870	29	160,653	32	262,349	35
1868-69	11,721	6,181,686	15	189,381	5	428,264	3
1869-70	12,010	6,488,741	22	119,041	26	481,490	21
1870-71	11,653	6,831,875	2	148,638	20	499,072	8
1171-72	12,473	4,689,344		90,050	25	704,524	17
Total.....	120,399	55,957,827	3	1,805,796	12	3,532,402	25

These figures are taken from the Annual Administration Reports of the department, and are therefore accurate. There are 90 suzas in the Southern Division, and the work of estimation was distributed each year among more than 175 persons. The average number of heaps estimated in each year is 12,039. It might naturally be expected from these premises that the errors of over-estimation and of under-estimation would nearly counterbalance each other; and the accounts of the first three years of the series exhibit this result, as the total gain by measurement in those years amounts to Indian maunds 712,358, and the total loss by measurement to Indian maunds 656,38[illegible]. For the next three years the figures are as follows:—

	Ind. Mds.
Gain by measurement	546,526
Loss by measurement	762,665

And for the last four years the following extraordinary results are obtained:—

	Ind. Mds.
Gain by measurement	547,[illegible]72
Loss by measurement	2,11[illegible]551

9. The corresponding figures for the Northern Division during the same period are given in the statement below, and show a net difference of only about 1½ lakhs maunds between the quantities credited as gain by measurement and those written off as loss by measurement during the whole ten years, the balance being in favour of the former:—

Years.	No. of Heaps.	Stock		Gain by Measurement.		Loss from over Estimation.	
		Ind. Mds.	Seers.	Ind. Mds.	Seers.	Ind. Mds.	Seers.
1862-63	1,482	1,927,[illegible]	1	56,034	18	32,674	26
1863-64	1,653	1,364,87[illegible]	13	22,934	17	32,561	35
1864-65	1,687	1,922,003	21	35,003	16	15,194	16
1865-66	1,854	2,207,611	31	47,854	22	55,200	7
1866-67	1,609	1,556,250	7	43,683	5	19,528	35
1867-68	1,424	1,695,125	9	68,352	9	16,912	9
1868-69	1,665	2,341,308	3	35,785	8	22,513	9
1869-70	1,474	1,775,649	3	36,746	38	42,096	39
1870-71	1,814	1,778,207	36	6[illegible],588	27	36,849	14
1871-72	1,777	2,194,499	16	58,717	19	32,088	33
Total	16,339	18,463,368	20	469,700	19	305,621	[illegible]

10. There has been no change in the system of accounts or estimation during the last 10 years, nor, so far as I have been able to discover, have any exceptional causes been at work of late to raise the totals written off as "loss by measurement" in the Southern Division, so that I am at a loss to account for the large deficiency noticed in the 8th paragraph. It is not explained in the Commissioner's Administration Reports. It cannot be due to mere carelessness on the part of the estimators, neither do I believe that it can be wholly attributed to increased smuggling, though no doubt the temptations to smuggle have increased with the successive enhancements of the excise. But whatever the cause may be, the result shows clearly that both measurements and system are defective, and that reform is very necessary.

11. When a person wishes to buy salt he first settles the price with the owner, and then hands a petition to the Sir Carcoon, stating the quantity of salt which he has bought, from what work and what owner, and the place to which he intends to remove it. The Sir Carcoon then receives the duty from him, and prepares the permit which is in three portions. The first portion contains a record of the transaction, and remains with the Sir Carcoon, the other two portions are torn off and handed to the purchaser, who takes them to the Suzedar in charge of the work from which the salt is to be removed. The Suzedar, his Mudutnis, the purchaser, and a representative of the owner of the salt then proceed to the salt work, where the salt is weighed out maund by maund by a steel yard, by labourers employed by the purchaser, or owner, as may be agreed between them. The Suzedar observes the index of the steel yard, a peon calls out the number of maunds weighed in tallies of ten, and the Mudutnis standing by notes the tallies as they are called in the "weigh book." The purchaser, the peon, and the representative of the owner are also each required to make a knot on a piece of string for each 10 maunds weighed, and the knotted strings are compared with the entries in the weigh book when the weighment is completed, and if they agree, the purchaser, the Suzedar, the Mudutnis, the representative of the owner, and the peon each sign the weigh book in token that the quantity of salt entered therein has been delivered. The salt is then carried in baskets to the boat or cart in which it is to be removed.

12. When the purchasers are Brinjarees the gross tare of all their bags is first ascertained, and they are then allowed to fill the bags as they like. Each full bag is then weighed separately, and its weight marked upon it.

13. After the whole quantity of salt entered in the permit has been delivered, the Suzedar enters the date and details of delivery in the second portion of the permit, which he tears off and retains as his voucher, and countersigns and hands back to the purchaser the third portion, which also contains the details of the delivery, the number of bags (if the purchaser is a Brinjaree), the name of the vessel, if the salt is removed by sea, and enables the purchaser to pass it through the preventive posts, and to land it duty free at the bunder to which it is consigned. On receiving back the permit, the purchaser takes it and the salt to the most convenient preventive post, where it is examined. Boats carrying salt are boarded by the Daroga or one of his subordinates, who makes an estimate of the quantity of salt on board by cubic measurement, and if his estimate differs from the quantity noted in the permit by more than 5 per cent. he detains the boat and re-weighs the cargo. The quantity of loose salt carried in carts is similarly estimated at the preventive post. And the number of bags carried by each Tanda of Brinjarees is counted at the preventive post, and a percentage of the bags is weighed.

14. If we had only Brinjarees to deal with the system would work well enough, as it provides an efficient check on the Suzedars' weighments in respect of salt removed on pack bullocks. But more than three-fourths of the gross [illegible]als from works in the Southern Division are made by boat, in respect to [illegible] the only check on the Suzedar's weighments is an estimate founded on measurement. Now it has been ascertained by actual experiment that the weight of any given measure of salt will vary more than 50 per cent. according to the manner in which the measure is filled, and it was on this account that a few years ago it was found necessary to discontinue the practice of excising and delivering salt by measure, and to substitute the more troublesome process of weighing out removals maund by maund. It will be readily understood then that the existing check on removals of loose salt is quite inefficient, even when preventive officers do their duty to the best of their ability, and as this fact is well known to all who have to deal with salt, it acts as a direct temptation to dishonest Government servants, salt owners, and traders, to attempt to put money into their own pockets by defrauding the revenue.

15. Enough has been said, I think, to indicate the prominent directions reform should take:—

1. Means must be provided to render the keeping of a proper stock account possible.
2. Means must be provided for checking all weighments made at the works.
3. The department must be enabled to control the disposition of unexcised salt, and all boats, carts, and animals, brought to the works to remove salt.
4. The owners of salt works must be made responsible for illicit removals of salt from their works.

16. To effect these objects legislation is necessary, as the existing law does not give Government power to interfere in any way except to collect the duty and to seize and confiscate smuggled salt. I have, therefore, prepared the draft of a Bill which provides means for carrying out all the measures of reform which will be proposed in this report.

17. All salt should be stored in conical heaps. This is not a difficult matter. All that is necessary is to trace a circle on the ground and to place a stick upright in the centre, and to shape the heaps as the salt is piled in by means of a rope attached to the upright at the height intended for the apex of the cone and drawn round the circle traced on the ground. The cubic contents of a heap thus formed can be easily and accurately ascertained. The Suzedars, who ought to be constantly on the works in the manufacturing season, should see that the heaps are made in proper shape, and that the salt is filled in uniformly, *i.e.*, not

loosely in one heap and trampled down in another, and should measure each heap as soon as made, and enter the measurements in their books. Each month they should weigh out one or two of the heaps made in that month at each work, in order to obtain the average weight per cubic foot of salt, from which and the measurements entered in their books, the real weight of salt in all the heaps may be very closely calculated. The Sir Carcoons and Preventive Officers and Assistants should each be required to test a percentage of the Suzedar's measurements. The quantity once entered against a heap should never be altered, except when error is disclosed by test measurement. As soon as the whole contents of a heap are disposed of, the Suzedar should report its actual out-turn to the Sir Carcoon, and make the necessary adjustments in the stock account under his orders. A continual check would thus be provided on the Suzedar's estimates, and any large difference between estimate and out-turn would provoke immediate inquiry. Power to make rules for regulating the manufacture, deposit, and storage of salt is provided in Section 38, and power to regulate opened heaps is provided in Section 40.

18. Mr. Pedder proposes the construction of separate platforms on which the whole produce of each Agar, or of several contiguous Agars, might be stored. The advantages of the plan are obvious, but as the manufacturers have already gone to the expense of raising and widening embankments to hold their salt heaps, they would be very unwilling to spend more money on work which would not benefit them. It will be sufficient, I think, if Government reserve to itself the power of deciding what places within the limits of each salt work shall be used as storing places, and of compelling owners to keep those places in a proper state of repair. This has been provided in Sections 38, 43, and 44 of the Draft Act.

19. Although the weight of heaps of salt may be ascertained by measurement (with the tests described above) sufficiently accurately to enable the department to keep a reliable stock account, it will not do, for the reasons explained in para. 14, to trust to the same means for checking the weight of removals on permit. In their case actual re-weighment is indispensable. To re-weigh a boatload of loose salt is a tedious and expensive operation. The salt cannot be satisfactorily weighed on board, because the weighed portion cannot be kept separate from the unweighed mass, and it is necessary to lash an empty boat alongside and tranship the salt, weighing it as it passes over the vessel's side, or to land the cargo. A cargo of 1,000 maunds cannot be re-weighed by a single officer in less than two days. The only practicable expedient that I can suggest is to prohibit the removal of loose salt, and to compel exporters to pack it in bags before taking it from the works. I firmly believe that this provision will prove a most effectual check on smuggling, and it will not entail any real hardship on the trade, as almost the whole of the salt removed has now to be bagged soon after it leaves the works. The Railway Companies decline to carry loose salt on account of the damage it does to their rolling stock and the waste in transit, and traders bag it for their own pockets' sake whenever they want to send it from one place to another. The suggestion is by no means a new one; it has been urged on the attention of Government by more than one Commissioner of Customs, and very forcibly by Mr. Pedder. I would propose then that all salt should be put into bags as weighed from the heaps, exporters to have the choice of filling 1, 2, or 3 maunds, but not fractional parts of a maund, into each bag. The bags should be taken direct to a preventive station, and the whole or a percentage (as may be found necessary) should be there re-weighed by the officer in charge of the station. At the principal works from which salt is exported by sea, such as Uran, Panwell, Trombay, and Ghorebunder, it will be necessary to provide staging, alongside which boats can lie while the preventive officer is making his examination, as thorough examination cannot be made without unloading a portion of the cargo, and I would suggest that part of the Old Back Bay Reclamation staging be utilized for this purpose. The necessary

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constructions will not cost much, as they will be erected in creeks out of the reach of rough weather, and where there is water enough to float the salt boats at high tide close in shore. Maps of the Uran and Ghorebunder salt works are appended, on which the positions in which I would propose to place the jetties are indicated. Power to regulate the removal of salt is provided in Section 38, and to enable preventive officers to examine removals in Section 21.

20. I would recommend that when salt is removed on pack bullocks the present practice should remain in force, although it gives our officers some extra trouble, as Brinjarees apportion the loads amongst their bullocks according to the strength of each animal, and it would be unnecessarily hard to make them pack their salt twice over.

21. The need of a law to enable the department to control the disposition of unexcised salt, and boats, carts, and animals brought to the works to remove salt, is apparent, and calls for no remark. The necessary provisions are made in Section 38.

22. The proposal to make owners of salt works responsible for illicit removals of salt from their works is new, but it is nevertheless just in principle, and its adoption will, I am convinced, have more effect in repressing smuggling on a large scale than any subjection of outsiders to penalties for infringements of the salt laws. As the law now stands no responsibility whatever attaches to owners unless they are personally concerned in the passing of contraband salt, and the penalty for such an offence is limited to fine, or at most to a short term of simple imprisonment. However notorious a work may be for smuggling, Government are powerless to stop manufacture there so long as it produces 5,000 maunds salt a year, so that it is actually to the interest of owners to encourage smuggling from their works. If they do not smuggle themselves, others will always be found ready to pay for facilities for smuggling. It is a significant fact that there is no case on record, so far as I have been able to ascertain, in which an owner has complained of the removal of salt from his works without payment, although owners *ought* to suffer as well as Government whenever excess salt is removed. Many of the works have now passed into the hands of traders who export the whole quantity manufactured on their own account, and some among them carry on a system of wholesale smuggling. It is from these men that the greatest danger to the revenue arises. They know every weak point in our system, and take advantage of it; they are intimate with our establishments, and soon learn from association what men are susceptible, and they bribe them right and left, and as they take out permits through their servants they run no risk whatever if a seizure is made. Surely such a state of things ought not to continue. If a distiller permits smuggling from his distillery, or if the owner of a bonded warehouse fails to take proper precautions against the smuggling of dutiable goods therefrom, detection is always followed by loss of license. In the case of manufacture and trade in all other excisable articles the possessor is answerable for every breach of the excise laws with respect to goods in his possession, and I see no reason why the owner of a salt work should not be subjected to similar responsibilities. It will not be sufficient, as proposed by Mr. Pedder (paras. 184 and 308) simply to make the works liable to confiscation when owners are proved to have connived at smuggling, such proof will practically never be obtainable, as owners will keep in the background and act through others. What is needed is to force responsibility on owners, so as to make their interests identical with those of Government as regards the prevention of the illicit removal of salt. I have found it very difficult to draw up a simple and effective scheme by which this end may be secured without undue harshness or pressure on owners, but I do not think that the following proposals are open to objection on the score of either complexity or severity:—

1. The manufacture of salt without a license to be illegal (Section 12).
2. Conditions to be embraced in the license to be at the discretion of the Governor in Council (Section 13).

3. The owners of all existing salt works to receive a license as a matter of right, except under circumstances under which they have no right to continue or to renew manufacture under the existing* law (Section 14).

* Sections 6 and 7, Act 31 of 1850.

4. The licensee annually to prepare a list, which may be amended at any subsequent time, of the persons he proposes to employ on his work. Such persons, the licensee, exporters, and persons obtaining special permission, to be alone permitted access to the salt work (Section 15).

5. No salt to be removed without permit* (Section 17), and permit to be obtainable only on joint application† of owner and exporter (Section 18).

* For form of permit *vide* Appendix B to Draft Act.

† The application to be in the form given in Appendix A to the Draft Act.

6. Both owner and exporter to be present at and superintend the weighment and removal of salt when permit has been obtained (Section 22).

7. Salt removed on permit to be taken by both owner and exporter direct to a preventive station, and there re-weighed and examined (Section 21).

8. Breach of the conditions license, or an offence against any of the provisions of the Act, on the part of the owner, his agent, or any person employed at the salt work, *may* be followed by the suspension or withdrawal of the license, or the absolute suppression of the salt work, but only at the discretion of the Governor in Council (Section 56).

The scheme thus compels the owner, either personally or by his lawfully appointed agent, to take part in every process necessary for the passing of salt from his works, so that opportunity is thrust upon him for detecting and preventing irregularities, and it then makes him responsible for irregularities committed. It also makes him responsible for breaches of the conditions of his license, and for offences against the Act committed by his servants, and it protects him from the intrusion on his works of unauthorized persons. There is nothing harsh or unfair in this, and as the penalty of suppression of his work, or suspension or withdrawal of his license can be inflicted only by the deliberate action of Government, the owner is protected from hastiness or severity on the part of over-zealous executive officers. I think that Government should reserve to itself the power to decide whether an offence involving the penalty of suppression, &c., has or has not been committed, as failures of justice sometimes occur in the criminal courts, for which the criminal law affords no remedy, and cases will certainly happen in which, though it may be impossible to establish a criminal charge against the owner, his agent or servants, very good cause may be shown for the withdrawal of his license.

23. I beg that it may be understood that the remarks made in the last paragraph regarding the complicity of salt owners in smuggling operations are not intended to apply to the whole body. Some of the proprietors are men of undoubted probity, and if they have not hitherto interfered actively to prevent smuggling, it is only because it was no part of their duty under the existing law to do so. Such men, I feel sure, will readily acquiesce in the measures which Government may deem it expedient to adopt for the security of its salt revenue, and will co-operate with the department in carrying them into effect.

24. Legislation is also required on a number of minor points, regarding which I will submit explanations in the order in which they are treated in the Draft Bill.

25. Section 3 repeals the existing salt laws, except Section 4 of Act XVI. of 1844, which must either be left or re-enacted, as without it salt on which excise duty has already been paid will be liable to further customs duty when transported by sea and landed at any port in the Presidency.

26. Section 4 contains definitions which are mostly the same as those used in the Bengal and Madras Salt Acts.

27. Sections 5, 6, 7, and 8 are constitutional clauses. Throughout the Bill, except in a few obvious instances, power to take action is reserved to Government, and under Section 7 Government can delegate such portion of their powers as they may deem fit to their executive officers.

28. Section 9 provides for the alteration of the rates of excise and duty on salt without special legislation.

29. Section 10 calls for no remark. Section 11 is of importance, as Government cannot now prohibit the import of salt at any place which has been declared a place for the landing of goods under the Customs Act, and it will be both expensive and unnecessary to provide an establishment sufficient to re-weigh cargoes of salt at all the small bunders. The last proviso of the section empowers Government to prohibit the import of salt exported from any particular place. Its object is to protect the Gujrát coast from attempts to smuggle salt from works in Kattiawar, Diu, and Damaun,—attempts which will certainly increase as soon as the stocks at our sea-shore works are exhausted—and to prevent the import of Goa salt into North Kanara, a measure which seems likely to become necessary, unless the Portuguese Government materially alter their present arrangements as regards the export of salt. It would be burdensome to discuss this subject further in this report, but it is very desirable that Government should possess the power in the event of cause being shown for its exercise.

30. Sections 12, 13, 14, 15, 17, 18, 19, 20, 21, and 23 refer to the licensing of salt manufacture and the removal of salt on permit, and their import has already been explained. The only portions which call for further comment are part of Section 14 and the forms of application and permit given in the appendices to the Bill. Section 14 empowers Government* to suppress any work producing less than 5,000 maunds salt a year, and the Collector of Salt Revenue to withdraw a license from any work at which manufacture shall not have been carried on for any three consecutive years. This is simply continuing the existing law as contained in Sections 6 and 7 of Act XXXI. of 1850, under which Government in February last closed 57 small works in the Konkan. It has been the law of the land for many years past, and numbers of works have been constructed under it. Small works are unprofitable to Government, both because the realizations from them are out of proportion to the expenses of the establishments necessary to guard and supervise them, and because experience shows that smuggling is especially prevalent at small works. It is, besides, very desirable that owners should be made to feel that the continuance of their works depends in some measure on their industry, otherwise some of them would not make salt enough to cover the charges for establishment even. This has happened before now when quarrels have arisen among owners and between owners and workmen, &c. To rescind the condition now would be to make a concession to owners, which, as a class, they do not deserve. It has never been difficult for them to obtain permission to increase their works if they desired it, so as to bring their production above the minimum. The Madras Act is much more stringent, as it makes *the sale* as well as the production of 5,000 maunds a year essential to the continuance of a salt work. The law of Bengal is still more severe, as under it *any* salt work may be suppressed on the expiry of its license, and the currency of licenses is limited to twelve months.

31. Columns for the entry of the cost price and place of consumption of salt removed on permit have been inserted in the form of application for statistical purposes. Information on these points will be valuable, both as an indirect check on smuggling (as it will enable comparison to be made of the rate of consumption of salt in different districts), and for economic purposes. The rules made under the Bengal Act oblige exporters to record these particulars before receiving permits. Section 23 makes similar provision with respect to salt removed from the Government warehouses in Gujrát. Printed forms will be provided gratis at all salt works and warehouses, so that exporters will experience

no difficulty in complying with the requisition. A slight penalty for wilful misrepresentation on these points has been provided in Section 53. It will probably seldom be necessary to enforce it, but unless the penalty is in reserve we shall not get the information we want.

32. It will be noticed that Sections 18, 19, 20, 21 and 22, and the form of permit make the owner as well as exporter responsible for removals of salt as far as a preventive station. The owner's responsibility ceases there, but the exporter is bound to take it by a specified route within a fixed time to the destination he has named. The penalty is confiscation, which may be redeemed on payment of fine (Sections 47 and 57). It will also be noticed from the last portion of the form of permit that preventive officers are required to collect the duty on any small excesses discovered in their examinations. I have purposely omitted mention of this in the Bill, as if any limit of excess is fixed by law within which removals shall not be subject to confiscation such excess quantity will always be taken by exporters on the chance of their being able to pass it free.

33. Section 16 obliges landholders and village officers to give notice of all unlicensed manufacture of salt on their lands, or within their charges, within 10 days of the existence of such manufacture coming to their knowledge. The Madras and Bengal Acts contain similar provisions. The obligation is not unfair, as both manufacture and spontaneous production of salt are works of time, and neither can take place without the knowledge of the persons affected by the section. The omission or delay to give intelligence is only made punishable when it is shown to be wilful.

34. Sections 24, 25 and 6 refer to the licensing of buildings, &c., used for the storage of salt in the neighbourhood of salt works. This is a most necessary provision. At many places traders have constructed storehouses in close proximity to salt works, in which they keep salt and sell it wholesale almost as cheaply as it can be obtained from the unexcised heaps close by, though the carriage of salt from the works to the godowns costs money, and the traders must, if they pay duty, lose the interest of their money for the whole time that the salt remains on their hands. It is perfectly plain that such warehouses are used simply as conveniences for smuggling, but though the department is aware of the fact, it has been powerless to interfere hitherto for want of a law. These warehouses are to be found at Panwel and other places in the Konkan, and are common in North Kanara both on the coast and near the Goa frontier.

35. The sections as they now stand will oblige every petty dealer in salt in Bombay and other large towns to take out a license. In France, where salt is excised, this is the case; and both in England and India the sale without license of all excisable articles, except salt, is illegal. In Bengal the restrictions* on the sale of salt are much more severe than those I propose. There, no one can possess more than 5 seers salt for this own consumption even without providing himself with a "rowannah." But if Government should consider the innovation too great, I earnestly hope that they will make provision for the licensing and inspection of the wholesale warehouses in Bombay. Mr. Pedder has shown most plainly that Government have been losing nearly 2¾ lakhs of rupees per annum from smuggling into Bombay. This will be checked to a great extent by the arrangements in progress for removing the sea import trade for inland consumption to the Chence Bunder, but not entirely, as all large quantities of salt are also imported into Bombay by land from Matoonga and works in Salsette.

* The Bengal system is described in para. *infra*.

36. Pilfering from the works cannot be stopped, unless the sale of salt without license in their neighbourhood is prohibited. The manufacturers and labourers employed on the works and in loading salt boats have constant opportunities for carrying away small quantities of unexcised salt, for which they find a ready sale at perhaps half the rate of excise among the traders in the

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villages, who again supply exporters. The salt makers are Kolees by caste, and pilfer salt for their relations to use in salting fish. As it will often be impossible to obtain legal proof that salt is kept for sale, it is necessary to fix a limit to the quantity of salt any person may have in his possession without a license to sell. I would propose that the maximum be fixed at ½ maund, or 40 lbs., which is ample for the wants of a family of 3 persons for a whole year. There is no hardship in this limitation, as it will only extend to places where a fresh supply of salt can be obtained within a short distance.

37. Section 27 enables Government to put in force any part of the Bengal system within such limits as may be determined on. A description of this system will be found in paragraph 50. Section 28 enables Government to close any salt work during the monsoon months. Many works are inaccessible during the greater portion of the monsoon, and the sales of salt at others almost cease between the 15th June and 15th September, so that it is not necessary that large establishments should be kept up during that time. But it will not be possible to reduce establishments much unless the removal of salt is for bidden.

38. Sections 29, 30, 31, 32, 33 and 34 vest officers of the Salt Customs, and Police Departments with powers to seize and detain offenders against the salt laws similar to those exercised by the police under the Code of Criminal Procedure. Section 35 authorizes the same officers to seize and detain contraband salt, and animals and carriages used in conveying it. Section 36 authorizes any Magistrate or Justice of the Peace to issue a warrant for the search of any house in which there may be reason to suspect that contraband salt is concealed. Section 37 is intended to empower certain officers of the Salt Department to summon witnesses and to compel the production of documents. This is necessary to enable them to conduct inquiries into matters relating to their department, a duty in the performance of which at present great difficulty is experienced. I have myself sent on several occasions for owners of salt works on business connected with their works, without attention being paid to my call. The latter part of the section is intended to compel witnesses to give true information on subjects on which they may be questioned, but I do not feel certain that it is sufficient for the purpose. Inquiries relating to seizures must necessarily be made by officers of the department, and it is of course important for the ends of justice, that the making of false statements in such proceedings should be punishable.

39. Section 38 empowers the Governor in Council to make rules for regulating the manufacture, storage, and removal of salt, &c. This power should, I think, be made as wide and comprehensive as possible, as experience alone will show the details in which regulation is necessary. I have framed the section so as to embrace all the subjects which occur to me but, perhaps, its scope might be enlarged by describing the purposes for which rules may be made in more general terms. The only clause in the section, the object of which has not already been explained, is the 8th, which is for regulating and enforcing the attendance and labour of the Agrias, who contract to manufacture salt at the works at Kharaghora. These men are allowed to join the works on condition of producing a certain quantity of salt in a season (8½ months), and they receive advances which have to be recovered from their earnings at the end of the season. If they were to strike work in the middle of the season the consequences might be serious, as the whole province of Gujrát is mainly dependent on their efforts for its supply of salt. The principle involved in compelling them to work out their contracts is exactly similar to that on which Post Office runners, and mechanics brought from Europe under contract, who may absent themselves from duty, are liable to punishment under Chapter XIX. of the Indian Penal Code, and to that on which some of the gas stokers in the recent strike in London were sentenced to terms of imprisonment.

40. Section 39 is intended to enable the Salt Department to destroy unsaleable salt. At some works the salt is sifted before being sold, as it [illegible]

will only buy the larger crystals. The smaller grains are left as they fall through the sieve and remain in stock for years until wasted away by the weather. The storing platforms and the books of the department are cumbered with this old salt, its quantity is never exactly known, and no one looks after it. The same remarks apply to salt more than two years old. If not sold in two seasons it may be fairly assumed to be inferior and unsaleable. The interests of the owners have been provided for in the section, as all salt must be put up to auction before being destroyed, and any sums realized in excess of the excise will be paid to the owner.

41. Section 40 is necessary to enable the department to keep a proper stock account, and to avoid the danger of smuggling from opened heaps. Sometimes nine-tenths of the heaps on a salt work will be found opened, although the salt is of the same quality throughout. This can only be done in order to facilitate smuggling.

42. Section 41 is intended to provide effectual means for the stoppage of manufacture at suppressed works. When a work is once in order all that is necessary for the manufacture of salt is to let brine into it, and it is easy to admit water secretly from the reservoirs, and when salt has formed, to account for it from leakage through the embankments. The experience gained last season in the case of the suppressed works at Panwell shows the necessity of this provision.

43. Section 42 is intended to provide for the removal of salt from suppressed salt works, within a reasonable time after the date of their suppression. This is necessary because Government have to maintain establishments to supervise and guard such works, and because owners knowing this purposely refuse to part with their salt. A case of this kind has happened at one of the Bassein works suppressed last year; a quantity of salt is still on the work, and the owner refuses to sell it. The interests of owners are protected by the offer of the salt for sale at auction before [illegible] destroyed.

44. The necessity of the provisions contained in Sections 43 and 44 have already been explained (*vide* paras. 7 and 18). Section 45 requires no comment. Section 46 provides for the unloading of vessels, carriages, &c., and the weighment of salt, whenever necessary, for the purposes of the Act, at the expense of the parties concerned. This is only fair, and in accordance with established custom in such cases in this and other countries. But it is necessary to guard against refusals by legal enactment, as the salt owners and traders of the Konkan and Kanara are so very full of law, and will resent so heartily the restrictions which will, I hope, be placed on their unlawful gains, that they will snatch at every opportunity that offers for embarrassing the department.

45. Sections 47, 48, 49, 50, 51, 52, 53, and 56 are the penal clauses. The necessity of Sections 53 and 56 has already been explained (*vide* paras. 22 and 31 *supra*). The only other provision that requires special notice is that which authorizes, but dos not oblige, Magistrates to pass sentences of rigorous imprisonment for offences against the Act. Salt smuggling is a very common offence—(the Magistrate of Kanara reported, a short time ago, that there were nearly 100 prisoners in the Kárwár Jail who had been convicted of the offence) —and simple imprisonment is no punishment to the rough class of men who make a regular trade of smuggling. In many places smugglers go about in gangs of thirty and forty men, and violently resist all attempts made to seize them. Within the last nine months two of our men have been dangerously wounded, one was stabbed, and more than a dozen have been mauled and beaten while endeavouring to secure smugglers. It is true that whenever men are caught who have shown violence against our peons they are liable to heavy punishment under the Penal Code, in addition to the penalties of the Revenue laws, but for every such man caught a hundred escape, and are ready to commit the offence on the first opportunity that offers. The punishments now meted out to smugglers are wholly insufficient, and I trust that Government will see their way to sanction the award of more deterrent penalties.

46. Sections 54 and 55 provide for the cognizance of offences against the Act. Section 54 requires no comment. Section 55 enables Government to delegate power to officers of the department to award small punishments for breach of departmental rules and minor offences of a like nature. The department has to deal with men who are constantly endeavouring to circumvent its efforts and to evade its rules, and it will never be efficient or command respect so long as it can do nothing but talk. Warning and persuasion have but little effect on refractory owners and manufacturers, and it will be most troublesome and cumbrous if every petty breach of rule is made the subject of magisterial inquiry. The facts in such cases are generally simple, and require no legal education for their unravelling, and the powers of restraint that I ask for are not greatly in excess of those which Government have entrusted to Patels of villages. Under the Customs Act Assistants and Officers in charge of Custom Houses have power to punish summarily for breaches of the Customs Laws, and it seems anomalous that the same officers should not exercise similar powers in dealing with salt. I would not recommend that *all* officers of a certain grade should have power to fine and imprison, but only those who may have shown themselves qualified for the privilege.

47. Section 57 provides for the inquiry into, and determination of, cases involving the penalty of confiscation. Under the existing law every such case, however petty, must be submitted for the consideration of Government, while under the provisions of Act VI. of 1863 and Act XXIX. of 1857 the Collector of Salt Revenue and all his assistants are empowered to adjudge confiscation for breach of the Customs Laws. If a vessel is seized leaving our works with smuggled salt on board, the case can be dealt with by Government alone; but if the same vessel is seized when entering any port with salt on board which is not shown in her manifest, she can be confiscated and sold under the orders of officers of the department, whether the salt be contraband or not. Similarly, if an attempt is made to smuggle any dutiable goods other than salt across one of our frontier lines, the goods and animals and carriages conveying them can be seized and sold under the orders of an Assistant; but if a few pounds even of salt are seized the proceedings must be submitted for the confirmation of Government. I am respectfully of opinion that the adjudication of this class of cases may be safely entrusted to the department, Government reserving the power of review on appeal. I may mention that in the last nine months nearly 500 such cases have been submitted for the orders of Government, and that Government have been pleased to confirm in every case the recommendations made by the officers of the department.

48. Section 58 places all fines levied, and the proceeds of confiscations adjudged, at the disposal of Government for the reward of informers, meritorious servants, &c. Provision to similar effect is made in the Bengal and Madras Acts, and in the Imperial Customs Act.

49. The only remaining sections of the Draft Bill which require explanation are Sections 59, 60, and 61. These are intended to enable Government to close any salt work whatever, on payment of compensation to the owner. The procedure proposed is more simple than that enacted by Act. X. of 1870 for the acquisition of land for public purposes. The only point that seems to call for discussion from me is the subject matter for which compensation is to be awarded. In the Madras Act it is enunciated as "the market value of the salt work, if sold free of all incumbrances, deducting the value, if any, of the land and of any buildings thereon which are capable of being applied to any other purposes than the manufacture of salt," which involves the payment as compensation of a capital sum which will return in interest the annual net profits of the work, minus any [illegible] which may be made from the use of the land for rice cultivation or other purposes. But this consideration is, I think, larger than any owner can justly claim. I do not see why loss of profits should be taken into account at all. Owners have carried on manufacture since the salt excise was first imposed with the full knowledge and experience that their profits are dependent

on the fiscal arrangements which Government may make. It so happens that the arrangements hitherto adopted, *e. g.*, the restrictions placed on the extension of salt works and the successive enhancements* of the rate of excise, have tended to increase owners' profits very considerably without effort or expenditure of capital on their part, and it does not seem right that Government should be unable to improve those arrangements for the benefit of the many, without securing to the few whose privileges are curtailed the enjoyment for ever of that portion of their income which has been created solely by the general policy of the State—a policy which has always been liable to change at any moment. If the salt excise were abolished and restrictions on manufacture were removed, new works would spring up in all directions, the country would be flooded with cheap salt, and the present owners' profits would melt away. There can be no doubt that owners would not receive compensation under such circumstances, but they would have just as great a claim to it on principle as the owners of works closed under this Act would have to receive compensation for the whole of their loss of profits.) It will be sufficient, I think, to reimburse them the amount of capital expended on the construction and improvement of their works, exclusive of sums spent on ordinary repairs, and deducting the market value of the land for uses other than the manufacture of salt. This is a matter of considerable importance to Government, as if my suggestion is adopted it will be possible to carry out Mr. Pedder's proposals for the concentration of works, as the cost of constructing a salt-work is in reality not great. (*All* the sea shore salt-works in Gujrát were constructed and are maintained at the expense of the Agrias, whose average earnings are now only Rupees 98 a year, and which 10 years ago were less by one-fifth. But it will not be possible to carry out any large scheme of concentration if the whole of the owners' profits must be secured to them, as those profits have been very large. If Government should determine to apply the procedure of Act X. of 1870 to the suppression of salt-works, it will be necessary to enact a proviso amending Sections 24 and 25.

50. Allusion has been made to the Bengal system in several of the preceding paragraphs, and as I have not come across a description of it in any of the reports on subjects connected with the salt revenue, which have lately been under the consideration of Government, I will give a short account† of it here. Most of the salt consumed in Bengal is imported by sea from England and other countries, but salt is also manufactured in several of the districts under a system of excise. The works are licensed; the licenses have only 12 months' currency, and are liable to be cancelled by the Collectors and the Board of Revenue without reference to Government. The manufacturer is required to provide a substantial warehouse in which the salt is kept under lock and key. Each year's stock must be stored separately. Sales from the works are prohibited. The owner is required to notify the quantity manufactured each season, and if he makes a false return the whole of his salt is liable to confiscation. He is required to enter into a bond for the payment of full duty on all salt taken into store. A small fixed allowance (2½ per cent.) is made for wastage, and duty on any deficiency in excess of that allowance is recovered from him. He has to pay for an establishment to supervis manufacture and to guard his work, and for a second establishment to guard his warehouse and superintend removals. All warehouses used for the storage both of country-made and imported salt must be licensed. Salt issued from any warehouse must be covered by a

* Before the salt excise was imposed 30 years ago, the selling price of salt at some of the Konkan works was 1 anna per maund, of which Government received 4 pies and the manufacturers 8 pies. The cost of production now averages somewhat less than 1 anna per maund, but the selling price has increased from 2 annas to 5 annas per maund. The selling price fluctuates, not with reference to the intrinsic value of the salt, but to its value when excised, which is increased 30 times by the operation, so that a selling price of only 3 per cent. above cost of production plus excise gives owners a profit of nearly 100 per cent. It requires but little combination among them to maintain this enormous profits: but they could not do it without the excise.

† This is summarised from the Act and a copy of the rules framed under it, with which Mr. Crawford, Collector of Customs at Calcutta, has kindly favoured me.

"rowannah," or pass, and all sales exceeding 5 seers from each consignment must be protected by subsidiary passes issued under various stringent rules by the original holder of the "rowannah," or by those among whom the consignment may have been distributed. The possession of more than 5 seers of salt, unless covered by subsidiary pass, is penal. All salt in transit from place to place must be presented for examination at every police station *en route*, and every dealer in salt must notify in writing to the Collector of the district full particulars regarding each parcel of salt he receives within 24 hours after its arrival at his shop. Traders are also obliged on the 1st of every month to submit to the Collector of the district a written statement exhibiting the sales of the previous month, balance of salt in hand, &c. It is needless to remark that this system is infinitely more severe and restrictive than what I have proposed. I believe that it has entirely stopped smuggling in Bengal, but it has also raised the price* of salt, exclusive of the excise, very considerably, and I think that less stringent measures may with advantage be tried in this Presidency. At the same time I would recommend that, as provided in the Draft Bill, Government should retain power in their hands to introduce the system into any district in which smuggling may not succumb to more lenient treatment.

* The first-hand price of country-made salt in Bengal is, I believe, in excess of 12 annas per maund. In Bombay it is 2 annas.

51. Much stress has very rightly been laid by Mr. Pedder on the necessity for concentrating manufacture, and his proposals have been carried out as far as the present law will allow. But nothing more can be done in this direction without legislation, and much depends on the form which legislation may take, so that it is needless for me to submit detailed proposals and explanations in this report.

52. The free export of salt to Calcutta, the Malaba Coast, and other places is a most fertile source of danger. The opportunities and temptations which it affords for smuggling must have a demoralizing effect on the department so long as it continues, and I earnestly hope that Government will insist on the payment of full duty on all salt before it leaves the works. For a description of the free export trade, and the mode in which it effects the revenue, I beg to refer to the appendix to this report. I would add this further consideration with respect to free exports to the foreign States of Cochin and Travancore. As no limit is placed on the quantities of salt which they may take, and as the frontier preventive line has been removed, they are in a position to import more salt than sufficient for their own consumption, and to dispose of the surplus, after excising it for their own benefit, to neighbouring British districts. And the following figures seem to indicate that this actually happens. The population of Cochin and Travancore in 1836 (the latest date for which I have been able to obtain a return) was 1,300,000. Allowing for an increase of 33 per cent. in 36 years, the present population numbers about 1,750,000. The average rate of consumption of salt in Madras is 14 lbs. per head. At that rate Cochin and Travancore would require about 3 lakhs maunds a year, but they take 4½ lakhs maunds, a quantity sufficient for a consumption of 21 lbs. per head, a rate unknown in India. It appears from correspondence which was carried on between the Governments of India and Madras, with reference to the convention concluded with Travancore in 1865, that the possibility of Travancore salt displacing British excised salt in some of the inland districts was then recognized, and that certain precautions were adopted in view of the contingency. But it seems doubtful whether they have proved adequate, and it may be that we are supplying Travancore with free salt by means of which its Government are enabled to tax British territory.

53. Weighments of salt at the works are now made maund by maund by the steel yard. The instrument is very liable to get out of order, and the monotony of the process is most tedious and confusing. I hardly think that any one who has not experienced it can fully realize how distressing it is to spend a day at a Konkan salt-work weighing basket-loads of salt. There is not a leaf of shade nor a particle of green for miles around—the glare from the salt pans and the

glistening heaps of fresh salt is blinding, and the stench from the acres of ooze and slime left sweltering in the sun when the tide runs out is most sickening. No wonder that our men make mistakes sometimes, however good their intentions may be. Their labours would be much relieved if an improved form of scale were introduced, by which they could weigh 3 or 4 maunds at a time instead of one maund. Both in Bengal and Madras salt is sold from warehouses, and ordinary beam scales, are used, but they will not do for our works, as they are heavy and difficult to move from place to place. What is wanted is a machine that will weigh up to 5 maunds; that will not easily get out of order; that can be worked quickly; that can be repaired and adjusted without the aid of skilled mechanics, and that is not too heavy for two men to carry for considerable distances over rough ground. Several attempts to construct a machine meeting these requirements have been made by officers of the department, but without success, and I would recommend Government to offer a premium of £250, to be competed for both in England and India, for the production of a suitable machine. The final competition should be held in Bombay, and the prize should not be awarded until the machine has been practically tested. If Government should approve of the suggestion (which has been previously made by Mr. Peddie), I will submit for consideration detailed conditions of competition.

54. The question of establishments remains to be considered. The distribution of charges in the Northern Division has already been settled, and the appointment of an Assistant to the charge of the head quarter office and accounts has been sanctioned. The arrangements I propose for the Southern Division are as follows:—

One Assistant, with head quarters at Bassein, to have charge of the ports between Damaun and Bombay and of the Bassein and Ghoreebunder salt-works.

One Assistant, with head quarters at Thana, to have charge of the Chennee Bunder and the Trombay and Matoonga salt-works and the ports and of the ports comprised in that range.

One Assistant, with head quarters at Uran, to have charge of the Rajpooree Frontier, the salt-works at Panwell, and part of the Uran Salt Taluka.

One Assistant, with head quarters at Thana, to have charge of the remaining portion of the Uran salt-works, the Penn salt-works, and the ports from Karanja to Alibagh.

One Assistant, with head quarters at Vengurla, to have charge of the ports and salt-works between Bankote and Ratree and of the Goa Frontier.

One Assistant, with head quarters at Karwar, to have charge of the ports and salt-works between Bankote and Karwar, to have charge over all ports and salt-works in north Kanrara, and superio charge over all ports and salt-works between the Bankote creek and Bhutkul, and of the Goa Frontier.

This arrangement will involve the appointment of an additional Assistant, but the increase is absolutely necessary. The present Uran range includes the salt-works at Penn Uran and Panwell, and the Rajpooree Frontier, the total revenue from which averages with the present rate of excise 3·4 lakhs rupees per annum. The works are so extensive and so much intersected by creeks that a single Assistant cannot possibly exercise supervision over them, and it will be impossible to carry out any scheme of reform without close and constant attention to details on the part of Assistants. I do not agree with Mr. Pedder in the opinion that a fixed salary should be attached to each appointment. Such an arrangement will make it difficult both to retain the services of officers in posts for which they may be peculiarly fitted and to transfer others when the necessity arises. I would not recommend that any change be made in the present system of grades. The following table shows the pay and allowance of the establishment before the proposal in contrast with the pay and allowances of the salt establishment before the Customs and Salt Departments were separated:—

Strength of pay and establishment transferred by the Commissioner of Customs.						Proposed Strength.					
Designation.	Pay.	Travelling Allowance.	Tentage.	Total.		Designation of Appointment.	Pay.	Travelling Allowance.	Tentage.	Total.	
	Rs.	Rs.	Rs. a. p.	Rs. a. p.			Rs.	Rs.	Rs.	Rs. a. p.	
Deputy Commissioner, N. D.	1,100	300	22 3 6	1,422 3 6		1 Head Assistant Collector	1,000	200	50	1,250 0 0	
						1 First Class Assistant Collector	800	200	25	1,025 0 0	
Ditto S. D.	800	300	22 3 6	1,122 3 6		1 Ditto ditto ...	800	200	25	1,025 0 0	
1 First Class Assistant Commissioner.	750	100	11 1 9	861 1 9		1 Second Class ditt ...	700	150	25	875 0 0	
						1 Third Class ditto ...	550	150	15	715 0 0	
1 Second Class ditto ...	600	100	11 1 9	711 1 9		1 Ditto ditto ...	550	150	15	715 0 0	
1 Third Class ditto ...	450	100	11 1 9	561 1 9		1 Fourth Class ditto ...	450	150	15	615 0 0	
1 Ditto ditto ...	450	100	11 1 9	561 1 9		1 Ditto ditto ...	450	150	15	615 0 0	
						1 Fifth Class ditto ...	350	100	15	465 0 0	
1 Fourth Class ditto ...	350	100	11 1 9	461 1 9		1 Ditto ditto ...	350	100	15	465 0 0	
1 Ditto ditto ...	350	100	11 1 9	461 1 9		1 Probationary Assistant to commence at Rs. 200 and rise, on passing examinations, to Rs. 250 and 300 ...	300	...	...	300 0 0	
				6,161 1 6						7,765 0 0	
Add pay of personal Assistant to the Commissioner of Customs	600	...	.....	600 0 0		Deduct	...	...	...	6,761 1 6	
	...	...	.....	6,761 1 6		Net Increase.....	...	...	...	1,003 14 6	

I have taken credit for the pay of the personal Assistant to the Commissioner of Customs because his duties were chiefly connected with the Salt Department, the accounts of which were under his special charge. The appointment was created about 10 years ago on the retirement of the Dufterdar to the former Collector of Salt Revenue and Continental Customs. The total increase proposed is Rs. 1,004 per month, and I trust that Government will not consider it extravagant. The proposal provides two additional Assistants and one probationary Assistant, and the Government of India have promised to sanction "some addition to the superior officers as a body" (para. 14 of Resolution of the Government of India, Financial Department, No. 663, dated 23rd May 1871). I would beg Government not to decrease the number of the higher-paid appointments which I have proposed, as several of the charges are of great and equal importance, and good men will not care to enter or to remain in the department unless their pay and prospects are good. I have fixed the travelling allowances at a somewhat high rate, because the work to be done lies chiefly out of doors, and involves constant travelling by sea and land; neglect of duty and want of activity will of course entail loss of travelling allowance. With the increase proposed the total annual cost of the supervising establishment, including the pay of the Collector, will amount to Rs. 1,16,180, which is nearly 1½ per cent. of the average revenue (70 lakhs) collected by the department. If the department were allowed to collect the duty on all salt made and exported under their supervision the charge would be reduced to 1 per cent. nearly.

55. The establishments I would propose for Assistants are shown in the subjoined table, and are in accord with those which Government has lately sanctioned for Assistants in the Northern Division:—

Strength of Establishment.	Pay.			Batta.			Total.		
Head Assistant.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
1 Sheristedar	50	0	0	15	0	0	65	0	0
1 Carcoon	25	0	0	10	0	0	35	0	0
1 Ditto	20	0	0	10	0	0	30	0	0
1 Canarese Carcoon	20	0	0	10	0	0	30	0	0
1 Carcoon	15	0	0	10	0	0	25	0	0
1 English Writer	40	0	0	15	0	0	55	0	0
1 Ditto	25	0	0	10	0	0	35	0	0
1 Naique	12	0	0	.....			12	0	0
4 Peons, at 9 Rs. each	36	0	0	.....			36	0	0
Contingent Allowance	.....			.....			20	0	0
Office Rent	.....			.....			30	0	0
Total.....	243	0	0	80	0	0	373	0	0
Assistants in charge of part of Uran and Panwell, of Penn and part of Uran, and of Bassein.									
1 Sheristedar	50	0	0	15	0	0	65	0	0
1 English Writer	30	0	0	10	0	0	40	0	0
1 Carcoon	20	0	0	10	0	0	30	0	0
1 Ditto	15	0	0	10	0	0	25	0	0
1 Naique	12	0	0	.....			12	0	0
4 Peons, at 9 Rs. each	36	0	0	.....			36	0	0
Contingent Allowance	.....			.....			10	0	0
Office Rent	.....			.....			30	0	0
Total.....	163	0	0	45	0	0	248	0	0

Strength of Establishment.	Pay.			Batta.			Total.		
Assistants in charge of Vengurla and Thána.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
1 Sheristedar	40	0	0	15	0	0	55	0	0
1 English Writer	30	0	0	10	0	0	40	0	0
1 Carcoon	20	0	0	10	0	0	30	0	0
1 Ditto	15	0	0	10	0	0	25	0	0
1 Naique	12	0	0	.....			12	0	0
4 Peons, at 9 Rs. each	36	0	0	.....			36	0	0
Contingent Allowance	.....			.....			10	0	0
Office Rent	.....			.....			30	0	0
Total.....	153	0	0	45	0	0	238	0	0

56. The Assistant in charge of Vengurla and the ports between Bankote and Raree should have a small sea-going boat, and those stationed at Uran, Thana, and Bassein should each have a good ship's gig to sail as well as pull with oars. Office allowance should only be drawn when an office is not provided by Government.

57. Proposals for the redistribution of subordinate charges will be submitted as soon as maps of the Salt Talukas have been prepared by the officers of the survey now in progress. I am unable to submit detailed proposals for the revision of the subordinate establishments in this report, as I do not know how far the scheme suggested will meet the approval of Government, and whether Government will consent to close any of the works during the monsoon season. The arrangement would result in a considerable saving in the cost of establishments, as a number of the Carkoons and peons employed in weighing salt in the fair season could be allowed to go to their homes without pay for three months every year. A further saving may be effected by transferring the treasury business at some Salt Talukas to the Mamlutdars' Cutcherries, if Government should approve the measure. The establishments for collecting duty and for supervising manufacture and weighments should, I think, be quite distinct from the preventive force, and should not have any authority over it. The weighing Carkoons should be placed on a general roster, and employed in their turn as applications for permits are registered, instead of each being appointed assistant to some particular Suzedar, as at present. The sea preventive force especially needs strengthening but as the subject can be better treated as a whole than with reference to the Southern Division alone, I will defer its discussion to a report containing detailed proposals for the revision of the whole of the subordinate establishments in the Northern Division, which will be submitted in a few days.

58. There is little that is original in the suggestions made in this report. I have received much useful help from my Assistants, and have carefully read all the correspondence which I have been able to obtain which bears on the subject treated.

I have the honour to be,

Sir,

Your most obedient servant,

C. B. PRITCHARD,

Acting Collector of Salt Revenue.

APPENDIX.

EXTRACT from letter No. 123, dated 7th January 1873, from the Acting Collector of Salt Revenue to the Chief Secretary to Government, Revenue Department.

2. Salt is now shipped either free or on payment of a nominal duty of 3 pies per maund to Calcutta, Malabar, Travancore, Penang, Singapoor, and Australia. The following table exhibits the exports to each of those places during each of the last four years :—

Years.	South Kanara, Malabar, Cochin, and Travancore, at 3 pies per maund.	Calcutta. Free.	Penang and Singapoor. Free.	Australia. Free.	Total.
	Ind. Mds.	Ind. Mds.	Ind. Mds.	Ind. Mds.	Ind. Mds.
1868-69	1,138,829	743,915	76,092	53,128	2,011,964
1869-70	1,069,877	842,108	80,363	.....	1,992,348
1870-71	1,055,600	423,550	34,240	.....	1,513,390
1871-72	1,138,086	257,580	54,370	.....	1,450,036
Total ...	4,402,392	2,267,153	245,056	53,128	6,967,738
Average	1,100,598	566,788	61,266	13,282	1,741,934

3. The free shipments to the Malabar Coast, Cochin, and Travancore are much the largest, and the most dangerous to the revenue, as the salt is carried in native boats which creep close along the cost. They now average more than 11 lakhs maunds, and are increasing every year.

4. Nearly all the salt consumed along the whole length of coast and some distance inland between the boundaries of the Bombay Presidency and Cape Comorin is produced at our works round Bombay. Each year the Collectors of South Kanara and Malabar, and the Agent to the Travancore Government, advertise for tenders for the supply of Bombay salt aggregating on an average 11 lakhs maunds. As soon as the rains are over and the north-east winds have well set in, the whole of the merchants whose tenders have been accepted rush to the one or two works at which salt happens to be cheapest, and pour in applications for permits. At the same period the demand for home and inland consumption is also heavy, so that for the time our establishments are overtasked and the greatest confusion prevails. Traders who have engaged boats are clamorous for quick delivery, and use every endeavour to induce our men to let the salt be shipped without the delay of weighment; and the overworked Suzedars, instead of weighing out the quantities maund by maund by the steelyard, find it easier and more profitable to make a rough estimate of the contents of each heap, and to allow it to be removed bodily without further test. The salt thus shipped is then carried down the coast *unexcised*,* as under the orders of the Supreme Government salt exported to Malabar and Travancore is free. Every night the laden pattimars put into shore and ride at anchor till the sea-breeze again sets in, and the tindals, who have of course been careful not to ship less salt than is entered in their manifests, transfer what excess quantity they may have on board to fishing boats and canoes which are always on the look-out for such chance cargoes. Every village on the coast has its fishing boats, but not a Customs

*Except 3 pies levied at the works as nominal duty.

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establishment, so that any number of small lots of contraband salt can be landed without much difficulty or fear of detection. When such facilities for smuggling exist there can be no doubt that they are very frequently availed of. The arrangement may be a good one for Madras; she obtains her salt more cheaply than she could if the contractors had to pay duty as well as the cost of the salt, and she frees her own coast from any great risk of smuggling, as the salt is carried in Bombay boats manned by Bombay men, who naturally prefer to trust their own friends in their smuggling ventures. But these advantages are gained at the risk of imperial revenue.

5. The arrangement is also a questionable one from another point of view. The salt when delivered into the Government warehouses in Malabar, costs on an average 8 annas per maund, and it is sold by Government at a uniform price of Rs. 2 per maund, so that the excise actually realized in Malabar is only Rs. 1-8-0 instead of Rs. 1-13-0. There are few places on the Bombay coast between Bombay harbour and South Kanara at which salt can be bought for less than 8 annas a maund in addition to the excise of Rs. 1-13-0, and why Malabar should be thus specially favoured I do not know. I am unable to understand the principle on which salt is sold at all Government warehouses in Madras at one uniform rate, irrespective of cost of production; or why Government should arrange to supply the inhabitants of Cannanore, Mangalore, and Beypore, for instance, with cheap salt, and not do the same for the people of Bangalore and other inland towns.

6. It will be urged that the evil complained of would be remedied if our arrangements at the works were what they ought to be; if our establishments were careful that no more than the manifested quantity of salt is put on board any boat. That there is room for improvement in supervision over shipments is true, but one of the most necessary improvements to be effected in our system is the removal of all obvious temptations to dishonesty and facilities for smuggling; and it cannot be denied that the sending forth of hundreds of cargoes of loose unexcised salt to run the gauntlet through the shore boats of some hundred miles of imperfectly guarded coast affords both facilities for smuggling and temptation to our men. I would further remark that one of the chief improvements likely to be made in the arrangement for the delivery of salt will be the prohibition of the removal of loose salt. If this measure is adopted, the price of salt delivered on the Malabar coast will be increased by the interest of the money traders must spend in the purchase of bags, and by the cost of wear and tear, and the Madras salt revenue will suffer to a corresponding extent.

7. Large quantities of salt are sea-borne from our works to many ports in Bombay, after payment of full excise; the public make their own arrangements for supply, and demand is always satisfied. Why should not Malabar be left to make similar arrangements? The State would gain nearly 3½ lakhs* rupees in direct revenue, besides no inconsiderable amount from the stoppage of smuggling and savings in establishments at the Government warehouses, and an advance would be made towards equalizing the salt tax on the western coast at any rate. The salt consumers of Malabar would also in one way benefit by the change, as they would get good average salt for their money instead of the trash which is now exported from Bombay. It is notorious that only the lowest descriptions of salt are exported to Malabar. Last year all the siftings and refuse salt in the Penu Taluka, the unsaleable accumulations of years, were bought up at less* than ¼ anna per maund, and sent to fill the Government warehouses in Malabar. But if it should be considered that the people of Malabar are not able to bear the whole of the increased burden which this arrangement would entail, its incidence might be lightened by allowing a drawback of a percentage of the excise levied in Bombay on salt landed at specified p

* 5 annas per maund on 11 lakhs maunds.

* The actual price paid was one rupee for 72 maunds. The price of ordinary Bombay salt is 2 annas per maund.

8. The arrangement under which the export of free salt to the foreign States of Cochin and Travancore is permitted seems even more objectionable. Travancore formerly had its own salt-works, which were just as troublesome and injurious to the salt revenue of Madras as the works in Goa, Damaun, Kattiawar, and Marwar now are to the salt revenue of Bombay. A cordon of preventive posts* was then drawn along the inland frontier of Travancore to prevent the ingress of untaxed salt into Madras districts; but it proved ineffective, and quantities of contraband salt year by year passed through the line. In concluding a convention with the State of Travancore a few years ago, the Madras Government took the opportunity of inducing that State to agree to assimilate its salt administration to the Madras system, offering as a consideration *the supply of Bombay salt duty free.* The Travancore State was thus enabled to create a handsome revenue for itself, and Madras got rid of her difficulties in the matter of frontier smuggling. But both these advantages are reaped at the expense of Bombay, which has not only to make salt, the revenue from which will be derived by a foreign prince, but also to bear all risk of smuggling while the salt is being made, when it is stored at the works waiting removal, and when it is being conveyed loose and unexcised along several hundred miles of coast, and all this without any return* whatever. I do not know what the terms of the convention are, but I humbly submit that if under it such a course be possible an end should at once be made of an arrangement so unfair to this Presidency, and so damaging to the imperial revenue.

* Like the frontier preventive lines along the boundaries of Kattiawar, Marwar, Goa, &c.

* Except 3 pies per maund levied as nominal duty at the work.

9. Shipments to Calcutta come next in order of importance. They are always made in the rainy season. The weariness and dreariness of splashing through a sea of mud up to the salt heaps, and of weighing out maund after maund of salt in the drenching wet of a Konkan monsoon shower can be more easily understood than described. Our men know from experience that the exposure of dry salt to heavy rain alters its specific gravity so much that there is little risk of detection if an excess quantity be given, so the work is hurried over and the exporter takes pretty much what salt he pleases. It will always be difficult to ensure correct weighments in the rains, and as there is very little demand for salt at that season, except for export to Calcutta, it is a question whether the work should not be entirely closed during the monsoon months. The salt when delivered is carried in open boats to ships lying seven, eight, or ten miles distant in Bombay harbour, and is put on board without any further examination, so that the master often does not know within several tons what quantity he receives from each boat. To protect himself and his owners he invariably executes a protest before leaving Bombay, in which he paints a dismal picture of the boisterous seas, heavy rain, and general unpropitiousness of the elements at the time when he was loading his ship, and gives utterance to gloomy forebodings that the full quantity of salt he has signed for has not been put on board. And, as a rule, he is right, for there are few shipments to Calcutta on which an excess deficiency above the authorized allowance of 5 per cent. is not discovered. The Board of Revenue generally admits the whole deficiency, as far as the ship's responsibility is concerned, on the ground that the manifested quantity of salt was probably not put on board in Bombay; and I think that this is fair, as there is very little risk of smuggling from square-rigged vessels when they have once started on their voyage, especially in the monsoon. But the facilities for smuggling before the salt is transshipped are evidently great, and the risk is one which should not be permitted without some very good reason.

10. The levy of duty before shipment would probably kill the trade, as the profits are even now so small that shipments can only be made when freights are little more than nominal. The only ships that can afford to take salt are those that have failed in getting other cargo in Bombay and are going round to Calcutta "to seek." In former years a number of such ships were usually to be

found in Bombay harbour after the first break of the monsoon, and it was for this reason that salt was usually exported in the rains. But the opening of the Suez Canal has materially altered the character of the shipping which visits Bombay. The trade is now almost confined to steamers, and year by year the sailing ships are getting fewer and fewer. How the salt export trade with Calcutta has dwindled in the last few years will be seen from the statement in para. 2 of this letter. It does not seem unlikely that, if left to itself, it will soon die a natural death, so that it is scarcely worth the while of Government to bolster up its existence a few months or years longer by the continuance of privileges which are dangerous to the revenue.

11. Free exports to the Straits Settlements and Australia are open to the same objections as those for Calcutta, with the addition that as salt is not liable to duty on import at those places it is not weighed on landing, so that there is no means of ascertaining accurately what quantity reaches the port of destination. As much of the salt for Penang and Singapore is carried in native craft, the risk of smuggling is considerable, and as the trade is unimportant I do not think the privilege of free export should be continued.

12. In conclusion, I would state that the withdrawal of all special exemptions from payment of salt duty has been advocated by successive Commissioners of Customs—from Mr. Spooner to Mr. Bellasis—and that the grant of such exemptions was vigorously opposed by the Government of Bombay—*vide* Mr. Secretary Ellis's letters to the Government of India, No. 1748, dated 9th May 1859, No. 2646, dated 7th July 1859, No. 3577, dated 12th September 1859, and No. 5223 dated 31st December 1859, and Mr. Secretary Robertson's letter No. 4485, dated 1st December 1860. If the indulgence of free exports is continued it will be necessary to make special provision against the risk of smuggling which it entails; and the cost of preventive establishments in Bombay harbour and along the coast of the Southern Division, will be materially increased.

13. In the case of consignments of salt by railway to stations to the east of the Inland Customs line full Bombay duty is levied at our works, and the differential duty of Rs. 1-3-0 per maund is collected by officers of the Inland Customs Department who are stationed at the Carnac Bunder, Kalian, and Ahmadabad. As far as the security of the revenue is concerned it does not matter whether Inland Customs Officers or officers of the Salt Department collect this duty; but as soon as our arrangements at Kharaghora and the Chennee Bunder are complete it seems probable that a saving in cost of establishments might be effected, and that the convenience of traders would be increased if the whole duty of Rs. 3 per maund were collected at once by our establishment.

C. B. PRITCHARD,
Acting Collector of Salt Revenue.

Draft of a Bill for consolidating and amending the Law relating to Salt in the Presidency of Bombay.

I. Whereas it is expedient for the better protection of the Salt Revenue to amend and consolidate the law relating to the manufacture, storage, possession, and transport of salt in the Presidency of Bombay it is enacted as follows :—

II. This Act may be cited as "The Bombay Salt Act, 1873."

III. Act XXVII of 1837 and Act XXXI of 1850 are repealed, except so far as the same repeal any other Acts or Regulations, and except as to acts done and liabilities incurred before this Act shall come into operation.

IV. The following words shall have the several meanings hereby assigned to them, unless where a contrary intention shall appear from the context; that is to say—

The word "sale" shall include every saline substance and preparation used or intended to be used with food.

The word "manufacture" shall include the preparation and collection of salt.

The words "salt work" shall mean any place used or intended to be used for the manufacture of salt, and shall include the embankments, reservoirs, evaporating pans, places at which salt is stored, and all intervening lands, and all lands on which salt is spontaneously produced.

The words "proprietor of a salt work" shall denote the person or persons licensed to manufacture salt at a salt work.

The words "contraband salt" shall denote salt manufactured without license, and salt removed from any salt work, and salt stored, or packed, or landed, or in transit, or in the possession of any person, in contravention of any provision of this or any other Act relating to the Salt Revenue or of any of the rules made or to be made in pursuance thereof.

The word "seer" shall mean a weight of eighty tolahs.

The word "maund" shall mean a weight of forty seers.

The words "Collector of Salt Revenue" shall denote the officers authorized for the

time being to exercise under Government the chief control in the Department of Salt Revenue.

When salt is in possession of, or is removed by, a person's servant or agent on his account, it shall be deemed to be in that person's possession, or to have been removed by that person, for the purposes of this Act.

Where the doing of any act is made punishable by this Act or by any of the rules made or to be made in pursuance thereof with any penalty, the attempt to commit such act, and the abetment of such act, shall be punishable in like manner.

Words importing the singular number shall include the plural, and words importing the plural number shall include the singular.

Words importing the masculine gender shall include the feminine.

V. The Governor of Bombay in Council shall from time to time appoint such persons as he may deem proper to exercise the powers conferred and to perform the duties imposed by this Act, and may suspend, fine, or dismiss any persons so appointed.

VI. All persons holding any office or employment for the collection or protection of the Salt Revenue, or exercising any powers similar to those conferred by this Act, or performing any duties similar to those imposed thereby, at the time this Act shall come into operation shall be deemed to be appointed under this Act, and shall continue to hold such office and to exercise such powers and perform such duties as if they had been appointed under this Act.

VII. The Governor of Bombay in Council may delegate to any person appointed under this Act, the whole or any part of the powers vested in him by this Act.

VIII. The appointment of all subordinate officers shall, under such rules as the Governor in Council may from time to time sanction, rest with the Collector of Salt Revenue and his assistants, who may at any time, after inquiry recorded in writing, fine, dismiss, suspend, or reduce any subordinate officer so appointed who shall be remiss or negligent in the discharge of duty, or unfit from any cause for the discharge of the same.

IX. An Excise duty at such rate as the Governor of Bombay in Council, with the sanction of the Viceroy and

Governor General of India in Council may from time to time determine, by order to be published in the *Bombay Government Gazette*, shall be levied on all salt removed from salt works in the Presidency of Bombay, and a duty at a rate to be similarly determined shall be levied on all salt imported by land or sea from any place whether within or without British India, into any part of the Presidency of Bombay.

X. The Governor of Bombay in Council may cause Chowkees to be erected at any place in any salt work within the Presidency of Bombay without compensating the proprietor or owner thereof for the use of the land occupied thereby, and may station within the limits of any salt work such persons as he may deem fit, and he shall establish preventive stations at convenient places to be selected in the neighbourhood of salt works.

XI. The Governor of Bombay in Council may from time to time declare by Notification to be published in the *Bombay Government Gazette* the ports within the Presidency of Bombay at which only it shall be lawful to import salt by sea, and may appoint proper places therein to be wharves for the landing of salt, and may declare the bounds and extent of such wharves, and may from time to time by Notification as aforesaid forbid the import or landing of salt at any port or wharf at which such import or landing may at any previous time have been authorized, and may further forbid the import by land or sea of salt exported from any place, whether within or without British India, at any port or place within the Presidency of Bombay.

XII. Within the Presidency of Bombay it shall not be lawful for any person who is not duly licensed in the manner hereinafter provided to manufacture salt.

XIII. It shall be lawful for the Collector of Salt Revenue to grant licenses for the manufacture of salt to such persons as he shall think fit. Each such license shall contain the name of the person to whom it is given, and shall specify the limits within which such manufacture may be carried on, and the place where the salt so manufactured shall be stored, and shall embrace such further conditions as the Governor of Bombay in Council may from time to time prescribe. The Collector of Salt Revenue

may at any time call for any such license, and amend or alter it in accordance with any conditions which may be so prescribed. A Register of such licenses shall be kept in the Office of the Collector of Salt Revenue.

XIV. A license shall not, except as hereinafter mentioned, be refused for the manufacture of salt at any salt work not being the sole property of Government which is being worked at the time of the passing of this Act, or which may have been worked within three years of the date of its introduction: provided that the Collector of Salt Revenue may at any time withhold or withdraw a license for manufacturing salt at any salt work whatever at which on an average of the last three years preceding the yearly produce of salt shall not have exceeded five thousand maunds: and provided that the Collector of Salt Revenue may at any time withdraw or withhold a license from any salt work whatever at which the manufacture of salt shall not have been carried on for any three consecutive years. Nothing contained in this section shall affect the powers vested in the Governor of Bombay in Council under Sections 56 and 59 of this Act.

XV. It shall be the duty of every proprietor of a salt work, on or before the first day of October in every year, to prepare and deliver to the officer in charge of his salt work a list of the persons whom he desires to employ during the next ensuing twelve months upon his said salt work, and with the consent of the said officer he may afterwards amend or add to the said list. Each such list shall be open to the revision and approval of the officer in charge of the salt work to which it has reference, who may for any reason which he considers sufficient cause the name of any person mentioned therein to be struck out. No person other than those whose names are included in such approved list, or those who have received an order or permit to remove salt from a salt work, or who may have obtained special permission to enter a salt work from an officer appointed under this Act, of not lower rank than an officer in charge of a salt work or of a preventive station, shall enter within the limits of a salt work.

XVI. Every proprietor, tenant, undertenant and cultivator, who owns or holds land on which there shall be any manufa

ture of salt not licensed under the provisions of this Act, and every Patel and other public servant of every village in which there shall be any manufacture of salt not licensed under the provisions of this Act shall, within ten days after the existence of such manufacture shall have come to his knowledge, give notice of the same to an officer appointed under this Act, or to a Magistrate, or to an officer in charge of a Police station. If any person bound to give notice under this section shall willfully omit or delay to give the same, he shall, for every such offence, be liable to a fine not exceeding five hundred rupees.

XVII. No salt shall be removed from any salt work in the Bombay Presidency without a permit to be obtained in the manner hereinafter mentioned: Provided that nothing in this section shall be held to affect the Government salt works at Kharaghora on the Runn of Kutch, or any salt works at which the manufacture of salt is carried on directly by or on behalf of Government.

XVIII. No permit for the removal of salt from any salt work shall be granted except on written application in the form marked A annexed to this Act, which shall be signed and presented both by the person desirous of removing salt and by the proprietor, or agent lawfully appointed by him, of the salt work whence it is to be removed. There shall be stated in such application the quantity and cost price of the salt intended to be removed, the name of the place to which and the route by which it is intended to take the salt immediately after removal from the salt work, and whether the said salt is intended for local consumption in the neighbourhood of the said place, or for subsequent transport elsewhere, and if destined for transport elsewhere the name of the place or district to which it is intended to be transported.

XIX. When a written application for a permit for the removal of salt from any salt work together with the excise duty leviable on the quantity of salt intended to be removed shall have been received by the officer authorized to receive them, he shall deliver a receipt and order in the form marked B annexed to this Act to the persons making such application, which receipt and order shall specify the amount of duty paid, the quantity of salt to be removed, the work from which and the person by

whom such quantity of salt is to be removed, the Preventive station at which it is to be examined, and the place to which and the route by which it may be taken, and the number of days within which the salt must be conveyed to its destination.

XX. On production of the receipt and order aforesaid to the officer in subordinate charge of the salt work to which it relates, he shall fill up the blanks which are marked therein as intended to be filled up by himself, and shall tear off and retain that part of the receipt and order which is therein marked to be retaind by himself, and shall deliver the remaining portion to the person therein authorized to remove salt, and such portion of the receipt and order so delivered shall then be a permit authorizing the person therein named to remove the quantity of salt therein mentioned.

XXI. Salt removed from salt works under a permit as described in the section last preceding shall be taken along with the permit covering it direct to the Preventive station mentioned in the permit. The permit shall there be delivered to the officer in charge of the station, and the salt shall be reweighed and examined by him in such manner as the Collector of Salt Revenue may from time to time direct. If he shall be satisfied that the quantity of salt removed does not exceed the quantity mentioned in the permit, he shall allow it to pass, and it shall then be conveyed to the place mentioned in the permit within the period allowed thereby.

XXII. It shall be the duty of the persons who have obtained an order for the removal of salt under Section 19 of this Act to superintend, either in person or by agent lawfully appointed for the purpose, the removal of salt so authorized, and to test the weights and scales used in weighing out such removal of salt, and to prevent the removal of salt in excess of the quantity mentioned in the said order.

XXIII. No permit for the removal of salt from any Government warehouse, or store, shall be granted except on written application, which shall be signed by the person desirous of removing salt. There shall be stated in such application the quantity of salt intended to be removed, the name of the place to which it is intended to take the salt immediately after removal from such Government warehouse or store,

whether the said salt is intended for local consumption in the neighbourhood of the said place, or for subsequent transport elsewhere, and if destined for transport elsewhere, the name of the place or district to which it is intended to be transported.

XXIV. No building, enclosure or premises within a distance of 10 miles from any salt work, or from any land customs station established under Act 29 of 1857, or from any Government salt warehouse, or from any port or place declared and appointed for the import or landing of salt, or within such other limits as the Governor of Bombay in Council shall define by Notification to be published in the *Bombay Government Gazette*, shall be used for the storing or reception of salt for purposes of sale unless licensed for that purpose by the Collector of Salt Revenue.

XXV. The Governor of Bombay in Council may from time to time make rules for regulating and licensing the storage or possession of salt for purposes of sale within the limits mentioned in the section last preceding, and may levy fees on such licenses, and it shall be the duty of the Collector of Salt Revenue to issue licenses for the storage or possession of salt for purposes of sale within such limits to such persons and for such buildings, enclosures, or premises as he shall deem fit.

XXVI. All salt exceeding 20 seers in quantity, not being in transit under cover of a permit granted under Sections 19 and 20 of this Act, found within such limits as aforesaid in any building, enclosure, or premises which shall not have been duly licensed under the section last preceding, shall be held to be contraband.

XXVII. It shall be lawful for the Governor of Bombay in Council to declare by Notification to be published in the *Bombay Government Gazette* that the whole or any portion of Bengal Act VII. of 1864, being an Act entitled "The Salt Act of 1864," and all or any of the rules made in pursuance of Section XIII. thereof, shall be enforced within certain limits to be specified in the said Notification, and the Act, or portion of the Act, and rules aforesaid, shall thereupon have the force of law within the said limits, and shall be considered to be a portion of, and shall be read with this Act.

XXVIII. It shall be lawful for the Governor of Bombay in Council by Notification

to be published in the *Government Gazette* to forbid the removal of salt from any salt work for any period between the 15th day of June and the 15th day of September in any year.

XXIX. Any officer appointed under this Act or any Police or Customs officer may enter and inspect at any time by day or night any salt work, or any warehouse, premises, or vessel, in which salt is stored.

XXX. Any officer appointed under this Act, and any Customs or Police officer, may, without warrant or order from a Magistrate, arrest and detain any person whether on land or water against whom reasonable suspicion exists that he has been guilty of any offence against this or any other Act relating to the Salt Revenue, or against any of the rules made or to be made in pursuance thereof, and shall forward any person so detained without delay to the nearest Magistrate or Police station or to an officer in charge of a salt work or Preventive station.

XXXI. When any person arrested as aforesaid shall have been forwarded to any officer in charge of a salt work or Preventive station, such officer may detain him in custody and shall proceed to inquire into the charges against him.

XXXII. If the person arrested appears from the information obtained to have committed any offence against this or any other Act relating to the Salt Revenue, or against any of the rules made or to be made in pursuance thereof, the officer making the inquiry mentioned in the last preceding section shall forward him under custody to the nearest Magistrate.

XXXIII. No officer in charge of a salt work, or of a Preventive station, shall without the special order of a Magistrate detain an accused person in custody for a longer period than under all the circumstances of the case is reasonable, such period in no case to exceed twenty-four hours.

XXXIV. If it shall appear to the officer in charge of a salt work, or Preventive station, that there is not sufficient evidence or reasonable ground of suspicion to justify the transmission of the accused person to the Magistrate, he shall at once release the accused person, and submit a report of the case for the orders of his immediate superior.

XXXV. Any officer appointed under this Act, or any Customs or Police officer,

may seize and detain any salt which he may reasonably suspect to be contraband, and any animals, carriages, or vessels, used in transporting it, or in or upon which it may be found, and all goods and packages in which or among which it may be contained or concealed, and shall have power to search all persons, animals, carriages, vessels, goods, and packages, in or upon which he may have reasonable cause to suspect contraband salt to be, or to be concealed.

XXXVI. Any Magistrate or Justice of the Peace may, on written application by any officer appointed under this Act, or by any Customs or Police officer, issue a warrant for the search of any house or building in which there may be reasonable cause to suspect that contraband salt is, or is concealed. The provisions of Chapter VIII. of the Code of Criminal Procedure shall be applicable (so far as may be) to search warrants issued under this section.

It shall be the duty of every Police and Revenue officer to aid any officer appointed under this Act in the due execution of any duty imposed thereby, on notice given or request made by such officer; and it shall be the duty of every officer in charge of a Police station, upon receipt of complaints or information of the commission within the limits of his station of any offence punishable under this Act, or under any rule made in pursuance thereof, to take action in the manner prescribed in the Code of Criminal Procedure for the conduct of such Police officer, upon receipt of complaint or information of the commission within the limits of his station of any offence specified in column 3 of the schedule annexed to the Code of Criminal Procedure, as an offence for which Police officers may arrest without warrant.

XXXVII. Any officer appointed under this Act, of not lower rank than an officer in charge of a salt work or of a Preventive station, may by written order require the attendance before himself, at a time and place to be mentioned in such written order, of any person whose presence he may consider necessary for any of the purposes of this Act, and every person so summonsed shall be bound to attend in person at the time and place appointed in the said written order, and to furnish to such officer true information on any subject whatever connected with the Salt Revenue on which such officer may question him, and to

produce such documents or things, being in his possession or within his control, as he may be required to produce by such officer.

XXXVIII. The Governor of Bombay in Council may from time to time make rules, not being repugnant to the provisions of this or any other Act relating to the Salt Revenue, for the following purposes, viz :—

1. For regulating the manufacture, deposit, and storage, of salt at any salt work.

2. For regulating the deposit and storage of salt in any building or premises used for the deposit or storage of salt on which excise duty has not been paid.

3. For regulating the removal of salt from any salt work and from any building or premises used for the deposit or storage of salt on which excise duty has not been paid, the mode of weighment, the mode in which salt shall be packed before removal, and the size and weight of the packages in which it shall be removed.

4. For regulating the routes by which salt removed from any salt work shall be taken to a preventive station.

5. For regulating the routes by which salt manufactures and other persons shall approach, enter, or leave, any salt work, and the hours during which only it shall be lawful for any person to remain within the limits of any salt work.

6. For determining and regulating the places at or near any salt work at which salt shall be loaded into boats or carriages or upon animals, and the places at which such boats shall anchor, and such carriages and animals shall stand while waiting to be loaded with salt, and the routes by which they shall approach or leave any salt work or place appointed for loading salt.

7. For regulating the import of salt by sea and land, the mode in which it shall be packed, and the size and weight of the packages in which it shall be imported.

8. For regulating and enforcing the attendance and labour of any person who has contracted or agreed to manufacture salt at any salt work under the immediate management and control of Government.

9. For the conservancy of any salt work.

And the Governor of Bombay in Council may from time to time fix penalties for infringements of such rules.

XXXIX. All sifted and refuse salt and all salt which may have remained in store at any salt work, or in any building or premises used for the deposit or storage of salt on which excise duty has not been paid, for a longer period than two years, may at the discretion of the Collector of Salt Revenue be put up for sale and disposed of if the price bid is equal to the excise duty leviable thereon, and if the price offered be less than the excise duty leviable thereon it shall be lawful for the said officer to cause the salt to be destroyed. The Collector of Salt Revenue shall have authority to determine whether any salt is sifted or refuse for the purposes of this Act.

XL. On any heap of salt being opened and a part thereof removed, it shall be lawful for the officer in charge of the salt work to require the proprietor of the salt work, by written notice, to remove the remaining portion within three days of the date of such notice, or to deposit it at such other place as the said officer may direct, failing which it shall be lawful for the said officer to offer the said salt for sale and to dispose of it if the price bid is equal to the excise duty leviable thereon, and if the price offered be less than the excise duty leviable thereon, it shall be lawful for the said officer to cause the salt to be destroyed.

XLI. Whenever any salt work shall be suppressed under any of the provisions of this Act, and whenever a license to manufacture salt at any salt work shall be withheld, suspended, or withdrawn, under any of the provisions of this Act, it shall be lawful for the Collector of Salt Revenue to cause the embankments of such salt work to be broken, or to flood such salt work with water, or to take such other measures with respect to it as he may consider necessary for the prevention of the manufacture or spontaneous production of salt therein.

XLII. Salt in store at any salt work which may be suppressed in the manner hereinafter provided or at any salt work a license for the manufacture of salt at which may be withheld, suspended, or withdrawn, shall be removed within six months from the date of such suppression, or of the withholding suspension or withdrawal of such license, and it shall be lawful for the Collector of Salt Revenue to cause any salt which may remain in store at any such salt work after the expiry of such period of six months to be put for sale and sold, if the price offered be equal to the excise duty leviable thereon, and if the price bid be less than the excise duty leviable thereon it shall be lawful for the said officer to cause the salt to be destroyed.

XLIII. It shall be lawful for any officer appointed under this Act of not lower rank than an officer in charge of a salt work to require by written order the proprietor of any salt work to protect in a manner which the said officer shall consider sufficient, by thatch, or in any other mode customary in the district in which such salt work may be situated, any salt upon any embankment, platform, or place, used for the storage of salt within the limits of such salt work, or to repair to his the said officer's satisfaction any embankment, platform, or place, used for the storage of salt within such salt work, and if the said proprietor shall fail to comply within seven days of the receipt of such order with the requirements therein stated, the officer who issued the order shall proceed to execute the works mentioned therein, and shall recover the costs thereof from the said proprietor in the manner prescribed for the realization of revenue in Chapter III. of Reg. XVII. of 1827.

XLIV. It shall be lawful for any officer appointed under this Act of not lower rank than an officer in charge of a salt work to require by written order the proprietor of any salt work to repair to his the said officer's satisfaction any "kottar," "golah," building, or premises, used for the storage of salt manufactured at such work on which excise duty shall not have been paid, and if such proprietor shall fail within 14 days of the receipt of such order to fulfil the requirements stated therein, the officer who issued the order shall proceed to execute the work mentioned in the order, and shall recover the costs thereof from the said proprietor in the manner prescribed for the realization of revenue in Chapter III. of Regulation XVII. of 1827.

XLV. Whenever for any purpose of this Act it is required that a written notice shall be served on any person, such notice shall be decreed to be served on the date

on which it shall be delivered to such person, or affixed to the door of his last known place of residence, or posted in a conspicuous place in any part of the salt work to which it has reference.

XLVI. Whenever for any of the purposes of this Act, or of any rule made or to be made in pursuance thereof, it shall be lawful for any officer appointed under this Act, or for any Customs or Police officer, to weigh or examine any salt, or to examine any vessel, carriage, package, or goods, in which salt is, or is suspected to be, it shall be the duty of the person in whose immediate possession or control such salt, vessel, carriage, package, or goods, may be to weigh such salt, and to unload, open, or unpack, such vessel, carriage, package or goods, without delay and in the manner required by such officer, and whenever such person shall omit or delay to weigh such salt, or to unload, open, or unpack, such vessel, carriage, package, or goods, in the manner in which he is required to weigh, unload, open, or unpack them by the officer aforesaid, it shall be lawful for the officer aforesaid to cause the salt to be weighed, the vessel, carriage, package or goods to be unloaded, opened, or unpacked, and to recover the costs thereof from the person in whose possession or under whose control they were found, and in default of payment to detain the said salt, vessels, carriages, packages, or goods, or such portion of them as he may consider sufficient, and to sell the same and recover the costs from the proceeds of the sale.

XLVII. All contraband salt, and all vessels, animals, and conveyances, used or intended to be used in transporting it, and all goods, packages, and coverings, in or among which it may be placed, and all materials and implements used in manufacturing salt without a license, shall be confiscated; but may be redeemed on payment of such fine as the officer adjudging confiscation may think reasonable.

XLVIII. Whoever shall be concerned in passing, removing, or transporting, contraband salt shall be punished with imprisonment of either description as defined in the Indian Penal Code, which may extend to six months, or with fine which may extend to Rs. 1,000, or with both.

XLIX. Whoever shall accept or retain salt, having reason to believe the same to be contraband, shall be punished with imprisonment of either description as defined in the Indian Penal Code for a term not exceeding six months, or with fine which may extend to Rs. 1,000, or with both.

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L. Whoever shall manufacture salt without a license, or beyond the limits of his license, or in violation of any of the conditions specified therein, shall be punished with imprisonment of either description as defined in the Indian Penal Code for a term not exceeding six months, or with fine which may extend to Rs. 1,000, or both.

LI. Whoever shall be guilty of a breach of any of the provisions of this Act, or of any license, permit, or rule, made, or issued, in pursuance thereof, for infringements of which special penalties shall not have been prescribed, shall be punished with simple imprisonment for a term not exceeding three months, or with fine which may extend to Rs. 500, or with both.

LII. Whoever, being a public servant as defined in the Indian Penal Code, shall be guilty of a breach of any of the provisions of this Act, or of any rule made in pursuance thereof, shall be punished with imprisonment of either description as defined in the Indian Penal Code for a term not exceeding two years, or with fine, or with both.

LIII. Whoever signs or prepares an application for a permit to remove salt which he knows or has reason to believe to be incorrect, or who uses an incorrect application for a permit to remove salt, knowing or having reason to believe it to be incorrect, shall be liable to fine which may extend to Rs. 500, or in default to simple imprisonment which may extend to one month.

LIV. All offences punishable under this Act shall be cognizable by any Magistrate exercising powers not less than those of a 1st Class Subordinate Magistrate.

LV. All offences against this Act, or against any rule made in pursuance thereof, the penalties prescribed for which are limited to fine or simple imprisonment, shall be cognizable by any officer appointed under this Act to whom the Governor of Bombay in Council may specially delegate power to take cognizance thereof, provided that any officer to whom such power may be delegated shall not award a sentence of fine exceeding Rupees 500, or of simple imprisonment for a period exceeding seven days.

LVI. It shall be lawful for the Governor of Bombay in Council to suppress any salt work, or to suspend or withdraw the license to manufacture salt at any salt work, the proprietor of which, or his agent, or any person employed thereat, shall have been guilty of any offence against the provisions of this Act, or of any breach of any rule made in pursuance thereof, or of any breach of the conditions specified in the license granted for the manufacture of salt at such work. It shall be at the discretion of the Governor of Bombay in Council to determine whether any such offence, or breach of rules or license, has been committed by any proprietor of any salt work.

LVII. Every case in which under this Act any salt, vessel, animal, conveyance, goods, covering, package, implement, or material, is liable to confiscation, may be inquired into and determined by the Collector of Salt Revenue, or other officer to whom power to adjudicate and determine any such cases may be delegated by the Governor of Bombay in Council.

LVIII. All fines levied, and the proceeds of all confiscations adjudged, under this Act shall be at the disposal of the Governor of Bombay in Council, for the reward of informers and of persons through whose aid or instrumentality any offender against the provisions of this Act or against any rule made in pursuance thereof shall have been arrested, or any seizure of contraband salt shall have been made, and of persons who shall have done any act of gallantry or merit in the attempt to arrest offenders or in the performance of any other duty under this Act.

LIX. The Governor of Bombay in Council may at his discretion direct the summary suppression of any salt work within the Presidency of Bombay on payment of compensation, provided that nothing in this section shall be held to interfere with the powers vested in the Governor of Bombay in Council and the Collector of Salt Revenue by Sections 14 and 56 of this Act, and provided that the compensation to be awarded shall in no case exceed twenty times the average annual net profits of the salt work for the five years immediately preceding its suppression.

LX. The procedure for suppressing salt works and awarding compensation shall be as follows :—

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1. The Collector of the district in which the salt work is situate shall cause notice to be affixed at convenient places on or near the salt work where the manufacture is to be suppressed, stating that it is intended to suppress the manufacture of salt in that work.

2. The said notice shall specify the date on which the manufacture will be suppressed (such date to be not less than three months from the date of the notice), and shall require the registered proprietor of the salt work to appear personally, or by agent, before the Collector at a time and place therein mentioned (such time being not earlier than fifteen days after the service of the notice), and to state the amount and particulars of his claims to compensation.

3. The Collector shall also serve a notice to the like effect upon the registered proprietor of the salt work, or upon his agent, if residing within the revenue district in which such salt work is situate. If neither the proprietor nor his agent reside within such revenue district, then such notice shall be sent by post to the last known residence of such proprietor or agent.

4. It shall not be necessary for the Collector to give any further notice to any one before suppressing the manufacture.

5. The manufacture of salt shall cease in any work from and after the date specified in the notice issued by the Collector under clause 1, but the ownership of the land shall not be affected thereby.

6. On the day fixed in the notice for the appearance of the registered proprietor or his agent, the Collector shall proceed to inquire summarily into the cost of construction and improvement of the salt work, exclusive of sums spent on ordinary repairs, and deducting the value, if any, of the land and of any buildings thereon which are capable of being applied to any other purposes than the manufacture of salt. The sum so arrived at shall be tendered by the Collector to the registered proprietor as the amount of compensation due in respect of such salt work.

7. For the purpose of the inquiry mentioned in the last preceding section the Collector shall have power to summon and enforce the attendance of witnesses, and to compel the production of documents, by the same means and (as far as may be) in

the same manner as is provided in the case of a Civil Court under the Code of Civil Procedure.

8. If the Collector and the registered proprietor agree as to the amount of compensation to be allowed, the Collector shall make an award under his hand for the same. Such award shall be filed in the Collector's office and shall be conclusive evidence, as between the Collector and the persons interested, of the amount of compensation allowed for such salt work.

9. If the Collector is unable to agree with the registered proprietor as to the amount of compensation to be allowed, or if such proprietor fails to attend, the Collector shall refer the matter to the determination of the Civil Court of the district in the manner hereinafter appearing.

10. In making a reference under Clause 9 the Collector shall state for the information of the Court, in writing under his hand—

(*a*) The situation and extent of the salt work to be suppressed;

(*b*) The name of the registered proprietor;

(*c*) The amount of compensation tendered under Clause 6;

(*d*) The grounds on which the amount of compensation was determined.

11. The Court shall thereupon cause to be served on the person so named a notice requiring him (if he has not made a claim under Clause 2) to state to the court, on or before a day to be therein mentioned, the sum which he claims as compensation for the work to be suppressed, and the court shall further fix a day, also to be mentioned in the said notice, on which the court will proceed to determine the amount of the compensation.

12. On the day so fixed the court shall proceed to determine the amount of the compensation.

13. Every proceeding in pursuance of the notice given under Clause 11 shall take place in open court, and all persons entitled to practice in any Civil Court shall be entitled to appear, plead, or act, or to appear and act (as the case may be) in such proceeding.

14. In ascertaining the amount of compensation, the court shall simply take into consideration the matters mentioned in Clause 6 and no others.

15. Where the registered proprietor has made a claim to compensation pursuant to any notice mentioned in Clause 1 or 2, the amount awarded to him shall not exceed the amount so claimed, or be less than the amount tendered by the Collector under Clause 6.

16. Where the registered proprietor has refused to make such claim, or has omitted without sufficient reason (to be allowed by the Judge), to make such claim, the amount awarded may be less than, and shall in no case exceed, the amount so tendered.

17. Where the registered proprietor has omitted for a sufficient reason (to be allowed by the Judge) to make such claim, the amount awarded to him shall not be less than, and may exceed, the amount so tendered.

18. The costs of all proceedings taken under Clauses 10 to 24 inclusive by order of the Court shall, in the first instance, be paid by the Collector.

19. Where the amount awarded does not exceed the sum tendered by the Collector, the cost of all proceedings under the said sections shall be paid by the registered proprietor.

20. Where the amount awarded exceeds the sum so tendered, such cost shall be paid by the Collector.

21. Every award made under Clause 12 shall be in writing, signed by the Judge.

22. It shall also state the amount of costs incurred in the proceeding before the Court, and by what persons and in what proportions they are to be paid.

23. The costs (if any) so payable may be recovered from the party liable to pay the same as if they were costs incurred in a suit, and as if the award were the decree therein.

24. The following provisions of the Code of Civil Procedure—

(*a*) As to adding parties;

(*b*) As to adjournment;

(*c*) As to death, marriage, and bankruptcy or insolvency of parties;

(*d*) As to summoning witnesses and their attendance;

(*e*) As to examination of parties and witnesses;

(*f*) As to production of documents; and

(g) As to commissions to examine absent witnesses and to make local inspections, shall apply (so far as may be) to proceedings before the Court.

LXI. For the purposes of this Act the registered proprietor of any salt work shall be taken to be the full owner thereof, and shall be entitled to receive from the Collector all sums payable as compensation in respect of the same; provided that nothing herein contained shall affect the liability of such registered proprietor to pay the whole or any part of such compensation to any person who may have any interest in or lien upon such salt work in proportion to the amount of such interest or lien.

LXII. No suit shall be brought to set aside an award under this Act.

And no suit, action, or other proceedings shall be commenced or prosecuted against any person for anything done in pursuance of this Act, without giving to such person a month's previous notice in writing of the intended suit, action, or other proceedings, and of the cause thereof, nor after the expiration of three months from the accrual of the cause of suit, action, or other proceedings.

LXIII. Where any legal proceedings are taken against any person for anything done, or intended to be done, under the provisions of this Act, it shall be lawful for the defendant to plead that the act complained of was done in good faith by order the order of his superior officer, and upon establishing such plea the defendant shall be entitled to a decree in his favour, although the superior officer had no authority to make such order; provided always that nothing in this section shall affect any remedy which the party injured may have against the superior officer who gave such order; provided also that this section shall not apply where a suit is brought against a Collector for acts done under the order of the Government.

APPENDIX A.

(Form of Application referred to in Section 18.)

Dated at

To

THE OFFICER APPOINTED TO COLLECT THE SALT Duty at .....

Application is hereby made by the undersigned for a permit for the removal of Indian Maunds of Salt, and Duty the amount of Rupees is tendered herewith. Details relating to the proposed removal are correctly stated in the form below.

Name of Applicant and Exporter.	Residence of Applicant and Exporter.	Quantity of Salt intended to be removed. Maunds. Seers.	Name of Salt Work and of Agaza from which Salt is to be removed.	Name of the Proprietor of the Salt Work from which Salt is to be removed and cost price of the Salt.	Place to which the Salt is to be exported.	Mode of conveyance—(if by boat, name of boat and Tindal; if by cart or beasts of burden, state No. of carts or No. of animals).	Route by which the Salt is to be taken to its destination.	Whether the Salt is required for Local consumption, or for subsequent transport elsewhere; if for the latter, the place or district for the consumption of which it is destined.	Whether the removal is on applicant's own account or for another; if for another person, his name and residence.

Date of Receipt.

Amount of duty paid.

No. of Receipt order granted.

Date of Receipt order and time when granted.

(Signature)
Sir-Carkoon.

(Signature of Applicant and Exporter.)

(Signature of the Proprietor of the Salt Work.)

Signed in my presence.

(Signature)

Sir-Carkoon.

APPENDIX B.

(Form of Receipt and Order referred to in Section 10.)

PRINTED AT THE GOVERNMENT CENTRAL PRESS, BOMBAY.

Rec'd Dec. 4th 1874

1873.

Proceedings of the Bombay Legislative Council on the passing of the Bombay Salt Act.

also

The Bombay Salt Act 6 of 1873.

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Abstract of the Proceedings of the Council of the Governor of Bombay, assembled for the purpose of making Laws and Regulations, under the provisions of "THE INDIAN COUNCILS' ACT, 1861."

The Council met at Poona on Monday the 11th August 1873, at noon.

PRESENT:

His Excellency the Honourable SIR PHILIP EDMOND WODEHOUSE, K.C.B., Governor of Bombay, *Presiding.*

His Excellency the Honourable SIR AUGUSTUS ALMERIC SPENCER, K.C.B.

The Honourable A. ROGERS.

The Honourable J. GIBBS.

The Honourable the ADVOCATE GENERAL.

The Honourable MUNGULDASS NUTHOOBHOY, C.S.I.

The Honourable COLONEL M. K. KENNEDY.

The Honourable SIR JAMSETJEE JEEJEEBHOY, Bart., C.S.I.

The Honourable E. W. RAVENSCROFT.

The Honourable NARAYEN VASUDEV JOSHI.

The Honourable J. K. BYTHELL.

The Honourable GUNPUTRAO TATYA SAHIB PUTWURDHUN.

Mr. Gibbs moving the second reading of Bill No. IV. of 1873, to legalize certain payments made from the proceeds of the fees levied under Bombay Act IX. of 1863.

The Honourable MR. GIBBS, in moving the second reading of Bill No. IV. of 1873, said :—

I beg to move the second reading of Bill No. 4 (a Bill to legalize certain payments made from the proceeds of the fees levied under (Bombay) Act IX. of 1863). As I explained when I introduced the Bill, certain payments and advances appear to have been made by Government from time to time out of the funds which were levied under Bombay Act IX. of 1863; and with regard to some of these items the Government of India, and also the local Government, came to the conclusion that they were not, strictly speaking, legal within the terms of that Act. The thirteenth Section of that Act says it is, "all funds so levied shall be brought to the credit of a fund to be called the Cotton Improvement Fund to be appropriated by His Excellency the Governor in Council to the objects of this Act." Now, the object of that Act was to prevent frauds, and hence arose the difficulty which has led to the introduction of this Act, because the payments which I have alluded to cannot be called payments for the prevention of cotton frauds. The various items are shown forth in a very long statement which has been prepared by the Cotton Commissioner, and I find that they extend over a period from 1865 to the present time. The nature of the items may be learned from one or two of them. I see there is an item of an advance to a gentleman to aid him in carrying out certain cotton experiments in the Berars and Khandesh; another, for the purchase of lever presses of a particular description; another with regard to experiments upon Hingunghat seed conducted by the Collector of Khandesh. There are a great many items referring to the purchase of different kinds of seeds and presses and gins, all of course bearing upon the efforts which have been made to improve the growth and preparation of cotton. In 1866 a grant was made out of the fund for the purchase of samples of cotton of different descriptions which were to be forwarded to the Paris Exhibition. This was one of the items about the legality of payment of which under Act IX. doubts are

entertained. Another of these items is an advance of Rs. 20,000 which was made towards the purchase of cotton for the late Bombay Exhibition; but of that, I may say a considerable portion has been refunded, so that the total expenditure upon that account is only Rs. 14,627. In reviewing the whole matter, the Government of India considered that some of these items were exceptionable and some illegal, and the Government of Bombay arrived at the same conclusion. This Bill is the consequence. I believe it has been objected that this Bill is not exactly necessary, His Excellency the Governor in Council having power to settle the matters in dispute; but I think that, after the opinion expressed by the Government of India, the course now being adopted is the better one. With these remarks I beg to move that the Bill be read a second time.

Bill read a second time and considered in detail.

The motion was agreed to, and the Bill read a second time.

The Council then proceeded to consider the Bill in detail.

The Honourable Mr. BUTTERLY suggested that the words used in Section 1 did not entirely express the intention of the Honourable mover. The Bill as it stood legalized sums expended "for any purpose connected with the introduction and cultivation of superior descriptions"; but more than this was requisite.

His Excellency the PRESIDENT proposed that the words used ought to be "for the purpose of encouraging the introduction and manufacture of superior descriptions of cotton and cotton fabrics shall be deemed to have been legally expended," &c.

The Honourable Mr. LAVINGTON approved of His Excellency's suggestion, because he remembered that a portion of the advance of Rs. 20,000 for the Bombay Exhibition referred to by the Honourable mover [illegible] Gibbs had been actually expended upon cotton fabrics.

His Excellency's amendment was agreed to, and the Section was passed.

Bill read a third time and passed.

The preamble and title were also agreed to; and the Bill was then read a third time and passed.

Mr. Rogers moves the first reading of the Salt Bill.

The Honourable Mr. ROGERS, in moving for the first reading of Bill No. 5 of 1873, said:—Sir, I beg to propose the first reading of Bill No. 5 of 1873 (a Bill for consolidating and amending the law relating to salt in the Presidency of Bombay). I need hardly dwell upon the importance of this measure. The revenue collected annually from salt is over a million sterling. From figures which have been supplied to me by Mr. Pritchard, the Collector of Salt Revenue, I find that the average for the four years from 1838-39 to 1841-42 was fourteen lakhs; owing to the great increase in rates of excise that amount has risen within the last year to sixty-eight lakhs; in addition to this a very large export trade takes place to Calcutta and the Malabar Coast in accordance with special arrangements with the Government of India and Native States on the Coast, by which salt is exported free of duty; and if the value of that is added to the sixty-eight lakhs, it will be found that the total value of the salt excise is just about what I have stated—a million sterling. I may say, however, that the figures given by Mr. Pritchard are 104 lakhs. By this Bill we endeavour to provide means for obtaining the fullest value of the revenue assessed upon salt in this Presidency. Owing to successive enhancements of the excise upon salt it is natural to suppose that a great incentive has been given to smuggling, the laws hitherto passed to prevent it having been found insufficient. There is a considerable difference

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in the system of levying salt revenue in different parts of the Presidency. Thus in Gujrat it is the practice for Government to hold the salt pans while the people are allowed to manufacture, not exactly on the part of Government but under an implied contract with it. In Tanna and the Southern Division the system is different, the salt pans and works being owned directly by private individuals, although before any salt can leave the manufactories it must be assessed to the excise revenue by a Government officer who is in charge. Under the practice in Gujrat it has been found practicable to greatly diminish the number of salt pans. A number of the smaller salt works have been suppressed, but one large salt work has been established by Government near Patree in the Lesser Runn of Kutch. Where the whole manufacture is carried on by Government, experience has taught us that the prevention of smuggling is a comparatively easy matter, while the contrary is the case where the trade is left in the hands of private individuals. Therefore, a great many of the provisions in this Bill have been framed with the view of enlisting the assistance of those who are or may become salt factory proprietors in the prevention of fraud. The present system may be said to have originated from the time of the passing of Act XXVII. of 1837, although it was not necessary then for any person to obtain leave to open a salt work: all that he required to do being to give notice to the Collector of his intention to open a salt pan. By Act XXXI. of 1850, the working of salt pans was prohibited except under an official permit. In 1827 the excise on salt was 8 annas per maund; by Act XVI. of 1864 it became one rupee; by Act VII. of 1861 it was raised to one rupee and a half; by Act XXIV. of 1869 it was again raised to Rs. 1-13 as., which is at present the excise upon salt per Indian maund. Hitherto no person has been compelled to take out a licence for the manufacture of salt, but it is now intended that whoever proposes to make salt must be provided with a licence; but [illegible] especially introduced into the Bill by which the Collector of Salt Revenue will be debarred from refusing a licence to present proprietors except under certain circumstances in which the Government have always had the power to put a stop to works. The Section which I am referring to is Section 19, which says—"A licence shall not, except as hereinafter mentioned, be refused for the manufacture of salt at any salt work not being the sole property of Government which is being worked at the time of the passing of this Act, or which may have been worked within three years of the date of its introduction." The remainder of the section merely repeats the present law, which is in effect that any salt work which on an average of any three years shall not have produced yearly at least five thousand Indian maunds of salt may be suppressed. Under this Bill, we make it competent for Government to suppress such a salt work, and to the Collector of Salt Revenue to withhold a licence when any salt work has remained unused for three consecutive years. Hitherto the salt work proprietors have contented themselves with enjoying the profits of their manufactories, and have not taken any trouble to regulate the general management of their works so as to prevent smuggling. We now propose to give them the means by which they shall have every opportunity of checking smuggling; they will be allowed at the commencement of every manufacturing season, which is at the end of the monsoon, to hand in a list of the servants whom they employ or intend to employ in the salt manufacture, and by this means we believe that trustworthy people will be placed in charge of their works. At present a proprietor has nothing to do with the weighing of salt or in seeing it out of his

The Collector of Revenue to grant salt licences as usual except under certain circumstances.

The proprietor of a salt work to see after the thorough weighing of the salt produced in his factory.

hands into those of the purchaser. By certain provisions of this Act it will be incumbent upon the proprietor of every work, either by himself or his authorized servant, to see that the salt is properly weighed at the salt works, and afterwards that, according to rules prescribed by Government, it is taken to a distant preventive station where it is to be weighed over again. It has been discovered that one principal cause of smuggling is due to the carelessness of the people on our own establishments giving overweight, and the sections which have been drafted regarding re-weighing at preventive stations may remedy this to a considerable extent. A chief means to prevent smuggling is of course to concentrate the manufactories as far as possible. The present law permits the suppression of works that do not turn out 5,000 maunds of salt a year, and in this Bill means are also provided by which any work may be suppressed on the payment by Government of compensation equal to the market value of the works suppressed. The provisions relating to this subject are similar to those for the acquisition of lands for Government purposes, so that if it should happen that for fiscal purposes it may be necessary to suppress any salt works, no injustice will be done to the proprietors. Another proposal by which we hope to prevent smuggling as far as possible is to lay down that within ten miles of salt works no buildings shall be used for the storing or reception of salt for purposes of sale unless

Certain works may be suppressed Government granting compensation.

licensed.

His Excellency the President—The Town and Island of Bombay excepted?

The Honourable Mr. Rogers—Other provisions are made by which Government shall have power to lay down rules to regulate storage and the removal and manner of removal and manner of packing which experience has taught to be necessary on account of the smuggling that takes place in the export of salt by sea. A great deal of the exporting by sea takes place during the monsoon months, and in consequence of the state of the ground during that period of the year in all the southern parts of the Concan the weighing of salt is a very difficult operation, people having frequently to work up to their knees in mud. The work is in consequence apt to be slurred over by our officials. Moreover, there is no security that the salt supposed to be weighed when it is put into the boats is correctly weighed, because in consequence of the disagreeableness of the duty of weighing, the salt is frequently merely shovelled in. Government in this Bill retain power to lay down rules by which salt shall be properly weighed, and packed only in a certain way for export. We have found that another way in which smuggling takes place is in consequence of the practice of persons purchasing only the larger crystals, while the losag are left; and to prevent this refuse salt being smuggled out of the works and sold, power is here given to destroy that description of salt. I may add that very few of the provisions in the draft Act do not already exist in either of the existing Acts in force in other parts of India. By power given in the last Bengal Act, in addition to the provisions of the Act itself, rules have been laid down by Government which are far more stringent than anything which we propose to enact in this measure. It may be found necessary, however, to introduce these rules if, notwithstanding all our precautions, smuggling is still found to be carried on to a great extent. It is to be hoped, however, that there will be no necessity for doing so, although we have made provi-

Government to lay down rules for the [illegible] of salt.

sion here for such an unfortunate contingency. Where so large a portion of the imperial revenue is dependent upon salt, it is of course necessary that the laws to enable us to reap the full value of our excise should be stringently carried out; otherwise the expense and trouble of Government in collecting the revenue will be to a certain extent unavailing, and the general revenues of the country will suffer. With these remarks I now beg to move the first reading of this Bill.

The motion was carried.

The Bill read a first time and referred to a Select Committee.

The Honourable Mr. Rogers then proposed that the Bill should be referred to a Select Committee, to consist of—

The Honourable Colonel Kennedy,
The Honourable Mr. Ravenscroft,
The Honourable Sir Jamsetjee Jejeebhoy,
The Honourable Mr. Narayen Vasudevjee, and
The Mover.

As there were large interests to be affected by the measure, especially in the Concan, the honourable member thought that at least a month to report ought to be allowed to the Committee.

The Honourable Mr. Munculdass—I submit, that more time than a month should be given to this Committee to report. Immense interests are affected by this Bill, lakhs of rupees having been invested by private individuals in salt pans and salt works, and I think that ample time ought to be given to these individuals and to the public to consider and represent how their interests may be affected by the measure under consideration. The Government of India, I observe, generally allow as long a time as three and four months to the Select Committees to whom reports on Bills referred to them, so that the people affected by the proposed measures may have an opportunity to express their views on the subject, and I think that something similar might be done in the present case.

His Excellency the President said that he had every wish that the public should get ample time to consider the Bill.

The Honourable Mr. Munculdass further observed:—As an instance of how this Bill will affect individual interests, I may mention that it is here laid down that nobody is to possess more than twenty seers of salt. Now, Sir, I have made inquiries, and I find that for my own household that quantity is required every ten days. Among well-to-do natives it is usual to lay in a year's supply of salt when they lay in grain and other articles of consumption. I therefore hope this provision will be modified when the Bill is considered in Committee.

The Honourable Mr. Rogers said that as the law stood at present no unlicensed person could have more than five seers.

His Excellency the President remarked that it was a curious fact that more salt came lawfully out of Bombay than ever went lawfully into it.

The Honourable Mr. Rogers said that according to Mr. Pedder's report two lakhs and three quarters of revenue were lost annually to Government in consequence of salt being smuggled into Bombay itself.

After a short discussion upon the length of time which should be allowed to the Committee to report, the major part of the opinions expressed being that ample time ought to be permitted, it was agreed that the report of the Select Committee should be sent in on or

before 22nd September 1873, and that the Report and Bill should be translated into Gujrathee, Marathi, and Canarese, and circulated.

Colonel Kennedy moves the first reading of the Road Toll Bill.

The Honourable Colonel KENNEDY, in moving the first reading of Bill No. 6 of 1873, said—I beg to move the first reading of Bill No. 6 of 1873 (a Bill for enabling Government to levy tolls on public roads and bridges in the Presidency of Bombay). Tolls have hitherto been levied under the general provisions of Act VIII. of 1851 by the Government of India. To that Act a schedule was appended which was subsequently modified by the Government of India by Act XV. of 1864. In the first section of that Act permission is given to local Governments to extend the Act to their Presidencies, but it is not stated distinctly in what manner it should be extended. In 1864 by a Government resolution toll-bars were generally established throughout the Presidency, and the rates of tolls authorised to be levied by that resolution were in some cases in excess of the rates mentioned in the schedule attached to the Act of 1851. At the same time the provisions of Act XV. of 1864 were never formally extended to this Presidency, and in consequence of the difference of the rates which I have mentioned some doubts have been entertained lately as to the legality of the levy under the Government resolution of 1864. The present Bill is therefore introduced with the view of removing this doubt. A doubt also arose as to whether it was within the power of this Council to pass such a measure as this, and the Government of India's sanction has been asked for and obtained. We have also taken the opportunity of consolidating the law on this subject in this Presidency. There is nothing new in the present Bill except that by section two all those tolls which have been levied since 1864 under the order of the Bombay Government of 1864 are legalised. I may state with reference to the schedule which is attached to this Bill that its maximums have never been yet worked up to, although it is advisable to retain them to meet special cases. I may also state as some attention has been drawn to this item, that although the schedule provides for a toll upon foot-passengers such a toll has never been levied in this Presidency. The power to levy such a toll, however, is retained, because it is considered that circumstances may arise, which would make it advisable to use it. For instance, the construction of a special bridge might be undertaken, and in that case foot-passengers might be fairly taxed. For general information I may state that the revenue which is derived from tolls throughout the Presidency amounts to about 7 lakhs per annum, and is entirely devoted to the maintenance of the roads upon which the tolls are levied, though it does not provide for anything like the total cost of maintaining those roads. With these remarks I beg to move the first reading of this Bill.

A toll to be levied upon foot-passengers over bridges.

The Honourable Mr. ROGERS—When the Honourable Colonel Kennedy mentioned the provision of tolls upon foot-passengers, I saw marks of disapprobation from several honourable members; but I would point out to them that it is very often the case in England that a bridge cannot be built without some provision of that kind.

His Excellency the President, the Advocate General, Mr. Mungaldass, and Mr. Narayan object to the foot-passenger toll.

The Honourable the ADVOCATE GENERAL—I sincerely hope that the last item in the schedule will be omitted. Notwithstanding what has fallen from the Honourable Mr. Rogers, I think that the tendency in England now-a-days is to make bridges free to everybody, and we should be retrograding very much from the civilisation of the West, if after allowing the natives of this

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Abstract of the Proceedings of the Council of the Governor of Bombay, assembled for the purpose of making Laws and Regulations, under the provisions of "THE INDIAN COUNCILS' ACT, 1861."

The Council met at Poona on Monday, the 6th October 1873, at noon.

PRESENT:

His Excellency the Honourable Sir PHILIP EDMOND WODEHOUSE, K.C.B., Governor of Bombay, *Presiding*.
His Excellency the Honourable Sir AUGUSTUS ALMERIC SPENCER, K.C.B.
The Honourable A. ROGERS.
The Honourable J. GIBBS.
The Honourable MUNGULDASS NUTHOOBHOY, C.S.I.
The Honourable Colonel M. K. KENNEDY.
The Honourable Sir JAMSETJEE JEJEEBHOY, Bart., C.S.I.
The Honourable NARAYAN VASUDEVJEE.
The Honourable J. K. BYTHELL.
The Honourable GUNPUTRAO TATYA SAHIB PUTWURDHUN.
The Honourable Colonel W. C. ANDERSON.

Amendment proposed before the third reading of the Road Tolls Bill.

The Honourable Colonel KENNEDY, before moving the third reading of Bill No. VI. of 1873—a Bill for enabling Government to levy Tolls on Public Roads and Bridges in the Presidency of Bombay—proposed an amendment upon Section II. The amendment, he said, had received the approval of the Honourable the Advocate-General, and he (the Honourable Colonel Kennedy) had no doubt the Council would agree to it. It was that lines 7, 8, 9, 10 and 11 should be omitted, and the following words substituted:—"levied within the Presidency of Bombay upon any public roads or bridges (from whatever funds the same may have been constructed) between the said 30th day of July 1864 and the coming into operation of this Act shall be deemed to have been levied under the provisions of Act XV. of 1864 and to have been duly and lawfully levied and collected." This amendment was intended to make the Bill apply both to the past and prospectively.

The amendment was agreed to.

The Honourable Mr. ROGERS—Sir,—I would like to say a few words with reference to this Bill, in order to remove certain misapprehensions which appear to be entertained regarding it. I have been told by a number of gentlemen that an impression has got abroad that in consequence of this Bill any person walking along a public road or across a bridge would be followed by a Government officer and made to pay three pies. Anything more absurd than this idea could hardly be imagined. It was said several times during the discussions upon this Bill, and it seems to be necessary to repeat it now, that this has been the state of the law for a number of years past. The three pie toll has never yet been acted upon, and I need scarcely repeat on behalf of Government that there is not the slightest intention of using this power unless under circumstances of the greatest necessity. These circumstances may arise occasionally—such as the building of a bridge in a place like Nasik—and then the toll would be employed to repay Government for the outlay. I have already given an assurance upon the part of the Executive Government

that there is no intention of levying the tolls excepting under circumstances of the greatest necessity, and I am sorry to have to repeat the assurance. I cannot exempt even the European Press in Bombay from the charge of spreading the rumour that the intention of Government is to levy the toll forthwith upon every road and bridge. I hope that now, at all events, when the assurance has been thus prominently given that Government does not intend to interfere with foot passengers any more than hitherto, the false impression which has been spread abroad will be removed. I trust that my honourable friends the Native members of Council will do all they can to disabuse their countrymen of this mistaken impression.

The Honourable Mr. BYTHELL asked the Honourable Colonel Kennedy upon what principle tolls were now levied. In some districts of the Presidency they appeared to him to be much more plentiful than in others.

The Honourable Colonel KENNEDY replied that the guiding principle was, as he had formerly stated, that there should be a toll bar on each day's journey of a bullock cart. Of course the length of that journey would vary according to the character of the country traversed.

His Excellency the PRESIDENT—I think that the three-pie toll remains in the Bill mainly for the interest of local funds, and as far as Government is concerned it need not have been mentioned in the Bill at all. Even if it became necessary for Government to enter into some large undertaking—such as the building of a great bridge—my own impression is that the tolls on foot passengers would more properly be levied under a new and separate Act. Such a toll is already levied at Khandalla and Matheran, and it is to legalise it in such places that we retain it in this Bill.

The Honourable Mr. GIBBS remarked that already the schedule in the Bill was, except the reductions, the same as the law all over India.

The Honourable Colonel KENNEDY concurred with the Honourable Mr. Gibbs. He then moved the third reading of the Bill.

Road Tolls Bill read a third time and passed.

The motion was agreed to, and His Excellency the President declared the Bill to be read a third time and passed.

Petitions anent the Salt Bill.

The following petitions, &c., relating to the Salt Bill were afterwards presented to the Council:—

I. Report of the Select Committee on the "Bombay Salt Bill."

II. Petitions relating to the Salt Bill—

1. Petition from Krishnajee Babun Bhoera and eighty others of Matoonga.
2. Petition from the proprietors of salt works in Taluka Penn.
3. Petition from certain dealers in salt at Penn.
4. Petition from Abdool Gufur wulud Mynoodeen and 249 others of Oorun.
5. Petition from Mr. Byramjee Jejeebhoy and 3,500 other persons engaged in the manufacture of salt and in the salt trade generally, &c.
6. Letter from the Bhewandy Survajanik Subha.

Mr. Rogers moves the second reading of the Salt Bill

The Honourable Mr. ROGERS, in moving the second reading of the Salt Bill, said—Sir, I beg to move the second reading of Bill No. V. of 1873. As I mentioned just now with regard to the Tolls Bill, this Bill has been very much canvassed by the public, and

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I think I can safely say that even a greater amount of misrepresentation than was made about the Tolls Bill has been made about this one. From the very first it has been plain to any person who has read the Bill, and read the discussions regarding it in this Council, that the sole object of Government in bringing forward the measure is to prevent smuggling. We have had no idea of interfering with any person's vested rights, and those sections which appear to give Government the power of interfering with such rights are simple repetitions of the law which now exists with regard to small salt works which on an average of three years do not produce more than 5,000 maunds of salt. With regard to other large works being closed, ample provision has been made for granting compensation to owners. The report of the Select Committee which has just been presented will show that every objection that has been made in the various petitions which have now been presented to the Council has been most carefully and conscientiously considered. Many of the sections objected to have been very considerably modified, and whether the modifications are sufficient or not will be shown when this Council goes into committee upon the details of the Bill. If honourable members can bring forward anything in the course of the discussion to show that more power has been given to Government than is necessary for the purpose of preventing smuggling, I have no doubt that the Executive Government will be happy to make concessions so far as may be consistent with the object it has in view. Before concluding, I may take up a few of the points which were objected to by the minority in the Select Committee, and I hope to be able to explain that even the honourable gentlemen who composed that minority have been the victims of misapprehension. Their first objection is with regard to Section 22 of the amended Bill. They say—"While this authorizes the issues of licenses for the manufacture of salt, it at the same time makes such licenses subject to further conditions as the Governor in Council 'may from time to time prescribe.' This virtually extinguishes the proprietary rights which some of the owners have acquired under a kowl or lease from the British Government or their predecessors and reduces them to the status of a mere distillery license-holder." I have not seen any of these kowls or leases which are referred to, but I believe that if they are examined they will be found to refer not to any right of manufacturing salt hereditarily, but to the payment of a ground rent upon the land upon which this salt is manufactured. If that should not be altogether the case in each instance, and if we find that rights exist under these kowls or leases of which we are not at present aware, I can safely say on the part of the Executive Government that there is no intention to interfere with those vested interests. When we go into the details of the Bill we may be able to devise a section by which any danger to these true vested interests may be obviated. Section 22, while giving the Collector of the Salt Revenue power to grant licenses, also reserves to him the power to call for any such license and to amend it; and this, I should think, would be sufficient to preserve the interests of kowl-holders by giving them opportunity of altering their licenses as circumstances may require. The next objection which the Honourable Sir Jamsetjee and the Honourable Mr. Narayan make is regarding Section 24. This section has been a great deal discussed in the public prints, and it is one regarding which a very great deal of misapprehension exists, but the real object for calling upon the licensees to furnish the list of those they mean to employ is not to serve any purpose of Government, but is really intended for the protection of the licencees themselves. The meaning of the section is simply that these licensees may furnish to the Collector, for their own purposes, a list of those persons who they consider should be permitted to enter within the limits of their salt works. As the Bill stood the Customs' officer had power to exclude from any

salt work any person unless his name were mentioned in the list, and that was the object of Government in calling for the list. One of the objections which were strongly urged against this section was, that persons whom a salt manufacturer might employ would not be known by him at the beginning of the year, and that therefore it would be quite impossible to prepare an accurate list. That argument was taken into consideration by the Select Committee, and we modified the section in such a way that the list should only apply to those persons whom the salt manufacturer intended to employ permanently throughout the year. There is also an express provision in the Bill as it now stands which will allow a licensee at any time he wishes to bring into his manufactory any labourers requisite in excess of the number usually employed, and to do this the list need not be amended at all. Altogether, I think that as the section now stands there is nothing whatever in it which can interfere with the proper working of his pans by a licensee; but, nevertheless, if in the course of the discussions any honourable member can suggest any other plan which will do away with any difficulties supposed to remain I have no doubt the Council will be glad to adopt it. I would only repeat that Government has no object in getting this list for its own purposes; Government simply desired it for the convenience of salt manufacturers themselves. The next objection taken by the minority is with reference to Sections 29 and 30. They say—"We quite agree that the proprietor of a salt work or his agent should be held responsible for the correctness of the weight of salt delivered to the purchaser; but it is only fair that his responsibility should there cease. It seems manifestly unjust that he should be held responsible for the subsequent disposal of the salt by the purchaser over whom he can have no control." I believe that the objections to these sections have arisen from an entire misconception of the object in obtaining the signature of the licensee to the contents of Column 1 of the form laid down in Appendix B. The Council will observe that at the foot of that column the words used are "Received the counterpart of this." The signature is required of the "Exporter and Applicant and the Licensee of the Salt Work" to Column 2 of the form. Now, the Council will perceive that these words refer only to the other two portions of the Appendix, which would be torn off. The signature asked for is not to make the licensee answerable for all the particulars in the first column, but is merely to testify that he has "received" the counterpart. There is also some misapprehension with regard to Appendix A, it being supposed that taking not only the signature of the applicant and exporter, but also that of the licensee of the salt work, to that form makes the licensee answerable for all the particulars which it contains. But that was never intended. It was simply intended that the licensee should be answerable for the particulars of which he had knowledge, and the applicant and exporter for those particulars which he or they had knowledge of. In the course of the consideration of these appendices the intention of Government may be made clearer, and perhaps it will be thought better to obtain the licensee's signature only to the contents of those columns referring to the facts which he is actually acquainted with. The next matter objected to by the minority is that which is referred to in Section 42, relating to the prohibition of a greater quantity of salt than 20 seers being contained in an unlicensed building within a distance of ten miles from any salt work. Greater misconception has been exhibited regarding this section than any other, both by the Press, the public, and those honourable members who have dissented from its provisions and from the opinion of the majority of the Select Committee. If the section is carefully looked into it will be seen that it does not prohibit 20 seers of salt from being kept in *any* building; it is only buildings within a radius of ten miles from a salt work which are referred to. Let the section be read with

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an intention to understand it—I use these words deliberately, because the Press which has been so loud in its abuse of that section could not, I think, have given its terms the requisite consideration—and the Council will observe that it is a wholesome provision to prevent smuggling. There are many cases which we know of where persons have built storehouses in the vicinity of salt works simply for the purpose of receiving salt illegally passed out of these works, and under this section these buildings will be at once removed or made use of under a license, and thus smuggling to a great extent will be prevented. Any person may hold any quantity of salt he pleases in his own house, provided it is outside of the ten-mile radius. Therefore the objections raised to the section are purely fanciful, and I hope this explanation will do away with the opposition of the honourable members who formed the minority in the Select Committee. With regard to the objections taken to Section 63, perhaps it is doubtful whether this Council could have the power to give authority to the officers appointed under this Act to adjudge imprisonment in commutation of fines, and therefore, when we go into general committee, we shall require to modify this section to some extent. Having gone through those objections which are raised by the Honourable Sir Jamsetjee and the Honourable Mr. Naraian, and having also I hope answered them satisfactorily I do not think there is anything further for me to say at this stage of the proceedings. With these remarks I beg to propose the second reading of the Bill.

The Honourable Mr. NARAYAN VASUDEVJEE—I think, Sir, that the framers of this Bill, in concerting measures for the vigorous suppression of smuggling, have entirely lost sight of all other principles of policy, expediency, and justice which invariably characterize the administration of this country. When discussing the Bill in Select Committee, almost every objection I advanced was met with the reply that all the restrictions to which I objected were observed in respect to licences to distillers; but I failed to see the analogy, and have therefore been compelled to dissent from the report of the majority of the Select Committee. I admit that it is perfectly just and equitable, in dealing with spirits, to impose such restrictions, not only to protect the revenue from being defrauded, but also to check the consumption of an article which is likely to have a deleterious effect on the public health. With salt, however, the case is entirely different. It is an article which is almost a necessary of life, and in legislating for the protection of the revenue derived therefrom, the Council is bound to guard against any restrictions which will check its manufacture or enhance its price. There is no denying the fact that the heavy duty now imposed on salt is a crying evil in this country, where the masses of the people are struggling for an existence. Indeed, such is the condition of the poor that they are unable to buy even a quantity equal to the allowance Government make in prison dietaries, and, consequently, have often to be satisfied with the mud which they can gather from near the salt-pans and creeks. I know that it is not within the province of this Council to discuss the policy of the Government of India in this matter, nor to pronounce an opinion as to whether the present tax is unjust or equitable; but it is clearly the duty of this Council, in legislating on the subject, to see that the laws which it enacts are such as will ensure the desired object of preventing smuggling and nothing more. So far as I can gather, such also is the intention of the Government of India. As long as salt is heavily taxed there will be always an incentive to smuggling, but I am not aware that it is practised to any large extent in the Bombay Presidency. I believe it chiefly takes place on the frontier lines, where the preventive establishments are

Mr. Narayan states his reasons for disapproving of the Bill.

insufficient to cope with the organized gangs of smugglers acrossthe British border. I have no doubt the present energetic Collector is devoting his attention to this matter, and that by strengthening the cordon of out-posts he will effectually prevent untaxed salt from entering British territory. I would gladly vote for those clauses of the Bill which give him the necessary powers to check smuggling, but the proposed measure goes much further. Its tendency is to extinguish the proprietary rights of the people, to check manufacture, and so to restrict the trade in salt as to make it impossible for respectable traders to engage in it. Even now the difficulties in this and other respects are destroying the salt trade to Calcutta, the exports to which have dwindled down from 743,915 maunds in 1868-69 to 257,580 in 1871-72. The exporters of salt from Liverpool and other parts of Europe and Arabia are subject to no such restrictions as those experienced here, and the consequence is that while the exports from Bombay have been reduced by two-thirds, those from the other ports just mentioned have, I hear, correspondingly increased. This result, I think, is deserving of serious consideration, because it not only acts prejudicially to the interests of traders and ship-owners, but checks the industry of the people. This Council is, perhaps, not aware that salt which sells in Bombay at one and one-and-a-half annas per maund cannot be got in North Canara, which is part of this Presidency, for less than fourteen annas or one rupee per maund. It may be replied that this is due to combination among the traders; but I submit that the greater the restrictions you place on free trade, the greater the facilities you afford for effecting such combinations, the serious consequence of which is that not only have the people to pay Rs. 1-13 per maund duty, but also another rupee for an article which before they purchased but for one anna! Throughout the Concan, the people, excepting in the monsoon when they cultivate the ground, really have no other employment but that of manufacturing salt, from which alone they earn a livelihood. All the salt so manufactured is not required for local consumption. If, however, you enforce the provisions of this Bill, you absolutely forbid the export of salt to the Malabar Coast,—you compel the people in Canara to pay one rupee per maund for it besides the duty—you check its manufacture on this side of India, and destroy the only source of employment known to the poorer classes of the people, who are already reduced to starving point. Again, this Bill imposes upon proprietors of salt works the preventive duties which properly belong to the Salt Collector's Department. By all means let them be required to assist in every legitimate way in the prevention of smuggling; but considering that for every six pies or one anna derived by the proprietor, Government derives the large sum of one rupee and thirteen annas, I think it will be admitted that it is only equitable that Government itself should provide an effective preventive establishment for the protection of its revenue.

The Honourable Mr. MUNGULDASS NUTHOOBHOY—Sir,—After a careful study of the Salt Bill as settled by the majority of the Select Committee and the reports of the able officers on which the proposed law is founded, and after bearing in mind what I personally know as a former proprietor of a large salt pan in the Island of Bombay, and the requirements of the rich and poor of this presidency, and with every desire to assist Government as an humble member of this Honourable Council in preventing the smuggling of salt and thereby in preventing the loss of revenue, I regret to say that I cannot agree with the provisions of this Bill as they at present stand, and I hope your Excellency will permit me to state briefly my reasons in support of this opinion. I will not in this place make any comment upon the injustice and oppressiveness of levying a tax at the rate of 2,000 per cent.

Mr. Munguldass states his reasons for opposing the Bill.

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on one of the absolute necessaries of life, because even if this Council were convinced of the impropriety and injustice of such an Act, I am aware they have no power to lower even one pie of the excise. I know that this exorbitant duty has been levied even against the remonstrances of the Bombay Government and its able officers, as the following paragraph from Mr. Pedder's report shows:—

"30. In June 1867 the Government of India again mooted the question of the equalization of the salt tax of Bombay with that of Bengal, and the principal Revenue officers of this Presidency were once more consulted on the subject. This time the balance of opinion was distinctly opposed to a further enhancement of the tax. It was pointed out that, though the presidency in general was prosperous, and the wages of labour had risen greatly in the preceding decade, the price of the necessaries of life had risen in a still larger proportion; that a succession of deficient harvests had produced much distress among the poorer classes; that though the construction of railways had lowered the cost of carriage of salt along the main lines of communication, this reduction had been at least balanced by the increased cost of carriage by carts or hack animals where railway carriage was not available; that every increase in the excise caused a still larger increase in the retail price of salt, as equal returns upon a larger sum invested in the wholesale purchase must be obtained; that an addition to the cost of a necessary of life tended to raise wages, already so high, as to trench on the legitimate returns to capital invested in individual enterprise; that very heavy taxation, specially for municipal and local purposes, had been of late years imposed in this Presidency independently of an increase of 100 per cent to the salt tax within ten years; that there were good grounds for believing that the different enhancements of the salt tax had greatly diminished the amount of illicit and even of actual consumption; and that, finally, another enhancement would absolutely debar the future imposition of othertaxation for local purposes. These views were embodied in the Government letter of 28th January 1868, to the Government of India."

Now the object sought by this measure is to prevent smuggling, and it is quite proper, nay, it is the duty of Government to do so. But in order to attain their object, Government have thought it proper to apply the remedy of extreme and unjust penal provisions against the proprietors of salt-pans and traders in salt and against the consumers, that is, the whole population of this Presidency, from the poorest beggar to the richest merchant. I am, however, afraid that Government will not gain their object by this measure, as it at present stands, and the only result will be that the price of salt will be increased. This Bill, if enacted into law, as it is, will compel all respectable owners of salt-pans and traders in salt to retire from the business. Their good name and liberty will be completely at the whim and mercy of the peons and subordinates of the Salt Department; and the manufacture of salt will get into the hands of such proprietors and traders as would not care about going to jail if detected in dishonest proceedings, and as will be ready as long as they are not detected, to give handsome bribes to the ill-paid subordinates of the department. The suppression of salt works will ruin the proprietors, and the honest owners of such works will be compelled to sell them at low prices to save their honour and reputation. The cost of constructing and repairing store-houses in such a manner as the officers may require, of providing bags for packing the salt must necessarily add to the cost of the salt. And the concentration of salt works, chiefly at Kharagora, a place between Guzerat and Kutch, must also add to the cost of the salt, as it must be brought from there to all parts of this Presidency, so that the poorer classes of the people,

who form the bulk of the population, will have to reduce their consumption of this absolute necessary of life at the certain risk of their health and perhaps of their lives. In fact, from enquiries I have made in my own house, and from what I know of the requirements of the other well-to-do natives, I have found that we consume at an average from 18 to 20 lbs. per head annually, and besides about 10 lbs. annually are required for each horse or cow. Now I find from Mr. Pedder's report that the annual consumption of salt is only 10 lbs. per head, but this is evidently to be attributed to the fact that the people have not the means of getting and consuming more. Another curious fact is, that while in both this and the Madras Presidency the average consumption per head of population is 10 lbs., it is only 8 lbs. per head in the Bengal Presidency and North-West Provinces, where the salt duty is higher than what it is here. This bears out the fact that the enhanced revenue which has been secured in the latter provinces has been obtained at the cost of diminished consumption and consequently at the risk of public health. On considering the means at present employed by Government to prevent the smuggling of this absolute necessary of life, I am rather surprised at the small extent of actual smuggling. It is not necessary for me to show that smuggling is attributable in a great degree to the corruption of the subordinates of the Salt Department. This is quite evident from paragraph 245 of Mr. Pedder's report, which I shall quote with your Excellency's permission :—

"245. I am bound to say that I think the measures I have proposed will be of little service unless the department is organized differently to what it is at present, that it is now not efficient, and that there is much corruption among its subordinate officers. Were the department in an efficient state, it seems to me that frauds which (unless I am altogether mistaken in the conclusions I have arrived at) have now been shown to exist, would have been at least detected long ago; that the evils pointed out in this report would have been brought to notice, and suggestions for their removal made, by officers of the department itself; that the accuracy of the statistical information hitherto accepted would have been questioned. Nor can I believe that an organized and extensive system of smuggling could exist without general, I might almost say universal, connivance of the subordinates of the department."

In my opinion the best thing which might be done to check smuggling is to increase the number and pay of the establishment on a footing of equality with that of the district police, so as to induce good and experienced men to join the Salt Revenue Department. I would suggest that the few salt-pans which may be difficult to guard may be purchased at a fair price under the Land Acquisition Act of 1870. A stringent law for the punishment of those who are guilty of smuggling will act as a deterrent; while liberal salaries to subordinates will act as an encouragement to them to be honest and active in preventing smuggling. And this may be done without enhancing the price of salt and without any consequent risk to the public health. I would request this Council not to pass this Bill as it at present stands, because, considering the nature of a great many of its stringent, harassing and sweeping provisions, I have no hesitation in saying that they are calculated to entail peculiar hardship, not only on the proprietors and traders of salt, but also on the consumers who form the entire population of the country, and thereby cause a wide-spread dissatisfaction. The avowed object of Government in bringing forward this measure is to prevent smuggling of salt. Now I would ask whether the measure which it is proposed to be forced on the

Mr. Mangaldass thinks the best thing to do to stop smuggling is to increase the strength and pay of the Salt Revenue Department.

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people for such a cause can be defended on principles of justice and equity? Another ground on which I disapprove of the principle of the Bill is, that when the proprietors of salt-pans made large investments in their concerns, they could have had no idea that such restrictions and obligations would be imposed on them. If Government, however, consider the adoption of such a measure necessary, it is but due to the present proprietors of salt works that they should be sufficiently compensated for the heavy loss they will sustain by the interference on the part of Government with their established rights of property—rights which I understand have, in several instances, been regularly guaranteed by the British Government by special grants of hereditary tenures. The provision which imposes an obligation on the proprietors of salt-pans to prepare annually a list of persons to be employed by them seems to me objectionable. I give a few reasons, which will show how much inconvenience and loss will thereby be caused to the owners of salt-pans. The quantity of work to be performed is not the same at all times; while the services of a certain number of men will suffice at one time, three or four times the number may be required at another time. Again irregularity in their attendance must occur. It may sometimes be necessary to dismiss some of them owing to their faults. And, moreover, when these workmen find that the proprietor must employ them, they will demand higher wages than otherwise. Such are the difficulties attending the preparation of the list, which would only prove a source of perplexity and trouble to the proprietors. The provision which makes the proprietor of a salt-pan criminally liable for any offence committed by his servants against the provisions of this proposed law is open to grave objection. So far as my information goes, there is no system of criminal jurisprudence which sanctions the imposition of such a liability on the proprietors. It is irreconcilable in its very nature even with common sense. The diligence and supervision of a master is no guarantee for the honesty and integrity of his employés. We know of instances in which dishonesty is practised by servants even against their employers, and if the master is unable to prevent fraud being committed by his servants upon himself, how can he be made liable for any offence on their part merely because the interests of a third party are affected. It is very much to be apprehended that such a provision will place the owner of a salt-pan quite at the mercy of his hired servants or labourers. If they entertain hostile feelings against him they might easily bring him into trouble and ruin him. Although the Select Committee have modified this provision to a certain extent, yet it makes it obligatory on the proprietor to establish to the satisfaction of the Governor in Council that he had taken all due precautions to prevent the commission of such offence, and unless this is done, his salt work will be suppressed! In several sections the punishment provided is the suppression of salt works, which must impress the proprietors, the traders in salt, as well as the public generally, with the idea that the whole object of Government in passing this law is to monopolize the salt trade. The Bill also gives the summary power to suppress any salt work, but the manner prescribed for awarding compensation to the proprietors seems to me insufficient and inequitable. The responsibility of the proprietor should cease as soon as salt is removed lawfully from his salt-pan by a trader. It is not his business to see where the salt is carried by the purchaser. As soon as the possession of the salt is lawfully transferred from the owner of a salt-pan to the trader, the responsibility of the former should end and of the latter should commence. It should on no account be made obligatory on the manufacturer of salt to comply with such conditions as are required in Permit B. Such a provision will involve unnecessary loss of time and money to the proprietor. Some of the provisions applicable to the traders of salt

are most objectionable. They require the traders to specify the particular place to which they are to export their salt. This appears to me unreasonable and unduly restrictive. Prices of salt might go up and down at different places and at different times, and the trader should be left at liberty to export the commodity to any place he should think it most profitable for him to do. He might have reasons at a particular time to believe that if he exported salt to a certain place he might be a gainer, but the circumstance which had led him to arrive at such a conclusion might afterwards cease to exist, and his decision must necessarily undergo a change. Another equally hard and objectionable obligation imposed on the trader is to specify the time within which he will convey salt to its destination. Let us consider for a moment the uncertainties and accidents which human affairs are liable, and it will at once convince us of the impracticability of his complying with such a condition—owing to the sickness of the trader while on the journey, or owing to the outbreak of an epidemic among the cattle carrying the salt, unavoidable delay is sure to occur. Besides a compliance with this requirement in the case of carriage of salt by sea becomes also for obvious reasons quite impossible. The injustice of such conditions is, I think, self-evident. As the honourable member in charge of the Bill has assured the Council that the provision prohibiting possession of more than 20 seers of salt will not be made applicable to all places, but to those places only which may be contiguous to any salt work, I refrain at present from making any further comment on that provision. With these remarks I beg to express a hope that the unanimous remonstrance of the native members of this Council and of the petitioners against the passing of this measure will be fully considered by your Excellency, and the Bill will be thoroughly modified, and under this hope I do not vote against its second reading.

His Excellency the PRESIDENT—I gather from what has fallen from honourable members that it is not their intention to vote absolutely against the second reading of the Bill.

The Honourable Mr. MUNGULDASS—But we hope that upon proving the impracticability of carrying out certain of the sections Government will consent to their alteration.

His Excellency the PRESIDENT—Certainly. The Honourable Mr. Narayan referred strongly to the prevalence of frontier smuggling, but I believe it was ascertained some few years ago that more salt was exported from Bombay than ever went lawfully into it—that the whole consumption of Bombay was in point of fact illegally obtained, while some salt was left for exportation into the bargain. If that is the case, does it not show that Government ought to make some endeavour to put a stop to the prevalence of smuggling?

The Honourable Mr. NARAYAN—But I think Mr. Pedder was misinformed when he wrote regarding what His Excellency has just said.

His Excellency the PRESIDENT said that of course his statement might be corrected if it were wrong.

The Honourable Mr. BYTHELL—I do not intend to vote against the second reading of the Bill, for I do not agree with the outcry that has been raised against legislation on this subject being attempted. On the contrary, I believe that the facts referred to by the honourable mover of the Bill on the first reading show that legislation is imperatively needed. At the same time, however, I consider that the Bill as it now stands is unnecessarily stringent: I shall support, therefore, strongly many of the proposals for amendment which are to be brought forward; and as the members of the Executive Government assured the Council it is their wish to agree to all reasonable alterations, we

Mr. Bythell approves of the Bill generally, but thinks it rather stringent, and requires modification.

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may hope that the discussion in detail will leave the Bill in a shape that will be just to the interests concerned. While sympathising with some of the statements which the honourable native members of this Council have made and the feelings they have expressed, I do not intend to oppose the main provisions of this Bill, because I think a very good cause has been made out for the necessity of Government taking some steps to put a stop to salt smuggling. The Honourable Mr. Narayan spoke very strongly about the heavy duty upon salt being a crying evil, and probably it would be a good thing for the people if there were no salt duty at all: but, as he himself stated, that is a matter which this Council cannot deal with. So long as the Government of India decides that this very heavy duty shall be levied, I think that the honourable member will agree, that for Government to stand quietly by and permit smuggling would be to commit a very great injustice to the very people whom the honourable member rightly wishes to protect—namely, the poor people. To allow smuggling is the very way not only to decrease the revenue, but also to increase the burdens upon all who use salt. It simply allows smugglers to tax the people for their (the smugglers) benefit.

The Honourable Mr. NARAYAN—I merely made a passing remark that it was not within the province of this Council to discuss the policy of the Government of India.

The Honourable Mr. BYTHELL—I think that the Honourable Mr. Narayan complained of the enormous burden imposed by the Salt Tax when stating that some of the sections were exceedingly stringent. I agree with him that amendment is necessary, but we have the assurance of the Honourable Mr. Rogers that if good reasons are shown the objectionable section shall be modified, so I think that much of the opposition to the Bill may be avoided. We ought not to lose sight of the fact that where such an enormous duty is levied very strong expressive measures are absolutely needed, or smuggling will both exist and thrive. The Honourable Mr. Narayan spoke of the oppressive measures regarding salt sent to Calcutta having injured trade considerably. I understand that during the last year or so the authorities in Bombay who have to deal with the export of salt to Calcutta have been introducing more stringent rules than used to exist before, and I believe that one measure which they have instituted is unjust. I have heard on good authority—in fact, I have seen documents which prove the case—that if a salt-laden ship has arrived in Calcutta, and proved to the satisfaction of the Board of Revenue that bad weather has led to the destruction of a portion of the cargo, nevertheless the Government of Bombay, notwithstanding that the Calcutta Board of Revenue has granted a certificate that they believe a certain amount of the cargo was destroyed by causes over which the shipper had no control, has refused to acknowledge that certificate, and made the Bombay exporter pay the full Bombay duty upon the quantity of salt which the Board of Revenue in Calcutta had declared to have been accidentally destroyed. In that objection I agree with the Honourable Mr. Narayan; but I think he is quite mistaken that these oppressive measures have yet injured the trade or are the cause of the great decrease in the export to Calcutta.

Mr. Bythell thinks that the Bombay Government ought to recognise certificates of damage to salt granted to shippers by the Calcutta Board of Revenue, and should allow drawbacks accordingly.

The Honourable Mr. NARAYAN—I never used those words. I merely referred to the difficulties that were placed upon trade between Bombay and Calcutta.

The Honourable Mr. BYTHELL—I am not going to criticise the actual terms the Honourable Mr. Narayan made use of. I myself have said that the fact of the Calcutta Board of

Revenue's certificates being refused by the Salt Department in Bombay is a hardship and is oppressive. I was about to say, however, that the falling off of the salt trade between Bombay and Calcutta is not due to these oppressive or repressive measures. The rules referred to have only lately come into force, and could not possibly have affected the trade by this time. The reason is to be found in the fact that the whole shipping trade of Bombay has been changed by the completion of the Suez Canal. Formerly, when sailing vessels arrived in the monsoon time they could not get homeward cargo, and they preferred taking a load of salt instead of ballast to Calcutta, where cargo could generally be had. Steamers have now taken the place of sailing vessels to a great extent, and as these steamers could not come out in numbers during the slack season and do not carry salt when requiring ballast, there are not the former facilities for exporting salt, and hence the trade has fallen off. The opening of the Suez Canal is in fact the real cause of the decrease. As regards the powers given to Government to close salt works which do not produce 5,000 maunds upon an average of three years, I observe that a similar provision exists in the Madras Act, and as an owner is to be fairly compensated I do not think he will have anything to complain of. At all events if there is any prospect of injustice being committed, this Council will remember the Honourable Mr. Rogers' remarks that Government will be glad to agree to any reasonable amendment. I repeat I shall not vote against the second reading, and as to certain sections which I think require amendment, I shall reserve my remarks upon them until the consideration of the Bill in detail.

Mr. Bythell contends that it is not any measures taken regarding salt which had injured the salt trade between Bombay and Calcutta. That injury had arisen through the opening of the Suez Canal.

The Honourable Mr. ROGERS—Sir,—I have a few words to say in answer to the arguments brought forward by the Honourable Mr. Narayan and the Honourable Mr. Munguldass. The Honourable Mr. Narayan at the outset of his speech stated that the provisions of this Bill are contrary to the policy, expediency, and justice which invariably characterise the administration of this country. As a member of the Executive Government I have endeavoured to assure this Honourable Council, and through them the public generally, that any oppressive measures have never been contemplated by Government in introducing this measure. If that is not sufficient to convince honourable members of the nature of the intentions of Government, I can only point to the fact that Government itself is very largely concerned in this matter, for if it by any of its measures checks the production and consumption of salt it will be the greatest sufferer. Surely, therefore, even judging by the lowest standard of self-interest, Government is to be trusted. So far from what has lately been done tending to check the production of salt, I am assured by the Collector of Salt Revenue, Mr. Pritchard, that he has already received a number of applications from people to be allowed to open new salt works at more convenient places than the old ones. Those manufactories which have already been closed have simply been closed with the object of concentrating the manufacturing area so that Government may be able to exercise proper control in the district. Hitherto salt works have been scattered throughout the country in places where no proper control could be exercised, and the great object of introducing provisions in this Bill by which salt works may be closed, even though they produce more than 5,000 maunds a year, is simply to prevent smuggling. The Honourable Mr. Narayan told us that smuggling did not take place in our own territory, but across the borders of the Presidency. Your Excellency, however, has pointed out that smuggling prevails to a great extent in

Mr. Rogers replies on the debate.

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Bombay, and that it also exists in other parts of the Presidency I can vouch for. There is no doubt that much of the smuggling takes place from the salt works themselves, and I am sorry to say that we are under the impression that to a certain extent it is assisted by the collusion of our own subordinate officers. One great object of desiring that all proprietors of salt works shall take out licenses is to secure the assistance of these people in putting a stop to smuggling. Hitherto these proprietors have lived in Bombay or elsewhere apart from their works, and contented themselves with drawing the profits from their works without taking the slightest trouble to see that smuggling on their property was prevented. That these people should assist in the prevention of smuggling is, considering the profits they enjoy, not an unreasonable desire on the part of Government. With reference to the Honourable Mr. Narayan's observations as to the great falling off of the export salt trade between Bombay and Calcutta, the Honourable Mr. Bythell has assigned the true cause, which is that the trade of Bombay has completely changed since the opening of the Suez Canal. Formerly many vessels came to the port which during the monsoon found it profitable to carry salt in the place of ballast to Calcutta. These sailing vessels have almost entirely been superseded by steamers, which do not find it worth their while to continue the salt trade formerly enjoyed by the sailing ships. Another of the arguments which were brought forward by the Honourable Mr. Narayan against this Bill is that it will tend to increase the cost of salt. I should like to see that statement proved by statistics before accepting it. I do not, for myself, believe that this Bill will in the least increase the price of salt. There may be a case or two in some parts of the Concan. I may explain the reasons of the great increase of the price of salt in Canara. Since that district was handed over to the Bombay Government the owners of salt manufactories there have purposely reduced their manufactures so as to enhance the price of salt. They do not make enough to meet the wants of the people. By this means they cause dear foreign salt to be imported into the country, and then they clear large profits by selling their own salt at the same rates as the foreign salt. Of course by this means the Government revenue suffers considerably, while the incentives to smuggling are greatly increased. I am not aware whether the honourable member meant to say that the provisions of this Act will in any way forbid the export of salt to the Malabar Coast. If the honourable member compares Section XIX. of the Bill as it now stands and as it stood formerly, he will see that special exemptions may be granted by the Government in special cases. It therefore does not follow that the full export duty at Rs. 1-3 per maund would be insisted upon regarding the whole of the Malabar Coast. It is very probable that in these exceptional cases a trifling payment is all that would be required from the exporter. The Honourable Mr. Munguldass in his speech referred to several points which have already been disposed of the reason of which I have no doubt is, that having written certain things down, he felt bound to say them. In one particular instance he was pleased to say that the remarks which had been made obviated the difficulties which he anticipated, but the same remark might almost have applied to all the difficulties of which he spoke. He seems to be under the impression that this measure will raise the price of salt, and that all respectable owners of salt manufactories will retire from the business. But I think that what I stated a short time ago is against that argument, namely, that so far from the manufacture of salt being checked numbers of applications for the opening of new salt works have already been made. I may mention a most absurd idea which seems to have taken possession of some people—men who really ought to have known better. The idea is that the Government salt works at Kharaghora have been opened in order to

monopolize the whole of the salt trade of the Presidency. I can only characterise such an impression as utterly absurd, and I think this Council will agree with me. We have throughout assured the public that there is no intention of Government interfering with vested interests except for the purpose of preventing smuggling, and that where vested interests are interfered with ample compensation will be given. The Honourable Mr. Munguldass raised an objection with regard to the responsibility that will be thrown upon a licensee by signing the forms of application attached to the Bill. I have already explained the misapprehensions which exist on this point, but I may now state further that all the details entered in the first column of Appendix B. are simply for the purpose of allowing Government to secure statistical information, for of course it is of great importance to us that we should know how the trade is going on in various parts of the Presidency. As this first column is solely meant to enable Government to procure this information, I really do not see what harm can be done to licensees by attaching their signatures to the document. The information in Appendix B. will be filled in from what is contained in Appendix A. and (as I said a short time ago) we can arrange for the signature of the applicant and exporter together with that of the licensee being taken only to those parts of the appendices upon which they must be specially informed.

His Excellency the PRESIDENT put the motion to the Council—that this Bill be read a second time.

Bill read a second time and considered in detail.

The motion was agreed to, and the Council proceeded to consider the Bill in detail.

His Excellency the PRESIDENT moved that Section II. should be altered to read as follows:— Section IV. of Act XVI. of 1844, and so much of Act XXVII. of 1837 and of Act XXXI. of 1850 as has not already been repealed, are repealed.

The amendment was agreed to.

On the motion of the Honourable Mr. ROGERS the words :—"order or permit issued under this Act or" were inserted in line 26 of Section III., between "any" and "of."

The Honourable Mr. GIBBS called attention to the following definition of the word "salt" :—"The word 'salt' shall include every saline substance and preparation used or intended to be used with food." This definition would include Pyretic saline, Epsom salts, and sal-ammoniac. Was this intended?

The Honourable Mr. ROGERS said that the definition only referred to substances removed from salt works or to spontaneous saline productions.

It was decided to strike out the definition of salt, and accordingly the last three lines of the first paragraph of the section were deleted.

Regarding Section IX. the Honourable Mr. NARAYAN said—This section gives power to officers to enter and inspect salt works and warehouses, and any "premises." I move that the word "premises," occurring in line 6, be expunged on the principle that every man's house is his castle. I would prefer that the corresponding section in Act VI. of 1863, the Customs' Act, should be substituted.

Mr. Narayan objects to Salt Officers being permitted to enter private premises when they chose.

The Honourable Mr. ROGERS suggested that a proviso should be added exempting dwelling-houses from the operation of the section. He thought that with the exception

of dwelling-houses any house or premises should be entered at any time if an officer suspected that salt was stored in them.

His Excellency the PRESIDENT said that as the section stood very large powers were given to officers, and he suggested that the last two lines of the section should read thus—"work, or any warehouse, or premises used for storing salt, or any vessel which has been or is proposed to be laden with salt."

The amendment was agreed to.

Regarding Section X., the Honourable Mr. NARAYAN said that in the Customs Act there was a protective section declaring that for illegal arrest or wrongful detention the officer committing the fault should be subject to a penalty not exceeding Rs. 100. He would like to see a similar clause adopted with relation to Section X.

His Excellency the PRESIDENT remarked that such a clause was unnecessary, as the Bill before the Council provided in a subsequent section for a penalty being exacted from officers for vexatious conduct.

The Honourable Mr. ROGERS remarked that Section II. of the Bill was a section upon which considerable alterations had been made by the Select Committee.

The Honourable Mr. NARAYAN called attention to the objections taken to the section in the petition from Mr. Byramjee Jejeebhoy and others.

His Excellency the PRESIDENT pointed out that the petition related to the section before it had been amended by the Select Committee.

The Honourable Mr. ROGERS said it was suggested that the following words should be added to Section XII:—"or other officer duly authorized to take cognizance of the offence."

The Honourable Mr. GIBBS doubted whether any officers could thus be vested with powers for punishing.

The Honourable Mr. ROGERS said that whether the amendment was necessary depended upon what the Council agreed to regarding Section LXIII.

The consideration of the section was accordingly postponed.

The Honourable Mr. GIBBS suggested at this stage that it would be necessary to have a definition of "vessel," and accordingly the following paragraph was inserted among the interpretation clauses :—"The word 'vessel' shall denote anything made for the conveyance by water of human beings, animals, or property."

The words "premises or vessels" were inserted after "building" in line 6 of Section XVI.

With reference to Section XVIII., the Honourable Mr. ROGERS pointed out that this section was one which had been considerably amended in Select Committee. As the section originally stood it was believed that an officer might summon any person he chose, but it had now been altered in such a way as to prevent him from sending for any person not thoroughly acquainted with the subject of inquiry.

The Honourable Mr. FORBES demurred to "any officer appointed under this Act" having power to order any person before him whom he considered requisite. A limit ought, in his opinion, to be put upon the degree of officers who should be invested with this power.

The Honourable Mr. MUNGULDASS concurred with the Honourable Mr. Bythell, and thought that no officer of less degree than a Sir-Carkoon should be invested with the powers of the section.

The Honourable Mr. ROGERS had no objection to the proposed amendment.

The Honourable Mr. NARAYAN wished to know whether witnesses thus summoned would be allowed batta allowances ?

The Honourable Colonel ANDERSON thought not, because as a general rule the witnesses would be summoned for local enquiries simply.

His Excellency the PRESIDENT said that it need not necessarily be a local inquiry, and a witness might have to go many miles in order to appear before the officer sending for him. He would approve of a proviso being inserted in the section to the effect that any person so summoned should be paid his reasonable expenses.

The Honourable Mr. GIBBS was of opinion that it was unnecessary to provide in the Bill before the Council for the payment to witnesses of their expenses, because these would certainly come under the Government of India's general rules on the subject.

The Council concurred.

The Honourable Mr. GIBBS pointed out that if a "true information" were to be secured from a witness the administration of an oath would be necessary.

The Council then agreed to add to the Bill a section to the desired effect.

The words "an officer in charge of a salt work or of a preventive station" were struck out of lines 3, 4 and 5, and "a Sir-Carkoon or Daroga" inserted "after than" in line 3.

Regarding Section XIX., His Excellency the PRESIDENT said that the Government of India considered that the matters treated of in this section ought to be left to the operation of the existing Act XXIV. of 1869.

This Section was according deleted, together with the relative section following.

Regarding Section XXI. His Excellency the PRESIDENT remarked that this section raised the question of persons having hereditary right to manufacture salt. Some persons had shown him documents signed by Mr. LeMesurier and a former Collector which vested in the holders of these a right to manufacture for every Rs. 10 they paid.

The question of certain persons having an alleged hereditary right to manufacture salt.

The Honourable Mr. ROGERS thought if these documents were looked into it would be found that they related simply to the payment of a ground rent.

The Honourable Mr. GIBBS considered that if any persons had a hereditary right to manufacture salt they should be provided with a new license by the Collector.

His Excellency the PRESIDENT—That is just what these people object to. They say they have the hereditary right and must not be interfered with by this Bill.

The Honourable Mr. BYTHELL asked if under this Bill a Collector could refuse to give a license to any person.

The Honourable Mr. GIBBS thought not. The only effect of giving a license to those people having hereditary rights would be, it appeared to him, to bring them under the ordinary rules of the Bill relating to manufacture and disposal of their salt. Their right to manufacture would not be at all interfered with by the license.

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The Honourable Mr. NARAYAN—But of course these persons would be subject to the rules of the Governor in Council. Why should that be if they are already possessed of a special right of manufactory ? I have now with me a lease granted by the Peishwa's Government and another granted to a different person, signed by Mr. LeMesurier, and it certainly appears to me that the proprietary right of the lessees are established under these leases.

The Honourable Colonel ANDERSON—It is quite clear that if any persons possess true leases, Government must compensate them if for fiscal purposes it resumes their right.

The Honourable Mr. ROGERS (after examining the documents which the Honourable Mr. Narayan handed to him)—These leases appear to be sunnuds by which the lessees are entitled to make salt hereditarily, but they do not prevent the present, or the Government of the day, from imposing such other conditions for the manufacture of salt as seems to it to be necessary. These sunnuds appear to me to relate to salt belonging to Government itself, and up to 1850 Government went so far as to fix the rates at which salt should be sold out of the very salt works referred to.

His Excellency the PRESIDENT—But we have the fact before us that many of these claimants to hereditary right brought their own salt works into existence.

The Honourable Mr. NARAYAN—They did indeed ; and that is stated in these leases. I submit that Government cannot now prevent these people from making salt.

The Honourable Mr. MUNGULDASS—I would go even further, and say that it would be unjust to subject these people to such rules as will diminish the income from their salt works.

His Excellency the PRESIDENT—These men must be brought under certain rules, because we cannot allow them to enjoy the full right of smuggling.

The Honourable Mr. NARAYAN—They ought to be made amenable to all the provisions of this Act, but we cannot prevent them from making salt.

The Honourable Mr. GIBBS thought the difficulties in the case might be met by adopting certain amendments upon Section XXII.

Sections XXI. and XXII. were then agreed to, and Section XXIII. was amended so as to run as follows :—"A license for the manufacture of salt shall not, except as hereinafter mentioned, be refused to the proprietor of any salt work not being the sole property of Government which is being worked at the time of the passing of this Act, or which may have been worked within three years previous to the date of its introduction, *or to any person who may establish by virtue of a sunnud granted by the British or any former Government* a special and permanent *right to manufacture salt. Except in the case of saltworks owned by the holders of sunnuds as aforesaid*, the Governor in Council may at his discretion at any time withhold or withdraw a license for manufacturing salt at any salt work whatever which on an average of the three years last preceding shall not have produced yearly at least five thousand Indian maunds of salt," &c.

The Council resolve to allow licenses to be granted to persons possessing sunnuds establishing a hereditary right to manufacture salt.

The Honourable Mr. ROGERS said that were the Council to agree to the alterations they would be practically admitting that these hereditary rights existed.

His Excellency the PRESIDENT—Those who claim hereditary rights must prove their case.

The Honourable Mr. NARAYAN—And if they do possess these rights this Council cannot extinguish them.

The Honourable Mr. ROGERS mentioned that there were cases in which people claiming to possess hereditary rights had already had their works suppressed by Government, and he would therefore suggest that before passing the third reading of this Bill enquiry should be made whether such rights existed.

The Honourable Mr. NARAYAN had no doubt that the rights existed, because a man had come to him the other day and showed him the actual sunnud which had been granted to him by the Peishwa's Government.

The Honourable Mr. MUNGULDASS said that, even supposing the sunnuds were forgeries, Government is not bound to accept them as genuine till they are proved to be such.

His Excellency the PRESIDENT—The question also arises, when Government withdraws a license, is compensation contemplated?

The Honourable Mr. GIBBS—I think that any person possessing a sunnud should have compensation by virtue of the sunnud.

His Excellency the PRESIDENT—Then we might alter the section to that effect.

The Honourable Mr. GIBBS pointed out that what His Excellency desired was covered by the words, "Except in the case of salt works owned by the holders of sunnuds as aforesaid."

The Council then agreed to the alterations hitherto made upon the section.

The Honourable Mr. GIBBS pointed out that the words "any three years" used in line 12 were very vague, and a more definite limitation would require to be fixed. If the words "any three years" were left in the section an energetic Collector who wished to shut up a particular salt pan might go back forty or fifty years, and select the three years which would suit his purpose.

The Honourable Mr. ROGERS remarked that the question of what three years meant had been decided by the High Court of Bombay to mean three consecutive years.

The Honourable Mr. BYTHELL agreed with the Honourable Mr. Gibbs that it would press very hardly upon a salt manufacturer if a Collector choose to pick his "any three years" from a long period back.

It was decided, after some conversation, to substitute for "any three years" in line 12 the words "the three years last preceding"; and the last five lines of the section were altered to read as follows:—"and with the like exception the Collector of Salt Revenue may at any time withdraw or withhold a license from any salt work if no salt shall have been manufactured therein for the three years last preceding."

The section as amended was then agreed to.

The Honourable Mr. NARAYAN thought that Section XXIV. might well be expunged. It was, he said, not wanted and was very vexatious.

The section was struck out.

His Excellency the PRESIDENT said the Poona Association mentioned Section XXV. as a peculiar piece of oppression.

The Honourable Mr. BYTHELL said he found none of the other petitioners objecting to it.

No amendment was made in the section.

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The Honourable Mr. ROGERS said that Section XXVI. was merely meant to apply to natural formations of salt.

His Excellency the PRESIDENT suggested that to make the section clearer "or any formation of salt" should be inserted after "Act" in line 6; and that "or formation" should be inserted after "manufacture" in line 7.

The amendments were agreed to.

With reference to Section XXVII., the Honourable Mr. NARAYAN could not understand how Government could exercise the large powers contained in this section.

The Honourable Mr. ROGERS remarked that if some such powers were not granted, the whole of the money which Government had expended in establishing salt works would be so much money thrown into the sea.

The Honourable Mr. BYTHELL thought this section was absolutely necessary.

Referring to Section XXIX., the Honourable Mr. NARAYAN thought that an owner's responsibilities should cease after he had delivered the goods.

His Excellency the PRESIDENT thought that an owner of a salt work discharged his duty as soon as he delivered the amount of salt applied for.

The Honourable Mr. ROGERS was of opinion that no "delivery" of salt was completed until it had passed through the preventive stations. Were the Bill to be otherwise a great deal of smuggling would take place between salt works and the preventive stations.

The Honourable Colonel KENNEDY concurred.

After some discussion the Council agreed, on the motion of the Honourable Mr. GIBBS, to insert the following words in Appendix A. to the Bill:—"I certify the correctness of the entries in columns 3, 4 and 5."

His Excellency the President then adjourned the Council.

By order of His Excellency the Governor in Council,

JOHN NUGENT,

Acting Under-Secretary to Government.

Poona, 6th October 1873.

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Abstract of the Proceedings of the Council of the Governor of Bombay, assembled for the purpose of making Laws and Regulations, under the provisions of "THE INDIAN COUNCILS' ACT, 1861."

The Council met at Poona on Tuesday, the 7th October 1873, at noon.

PRESENT:

His Excellency the Honourable Sir PHILIP EDMOND WODEHOUSE, K.C.B., Governor of Bombay, *Presiding*.

The Honourable A. ROGERS.
The Honourable J. GIBBS.
The Honourable MUNGULDASS NUTHOOBHOY, C.S.I.
The Honourable Colonel M. K. KENNEDY.
The Honourable Sir JAMSETJEE JEJEEBHOY, BART., C.S.I.
The Honourable NARAYAN VASUDEVJEE.
The Honourable J. K. BYTHELL.
The Honourable GUNPUTRAO TATYA SAHIB PUTWURDHUN.
The Honourable Colonel W. C. ANDERSON.

The Bombay Salt Bill considered in detail.

The Council proceeded with the consideration of the Bombay Salt Bill in detail.

Referring to Section XXX., the Honourable Mr. NARAYAN said that a similar alteration in Appendix B. was required as had been made in Appendix A.

The three last lines in the Appendix were struck out, and the Appendix was then agreed to.

The Honourable Mr. NARAYAN called attention to the fact that one or two of the petitions objected to that part of the section which required the specification of the number of days within which the salt must be conveyed to its immediate destination.

The Honourable Mr. GIBBS wished to explain to the Council the meaning of "immediate destination." Supposing a person were taking salt from Penn for the Central Provinces, he would first require to land the salt in Bombay, and Bombay under these circumstances would be the "immediate destination."

The Honourable Mr. NARAYAN remarked that the "immediate destination" might be the Malabar Coast, and then it would be impossible to say how long it would take to land salt there in a sailing vessel.

The Honourable Mr. BYTHELL said that it seemed very hard, if a person were accidentally detained on his journey, that he should be liable to punishment of one kind or another under this Bill.

His Excellency the PRESIDENT said that if a man's bullocks died upon the road, or some similar accident to him occurred, which prevented him from delivering his salt within a stipulated time, Government would certainly never prosecute him, but nevertheless, where no accidents happened, it would be very right for Government to have the power of insisting that salt should be delivered within a reasonable time. He approved of a person being compelled to fix a time for the delivery of his salt, because in the event of his non-fulfilment of the stipulation a reasonable explanation of the delay would be sure to be accepted.

The Honourable Mr. NARAYAN to a great extent concurred with His Excellency the President, but thought, nevertheless, that some protection or assurance ought to be given to a man who had been detained from delivering his salt by causes over which he had no control that he would not lose his property.

The Honourable Mr. GIBBS was of opinion that the provisions of the Penal Code would be a sufficient guarantee in such circumstances.

His Excellency the PRESIDENT was somewhat doubtful of this, considering the specific terms of Section LIX., the "penalty section," relative to the matter under consideration. He thought that that section ought to be amended to the effect that whoever should be "wilfully" guilty of a breach of any of the provisions of this Act. Moreover, if this were agreed to, it would be in accordance with the desire of the Government of India.

The Honourable Mr. NARAYAN, while agreeing with His Excellency the President's views, pointed out that in the Customs Act a corresponding section used the word "wilfully."

After some further discussion Section LIX. was amended so as to run thus:—"Whoever shall be guilty of a breach of any of the provisions of this Act or of any license, permit, or rule, made or issued in pursuance thereof, for infringements of which special penalties shall not have been prescribed, shall be liable to a fine not exceeding Rs. 200, or in default to imprisonment of either description which may extend to one month."

His Excellency the PRESIDENT, reverting to Section XXX., raised the question whether a further permit than that which the section referred to would not be necessary, because, supposing that any person had succeeded in obtaining a hundred maunds of salt and carried it to Bombay without a permit, and afterwards carried it on to Poona, the Salt Department authorities would not have power to interfere with it even if by the time it was on the way to Poona they discovered it to have been illegally obtained in the first place. Bombay, in such a case, would be the "immediate destination" and hence the powerless ness of the authorities to interfere with the salt when on its way to Poona.

The Honourable Mr. GIBBS said that such a case would be met under the general provisions of the Act relating to the mode of procedure regarding "contraband salt," because the hundred maunds of salt would undoubtedly be "contraband salt."

Regarding Section XXXII., the Honourable Mr. NARAYAN mentioned that certain of the petitioners objected to the re-weighment of salt "in such manner as the Collector of Salt Revenue may from time to time direct."

The Council decided to make the re-weighment permissive, and in line 9 "may" was substituted for "shall."

In line 3 of Section XXXV., the words "a permit" was substituted for "an order."

The Honourable Mr. NARAYAN said that petitioners objected to Section XXXVI.

The Honourable Mr. ROGERS remarked that the section had been amended to some degree in Select Commitee, and therefore the strictures of the petitioners had been for the most part met. If licenses established to the satisfaction of the Governor in Council that they had exercised "all due and reasonable precautions," words which the Bill as originally drafted did not contain, they would not be interfered with.

The Honourable Mr. NARAYAN drew special attention to the words "if any persons employed thereat shall have been guilty of any offence against the provisions of this Act," and contended that, according to these words, a salt manufacturer might have his works suppressed for the fault of a coolie of whose procedure he knew nothing.

Ought salt proprietors to be made responsible for infringement of the act by their subordinates.

The Honourable Mr. MUNGULDASS said it would be most unjust to confiscate the property of an owner for a trivial offence against some of the rules to be published hereafter by the Governor in Council which a coolie might commit. The labourers employed on salt works were, as a rule, ignorant and degraded persons, whom the most vigilant of masters could not prevent from infringing the rules.

The Honourable Colonel ANDERSON was of opinion that a master ought to suffer the penalty of carelessly employing bad servants. He was of opinion that "due and reasonable precautions" was a sufficiently wide term to meet all difficulties.

The Honourable Mr. NARAYAN would certainly hold a proprietor guilty for any act of wilful neglect, but could not agree to a proprietor being made so terribly responsible for the delinquencies of "any" of the persons employed at his works.

Mr. Munguldass, in order to prevent a proprietor being held responsible for the errors of subordinates, moves the omission from Section XXXVI. of the words "if any of the persons employed thereat."

The Honourable Mr. MUNGULDASS thought it would be no doubt justice if the person immediately concerned in an offence were punished, but to make a master liable to have his salt works suppressed because a coolie committed a slight offence was so unfair, that he thought the Honourable Council could never approve it. He begged to move that the words "if any of the persons employed thereat," occurring in lines 15 and 16, should be omitted.

The Honourable Mr. GIBBS deprecated the alteration, because he was aware of the owners of certain works carrying out a regular system of smuggling which was performed by coolies and the like, while they themselves remained in the back-ground. If the "men of straw" were captured they alone suffered the punishment, while the chief delinquent escaped, and it was to meet cases like this that the section had been framed.

The Honourable Mr. MUNGULDASS replied that by all means the persons putting forward the "men of straw" ought to be punished if that offence were proved against them.

The Honourable Mr. NARAYAN said that, moreover, there were certain rights of property which must be protected, and these might be violated if the section were passed unaltered.

The Honourable Mr. GIBBS wished to know if the rights of property referred to by the honourable member were to be respected in the case of men who actually broke the law, and (when their puppets were found out) paid the expenses, if any, of the people whom they employed, ought to be protected by the Bill.

The Honourable Mr. MUNGULDASS pointed out that the section applied not only to dishonest masters but also to honest employers, who might unfortunately have in their service ignorant and dishonest servants.

The Honourable Mr GIBBS said that the honest manufacturer would find it very easy to prove his honesty to the Governor in Council.

The Honourable Mr. MUNGULDASS—If it is provided that the salt manufacturer shall only be punished if he is convicted of participating in an offence I will agree to the section. But as the section now stands I think my amendment is a just one, because it will prevent an owner from being unjustly punished for offences committed by his inferior servants.

The Honourable Colonel KENNEDY felt that some modification of the clause was necessary.

The Honourable Mr. BYTHELL—As I intend to vote against the amendment I wish to say a few words in explanation. No member of this Honourable Council objects more strongly to anything in the shape of oppression than I do, but it appears to me that for the safety of the salt revenue it is absolutely necessary that some heavy penalty should be attached to a breach of this Act, even supposing the owner of a salt work not to have been actually privy to its commission. Merely to take the usual course adopted in the Excise law of confiscating the contraband article, would be no punishment at all, inasmuch as the confiscation of a few handfuls of salt would be a mere bagatelle and unworthy of being called a punishment. Under Section 59 of the Customs Act property may be confiscated if a false statement is made in connection with it, and I remember that a few years ago a clerk belonging to the firm with which I am connected committed a clerical error in declaring the weight and description of some goods we had imported. A fine of Rs. 500 was attached to the offence, and it was only after I had made a personal explanation to Mr. Reid that the fine was remitted. I mention this to show that under the Customs Act a master is liable even for the mistake of a servant. I think that in the section before us we must accept the principle of the owner's responsibility for any breach of the provisions of this Act, and I must confess for my own part that, although I think the section might be modified, it is difficult to know what penalty could be substituted for the one which it contains at present. Many of the petitioners object to the section, but I would point out that it has been modified in Select Committee since they made their objections. Indeed, I think I would have no objection to seeing this section stand as it does, if the section were altered which provides that the Governor in Council may delegate his power to any officer appointed under this Act, because I really do not think that the power to suppress a salt work should depart from the Governor in Council.

The Honourable Mr. MUNGULDASS—I could understand the argument used by the Honourable Mr. Bythell if his whole office had been confiscated for the fault of his servants, instead of a simple fine being inflicted. I think, moreover, that if the honourable member could only succeed in getting the fine remitted after making a personal representation to the Commissioner of Customs, it would be almost impossible for a poor salt manufacturer in the mofussil to obtain even a hearing.

Mr. Munguldass' amendment lost.

The Council divided on the Honourable Mr. Munguldass' amendment.

Ayes—4.

The Honourable MUNGULDASS NUTHOOBHOY.
The Honourable Sir JAMSETJEE JEJEEBHOY.
The Honourable NARAYAN VASUDEVJEE.
The Honourable GUNPUTRAO TATYA SAHIB PUTWARDHUN.

Noes—5.

The Honourable A. ROGERS.
The Honourable J. GIBBS.
The Honourable Colonel M. K. KENNEDY.
The Honourable J. K. BYTHELL.
The Honourable Colonel W. C. ANDERSON.

The motion was therefore lost.

The Honourable Mr. GIBBS said that, with reference to the remarks which were made by the Honourable Mr. Bythell, he thought some alterations in the section were requisite. If either an owner or his agent committed any violation of the provisions of the Act at a salt work, Government ought to have power to suppress the salt work; but he thought it would work severely if a similar penalty were exacted for the offence of a very inferior person employed about the works.

The Honourable Mr. NARAYAN asked if it would not do to make an owner liable if he were "cognisant" of any offence committed against the provisions of the Act.

The Honourable Mr. GIBBS—That would not do, because cognizance could seldom be proved.

The Honourable Mr. NARAYAN—Then why should a man's salt work be suppressed for an offence which cannot be proved?

The Honourable Mr. GIBBS said that in a Bill of this description it was necessary to have severe sections.

His Excellency the PRESIDENT—I think that the powers which we are taking under this section are very great, but I can scarcely object to them, because I do not believe that any smuggling can be carried on in a salt work without the knowledge of the owner. Is this an absolutely new power which we are taking?

The Honourable Mr. ROGERS replied in the affirmative.

The Honourable Mr. GIBBS—The necessity for the section is shown by the fact that last year there were no less than 500 convictions for smuggling salt, and in no single case did the owner give any information to lead to the conviction.

The Honourable Mr. BYTHELL was of opinion that the offence for which suppression ought to be resorted to should be defined. The section made it appear that suppression might ensue from a breach of any rule made in pursuance of the Act by the Governor in Council. Now these rules were not published in the Bill, and a breach of any one of them might therefore be very harmlessly committed. Moreover, a breach of the conditions of the license would make a man liable to have his salt work confiscated, although another section of the Bill declared that the license was to be liable to such alterations as the Governor in Council might from time to time direct.

The Honourable Mr. NARAYAN pointed out that the tendency of the new law would be to depreciate salt work property, because few persons would be disposed to purchase that description of property when it was liable to such extreme penalties.

His Excellency the PRESIDENT suggested that the section should be made applicable only to cases in which a person was found smuggling 20 seers or upwards out of a salt work, because such a quantity of salt could not be taken out of a manufactory without the knowledge of the licensee or his agent.

The Honourable Mr. ROGERS observed that it was stated to him that a number of women were the other day captured at Panwell each carrying away 10 seers of salt.

The Honourable Mr. GIBBS said it would be easy for a much less quantity to be taken away daily from a manufactory by individuals, so that in a short time they would accumulate a large quantity of smuggled salt.

The Honourable Mr. BYTHELL—Since the purport of this Bill is to prevent smuggling I may say that that object would be considerably assisted if the Salt Department were to pay its servants a little better than it does. Many of them were, he believed, so badly paid that they had to resort to smuggling in order to make their daily bread.

The payment of subordinates in the Salt Department objected to as being too low to secure efficiency.

The Honourable Mr. NARAYAN cordially concurred with the Honourable Mr. Bythell. The pay of a peon in the Salt Department was not equal to that of a daily labourer, and a man in charge of a salt work actually got only about Rs. 15 a month.

The Honourable Mr. BYTHELL remarked that Government could scarcely expect to get honest men in the Salt Department at such rates as these.

His Excellency the PRESIDENT—Considering all things, I think it would be sufficient for our purpose if we do away with the power of suppression and substitute for it a power to impose a fine not exceeding one thousand rupees for each offence which may be committed.

The Honourable Messrs. BYTHELL and GIBBS approved of the suggestion.

The Honourable Mr. NARAYAN objected to it, because it should be the duty of the Salt Department to prevent the necessity for such penalties by maintaining a proper preventive staff.

The Honourable Mr. GIBBS, adopting the suggestion thrown out by His Excellency the President, moved the following amendments upon the section:—That the words:—"to suppress any salt work or to suspend or withdraw the license to manufacture salt at" should be omitted, and these words substituted—"to impose a fine not exceeding one thousand rupees on the licensee of"; that the words:—"or of any breach of any rule made in pursuance thereof" should be omitted from lines 18 and 19; that the words:—"of rule or" should be omitted from line 26; and that the words:—"the conditions of the" should be inserted after "of" in line 29.

The Council agree to make an owner liable to a fine, instead of to the suppression of his salt works, for the misdeeds of subordinates.

The Council divided on the Honourable Mr. Gibbs' amendments:—

Ayes—5.	*Noes*—4.
The Honourable A. ROGERS.	The Honourable MUNGULDASS NUTHOOBHOY.
The Honourable J. GIBBS.	The Honourable SIR JAMSETJEE JEJEEBHOY.
The Honourable Colonel M. K. KENNEDY.	The Honourable NARAYAN VASUDEVJEE.
The Honourable J. K. BYTHELL.	The Honourable GUNPUTRAO TATYA SAHIB PUTWURDHUN.
The Honourable Colonel W. C. ANDERSON.	

The amendment was therefore carried.

The Honourable Mr. NARAYAN called the attention of the Council to the objections raised against Section XXXVI. by the petitioners. He was of opinion that the Lands Acquisition Act ought alone to be applied to salt works which the Governor in Council might see fit to suppress summarily, otherwise the matter should be a simple question of settlement between an owner and the Collector of Salt Revenue. He objected strongly to the part of the section which

It is argued that summary powers to suppress salt works ought to be exercised only under the Lands Acquisition Act.

stated that the owner of a suppressed salt-work would be paid as compensation the market value of such work, "if sold free of all incumbrances, deducting the value of any of the land and of any buildings thereon which are capable of being applied to any other purpose than the manufacture of salt."

The Honourable Mr. MUNGULDASS—If Government wish to put this section in force it will be only to protect the public revenue and for no other purpose. That being the case, the public revenue ought to pay a reasonable price for the advantage it would be gaining under the section. The Government of India has already passed an Act to enable Governments to acquire property for public purposes. This ought to be sufficient, and as I cannot see the good of the section as it now stands, I beg to move that Section XXXVII. be omitted, and these words substituted—"The Governor in Council may purchase any salt-work in the Presidency of Bombay under Act X. of 1870, or any other Act which may be passed hereafter for the object of acquiring land for public purposes."

The Honourable Colonel ANDERSON approved of the section as it stood, and thought that as Government did not want the land or buildings of suppressed salt-works, these being of no use whatever to Government, that part of the section deducting the value of such lands and buildings from the compensation to be given to an owner was only just.

The Honourable Mr. MUNGULDASS—I must disagree with the honourable member. Government has allowed salt-work proprietors to invest their money in that description of property, and if it wishes, for the sake of public revenue, to suppress a salt work I repeat that it is only fair that public revenue should pay the owner in full, and Government may then do with the land and buildings what it pleases. If a person has invested his money in salt-pans, doubtless he never intended to grow rice, and I do not think he should be compelled to do so by this section, for, when his salt-pans are suppressed, the land will be as useless to him as it would be to Government. If he chooses to come to any arrangement regarding his lands and buildings, good and well; but he should not be compelled by this section.

The Honourable Colonel ANDERSON—No hardship will be done to an owner. He originally cultivated rice upon his lands before he commenced to manufacture salt. Government says that it does not wish him to manufacture salt upon the land any longer, and he simply reverts then to his former occupation.

The Honourable Mr. MUNGULDASS—In many instances these lands never were paddy lands.

The Honourable Colonel ANDERSON—This section will prevent Government paying a fancy price for lands and buildings which can be of no use to it.

The Honourable Mr. NARAYAN—And they very probably will be of no value to an owner after his salt manufacture has been suppressed.

The Honourable Mr. GIBBS—I think that the honourable members who oppose the section are fighting for a shadow, because if, as they say, the land will be of no value to an owner after his salt-work has been suppressed, then nothing will be deducted from the amount of compensation which is to be given to him.

His Excellency the PRESIDENT—I can only say that when the Bill was under preparation the greatest possible pains were taken in considering this clause, especially as to the amount of compensation which should be given to owners whose salt-works may be suppressed. It is but just to the Honourable Mr. Rogers to mention that he concurred

in the opinion expressed in the Government of India's letter to me, that the section presents an extremely difficult appearance. It says that the Governor in Council is to suppress any salt-work on payment as compensation of the market value of such work. I have not the slightest idea in what manner, either under this Act or under the Lands Acquisition Act, the market value of such a salt-work is to be fixed. Its value to an owner may be considerable, considering the facilities which it affords for smuggling and the profits he may have gained from smuggling. How then can you tell the market value? If an owner will say how much he succeeds in smuggling annually, we may get at the approximate value of the salt-work to the owner; but as he is not likely to do so, it is difficult to see what effect the use of the phrase "market value" will have.

The Honourable Mr. NARAYAN—Not only would the value of the land but also the "value of any buildings thereon which are capable of being applied to any other purpose than the manufacture of salt" be deducted. These buildings, as well as the land, will be practically of no use to the owner of a suppressed saltwork. It may be urged that the lands will be of some value to the owner, because he may grow paddy, but why compel him to do so, if he says "I do not wish to cultivate rice—you have suppressed my salt-work, and you may have the lands now"?

The Honourable Mr. MUNGULDASS—I was a proprietor of a salt-pan for fifteen years, and if during that time it had been attempted to make me produce rice instead of manufacturing salt I would certainly have objected.

The Honourable Mr. BYTHELL—I agree that the substitution of the Lands Acquisition Act for this section would be advisable. By doing so, no injustice would be done to Government, because the adjudging court would not take into its consideration any unlawful value which a property may have acquired through smuggling.

His Excellency the PRESIDENT—I may mention that there was a proposal made, when this Bill was first under consideration, that Government should, on suppressing a salt-work, pay the owner a sum equivalent to twenty years' ascertained profits of the work.

The Honourable Mr. GIBBS said there would be great practical difficulties in adopting such a course. Sale books in connection with each salt-work had not been kept for so long a period back as twenty years.

The Honourable Colonel KENNEDY said it would be easy to give an owner twenty times the annual profits of the average of the last three years of the existence of the salt-work.

The Honourable Mr. BYTHELL remarked that as it was imperial revenue that was concerned, and the Supreme Government desired the introduction of the Lands Acquisition Act, the Council might very well agree to the Supreme Government's suggestion.

The Honourable Colonel KENNEDY said he would vote for the introduction of the Lands Acquisition Act.

After some further consideration, the section was amended so as to read as follows:—

The Council agree that salt-works shall be suppressed only under the provisions of the Lands Acquisition Act.

"The Governor in Council may, at his discretion, with a view to the summary suppression of any salt-work within the Presidency of Bombay, direct the acquisition of such salt-work under the provisions of Act X. of 1870, or other law in force for the time being, for the acquisition of land for public purposes. Nothing contained in this section shall affect the powers vested," &c.

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Sections XXXVIII. and XXXIX. were struck out, being unnecessary in consequence of the alterations which were adopted in Section XXXVII.

His Excellency the PRESIDENT said that Section XL. was objected to by Mr. Abdool Gufur wulud Mynodeen and his 294 co-signatories, who said "Your Excellency's petitioners cannot do better than refer your Excellency to the evidence given by Lord Lawrence before the Finance Committee in England on the subject of the salt revenue. Already there are men in the interior who on account of the high price of salt there are extremely economical in its use, and consequently subject to various diseases. Your Excellency's petitioners therefore earnestly pray this provision be omitted from the Bill."

Reverting to Section XLI., His Excellency the PRESIDENT mentioned that several persons wished the rules to be published in the Act, but it would be impossible to do so as Tanna, Guzerat, and parts of the Concan had different customs, which would require to be governed by special rules.

The Honourable Mr. MUNGULDASS suggested that the best plan to adopt would be to draft rules first and then submit them to the consideration of the persons interested.

His Excellency the PRESIDENT remarked that that could be done without stating it in the Bill.

The Honourable Mr. MUNGULDASS thought that fees should not be levied on licenses because the object of the Bill is to prevent the smuggling of salt and not to increase the salt revenue, and therefore he proposed that the words "and may levy fees on such licenses" of the section should be struck out.

The Honourable Mr. BYTHELL concurred.

After some discussion the words "and may levy fees on such licenses" were struck out from lines 8 and 9.

Regarding Section XLII., the Honourable Mr. MUNGULDASS said—Sir,—This section lays down that all salt exceeding 20 seers in quantity found in any building, enclosure, or premises not licensed shall be held to be contraband. For this reason this section is objectionable. I have already expressed my opinions upon this matter; therefore I need hardly repeat them. The limits within which the prohibition of possessing more than 20 seers of salt is made applicable are most extensive, inasmuch as the section lays down that no one should possess more than 20 seers of salt within a distance of ten miles from any salt work, land customs station, government salt warehouse, or port or place declared and appointed for the import or landing of salt. I see from Mr. Pedder's report that Government intends to establish salt depôts at Poona, Surat, Broach, and other populous places, so that the generality of people will come under this prohibition, and therefore this section will result in a very great hardship being inflicted upon house-holders; if the distance is reduced to a mile or so perhaps the section will be more reasonable.

Mr. Munguldass objects to the provisions that no person shall be allowed, without a license, to keep more than twenty seers of salt within a distance of ten miles from certain places.

The Honourable Mr. ROGERS—Can smugglers not travel more than a mile or so in a night?

The Honourable Mr. MUNGULDASS—In the first place Government ought to have a proper preventive staff to prevent smuggling before interfering with the private rights of the people.

The Honourable Mr. GIBBS was of opinion that 20 seers was enough of salt to allow in a private house at one time.

The Honourable Mr. MUNGULDASS—I do not think it is enough. All well-to-do native families require 20 seers of salt every ten days. Besides on certain ceremonial occasions, such as marriages, deaths, &c., Hindoo gentlemen require as much as 20 seers in a day.

The Honourable Mr. GIBBS—In Bengal the limit is five seers.

The Honourable Mr. MUNGULDASS—It is no reasons that because there is an objectionable law in Bengal we should introduce it here, and it may be one of the grounds why the consumption of salt in that province has been greatly reduced.

His Excellency the PRESIDENT—I do not think this section will practically be worked harshly. A man's house can only be searched upon a search warrant, and a magistrate would scarcely grant a warrant without being assured that there was need for it.

The Honourable Mr. NARAYAN—Upon a written application from the Collector or other officer appointed under this Act a magistrate would be bound to give such a warrant.

The Honourable Mr. MUNGULDASS—Besides, a majority of the lower grades of magistrates are ill-paid or uneducated and they have no knowledge of English, and therefore it does not follow that they would look into the merits of every application for a warrant made to them. I respectfully submit that this section will expose the people to annoyance and hardship.

The Honourable Mr. ROGERS—Before a man's house can be searched there must be cause to assume that there is contraband salt in it.

The Honourable Mr. NARAYAN—I would point out that the Government is already establishing storehouses in Guzerat as near towns as possible, and yet according to this section householders in these towns would not be allowed to keep such reasonable quantity of salt as they choose. I think that if under the Excise law in England a gentleman may keep as much wine as he pleases in his cellars for twenty or thirty years, Hindoo gentlemen might well be allowed to keep what quantity of salt they require.

The Honourable Mr. ROGERS—In England the duty upon such wine would be all paid.

The Honourable Mr. NARAYAN—And so would the duty be paid upon salt in this case.

The Honourable Mr. GIBBS—I believe that where there will be found one person who requires as much salt as the Honourable Mr. Munguldass does, there will be found 100 who do not.

The Honourable Mr. MUNGULDASS—I assure the honourable gentleman that many undivided Hindoo families require quite as much. Perhaps His Excellency is not aware that during a wedding or a death ceremony a native gentleman has often to feed 3,000 or 4,000 people, and the quantity of salt then used must be very great.

The quantity of salt which may be kept within ten miles of certain places increased to forty seers.

After some further discussion, the Council agreed to alter "20" to "40" in the first line of the section; and to insert "or order" after "permit" in the third line.

The Honourable Mr. NARAYAN did not think the Council ought to agree to Section XLIII. The present Bill, he said, was stringent enough without the Bengal Act being introduced.

His Excellency the PRESIDENT mentioned that the Government of India was of opinion that the retention of the section would lead to confusion, or at all events inconvenience.

The Honourable Mr. BYTHELL—The Bengal system is entirely different from the Bombay method of collecting salt revenue, and if the Bombay Government wish to introduce that system in Bombay a special Bill should be introduced. It is not right in principle to give Government power to apply any portion or the whole of the Bengal Act to this Presidency merely by making an order in the *Government Gazette*. If the very stringent Act now before the Council prove insufficient, another Bill to introduce the Bengal system can be brought forward.

The section was struck out.

Regarding Section XLIV. the Honourable Mr. BYTHELL said—This is a section which is objected to very strongly in some of the petitions, on the ground that the export trade to Calcutta always takes place between June and September. I believe, however, that it is not the intention of Government to prevent any salt from being exported to Calcutta. I notice that the petition which is signed by Abdool Gufur wulud Mynodeen and 294 others says:—"Section 40 empowers the Governor in Council of Bombay to prohibit the removal of salt for any period between the 15th June and the 15th September. Now the period above indicated is the one during which there is the greatest demand for salt [illegible] Calcutta merchants, owing to the very low rate of freight which the ship-owners, who use the salt as ballast, charge them. It would therefore be inexpedient to prohibit the removal of salt during these months. If, during the period from 15th June to 15th September the exportation of salt is prohibited, even where there is a demand for it, and if that very same salt afterwards remains undisposed of for two years it is liable to be destroyed under Section XL. It is evident that the owners will suffer loss, for which no one but Government is to blame." The petition signed by Krishnajee Babun Bhoera and eighty others states that "if this section were agreed to it would be tantamount to forbidding the exportation of salt to Calcutta from Matoonga, Trombay, and other places in the vicinity of Bombay."

The provision giving power to close salt works between the 15th June and 15th September objected to on the ground that all the salt trade between Bombay and Calcutta takes place within that period.

The Honourable Mr. GIBBS—There are certain salt works which during the period between the 15th June and 15th September do nothing whatever, and unless we have power to close these altogether, a large and expensive preventive establishment will require to be maintained. Now this section will enable the Collector to close works of that description and so effect a saving in the public revenue.

It is explained that the use of the section is to prevent the expense of keeping up preventive establishments at certain salt works doing little or no business during the monsoon.

The Honourable Mr. MUNGULDASS—Why should Government seek to close these works? If a salt work is a man's own property surely he ought to be allowed to sell salt when he pleases.

The Honourable Mr. GIBBS—We wish to save the general imperial expenses for preventive officers.

The Honourable Mr. MUNGULDASS—At the expense of the salt work owner?

The Honourable Mr. GIBBS—It will not be a loss to the owner, because he will be doing no business.

The Honourable Mr. ROGERS—Moreover, the forbidding of the removal of salt from a salt work must be notified in the *Bombay Government Gazette*, and if anything were considered a hardship by an owner he would raise such an outcry in the Press as would prevent the section from being wrought oppressively.

The Honourable Mr. MUNGULDASS—I would point out that by this section the whole Calcutta trade may be stopped.

The Honourable Mr. BYTHELL here mentioned that he had just learned that the refusal of the Bombay Government to acknowledge the certificates of the Calcutta Board of Revenue, with respect to loss in cargoes of salt during voyages between Bombay and Calcutta, was in direct contravention of a notification issued by the Bombay Customs authorities to the effect that such certificates would be acknowledged in Bombay. This agreement seemed to have been arbitrarily broken by the Salt Department authorities, and as a matter of fact several suits were about to be brought against the Bombay Government to test the legality of its proceedings in the matter.

The Honourable Mr. ROGERS—As this point has been brought forward now, I may briefly explain how the circumstances happened to which the honourable member has alluded. The Collector assures me that there is no such notification or guarantee in existence, and that the Bombay authorities never agreed to accept the Board of Revenue certificates.

The Honourable Mr. GIBBS, recurring to the discussion of the section, said it might well be passed, as it was only intended to apply to salt-works doing no business.

The Honourable Mr. MUNGULDASS—Then why not distinctly say so in this section?

The Honourable Mr. GIBBS—It would be quite impossible to put everything into the Bill which may be necessary. Does the honourable member suppose that the Government of Bombay would shut up any place from which revenue could be extracted?

The Honourable Mr. BYTHELL—In the export trade to Calcutta the Bombay Government does not get revenue.

The Honourable Mr. GIBBS—At all events the Imperial Government does.

The Honourable Mr. BYTHELL—Whatever proceedings Government may adopt here, it does not appear to me that the Calcutta Government will lose, for there are other countries quite willing to supply her with as much salt as she wishes. The only effect of stopping the trade here would be, that while Calcutta would get her revenue the same as usual, the salt trade of Bombay would be transferred to foreign countries.

His Excellency the PRESIDENT suggested that consideration of the section should stand over.

Consideration of the section was postponed.

Referring to Section XLV. the Honourable Mr. NARAYAN said—This is a section which is objected to by many of the petitioners, because they do not think that the Collector should have power to determine the mode in which salt should be packed before removal from a salt-work, and the size and weight of the packages in which it shall be removed. The whole

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secret of the matter seems to be that the Collector wishes to have power to make manufacturers pack their salt in bags—a process to which they have never been accustomed hitherto.

The Honourable Mr. ROGERS—In exporting salt to Calcutta it is not weighed, but simply shovelled from boats on board the ships. This system leads to an immense amount of smuggling, and therefore it is very necessary that the Collector should have power to determine in what way salt should be put on board ships.

The Honourable Mr. NARAYAN—This is done at the expense of the owner.

The Honourable Mr. ROGERS—It will only be the expense of purchasing bags once.

The Honourable Mr. NARAYAN—Bags will have to be purchased a great deal oftener than once.

The Honourable Mr. MUNGULDASS thought the provision was a great hardship.

The Honourable Mr. GIBBS pointed out that the bags could be used again after they had assisted to convey salt to a ship, and mentioned the instance of some Brinjarees who had taken salt up-country in bags and returned with gram in the same bag.

The Honourable Mr. NARAYAN said it was a very different description of salt which Brinjarees carried compared with salt which was taken to Calcutta.

The Honourable Colonel KENNEDY said that as salt was weighed at the salt-works before it was removed, he did not see the necessity for taking such precautions to see the salt placed on board a ship and re-weighed.

The Honourable Mr. NARAYAN quoted the remarks of Mr. Pedder relating to carrying salt in bags, from which it appeared that the Calcutta merchants objected to the bags system so strongly, that he (Mr. Pedder) could not feel justified in urging its adoption either in Calcutta or Bombay.

His Excellency the PRESIDENT—That system relates to sending salt in bags all the way to Calcutta, and that is widely different from what is intended here.

The Honourable Mr. BYTHELL—I may mention that this season there were ten ships in Bombay in the carrying trade. The smallest quantity taken was by the "Glenroy"—8,000 maunds; and largest by the "King George"—39,000 maunds.

The Honourable Mr. NARAYAN—It seems to me that the intention in this section is simply to kill trade. I think it would be easier and better for the Salt Department to employ good preventive officers than to lay upon owners such burdens as this section imposes.

The Honourable Colonel KENNEDY—It appears to me that putting the salt in bags will necessarily increase the price of salt.

The Honourable Mr. NARAYAN—It will just double the price of salt.

The Honourable Mr. MUNGULDASS—I beg to move that lines 17, 18, 19, and 20 of the section be struck out.

After some discussion the Council agreed to the amendment without dividing.

The Honourable Mr. MUNGULDASS—A number of the petitioners object to the ninth clause of this section, which gives the Governor in Council power to make rules for the conservancy of any salt-work. I also agree with them, because it may lead to unjust interference with their salt-works and put owners to great expense, and I beg to move that it be struck out.

A brief discussion here ensued, and then the vote was taken upon the motion of the Honourable Mr. Munguldass :—

Ayes—3.

The Honourable Munguldass Nuthoobhoy.
The Honourable Sir Jamsetjee Jejeebhoy.
The Honourable Narayan Vasudevjee.

Noes—6.

The Honourable A. Rogers.
The Honourable J. Gibbs.
The Honourable Colonel M. K. Kennedy.
The Honourable J. K. Bythell.
The Honourable Gunputrao Tatya Sahib Putwurdhun.
The Honourable Colonel W. C. Anderson.

The motion was therefore lost.

The Council decided to strike out Clause 6, and also all of Clause 7 after the word "land" in line 39.

Referring to Section XLVI., the Honourable Mr. Bythell said—I do not think that the need for destroying salt is so great that power to do so should be retained in this section

The Honourable Mr. Narayan—This very sifted and refuse salt which is spoken of was sold in 1870 for about three times its normal price.

The Honourable Mr. Bythell enquired what was the disadvantage of allowing that description of salt to lie in the salt-works.

The Honourable Mr. Rogers—I am informed that that salt is quite unsaleable under ordinary circumstances. It encumbers the ground, and a deduction has always to be made by the Department in respect of salt being left upon the ground.

The Honourable Mr. Munguldass—A double loss upon the owner will be inflicted, because not only will his salt be destroyed, but he will be compelled to pay the expense of doing so.

The Council resolved to postpone consideration of the section.

His Excellency the President then adjourned the Council.

By order of His Excellency the Governor in Council,

JOHN NUGENT,
Acting Under-Secretary to Government.

Poona, 7th October 1872.

*Abstract of the Proceedings of the Council of the Governor of Bombay, assembled for the purpose of making Laws and Regulations, under the provisions of "*The Indian Councils' Act, 1861."

The Council met at Poona on Wednesday, the 8th October 1872, at noon.

PRESENT:

His Excellency the Honourable Sir Philip Edmond Wodehouse, K.C.B., Governor of Bombay, *Presiding.*

The Honourable A. Rogers.
The Honourable J. Gibbs.
The Honourable Colonel M. K. Kennedy.
The Honourable Sir Jamsetjee Jejeebhoy, Bart., C.S.I.
The Honourable Narayan Vasudevjee.
The Honourable J. K. Bythell.
The Honourable Gunputrao Tatya Sahib Putwardhun.
The Honourable Colonel W. C. Anderson.

The Bombay Salt Bill considered in detail.

The Council proceeded with the consideration of the Bombay Salt Bill in detail.

His Excellency the President proposed that Section 46 of the Bill be amended as follows:—"The Collector of Salt Revenue may at his discretion allow the licensee of any salt work to store in heaps any sifted or refuse salt which may be lying on such work, or at the option of the licensee to destroy the same; and if such licensee shall fail either to store in heaps or to destroy any such salt within ten days from the receipt of the order so to do, the Collector may cause such salt to be destroyed, and may recover the costs thereof from the licensee of the salt work in manner prescribed for the realisation of revenue." His Excellency remarked that all he wished was to get this salt into a position which would not disagree with the position of the salt alluded to in Section XLVII.

The amendment was agreed to.

The Honourable Mr. Gibbs suggested that the words "re-heap and" should be inserted after "to" in line 7 of Section XLVII. He explained that the section meant that an owner would have to gather his salt together instead of allowing it to be spread all over the works. By the insertion of the words suggested, an officer in a salt work would at once be able to see whether any heap had been tampered with.

The amendment was agreed to.

Before "and" in line 10 of Section XLIX. the words "for which purpose only the license shall continue in force" were inserted.

Adverting to Section L., His Excellency the President mentioned that the Government of India wished to know whether proprietors of salt works not complying with the requisits referred to in Section L. would be liable to criminal prosecution as well as to payment of costs.

The Honourable Mr. Gibbs said that there was no criminal penalty for non-compliance either with the terms of Section L. or LI. An exception in favour of these clauses might be more definitely expressed when the Council came to consider the penal clauses.

The Honourable Mr. NARAYAN wished the limitation term mentioned in the section to be extended from ten to fifteen days or three weeks, because in the case of a death or like event in the family of a salt proprietor, it would put him to great inconvenience to carry out a salt officer's orders regarding repairs within so short a time as ten days. Some of the petitioners were of opinion that this section and the following one were inconsiderate and uncalled for. The petition signed by Krishnajee Babun Bhoera and eighty others submitted that already it was manifestly to the interest and benefit of the proprietors themselves to take all reasonable precautions for the protection of their salt works getting into disrepair, and that interference in this respect was unnecessary. They had further submitted that the delegation of such a power as that contemplated to the subordinate officials of the Salt Department would be very injudicious, inasmuch as it would be most liable to abuse from motives of private pique or corruption, and thus be made an engine for inflicting much unnecessary trouble and expense on proprietors.

The Honourable Mr. GIBBS said that the section was quite necessary. He was told that in Canara, where salt was stored in godowns, it was not an unfrequent thing to find double doors to the warehouses, which were carefully locked, although there was a hole in the wall out of which anybody could extract salt.

The Honourable Mr. ROGERS remarked that a good many objections had been taken to the section on the ground that it gave too much power to subordinate officers in salt works. It might therefore be advisable to say that the powers mentioned in the section should not be capable of being exercised by an officer of lower rank than a Sir-Carkoon or Darogah.

The Honourable Mr. GIBBS approved of the suggestion. It would be impracticable to vest the powers in the Collector alone, because the Collector could not be everywhere in the Presidency when repairs on certain salt-works were necessary.

In line 3 "a Sir-Carkoon" was substituted for "an officer"; and in line 16 "fifteen" for "ten."

In lines 3, 4, and 5 of Section LI. the words "officer in charge of a salt work" were struck out and "a Sir-Carkoon" substituted; and on the suggestion of the Honourable Mr. Narayan "20" was substituted for "14" in line 12.

Referring to Section LIII., the Honourable Mr. NARAYAN disapproved of the powers which were here given over possessors or carriers of salt suspected to be contraband, to make them weigh and unload on demand by an officer, and which powers were proposed to be exercised at the expense of the owners. The majority of the petitioners objected to this section. The Matoonga petitioners humbly submitted:—"it is not unreasonable to suppose that cases may occur in which the suspicion which actuates the ordeal of weighment, &c., may prove to be utterly groundless, either from defective information, or from false reports set afloat by evil designed persons inimical to the owner of the salt or to the person in charge of the same for the time being. Assuming this probability, your petitioners would further humbly submit that it would be positively unjust in such cases to recover from the innocent party any cost the officer concerned might see fit to incur, and that considering the unmerited delay, inconvenience, &c., which the ordeal in question might necessarily inflict, the doing so would certainly be adding insult to injury." Mr. Byramjee Jeejeebhoy and his co-petitioners also took the same objection to the section.

Ought suspected parcels or loads to be examined at the expense of owners if an examination proves the suspicion to be groundless.

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The Honourable Mr. ROGERS—According to the English Customs law people are required to open packages, &c., at their own cost.

The Honourable Mr. BYTHELL—The Commissioner of Customs in Bombay has a similar power, and he very often puts it in force.

The Honourable Mr. NARAYAN—In those cases where a cargo is in a ship's hold, it would be a hardship to have it all turned out and re-weighed again at the owner's expense.

His Excellency the PRESIDENT—There is no limitation here as to the circumstances under which an officer may insist upon examinations. Apparently he may command any cart travelling along a highway to be stopped, although no grounds for suspecting it existed.

The Honourable Mr. ROGERS—It is very necessary that we should have the power mentioned in the section.

The Honourable Mr. NARAYAN—That may be, but I think that when a preventive officer turns out to be in the wrong the owner should not be compelled to bear all the expenses of the search.

His Excellency the PRESIDENT—I do not think that a man who turns out to be perfectly innocent should be compelled to pay the costs of proceedings adopted against him by an officer appointed under this Act.

The Honourable Mr. GIBBS—I is the custom already that when a person wishes to get a box of any thing out of the Custom house, the officers unpe it and unpack it so as to examine its contents, and he then must re-pack it and close it up again at his own expense.

The Honourable Mr. NARAYAN—The Custom House officers have their own servants standing by, and they do the re-packing for nothing.

The Honourable Sir JAMSETJEE JEJEEBHOY agreed with the Honourable Mr. Narayan as to the practice observed at the Custom House.

The Honourable Mr. ROGERS—There is one great practical difficulty altering this section. Where a cart may be unpacked, a Custom House officer may have no money. It might happen that an owner would be stopped in the Panch Mahals jungle, and on claiming for demurrage in such a place it would be impossible to agree with his request. The best plan for the Council to adopt is to leave the section alone, and trust to the operation of the penal clauses against officers resorting to oppressive practices.

His Excellency the PRESIDENT suggested that this course would give no satisfaction to a man having his cart unjustly stopped.

The Honourable Mr. GIBBS—If the whole cost of the proceedings is to be borne by Government, an officer will never be able to get the slightest assistance from an owner to inspect a cart or package.

His Excellency the PRESIDENT—I have no recollection of seeing it laid down anywhere that a man must do work for Government for nothing when Government wishes to protect itself. The analogy of Custom House practices is not exactly correct, because the Custom House is a place to which a person goes with the definite purpose of transacting business; but by this Act we would be establishing an aggressive Custom House in every part of the country to which a man could take a cart.

The Honourable Mr. ROGERS—I am afraid this is one of the evils of the excise system which we cannot get rid of.

The Honourable Mr. NARAYAN—I repeat, have the power of examination by all means, but do not throw the costs of groundless examinations upon innocent men.

The Honourable Colonel KENNEDY—By this section it seems to me that an officer of the Salt Department may do what he pleases without let or hindrance.

The Honourable Mr. ROGERS—If the section is altered it will scarcely improve matters, for a Government peon may do as he pleases with persons who do not know the law.

His Excellency the PRESIDENT—The possibility of corruption is no reason for such legislation as this. I think we should leave out the latter part of the section altogether. I cannot agree to any legislation which might compel injustice to be done to an innocent man.

The Honourable Mr. GIBBS—This section simply contains the practice which is carried out every day at present, and hitherto there has not been a single petition received against the practice.

The Honourable Mr. NARAYAN—I submit that there is no reason for our legislating to perpetuate what may prove a source of hardship.

His Excellency the PRESIDENT—Moreover, I cannot see why a cartman or owner of goods should be compelled to do labour for nothing if he is perfectly innocent of what he may be suspected of. Surely such a person's time and labour are valuable to him. It has been said that a suspected man should be taken to a chowkey, where no expenses of unpacking would be thrown upon him, but supposing an innocent man has no business in or near any chowkey, and may in fact be going far away from it why should he be compelled to go so much out of his way?

The Honourable Colonel ANDERSON thought that no greater hardship would be inflicted upon people than was already inflicted under the Customs' House Act.

The Honourable Mr. NARAYAN—It is clearly adding injury to insult to ask any man to pay for what he is not guilty of.

His Excellency the PRESIDENT—Certainly. And though we wish to put a stop to smuggling I do not think we should be justified in permitting this.

The Honourable Mr. ROGERS—A great deal of smuggling takes place along our frontier, and unless we give officers appointed under this Act power to make instant examinations, the carts or suspected goods will be over the borders and out of our jurisdiction in a very short time.

His Excellency the PRESIDENT—I think that if smuggling takes place to such an extent along our frontier it will be well worth our while to find it out and pay for it.

The Honourable Mr. ROGERS—Already, according to the Customs Act, a Custom House officer may board any vessel and examine all the goods on board.

The Honourable Mr. BYTHELL read the section referred to.

His Excellency the PRESIDENT—That section does not say that the ship has to pay for the examination.

The Honourable Mr. BYTHELL asked who, then, would have to pay.

His Excellency the PRESIDENT—It is implied that Government must pay for its own operations. As to the matter before us nobody has objected to grant the power of search. What is objected to is making innocent people pay for what is not their own fault.

The Honourable Mr. NARAYAN—In the Customs Act there is a section which says that no Custom House officer shall make a search without having reasonable grounds to believe that such search is necessary. Any officer acting otherwise is liable to a fine not exceeding Rs. 100.

The Honourable Mr. BYTHELL—If the Government of India will pay the costs in cases in which search has been made I shall be very glad. But I merely wish it to be understood that already the merchants in Bombay are subject to the powers complained of in the section before us. I find that Section 187 of the Customs Act lays it down that an officer may cause suspected goods to be unshipped and transferred to another place than the vessel for weighment or examination, and that the opening, unpacking, unshipping, transferring, or removing of the suspected goods shall be performed by and at the expense of the owner or consignee of such goods.

After some additional remarks from honourable members,

His Excellency the PRESIDENT thought no harm could be done if the following words were omitted from the end of the section:—"and to recover the costs thereof from the person in whose possession or under whose control they were found, and in default of payment to detain the said salt, vessel, package, or goods, or such portion thereof as he may consider sufficient, and to sell the same and recover the costs from the proceeds of the sale."

The Honourable Mr. NARAYAN—I think His Excellency's amendment a good one, as it will leave the whole question of payment open.

The amendment was agreed to.

The Honourable Mr. BYTHELL—I merely wish to point out that the change affords no practical security. The Honourable Mr. Narayan seems to be satisfied with an amendment which is no amendment.

His Excellency the PRESIDENT observed that it was a compromise.

The Honourable Mr. NARAYAN—Of course it is, and I like it so far, although I am not completely satisfied with an amendment which virtually leaves the section unaltered

The Honourable Mr. BYTHELL—It seems to me that the honourable member is satisfied with the amendment.

The Honourable Mr. NARAYAN—The honourable member, at all events, seems to be satisfied when the whole costs are put upon the owner.

The Honourable Mr. BYTHELL having answered in the negative,

The Honourable Mr. NARAYAN said that that had been the drift of the honourable gentleman's argument all along.

The section was agreed to as amended.

His Excellency the PRESIDENT asked whether the penal clauses in Section LIV were as a whole heavier than those at present existing.

The Honourable Mr. ROGERS answered in the affirmative, and said that the present penalty was three months' imprisonment or a fine of Rs. 500. The penalties adopted in the present Act were taken from the Abkaree Act of 1852.

In line 8 the words "liable to confiscation" were substituted for the word "confiscate."

Adverting to Section LVII. the Honourable Mr. NARAYAN said—I think that this section should apply only to persons "having reason to believe" that they are removing or transporting contraband salt, otherwise a coolie, who knows nothing whatever of what he is carrying, may be punished by a magistrate for being "concerned" in the removal or transportation.

The Honourable Mr. ROGERS—I think that the magistrates may be credited with a little common sense. They would not punish a man whom they believed to have been innocent of offending against the Act.

The Honourable Mr. NARAYAN—But as this section stands I do not think that a magistrate would have any other option in the matter but to convict, because the penalty is placed upon "whoever shall be concerned in passing, removing, or transporting contraband salt."

His Excellency the PRESIDENT—Is not a thousand rupees too heavy a fine, seeing that everything concerned in the removal of salt may be confiscated and the license be withdrawn from the owner?

The Honourable Mr. GIBBS—Under certain circumstances the fine would not be too heavy, because people who are not licensees and therefore have no licenses to lose, may, while actually carrying salt, have nothing to be confiscated except the salt or the bags or baskets in which they may be carrying it.

The Honourable Mr. NARAYAN—One of the petitions before the Council distinctly points out that in this section the essential element of guilty knowledge on the part of persons removing contraband salt has been entirely ignored.

His Excellency the PRESIDENT—The Government of India is not in favour of these penal clauses; and as to increasing the penalties much above what they are at present, I think that if those primarily interested in the revenue, viz., the Government of India, do not approve of this course, we are not required to insist upon it.

The Honourable Mr. ROGERS—During the season there were 100 persons in jail at Canara convicted of the offences to which these penalties apply, and that shows that the Penal Code is not sufficient to restrain people from committing these offences.

The Honourable Mr. GIBBS thought that after all it might be as well to reduce the money penalty in Section LVII. from Rs. 1,000 to Rs. 500.

The Honourable Mr. NARAYAN—Perhaps His Excellency would permit me to move that the words "which he knows or has reason to believe to be contraband salt" be inserted after "salt" in the third line.

The Honourable Mr. ROGERS—Surely this is unnecessary. In this very city of Poona a case occurred some time ago in which a coolie woman who had been engaged to carry some contraband spirits was acquitted because she did not know what she was doing. This occurred under the Abkaree Act, and surely a similar just interpretation would be put upon this section by other magistrates.

The Honourable Mr. GIBBS—The Penal Code lays it down that nothing "is an offence which is done without any criminal intention or knowledge of the doing of a lawful act by unlawful means without proper care and precaution."

His Excellency the PRESIDENT suggested that the section should be made applicable only to principals concerned.

The Honourable Mr. GIBBS thought this would be impracticable, as it would involve continual litigation to prove who were principals.

The Honourable Colonel KENNEDY thought that the section as at present constructed might work too severely. A man passing along a road might say to a coolie, "Here is a load of salt. Come and help me to carry it." The coolie might do so, the salt might be contraband, and yet by this section he would be punished for being concerned in the unlawful transportation of contraband salt.

The Honourable Mr. GIBBS—Perhaps we might allow the coolie to be punished under the minor sections of this Bill. What we want is to punish the principal heavily, and I dare say it would be unadvisable or useless to provide for a magistrate sentencing a coolie to six months' imprisonment or to pay a fine which may extend to Rupees 1,000.

The Honourable Mr. NARAYAN—It may save time if I move at once that we insert in line 3 after "salt" the following words, "which he knows or has reason to believe to be contraband," and that the word "contraband" before the word "salt" be omitted.

The Council divided on the Honourable Mr. Narayan's amendment:—

Ayes—5.	*Noes*—3.
The Honourable Colonel M. K. KENNEDY.	The Honourable A. ROGERS.
The Honourable Sir JAMSETJEE JEJEEBHOY.	The Honourable J. GIBBS.
The Honourable NARAYAN VASUDEVJEE.	The Honourable Colonel W. C. ANDERSON.
The Honourable J. K. BYTHELL.	
The Honourable GUNPUTRAO TATYA SAHIB PUTWURDHUN.	

The amendment was therefore carried.

In line 8, "500" was substituted for "1,000."

The section was then agreed to as amended.

The Honourable Mr. NARAYAN moved the insertion of the word "wilful" before "breach" in line 1 in Section 59, because this section referred to an infringement of any of the rules made by the Governor in Council which might be published hereafter.

The Honourable Mr. BYTHELL thought the changing of the latter part of the section so as to make it permissive would meet the case.

The Honourable Mr. GIBBS—This section will do if we strike out the end of the section from after the word "prescribed" in line 7, and insert the words, "shall be liable to fine not exceeding Rs. 200, or in default to imprisonment of either description which may extend to one month."

The Council divided on the Honourable Mr. Narayan's amendment:—

Ayes—3.	*Noes*—5.
The Honourable Sir JAMSETJEE JEJEEBHOY.	The Honourable A. ROGERS.
The Honourable NARAYAN VASUDEVJEE.	The Honourable J. GIBBS.
The Honourable GUNPUTRAO TATYA SAHIB PUTWURDHUN.	The Honourable Colonel M. K. KENNEDY.
	The Honourable J. K. BYTHELL.
	The Honourable Colonel W. C. ANDERSON.

The amendment was therefore lost.

The Honourable Mr. Gibbs' amendment was then agreed to.

Regarding Section LX. His Excellency the PRESIDENT said—Why make this section so severe? The Bill says that whoever being a public servant as defined in the Indian Penal Code "shall be guilty of a breach of any of the provisions of this Act," &c.; and it will be observed that by these words any man a public servant not having anything to do whatever with salt manufactories would be liable to the heavy penalty which is here laid down.

The Honourable Mr. ROGERS said that the section had merely been meant to apply to servants of the Salt and Preventive Departments.

The words "as defined in the Indian Penal Code" were struck out of lines 1, 2, and 3 and "appointed under this Act or employed in the Revenue, Customs, or Police Departments" substituted.

Referring to Section 63, His Excellency the PRESIDENT remarked—This is one of those sections which the Government of India does not approve of. His Excellency the Governor General in Council considers that the power of inflicting the penalty of imprisonment should be vested only in Magistrates, instead of any officer appointed under this Act being allowed to exercise it.

Power to punish with imprisonment to be vested only in Magistrates.

The Honourable Mr. GIBBS—I do not think that this Council has power to permit any of these officers to imprison.

The Honourable Mr. GIBBS read a section from the Customs Act of 1863, showing that when a penalty was adjudged against any person under the Act by any officer under the Act, it shall be lawful for such officer, if the penalty be not paid, to levy the same by the sale of goods belonging to such person in his charge or in that of any officer of the Salt Department. When such officer failed to realise the unpaid amount of such penalty from the goods of such person, it should be lawful for such officer to notify to a Magistrate the name and residence of the person and the penalty unrecovered; and the Magistrate shall proceed to enforce the payment in like manner as if the penalty had been adjudged by himself.

The Council thought this section would be appropriate for the Bill under consideration, and accordingly Section 224 of the Customs Act was introduced as a new section after Section LXII.

His Excellency the PRESIDENT asked whether it was intended that the Collector may confiscate without obtaining a warrant to do so?

The Honourable Mr. GIBBS answered in the affirmative, and said that immediate action was required in the case of capturing contraband salt, nevertheless, the liberty of the subject was not in any way affected. This was the state of the law as it stood at the present moment.

Referring to Section 66, His Excellency the PRESIDENT suggested that no reference to actions should be made in the section.

Lines 1 and 2 were struck out, and the beginning of the section made to run thus—"No suit or other proceeding," &c.

The following section was added to the Bill:—

Section LXIX.—It shall be lawful for the officer conducting an inquiry under Section 18 of this Act to take evidence on oath or affirmation, and in Sections 193 and 228 of the

Indian Penal Code, the words "judicial proceeding" shall be taken to include any proceeding under this Act.

The Honourable Mr. GIBBS—We have altered Section XXIII. so as to suit the case of persons possessing sunnuds. The use of the words "hereditary right" may lead to some considerable difficulty, and it is suggested that the section should be made to apply to "any person who may establish by virtue of any sunnud granted by the British or any former Government 'a special and permanent right to manufacture.'"

His Excellency the PRESIDENT—I have no objection to the alteration, but we may consider it more fully on the third reading.

His Excellency's suggestion was agreed to.

The further consideration of Section XLIV. was postponed until the third reading.

The Honourable Mr. ROGERS thought that the following section should be added after Section XVIII.:—"Any officer appointed under this Act, and any Revenue, Customs, or Police Officer may enter at any time upon any lands or premises on which there shall be any manufacture of salt not authorised under the provisions of this Act, or any natural formation of salt. And he may take possession of, or destroy any salt so manufactured or formed and any works or constructions prepared or used for the purposes of such manufacture."

The Council agreed to consider the section at the third reading.

His Excellency the PRESIDENT then adjourned the Council.

By order of His Excellency the Governor in Council,

JOHN NUGENT,

Acting Under-Secretary to Government.

Poona, 8th October 1873.

Abstract of the Proceedings of the Council of the Governor of Bombay, assembled for the purpose of making Laws and Regulations, under the provisions of "THE INDIAN COUNCILS ACT, 1861."

The Council met at Bombay on Friday, the 31st October 1873, at noon.

PRESENT:

His Excellency the Honourable Sir PHILIP EDMOND WODEHOUSE, K.C.B., Governor of Bombay, *Presiding.*

The Honourable A. ROGERS.
The Honourable J. GIBBS.
The Honourable MUNGULDASS NUTHOOBHOY, C.S.I.
The Honourable Colonel M. K. KENNEDY.
The Honourable Sir JAMSETJEE JEJEEBHOY, Bart., C.S.I.
The Honourable E. W. RAVENSCROFT.
The Honourable NARAYAN VASUDEVJEE.
The Honourable J. K. BYTHELL.
The Honourable Colonel W. C. ANDERSON.

Papers presented to the Council.

The following papers were presented to the Council:—

1. Letter from the Secretary to the Government of India, conveying the assent of His Excellency the Viceroy and Governor General to the Bill to legalize certain payments made from the proceeds of the Fees levied under Bombay Act IX. of 1863.
2. Letter from the Secretary to the Wai Survajanik Sabha, dated 8th October 1873, relating to the Salt and District Municipal Bills.
3. Petition from the Wai Survajanik Sabha, without date, relating to the Salt Bill.
4. Petition from the Proprietors of Salt Works and Merchants in Salt of Taluka Penn, dated 24th October 1873, relating to the Salt Bill.
5. Petition from the Proprietors of Salt Works in Taluka Uran, dated 27th October 1873, relating to the Salt Bill.
6. Petition from the Proprietors of Salt Works at Ghorebunder, dated 29th October 1873, relating to the Salt Bill.
7. Petition from the Wai Survajanik Sabha, dated 8th October 1873, relating to the District Municipal Bill.
8. Petition from the Poona Survajanik Sabha, dated 9th October 1873, relating to the District Municipal Bill.
9. Petition from the Bhewndy Survajanik Sabha, dated 9th October 1873, relating to the District Municipal Bill.
10. Petition from certain Ryots of Bhoosawul regarding the District Municipal Bill.
11. Petition from Mathoorbhoy Jayabhai and others of Ahmedabad, dated 2nd October 1873, relating to the Hereditary Offices Bill.
12. Petition from the Ahmedabad Zemindars Association, relating to the Hereditary Offices and District Municipal Bills.

His Excellency the PRESIDENT—Before we proceed to the first order of the day, which is the third reading of the Salt Bill, I think it is due to the Council, and to the Government itself, that I should make a few observations with relation to the requisition which has been presented to the Sheriff of Bombay to call a public meeting to protest against the passing of the Salt Bill, and also to protest generally against the undue haste with which this Council is proceeding with measures of legislation. I do not wish that we should be accused of want of respect to gentlemen holding the position in Bombay of many of the requisitionists, but I think it is right and proper for me to take this opportunity of pointing out the real position of affairs. In the first place, I think I may safely say that than this one there are few Legislatures regarding which the public are allowed more opportunities for criticizing their proceedings. Here, when any Bill is before the Council the public are at perfect liberty to come forward and either tender their advice or their objections upon particular points. The rules by which this Council is guided in its procedure are exceedingly favourable to the public. First of all, a Bill must be published in the *Government Gazette* a certain time before it is introduced, and as a rule the time given by this Government exceeds, I believe, the time which it is actually bound to give. The next step in the history of a Bill is, that it is referred to a Select Committee after it is introduced. That Committee often sits for a very long time, and all persons who are interested in the Bill have taken an opportunity of appearing before the Committee with objections and suggestions as to what should or should not be inserted in the measure. The Select Committee make their report to the Council, and the suggestions which it contains are seldom disregarded. The public are given every opportunity to make themselves acquainted with that report, and may submit what remonstrances or objections they please before the Bill is considered in committee of the whole Council, which is the next important step in the progress of the Bill. When this Council considers a Bill in detail, I do not think its conduct renders it liable to the accusation of stifling the freedom of debate, and I certainly think that I cannot be accused of so dealing with any measure that comes before the Council. I have sometimes thought that too much laxity is allowed in our discussions, but at the same time I believe that free and informal remarks often tend to bring Bills into shape quickly besides promoting good feeling amongst the members of Council. Certainly I think the unofficial members of this Council will bear me out, that occasionally when I have taken the part of "Her Majesty's Opposition," I have rendered them some assistance in carrying their amendments. But if none of these safe-guards existed, the public would still possess the right of appeal to the Governor General, who can have no bias either on one side or another, and will be always ready to listen to whoever addresses him on matters of public moment. Therefore, taking all these things into consideration, I think it must be admitted that the rules of the Council give every facility to the public for becoming acquainted with the legislation which is carried out in it. Complaints have been made with regard to our mode of doing business, but the reason for holding meetings of Council on successive days is obvious. When we meet in Bombay it is sometimes difficult for members of Council residing in Poona to attend, and when we meet in Poona it is always difficult for gentlemen engaged in Bombay to give us their assistance. It would be inconvenient to them to be called to attend Council

His Excellency the President exonerates Government from the charge of "undue haste" in legislation.

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meetings frequently with short intervals between the meetings, and therefore it has been our practice to do as much business as we can in consecutive days. This is a mode of procedure which, I am sure, has met with the approval of this Council, and until we are otherwise informed I think we should adhere to the practice. Perhaps it may be as well to review the Bills which have come before us this year, and in the consideration of which we are charged with undue haste. One of the earliest Bills which we had for consideration was a Bill to amend the Municipal Act of Bombay. This was a very pressing measure, and without it the Act passed in the previous session could not have been legally brought into operation. Another Bill was the Cotton Frauds Indemnity Act, intended to legalize certain payments for objects to which, though not coming literally within the scope of the Cotton Frauds Act, no objection was taken in any quarter. Another Bill was the Burial Gounds Bill, which was introduced to public notice before I came here. Very strong feeling was excited about it in the minds of the community, and when it first came before the Council after my arrival I myself proposed, and got the Council to consent to, certain modifications. Many people however still objected, and its further progress was delayed for some months. When the consideration of it was resumed, it was understood that the native members of Council were still opposed to the measure. By a long and patient discussion we were enabled to modify it to such a degree that it passed the third reading without any opposition. The next Bill was for the legalization of the levying of tolls upon the roads and bridges in the Presidency of Bombay. A great public outcry was raised against that measure, and perhaps the most favourable description that can be given of that outcry was, that it was both unintelligent and uninformed. The Bill was meant to do nothing more than give a legal footing to what had been going on for several years, and which was a part of the policy of the Supreme Government. An attempt was made to make the people believe that tolls were to be raised upon roads and bridges throughout the Presidency; but the fact was that the whole disposition of the Council was to reduce these tolls. As far as most of us were concerned we should have been willing to do away with the tolls altogether, but as no one was able to point out a better means for obtaining the money required for the maintenance of the roads, we were compelled to pass it. Another Bill was the Bill respecting the examination of steam boilers throughout the country. That again was the mere extension of a law already existing in Bombay. Engines have been set up in different parts of the country, and it was considered right by the Executive Government that the mofussil should be granted the same protection with regard to boilers as was granted in Bombay. It cannot be said that the persons interested had no means of learning the scope of the measure. The machinery set up in the Presidency is, generally speaking, in places having ready communication with Bombay by railway. The people connected with that machinery did make representations, and unquestionably the Bill was modified very considerably before it was passed. So much for the past legislation. We now come to the Bills which we have before us to-day. The first is the Salt Bill, which is the cause of a public meeting that is now about to be held. The gentleman whose name heads the list of requisitionists is a highly respected member of Bombay society and was not long ago the occupant of a seat in this Council, and he as well as others in the list whom I could name are, I believe, large salt manufacturers. It is certainly unfortunate for these gentlemen that a due protection of the public revenue cannot be reconciled with their personal interests. In England if the

Government were legislating upon a matter of excise, I do not think that they would look for the best assistance from the great gin distillers of England or the whisky manufacturers in Scotland and Ireland. Unfortunately it is not to be wondered at that our views regarding articles of excise like salt should differ from those held by persons interested in its production. Therefore it may be that we find Mr. Byramjee Jeejeebhoy and other salt manufacturers opposed to us in the matter of this Bill. There can be no doubt that for some years salt smuggling has prevailed in the Bombay Presidency to a very considerable extent, and especially in this city of Bombay. It is the duty of Government to protect the general revenues from fraud. Of course in doing so it is our duty to guard against doing anything unfair, but nevertheless it is a duty which, while the law remains in its present state, must be done. There are some people who object altogether to a tax upon salt, but that is a question which this Council has nothing to do with; all that we can do is to leave such a question to the Supreme Government and to take all reasonable and proper precautions for the protection of the public revenue. The next Bill which we had under consideration was the Mofussil Municipalities Bill—a measure which has been for a long time, in one shape or another, under the consideration of Government. The principles contained in it had long been pressed upon us, and accordingly we introduced it. Every opportunity was given to the public for remonstrance and for representation upon its details, and I think that the Council paid all due deference to the honourable member opposite (Mr. Munguldass) whenever he had any objections to urge. We showed equal deference to the gentleman who now heads the list of European requisitionists when he held a seat in this Council and discussed at length the provisions of the Municipal Act of Bombay. Next we have the Bill for the survey of steam vessels. That, no doubt, is a very complicated matter to deal with, but the Government of Bombay has this to say for itself, that the law upon the subject which we are endeavouring to amend was passed some years ago. Since the opening of the Suez Canal that law may have been found inconvenient to many people; but no representation to that effect was made to the Government by any person in Bombay. It is true that representations came from England from the Board of Trade: it may be equally true that these may have been founded upon representations sent from Bombay to that Board: but nevertheless I repeat that no representation was made to the Bombay Government directly. Had there been, we should very probably have attended to the representation, just as in the Bill which came originally before the Council the alterations suggested by the Board of Trade were embodied. I may say that shortly before leaving Poona I was requested by a telegram from the Bombay Chamber of Commerce to postpone the final reading of this Bill until a public meeting called for its consideration was held. I agreed, and shortly afterwards certain gentlemen on the part of that meeting waited upon me, and I had then an opportunity of discussing the measure fully with them. The result of that interview will be that at the third reading of the Bill certain amendments will be submitted to the consideration of this Council. But I was requested by the deputation to pass the Bill as it is without the amendments rather than that it should be further delayed. The next Bill I will mention is the Wuttundar Bill. It is understood that when we finish discussing it at the present meeting it shall go again before the public. Finally, gentlemen, I think I have justified the proceedings of this Council, and in spite of the pending requisition and the pending public meeting which is to be held to judge us, I recommend the Council to go on with the business before it to-day without further delay.

Consideration in detail of the Salt Bill resumed.

The Council then resumed consideration of the Bombay Salt Bill in detail.

The Honourable Mr. BYTHELL thought that His Excellency would agree that some alteration upon Section VII. was necessary. That section gave the Governor in Council authority to delegate to any person appointed under this Act the whole or any part of the powers vested in him by this Act. He thought it would be very advisable to name the officers to whom these powers were to be given, and perhaps it would also be advisable to name the powers to be given to each officer.

The Honourable Mr. GIBBS remarked that no notice of motion to this effect had been given.

The Honourable Mr. BYTHELL said that he mentioned this matter during the last discussion in the Council, and it was agreed to hold consideration of it over.

After the honourable members had pointed out several sections which ought to be exempted from the operation of Section VII., the Council resolved to omit Section VII. altogether from the Bill; and to substitute the words "The Collector of Salt Revenue" for the words "Governor in Council" in line 1 of Section XXIII.

The Honourable Mr. ROGERS proposed that the following words be added as Clause of Section XXXIV. of the Bill:—"Any fine imposed by the Governor in Council under the preceding clause shall in default of payment be recoverable by the Collector of Salt Revenue in the manner prescribed for the recovery of penalties in Section LIX. of this Act."

The amendment was agreed to.

The Honourable Mr. BYTHELL expressed a hope that the Council would again consider Section XXXI., giving the Governor in Council power to forbid the removal of salt from any salt-work for any period between the 15th day of June and the 15th day of September in any year. He said that all the petitioners urge that this section will be practically giving power to Government to stop the export trade altogether from Bombay to Calcutta during the monsoons.

The power to close salt works at certain seasons of the year objected to because it may stop the monsoon export trade in salt between Bombay and Calcutta.

The Honourable Mr. GIBBS observed that Government would never close up a salt-work if it were bringing revenue to it.

The Honourable Mr. BYTHELL—But the point is that the revenue is not that of the Bombay Government.

The Honourable Mr. GIBBS—But even imperial revenue we must look after.

The Honourable Mr. BYTHELL—At the same time it must be borne in mind that the officers of the Salt Department in Bombay like to make their revenue return as great as possible, and if they were impressed that smuggling took place during the monsoon, they might make such strong remonstrances that the Government would forbid the entire export of salt during these months.

The Honourable Mr. ROGERS said that if the Government of Bombay were to do anything to hurt the interests of the Imperial Government it would soon hear of it.

The Honourable Mr. BYTHELL—But the Government of India's interests will not be hurt, because other countries are prepared to supply Calcutta with salt if Bombay does

not. The only effect therefore of closing salt-works in Bombay would be to injure local trade, and to take the gain that will be made by other countries out of the pockets of Bombay salt manufacturers. I believe that a gentleman passed through Bombay last hot season on a mission from the Khedive to see if a market could not be found in India for salt exported from the Bitter Lakes. It is therefore quite evident that Egypt is prepared to supply Calcutta if we do not.

His Excellency the PRESIDENT asked what would the preservation of this section effect? He thought local manufactories should not be discouraged.

The Honourable Mr. ROGERS observed that one great object of the section was to save preventive establishments being kept up at salt works which were doing little or nothing.

His Excellency the PRESIDENT said that if a salt work is suppressed altogether the owner must be paid according to this Bill as it stood. If a salt-work is suppressed only temporarily, why should not proportionate compensation be given to an owner?

The Honourable Mr. ROGERS—A salt-work would only be temporarily suppressed on the exports from it being considerably too small to pay for a preventive establishment. If we do not get this section, any one who wishes to smuggle may come forward and say he wishes to prepare salt for export to Calcutta although he has not the least intention of doing anything of the kind.

The Honourable Mr. BYTHELL enquired whether if the licensee of a small salt-work abided by the law, it was not the duty of Government to encourage him as much as possible instead of closing up every small avenue of trade?

The Honourable Mr. NARAYAN said that it was generally in the monsoon months that salt was exported to Calcutta, and most of the salt manufactured at Matoonga found its way to Calcutta at that season.

The Honourable Colonel KENNEDY—I do not think we should thus interfere with the rights of private owners. I do not think we should be justified in doing anything that would interfere with the Bombay and Calcutta salt trade.

The Honourable Mr. MUNGULDASS said that in all his experience he never saw a Bill containing a more stringent provision than this one.

His Excellency the PRESIDENT was inclined to think that the section should be left out.

The Honourable Mr. ROGERS said that he was informed that the Government of India were very desirous of cutting down expense, and if the section was omitted they would be compelled to keep up a large unnecessary establishment.

His Excellency the PRESIDENT—Of course the Government of India are desirous to get the best revenue they can from salt; but we must bear in mind, on the other hand, that the letters and petitions which we have been receiving have all pointed to this section as too stringent, and also to the penalties as too severe. We have also here honourable members representing on behalf of the native and mercantile community that the section is vexatious, and to such unanimous representations I think we ought to pay some attention.

The Council agreed to strike out Section XXXIX.

Section 39 (giving power to close works at certain seasons of the year) struck out.

With regard to Section XXXVI. the Honourable Mr. ROGERS said—I have a proposal to make, which I hope at last will meet with the approbation of the public. In the course of the discussions upon this section, a great deal was said about the severity of preventing people from having a certain amount of salt in their possession because their house

Mr. Rogers proposes to increase the privileges of private persons with respect to storing salt.

happened to be within ten miles of a salt-work, land customs station, Government sals warehouse, or a port or place declared and appointed for the import or landing of salt. The amendment which I now beg to propose will go far to do away with this alleged source of oppression upon the people. I propose that we strike out from lines 9 and 10 the words, "or from any Government salt warehouse." The large towns of Guzerat, such as Broach and Ahmedabad, will thus be exempted from any hardship, and as these towns contain large Hindoo families who, like my honourable friend Mr. Munguldass, are in the habit of storing large quantities of salt in their houses, the proposed alteration will doubtless meet with his support.

The Honourable Mr. MUNGULDASS objected to the words "or port or place declared and appointed for the import and landing of salt," as they would work oppressively on many private houses.

The Honourable Mr. ROGERS' amendment was agreed to.

The Honourable Mr. Rogers made a further proposal in the same direction. After Section XXXVII, he proposed that the following new section be inserted —

Special permits may be granted with respect to the transit of quantities of salt exceeding forty seers if the same is intended for private use.

"Within the limits aforesaid it shall not be lawful to possess or transport salt exceeding forty seers in quantity unless the same shall be in transit under cover of a permit or order granted under Sections XXVIII. and XXIX. of this Act, or shall be covered by a special permit authorising its retention for private consumption within the said limits. Such special permits shall be granted by the Collector of Salt Revenue, his deputies and assistants to such persons as they shall deem fit."

The Honourable Mr. MUNGULDASS quoted Section 13 of Bengal Act VII. of 1863, which is as follows:—"The Board of Revenue shall grant a rowannah for all salt passed or transferred within the limits fixed in accordance with such rules as the Governor shall from time to time make in this behalf, and on payment of such fee as may be fixed by such rules." Thus, said the Honourable Mr. Munguldass, the Bengal Board of Revenue were compelled to grant a rowannah in every case.

His Excellency the PRESIDENT asked whether the honourable gentleman would prefer to substitute the section he read for the one now proposed by the Honourable Mr. Rogers.

The Honourable Mr. MUNGULDASS said that he preferred the Bengal Act as a whole.

His Excellency the PRESIDENT remarked that the Bengal Board only grants the free rowannah for quantities of not more than five seers, and here it was proposed to allow forty seers without a rowannah. If the honourable gentleman did not prefer the Bengal section to the one now suggested, his object in quoting the section at all was not very clear.

The amendment was agreed to.

On the motion of the Honourable Mr. ROGERS the following words were inserted before "found" in line 6 of Section XXXVII.—" or covered by a special permit granted under the preceding section."

The Honourable Mr. ROGERS proposed that the following be added to Section XL. as Clause 2 :—

"The Governor in Council may from time to time fix the penalties for breaches of the rules framed under the preceding clause."

This was agreed to.

"Guilty knowledge" not required to be proved for the punishment of persons carrying contraband salt.

The Honourable Mr. ROGERS—According to the notice of motion which I have given, I propose that the words "which he knows or has reason to believe to be contraband," in lines 3, 4 and 5 of Section LII., be omitted, and the word "contraband" inserted before "salt" in line 3. The words which I now propose were inserted in the Bill after a discussion and division on the second reading, but I trust that the statements which I am now about to bring forward will induce the Council to accept the present amendment. I think everybody will acknowledge that it is one of the first principles of all Excise Acts that a person who is in any way engaged in carrying articles liable to duty shall take every reasonable precaution to avoid breaking the law. With regard to the words which I am now compelled to object to, it was shown at the second reading that any person who by accident or misfortune took contraband salt carried contraband salt without knowing he was doing so would be exempted from punishment by the provisions of the Criminal Code. I wish to impress that fact upon the Council. At the second reading I argued that any Magistrate before whom a case of this kind came would of course consider it to be his duty to ascertain whether the prisoner had guilty knowledge or not of what he was carrying. The section as it now stands with the Honourable Mr. Narayan's amendment will oblige the prosecution in every case to prove guilty knowledge on the part of the person upon trial. But I think this is decidedly inadvisable. In ninety-nine cases out of a hundred it would be simply impossible to prove such a thing. The present section, I may point out, will affect other persons than those not directly engaged in the salt trade, it will affect Government servants, for instance. Formerly Government servants who committed a breach of duty could be reached, but now, if the Council does not accept my amendment, they will only have to plead neglect or carelessness in order to get out of Court. By the present law in different parts of India it is not necessary to prove the guilty knowledge of persons carrying excisable articles. Bombay Act XXXI. of 1850 says that any person concerned in passing salt either by land or sea contrary to the provisions of the Act "shall be punished," &c. Here there is no necessity laid down for proving the guilty knowledge, a man being always supposed to make proper inquiries as to whether in doing certain things he is breaking the law or not. In Bengal Act VII. of 1863 (Sections XVI., XVII. and XVIII.) the words "shall be punished" are used, and nothing is said about guilty intention. And the same with the Madras Act VI. of 1871, in a section of which nothing whatever is said about "guilty knowledge" being necessary to be proved. The assumption that it was necessary to include these words in the Bill before us arose from a feeling of philanthropy on the part of the Honourable Mr. Narayan, who thought that the poor innocent coolie would fall a victim to the previous wording of the section. But I have said before, and repeat it now, that surely Magistrates may be trusted to decide whether a person engaged in transporting contraband salt had guilty knowledge of what

he was doing. If this section is passed as it was amended by the Honourable Mr. Narayan it will make the punishment of certain smugglers impossible, and to prevent one of the most beneficial parts of this new law from becoming null and void, I beg to submit my amendment to the consideration of the Council.

The Honourable Mr. NARAYAN—If I had adopted the procedure which the honourable member has endeavoured to introduce, I should have proposed over again nearly every one of the amendments which were negatived by the Council upon a former occasion. But I feel that that would be an improper course to take, and I am content to accept my defeat and acquiesce in the decision of the Council. This question was fully discussed upon the last occasion when the Bill was before us, and my amendment was carried after a division. The Honourable Mr. Rogers now not only wishes this Council to disregard all recognised principles of jurisprudence, but absolutely to stultify itself. Before the amendment is put to the meeting, Sir, I will move "the previous question" and put it to the Council whether honourable members can be allowed to re-open every question decided by this Council. Our discussions will then be interminable.

The Honourable Mr. ROGERS here said that he did not think he was out of order in any way.

The Honourable Mr. BYTHELL—I cannot exactly agree with the Honourable Mr. Narayan, because I remember that when the Municipal Bill was being read a second time, I proposed an amendment regarding the Town duties, which was rejected by a large majority including, if I am not mistaken, the Honourable Mr. Narayan, but when the Bill was brought up for a third reading I repeated my amendment, which this time was carried almost unanimously.

The Honourable Mr. NARAYAN said that if the point of order was decided against him, he would draw the Council's attention to the fact that in none of the Acts which the Honourable Mr. Rogers had alluded to, do the words "concerned in passing, removing, or transporting," occur, and he thought that it would be a harsh proceeding if this Council were now to introduce them in this Bill.

The Honourable Mr. ROGERS thought the Bengal Act contained the words in question.

The Honourable Mr. NARAYAN—At all events they are not in the present Bombay Act.

The Honourable Mr. ROGERS—But it contains the words "concerned in passing," and I confess I cannot see the practical difference between these and the words we have in this section.

His Excellency the PRESIDENT thought that the proving of guilty knowledge would be a most difficult thing. How could it be proved that a man knew that certain salt he was carrying had not paid duty?

The Honourable Mr. GIBBS—Since the Honourable Mr. Narayan carried his amendment it has been brought to the notice of the Executive Government that if this section is permitted to stand, in every case of prosecution with reference to the transportation of contraband salt the onus will be thrown upon the Government officer of proving that the accused had full knowledge of what they were doing at the time of apprehension. Now that will be a thing almost impossible to prove in the majority of cases, and it will be much more satisfactory if the Honourable Mr. Rogers' amendment is agreed to, and the onus thrown upon an accused person of proving his innocence.

The Honourable Mr. BYTHELL—I voted with the Honourable Mr. Narayan during the second reading, but I have since come to the conclusion that his amendment was a mistake. It seems, from what the Honourable Mr. Rogers has said, that the law in Bombay is the same as the law in other parts of India, and if I read the Customs Act rightly (Section 194) the same principle is adhered to there, no mention of the word "wilful" occurring. We are also informed by the Honourable Mr. Rogers and the Honourable Mr. Gibbs that coolies brought up under this section before a Magistrate would be amply protected by the Penal Code. Therefore I feel compelled to vote with the Honourable Mr. Rogers in his present amendment.

The Honourable Colonel KENNEDY stated that his opinions were in accord with those expressed by the Honourable Mr. Bythell. Theoretically the principle of the Honourable Mr. Narayan regarding danger to the liberty of coolies might be right, but practically he was convinced that no harm would be done if the section were altered back to its original shape.

The Honourable Mr. NARAYAN—In the Bombay High Court some time ago a case was decided in which a man was not allowed to put in the plea of "guilty knowledge," because the judges were of opinion that the wording of a certain Act left them no option in the matter.

The Honourable Mr. ROGERS—I hope this illustration will add some weight to my amendment. The owner of a salt work in Bassein got a permit to remove two boat-loads of salt which were to weigh sixty tons altogether. It was found out afterwards, however, that sixty-six tons had been removed. The case was brought before the Subordinate Magistrate at Bassein and the plea set up was that the overweight was accidental. Notwithstanding the unlikelihood of the whole six tons of salt being accidentally added to the other sixty, the Magistrate—I am happy to say he was only a Subordinate Magistrate—considered that "guilty knowledge" must necessarily be proved, and so acquitted the prisoner.

The Honourable Mr. NARAYAN said that the Subordinate Magistrate was removed by Government, and with such an example before him, it might be taken for granted that his successor would be extremely cautious as to which way he would decide a case of that kind when it came before him.

The Council divided on the Honourable Mr. ROGERS' amendment:—

Ayes—6.	*Noes*—3.
The Honourable A. ROGERS.	The Honourable MUNGULDASS NUTHOOBOY.
The Honourable J. GIBBS.	The Honourable Sir JAMSETJEE JEJEEBHOY.
The Honourable COLONEL M. K. KENNEDY.	The Honourable NARAYAN VASUDEVJEE.
The Honourable E. W. RAVENSCROFT.	
The Honourable J. K. BYTHELL.	
The Honourable COLONEL W. C. ANDERSON.	

The amendment was therefore carried.

Mr. Rogers moves the third reading of the Bill.

The Honourable Mr. ROGERS then proposed the third reading of the Bill, and in doing so said—Very few of the Bills we have ever had before us have been so much discussed as this one, both by the general public and the members of this Council, and however much the press have abused us, I think they must now give us credit for having discussed every detail

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most conscientiously. On almost every point where the petitioners have come forward and said a particular section would press very heavily upon them, we have given way. An objection was raised against a section which was drawn out for the protection of salt owners themselves, viz. one providing that a list of persons employed at salt works should be given. As to that section we gave way altogether. Other sections we have now framed in such a way as to prevent the risk of subordinates in the Salt Department exercising undue oppression. Then as to the matter of salt for private consumption, we had at first provided that no salt above twenty seers should be kept by any private person without a license, but on the representation of the Honourable Mr. Munguldass and others, we doubled the quantity. To-day we have gone still further in order to prevent undue hardship in the case of large towns in Guzerat near which salt works have been recently established. Objections were raised as to the forms of permit and these have now been amended. Altogether, I may say that there is nothing now contained in this Act which will press unjustly upon anybody. It has been said that the law is stringent, but it must be borne in mind that all excise laws must be stringent if the revenue is to be protected properly. In the course of the debates here, honourable members made frequent allusions to the law on the subject in other parts of India, but if they had made careful inquiries into the system adopted in Bengal, they would undoubtedly have come to the conclusion that the present Bill is mild in comparison. There is only one other point which I would allude to in order to place the conduct of this Government in a proper light with respect to it. I refer to the export of salt to Calcutta, and to the manner in which the Salt Department authorities here deal with certificates granted by the Calcutta Board of Revenue to the shippers with respect to alleged losses of cargo. On this subject Mr. Pritchard has prepared the following statement which I will read to the Council:—

"The export of salt to Calcutta, duty free, is permitted on the shipper executing a bond, binding himself to deliver at Calcutta the quantity for which permit is granted less five per cent. allowed for wastage on the voyage, and on his making a deposit at the rate of four annas per maund for the fulfilment of the terms of his bond. Armed with a general permit from the Collector's head-quarter office the shipper goes to a salt work, and obtains from the Sir-carkoon in charge separate permits (or boat notes) for each boat-load of salt he removes to the exporting ship. These boat notes are handed to the captain, who enters in the ship's export manifest the aggregate of the quantities shown in the notes of all the boats from which he has taken in salt as the quantity of salt loaded into his ship. Before the ship leaves Bombay harbour the captain, in order to protect himself and ship, invariably executes a protest before a notary public, protesting that the whole quantity of salt shown in the ship's manifest has not been put on board. When the ship arrives at Calcutta she and her cargo are treated in the ordinary manner under the Customs Act and Rules of the Port, and if when the salt is landed it is found that the quantity landed is short of that shown in the manifest, after making the ordinary allowance of five per cent. for wastage, the captain and ship are liable, under Section 49 of the Customs Act, for the payment of full duty on the excess deficiency. The Collector of Customs and the Board of Revenue at Calcutta then enquire whether such deficiency is due to any act of default of the captain or ship. The captain puts in the protest executed in Bombay, and the Calcutta authorities, knowing that salt smuggling in Bombay harbour is a common occurrence and that the salt was not weighed at the ship's side or on board, as a rule free the ship and

captain from liability, and admit the deficiency. But they decide nothing with respect to the shipper's liability, which is separate and distinct. They have nothing to do with him, or with the bond he entered into with the Collector of Salt Revenue in Bombay. They could not enforce the terms of the bond if they would. Their decision, freeing the captain and ship, is virtually a declaration that in their opinion the whole quantity of salt shown in the manifest never reached the ship, and the result of that decision is to throw the whole responsibility of the deficiency on the shipper in whose hands the salt lay on the voyage between the salt-works and the exporting vessel's side. This responsibility is enforced by the levy of Bombay duty on the deficiency from the deposit made by the shipper with the Collector of Salt Revenue. There is no hardship in this. The facilities for smuggling uncxcised salt on its way from the works to the exporter's ship are enormous, and it is well known that they are availed of. Shippers can at once protect themselves if they please by weighing the salt on board ship, and ship captains may just as effectually protect themselves in the same manner. The five per cent. allowance is amply sufficient to cover all ordinary and reasonable wastage. Shippers of full duty paid salt to ports in Bombay Presidency (such shipments aggregate from 3 to 4 lakhs maunds a year) do not receive any wastage allowance, and get on well without it. At any rate there are no complaints. Mr. Bythell mentioned that the levy of duty in Bombay on excess deficiencies admitted by the Board of Revenue at Calcutta was contrary to the provisions of a notification issued by the Commissioner of Customs in 1869. But I find on reference to that notification that it merely reminds masters and shippers of their liability to the payment of the full Calcutta duty (at the rate of Rs. 3¼ per maund) on all excess deficiencies discovered at that port, and does not in any way release shippers from their liability to pay Bombay duty on such deficiencies, under the specific terms of the bond they are required to execute previous to shipment, in all cases in which the ship's liability on the same account has not been enforced by the Customs authorities at the port of Calcutta."

Mr. Mungaldass opposes the third reading.

The Honourable Mr. MUNGULDASS NUTHOOBHOY—Sir, I exceedingly regret that the hope I expressed on the second reading of the Bill, that the Council would so modify it during the consideration of its details as to remove the just ground that existed for complaint against the injustice it would perpetrate and the hardship it would inflict, has not been realized. In spite of the remonstrances of the native members of this Council and several petitions from the salt proprietors, salt traders, and the people of this Presidency, only some modifications have been made, and even these modifications would never have been made but for the strong expression of opinion by His Excellency and the Government of India. The majority of this Honourable Council being inclined to support the Bill as it is, it would have been a waste of the very valuable time of His Excellency for me to have proposed amendments to modify the severe and unjust provisions contained in it. I beg therefore merely to vote against its third reading, and briefly to state a few out of the many reasons for doing so. In this Bill the essential principle of justice and criminal jurisprudence has been set at naught, viz., the law in certain cases makes a master civilly responsible for the acts of his agents and subordinates, but in the whole of the criminal law of England, as well as of this country, no person to my knowledge is

criminally punished for the acts of his subordinates or agents, or even of his nearest and dearest relations, except when he knowingly and wilfully abets the commission of a criminal act. This Bill, however, seeks to criminally punish persons for the crimes of others, and create what is called agency in crime (Section 3 last para. with Sections 49 to 54). This Bill gives unlimited and unnecessary power of interference with private salt pans which it is proposed to be conferred on officers—great and small—of the Salt Department (Sections 45 and 46). In consequence of this interference the value of private salt works must diminish, and they may become almost worthless, according to the degree of harshness, for which very great scope is allowed, with which the provisions may be enforced. The principle of sound legislation is, I humbly think, to define the provisions of law clearly and definitely, and once for all, so that the people may know beforehand how to act, so as to avoid the infringement of the law; but this Bill empowers Government, under Section 40, to make and change rules from time to time as it may deem expedient, and imposes any amount of fine which Government may fix in the rules for even an unintentional breach of the same. Section 34 lays down that if any one, whether himself or his agent, even unintentionally, infringes not only any of the provisions of this Act, but any of the rules which the Government may make from time to time, he will be liable to be deprived of his license to manufacture salt or to a heavy fine, which Government may fix in the rules. The Bill gives extensive powers to subordinate officers like the sircarcoons and darogas, whose minimum salary is not, as I was led to believe, Rs. 200 and Rs. 80 per mensem. I find that these figures represent their maximum pay, while the minimum salary of many of these officers is 30 and 18 rupees a month—(see paragraph 283, page 71, of Mr. W. G. Pedder's Report No. 103, dated 30th July 1870)—which latter is equal to the pay of some of the menial servants in Bombay. These officers cannot always be expected to be of good education and to possess integrity and sound judgment, and yet they are by the provisions of the Bill authorized to *summon* and thereby harass, *any* one whom they believe to know any thing about the enquiries they may be making at their pleasure about salt without giving him any compensation (Section 18). The Bill also gives to such lower grades of officers the power of compelling the salt owner to repair his salt pans (without any limit of expenditure) as they may direct, to store salt at any place they may desire, or to remove salt in the manner they may choose. Any of these orders may cost the owner more than the value of his salt, which is only from an anna to an anna and a half per maund, thereby compel him to give up the manufacture of salt, and thus lose his property in salt pans (Sections 45 and 46). By the provisions of Section X. of the Bill the liberty of person of every subject of Her Majesty in this Presidency is at the mercy of the officers (under which designation even a peon may be included) of the Salt, Revenue, Customs and Police Departments. Any of these officers may arrest and detain, even without a warrant, any person against whom reasonable suspicion may exist in his mind (according to his own standard of reasonableness) that he is guilty of any offence against the salt laws and rules made or to be made. As no person can afford to resolve not to have anything to do with salt, and as the Bill contains oppressive provisions applicable to manufacturers, traders, and even consumers, the above named officers will have scope to use their arbitrary power of arresting and detaining any person they choose without warrant. On the salt trader the Bill not only imposes the condition of taking his salt by a particular route and to a particular place, but requires from him the impossibility of conveying the salt to its destination both by land and sea within a given time under pain of his salt being

confiscated !! (Section 28.) How can he prevail upon the sea not to obstruct his salt vessel or his pack or cart bullocks not to be sick or die on the way? To the public, the Section 38 says you shall not keep more than 40 seers of salt, a new and unnecessary prohibition, by which every householder in the mofussil, the majority of whom are ignorant, (under Section 16) will be at the mercy of every subordinate of the Salt, Revenue, and Police Departments, including even a peon under that designation. But the modification that has just been made in the section reduces the number of places considerably to which the section would otherwise apply. Suppose a person happens to offend any of the people of the above departments, there is nothing to prevent any of these worthies to go to the dullest subordinate magistrate, some of whom are karcoons on Rs. 45 a month and ignorant of the English language, to state that they believe that the man has got more than forty seers of salt, and to obtain a warrant to search his house at the dead of night and annoy him and the female members of his family and disgrace him in the eyes of his neighbours. There is no such prohibition as this one of forty seers in the recent Madras Salt Act (No. 6 of 1871), which I cannot help regarding as a good and fair law. Another remark I would make is to reply to the recent cry raised, as a justification for arbitrary and dangerous sections in this as well as other Bills, that we ought to have confidence in the Government and its officers, that the powers given to them will not be abused. While I am ready, Sir, to place every confidence in the Government and its officers, I strongly protest against enacting bad and dangerous laws, and depending upon the good sense of individual officers not to so apply them as to bring out evil. In my humble opinion, if all men were saints no laws whatever would be required to be enacted; and legislation implies an imperfection in human nature to which the Government officers can be no exception. The object of every law must be as much to provide against injustice and the abuse of authority by the officials in power as to define the subjects' rights and liabilities. I respectfully submit that every law should aim at reducing the discretion of officers who are to carry it out to the minimum and ensure a uniform rule of just execution to the people. Under this view I cannot but strongly protest against the principle that seems to have been followed and advocated in this and some other Bills, of giving arbitrary and dangerous powers to Government officers and then to trust to their good sense not to abuse or harshly use them. I must also respectfully beg to submit that the effect of this stringent measure will be a further enhancement of the already heavy price of salt, without which the meanest human creature cannot live, and an aggravation of the sufferings of the poor. In conclusion, I would solicit the liberty of reading two paragraphs, which contain, in my humble opinion, very valuable and important advice from the speech which was given on opening the Legislative Department of this Presidency by one of His Excellency's predecessors, Sir George Russell Clerk, a statesman whose experience of India extends over a period of nearly forty years. As it would be out of place for me to express whether or not the policy indicated by that able and experienced statesman should recommend itself to, and be followed by, His Excellency's Government, I only respectfully submit his remarks for such consideration as His Excellency may deem proper to grant to them :—

"On the manner in which these duties may be performed it will depend whether many millions of our subjects enjoy contentment and security, or lead a life of uncertainty and confusion. On the one hand, by over-legislating you will be liable to keep the people in a state of doubt and alarm. On the other hand, by bearing in mind that none know better

to govern themselves individually and parochially, you may be constantly in the course of ameliorating their condition, while safely maintaining Her Majesty's just sway over a contented people. And be assured that your consultations will lose nothing of sure guidance, by occasionally looking for it in native discernment. Although your functions will be important, they need not be difficult. The several races subject to our laws in this Presidency, and generally throughout India, are not of a restless character, unless rendered restless by mis-government—and everywhere they have an innate respect for authority, whenever authority is respectable and wise."

With these remarks I must vote against the third reading of the Bill.

The Honourable Sir JAMSETJEE JEJEEBHOY said—His Excellency is aware that a numerously signed requisition has been sent to the Sheriff of Bombay, to convene a public meeting of the inhabitants of this city for the purpose of submitting a memorial against this Bill. I think therefore the only proper course for this Council to take, is to postpone its further consideration until the people of Bombay have had an opportunity of submitting respectfully their views upon the subject. As the Bill in question only passed the second reading on the 8th instant, I did hope that more extended time would have been allowed the general public before it was brought on for the third reading. There is no doubt the Bill has been greatly improved since it was read for the first time, and some of the objectionable clauses have been expunged, nevertheless it imposes preventive duties upon the owners of salt works, which, I think, properly belong to the officers employed in the Salt Collector's Department. I do not object to the owners or their agents being required to render all the assistance they can fairly be asked to render in the prevention of smuggling, but the object of the framers of this Bill seems to be that of imposing the whole burden upon the owners. The preventive establishments which Government at present employ to guard these salt works are utterly inadequate for the duties they are called upon to perform. The system of licenses to owners which this Bill introduces is altogether an innovation, and I am afraid that it will have a very prejudicial effect on the value of this description of property. A reference to Section 34 of the amended Bill will show the amount of heavy responsibility imposed upon the owners. This action, besides conferring upon Government the power of suppressing a salt work in the event of the licensee, or his agent, being guilty of any breach of any of the rules to be published hereafter, makes the owner also liable to a fine not exceeding one thousand rupees if any of the persons employed thereat shall have been guilty of any offence against the provisions of this Bill. In many instances in which the owners of salt works reside hundreds of miles away from their property this section will inflict a serious hardship. I fear that the tendency of this Bill is to extinguish the proprietary rights of the people, and the restrictions which it will impose will inevitably enhance the price of a commodity which is almost a necessary of life. As it is, the action already taken by the Collector of Salt Revenue under the existing law in suppressing salt works yielding annually less than five thousand Indian maunds of salt has had the effect of raising the price of this article in some parts of this Presidency. The proprietors do not receive any compensation whatever for the suppression of such works, and are often ruined by their only source of income having been taken away from them. This crying injustice, I am sorry to say, is about to be perpetuated by this Bill. Unless the Honourable Mover consents to a postponement of the further consideration of this Bill I shall be compelled to vote against the motion for the third reading.

Sir Jamsetjee proposes that the third reading of the Bill be postponed.

His Excellency the PRESIDENT—I am certainly very sorry that after all the pains which have been bestowed by us upon this Bill in order to meet objections, my honourable friends should still feel themselves bound to oppose it. I think that the Honourable Mr. Munguldass will admit that the greater part of his observations were addressed to the Bill as it originally stood.

The Honourable Mr. MUNGULDASS said that such was not the case, that he had been very careful, and that he touched only upon what was before the Council.

His Excellency the PRESIDENT—To-day we have made alterations to which the honourable gentleman makes no allusion in the speech he has read and of other concessions he appeared to me to speak as if they had not been made. At least two very material alterations have been made which escaped mention by the Honourable Mr. Rogers. As the Bill originally stood we proposed to make the payment of duty upon all salt exported to Calcutta and Madras compulsory. That has been altered. Great objections were taken to the mode in which compensation was to be made to the proprietors of salt works which were to be suppressed. In deference to these objections this matter has been brought under the ordinary process of the Lands Compensation Act, much, I believe, to the satisfaction of the original objectors. In short, we have done all we can to make the Bill fair as between the tax-payer and the manufacturer of salt, and if unfortunately the value of salt manufactories should fall in the market, I believe it will be not from the unduly harsh operation of our laws, but because smuggling will not be so easy as formerly, and consequently salt property will not be so valuable. It would be a great misfortune if notwithstanding all our labours smuggling were to go on as freely as ever, and certain gentlemen were to make as much money as they do under the present system. With regard to the request for delay preferred by the Honourable Sir Jamsetjee Jejeebhoy, I do not think this Council would be justified in acceding to it. This Bill has now been before the public for three months and has been so much discussed, that I do not believe that any meeting which may be held in this city can bring before us any new matters which we have not discussed over and over again. Such being the case I do not think we shall be guilty of injustice to salt proprietors if we now proceed to take the vote upon this measure.

The Honourable Mr. BYTHELL—I do not wish to give a silent vote upon a measure of this description, and therefore I will make one or two remarks. I stated on the motion for the second reading that although I thought many of the provisions of the Bill required modification, yet that some change in the existing law was very much needed, because the facts which were placed before us showed very clearly that an enormous amount of smuggling was going on. I then pointed out that to allow this smuggling to continue would be the means of inflicting hardships upon honest salt manufacturers as well as upon the general public, and that it was the duty of Government to do all in its power to protect the revenue. If this new Bill works as it is expected to do, and as I believe it will, smuggling will be reduced and with it general taxation. The Bill as drafted was very stringent, but I now agree with the Honourable Mr. Rogers that most of the objectionable features and most of what the various petitioners objected to in the Bill have been removed either by the modification or (as was done this morning) the complete omission of certain sections. As His Excellency has already told us, we are not called upon to say whether the duty is or is not one which it is advisable to levy. That is a matter in the hands of the Supreme Government with which we cannot interfere. We can only try to see that the preventive law is fairly made. With reference to the statements

made by honourable members that we are proposing to pass a Bill more oppressive than any law in force in the other presidencies, I may say I have gone through the Customs Act and the Salt Acts of Bengal and Madras, and have come to the conclusion that, as compared with these measures, this Bill as it now stands is not unnecessarily or comparatively stringent. The Honourable Mr. Munguldass commented very strongly upon the fact that this Act will make owners responsible for the actions of subordinates, and said such a thing was contrary to all principles of British law. But I think the honourable member will find that he is mistaken, for if he refers to Customs laws he will see that it is their very essence that masters shall be responsible for the acts of their servants. For these and the other reasons I have given during the lengthened discussions on this Bill I have decided to vote in favour of the third reading.

Mr. Bythell supports the motion for the third reading.

The Honourable Mr. MUNGULDASS observed that he said that by this Act masters would be held "criminally" responsible for the faults or mistakes of their servants.

The Honourable Mr. ROGERS—There is still one misconception unremoved in the Honourable Mr. Munguldass' mind. He seems to think that the quantity of privately kept salt is to be limited all over the mofussil, whereas it is only towns within ten miles of manufactories which will be affected.

The Council divided on the motion for the third reading of the Bill:—

Ayes—6.

The Honourable A. ROGERS.
The Honourable J. GIBBS.
The Honourable Colonel M. K. KENNEDY.
The Honourable E. W. RAVENSCROFT.
The Honourable J. K. BYTHELL.
The Honourable Colonel W. C. ANDERSON.

Noes—3.

The Honourable MUNGULDASS NUTHOOBHOY.
The Honourable Sir JAMSETJEE JEJEEBHOY.
The Honourable NARAYAN VASUDEVJEE.

Bill read a third time and passed.

The Bill was accordingly read a third time and passed.

The District Municipal Bill reconsidered.

The Honourable Mr. GIBBS, before moving the third reading of the District Municipal Bill (No. 8 of 1873) proposed re-consideration of the Bill. He said—We have received a petition from the Poona Survajanik Subha, dated 8th October 1873, relating to the District Municipal Bill. The petitioners object to Government taking the initiative in establishing Municipalities, to Presidents of Municipalities having a veto, and think that generally the powers of Presidents should be restricted, these being at present (according to the petitioners) "omnipotent and irresponsible." They also desire that all Municipalities should be compelled to spend their revenue only within their own limits, and that they should be permitted to make their own sanitary arrangements. These are the leading parts of the Poona petition, and as most of the points referred to have already been considered by the Council, I think we need not waste further time over them. With the Council's permission, I shall proceed to make a few formal amendments on the details of the Bill. In the first place I would propose that in section three, referring to the definition of the "place," we should insert after "bazaar" in line 22 the following words:—"or (with the previous consent of the Governor General in

Council) any Cantonment." Since the consideration of this Bill by the Committee of the whole Council I have had a good deal of correspondence with gentlemen, in order if possible to obtain a clearer definition of "place." Mr. Hope has failed to assist me after giving great consideration to the subject. It will be remembered that the difficulty about this word first arose from its use in one of the sections, by which some honourable members suggested the theory that by the Bill it was intended to mass a number of villages together and make them into one Municipality. But I have been assured by a very energetic Collector that that is the last thing he would ever seek to do in his district, and he as well as others would certainly be opposed to having Municipalities except where they were absolutely necessary. I think it may be taken for granted that nobody will seek to adopt this system of massing municipalities, and I believe we have now obtained as thorough a definition of "place" as it is possible to get. The alteration which I propose now is with reference to a remark which the Honourable Mr. Rogers made during the second reading. This amendment must be considered together with the amendments of which I have given notice on Section IV., and which are that in Section IV., line 10, clause 1, for the words "city, town . . . cantonment," we should read "place"; and that we should omit in lines 16 and 17 the words "and shall define . . . thereof," and at the end of line 20 add the words "and shall define in the said notification the proposed limit of such municipal district."

The alterations were agreed to.

The Honourable Mr. Munguldass proposed that in Section IV., line 4, between the words "notification" and "in," the words "in English and in the language of the district" should be inserted; and that in line 6 the word "proclamation," should be omitted and the words "notification in the language of the District" be inserted.

The alterations were agreed to.

The Honourable Mr. Munguldass then proposed that in Section IV., line 20, after the word "thereof" there should be added the words: "provided that no cities, towns or villages shall be united for the purposes of this Act which are separated from one another by a distance of more than half a mile of ground unoccupied by houses." This provision was taken from the Bengal Municipalities Act, and would in his opinion be a useful check to any body massing municipalities together.

The Honourable Mr. Gibbs said that it would be very inadvisable for the Council to adopt such a resolution, unless by returns from all the municipalities in the Presidency it could see what the precise effect of the amendment would be. In the case of Poona, there is already a village lying close to it and far from any other town or village, and if this amendment were carried such a village would be excluded from the municipality. There may be many other similar cases.

The Honourable Mr. Narayan—I must support the amendment, because, as the section is at present worded, an over-zealous Collector, disregarding the intentions of the present Government, might easily connect a number of villages together for the purpose of making a municipality of them.

The Honourable Colonel Anderson—The honourable gentleman's apprehensions will not be allayed if this amendment is carried, because an over-zealous Collector who wishes to over-ride the opinions of this Council could still get little houses erected here and there, so as to bring boundaries within the limits suggested by the Honourable Mr. Munguldass.

The Honourable Mr. Rogers remarked that the Ahmedabad Cantonment was three miles from the city, and if this amendment was agreed to the Cantonmentcould not be joined to the municipality.

The Honourable Mr. Munguldass said that as a compromise he was willing to take a mile although what he had already proposed was in the Bengal Act.

The Honourable Mr. Gibbs observed that the Bengal Act was vetoed by the Governor General.

The Honourable Mr. Munguldass remarked that the Bill was vetoed only on account of the excessive taxation it would authorise.

The Council divided on the Honourable Mr. Munguldass' amendment:—

Ayes—4.	*Noes*—5.
The Honourable Munguldass Nuthoobhoy.	The Honourable A. Rogers.
The Honourable Colonel M. K. Kennedy.	The Honourable J. Gibbs.
The Honourable Sir Jamsetjee Jejeebhoy.	The Honourable E. W. Ravenscroft.
The Honourable Narayan Vasudevjee.	The Honourable J. K. Bythell.
	The Honourable Colonel W. C. Anderson.

The amendment was therefore lost.

The Honourable Mr. Bythell moved the same words, substituting "one mile" for "half a mile." This he said would give a larger boundary.

The Honourable Mr. Gibbs remarked that this amendment was equally objectionable with the one which had just been rejected. If it was adopted the Council, from want of definite information as to boundaries, would simply be legislating in the dark.

The Honourable Colonel Kennedy said he had given his vote in favour of the Honourable Mr. Munguldass' amendment because approving of the mile boundary, he thought it was the same as the one which the Honourable Mr. Bythell was now proposing.

The Honourable Colonel Anderson concurred with the Honourable Mr. Gibbs that the amendment was perfectly vague.

After some further observations the amendment was put to the vote and carried:—

Ayes—5.	*Noes*—4.
The Honourable Munguldass Nuthoobhoy.	The Honourable A. Rogers.
The Honourable Colonel M. K. Kennedy.	The Honourable J. Gibbs.
The Honourable Sir Jamsetjee Jejeebhoy.	The Honourable E. W. Ravenscroft.
The Honourable Narayan Vasudevjee.	The Honourable Colonel W. C. Anderson.
The Honourable J. K. Bythell.	

The Honourable Mr. Gibbs then proposed that after Clause 3 of the section the following words should be inserted as Clause 4:—

"The above provision of this section shall not be applicable to Municipalities formed under Act XXVI. of 1850, which the Governor in Council may consider should be constituted as Municipal Districts under this Act. In such cases it shall suffice that the Governor in Council declare by notification in the *Bombay Government Gazette* that such Muni-

cipalities or any of them are henceforth to be Municipal Districts under this Act." The object of this section was to leave present boundaries in *statu quo*.

The amendment was agreed to.

The Honourable Mr. GIBBS proposed to enter as clause five of this section the present second clause of Section VI., omitting it from Section VI.

The motion was put and agreed to.

The Honourable Mr. GIBBS suggested that in Section VII. the line "Huzur Deputy Collector and Magistrate" should be removed from its present place and bracketed with the words "resident in or near the place."

The Honourable Mr. MUNGULDASS moved that "the Deputy Educational Inspector" should be added to the list of *ex-officio* Commissioners.

Both amendments were agreed to.

The Honourable Mr. MUNGULDASS moved that in Section 7, lines 41 and 42, the words "or other officer duly authorized by him" should be omitted.

The motion was agreed to.

The Honourable Mr. MUNGULDASS moved that in lines 46 and 47 of the same section, the words "be convicted of an offence punishable under the Indian Penal Code" should be omitted and the following words substituted: "be sentenced to rigorous imprisonment for six months or longer."

The amendment was agreed to.

The Honourable Mr. MUNGULDASS moved that in Section 14, line 51, the following proviso should be added after the word "same":—"Provided that the total amount raised by such taxes, tolls and other imposts shall not exceed, in the case of a City municipality, a sum equal to Rs. 1-8-0 per head of the total population thereof, and in the case of Town Municipality, a sum equal to annas 12 per head of the total population thereof." The honourable member remarked that according to the fixed principles of legislation a limit ought to be fixed upon taxation.

The Honourable Mr. BYTHELL said that he agreed to some extent with the Honourable Mr. Munguldass, and would go further and specify the articles which might be taxed.

The Honourable Mr. MUNGULDASS observed that he had chosen the maximum limit in order to convenience different towns which needed different rates. As far as he could make out from the list of towns which was given in the Administration Report the average of taxation came only to about a rupee per head.

The Honourable Mr. NARAYAN supported the amendment. Excepting in the matter of Police the Municipalities were to be made liable to pay fully for a number of improvements, and unless a limit were fixed the result might be very oppressive. In the debate last year upon the Indian Budget, Sir Charles Wingfield deprecated the attempt to push on improvements too fast, because this simply meant increased taxation and he (the Honourable Mr. Narayan) agreed with the honourable member of Parliament.

The Honourable Colonel ANDERSON—I quite agree with the remark that the Council ought to be careful to fix a limit for taxation, but would point out that if the Council fixes any limit, the cry would at once go forth across the country that Government intended to tax up to the maximum at once. The Council had a remarkable instance of this tendency in the matter of the Tolls Bill, when, although it simply proposed to give power to tax in

certain cases, the rumour was spread that henceforth Government would levy a toll upon every pedestrian crossing a bridge.

His Excellency the PRESIDENT remarked that the taxation at present was very unequal in Municipalities in the Presidency, and if the Council laid down this limit the confusion would, he believed, be very serious.

The Honourable Mr. GIBBS said that the list of taxes which might be imposed by a Municipality if it chose having been struck out for the reason that its presence in the Act would frighten people, he thought that to be consistent this Council must not attempt to fix the limit which the Honourable Mr. Munguldass proposed. Moreover, the Council had not sufficient data before it to justify it in any way agreeing to any such proposition.

The Honourable Mr. MUNGULDASS said that if it pleased the Council better, he was willing that it should declare a limit upon the house tax, town dues, and so forth. Several gentlemen in the mofussil had written to him to the effect that although they did not like to come publicly forward to say so, still they would like the Council to fix a limit upon Municipal taxation. It must not be forgotten that by this Bill a Municipality might be created anywhere whether the inhabitants liked it or not, and for that reason it would inspire confidence in the intentions of Government if the Council were to fix this limit.

The Honourable Mr. BYTHELL said that the Honourable Mr. Munguldass had just pointed out an important fact.

The Honourable Mr. GIBBS observed that no section however here gave Government power to tax; the people in Municipalities must agree to tax themselves.

The Honourable Mr. BYTHELL said that there was much in that objection, but there was more in the fact that by fixing no limit to taxation, unlimited taxation by the power of Collectors in the districts might spring up everywhere in the Presidency. There were very good officers in the city of Bombay, nevertheless the taxation there is increased so enormously that Government had recently to interfere.

After some further discussion the Honourable Mr. Munguldass' motion was put to the vote and lost:—

Ayes—4.

The Honourable MUNGULDASS NATHOOBHOY.
The Honourable Sir JAMSETJEE JEJEEBHOY.
The Honourable NARAYAN VASUDEVJEE.
The Honourable J. K. BYTHELL.

Noes—5.

The Honourable A. ROGERS.
The Honourable J. GIBBS.
The Honourable Colonel M. K. KENNEDY.
The Honourable E. W. RAVENSCROFT.
The Honourable Colonel W. C. ANDERSON.

The Honourable Mr. GIBBS suggested that in lines 11 and 12 of Section XIV. the words "or any officer duly authorized by him" should be struck out; and that paragraph F. in the second clause should terminate at "bye-laws" in the 59th line.

The alterations were agreed to.

The Honourable Mr. GIBBS proposed that the following be added as clause 2 to Section XVI.:—The Governor in Council may from time to time, on the representation of the Municipality concerned, alter the limits of any Municipal District constituted under this Act: provided that such alteration shall not be effected until after notification of intention and hearing of objections in the manner provided in Clauses 1, 2, and 3 of Section IV.

The motion was put and agreed to.

The Honourable Mr. GIBBS moved that in line 8, Section XX., after the word "provided" there should be added the words "such Municipality shall cease to exist and".

The amendment was agreed to.

The Honourable Mr. GIBBS moved that the following words should be added to Section XXIV. as clause 4:—"The above provisions of this section shall not be applicable in the first instance to Municipalities formed under Act XXVI. of 1850, which the Governor in Council may have constituted as Municipal Districts under this Act. In all such cases the octroi, tolls, or other imposts which may have been in force under Act XXVI. of 1850 shall continue in force until altered or abolished."

The amendment was agreed to.

The Honourable Mr. MUNGULDASS proposed that in Section XXIV., line 18, after the word "opinion" the following proviso should be added:—"Provided that such proportion of charges shall not exceed one-fifth of the total annual income of the Municipality."

The amendment was agreed to.

The Honourable Mr. GIBBS proposed that the following proviso should be added to clause 2:—"Provided that all sales of lands or buildings shall be subject to the previous sanction of the Governor in Council or of any officer duly authorized by him."

The motion was put and agreed to.

The Honourable Mr. GIBBS moved that in line 6, Section LXIV., "or endanger" should be inserted after "obstruct."

The amendment was agreed to.

His Excellency the PRESIDENT then adjourned the Council.

By order of His Excellency the Governor in Council,

JOHN NUGENT,
Acting Under-Secretary to Government.

Bombay, 31*st October* 1873.

This Act received the assent of Her Excellency the Viceroy & Governor General on 2 May 1874 and was by the Govr of Bombay on 19th May 1874.

Act 6

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Bill No. 5 of 1873.

An ~~Bill~~ Act

For consolidating and amending the Law relating to Salt in the Presidency of Bombay.

Preamble.

Whereas it is expedient for the better protection of the Salt Revenue to amend and consolidate the laws relating to the manufacture, storage, possession and transport of salt in the Presidency of Bombay, exclusive of the Province of Sind, it is enacted as follows:—

Short Title of Act.

I. This Act may be cited as "The Bombay Salt Act, 1873."

Repeal of Acts.

II. Section 4 of Act XVI. of 1844, and so much of Act XXVII. of 1837, and of Act XXXI. of 1850, as has not already been repealed, are repealed.

Interpretation Clause.

III. The following words shall have the several meanings hereby assigned to them, unless where a contrary intention shall appear from the context; that is to say:—

The word "manufacture" shall include the preparation and collection of salt.

The words "salt work" shall mean any place used or intended to be used for the manufacture of salt, and shall include the embankments, reservoirs, evaporating pans, places at which salt is stored, and all lands on which salt is spontaneously produced.

The words "licensee of a salt work" shall denote the person or persons licensed to manufacture salt at a salt work.

The words "contraband salt" shall denote salt manufactured without license, and salt removed from any salt work, and salt stored, or packed, or landed, or in transit, or in the possession of any person in contravention of any provision of this or any other Act relating to the Salt Revenue, or of any order or permit issued under this Act, or of any of the rules made or to be made in pursuance thereof.

The word "seer" shall mean a weight of eighty tolahs.

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The word "vessel" shall denote anything made for the conveyance by water of human beings, animals or property.

The words "Collector of Salt Revenue" shall denote the officer authorized for the time being to exercise under Government the chief control in the Department of Salt Revenue.

When salt is in possession of, or is removed by, a person's servant or agent on his account, it shall be deemed to be in that person's possession, or to have been removed by that person, for the purposes of this Act.

PART I.—*Appointment and Duties of Officers.*

Governor in Council to exercise control over Department of Salt Revenue and appoint Officers.

IV. The control of the Department of Salt Revenue in the Presidencies of Bengal & Bombay shall vest in and be exercised by the Governor in Council, who may, from time to time, subject to the general control of the Governor General of India in Council, appoint persons, under the designation of Collector, Deputy and Assistant Collector of Salt Revenue, or under such other designations as may seem fit, to exercise the powers conferred and to perform the duties imposed by this Act, and he may suspend or dismiss any persons so appointed.

Appointment, punishment and dismissal of Subordinate Officers.

V. The appointment of all Subordinate Officers shall, under such rules as the Governor in Council may from time to time sanction, rest with the Collector of Salt Revenue and his Assistants, who may at any time, after inquiry recorded in writing, fine, dismiss, suspend or reduce any Subordinate Officer so appointed who shall be remiss or negligent in the discharge of duty, or unfit from any cause for the discharge of the same.

Appeals from orders of Officers in Department of Salt Revenue.

VI. An appeal shall lie from all proceedings and orders of Subordinate Officers in the Department of Salt Revenue to their respective immediate superior Officers, and an appeal shall lie from all proceedings and orders of Deputy and Assistant Collectors of Salt Revenue to the Collector of Salt Revenue, whose proceedings and orders shall be subject to the general control of the Governor in Council.

Persons holding office to be deemed to be appointed under this Act.

VII. All persons holding any office or employment for the collection or protection of the Salt Revenue, or exercising any powers similar to those conferred by this Act, or performing any

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duties similar to those imposed thereby, at the time this Act shall come into operation, shall be deemed to be appointed under this Act, and shall continue to hold such office and to exercise such powers and to perform such duties as if they had been appointed under this Act.

Officers to enter and inspect salt works and storage places.

VIII. Any officer appointed under this Act or any Revenue, Police or Customs Officer may enter and inspect at any time by day or night any salt work, or any warehouse, or premises used for storing salt, or any vessel which has been or is proposed to be laden with salt.

Authority to arrest without warrant any person suspected of offence against the Salt Laws.

IX. Any officer appointed under this Act and any Revenue, Customs or Police Officer, may, without warrant or order from a Magistrate, arrest and detain any person whether on land or water against whom reasonable suspicion exists that he has been guilty of any offence against this or any other Act relating to the Salt Revenue, or against any of the rules made or to be made in pursuance thereof, and shall forward any person so detained without delay to the nearest Magistrate or Police station or to an officer in charge of a salt work or preventive station.

Inquiry to be made by the officer to whom such person is brought.

X. When any person arrested as aforesaid shall have been forwarded to any officer in charge of a salt work or preventive station, such officer may detain him in custody and shall proceed to inquire into the charges against him: Provided that any person so detained may at the discretion of such officer be liberated on giving recognizance or security to appear at such time and place as may be appointed for his appearance.

Officer making inquiry to forward such person to nearest Magistrate, if offence appear to have been committe

XI. If the person arrested appears from the information obtained to have committed any offence against this or any other Act relating to the Salt Revenue, or against any of the rules made in pursuance thereof, the officer making the inquiry mentioned in the last preceding section shall forward him under custody to the nearest Magistrate or other officer duly authorized to take cognizance of the offence.

XII. No officer in charge of a salt work, or of a preventive station, shall, without the special order of a Magistrate, detain an accused person in custody for a longer period than under all the circumstances of the case is reasonable, such period in no case to exceed twenty-four hours.

Accused person not to be detained by such officer more than 24 hours.

XIII. If it shall appear to the officer in charge of a salt work, or preventive station, that there is not sufficient evidence or reasonable ground of suspicion to justify the transmission of the accused person to the Magistrate, or other officer duly authorized to take cognizance of the offence, he shall at once release the accused person, and submit a report of the case for the orders of his immediate superior.

If not sufficient evidence, accused person to be released at once.

XIV. Any officer appointed under this Act, or any Revenue, Customs or Police officer, may seize and detain any salt which he may reasonably suspect to be contraband, and any animals, carriages, or vessels, used in transporting it, or in or upon which it may be found, and all goods and packages in which or among which it may be contained or concealed, and shall have power to search all persons, animals, carriages, vessels, goods, and packages, in or upon whom or which he may have reasonable cause to suspect contraband salt to be, or to be concealed.

Power to seize salt suspected to be contraband and to seize animals, carriages or vessels used in transporting it.

XV. Any Magistrate or Justice of the Peace may, on written application by any officer appointed under this Act, or by any Revenue, Customs or Police officer, issue a warrant for the search of any house, building, premises or vessel in which there may be reasonable cause to suspect that contraband salt is, or is concealed. The provisions of Chapter XXVII of the Code of Criminal Procedure shall be applicable (so far as may be) to search warrants issued under this section.

Power to issue Search Warrant.

XVI. It shall be the duty of every Police or Customs or Revenue Officer to aid any officer appointed under this Act in the due execution of any duty imposed thereby on notice given or request made by such officer; and it shall be the duty of every officer in charge of a Police station, upon receipt of complaints or information of the commission within the limits of his station of any offence punishable under this Act, or under any rule made in pursuance thereof, to take action in the manner prescribed in the Code of Criminal Procedure for the conduct of such Police Officer, upon receipt of complaint or information of the commission within the limits of his station of any offence specified in column 3 of the schedule annexed to the Code of Criminal Procedure, as an offence for which Police Officers may arrest without warrant.

Duties of Customs, Police and Revenue Officers in connection with this Act.

XVII. Any officer appointed under this Act, of not lower rank than a Sir Karkoon or a Duroga, may by written order require the attendance before himself, at a time and place to be mentioned in such written order, of any person who appears to be acquainted with the circumstances forming the subject of any inquiry which such officer is making for any of the purposes of this Act, and every person so summoned shall be bound to attend in person at the time and place appointed in the said written order, and to furnish to such officer true information on any subject whatever connected with the Salt Revenue on which such officer may question him, and to produce such documents, or things, being in his possession or within his control, as he may be required to produce by such officer.

Certain officers appointed under this Act empowered to summon persons to obtain information connected with the Salt Revenue.

XVIII. Any officer appointed under this Act and any Revenue, Customs or Police Officer, may enter at any time upon any lands or premises on which there shall be any manufacture of salt not licensed under the provisions of this Act, or any natural formation of salt, and he may take possession of or destroy any salt so manufactured or formed, and any works or constructions prepared or used for the purposes of such manufacture.

Destruction of Salt made without license.

PART II.—*Manufacture, Storage, and Removal of Salt.*

XIX. Within the Presidency of Bombay it shall not be lawful for any person who is not duly licensed in the manner hereinafter provided to manufacture salt.

Salt not to be manufactured without a license.

XX. It shall be lawful for the Collector of Salt Revenue to grant licenses for the manufacture of salt to such persons as he shall think fit. Each such license shall contain the name of the person to whom it is given, and shall specify the limits within which such manufacture may be carried on, and the place where the salt so manufactured shall be stored, and shall be subject to such further conditions as the Governor in Council may from time to time prescribe. The Collector of Salt Revenue may at any time call for any such license, and amend or alter it in accordance with any conditions which may be so prescribed. A register of such licenses shall be kept in the Office of the Collector of Salt Revenue.

Licenses to be granted by the Collector of Salt Revenue.

Nature of License—Register to be kept.

XXI. A license for the manufacture of salt shall not, except as hereinafter mentioned, be refused to the proprietor of any salt work not being the sole property of Government which is being worked at the time of the passing of this Act, or which may have been worked within three years previous to the date of its introduction, or to any person who may establish by virtue of a Sunnud granted by the British or any former Government, a special and permanent right to manufacture salt. Except in the case of salt works owned by the holders of Sunnuds as aforesaid, the Governor in Council may at his discretion at any time withhold or withdraw a license for manufacturing salt at any salt work whatever which on an average of the three years last preceding shall not have produced yearly at least five thousand Indian maunds of salt; and with the like exception the Collector of Salt Revenue may at any time withdraw or withhold a license from any salt work if no salt shall have been manufactured therein for the three years last preceding.

Existing Salt Works to have licenses.

XXII. The Collector of Salt Revenue may, for the purposes of this Act, cause Chowkees to be erected at any place in any salt work within the Presidency of Bombay without compensating the proprietor or owner thereof for the use of the land occupied thereby, and may station within the limits of any salt work such persons as he may deem fit, and may establish preventive stations at convenient places to be selected in the neighbourhood of any salt works.

Chowkees and Preventive Stations to be established.

XXIII. Every Patel and other public servant of every village in which there shall be any manufacture of salt not licensed under the provisions of

Notice to be given of manufacture of Salt not licensed under this Act.

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this Act, or any formation of salt, shall, within ten days after the existence of such manufacture or formation shall have come to his knowledge, give notice of the same to an officer appointed under this Act, or to a Magistrate, or to an officer in charge of a Police station. If any person bound to give notice under this Section shall wilfully omit or delay to give the same, he shall, for every such offence, be liable to a fine not exceeding five hundred Rupees.

Penalty for not giving notice.

XXIV. *Clause* 1. The Governor in Council may from time to time declare, by notification to be published in the *Bombay Government Gazette*, the ports within the Presidency of Bombay at which only it shall be lawful to import salt by sea, and may appoint proper places therein to be wharves for the landing of salt, and may declare the bounds and extent of such wharves, and may from time of time, by notification as aforesaid, forbid the import or landing of salt at any port or wharf at which such import or landing may at any previous time have been authorized, and may further forbid the import by land or sea of salt exported from any place, whether within or without British India, at any port or place within the Presidency of Bombay.

Ports for importation of Salt to be notified in the *Government Gazette*.

Clause 2. The Governor in Council may also from time to time, by notification to be published in the *Government Gazette*, prescribe by what roads and passes salt shall be allowed to pass into or out of foreign territory or the territory of any Native Chief, not subject to the jurisdiction of the Courts and Civil authorities of the Bombay Presidency.

XXV. No salt shall be removed from any salt work in the Bombay Presidency without a permit to be obtained in the manner hereinafter mentioned: Provided that nothing in this Section shall be held to affect the Government salt works at Kharaghora on the Runn of Kutch, or any salt works at which the manufacture of salt is carried on directly by or on behalf of Government.

Salt not to be removed without a Permit, except from Government Salt Works.

XXVI. No permit for the removal of salt from any salt work shall be granted except on written application in the form marked A, annexed to this Act, which shall be signed and presented to the Sir Carkoon or other officer in charge of the salt work whence the salt is to be removed both by

Nature and contents of Permit for removal of Salt from Salt Works.

the person desirous of removing salt and by the licensee, or agent lawfully appointed by him, of the salt work whence it is to be removed. There shall be stated in such application the quantity and cost price of the salt intended to be removed, the name and residence of the person on whose account the salt is intended to be removed, the name of the place to which and the route by which it is intended to take the salt immediately after removal from the salt work, and whether the said salt is intended for local consumption in the neighbourhood of the said place, or for subsequent transport or export elsewhere, and if destined for transport or export elsewhere the name of the place or district to which it is intended to be transported or exported.

Receipt to be given to applicant for Permit.

XXVII. When a written application for a permit for the removal of salt from any salt work, together with the excise duty leviable on the quantity of salt intended to be removed, shall have been received by the officer authorised to receive them, he shall deliver a receipt and order, in the form marked B annexed to this Act, to the persons making such application, which receipt and order shall specify the amount of duty paid, the quantity of salt to be removed, the work from which and the person by whom such quantity of salt is to be removed, the preventive station at which it is to be examined, and the place to which and the route by which it may be taken, and the number of days within which the salt must be conveyed to its immediate destination.

Blanks in the receipt to be filled up by officer in charge, and portion of receipt delivered to the applicant to be the Permit.

XXVIII. On production of the receipt and order aforesaid to the officer in subordinate charge of the salt work to which it relates, he shall fill up the blanks which are marked therein as intended to be filled up by himself, and shall tear off and retain that part of the receipt and order which is therein marked to be retained by himself, and shall deliver the remaining portion to the person therein authorised to remove salt, and such portion of the receipt and order so delivered shall then be a permit authorising the person therein named to remove the quantity of salt therein mentioned.

Removal of Salt under the Permit.

XXIX. Salt removed from salt works under a permit, as described in the section last preceding, shall be taken along with the permit covering it direct to the preventive station mentioned in the permit within the period allowed thereby. The permit shall there

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be delivered to the officer in charge of the station, and the salt may be re-weighed or examined by him under such orders as the Collector of Salt Revenue may from time to time issue. If he shall be satisfied that the quantity of salt removed does not exceed the quantity mentioned in the permit, he shall allow it to pass, and it shall then be conveyed to the place mentioned in the permit within the period allowed thereby.

Possessors of permits bound to superintend the removal of salt under their permits.

XXX. It shall be the duty of the persons who have obtained an order for the removal of salt under Section 27 of this Act to superintend, either in person or by agent lawfully appointed for the purpose, the removal of salt so authorised, and to test the weights and scales used in weighing out such salt, and to prevent the removal of salt in excess of the quantity mentioned in the said order.

Nature and contents of permit for removal of salt from a Government warehouse or store.

XXXI. No permit for the removal of salt from any Government warehouse or store shall be granted except on written application, which shall be signed by the person desirous of removing salt. There shall be stated in such application the quantity of salt intended to be removed, the name of the place to which and the route by which it is intended to take the salt immediately after removal from such Government warehouse or store, whether the said salt is intended for local consumption in the neighbourhood of the said place, or for subsequent transport or export elsewhere, and if destined for transport or export elsewhere, the name of the place or district to which it is intended to be transported or exported.

Grant of certificate on application.

XXXII. On the application of any person who shall have obtained as aforesaid a permit for the removal of any salt intended for export, and who shall have paid the duty if any on the same, the Collector of Customs at the place of export shall grant a certificate, under the authority of which the quantity of salt specified therein shall be landed at any other port of the Presidency of Bombay, without payment of any further duty.

PART III.—*Suppression of Salt Works.*

Power to Governor in Council to suppress any salt work or to suspend or withdraw license when licensee has committed breach of the Act.

XXXIII. *Clause* 1. It shall be lawful for the Governor in Council to suppress any salt work, or to suspend or withdraw the license to manufacture salt at any salt work, the licensee of which, or his

agent, shall have been guilty of any offence against the provisions of this Act, or of any breach of any rule made in pursuance thereof, or of any breach of the conditions specified in the license granted for the manufacture of salt at such work. It shall also be lawful for the Governor in Council to impose a fine not exceeding Rupees one thousand on the licensee of any salt work if any of the persons employed thereat shall have been guilty of any offence against the provisions of this Act, or of any breach of the conditions specified in the license granted for the manufacture of salt at such work, unless the licensee of such salt work shall establish to the satisfaction of the Governor in Council that all due and reasonable precautions were exercised by him to prevent the commission of such offence or breach of the conditions specified in the license. It shall be at the discretion of the Governor in Council to determine for the purposes of this section whether any such offence, or breach of the conditions of the license, has been committed.

Clause 2. Any fine imposed by the Governor in Council under the preceding clause shall in default of payment be recoverable in the manner prescribd for the recovery of penalties in Section LVIII. of this Act.

Acquisition of any salt work on payment of compensation.

XXXIV. The Governor in Council may, at his discretion, with a view to the summary suppression of any salt work within the Presidency of Bombay, direct the acquisition of such salt work under the provisions of Act X. of 1870 or other law in force for the time being for the acquisition of land for public purposes. Nothing contained in this section shall affect the powers vested in the Governor in Council and in the Collector of Salt Revenue under Sections 21 and 33 of this Act.

PART IV.—*Warehousing of Salt.*

No buildings within certain limits of salt works to be used for the storing or reception of salt for purposes of sale unless licensed.

XXXV. Except within the City and Island of Bombay, no building, enclosure, or premises within a distance of 10 miles from any salt work, or from any land customs station established under Act XXIX. of 1857, or from any port or place declared and appointed for the import or landing of salt, or within such other limits as the Governor in Council shall define by notification to be published in the *Bombay Government Gazette*, shall be used for the storing or reception of salt for purposes of sale unless licensed for that purpose by the Collector of Salt Revenue.

Governor in Council to make rules for regulating and licensing the storage of salt for purposes of sale.

XXXVI. The Governor in Council may from time to time make rules for regulating and licensing the storage or possession of salt for purposes of sale within the limits mentioned in the section last preceding, and it shall be the duty of the Collector of Salt Revenue to issue licenses for the storage or possession of salt for purposes of sale within such limits to such persons and for such buildings, enclosures, or premises as he shall deem fit.

Special permits may be granted.

XXXVII. Within the limits aforesaid it shall not be lawful to possess or transport salt exceeding 40 seers in quantity unless the same shall be in transit under cover of a permit or order granted under Sections 27 and 28 of this Act or shall be covered by a special permit authorizing its retention for private consumption within the said limits. Such special permits shall be granted by the Collector of Salt Revenue, his Deputies and Assistants, to such persons as they shall deem fit.

Salt exceeding 40 seers, and not covered by a permit and found in an unlicensed building, to be deemed contraband.

XXXVIII. All salt exceeding 40 seers in quantity, not being in transit under cover of a permit or order granted under Sections 27 and 28 of this Act, or covered by a special permit granted under the preceding section found within such limits as aforesaid in any building, enclosure, or premises which shall not have been duly licensed under the section last preceding shall be held to be contraband.

PART V.—*General Provisions.*

Rules to be made under this Act.

XXXIX. *Clause* 1. The Governor in Council may from time to time make rules, not being repugnant to the provisions of this or any other Act relating to the Salt Revenue, for the following purposes, viz.:—

1. For regulating the manufacture, deposit, and storage of salt at any salt work.

2. For regulating the deposit and storage of salt in any building or premises used for the deposit or storage of salt on which excise duty has not been paid.

3. For regulating the removal of salt from any salt work and from any building or premises used for the deposit or storage of salt on which excise duty has not been paid.

4. For regulating the routes by which salt removed from any salt work shall be taken to a preventive station.

5. For regulating the routes by which salt manufacturers and other persons shall approach, enter, or leave, any salt work, and the hours during which only it shall be lawful for any person to remain within the limits of any salt work.

6. For regulating the import and export of salt by sea and land.

7. For regulating and enforcing the attendance and labour of any person who has contracted or agreed to manufacture salt at any salt work under the immediate management and control of Government.

8. For the conservancy of any salt work.

Clause 2. The Governor in Council may from time to time fix the penalties for breaches of the rules framed under the preceding clause.

Sifted and refuse Salt how to be dealt with.

XL. The Collector of Salt Revenue may at his discretion call upon the licensee of any salt work to store in heaps any sifted or refuse salt which may be lying on such work, or, at the option of the licensee, to destroy the same, and if such licensee shall fail either to store in heaps or to destroy any such salt within ten days from the receipt of the order so to do, the Collector may cause such salt to be destroyed, and may recover the costs thereof from the licensee of the salt work in manner prescribed for the realization of revenue in Chapter III. of Regulation XVII. of 1827, or any other law in force for the time being. The Collector of Salt Revenue shall have authority to determine whether any salt is sifted or refuse for the purposes of this Act.

Heaps of Salt when opened to be removed.

XLI. On any heap of salt being opened and a part thereof removed, it shall be lawful for the officer in charge of the salt work to require the licensee of the salt work, by written notice, to remove the remaining portion within three days of the date of such notice, or to reheap and secure it in such manner as the said officer may direct, failing which it shall be lawful for the said officer to offer the said salt for sale, and to dispose of it if the price bid is equal to the excise duty leviable thereon, and if the price offered be less than the excise duty

leviable thereon, it shall be lawful for the said officer to cause the salt to be destroyed, and to recover the cost thereof in manner prescribed by the preceding section.

Power to destroy suppressed and unlicensed Salt Works.

XLII. Whenever any salt work shall be suppressed under any of the provisions of this Act, and whenever a license to manufacture salt at any salt work shall be withheld, suspended, or withdrawn, under any of the provisions of this Act, it shall be lawful for the Collector of Salt Revenue to flood such salt work with water, or to take such other measures with respect to it as he may consider necessary for the prevention of the manufacture or spontaneous production of salt therein.

Removal of salt from suppressed and unlicensed salt works.

XLIII. Salt in store at any salt work which may be suppressed in the manner hereinbefore provided, or at any salt work a license for the manufacture of salt at which may be withheld, suspended, or withdrawn, shall be removed within six months from the date of such suppression, or of the withholding, suspension, or withdrawal of such license for which purpose only the license shall continue in force, and it shall be lawful for the Collector of Salt Revenue to cause any salt which may remain in store at any such salt work after the expiry of such period of six months to be put up for sale and sold, if the price offered be equal to the excise duty leviable thereon, and if the price bid be less than the excise duty leviable thereon, it shall be lawful for the said officer to cause the salt to be destroyed.

Licensees of salt works to protect and repair them when required so to do.

XLIV. It shall be lawful for any officer appointed under this Act of not lower rank than a Sir-Karkoon to require by written order the licensee of any salt work to protect in a manner which the said officer shall consider sufficient, by thatch, or in any other mode customary in the district in which such salt work may be situated, any salt work, or any embankment, platform, or place used for the storage of salt within the limits of such salt work, or to construct or repair to the satisfaction of the said officer, any embankment, platform, or place used for the storage of salt within such salt work, and if the said licensee shall fail to comply within fifteen days of the receipt of such order with the requirements therein stated, the officer who issued the order shall proceed to execute the works mentioned therein, and shall recover the costs thereof from the said licensee in the manner

prescribed for the realization of revenue in Chapter III. of Regulation XVII. of 1827, or any other law in force for the time being.

Licensees of premises used for the storage of salt to repair such premises when required so to do.

XLV. It shall be lawful for any officer appointed under this Act of not lower rank than a Sir-Karkoon to require by written order the licensee of any salt work to repair to his, the said officer's, satisfaction any "kothar," "golah," building, or premises, used for the storage of salt manufactured at such work on which excise duty shall not have been paid, and if such licensee shall fail within twenty days of the receipt of such order to fulfil the requirements stated therein, the officer who issued the order shall proceed to execute the work mentioned in the order, and shall recover the costs thereof from the said licensee in the manner prescribed for the realization of revenue in Chapter III. of Regulation XVII. of 1827, or any other law in force for the time being.

Service of notices under this Act.

XLVI. Whenever for any purpose of this Act it is required that a written notice shall be served on any person, such notice shall be deemed to be served on the date on which it shall be delivered to such person, or affixed to the door of his last known place of residence, or posted in a conspicuous place on any part of the salt work to which it has reference.

The possessor of salt or of any vessel, &c., in which salt is or is suspected to be, bound to weigh and unload on demand by officer.

XLVII. Whenever for any of the purposes of this Act, or of any rule made or to be made in pursuance thereof, it shall be lawful for any officer appointed under this Act, or of any Revenue, Customs or Police officer, to weigh or examine any salt, or to examine any vessel, carriage, package, or goods, in which salt is, or is suspected to be, it shall be the duty of the person in whose immediate possession or control such salt, vessel, carriage, package, or goods may be to weigh such salt, and to unload, open, or unpack, such vessel, carriage, package, or goods without delay and in the manner required by such officer, and whenever such person shall omit or delay to weigh such salt, or to unload, open, or unpack, such vessel, carriage, package, or goods, in the manner in which he is required to weigh, unload, open, or unpack them by the officer aforesaid, it shall be lawful for the officer aforesaid to cause the salt to be weighed, or the vessel, carriage, package, or goods, to be unloaded, opened, or unpacked.

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PART VI.—*Penalties.*

Confiscation of contraband salt, &c.

XLVIII. All contraband salt, and all vessels, animals, and conveyances, used or intended to be used in transporting it, and all goods, packages, and coverings, in or among which it may be placed, and all materials and implements used in manufacturing salt without a license, shall be liable to confiscation, but may be redeemed on payment of such fine as the officer adjudging confiscation may think reasonable.

Penalty for manufacturing salt without a license.

XLIX. Whoever shall manufacture salt without a license, or beyond the limits of his license, or in violation of any of the conditions specified therein, shall be punished with imprisonment of either description, as defined in the Indian Penal Code, for a term not exceeding six months, or with fine which may extend to Rs. 1,000, or with both.

Penalty for [illegible] incorrect permit.

L. Whoever signs or prepares an application for a permit to remove salt which he knows or has reason to believe to be incorrect, or who uses an incorrect application for a permit to remove salt, knowing or having reason to believe it to be incorrect, shall be liable to fine which may extend to Rs. 200, or in default to simple imprisonment which may extend to one month.

Penalty for removing contraband salt.

LI. Whoever shall be concerned in passing, removing, or transporting contraband salt shall be punished with imprisonment of either description, as defined in the Indian Penal Code, which may extend to six months, or with fine which may extend to Rs. 500 or with both.

Penalty for accepting or retaining contraband salt.

LII. Whoever shall accept or retain salt, having reason to believe the same to be contraband, shall be punished with imprisonment of either description, as defined in the Indian Penal Code, for a term not exceeding six months, or with fine which may extend to Rs. 500, or with both.

Penalty for breaches of the Act, not specially provided for.

LIII. Whoever shall be guilty of a breach of any of the provisions of this Act, or of any license, permit, or rule, made, or issued in pursuance thereof, for infringements of which special penalties shall not have been prescribed, shall be liable to fine not exceeding Rupees 200 or in

default to imprisonment of either description which may extend to one month.

Penalty for public servant being guilty of breaches of the Act.

LIV. Whoever, being a public servant appointed under this Act or employed in the Revenue, Customs or Police Departments shall be guilty of a breach of any of the provisions of this Act, or of any rule made in pursuance thereof, shall be punished with imprisonment of either description, as defined in the Indian Penal Code, for a term not exceeding two years, or with fine, or with both.

Penalty for vexatious use of powers by a public servant under this Act.

LV. Whoever, being a public servant, makes use of any of the powers conferred upon him by this Act vexatiously with intent to cause annoyance or injury to any person, shall be punished with imprisonment of either description as defined in the Indian Penal Code, for a term not exceeding two years, or with fine, or with both.

Offences by whom punishable.

LVI. Offences punishable under Sections 54 and 55 of this Act shall be cognizable by any Magistrate exercising powers not less than those of a First Class Magistrate. All other offences punishable under this Act shall be cognizable by any Magistrate.

Power to Governor in Council to delegate to Special Officer the cognizance of certain offences under this Act.

LVII. All offences against this Act, or against any rule made in pursuance thereof, the penalties prescribed for which are limited to fine or imprisonment in default, shall be cognizable by any officer appointed under this Act to whom the Governor in Council may specially delegate power to take cognizance thereof, provided that any officer to whom such power may be delegated shall not award a sentence of fine exceeding Rupees 500.

How payment of penalty to be enforced.

LVIII. When a penalty is adjudged against any person under this Act by any officers specially empowered under the preceding section, it shall be lawful for such officer, if the penalty be not paid, to levy the same by sale of any property of the said person which may be in his charge or control, or in the charge or control of any other officer appointed under this Act. When an officer empowered as aforesaid who has adjudged a penalty against any person under this Act shall fail to realize the unpaid amount of such penalty from the property of such person, it shall be lawful for such officer to notify in writing to any Magistrate within whose jurisdiction such

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person or any property belonging to such person, shall be, the name and residence of the said person and the amount of penalty unrecovered; and such Magistrate shall thereupon proceed to enforce payment of the said amount in like manner as if the penalty had been adjudged by himself.

Cases of liability to confiscation to be heard by Collector of Salt Revenue or Special Officer.

LIX. Any case in which under this Act any salt, vessel, animal, conveyance, goods, covering, package, implement, or material, is liable to confiscation, may be inquired into and determined by the Collector of Salt Revenue, or other officer to whom power to adjudicate and determine any such cases may be delegated by the Governor in Council.

Evidence when to be taken on oath.

LX. It shall be lawful for the officers conducting an inquiry under Section 17 of this Act to take evidence on oath or affirmation, and in Sections 193 and 228 of the Indian Penal Code the words "judicial proceeding" shall be [illegible] to include any proceeding under this Act.

Disposal of fines and proceeds of confiscations.

LXI. All fines levied, and the proceeds of all confiscations adjudged, under this Act shall be at the disposal of the Governor in Council, and may be applied for the reward of informers, and of persons through whose aid or instrumentality any offender against the provisions of this Act or against any rule made in pursuance thereof shall have been arrested, or any seizure of contraband salt shall have been made, and of persons who shall have done any act of gallantry or merit in the attempt to arrest offenders or in the performance of any other duty under this Act.

Provisions as to suits.

LXII. No suit, or other proceedings shall be commenced or prosecuted against any persons for anything done in pursuance of this Act, without giving to such person a month's previous notice in writing of the intended suit, or other proceedings, and of the cause thereof, nor after tender of sufficient amends, nor after the expiration of six months from the accrual of the cause of suit or other proceedings.

Defence against legal proceedings.

LXIII. Where any legal proceedings are taken against any person for anything done, or intended to be done, under the provisions of this Act, it shall be lawful for the defendant to plead that the act complained of was done in good faith under the order of his superior officer, and upon establishing such plea

the defendant shall be entitled to a decree in his favour, although the superior officer had no authority to make such order; provided always that nothing in this section shall affect any remedy which the party injured may have against the superior officer who gave such order; provided also that this section shall not apply where a suit is brought against a Collector for acts done under the orders of the Government.

LXIV. It shall be lawful for the Governor in Council, by notification to be published in the *Bombay Government Gazette*, to extend the whole or any of the provisions of this Act to the Province of Sind.

APPENDIX A.

(Form of Application referred to in Section 26.)

To Dated at

THE OFFICER APPOINTED TO COLLECT THE SALT DUTY at .....

Application is hereby made by the undersigned for a permit for the removal of Indian Maunds of Salt, and Duty to the amount of Rupees is tendered herewith. Details relating to the proposed removal are correctly stated in the form below.

Name of Applicant and Exporter.	Residence of Applicant and Exporter.	Quantity of Salt intended to be removed. Maunds. Seers.	Name of Salt Work and of Suza from which salt is to be removed.	Name of the Licensee of the Salt Work from which Salt is to be removed and cost price of the Salt.	Place to which the Salt is to be exported.	Mode of conveyance—(if by boat, name of boat and Tindal; if by cart or beasts of burden, state No. of carts or No. of animals.)	Route by which the Salt is to be taken to its destination.	Whether the Salt is required for local consumption, or for subsequent transport elsewhere; if for the latter, the place or district for the consumption of which it is destined.	Whether the removal is on applicant's own account or for another; if for another person, his name and residence.

Date of Receipt.

Amount of duty paid.

No. of Receipt order granted.

Date of Receipt order and time when granted.

(Signature.)

Sir-Carkoon.

(Signature of Applicant and Exporter.)

I certify the correctness of the Entries in columns 3, 4, and 5.

(Signature of the Licensee of the Salt Work.)

Signed in my presence.

(Signature.)

Sir-Carkoon.

APPENDIX B

(Form of Receipt and Order referred to in Section 27.)

Zillah

Taluka

Name of Exporter ...

Residence of Exporter ...

No. and Date of application ...

Quantity of salt for which duty has been paid ...

Amount of duty paid Rs. As. Ps.

Salt Work from which the salt is to be removed ...

Name of Sunz ...

Name of Licensee of Salt Work ...

Destination of salt ...

Route by which the salt is to be conveyed ...

Mode of conveyance,—(if by boat, the name of boat and of Tindal; if by carts or animals, their No.)...

Whether for local consumption or for subsequent transport; if for the latter, its ultimate destination ...

Name of Suzedar, and other persons appointed to superintend the weighment ...

Preventive station at which the salt is to be examined.

Route by which the Salt is to be taken to the Preventive station ...

Period within which the said salt shall be removed from the Salt Work ...

Period within which the salt shall be taken to the Preventive station ...

Period within which the salt shall be taken to its destination ...

Date

(Signature)

Sir-Carkoon.

No. dated

To *(enter name of Suzedar and other persons appointed to superintend the weighment)*.

A. B. Exporter, resident of and *C. D.* Licensee of Salt Work, situated in Sunz in Taluka, are hereby permitted to remove from the said Salt Work Indian maunds of salt, for which duty to the amount of Rs. As. Ps. has been paid. You are hereby directed to allow the aforesaid quantity of salt to be taken from the said Work by the said *A. B.* and *C. D.* before the sunset of and removed by *(state mode of conveyance)* to Preventive station by route.

(Signature)

Sir-Carkoon.

Removed and received by the said *A. B.* and *C. D.* Salt Work Indian maunds of salt from at M this day the

The scales and weights by which the said salt was weighed were tested by us and found to be correct.

(Signature) *(Signature)*

Licensee of Salt Work. Exporter.

(Signature)

Date Suzedar.

No. dated at

Salt Duty to the amount of Rs. As. Ps. having been received by me, *A. B.* resident of and *C. D.* Licensee of Salt Work, situated in Sunz in Taluka, are hereby authorised to remove Indian maunds of salt from the said Salt Work, and to convey the same to Preventive station by route, within a period of

A. B. is further authorised to convey the said salt after it shall have been passed by the officer in charge of Preventive station by route, on *(state mode of conveyance)* to , within a period of

(Signature)

Sir-Carkoon.

Examined by me at Preventive station on at M.

Passed Indian maunds salt, carried on

Extra duty on the excess of Indian maunds amounting to Rs. has been received by me.

(Signature)

Officer in charge of Preventive Station.

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Government of Bombay.

LEGISLATIVE DEPARTMENT.

Bill No. 5 of 1873.

A BILL

FOR

Consolidating and amending the Law relating to Salt in the Presidency of Bombay.

[As read a third time and passed on the 31st October 1873.]

Price 5½ *Annas.*

Printed at the Government Central Press, Bombay.

Enclosure referred to
in R[illegible]. 4 September
No 1139

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REVENUE DEPARTMENT.

174

No. 2755.

From Pro. Bd of Rev.

Dated 18th July 1874.

FOR ORDERS.

The 4th item of this claim
paid as the rate can be
fixed in this Office.

Sd/-

Secretary

Personal attendance
Refers to general approval of
Board. Weight also refers to

175

Ch. Secretary disapproves the Board's action in the case of the Reports now [illegible] in consequence of the absence of such an Order & [illegible] a period of little [illegible] as a measure of economy as well as efficiency & that at any rate the Board's proceedings with the exception of the necessary appointments of Officers should be suspended

I am directed to forward the enclosed papers for the information of the Board

I have &c
J. Robinson

24/10

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the arrangements recently made [illegible] for imprisoning debtors under Writs of Ca. Sa. issued by the Superintendent of Ratings

1st 24/8

I think that the Board can remove the Reproach which exists & that the Conclusion may be adopted — that the Board is that the Officers who [illegible] prompt & active measures of imprisonment

FOR ORDERS.

C 19th Sept 1874 R 25th

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Revenue Department.

No. 1139

PROCEEDINGS of the MADRAS GOVERNMENT.

Under date the 4th August 1874.

Read the following Proc: of the Board of Revenue.

Submitting Board's Proceedings reviewing Dpty Rattan's report on Salt-manufacture in S. Arcot, Tanjore, Madura and Tinnevelly Districts

H. E. 18th July 1874 No 1869.

His Excellency the Governor in Council has recently received another report of Dpty Rattan's (G.O. 21 July 1874 No 908) and in proceeding had disposed of most of the general questions discussed in the foregoing Proceedings including that relative to the appointment of a Permanent Inspector of

of Salt.

He observes that the Board have carefully examined the present report on the manufacture of Salt in the Southern Districts and he considers that their conclusions may be adopted. The point to be now kept in view is the initiation of prompt and active measures of improvement.

The necessary action will be taken with reference to the last paragraph of these Proceedings.

J. H. L.

To Bo[illegible] 12/9/74

72-73