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M.R.O. 1—20,002—12-6-65.

(1) Number of Pages 26

(2) Date of repair 24.1.67

(3) Initials of the Referencer

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

REVENUE DEPARTMENT

G.O. No. 1210 / ~~B.P. No.~~	Press / Mis.
Dated 25-9-1874	196 .

Not to be folded or roughly handled

No. 212. Read the following letter from Major A. F. P. BLOOMFIELD, Officiating Resident in Travancore and Cochin, to the Hon. D. F. CARMICHAEL, Acting Chief Secretary to Government, Fort St. George, Ootacamund, dated Trevandrum, 14th September 1874, No. 92 :—

I HAVE the honor to state, for the information of Government, that I have received the enclosed communication* from the Dewan of Cochin pointing out the very injurious effect the late determination of the Bombay Government to charge the full Excise Duty of Rs. 1-13-0 per maund on all exported salt will have upon the finances of Cochin.

* No. 728 dated 5th instant.

2. The Dewan shows that for the last five years the average cost of salt to the Cochin State per 100 Indian maunds has been Rs. 32-9-7 ; but from the action of the Government of Bombay alluded to above the lowest cost will be Rs. 245 per 100 Indian maunds.

3. Salt hitherto has been shipped in bulk, but for the future it is to be shipped in sealed bags ; this causes a considerable increase in the freight, but a wise precaution, I think, against pretended wastage.

4. The selling price of salt before the Interportal Arrangements were made was 12 Annas per maund ; it has since, at the request of the British Government, been raised to Rs. 2, which appears to have been somewhat felt by the inhabitants.

It may be worthwhile to remark that since the Interportal Convention the sales of salt in Cochin have been considerably less than before that arrangement was made.

5. Mr. Ballard, in his letter, dated 30th June 1873, No. 255, points out misapprehensions that Mr. Hume, Secretary to the Government of India, seems to have labored under in his letter to your address, No. 64 (Customs), dated 14th May 1873, *viz.*, that these States did not make any salt themselves. In Cochin none is made owing to the Bombay salt being preferred,—not to any prohibitory order to do so ; but salt is made in Travancore, and the Government of the Maharajah wishes to increase, if they could, the manufacture of their own salt, but the people will not freely take to it, though it is said to be really a better article than that brought from Bombay.

6. In the years 1872-73 the amount of home-made salt was 54 per cent. of the total quantity consumed.

7. I have also received a letter from the Dewan of Travancore asking for information on the subject of the increase of Export Duty in Bombay on salt, wishing to know if it will be applicable to Travancore, as, if so, it will make equal havoc in the salt revenue of the Travancore State.

Dated 11th instant, No. 3,556 (copy enclosed.)

8. With reference to the sale of salt in Travancore and the statement of Mr. Hume, that the quantities imported of late years have largely exceeded the possible consumption of the inhabitants of these States, I would advance the following figures for the Malayalum year 1047 (1871-72), taking the population at 2,400,000, and allowing half ounce per head we have 331,785 maunds (of 82½ lbs. per maund) as the consumption. The quantity sold, made in the country and imported from Bombay, is 487,200 maunds, leaving 155,415 maunds for various purposes, equal to another quarter ounce per head ; but there was in the year under review 67,437 cwts. of salt-fish exported, all of which is salted with Government salt. At the rate of 20 lbs. salt per cwt.

of salt-fish, 16,348 maunds thus expended; to this must be added 52,470 cwts. of tamarind exported, which also requires salt in manufacture, thus leaving but little to find its way into illegitimate channels.

9. The order of Government, dated 16th February 1865, No. 339, states "that the Government considers that Cochin as well as Travancore may fairly claim to be placed on the same footing as the Madras Government;" so, I presume, that the amount of duty now to be paid to the Bombay Government will be refunded to these States.

10. On a cargo of salt being shipped at Bombay for either Travancore or Cochin the authorities there might inform the Resident of the amount actually paid at the enhanced rates, and the same amount might be deducted from the subsidy of the respective States, all present payments remaining the same.

11. It has not been lost sight of that Malabar will also be charged a similar price for its salt; but the argument used in answer naturally is that it is a simple matter of account, taking from one subordinate Government and giving to the other, ultimately making no difference in the Imperial revenue.

ENCLOSURE No. 1.

From T. SHUNGOONY MENON, Dewan, to Major A. F. F. BLOOMFIELD, Officiating British Resident of Travancore and Cochin, dated Ernacollum in Cochin, 5th September 1874, No. 728.

I HAVE the honor to inform you that the usual notice, inviting tenders for the supply of Bombay salt, was issued by me on the 11th ultimo, and that the tenders themselves, three in number, were opened on the 2nd instant.

2. The names of the persons tendering and the rates demanded by them are as follow:—

	RS.
1. Syddie Sukkoor.....	245¾ per 100 Indian maunds.
2. Hadjee Ismail Hadjee Kassim.....	245¼ „ „
3. Hadjee Absukkoor Hadjee Essaw. ...	245 „ „

3. The rates at which Bombay salt was purchased during the last five years are given in the margin, and you will perceive that the average for those years does not exceed Rs. 32-9-7 per 100 Indian maunds.

Year.	Price. RS. A. P.
1045	36 0 0
1046	33 0 0
1047	39 5 0
1048	29 5 0
1049	29 0 0
Average...	32 6 0

4. The extraordinary rise in the price of salt for the current year is owing to the duty of Rs. 1-13-0 per Indian maund which the Bombay Government have resolved to levy on all salt exported from that Presidency from the 1st proximo. This duty amounts in itself to Rs. 181-4-0 on 100 maunds. The Bombay Government appear, moreover, to have ruled that salt should hereafter be exported in sealed bags and not in bulk as heretofore, and the contractors have, of course, to make allowance for the price of the bags as well as for the extra freight, *etc.*, it being impossible for any vessel to convey in bags anything like the quantity it could convey in bulk.

5. At the time when the Interportal Arrangements were made this Government, in deference to the oft-repeated wishes of the British Government, agreed to raise the selling price of salt to the rate at which it is sold by the Madras Government. Our selling price was then about 12 Annas per Indian maund, but in consequence of these arrangements it was raised at once to Rs. 1-8-0, and subsequently to Rs. 1-11-0 and Rs. 2 per Indian maund. This increase caused great discontent among His Highness' subjects without materially benefiting our salt revenue.

6. The average quantity of Bombay salt purchased by this Government during the last seven years is 81,524 Indian maunds. This quantity, at the present selling rate of 2 Rs. per Indian maund, would produce a gross revenue of Rs. 1,63,048. The lowest rate at which salt is now tendered for being Rs. 245, as mentioned in paragraph 2, the purchase of the same quantity of salt will cost this Government Rs. 1,99,734, or Rs. 36,686 more than the amount which can be realised by the sale of the salt. If we add to this the cost of carriage (about 13,000 Rupees) and the cost of the salt establishment (Rs. 4,062) the loss will be increased to Rs. 53,748; that is to say, our salt transactions far from being productive of any gain will result in an actual loss of about 54,000 Rupees annually.

7. I have not taken into account a small quantity of foreign salt which is consumed in this country. The quantity, however, is very small, the people who are accustomed to Bombay salt preferring it to any other.

8. It is evident that no Government can afford to maintain a salt-monopoly under circumstances such as those abovementioned, and the revenue from salt is too important an item of our receipts to be abandoned.

9. I have, therefore, the honor to request that you will be so good as to lay before the British Government, for their favorable consideration, the request of His Highness' Government that the Export Duty now proposed to be levied at Bombay may be abandoned in the case of salt intended for consumption in this country, or that the British Government will be pleased to allow us compensation to the extent of the duty so levied.

10. I feel emboldened to make this request, as it was to protect its own salt-revenue that the British Government obtained our consent to equalise the selling rates. The salt revenue of the adjoining British districts have increased enormously since the Interportal Arrangements, and the British Government will, I am sure, see the justice of not allowing the interest of this Government to be affected to any considerable extent.

11. It is true that the revenue of the Madras Government will also be affected by the duty now proposed to be levied at Bombay; but what the Madras Government loses is more than counterbalanced by the gain of the Bombay Government, so that the British Government is, on the whole, in a favorable position, notwithstanding the imposition of this duty. As respects His Highness' Government, the case is quite different, as what it loses is an absolute loss without any compensating advantage.

12. The Bombay Government formerly charged 1 Anna per Indian maund on salt supplied to this Government, whereas the charge on salt supplied to the Madras Government was only three Pies per maund. On this being brought to the notice of Government it was ruled that we should be placed on the same footing as the Madras Government (see G. O., 16th February 1865).

13. The Bombay Government, however, ordered the discontinuance soon afterwards of the allowance for wastage, amounting to ten per cent., which had been granted to our contractors, thus not only neutralising the gain from the equalisation of the charges, but inflicting a considerable loss on this Government. This order formed the subject of representation in my letter, No. 628, of the 7th November 1865, and the Resident, in laying the matter before Government, pointed out "that the effect of the rule was to place the Sirkars at a serious disadvantage, inasmuch as that while the British Government is reimbursed by the full duty on the short delivery for the higher charge by the contractors for the salt supplied, the Sirkars suffer the loss in the enhanced price without any such compensating return, and it was suggested that, if the Government were not disposed to reconsider the rule in question, an allowance should be made to the Sirkars of the amount of duty levied on the per-centage of loss allowed as unavoidable wastage." The Madras Government "admitting the reasonable use of the claim to the duty levied on the unavoidable wastage" expressed their opinion that an allowance should be made to the Sirkars on account of the duty levied on all short deliveries of salt from Bombay under the Sirkars' contracts within a maximum of 10 per cent. to have effect from 1st June 1865, and to obviate any complication in the accounts of the Bombay Customs revenues they considered that this allowance

may best be adjusted in the payment of the subsidy by the Sirkars to the British Government, G. O., 25th February 1867.

14. The loss from which the Madras Government relieved us on that occasion is nothing as compared with the loss with which we are now threatened, and His Highness' Government fully trusts that the British Government will come to our assistance on the present occasion.

ENCLOSURE No. 2.

From A. SASHIA SASTRI, Dewan, to Major A. F. F. BLOOMFIELD, Officiating Resident of Travancore, dated Trevandrum, 11th September 1874, No. 3,556/R 1,319 :—

FROM the last paragraph (quoted below) of a Notice by the Collector of Malabar inviting tenders for the supply of Bombay salt, published in the *Travancore Government Gazette* of the 4th ultimo, I observe that it is in contemplation by the Bombay Government to charge full Excise Duty at Rupees 1-13-0 per maund on all salt exported.

2. As this change will materially affect the revenue of this State, which draws from Bombay a large proportion of the salt consumed in the country, I shall be obliged to you for any information you may be able to furnish me with reference to the proposed measure, and whether it would, if carried into effect, be applicable to the salt exported for Travancore, and which has hitherto been supplied at 3 Pies per maund.

Paragraph 14 *of the Notice by the Collector of Malabar.*

"It being in contemplation by the Bombay Government to charge full Excise Duty of Rs. 1-13-0 on all salt exported, parties tendering should state, first, the price at which they are prepared to supply if the present system is maintained ; and, second, the price at which they are prepared to supply if the new system is introduced.

(True Extract.)

(Signed) A. SASHIA SASTRI,
Dewan.

No. 213. ORDER THEREON, 25th September 1874, No. 1,210.

Separate Revenue, No. 14.
Salt.

RECORDED, with reference to Government orders, dated 4th September 1874, Nos. 1,134 and 1,136.

(True Extract.)

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

To the Board of Revenue.
„ the Resident of Travancore and Cochin.

Exd. F. R. Bantleman.

Govt. of [illegible] 1874 Bombay

REVENUE.

To

The BOARD OF REVENUE,
&c. &c. &c.

Dated September 25th
Read

SEPTEMBER.
Nos. 212-213.

G. O. 26th September 1874, No. 1310.

Sub-enclosed from Bombay—Recording the
from the Collectorate Bombay in Town
Opinion regarding the levy of a duty of Re
1-13-0 per maund on all — with reference
No., 4th October 1874, No. 1,134 and 1,135.

50

No. 128
1874

Head Quarters Ernakulam
Ernacollum in Cochin
5th September 1874

To

Major A. J. F. Bloomfield
Offg: British Resident of
Travancore and Cochin

Sir,

I have the honor to inform you that the usual Notice inviting Tenders for the supply of ~~Bombay Salt~~ was issued by me on the 11th Ultimo and that the Tenders themselves, 3 in number, were opened on the 2nd Instant.

2 The names of the persons tendering and the rates demanded by them are as follows:-

1 Syddie Sulthoor ..... Rs. 245 3/4 per 100 Std. Mds
2 Hadjie Ismail Hadjie Hassen „ 245 3/4 " " "
3. Hadjie Abdulkhoor Hadjie Essan ... 245 " " "

3. The rates at which Bombay Salt was purchased during the last 5 years are given in the margin & you will perceive that the average for those years does not exceed Rs. 32-9-7 per 100 Indian Maunds.

Year	Price
1045	32-36
1046	33
1047	32-5
1048	29-5
1049	29
Average	32-6

4 The extraordinary rise in the price of Salt for the current year is owing to the duty of Re. 1-13- per Indian Maund which the Bombay Government have resolved to levy on all Salt exported from that Presidency from the 1st Proximo. This duty amounts

in

amounts to Rs 181-4-0 on 100 Bombay Maunds - The Bombay Government appear moreover to have ruled that Salt should hereafter be exported in sealed bags and not in bulk as heretofore & the Contractors have of course to make allowance for the price of the bags as well as for the extra freight Rs 4 being impossible for any vessel to convey in bags anything like the quantity it could convey in bulk -

5 At the time when the Interportal arrangements were made this Government, in deference to the oft-repeated wishes of the British Government, agreed to raise the selling price of Salt to the rate at which it is sold by the Madras Government - Our selling price was then about 12 annas per Indian Maund but on consequence of these arrangements, it was raised at once to Rs 1-8-0 & subsequently to Rs 1-11-0 & Rs 2-0-0 per Indian Maund - This increase caused great discontent among His Highness's subjects without materially benefiting our Salt revenue

6 The average quantity of Bombay Salt purchased by this Government during the last 7 years is 81,524 Indian Maunds - This quantity at the present selling rate of 2 Rs per Indian Maund would produce a gross revenue of Rs 163,048 - The lowest rate at which Salt is now tendered for, being Rs 2-15 as mentioned in para 2, the purchase of the same quantity of Salt will cost this Government Rs 199,734

or

Rs 36,686 more than the amount which can be realized by the sale of the Salt - If we add to this the cost of carriage, about 13,000 Rs & the cost of the Salt Establishment Rs 4062, the loss will be increased to Rs 53,748 - that is to say, our Salt transactions far from being productive of any gain, will result in an actual loss of about 54000 Rs annually -

7 I have not taken into account a small quantity of foreign Salt which is consumed in this country - The quantity however is very small the people who are accustomed to Bombay Salt preferring it to any other -

8 It is evident that no Government can afford to maintain a Salt Monopoly under circumstances such as those above mentioned; and the revenue from Salt is too important an item of our receipts to be abandoned.

9 I have therefore the honor to request that you will be so good as to lay before the British Government for their favorable consideration, the request of His Highness's Government that the export duty now proposed to be levied at Bombay may be abandoned in the case of Salt intended for consumption in this country, or that the British Government will be pleased to allow us compensation to the extent of the duty so levied -

I

10 I fail emboldened to submit this request as it was to protect the Salt revenue that the British Government obtained our consent to equalize the selling rates. The Salt revenue of the adjoining British Districts have increased enormously since the interportal arrangements, and the British Government will, I am sure, see the justice of not allowing the interest of this Government to be affected to any considerable extent.

11. It is true that the revenue of the Madras Government will also be affected by the duty now proposed to be levied at Bombay - but what the Madras Government loses is more than counterbalanced by the gain of the Bombay Government so that the British Government, is on the whole in a favorable position notwithstanding the imposition of this duty - As respects His Highness' Government the case is quite different, as what it loses is an absolute loss without any compensating advantage -

12. The

12. The Bombay Government formerly charged one anna per Indian Maund on Salt supplied to this Government, whereas the charge on Salt supplied to the Madras Government was only 3 pies per Maund. On this being brought to the notice of Government it was ruled that we should be placed on the same footing as the Madras Government See G. O. 16th February 1865.

13. The Bombay Government, however, ordered the discontinuance soon afterwards, of the allowance for wastage amounting to 10 per cent which had been granted to our contractors thus not only neutralizing the gain from the equalization of the charges, but inflicting a considerable loss on this Government. This order formed the subject of representation in my letter No 628 of the 7th November 1865, and the Resident in laying the matter before Government pointed out "that the effect of the rule was to place the "Sirkars at a serious disadvantage in as much as "that while the British Government is reimbursed "by the full duty on the short delivery for the

higher

"higher charge by the Contractor for the Salt
"supplied, if the Sirkars suffer the loss in the
"enhanced price without any such compensating
"return, and it was suggested that if the Govern-
"ment were not disposed to reconsider the rule in
"question, an allowance should be made to the Sir-
"kars of the amount of duty levied on the percent-
"age of loss allowed as unavoidable wastage. The
Madras Government admitting the reasonable
"use of the claims to the duty levied on the un-
"avoidable wastage" expressed their opinion that an
allowance should be made to the Sirkars on account
of the duty levied on all short deliveries of Salt
from Bombay under the Sirkars Contracts with-
in a maximum of 10 % to have effect from 1st June
1865; and to obviate any complication in the accounts
of the Bombay Customs revenues, they considered
that this allowance may best be adjusted in
the payment of the subsidy by the Sirkars to
the British Government. G. O. 25th February 1867.

14- The loss from which the Madras
Government relieved us on that occasion is

nothing

nothing as compared with the loss with which
we are now threatened, and His Highness Go-
vernment fully trusts that the British
Government will come to our assistance on
the present occasion.

I have &c.

(Signed) T. Shungoony Menon
Dewan.

(True Copy)

H. Rownfield Major
Offg. Resident

1874
Dec 4th
Enclosed in a letter from the Offg. Resident in Travancore & Cochin to the Sec. to Govt. Fort St. George Dated 11th September 1874
No 92.

From The Dewan Peishcar & Ex officio Resident Travancore & Cochin
Dated 5th September 1874.
No 928
Rec'd 223/74

On the subject of the Levy of duty of Rs 1-13-0 per maund on all exported Salt from Bombay -
R.G. 222/74 Dec 3 Cy 212

58

No 3556
R 1319.

Cuzzoor Cutcherry
Trivandrum, 11th Septr 1874.

To,

Major R. F. F. Bloomfield
Offg: Resident of Travancore
&c &c &c

Sir,

From the last para of a Notice by the Collector of Malabar inviting tenders for the supply of Bombay Salt, published in the Travancore Government Gazette of the 4th Ulto; I observe that it is in contemplation by the Bombay Government to charge full excise duty at Rupees 1-13-0 per maund on all Salt exported -

x quoted below.

2 As this change will materially affect the revenue of this State, which draws from Bombay a large proportion of the Salt Consumed in the Country, I shall be obliged to you for any information you may be able to furnish me with reference to the proposed measure, and whether, it would, if Carried into effect, be applicable to the Salt exported for Travancore, and which has hitherto been supplied at 3 pie per maund -

I

Have, &c.
/Sigd/ A. Sashia Sastri
Dewan.

Para 14 of the Notice by the Collector of Malabar.

"It being in Contemplation by the Bombay Government to charge full Excise duty of Rs. 1-13-: on all Salt exported, parties tendering should state, 1st., the price at which they are prepared to supply if the present system is maintained, and 2., the price at which they are prepared to supply if the new system is introduced."

/True Extract/
/Sigd/ A. Sashia Sastri
Dewan.

/True Copies/
Bloomfield Major.
Offg: Resident.

Sm. D. L.
J. L.

Resident's Office
Trevandrum, 14th September 1874.

No. 92.

From,

Major A. F. F. Bloomfield
Offg. Resident in Travancore & Cochin

To

The Honorable D. F. Carmichael
Actg Chief Secretary to Government
Fort St George

Sir,

I have the honor to state for the information of Government that I have received the enclosed communication from the Dewan of Cochin pointing out the very injurious effect the late determination of the Bombay Government to charge the full excise duty of Rs 1-13-0 per maund on all exported salt will have upon the finances of Cochin.

2. The Dewan shews that for the last five years the average cost of salt to the Cochin State per 100 Indian Maunds has been Rs 32-9-7 but from the action of the Government of Bombay alluded to above the

Rec. 28 & 5 Instt

Actg Chief Secy. to Govt.
Offg. Resident
Travancore Cochin

No 92
Dated 14th Sept. 1874
Rec. 25th Sept. 1874
Encl. No. 212
From the Dewan
Travancore

To the Offg. Resident
Travancore Cochin

No 92
Dated 14th Sept. 1874
Rec. 25th Sept. 1874
Encl. No. 212
From the Dewan
Travancore

To the Offg. Resident
Travancore Cochin

No 335 C.
Rec. 22nd Sept. 1874

Requesting information
as to the duties
to be levied on
salt exported
from Cochin
to Travancore
&c &c &c

the lowest cost will be 245 Rs per 100 Sicca
maunds.-

3. Salt hitherto has been shipped in bulk but for the future it is to be shipped in sealed bags this causes a considerable increase in the freight- but a wise precaution I think against pretended wastage.-

4. The selling price of salt before the Interportal arrangements were made was 12 annas per maund it has since at the request of the British Government been raised to 2 Rs which appears to have been somewhat felt by the inhabitants.-

It may be worth while to remark that since the interportal convention the sales of salt in Cochin have been considerably less than before that arrangement was made.-

5 Mr. Ballard in his letter dated 30 June 1873 No 210 points out misapprehensions that Mr. Hume Secretary to the Government of India seems to have laboured under in his letter to your address No 64

(Customs)

(Customs) dated 14 May 1873 viz that these States did not make any salt the case in Cochin none is made owing to the Bombay salt being preferred, not to any prohibitory order to do so, but salt is made in Travancore and the Government of the Maharaja wishes to increase if they could, the manufacture of their own salt, but the people will not freely take to it though it is said to be really a better article than that brought from Bombay.-

6. In the years 1872-1873 the amount of home made salt was 54 per cent of the total quantity consumed.-

7. I have also received a letter from the Dewan of Travancore asking for information on the subject of the increase of export duty in Bombay on salt, wishing to know if it will be applicable to Travancore as if so it will make equal have on the Salt revenue of the Travancore State.-

8. With reference to the sale of salt

1216 / 11

d/ 11th Sept. No 3556. Copy entered.

Salt in Travancore and the statement of Mr Hamid that the quantities exported of late years have largely exceeded the possible consumption of the inhabitants of these States I would advance the following figures for the Malayalum year 1047 /1871-72/ taking the population at 2,40,000 and allowing 1/2 oz: per head we have 331,785 maunds /of 82 1/2 lbs per maund/ as the consumption The quantity sold, made in the country and imported from Bombay is 487,200 maunds leaving 155,415 maunds for various purposes, equal to another 1/4 oz: per head, but there was in the year under review 67437 cwts: of salt fish exported, all of which is salted with Government salt, at the rate of 20 lbs salt per cwt: of salt fish, 16348 maunds is thus expended, to this must be added 52470 cwts of Tamarind exported, which also requires salt, thus manufacture leaving but little to find its way into illegitimate channels.

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9. The order of Government dated 16 February 1865 No 339 states that the Government considers that Cochin as well as Travancore may fairly claim to be placed on the same footing as the Madras Government "so I presume that the amount of duty now to be paid to the Bombay Government will be refunded to these States.

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11. It has not been lost sight of that Malabar will also be charged a similar price for its salt, but the

argument

argument used in answer naturally is,
that it is a simple matter of debit & credit,
taking from one subordinate Government
and giving to the other, ultimately making
no difference in the Imperial revenue.

I have the honor to be
Sir,
Your most Obed.t Servant,
Bloomfield Major
Offg: Resident

1210
13

Rev: 1874 Deptt.

From

The offg: Resident in
Travancore & Cochin.

No 3223

To

The Actg: Chief Secretary to
Government
Fort St. George

Dated 14th Sept 1874
Recd. 18th "

No 92.

Enclosures 2.

Forwarding copies of letters from the Diwans of Travancore & Cochin on the subject of the levy of duty of Rs 1-13-0. per maund on all exported salt from Bombay

W. M. Elder

No 1810

Record. Letter reference to Board's Order dated 4th Sept 1874 No 1134 & 1130.

2 Encl

Ans 12-10-74

25 Sept 74

212