M.I.O. 1—20,002—12-8-65.

(1) Number of Pages 26.

(2) Date of repair 6-2-67.

(3) Initials of the Referencer 193

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No. / B.P. No.	1326	Press / Mis.
Dated	15-10-1874	196 .

Not to be folded or roughly handled

Read the following letters :—

No. 166. From Major A. F. F. BLOOMFIELD, Officiating Resident in Travancore and Cochin, to the Hon. D. F. CARMICHAEL, Acting Chief Secretary to Government, Fort St. George, dated Trevandrum, 30th September 1874, No. A :—

I HAVE the honor to state, for the information of Government, that the Diwan of Travancore has addressed me again on the effect the late resolution adopted by the Bombay Government regarding salt will have on the revenues of this State.

2. He gives the quantity of salt purchased during the last five years by Travancore as follows :—

Year.	Quantity purchased.	Contract price per 100 Indian Maunds.	Total Cost.
	IN. MDS.	RS. A. P.	RS.
1045	192,537	39 8 0	76,187
1046	200,744	37 9 0	75,218
1047	218,187	37 1 0	80,884
1048	269,409	31 1 0	83,667
1049	355,532	27 7 0	97,565

3. The average cost of the above delivered at Alleppy into the stores has been Rs. 34-8-0 per 100 Indian maunds and the total cost to the State yearly for salt has been Rs. 83,000, the price charged at Bombay being Rs. 1-9-0 per 100 maunds, and the difference (Rupees 32-15-0) between what is charged in Bombay for salt and the amount paid by Travancore represents the cost of freight, shipping, landing charges, and contractor's profits.

4. The Diwan goes on to state that "the cost of salt at Bombay having been now raised fully one hundred and sixteen fold, it is plain that our contractors cannot tender for the supply at anything less than Rs. 214-3-0 per 100 maunds, allowing that no additional expense has to be incurred beyond the payment of Rupees 1-13-0 per maund. But I understand that the Bombay Government will not permit salt to be transported hereafter in the bulk as hitherto, and has ruled that it should be packed in bags. The cost of the bags must add at least 1 Anna to the maund. Then there is the steerage in bags to be paid for, a higher freight for the cargo so shipped, which must necessarily take more room than salt in the bulk; again, the carriage-hire of the article in bags must cost more than if it was removed in bulk to and from the ship and from the boats into the store-houses. Here, in Travancore, when the salt is landed it is taken in baskets of convenient size to the tramway trucks, which convey them to the store-houses, and the storing in the godowns is similarly performed. For this labor women and girls are employed as their wages are much less than those of men.

Where bags are used male labor must be dispensed with, and not only will men have to be employed on higher wages, but their hire itself will rise from the great demand which will thus be created for their services in a busy port like Alleppy. All this extra expense will of course be taken into calculation by the contractor when he makes his tender, and, adding Annas per maund to represent the cost of bags, increased freight, and higher wages, we cannot expect tenders for less than Rs. 233 per 100 maunds. Add to this again interest at twelve per cent. for three months on a capital of near 4½ lakhs of Rupees, which the merchant will have to advance in prepayment of the duty, and the tenders rise to nearly Rs. 239 per 100 maunds. The calculations are based, I am sure, on very low data; for, as a matter of fact, the tenders received by the Diwan of Cochin and opened on the 2nd instant were fully Rs. 245 for that quantity. For the longer voyage to Alleppy the offers must necessarily be higher. We have found by experience that the difference of rates between Cochin and Travancore is somewhat over Rs. 2 per 100 maunds; the contract for this State cannot, therefore, be concluded for less than Rs. 247. Our supply of Bombay salt will thus cost us Rs. 6,10,000 instead of Rs. 83,000 only, and whereas hitherto the State derived a revenue of Rs. 165-8-0 on every 100 maunds, or Rs. 4,08,000 on the whole supply, selling the salt at 2 Rs. a-maund, the monopoly, so far as Bombay salt is concerned, will in future entail a clear loss of Rs. 1,16,000, to say nothing of the embarrassment to the finances of advancing in the lump so large a sum as Rs. 6,10,000 and waiting a whole year to recover it in driblets by the retail sales of the salt. The interest alone on this sum, at five per cent. per annum amounts to Rs. 30,500, while it will put the Government to serious inconvenience to pay out the capital in a lump.

"The compensation to which we may fairly lay claim is Rs. 5,27,000 a-year (Rs. 6,10,000 — 83,000) *plus* Rs. 26,350 (interest at five per cent. on the above figure), in all Rs. 5,53,350. To this should be added the allowance for wastage up to ten per cent., which allowance for the last five years has averaged Rs. 41,348, at Rs. 1-13-0 a-maund on 22,813 maunds.

"Fully hoping that the British Government will recognize the justice of thus compensating this State, I beg to suggest the following as the simplest means of placing us on the same footing as hitherto, *viz*:—

"(*a.*) That the Government of Bombay be requested to pass free all the salt required for Travancore on our contractors producing the necessary certificates from the Commercial Agent at Alleppy, and recover the duty by bills drawn on the Madras Government. This arrangement will save us the serious inconvenience of advancing a large capital in prepayment of duty;

,, (*b.*) That the Madras Government make us a money payment to cover cost of bags, larger freight, and higher wages in shipping, landing, and storing, as indicated in paragraph 5,* the amount to be determined after a year's experience;

* Paragraph 4 of this letter.

"(*c.*) That the Travancore Government give credit to the British Government in account for the amount of the old duty of 3 Pies per maund, provided this duty merges in the present full charge of Rs. 1-13-0 per maund; and

"(*d.*) That the allowance for wastage be adjusted as hitherto and the amount recovered annually from your Treasury."

Proceedings of the Madras Government, Revenue Department,
15th October 1874.

5. I have made a calculation as to what the charges are likely to be, and I think the Diwan fairly represents what the salt will cost the State, and I doubt if any tenders could be less than Rs. 247 per 100 Indian maunds.

	Rs.	A.	P.
Duty on salt per 100 maunds	181	4	0
Bags (at twenty-five per 100 and to be used twice)	12	8	0
Hire for filling 100 bags	2	0	0
Insurance and profit, say ten per cent.	10	0	0
Freight for 100 maunds (100 maunds is nearly 3½ tons).	15	0	0
Price of 100 maunds of salt at Bombay	15	0	0
Wastage on 100 maunds, at ten per cent.	4	4	0
Expenses, sundry, at Bombay and Alleppy	5	0	0
Total	245	0	0

6. I made the above calculations upon information I gathered when lately at Alleppy. These prices are perhaps a little higher than what the salt could be delivered for, but for the first year it must be remembered that the contractors would be working a new system and necessarily demand at first more than they would after further experience.

7. I must explain one item, that of 15 Rs. under head of "Price of 100 maunds in Bombay," where all that is demanded in the first instance is Rs. 1-9-0 per 100 maunds; but I am assured that it really costs the contractors that amount when shipped on board their vessels, and the various items forming the charge are as follow:—

	Rs.	A.	P.
To owner of salt-pan, per maund	0	1	0
To men who make the salt, do.	0	1	0
Boatmen for carriage of salt from pans to vessels (pans being ten miles from sea), per 100 maunds	2	8	0

which makes the 15 Rs. per 100 maunds. I presume the first two items comprise the putting of the salt into the smaller boats that carry the salt from the pans to the larger vessels and also the 3 Pies per maund, the actual cost of the salt.

8. The charges for freight for salt lately from Bombay by steamer was 8 Rs. per ton to Calcutta, so I am inclined to think the charge under this head is too high, particularly as the contractors own the pattemars as a rule and are glad to get any cargo from Bombay to Alleppy, the practice being to export merchandize from Alleppy bought with the money received for the salt.

9. If the prepayment for the salt is enforced prior to its shipment by the contractors who usually have supplied these States they will not be in a position to advance such a sum as will be required, viz., about Rs. 6,10,000.

10. The contractors have informed the Diwan that they are unable to tender for the supply of salt under the present state of affairs.

11. It will therefore be necessary to issue fresh advertisements on definite terms as to the future; the Diwan is therefore anxious for as early a reply as possible.

12. There is about seven months' store of salt now in hand.

Proceedings of the Madras Government, Revenue Department,
15th October 1874.

No. 167. From Major A. F. F. BLOOMFIELD, Officiating Resident in Travancore and Cochin, to the Hon. D. F. CARMICHAEL, Acting Chief Secretary to Government, Fort St. George, dated Trevandrum 2nd October 1874, No. 103.

I HAVE the honor to state, with reference to my letter, No. A, dated 30th ultimo, regarding salt, that I have heard it is more than likely a quantity of salt may be procured from the Tinnevelly Salt pans; the Deputy Collector in charge has telegraphed to the Government here the evening before last that there were 182,000 maunds available. The Alleppy salt contractors have also been in correspondence about Tinnevelly salt.

2. There was a rumour in Cochin that the price of salt in Malabar was to be raised to Rs. 2-5-0 per maund, and a great run was made upon the Cochin salt stores, but the Diwan refused to sell.

No. 168. ORDER THEREON, 15th October 1874, No. 1,326.

Separate Revenue, No. 13.
Salt.

THE Governor in Council resolves to await the information called for in G.O., dated 2nd October 1874, No. 1,255.

(True Extract.)

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

To the Resident in Travancore and Cochin.

Exd. A. S. Rodgers.

15-4-24

Original

Govt. of Madras

REVENUE.

To
THE RESIDENT IN TRAVANCORE
AND COCHIN.

Dated October 15th.

Rect.

Encl.

G. O., 15th October 1874, No. 1,326.

OCTOBER.
Nos. 166—168.

Bombay Salt imported into Travancore.—Before passing orders on letters from the Officiating Resident communicating the views of the Travancore Government in regard to the effect of the resolution of the Bombay Government about—on the finances of that State, owing to the information called for in G.O., dated 2nd October 1874, No. 1,265.

Residency Office
Trevandrum 30th September 1874

No. A.

From

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

To

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

Sir,

I have the honor to state for the information of Government that the Dewan of Travancore has addressed me again on the effect of the late resolution adopted by the Bombay Government regarding salt, will have on the revenues of this State.

2. He gives the quantity of salt purchased during the last 5 years by Travancore as follows

Year	Quantity purchased Mds	Contract price per 100 Mds Rs.	Total cost Rs.
1045	1,92,537	39-9	76,187
1046	2,00,744	37-9	75,218
1047	2,18,187	37-1	80,884
1048	2,69,409	31-1	83,667
1049	3,55,532	27-7	97,565.

The

3. The average cost of the above delivered at Alleppy into the stores has been Rupees 34-8 per 100 Indian Maunds and the total cost to the State yearly for Salt has been Rupees 83000, the price charged at Bombay being Rupees 1-9 per 100 maunds and the difference (32-15) between what is charged in Bombay for salt and the amount paid by Travancore represents the cost of freight shipping landing charges and Contractors profits.

4. The Duwan goes on to state that "the cost of Salt at Bombay having been now "raised fully 116 fold, it is plain that our Contractors cannot tender for the supply at any "thing less than Rs 214-3 annas per 100 maunds, "allowing that no additional expense has to be "incurred beyond the payment of Rupee 1-13 per "maund. But I understand that the Bombay Govern- "ment will not permit salt to be transported "hereafter in the bulk as hitherto, and has ruled "that it should be packed in bags. The cost of the "bags must add at least one anna to the maund. "Then there is the stowage in bags to be paid for, "a higher freight for the cargo so shipped, which "must necessarily take more room than Salt in "the bulk; again the carriage hire of the article "in bags must cost more than if it was removed "in

"in bulk to and from the ship, and from the boats "into the store houses. Here in Travancore, when the "Salt is landed, it is taken in baskets of convenient size "to the tramway trucks, when it is conveyed to the store "houses, and the storing in the godowns is similarly "performed. For this labor, women and girls are em- "ployed, as their wages are much less than those of men. "When bags are used, female labor must be dispensed "with, and not only will men have to be employed on "higher wages, but their hire itself will rise, from "the great demand which will thus be created for "their services in a busy port like Alleppy. All "this extra expense will of course be taken into cal- "culation by the Contractor when he makes his tender, "and adding 3 annas per maund to represent the cost "of bags, increased freight, and higher wages, we can- "not expect tenders for less than Rupees 233 per 100 "maunds. Add to this again interest at 12 per cent "for 3 months on a capital of near four and a half "lacs of Rupees, which the Merchant will have to "advance in prepayment of the duty, and the tender "rise to nearly Rs 239 per 100 maunds. The calcu- "lations are based, I am sure, on very low data; for "as a matter of fact, the tenders received by the "Duwan of Cochin and opened on the 2d Instant, were "fully Rupees 245 for that quantity. For the longer "voyage to Alleppy the offers must necessarily be

3

be higher. We have found by experience that the
difference of rates between Cochin and Travancore
is somewhat over 2 Rupees per 100 maunds. The
Contract for this Salt cannot therefore be conclud-
ed for less than 24 Rupees. Our supply of Bombay
Salt will thus cost us Rupees 610,000 instead of Rs
83,000 only - and whereas hitherto the State derived
a revenue of Rupees 165-8 on every 100 maunds
or Rupees 408,000 on the whole supply, selling the
Salt at 2 Rupees a maund - the monopoly, so
far as Bombay Salt is concerned, will in future
entail a clear loss of Rupees 116,000, to say nothing
of the embarrassment to the finances of advancing
the Lump sum as large a sum as Rupees 610,000, and
waiting a whole year to recover it in driblets by
the retail sales of the Salt. The interest alone on
this sum at 5 per cent per annum amounts to
Rupees 30,500, while it will put the Government
to serious inconvenience to pay out the Capital
in a lump.

The compensation to which we may
fairly lay claim is Rupees 527,000 a year
(Rs 610,000 - 83,000) plus Rupees 26,350 (interest
at 5 per cent on the above figure) in all Rs 553,350.
To this should be added the allowance for wastage
up to 10 per cent, which allowance for the last five
years has averaged Rs 41,348, at Rupee 1-13 annas a
maund on 22813 maunds.

3/

"Fully hoping that the British Govern-
ment will recognise the justice of this com-
pensating this State, I beg to suggest the follow-
ing as the simplest means of placing us on the
same footing as hitherto, viz:

"(a) that the Government of Bombay be re-
quested to pass free all the Salt required for
Travancore on our Contractors producing the ne-
cessary Certificates from the Commercial Agent
at Alleppy, and recover the duty by Bills drawn
on the Madras Government. This arrangement
will save us the serious inconvenience of advancing
a large Capital in prepayment of duty.

"(b) that the Madras Government make
a money payment to cover cost of bags, larger
freight and higher wages in shipping, landing
and storing, as indicated in para 5. * the amount
to be determined after a years experience -

"(c) that the Travancore Government give
credit to the British Government in account,
for the amount of the old duty of 3 pie per
maund, provided this duty merges in the pre-
sent full charge of Rupee 1-13 per maund, and

"(d) that the allowance for wastage be ad-
justed as hitherto, and the amount recovered an-
nually from your Treasury."

5. I have made a calculation as to what

the

* Para 4 of this letter

the charges are likely to be and I think the Dewan fairly represents what the Salt will cost the State and doubt if any tenders could be less than Rs247 per 100 Indian Maunds

	Rs	a	p
Duty on Salt per 100 maunds	181	4	0
Bags (at 25 per 100 to be used twice)	12	8	0
Hire for filling 100 Bags	2	0	0
Insurance & profit say 10 percent	10	0	0
Freight for 100 maunds	15	0	0
(One hundred maund is nearly 3½ tons)			
Price of 100 maunds of Salt at Bombay	15	0	0
Wastage on 100 maunds at 10 percent	4	4	0
Expenses Sundry at Bombay & Alleppy	5	0	0
	245	0	0

6. I made the above calculations upon information I gathered when lately at Alleppy. These prices are perhaps a little higher than what the Salt could be delivered for, but for the first year it must be remembered that the Contractors would be working a new system and necessarily demand at first more than they would, after further expe-

Rs 2 — 0 —

7. I must explain one item that of 15 Rs under head of price of 100 maunds in Bombay where all that is demanded in the first instance is Rupees 1-9 per 100 maunds - but I am assured that it really costs the Contractors that amount when shipped on board their vessels, and the various items forming the charges is as follows

To owner of Salt pans per maund	0	1	0
To men who make the Salt per maund	0	1	0
Boat men for carriage of Salt from Pans to Vessels (pans being ten miles from Sea) per 100 maund	2	8	0

which makes the 15 Rupees per 100 maunds - I presume the first two items compose the putting of the Salt into the Smaller boats that carry the Salt from the pans to the larger Vessels and also the 3 Pie per maund the actual cost of the Salt —

8. The charges for freight for Salt lately from Bombay by Steamer was eight Rupees per ton to Calcutta, so I am inclined to think the charge under this head is too high particularly as the Contractors own the Pattemars as a rule and are glad to get any cargo from Bombay to Alleppy the practise being to export merchandise from Alleppy bought with the money received for the Salt

9. If the prepayment for the Salt is enforced prior to its shipment by the Contractors who usually have supplied these States they will not be in a position to advance such a sum as will be required namely about Rs 10,000 —

10. The Contractors have informed the Dewan they are unable to tender for the supply of Salt under the present state of affairs. It

11. It will therefore be necessary to issue fresh advertisements on definite terms as to the future. The Durbar is therefore anxious for as early a reply as possible.

12. There is about seven months store of salt now in hand.

I have the honor to be
Sir,
Your most Obedient Servant
Bloomfield Major
Off Resdt

No 324/87
Rec'd 1874 — Dept
From
The Off Resident in
Travancore
To
Secretary to Government
Fort St George
Dated 30 Sept 1874
Rec'd 3 Oct 1874

Subject
Enclosure
None
POb 1328 - 15 Oct 1874
No

Communicating the views of the Travancore Govt regarding the effect of the revocation of the Bombay Govt about salt on the finances of Travancore.

8/32

No 123

Resident's Office,
Trevandrum, 2d October 1874.

From
Major A. F. F. Bloomfield
Officiating Resident in
Travancore and Cochin.

To,
The Honorable D. F. Carmichael
Ag Chief Secretary to Government
Fort St George.

Sir, I have the honor to state with reference to my letter No A dated 30th Ultimo regarding salt that I have heard, it is more than likely a quantity of salt may be procured from the Tinnevelly Salt Pans. The Deputy Collector in charge has telegraphed to the Government here, the evening before last, that there were 1,82,000 Maunds available. The Alleppy salt Contractors have also been in correspondence about Tinnevelly salt.

2

2. There was a rumour in Cochin that the price of Salt in Malabar was to be raised to Rupees 2-5-0 per Maund and a great run was made upon the Cochin Salt Stores, but the Dewan refused to sell.

I have the honor to be,

Sir,

Your most obedient Servant,

Bloomfield Major

Offg. Resident.

10/1220

REVENUE DEPARTMENT.

No. 3451 to 3498

From Resident of Travancore

Dated 30 Sept & 2 Oct 1874

FOR ORDERS.

In the first of these letters Major Bloomfield communicates the views of the Travancore Govt regarding the new Salt arrangement at Bombay & in the second he intimates that if parties they will be able to get their supplies from Tuticorin

Should these be recorded pending receipt of reply

167

Rev: 1844 Dept.
From Sec: Resident
To Travancore
Forwarding Letter
No 3495 dated 2 October 1874.
Received 9th do
Noted for Enclosure
Do
Do

No 1925 - 15 Oct 1874.

Statistics that a quantity of salt is available at Tuticorin, should

& G. O. 2nd inst No 1255?

9/10

I think it unlikely

that we shall transmit

the letter today -

L.B.S.

6/10

I think that the

Govr-General should be

kept speedily apprised of the course

of this - but does order would direct

the expedition of Earl with Sabunda

at once & Govr of Sydney to Continue

& Private Communications 13/10 RH

11/1320

I shd be inclined to amend the

reply of G. G. 2nd inst - otherwise

send the whole case to Govr. I

rather lean to it in these

incomplete forms ~~of the letter~~ though

take ~~case~~ if we can Together (when from

Major Bloomfield. But I

would telegraph to him

to expedite the reply.

14/10

Telegram to Governor

Despatched

15/10

74

FOR ORDERS.

12/1326 Revenue Department

No. 1326.

Proceedings of the Madras Government

Under date the 15th October 1874

Read the following let

from the Offg Dewan

in Travancore

Comm[g] the views of the Travancore Gov[t] regarding the effect of the resolutions of the Bombay Gov[t] about salt on the finances of Travancore	H.C. 30th Sept[r] 1874 No 4
Stating that a quantity of salt is available at Tinnevelly salt pans	H.C. 2nd October 1874 No 103

The Governor in Council resolves to await the information called for in G.O. 2nd October 1874 No. 1255.

Despd in Mss to Secy to Govt Revenue - 16 Octr 74 - 11 Copies sent Do Do

List from Orders.