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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No. 373. Press
B.P. No. ~~Mis.~~

Dated 20th March. ~~196~~ 1874

Not to be folded or roughly handled

CONFIDENTIAL.

No. 199. From A. O. HUME, Esq[illegible] Secretary to the Gover[illegible]ent of India, Department of Agriculture[illegible]enue, and Commerce, [illegible]ustoms and Salt), to the Hon. D. F. [illegible]MICHAEL, Secretary to Government, Fort St. George, dated Calcut[illegible] 9th February 1874, No. 49 :—

In a letter which I had the honou[illegible]ddressing to you last year, I explained

Nos. 23 and 24, dated 14th February 1873.

No. 246 of 3rd March 1873.

[illegible]he measures which the Govern[illegible]r-Gene-[illegible]l in Council desired to take, in order [illegible] get rid of the southern section of the [illegible]nland Customs Line and of the salt posts between Bengal and Madras. In [illegible] reply you stated the objections of the Government of Madras to the proposals [illegible]ich were then made.

2. I am now to request that you will place before His Excellency the Governor in Council a modified proposition, having the same object in view. I need not recapitulate the reasons for the removal of the Customs Lines between the several provinces of British India. I may state, however, that further consideration has only strengthened the conviction of the Governor-General in Council as to the propriety, or rather the necessity, of allowing no further delay in carrying out the long projected reforms.

3. But bearing in view the opinions of the Madras Government, the Governor-General in Council is anxious to effect the object with the least possible disturbance of the existing state of the salt tax in the Madras Presidency, and accordingly it is no part of the present proposals to raise the general rate of duty in Madras and Bombay, nor is it now proposed to place so high a duty as Rupees 2-8 on the works at Ganjam, or to extend the increase of duty to stations so far south as the mouths of the Godavari.

4. If the abolition of the line between Bengal and Madras had not involved serious risk to the large revenue realized in and near Calcutta, the Governor-General in Council would gladly have been satisfied w[illegible]h merely lowering the present rates of duty in Orissa, and would not have pressed for any increase within the limits of the Madras Presidency.

5. But after the most careful calculations that can be made, it seems impossible, without a risk to the general revenues, greater than it would be proper to take, to sanction the abolition of the line, unless at the same time the graduation of duty be carried a short distance to the south of the boundary of the two Presidencies.

6. It has been anxiously considered what is the least amount of increased duty that will suffice to keep the lower-taxed salt from driving the dearer out of the market in Lower Bengal, and what is the smallest extent of country to which such increased rate of duty must be made applicable.

7. It is proposed to lower the duty in Orissa, so as to bring it as near as it can safely be brought to the Madras rate; and accordingly the present proposal is, that the duty in Orissa shall be graduated from Rupees 3-2 in the north to Rupees 2-4 in the southern frontiers. It cannot be reduced below this so long as the duty is Rupees 3-4 in Calcutta and the neighbourhood.

8. In carrying on this scale into the Ganjam District, it is requisite that the duty at the northernmost pans of Ganjam should be not lower than Rupees 2-2

the distance from the frontier being with[illegible]25 miles, as stated in paragraph 9 of your letter of the 3rd March last.

9. It is understood that there a[illegible]ree other places of manufacture in the Ganjam District, as noted in the margin. It will consequently be necessary to graduate the scale of duty in even figures, from Rupees 2-2 at Ganjam to Rupees [illegible] at Ichapur, Re. 1-14 at Naopada, and Re. 1-13 at Umravalli.

Ichapur, 56 miles from the frontier.
Naopada, 111 miles from the frontier.
Umravalli, 137 miles from the frontier.

It is believed that, although the ordinary cost of salt to Government in the Presidency of Madras, exclusive of the western coast, may be taken on the average to be 3 Annas, yet in this district the actual cost does not exceed 2 Annas. The foregoing rates of duty would, therefore, be equivalent to the selling prices entered in the margin. It will thus be seen that the proposal to which the Madras Government is now asked to accede is limited to an increase of the selling price by Annas 4 and 3, respectively, at the two places of manufacture nearest the Bengal frontier.

Rupees 2-4 at Ganjam.
" 2-3 " Ichapur.
" 2-0 " Naopada.
" 1-15 " Umravalli.

10. The mode in which it is proposed to carry out this change is by passing a short Act, empowering the Governor-General in Council to fix the duty in Ganjam, at the several places of sale, at such rates, not exceeding Rupees 2-2 per maund, as may from time to time be deemed expedient, and to authorize the Governor of Madras in Council similarly to fix the selling price with reference to the cost to Government and other considerations. The charge in addition to duty might, to [illegible] with, be fixed at three Annas for Umravalli and two Annas for the other [illegible].

11. On a calculation of the average home consumption of the salt sold at the [illegible] at which the price will be raised, it has been ascertained that Rupees [illegible] maunds would represent the additional taxation to be borne by the district. The Governor-General in Council is willing to add this sum to the annual provincial [illegible] for local expenditure in the northern division of the Ganjam district, in such manner as the Local Government may from time to time determine.

12. The rates of duty having been calculated on an estimate of the cost of transport by land, it is obvious that the carriage of salt by sea must be restricted. It will be necessary, therefore, to provide that all salt exported by sea from the Ganjam district must pay the full rate of Bengal duty before leaving port.

13. In conclusion, I am directed to state that the amount of additional taxation involved in the present modified proposals being so very small, while the administrative advantages to be secured by their adoption are so great, the Governor-General in Council trusts that the Government of Madras will admit the expediency of the measure, and I am to request the favour of a reply at your earliest convenience, as it is an object of importance to bring a Bill into the Legislative Council at once, so as to introduce the new system by the commencement of the next official year.

(True Copy.)

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

CONFIDENTIAL.

REVENUE DEPARTMENT,
FORT ST. GEORGE,
20th March 1874.

No. 373.

Nos. 199 & 200.

To

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

Separate Revenue, No. 17-A.
Salt.

SIR,—I am instructed to acknowledge the receipt of your letter of the 19th February last, No. 49 (confidential), proposing that this Government should agree to an increase in the selling price of salt at Ganjam and Itchapore (the two places of manufacture nearest the Bengal frontier) by annas four and three respectively per maund, the carriage of salt by sea being, at the same time, restricted, and the full rate of Bengal duty levied on all salt exported by sea from the Ganjam District.

2. In reply I am directed, by His Excellency the Governor in Council, to state that you will state, to His Excellency the Governor-General in Council, that this Government had hoped that it might have been found possible to effect the proposed great measure of fiscal reform without even this partial infliction upon the poor of the Presidency of Madras, who will, as already explained, benefit, if at all, most indirectly by the gift of Rupees 20,000 now promised; and also that you will remind His Excellency in Council that Ganjam has been shown (in Mr. Carmichael's letter, dated 3rd March 1873, No. 246) to be the district least of all able to bear an increase.

3. In view, however, of the opinion expressed by the Governor-General in Council, that the change cannot otherwise be effected without a risk to the revenue such as His Excellency does not think it right to incur, I am to state that this Government have no alternative but to acquiesce in the proposal made in your letter under reply.

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

Proposal
No.

3/373

Confidential

No. 49.

FROM

A. O. HUME, Esq., C.B.,

Secretary to the Government of India,

To

THE SECRETARY TO THE GOVERNMENT OF MADRAS.

Dept. of Agriculture, Revenue and Commerce.
Customs and Salt.

Calcutta, the 19th February 1874.

SIR,

In a letter which I had the honour of addressing to you last year, I explained the measures which the Governor General in Council desired to take, in order to get rid of the southern section of the Inland Customs Line and of the salt posts between Bengal and Madras. In your reply you stated the objections of the Government of Madras to the proposals which were then made.

Nos. 23 and 24, dated 14th February 1873.

No. 246 of 3rd March 1873.

2. I am now to request that you will place before His Excellency the Governor in Council a modified proposition, having the same object in view. I need not recapitulate the reasons for the removal of the Customs Lines between the several provinces of British India. I may state, however, that further consideration has only strengthened the conviction of the Governor General in Council as to the propriety, or rather the necessity, of allowing no further delay in carrying out the long projected reforms.

3. But bearing in view the opinions of the Madras Government, the Governor General in Council is anxious to effect the object with the least possible disturbance of the existing state of the salt tax in the Madras Presidency, and accordingly it is no part of the present proposals to raise the general rate of duty in Madras and Bombay, nor is it now proposed to place so high a duty as Rs. 2-8 on the works at Ganjam, or to extend the increase of duty to stations so far south as the mouths of the Godavari.

4. If the abolition of the line between Bengal and Madras had not involved serious risk to the large revenue realized in and near Calcutta, the Governor General in Council would gladly have been satisfied with merely lowering the present rates of duty in Orissa, and would not have pressed for any increase within the limits of the Madras Presidency.

5. But after the most careful calculations that can be made, it seems impossible, without a risk to the general revenues, greater than it would be proper to take, to sanction the abolition of the line, unless at the same time the gradation of duty be carried a short distance to the south of the the boundary of the two Presidencies.

6. It has been anxiously considered what is the least amount of increased duty that will suffice to keep the lower-taxed salt from driving the dearer out of the market in Lower Bengal, and what is the smallest extent of country to which such increased rate of duty must be made applicable.

7. It is proposed to lower the duty in Orissa, so as to bring it as near as it an safely be brought to the Madras rate; and accordingly the present proposal , that the duty in Orissa shall be graduated from Rs. 3-2 in the north to Rs. 2-4 in the southern frontiers. It cannot be reduced below this so long as ne duty is Rs. 3-4 in Calcutta and the neighbourhood.

8. In carrying on this scale into the Ganjam district, it is requisite that ne duty at the northernmost pans of Ganjam should be not lower than Rs. 2-2, ne distance from the frontier being within 25 miles, as stated in paragraph 9 f your letter of the 3rd March last.

9. It is understood that there are three other places of manufacture in the Ganjam district, as noted in the margin. It will consequently be necessary to graduate the scale of duty in even figures, from Rs. 2-2 at Ganjam o Rs. 2-1 at Ichapur, Re. 1-14 at Naopada, and Re. 1-13 at Umravalli.

Ichapur, 56 miles from the frontier.
Naopada, 111 miles from the frontier.
Umravalli, 137 miles from the frontier.

It is believed that, although the ordinary cost of salt to Government in the Presidency of Madras, exclusive of the Western Coast, may be taken on the verage to be three annas, yet in this district the actual cost does not exceed two nnas. The foregoing rates of duty would, therefore, be equivalent to the selling prices entered in the margin. It will thus be seen that the proposal to which the Madras Government is now asked to accede is limited to an increase of the selling price by annas four and hree, respectively, at the two places of manufacture nearest the Bengal Frontier.

Rs. 2-4 at Ganjam.
„ 2-3 „ Ichapur.
„ 2-0 „ Naopada.
Re. 1-15 „ Umravalli.

10. The mode in which it is proposed to carry out this change is by assing a short Act, empowering the Governor General in Council to fix the uty in Ganjam, at the several places of sale, at such rates, not exceeding Rs. 2-2 er maund, as may from time to time be deemed expedient, and to authorize the Governor of Madras in Council similarly to fix the selling price with reference o the cost to Government and other considerations. The charge in addition to uty might, to commence with, be fixed at three annas for Umravalli and two nnas for the other depôts.

11. On a calculation of the average home consumption of the salt sold t the two stations at which the price will be raised, it has been ascertained hat Rs. 20,000 per annum would represent the additional taxation to be borne y the district. The Governor General in Council is willing to add this sum to he annual provincial assignment for local expenditure in the northern division f the Ganjam district, in such manner as the local Government may from me to time determine.

12. The rates of duty having been graduated on an estimate of the cost f transport by land, it is obvious that the carriage of salt by sea must be estricted. It will be necessary, therefore, to provide that all salt exported by ea from the Ganjam district must pay the full rate of Bengal duty before aving port.

13. In conclusion, I am directed to state that the amount of additional axation involved in the present modified proposals being so very small, while he administrative advantages to be secured by their adoption are so great, the overnor General in Council trusts that the Government of Madras will dmit the expediency of the measure, and I am to request the favor of a eply at your earliest convenience, as it is an object of importance to bring a ill into the Legislative Council at once, so as to introduce the new system by he commencement of the next official year.

I have the honour to be,

SIR,

Your most obedient servant,

Secretary to the Government of India.

1874.

GOVERNMENT OF INDIA.

DEPARTMENT OF AGRICULTURE, REVENUE AND COMMERCE.

CUSTOMS and SALT.

To

THE GOVERNMENT OF MADRAS.

No.

Dated Calcutta, the *February* 1874.

SUBJECT.

SCHEME for the abolition of the line of salt posts between Madras and Bengal.

O. S. G. P., No. 637, A., R. & C.—13-2-74—50.

REVENUE DEPARTMENT.

No.

From Govt of India, Agricultural Dept

Dated 19 February 1874. Nature

FOR ORD

I should like to know
the cost of conveying a Dr
of salt from Jessore to
Jessore 25 miles & 2 ant
and to say how the sale
have been going on
This might be furnished
Hyde of Rec — Rs 25 000 &
in duty — without the land
(0262)

Note. D. V. Ramasuja Rau, formerly Deputy Collector in charge of the Salt department in Sanjiani says that the cost of transport of a bag of salt from Sanjiani

great. ... would be Rs 3 to 8 as. ... accordance ... of salt in the Sanjiani ... Division in exchange ... Fasli 1278 to Fasli 1283.

6.3.76

This ... is indeed very ... Encouragement of the salt ... Govt is to be ... interest for the ... is have already ... an Collectorate ...

b/373

... the Sultanate ... hand in hand to ... but to a ...

b L. 05

There is much work ... Some scarcity is needed ... the withdrawal of a great ... - the Central Duties Salt ... preventive Division - and the ... part of 2000 ft the material ... improved - & the Govt effected ... its home consumption - & the ... Lascelles is a concession. ... the encouragement for ... Lascelles is for 3 to 4 years

... does to mean ... & profits loss may ... & anticipated ... shortness ...

9/6

FOR ORDERS.

Revenue Dept. X

No. 373 dt. 1st March 1875

1/513
To

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

Sir

I have the honor to acknowledge the receipt of your letter of the 19th February last No. 49 (Confidential) proposing that this Govt. should agree to an increase in the selling price of salt at Ganjam and Sitchapur (the two places of manufacture nearest the Bengal Frontier) by annas four and three respectively per maund, the carriage of salt by sea being at the same rate of Bengal duty levied on all salt exported by sea from the Ganjam District.

2. I am to state in reply

reply that in his Excellency the Governor in Council considers it would have been better to run the "risk" adverted to in your letter of the 3rd instant, than to forego the [illegible] and liberal measure proposed by even such a partial increase as this in the taxation of life to the poor. The Secretary of State for India that Ganjam has been chosen (vide Mr. Secretary Carmichael's letter dated 3rd March 1873 No. 240) to be least of all able to bear

[illegible]

the Govt. hoped that it might have been found possible to effect the proposed great measure of fiscal reform without

[illegible]

without even this partial increase of [illegible] upon the poor of the Presidency who will, as already [illegible], benefit, if at all, [illegible]

3. In view, however, of the opinion expressed by the Governor General in Council that the change cannot otherwise be effected without a risk to the Revenue such as his Excellency does not think it right to incur, I am to state that this Govt. see no alternative but to [illegible]

[illegible] made in your letter under reply.

194–2119

Revenue Dept.
20 March 1793

9/178 No 373.

To.

The Secretary to the Govt. of India.
Dept. of Agric. Rev. & Commerce

Sir

I am instructed to acknowledge the receipt of your letter of the 13. Feb. last No 49. (Confidential) proposing that the Govt. should agree to an increase in the selling price of salt at Sangor and Chittagong (the two places of manufacture nearest the Bengal frontier) by annas four and three respectively per maund, the carriage of salt by sea being at the same time restricted, and the present rate of Bengal duty levied on all salt exported by sea from the Sangor District

2

1869 — 69

2 In reply I am directed by H. E. the Governor in Council, to request that you will state to H. E. the Governor General in Council, that this Govt had hoped that it might have been possible to effect the proposed first measure of fiscal reform without even this partial infliction upon the poor of the Presidency of Madras, who will, as already explained, benefit, if at all, most indirectly by the gift of R 20000 now promised, and also that you will remind His Excellency in Council that Sanction has been shown (in Mr Lamidelle's letter dated 3d March /; p. 246) to this district board of all able to bear an increase

3. In view however of the opinion expressed by the Governor General in Council, that the change cannot be effected without a risk to the revenue and as His Excellency does not think it right to incur, I am to state that this Govt have no alternative but to acquiesce in the proposal made in your letter under reply.

10/69

Accepted in M.S.
24-3-74



