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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

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

Dated 20th March. ~~196~~ 1874

Not to be folded or roughly handled

CONFIDENTIAL.

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

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

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

No. 246 of 3rd March 1873.

he measures which the Govern r-Gene- l in Council desired to take, in order o get rid of the southern section of the nland Customs Line and of the salt posts between Bengal and Madras. In r reply you stated the objections of the Government of Madras to the proposals 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 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]5 miles, as stated in paragraph 9 of your letter of the 3rd March last.

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

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

from Rupees 2-2 at Ganjam to Rupees [illegible] Re. 1-13 at Umravalli.

It is believed that, although the or[illegible]nary cost of salt to Government in the Presidency of Madras, exclusive of the w[illegible]stern coast, may be taken on the average to be 3 Annas, yet in this district the a[illegible]tual cost does not exceed 2 Annas. The foregoing rat[illegible]s 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 commence with, be fixed at three Annas for Umravalli and two Annas for the other depôts.

11. On a calculation of the average home consumption of the salt sold at the two stations at which the price will be raised, it has been ascertained that Rupees 20,000 per annum 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 assignment 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 graduated 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 request 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.

Agriculture 1874 Department.

[ ]

From

Government of Fort St. George

D. } No. 373.
R. } Enclosures.
5 spare copies.
1

D. No. Progs.

L. No. No.

Review to letter from Government of India relative to increase in selling price of salt at Kharagpore and Ganjam.

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 he 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.

hapur, 56 miles from the frontier.
aopada, 111 miles from the frontier.
mravalli, 137 miles from the frontier.

It is believed that, although the ordinary cost of salt to Government in the residency 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 overnor 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 eaving 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 Depte

Dated 19 February 1874. No. 49.

FOR ORD

I should like to know
the cost of conveying a Ton
of salt from Jessore to
Dantun 25 miles. Dr Lamb
and to beg to know the rate
have been during last
this might be for most
from
Govt of Bengal - The 20 000 tons
is merely estimated the work
(over)

Note. D. V. Narasinja Rau, formerly Deputy Collector in charge of the Salt Department in Ganjam says that the cost of transport of a ton of salt from Ganjam

great ... would be Rs 3 a 8 a q. A statement accompanies showing the sales of salt in the Ganjam (Chatrapur) Division in each month from Fasli 1278 to Fasli 1283.

6.3.74

This ... is indeed very ... ancement of the pet ... ent is to be ... ated for the ... he has already urged in ... correspondence with

573

... the Secretary put but I object. ... said in Rule 80 alternative but to a reference in the Rules.

L. D.

There is I think no help for it. Some sacrifice is needed towards the withdrawal of a great evil - the Central Indian salt preventive cordon - and the addition of 2000 ℔ to the material ... of the Dept. affected - improvement - & the ... to home consumption - & the ... concession is a concession. In consequence of the ... I would ... for 3 or 4 years ... ages in ... & partial loss may ... & anticipated ... however a ...

9/3

FOR ORDERS.

I R

Revenue Dept. X

No. 373 Dr. 1st March 1875

2/373
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 Ichapur (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

(2)

I have made some alterations but I think they are not such as seem to require the re-writing of the Draft — which I would cause

J. A. S.
19. 2.

(B)

(A)

D

underwith delay

WB

reply that His Excellency the Governor in Council considers it would have been better to run the "risk" adverted

and liberal measure proposed by even such a partial in= crease as this in the burden of life to the poor. The

Govt. of India that Ganjam has been shown (vide Mr. Secretary Carmichael's letter dated 3d March 1873 No. 246) to be least of all able to bear

This was a remarkable

part of that Pro=

posed

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

8/373

(2)

without even this partial in= =fliction upon the poor of that Presidency who will, as already [illegible] benefit, if al=

3. (b) 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 such as His Excellency does not think it right to incur, I am to state that this Govt. have no alternative but to

made in your letter under reply.

(3)

194–220

To

The Govt of India

Bureau on the subject
of salt manufacture in Bengal

Revenue Dept.
20 March 75

9/373 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 19: Feb: last No 49 (Confidential) proposing that this 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 full rate of Bengal duty levied on all salt exported by sea from the Sangor District

2

175-1881

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 explained, benefit, if at all, most indirectly by the Rs 20000 now promised, and also that you will remind His Excellency in Council that Ganjam has been shown (in Mr Lamidey's letter dated 3d March / 74 No 246) to be a district least of all able to bear an increased

3. In view however of the opinion expressed by the Govr General in Council, that the change cannot 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 have no alternative but to acquiesce in the proposal made in your letter under reply.

10/373

Despd in M.S.
24-3-74

Replies to letters from Sol.
of India relative to increase
in salary price of salt at
Hatchpur and Gazipur.