No. 113. Read the following Proceedings of the Board of Revenue, dated 27th September 1875, No. 2,699 :—

Read the following Proceedings of the Madras Government, dated 23rd July 1875, No. 1,102, Revenue Department.

ABSTRACT.—*Excise Salt.*—Referring to the Board of Revenue for report letter from the Government of India regarding the substitution of an — for the monopoly system at present in force in Madras.

COMMUNICATED to all Collectors of salt districts.

2. The Government of India call for an exact statement of the real cost of monopoly salt to Government "in each of the principal localities and for the Presidency as a whole." The Board presume that it will suffice to show the cost for each district separately, and that particulars for each salt division are not required. A similar calculation for each district was ordered in G. O., dated 3rd February 1875, No. 179, and the Board thereupon called upon all Collectors to furnish statements of expenditure on salt works and repairs, the information as regards other items available in the Board's office being considered sufficient for the purpose. To enable the Board, however, to give the charges in greater detail and for each division, if necessary, and to ensure accuracy, they resolve to call upon all Collectors to fill up the accompanying form showing details of charges incurred at each salt division for the last ten years with as little delay as possible. Spontaneous salt and the charges connected with its collection and storage should not be included, nor should charges for its destruction or for police guards for watching swamps, these being expenses which would devolve on the State equally under an excise system ; but salt imported from other Madras Districts to supplement deficient stock should be taken into account, as well as all charges on account of importation. The Deputy Collector's salary must be debited to each division in proportion to the manufacture ; but, as other district officers are not specially remunerated for their supervision, no portion of their salaries is chargeable.

3. As regards interest on capital sunk in store-houses, plant, and permanent works, besides details for the last ten years, the cost of such *existing* permanent works as were constructed previous to that period must be estimated. Interest will then be charged on the total expenditure on construction of permanent works for the last ten years *plus* the estimated cost of construction of such works now in existence as were carried out in previous years, and will be calculated in the Board's office. The Board have already called for this information in their Official Memorandum, dated 23rd February 1875, No. 266, and there should, therefore, be no delay in filling up the statement on this account, as the information ought to have been procured by this time. The Collectors of the districts marginally noted will expedite their replies to that Circular. As regards roads, a list should be furnished showing the length and expenditure on each included in the estimate, to enable the Board to judge what portion thereof would have been avoided under an excise system

Chingleput.	Tanjore.
South Arcot.	Madura.

4. There is one further point requiring consideration, namely, whether any thing is to be debited on account of ground rent for the site of the salt-pans. The

Board observe that this is not included among the items specified by the Government of India; but from the enclosures to the letter from the Government of India, communicated with G. O., dated 6th July 1875, No. 1,010, it appears that a royalty is paid by the manufacturers in Orissa to the land-owner at the rate of Rupees 3 per 100 maunds, and the question arises whether, the land occupied by salt-pans in this Presidency being, as a rule, the property of Government, any allowance should be made in the estimate on this account, and, if so, on what principle the charge is to be calculated.

5. The land occupied by salt-pans in Orissa in Zemindari, and the proprietor charges for the use of his land for salt manufacture whether it is of any value for other purposes or not; but where the land is the property of Government and it is absolutely worthless for other purposes, as a considerable portion of the area appropriated to salt manufacture in this Presidency is, the Board are of opinion, that rent should not be shown as an item of charge, at any rate for the purposes of this estimate the object of the inquiry being to ascertain the real *cost to Government* of the monopoly salt. Whether any ground rent should be charged in the event of an excise system being substituted for that at present in force is a question which need not be considered now. The practice prevailing in Bombay seems to be the collection of a ground rent varying considerably in different localities and based on no fixed principle being assessed sometimes with reference to the area, sometimes with reference to the produce, and sometimes taking the shape of a fixed annual sum on the whole works (*vide* page 28, Plowden's Report). In Guzerat where the system is stated to resemble that prevailing in Madras, the salt works and salt itself belong to Government who fix the price at 2 Annas a maund, paying $1\frac{1}{4}$ Annas to the manufacturer and crediting 9 Pies per maund under the head of proprietary right (*vide* paragraph 43 of Mr. Pedder's Report on the Bombay Salt Department). This charge appears, however, to be opposed to the policy of the Court of Directors who declared it to be their intention in abandoning direct manufacture by Government, and substituting a system of excise, to look to the duty as the only source of revenue and to impose no additional charge of any kind (paragraph 68, Plowden's Report).

6. In the case of land capable of bearing crops of any description it may be urged that by appropriating it to the production of salt a certain amount of revenue is sacrificed; such lands exist in some districts, and wherever the land is fit for cultivation a rent charge should be added and fixed with reference to the quality of the soil and the assessment on similar lands in the vicinity. It is possible also that in some cases Zemindari land has been taken up and a reduction of peishcush made on this account; if so, the revenue sacrificed should be shown as a charge.

7. The Board request that no delay may be allowed to occur in submitting the statement now called for; should any items of charge other than those exhibited have been incurred in any case, they should, of course, be included by the Collector. This may be necessary in regard to Bombay salt imported into the West Coast Districts. For Canara, where there is both manufacture and importation, distinct statements showing the cost under each system should be framed.

(A true Extract.)

(Signed) C. A. GALTON,
Acting Sub-Secretary.

No. 114. ORDER THEREON, 9th November 1875, No. 1,605.

Separate Revenue, No. 13.
Salt.

THE instructions issued by the Board are approved, but the Government expect items to be shown so as to admit of an opinion being formed as to the propriety of including them in the estimate of cost-price as distinguished from Revenue charges.

(True Extract.)

(Signed) L. A. CAMPBELL,
Under-Secretary to Government.

To the Board of Revenue.

Exd. F. R. Bantleman.

Govt. of {1875} Madras.

REVENUE.

To

THE BOARD OF REVENUE.

Dated November, 9th.

Rcvd.

Encl.

G. O., *9th November* 1875, *No.* 1,605.

NOVEMBER.

Nos. 113-114.

Excise on Salt.—Approving the instructions issued by the Board of Revenue regarding the submission of a statement showing the cost of manufacture and importation of Salt in the districts, and requesting items to be shown in view to opinion being formed as to the propriety of including them in the estimate of cost-price.

1605

No. 2,699.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 27th September 1875.

Read the following Proceedings of the Madras Government, dated 23rd July 1875, No. 1,102, Revenue Department:—

ABSTRACT.—*Excise Salt.*—Referring to the Board of Revenue for report letter from the Government of India regarding the substitution of an — for the monopoly system at present in force in Madras.

COMMUNICATED to all Collectors of Salt Districts.

2. The Government of India call for an exact statement of the real cost of monopoly salt to Government "in each of the principal localities and for the Presidency as a whole." The Board presume that it will suffice to show the cost for each district separately, and that particulars for each salt division are not required. A similar calculation for each district was ordered in G. O., dated 3rd February 1875, No. 179, and the Board thereupon called upon all Collectors to furnish statements of expenditure on salt works and repairs, the information as regards other items available in the Board's office being considered sufficient for the purpose. To enable the Board, however, to give the charges in greater detail and for each division, if necessary, and to ensure accuracy, they resolve to call upon all Collectors to fill up the accompanying form showing details of charges incurred at each salt division for the last ten years with as little delay as possible. Spontaneous salt and the charges connected with its collection and storage should not be included, nor should charges for its destruction or for police guards for watching swamps, these being expenses which would devolve on the State equally under an excise system; but salt imported from other Madras Districts to supplement deficient stock should be taken into account, as well as all charges on account of importation. The Deputy Collector's salary must be debited to each division in proportion to the manufacture; but, as other District Officers are not specially remunerated for their supervision, no portion of their salaries is chargeable.

3. As regards interest on capital sunk in store-houses, plant, and permanent works, besides details for the last ten years, the cost of such *existing* permanent works as were constructed previous to that period must be estimated. Interest will then be charged on the total expenditure on construction of permanent works for the last ten years *plus* the estimated cost of construction of such works now in existence as were carried out in previous years and will be calculated in the Board's office. The Board have already called for this information in their Official Memorandum, dated 23rd February 1875, No. 266, and there should, therefore, be no delay in filling up the statement on this account, as the information ought to have been procured by this time. The Collectors of the Districts marginally noted will expedite their replies to that Circular. As regards roads, a list should be furnished showing the length and expenditure on each included in the estimate, to enable the Board to judge what portion thereof would have been avoided under an excise system.

Chingleput.	Tanjore.
South Arcot.	Madura.

4. There is one further point requiring consideration, namely, whether any thing is to be debited on account of ground rent for the site of the salt-pans. The Board observe that this is not included among the items specified by the Government of India; but from the enclosures to the letter from the Government of India, communicated with G. O., dated 6th July 1875, No. 1,010, it appears that a royalty is paid by the manufacturers in Orissa to the land-owner at the rate of Rupees 3 per 100 maunds, and the question arises whether, the land occupied by salt-pans in this Presidency being, as a rule, the property of Government, any allowance should be made in the estimate on this account, and, if so, on what principle the charge is to be calculated.

5. The land occupied by salt-pans in Orissa is Zemindari, and the proprietor charges for the use of his land for salt manufacture whether it is of any value for other purposes or not; but where the land is the property of Government and it is absolutely worthless for other purposes, as a considerable portion of the area appropriated to salt manufacture in this Presidency is, the Board are of opinion, that rent should not be shown as an item of charge, at any rate for the purposes of this estimate, the object of the inquiry being to ascertain the real *cost to Government* of the monopoly salt. Whether any ground rent should be charged in the event of an excise system being substituted for that at present in force is a question which need not be considered now. The practice prevailing in Bombay seems to be the collection of a ground rent varying considerably in different localities and based on no fixed principle, being assessed sometimes with reference to the area, sometimes with reference to the produce, and sometimes taking the shape of a fixed annual sum on the whole works (*vide* page 28, Plowden's Report). In Guzerat, where the system is stated to resemble that prevailing in Madras, the salt works and salt itself belong to Government who fix the price at 2 Annas a maund, paying $1\frac{1}{4}$ Annas to the manufacturer, and crediting 9 Pies per maund under the head of proprietory right (*vide* paragraph 43 of Mr. Pedder's Report on the Bombay Salt Department.) This charge appears, however, to be opposed to the policy of the Court of Directors who declared it to be their intention in abandoning direct manufacture by Government, and substituting a system of excise, to look to the duty as the only source of revenue and to impose no additional charge of any kind (paragraph 68, Plowden's Report.)

6. In the case of land capable of bearing crops of any description it may be urged that by appropriating it to the production of salt a certain amount of revenue is sacrificed; such lands exist in some districts, and wherever the land is fit for cultivation a rent charge should be added and fixed with reference to the quality of the soil and the assessment on similar lands in the vicinity. It is possible also that in some cases Zemindari land has been taken up and a reduction of peishcush made on this account; if so, the revenue sacrificed should be shown as a charge.

7. The Board request that no delay may be allowed to occur in submitting the statement now called for; should any items of charge other than those exhibited have been incurred in any case, they should of course be included by the Collector.

This may be necessary in regard to Bombay salt imported into the West Coast Districts. For Canara, where there is both manufacture and importation, distinct statements showing the cost under each system should be framed.

(A true Extract.)

Acting Sub-Secretary.

To the Acting Secretary to Government, Revenue Department,
with copy of Board's Official Memorandum,
dated 23rd ~~September~~ February 1875, No. 266.

,, all Collectors of Salt Districts, with form of statement and copy of G. O.

Exd. A. Grubert.

V 1605
4

Board of Revenue,

MADRAS.

PROCEEDINGS, 27TH SEPTEMBER 1875, No. 2,699.

Encl. 2

Received

SEPTEMBER.

No. 2,699.

Salt.—Government Order referring to Board for report letter from Government of India regarding substitution of an excise on—for the monopoly system now in force in the Presidency, communicated to Collectors of Salt Districts with request to submit a statement showing the cost to Government of manufacture and importation of salt in the districts.

No. 266.

OFFICIAL MEMORANDUM.

THE Collectors of the districts noted in the margin are requested to submit a statement showing the sums expended on salt works and repairs, during each of the last ten years, distinguishing the cost of new and permanent works, such as channels, roads, bridges, and cutcherries, from that of repairs and temporary works, such as bunds and embankments annually erected. The Collectors are also requested to submit another statement, showing the existing permanent works, other than those constructed within the last ten years, with the estimated amount of cost when they were constructed. The object in calling for these statements is to ascertain the cost of all permanent works now existing, and the average annual cost of *repairs* and temporary works necessary for the manufacture of salt.

1. Ganjam.
2. Vizagapatam.
3. Godavery.
4. Kistna.
5. Nellore.
6. Chingleput.
7. South Arcot.
8. Tanjore.
9. Madura.
10. Tinnevelly.
11. South Canara.
12. Malabar.

2. It is observed that, prior to 1866-67, salt works were executed by the Public Works Department; the information for those years must, therefore, be obtained by Collectors from the District Engineers. The cost in subsequent years under Petty Construction and Repairs, as given in the Accountant-General's books, was as shown below:—

Districts.	1867-68.	1868-69.	1869-70.	1870-71.	1871-72.	1872-73.	1873-74.
	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Ganjam	11,450	25,500	3,080	5,844	13,853	15,521	12,045
Vizagapatam	6,220	20,890	9,650	12,923	20,728	13,044	7,762
Godavery	570	670	610	1,122	8,655	13,869	10,022
Kistna	1,830	1,910	950	2,744	2,522	2,259	2,183
Nellore	1,450	3,760	5,960	4,174	6,333	16,309	25,908
Chingleput	82,610	88,080	26,720	41,822	59,596	61,730	95,486
South Arcot	1,440	1,590	4,380	4,257	9,910	6,664	16,402
Tanjore	7,300	15,900	10,770	6,195	17,751	8,814	13,231
Madura	2,190	7,570	12,780	3,112	2,393	963	3,443
Tinnevelly	970	...	1,510	6,035	10,741	21,482	15,472
South Canara	8,410	14,540	12,980	8,385	13,705	14,399	6,430
Malabar	1,380	1,100	3,070	2,392	2,410	4,164	3,485
Total ...	1,25,820	1,81,510	86,300	99,005	1,68,597	1,79,218	2,11,869

REVENUE BOARD OFFICE,
Madras,
23rd February 1875.

(By Order.)
(Signed) C. A. GALTON,
Acting Sub-Secretary.

(True Copy.)
(Signed) J. T. MAYNE,
First Assistant.

To the Collectors of Salt Districts.

Exd. E. C. Shunker.

1875.

Board of Revenue,

MADRAS.

OFFICIAL MEMORANDUM.

Dated 23*rd February* 1875.

Received 2

Rev 4075/75

Rev 1455/75 *Encl.*

FEBRUARY.

No. 266.

Salt Works and Repairs.—Collectors of Salt Districts requested to submit two statements, one showing the sums expended on — during each of last ten years, and the other the existing permanent works constructed prior to this period.

Statement showing Cost to Government of Manufacture and Importation of Salt in the District of

Name of Division.	1	2	3	4*	5	6	7	8	9	10	11	12	13
Fasli.		Quantity of Salt manufactured.	Quantity of Salt imported from other Districts.	Total Quantity of Salt manufactured and imported.	Deduct Quantity written off as Wastage.	Net Amount.	Cost of the Division and Station Establishments.	Proportionate Cost of the Salary and Allowances of the Salt Deputy Collector and his Establishment distributed with reference to the Manufacture at each Division.	Cost of Permanent Police Force.	Cost of Temporary Police Force for —— months.	Kudivaram.	Cost of Importation of Salt from other Districts.
1275 ...												
1276 ...												
1277 ...												
1278 ...												
1279 ...												
1280 ...												
1281 ...												
1282 ...												
1283 ...												
1284 ...												
Total ...												
Average for one year...												

* The District and Salt Division from which the salt was imported should be shown in a foot-note.

Statement showing Cost to Government of Manufacture and Importation of Salt in the District of .—(Continued.)

Name of Division.	Fasli.	Charges on account of Storage.				Contingencies.						Repairs to Salt Works and Cost of Works of a Temporary Nature.
		Value of Straw.	Coolies for thatching.	Coir Rope, Baskets, &c.	Total.	Suderward.	Coolies for weighing.	Repairing Machines.	Postal Charges.	Sundries.	Total.	
		14	15	16	17	18	19	20	21	22	23	24
	1275 ...											
	1276 ...											
	1277 ...											
	1278 ...											
	1279 ...											
	1280 ...											
	1281 ...											
	1282 ...											
	1283 ...											
	1284 ...											
Total ...												
Average for one year ...												

Statement showing Cost to Government of Manufacture and Importation of Salt in the District of .—(Concluded.)

Name of Division.	Fasli.	Rent on Land occupied by Salt-pans.			Total of Columns 8 to 27.	Charges on account of Exportation to other Districts.	Cost of Permanent Works.	Cost of Plant, e.g., Machines.	Total of Columns 30 and 31.	Remarks.
		Acreage.	Rate per Acre.	Amount.						
		25	26	27	28	29*	30†	31	32	33
	1275 ...									The estimated cost of all works of a permanent nature constructed prior to Fasli 1275 and still in existence should be shown in the remark column. The interest on capital sunk in Permanent Works and Plant will then be calculated in the Board's office from the particulars herein furnished, and the average cost per maund struck.
	1276 ...									
	1277 ...									
	1278 ...									
	1279 ...									
	1280 ...									
	1281 ...									
	1282 ...									
	1283 ...									
	1284 ...									
Total ...										
Average for one year ...										

* The district to which exported should be shown in a foot-note.

† A list of the roads included, showing length and expenditure on each, should accompany the statement.

For Orders

Bs. 27 Sess 75 No 2699

It is presumed that this paper may be recorded but orders are requested as to whether any notice should be taken by the Board's Executive proceedings in the matter of Pound-Rent for the land occupied by Salt pans

Sal

~~Ld Govt~~

I think the Bd. is all right.

and Govt tell them that their Executive are appeared. but that the Govt. Expenditure the Share-Loans Lo

Bom Mss Rs
Rec 10 Sept 75
1

Enable them to form
their own opinion
as to the propriety
of including them
in the estimate of
Cost first - as
distinguished
from Current
charges.

2/

027 026/75 Rec'd 10/75

4079

Ibid.

Substitute 4 m Eins
m Lot.

Jas Adee