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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No.	1618	Press
B.P. No.		Mis.
Dated	10-11-1875	196

Not to be folded or roughly handled

dras Government, Revenue Department,
10th November 1875.

and letter from C. J. L. Esq., Under-Secretary to
Department of Agriculture, and Com-
the Sec ent of Madras,
14th

WITH reference to the correspondence ending with your letter, No. 301, dated the 25th February last, I am directed to forward, for the information of His Excellency the Governor in Council, copy of the papers noted in the margin showing the rules and the measures which have been sanctioned in order to facilitate the admission of Ganjam salt into Orissa.

Letter from Bengal, No. 1,283, dated the 25th
May 1875, and enclosure.
Letter to Bengal, No. 323, dated 14th October
1875.

2. I am, at the same time, to draw attention to my letter, dated the 7th June last, No. 178, and to request that the information therein asked for, as to the exact cost of the manufacture of salt in Ganjam, may be supplied at as early a date as practicable. A copy of the rules has been sent direct to the Collector of Ganjam.

No. 139. ORDER THEREON, 10th November 1875, No. 1,618.

Separate Revenue, No. 16.

Customs and Salt.

COMMUNICATED to the Board of Revenue for information and guidance.

(True Extract.)

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

To the Board of Revenue.

Exd. F. B. Bantleman.

Copy to the Board of Revenue, for information and guidance, letter to the Government of India enclosing papers showing rules and measures suggested for the administration of — into Orissa, and requiring the issue of the manufacture of salt in Ganjam.

NOVEMBER.
Nos. 158-159.

G. O. 10th November 1875, No. 1,618.

Recd. November 10/1

THE BOARD OF REVENUE.

REVENUE.

GOVT. OF INDIA 1875

No. 318B, dated Fort William, the 27th April 1875.

From—W. H. GRIMLEY, Esq., Offg. Secretary to the Board of Revenue, L.P.
To—The Secretary to the Government of Bengal, Revenue Department.

With reference to Government order No. 1897, dated the 5th September

Letter from Commissioner of Orissa to Board, No. 175A, dated 10th May 1875.
A minute by Mr. Dampier on Madras salt in Orissa.

Draft of a set of special rules to be prescribed by the Lieutenant-Governor of Bengal under the provisions of Section 11, Bengal Act VII of 1864, for the transport of Madras salt in Orissa.

1874, giving cover to a letter to your address from the Secretary to Government of India, in the Revenue, Agriculture and Commerce Department, No. 242, dated the 28th August 1874, and subsequent correspondence, I am directed by the Member in charge to submit the papers noted in the margin regarding Madras salt in Orissa.

2. It will be seen from Mr. Dampier's minute that he does not consider that the draft rules will suffice to maintain the degree of check which is now applied to Orissa salt by the existing system of protective documents, and their inspection by the police; but he believes that the Government of India would rather have it so than allow any further interference with Madras salt in Orissa than the draft rules provide. Imperfect as they are, the Commissioner of Orissa is willing to accept them provisionally, until measures can be organized for restricting the operation of the system of protective documents within the narrowest possible limits, to which object the Member in charge has urged Mr. Ravenshaw to give his attention without further delay.

3. The proposals submitted for immediate adoption are, that the draft rules, if approved by His Excellency the Governor-General in Council, shall be passed by the Lieutenant-Governor under the powers vested in him by Section 11, Bengal Act VII of 1864.

That in order to reduce to some extent the disadvantage at which Pooree-made kurkutch now competes with that of Ganjam, the two salts be immediately placed on the same footing in the following respects:—

(a)—By authorizing the Collector of Pooree to receive applications for the delivery of kurkutch on plain paper.

(b)—By dispensing with the fees which are now levied on the issue of rowannahs at the rates shown in the margin of paragraph 7 of Mr. Dampier's minute. The fees on rowannahs for all Pooree salt (pungah as well as kurkutch) last year amounted to Rs. 1,257 only.

(c)—By relieving the manufacturer of Pooree kurkutch under excise rules of the cost of the special preventive establishment which is entertained at the aurungs to watch his manufacture, and of the preventive establishments which are entertained to watch the golahs in which the salt is stored up to the time when it is sold and duty on it paid. According to existing rules the manufacturer has to bear these charges in addition to the duty of Rs. 2-4 a maund.

The Commissioner states that the cost of all such aurung and golah establishments in Pooree in 1873-74 amounted to Rs. 5,278, and in 1874-75 to Rs. 6,580.

4. If these proposals are approved, the relief may be given to all Pooree kurkutch of the manufacture of the current season.

MINUTE ON MADRAS SALT IN ORISSA.

* Board's No. 436¹, dated 13th July 1874.

† Government order No. 1715, dated 8th August 1874.

‡ Secretary to Government of India, Revenue, Agriculture, and Commerce Department, No. 242, dated 28th August 1874, to Secretary to Government of Bengal.

THE Government of Bengal having accepted the Board's view that Madras salt passing into Orissa under the arrangements legalized by Act X of 1874, would be subject to the same rules and restrictions as Orissa-made salt, my predecessor, Mr. Money,* submitted a set of rules, of which he had directed the provisional adoption for the regulation of Madras salt so passing into Orissa.

The Lieutenant-Governor approved of these instructions,† but the Government of India has disapproved‡ of the rules as calculated "to perpetuate the stringently restrictive system that has hitherto prevailed, the reform of which was one of the leading objects" of the passing of Act X of 1874. It is, however, accepted that the full measure of freedom which it is desired to give to the transit of salt cannot be secured all at once, and that some rules "for the regulation of routes and the issue of protective passes are for the present necessary." A model set of rules, framed in accordance with the views of the Government of India as to what is necessary and admissible, has been forwarded as a basis for those which the Local Government is called upon to draw up.

2. Mr. Money replied that some of the model rules prepared by the Government of India appeared to be contrary to the provisions of Act VII of 1864, the Bengal Salt Law, and that the second of them, he understood it, gave an advantage to Madras salt in Orissa over Orissa salt, by freeing it from restrictions to which Orissa salt was subject; and he submitted "that it would be better to have all salt in Orissa amenable to the same rules and to the law in force until the latter has been repealed and the former modified." The Government of Bengal replied that "though the wording of paragraph 2 of the draft rules is calculated to give Ganjam salt an advantage over that manufactured in Orissa, there can be no doubt that the Member in charge has correctly understood the purport of the rule."

Board to Government, No. 645, dated 23rd September 1874.

Government order No. 2066, dated 1st October 1874, to Board.

Handwritten notes:
 Recd 4/19/75
 Rs 1158/75
 Sub. M. Money

3. The Commissioner of Orissa has now submitted the draft of a set of rules adopting *verbatim* the model which was sent to him with additions to rules 4 and 5. He writes that these rules may safely be passed, if a proposal which he makes to reduce the duty on Pooree kurkutch to Rs. 2 a maund be adopted, but the consideration of this proposal must be deferred for the present, as it cannot be carried out without a change in the law; and our immediate object is to lose as little time as possible in passing provisional rules for the regulation of Madras salt passing into Orissa. Some rules must be passed independently of the condition which Mr. Ravenshaw attaches to the sufficiency of those which he has submitted.

4. Under existing arrangements, the price paid to the Government for Madras salt sold at the Ganjam is Rs. 2-4 a maund; while the duty paid on similar salt (kurkutch) manufactured in the southern part of Orissa, adjoining Ganjam, by persons licensed to manufacture under Act X of 1874, is also Rs. 2-4.

From the facts and figures given in the Commissioner's annexed report, No. 611, dated 10th March, it may be taken as established that the effect of these rates in conjunction with other causes which affect the price of the two salts is, that the trader cannot buy Pooree kurkutch at the door of the golah, in which the manufacture under excise rules has stored it, for less than Rs. 2-11-7½ a maund, whereas he can buy Madras kurkutch from the Government store at Ganjam for Rs. 2-4 a maund, and from this price Mr. Ravenshaw states that a reduction of 5 per cent. is made to the purchasers of an entire kandy of 1,200 maunds, perhaps under some permission given by the Government of India in modification of its notification No. 114 of 21st April 1874, which fixes the selling price at Rs. 2-4 a maund.

Unless, therefore, it is deliberately accepted that Madras kurkutch shall not only exclude Pooree kurkutch from the markets of the Tributary Mehals and the Central Provinces, but shall also displace it from consumption by the population of the Pooree district, and of the greater part of the Cuttack district, the necessity is evident of avoiding even the temporary adoption of any artificial measure tending to improve the advantage which Madras salt already enjoys.

Commissioner of Orissa, No. 175, dated 10th March, annexed.

Notification No. 114 of 21st April 1874.

* I observe, from the proceedings of the Madras Government, that the Madras Board of Revenue (paragraph 5 of Proceedings dated 8th October 1874) demur to the Collector having included the cost of police guards and regular salt establishment in the cost of Ganjam salt, as they are items which would not be incurred by a private manufacturer of the article. It is said that if these charges were omitted, the cost would be considerably below two annas a maund; it follows that the duty levied is somewhat more than Rs. 2-2 a maund. Mr. Ravenshaw's report, however, shows that the cost of such establishments is paid by the manufacturer of Orissa salt, and so falls on the consumer in addition to the duty of Rs. 2-4.

Commissioner of Orissa to Government of Bengal, No. 453 of 12th December 1871.

† PARA. I.—“All accounts go to show that there has been an almost total failure of crops throughout Parikhood, Malood, and Budgerkote, i.e. all over the south-west end of the spot of land between Chilka Lake and the sea, a tract of country about 20 miles long by an average of 4 or 5 broad. The area returned at time of survey was, excluding intervening salt-water marshes, about 69 square miles, and the cultivation 18,560 acres; the rest was waste. The country is now reported to be quite burnt up; very little rain has fallen there throughout the season; and the only vestige of a crop is to be found in a few hollows, and even here the yield is hardly equal to the seed sown. So severe has been the drought, that the water in wells and tanks is already failing and becoming brackish. The people are stated to have barely recovered from the effects of the late famine, and to be destitute, not only of food for their present necessities, but also unprovided with funds to purchase from elsewhere.”

Memo. by Commissioner of Orissa, dated 4th January 1872.

PARA. II.—“Previous reports and Mr. Manson's very carefully prepared diary of his visit to the

5. Mr. Ravenshaw has shown that after deducting the cost of production (two annas four pie a maund) the actual duty levied by Government on Ganjam kurkutch is Rs. 2-1-8 a maund; while Pooree kurkutch is charged with Rs. 2-4 in addition to the cost of production, to the expenses of preventive arrangements during manufacture and up to the time of sale, and to the manufacturer's profit.* It may be argued that this difference in the incidence of the duty is nothing more than the continuation of the graduated scale which Notification No. 115 of the 21st April 1874, has introduced throughout Orissa, and that, on behalf of the manufacturing interests of zone No. 2 in Orissa throughout which a duty of Rs. 2-7 is levied, precisely the same objections may be made against the advantage which the differential duty of 3 annas gives to the manufacturer in zone No. 1 (within which the duty levied is Rs. 2-4 only), and it may be said that from the point of view of the Supreme Government the circumstance that Orissa and Ganjam belong to different provinces does not affect the question. This may be so; but apart from the general objections to interfering unnecessarily with the natural course of trade, it is known that special reasons exist which make it a matter of peculiar importance that the salt manufacture in the southern part of the Pooree district should be artificially encouraged rather than extinguished.

The history of recent years shows that the crops of Malood and Parikhood, the tract between the Chilka Lake and the sea, and those on the shores of the Chilka, are so precarious and so liable to failure and destruction that the population is in a great degree dependent for its livelihood on salt manufacture.

In 1866 the Collector of Pooree described the failure of crops as total and complete; the extracts given in the margin show the condition of the tract in 1871.† Special arrangements were then made, through the intervention of the Commissioner and Collector, for extending the manufacture of salt under excise rules in the season of 1872, and the Commissioner wrote:—“It was calculated that the manufacture of four lakhs of maunds of salt will employ 6,000 laborers for three months fully, and that during those three months they will earn sufficient to keep them for six months: e.g., the rates paid to molunghees is two

annas per maund,* and for four lakhs Rs. 50,000, of which some Rs. 37,500 will fall into the hands of the Malood and Parikhood people; Rs. 37,500 will purchase, at 16 seers per rupee, 15,000 maunds of rice, which at half a seer per day per men, women, and children, should feed the whole population of Malood and Parikhood, 8,486 souls, for about four and half months."

The quantities of salt manufactured in the Pooree district in that and the following seasons were—

	Mds.
1871-72	2,24,053
1872-73	1,81,805
1873-74	3,55,112

Licenses have been taken out for the manufacture of no less than 7,10,000 mds. of kurkutch and 35,000 mds. of pungah in Pooree in the present season.

The cessation of this means of livelihood will keep the population of that tract permanently in a precarious condition, and unless they accept the alternative of emigrating and abandoning that part of the country, the Government must expect to be called upon periodically to keep them alive by measures of relief. Their zemindars are not in a position to do so.

From the facts given by Mr. Ravenshaw, in the letter of the 10th of March, I am not prepared to say that any action on the part of Government (short of undisguised protection by the imposition of differential rates of duty) will save the Pooree manufacture from eventual extinction by that of Madras. But that is not the present question; our immediate object is, without losing further time by discussing larger questions, to frame a set of temporary rules which shall be accepted as being sufficiently in accord with the views of the Imperial Government, and yet which shall neither have the effect of practically neutralizing the preventive system which now exists in Orissa for the protection of the salt revenue, nor that of hastening the extinction of Pooree manufacture before the final decision of the question is arrived at, by placing Pooree salt in a still more disadvantageous position as regards that of Madras than it already occupies from circumstances, some of which are, and others are not, under the control of the Government.

6. The model rules prepared by the Secretary to the Government of India as

distressed tracts shew that, with a few very unimportant exceptions of a field here and there, the whole rice crops of Parikhood and Malood estates have been completely lost; and the majority of the population, impoverished by previous season's famine and repeated failure of the usual rains, have neither food in store nor money wherewith to purchase."

* Mr. Ravenshaw's letter dated 10th March 1875, shows that the Molunghees are now paid 3 annas a maund.

embodying what the Government of India is prepared to accept, provide that Madras salt in transit from the place at which duty is levied to its destination must, equally with Orissa salt, be covered by a protective document granted by a Collector; but that during the period allowed for transit no Bengal rule or regulation shall affect Madras salt or the carriers, &c., thereof.

The 4th and 5th of the Draft Rules provide that as soon as salt is sold in transit by a trader who has brought it from Ganjam, or as soon as it reaches the place of destination to which it is covered by the Collector of Ganjam's pass, it shall become amenable to Bengal Rules.

7. The difference of treatment between Madras and Orissa salt entailed by the Draft Rules would be—

I. That Madras salt need only be covered by a mere pass, which shall be given by the Collector of Ganjam, and not by a rowannah in the Bengal form. There is no objection to the document being granted by the Collector of Ganjam provided that he sends immediate notice of the issue to the Collector into whose jurisdiction the salt is to pass, as required by the rules; but the form of the document is material, inasmuch as on the form used depend the conditions and restrictions imposed. That which is proposed omits two particulars which are specified in our rowannahs—the mode of conveyance and the route by which the salt shall be conveyed. If the passes are to be in any way utilized as checks during transit, I consider both of these to be essential, as means of identifying the salt with the pass which covers it, and their insertion in the pass would give little additional trouble.

II. Rule 2 prescribes that no fee shall be charged for the Madras Collector's pass; this relieves Madras salt of the charges specified in the Schedule* of Fees annexed to the Board's Salt Rules now in force, which are imposed by Article 27 of the Board's existing rules; and it appears from the correspondence which has passed that the Collector of Ganjam would issue his passes without an application being made on stamped paper as required by the same rule. If this is to be so, I would at once relieve Orissa kurkutch to the same extent. It is that description of salt which comes into immediate competition with the Madras salt, and is of the same class. I do not now consider the case of boiled

From	1 to 500 mds.	Rs.	A.	P.
"	501 to 1,000 "	1	0	0
"	1,001 to 1,500 "	1	8	0
"	1,501 to 2,000 "	2	8	0
"	2,001 to 2,500 "	3	0	0
"	2,501 to 3,000 "	4	0	0
"	3,001 to 3,500 "	4	8	0
"	3,501 to 4,000 "	5	8	0
"	4,001 to 4,500 "	6	0	0
"	4,501 to 5,000 "	7	0	0
"	5,001 to 5,500 "	7	8	0
"	5,501 to 6,000 "	8	8	0
"	6,001 to 6,500 "	9	9	0
"	6,501 to 7,000 "	10	0	0
"	7,001 to 7,500 "	10	8	0

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pungah salt, which is not made in the south of the Pooree district, and which is easily distinguishable from Madras kurkutch. The abandonment of the fees on rowannahs covering all Pooree made salt would have entailed last year a loss of Rs. 1,257-12 only.

Further, in order to place Pooree and Madras kurkutch on an equal footing in that respect, I would relieve the Pooree manufacturers of kurkutch salt under excise rules of all charges for special preventive establishments at the arung, where the salt is manufactured, and at the golah, where it is stored, until it is sold and duty paid. It appears from Mr. Ravenshaw's report that in Madras preventive charges are borne by Government as a charge against the Rs. 2-4 per maund for which the salt is sold.

III. The model rules make no provision corresponding with Article 28* of the Bengal Rules. A procedure should be provided which will enable the trader to change the destination of his salt if he wishes to do so; a rule corresponding with the Bengal Rule 28 might be introduced, or that rule might be expressly made applicable to Madras salt.

IV. The model rules exempt Madras salt from the operation of Articles 33, 36, and 37 of the Bengal Rules.† It is not specified in the former that the pass must be kept with the salt which it covers, and no police officer is authorized to demand the production of the pass.

The disadvantages of police interference with salt (no less than with any other article of merchandise) in transit, and the abuses to which it may and does lead are not to be denied, but the rules now under consideration are intended to be provisional, and in anticipation, it is hoped, of the more general removal of restrictions on the salt trade by a change of system; the question therefore resolves into this, whether during this provisional arrangement it is the lesser evil to subject Madras salt in transit to the police inspection to which Bengal salt has always been subject, or by exempting Madras salt from such supervision, practically to remove the existing system of check which is maintained over Bengal salt in Orissa, for such must be the effect of the proposed rules as drafted. It will be borne in mind that we have no establishments located in the regulation districts of Orissa which would be in a position to exercise any supervision

* "If any person who shall have become possessed of a wholesale rowannah shall desire to make any alteration in the terms specified therein, permissible under these rules, he may, by application to the Board of Revenue or to the District Collector, if authorized to grant the original rowannah, or stamped paper of the value prescribed for petitions to the said Board, obtain an exchange rowannah, which shall, for all the purposes of the Act and of these rules, be considered to be a wholesale rowannah."

† 33. "Every wholesale and every retail rowannah shall always be kept with the salt to which it refers, and on demand by any police officer above the rank of constable, shall be forthwith produced for examination. When, however, under the provisions of the rule next following, a despatch of salt covered by a wholesale or retail rowannah is laden on more than one boat or cart, or drove of bullocks, or gang of coolies, it will be sufficient if the wholesale or retail rowannah covering the entire despatch of salt be produced within twenty-four hours."

36. "Every person in charge of salt in transit within the limits notified under section 12 of the Act shall be bound to stop at every police pass station upon the line of route laid down in his rowannah, whether wholesale or retail, and shall present his rowannah to the chief officer at such station for endorsement, and shall, if required, allow his salt to be examined."

37. "The proprietor of any salt the rowannah of which shall not be endorsed in the manner prescribed in the preceding rule, shall be liable to a fine not exceeding Rs. 500, and if it shall appear to the officer trying the case that the omission was made with fraudulent intent, he shall direct the salt to be confiscated."

over the movements of salt, except the police, whose interference would be prohibited.

From the remarks which the Collector of Ganjam has made on the model rules and which have been adopted by the Madras Board and Government successively,† it is evident that those authorities understand the intention of the model rules to be that the Madras carrier is not to be bound to produce his pass for comparison with his salt at the police pass chowkees which lie in his way, and that police officers are to be precluded from calling on him to produce the pass; and the wording of the rules bears out this construction. But before effect is given to this intention, it must be clearly understood that the practical effect will be to paralyse the system of auxiliary check to which salt is now subject after it has paid duty, or rather after it has once passed beyond the barrier at which it ought to have paid duty; and this in respect to Orissa-made as well as to Madras salt. As regards Madras salt, the Collector's pass will be as nearly as possible objectless. If no one is in a position to challenge the carrier's movements, or to demand the production of a protective document, against whom or what is the pass required to protect the salt and its carrier? On the other hand, as to any check which it applies to the salt while in transit, the pass might as well have no existence; a simple notice sent by the Collector of Ganjam to the Collector concerned that such a despatch had been made and was due at its destination on such a date would suffice to put the Collector on the look-out.

But not only would Madras salt thus move about unchecked and unchallenged; advantage would be taken of the disability of the police to demand the production of the document protecting Madras salt, to baffle any check which their supervision may apply upon the smuggling of Orissa kurkutch. With the model rules in force the demand of the police officers for the production of the rowannah protecting any convoy of such salt might be met—at any rate on the lines of route which are common to Madras and Bengal salt—by a refusal on the ground that the salt was Madras salt, and therefore beyond the control of the police officers.*

Experience has shown that the rule requiring the protective pass always to be kept with the salt, so that it can be produced immediately on demand, is most necessary. Even the relaxation of that

† Mr. Collector Davidson's No. 2222, dated 23rd October 1874, to Board.
Board's proceedings thereon, No. 3309, dated 17th November 1874.
Madras G. O. No. 1591, dated 19th December 1874.

* In paragraph 7 of his letter of the 10th of March 1875, Mr. Ravenshaw says that he saw no perceptible difference between the appearance of Pooree and of Ganjam salt, while the latter was freshly manufactured.

rule which is allowed by the last clause of Bengal Rule 33 is abused, the same bullocks being used to convey a lot of smuggled salt under cover of the rowannah, in excess of the duty-paid salt which the rowannah legitimately protects; and in the neighbourhood of Calcutta, more than one instance has occurred of the same chalan being used during the period of its currency to cover two different boats full of salt while in transit.

If the draft rules are adopted as they now stand, any Madras salt which once finds its way across the border without payment of duty will be absolutely free from challenge and from chance of detection. From the last paragraph of Mr. Hume's letter,* No. 242, dated 28th August 1874, it would appear that till lately at any rate, it would not have been safe to assume that there was no illicit salt in Madras ready to cross the border if it found an opportunity of so doing. On the other hand, I find it stated in paragraph 20 of the Collector of Ganjam's letter, No. 2222, dated 23rd October 1874, that no such smuggling existed on that date as was referred to in Mr. Hume's letter; and in paragraph 7 of their Resolution of the 17th November 1874, the Madras Board wrote:—"The Board do not believe that any system of interference with salt in transit would have had any effect upon the recent salt frauds in Ganjam; and they are satisfied that the measures which have been taken in the employment of paiks for guarding the manufacture and increased watchfulness on the part of the authorities, and the arrangements which are about to be made for patrols, will reduce smuggling to a minimum in that district." Of the nature of the frauds referred to, we know nothing; the judgment of the Government of India as regards the danger to the revenue from illicit Madras salt passing into and through Orissa will doubtless be formed on the views expressed by the Madras authorities who are in a better position than the Bengal officers to judge of the matter; but it is for us to warn the Government against the possible loss of revenue from the facilities which the proposed rules would afford for smuggling Orissa salt. From all that has been written and said on the subject, I fear we cannot take credit for such efficiency in the preventive arrangements at the manufacturing grounds and on the salt-producing tracts as may justify our

* "It is probable that some time may elapse before these measures can be adopted in their integrity, the more so as recent cases have led to the conclusion that the arrangements to prevent smuggling in the Ganjam district have hitherto been far from satisfactory; but a complete revision should be carried out as soon as the necessary arrangements can be matured in Bengal, and as soon as the Madras Government can certify that they have so reorganized their establishments and system in Ganjam as to render impossible such wholesale smuggling as has occurred there during the last two or three years."

depending on them alone; and I cannot but apprehend that the immediate adoption of any measure which will have the practical effect (as the proposed rules must have) of weakening the auxiliary check on smuggling which is now applied by the supervision over salt in transit, will result in considerable loss of revenue by allowing Orissa-made salt to be smuggled into consumption.

The figures given below taken alone do not indicate any great necessity for keeping up in their present form existing detective arrangements in the Pooree district at any rate; but it is evident that the detected cases afford no measure of the amount of smuggling which is prevented by the mere knowledge that the detective arrangements do exist.

YEARS.	Quantity of salt attached.				Quantity of salt confiscated.				Number of cases of illicit possession.		
	Cuttack.	Pooree.	Balasore.	Total.	Cuttack.	Pooree.	Balasore.	Total.	Cuttack.	Pooree.	Balasore.
	Mds. S. C.	Mds. S. C.	Mds. S. C.	Mds. S. C.	Mds. S. C.	Mds. S. C.	Mds. S. C.	Mds. S. C.			
1872-73 ...	100 8 7½	19 17 13	193 39 5	373 25 9½	159 13 7½	15 32 3	195 24 5	370 29 15½	27	28	76
1873-74 ...	2,046 27 11	31 19 0	23 24 4	2,101 30 15	2,046 6 10	30 27 10	23 24 4	2,100 18 8	26	28	20

YEARS.	Number of persons brought to trial.				Number of persons convicted.				Amount of fines and forfeitures.				No. of cases of neglect to give up Rowannahs.				No. of persons brought to trial.			
	Cuttack.	Pooree.	Balasore.	Total.	Cuttack.	Pooree.	Balasore.	Total.	Cuttack.	Pooree.	Balasore.	Total.	Cuttack.	Pooree.	Balasore.	Total.	Cuttack.	Pooree.	Balasore.	Total.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
1872-73 ...	73	49	124	246	71	40	109	220	986 15 9	140 1 3	1,378 8 11	2,805 9 11	19	2	...	21	19	2	...	21
1873-74 ...	29	59	31	119	27	51	29	107	10,341 10 5	159 8 3	218 5 0	10,719 7 8	23	170	...	195	23	179	...	204

* The cause of this remarkable increase must be looked into.

V. The next difference entailed by the rules is that Draft Rule No. 4 provides that salt may be sold in transit between the Ganjam frontier and the place of des-

mination, whereas sales in transit are not allowed in Orissa. The Commissioner considers that such sales are prohibited by Section 18, Act VII of 1864, and the Bengal Rules 27 and 39. From paragraph 5 of the Board's letter No. 645 of 23rd September 1874, it appears that Mr. Money also considered that the rules (which were prescribed by the Government under section 11 of the law) did not admit of such sale. In districts other than those of Orissa sales in transit have been allowed. Even if it be held that the law imposes such a restriction, the object of the rule being the protection of the revenue, it would be open to the Governor-General in Council to waive the enforcement of it.

The only question is what restrictions or conditions shall be imposed on the right of selling which the Government of India desires shall be enjoyed by the owners of Madras salt in transit.

The holder of a rowannah or wholesale protective pass is by Bengal Rules authorized himself to furnish retail dealers, who buy from him, with the protective passes required to cover their lots of salt, under the name of charchittees and attraffee rowannahs, blank forms of which are supplied to him for the purpose when he takes out his rowannah. The protective documents so given are eventually returned to the Collector through the police of the jurisdiction in which the last lot of salt covered by each document is sold, and so the attempt is made to trace the salt, as Mr. Ravenshaw says, into the mouth of the consumer.

The Collector of Ganjam* objects to the importing trader who sells in transit being obliged to provide the salt sold by him with a protective document, urging that the purchaser should be required so to protect himself, as the importing trader is exempt from Bengal Rules.

Looking at the character of the Madras salt traffic which passes through Orissa (some of the brinjarees making only one trip in the year from the Central Provinces), I believe that any attempt to make the carriers of this salt fall in with the Bengal Rules as to issuing attraffee rowannahs and charchittees with the salt they may sell, accounting for them to the Collector in any way which would be useful to him as a means of check, would be futile. The rowannah-holding merchants who now issue such documents throughout the seaboard districts of Bengal are well known

* Letter No. 2222, dated 23rd October 1874, to the address of the Madras Board.

residents of the districts, and we can, to a certain extent, enforce their compliance with our rules; but on the carriers who pass through Orissa on their way from Ganjam to the Central Provinces we have no such hold. They are here to-day and gone to-morrow.

To restrict their permission to sell in transit, however, by the condition that no such sale may be made to any but a retail dealer who has already provided himself with a document to protect the salt, will be to render the permission nominal only, for it will be more convenient for a retail dealer who wants salt to get it from the nearest established wholesale dealer (who will at the same time supply him with a document to protect it) than first to get a protective document from the Collector in anticipation and then to wait until a trader with Madras salt passes. The only arrangement which occurs to me under which the carriers of Madras salt shall effectually enjoy the privilege of selling their salt in transit through Orissa (in quantities above five seers) and which shall not at the same time practically exempt the salt so purchased from the Bengal system of supervision, is by allowing the sales to be made to any person, and requiring the purchaser to give prompt notice of his purchase at the nearest police station. The police officer might then issue a document which would cover the possession of the salt, giving notice at once to the Collector. This would not bring the Madras trader into contact with the police, but it is evident that the check against smuggling will be very weak, and it will be weaker still if the trader who sells is not bound, before he passes out of the Collector's jurisdiction, to render an account of the sales made by him. Without this provision any retail vendor who succeeds in safely smuggling contraband salt into his shop could, with little fear of detection, go to the police station and ask for a document to protect the salt, representing that he has just bought it from a passing carrier from Madras.

8. I annex a draft of rules in which I have endeavoured to provide for Madras salt in Orissa the greatest degree of freedom which is not absolutely incompatible with the recognition of the existing system of supervision over Bengal salt. These rules, with the issue of orders allowing the slight relaxation of Bengal rules which I have advocated in favor of Pooree kurkutch will, I hope, enable the local

officers to carry on affairs in harmony, until such arrangements can be made in Orissa as shall justify our narrowing the preventive arrangements to the smallest possible tract of country. To this object our immediate attention will now be given as well as to the possibility of relieving Orissa salt from some of the burdens which now press upon it. The account given in Mr. Ravenshaw's letter of the 10th of March seems to leave little doubt that, unless we can succeed in materially lightening those burdens, the extinction of the Pooree manufacture by that of Madras, with its greater natural and artificial advantages, is a mere question of time.

H. L. DAMPIER.

The 27th April 1875.

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Draft of Special Rules to be prescribed by the Lieutenant-Governor of Bengal under the provisions of Section 11, Bengal Act VII of 1864, for the transport of Madras Salt in Orissa.

[To accompany Mr. Dampier's minute.]

Remarks.

These rules must be made applicable to Madras salt in transit through Orissa, as well as to salt destined for Orissa, if the former is to be exempted from the operation of the General Bengal Rules.

Remarks.

The rules, as received in draft from the Government of India, did not provide for the pass being given up at all.

If the pass is not to be shown, nor the salt reported at the police pass stations, and if the pass is not to be given up at the end of the transit, the Collector will know absolutely nothing of its movements. It may remain in his district and become mixed up with the Orissa-made salt, over the quantities and movements and location of which the Collector is required, under the existing system, to keep close supervision.

If additional quantities of Madras salt become distributed throughout the district without the Collector having any cognizance of it, all attempts to keep up effective supervision over Orissa-made salt will be frustrated.

1. Salt may be sold at the Ganjam golahs in any quantities, wholesale or retail, for consumption in Orissa, or for transport through Orissa to any other place.

2. All salt thus sold shall be covered by a protective pass, written in English and Ooryah, which shall be granted by the Collector of Ganjam without the payment of any fee: such salt shall require no other protective document. The pass shall be numbered and dated, and shall state the name and residence of the consignee, and of the person who takes delivery of the salt from the Collector of Ganjam; the quantity of salt which it covers, the place to which it is destined, the mode of conveyance, the route by which it shall be conveyed, and the number of days allowed for its transit to the place of destination (if that be within Orissa), or (if the salt be intended to pass through Orissa) to the last police pass station in Orissa which lies in its route.

3. The Collector of Ganjam shall send a copy of every such pass granted by him on the day of issue to the Collector in whose jurisdiction the place to which the pass covers the salt is situated.

4. Every such pass shall protect the salt so covered from the place of sale to the place of destination, if in Orissa, or to the said last police station in Orissa, as the case may be; provided that the said place of destination or police station is reached within the period of the currency of the pass: and every such pass shall be taken to be a rowannah duly granted by the Board of Revenue for all the purposes of Bengal Act VII of 1864.

5. Subject to the above rule, all the provisions of the said Bengal Act VII of 1874 shall apply to Madras salt while within the limits of Orissa; provided, however, that no general rule made by the Lieutenant-Governor of Bengal under the powers vested in him by Section 11 of the said Act, shall apply to salt covered by a pass granted by the Collector of Ganjam

Remarks.

I have, in my separate minute, expressed my opinion that the exemption of Madras salt from police supervision will have the effect of neutralizing the supervision which the police can exercise over Orissa salt. If it be decided that the provisions of the law shall be held in abeyance, the numbers of the sections of the law from the operation of which Madras salt is to be exempted may be specified here

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as aforesaid, except in so far as is herein-after expressly specified.

6. If the destination of the salt be not within the limits of Orissa, the pass shall, as required by Section 22 of the said Act VII of 1864, be delivered up to the officer in charge of the last police station in Orissa which it has to pass, as specified in the pass. If the destination of the salt be in Orissa, the pass must be delivered, within the number of days specified in

the margin from the date of its arrival at the place of destination, to the officer in charge of the police station in the jurisdiction of which such place of destination is situated.

7. If, owing to accident or circumstances beyond the control of the trader, the salt should not be able to reach its destination or the last police pass station in Orissa as aforesaid within the period fixed, then the pass-holder shall, at least one day prior to the expiry of the pass, report the circumstance and deliver up his pass to the nearest police station, the officer in charge of which shall, unless good reason for suspecting fraud exist, endorse the pass, extending its period by one more than the number of days necessary to enable the salt to reach its place of destination or the last police pass station. If the officer in charge apprehends fraud, he shall detain the salt and refer the case, including a full statement by the pass-holder, to the Collector for orders. If after a pass has been once extended, a second application for extension should be made, the case shall be referred for the orders of the Collector. No salt thus detained shall be confiscated under any Bengal rule except on distinct proof of fraud; but where the pass-holder has willfully overstayed the period of grace granted, the Collector may, if he deems it necessary, impose a moderate penalty, not exceeding 10 per cent, on the value of the salt thus delayed in transit.

If a pass-holder shall desire to make any alteration in the terms specified therein, which is permissible under these rules, he may apply to the Collector of the district within which the salt may then be, and shall obtain an exchange pass, which shall, for all the purposes of the Act and of these rules, be considered to be a pass. Every application to a Collector for an exchange pass shall be

Remarks.

From the Collector of Ganjam's letter of 23rd October 1874, and the resolutions of the Board and Government of Madras thereon, it appears that those authorities strongly object to this rule. Mr. Davidson's suggestion amounts to a proposal that Madras salt shall be exempt from police inquiry and interference even when *prima facie* cause for inquiry has arisen. I have no great objection to the procedure which he suggests as far as salt destined for Orissa is concerned; but the suggestion would not meet the case of salt which professed to be merely passing through Orissa to its destination. Under the rules as originally drafted, no delay of such salt in transit would come under the Collector's cognizance; nor, indeed, would the entire absorption of such salt into Orissa consumption; for it is not provided that the Collector should, under any circumstances, receive intimation that the salt had passed out of his jurisdiction.

If the Madras authorities prefer that the salt carrier who cannot reach his destination before the term covered by his pass expires should be obliged to apply to the Collector for the extension of that period, instead of to the Police officer, the Bengal authorities will not object to this assimilation of practice to that in force with regard to Orissa salt, but it will probably entail additional trouble to the carrier.

written on a paper bearing the stamp of the value which the law prescribes for such applications to a Collector.

9. The holder of a pass may sell portions of the salt which it covers in quantities not exceeding five maunds during its transit through Orissa; and he shall note the following particulars in respect of every such sale on the back of the pass before he gives it up under Rule 6, viz.—

- (1)—Date and place of sale.
- (2)—Name and residence of buyer.
- (3)—Quantity of salt.

Any salt so sold will become amenable to all rules which have been, or which may be, passed by the Lieutenant-Governor of Bengal under the provisions of Section 11, Act VII of 1864, subject to the provisions of the following rule.

10. Every person purchasing more than five seers of salt from a pass-holder shall give immediate notice of his purchase to the officer in charge of the nearest police station, who shall thereupon issue an *atrafee rowannah* or a *charchittee* under the ordinary rules for the protection of the salt, with a currency of not more than one month. Every police officer granting such a document shall send a copy of the same to the Collector of the district on the same day. All *atrafee rowannahs* and *charchittees* so granted by police officers shall be subject to all the rules current in Bengal in respect of such documents.

11. Salt having arrived at the place of destination, or at the last police pass station of Orissa, and the currency of the Madras pass, or any extension thereof, having expired, the salt becomes amenable to the rules passed by the Lieutenant-Governor of Bengal under Section 11, Bengal Act VII of 1864.

12. The holder of any salt which has reached its destination shall within 24 hours notify its arrival in writing to the Collector of the district, specifying the number and date of the Madras pass which covered the salt, and noting the amounts sold in transit under Rule 9. Immediately on receiving the Madras pass for such salt from the police officer to whom it has been delivered under Rule 6, the Collector shall furnish the recipient of the salt with a Bengal wholesale *rowannah* for the whole amount issued from Ganjam, entering on the back the sales which have been made on the road, and so bring the salt within the operation of the Bengal system.

The check provided by Sections 9 and 10 is very weak—vide remarks at end of para. 8 of minute.

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13. The following penalties are fixed by the Lieutenant-Governor for the infringement of the above rules respectively:—

Omission to deliver up a pass as required by Rule 6 or Rule 7—a fine not exceeding Rs. 500.*

Omission by a seller of salt in transit to note the sale on back of pass as required by Rule 9—a fine not exceeding Rs. 500.

Omission by purchaser of salt in transit to give notice to police as required by Rule 10—a fine not exceeding Rs. 500.

Omission to notify arrival of salt as required by Rule 12—a fine not exceeding Rs. 10.*

* These are the fines imposed as regards Bengal Salt for these offences by Rules 35 and 39 of the rules passed by the Lieutenant-Governor under section 11, Act VII of 1864.

The 27th April 1875.

W. H. GRIMLEY.

Rules for the admission of Ganjam salt into Orissa.

1. Salt may be sold at the Ganjam golahs in any quantities, wholesale or retail, for consumption in Orissa, or for transport through Orissa to any other place.

2. All salt thus sold shall be covered by a protective pass, which shall be granted by the Collector of Ganjam without the payment of any fee; such salt shall require no other protective document. The pass shall be written in English and in Ooriya. It shall be dated, and shall state the quantity of salt which it covers, the place for which the salt is destined, and the number of days allowed for transit.

3. If the place of destination be within Orissa, the Collector of Ganjam shall send a copy of the pass granted by him on the day of issue to the Collector of the district in which the place of destination is situated.

4. The pass so given shall be sufficient to protect the salt specified therein from the place of sale to the place of destination, provided that the latter is reached during the period of the currency of the pass; and during this period no Bengal rule or law shall affect this salt, or the carriers thereof.

5. If, owing to accident or circumstances beyond the control of the trader, the salt should not be able to reach its destination within the period fixed, then the pass-holder shall, at least one day prior to the expiry of the pass, report the circumstance to the nearest police station, the officer in charge of which shall, unless good reason for suspecting fraud exist, endorse the pass, extending its period by one more than the number of days necessary to enable the salt to reach its place of destination. If the officer in charge apprehends fraud, he shall detain the salt, and refer the case, including a full statement by the pass-holder, to the Collector for orders. If after a pass has been once extended, a second application for extension should be made, the case shall be referred for the orders of the Collector. No salt thus detained shall be confiscated under any Bengal rule except on distinct proof of fraud; but where the pass-holder has wilfully overstayed the period of grace granted, the Collector may, if he deems it necessary, impose a moderate penalty, not exceeding 10 per cent., on the value of the salt thus delayed in transit.

6. If a pass-holder shall desire to make any alterations in the terms specified in his pass, he may apply to the Collector of the district in which the salt may then be, and such Collector may in his discretion issue an exchange pass, which, for the purposes of the Salt Act and of these rules, shall be of the same force as the original pass issued by the Collector of Ganjam. Every application to a Collector for an exchange pass shall be written upon a paper bearing a stamp of the value which the law prescribes for applications to a Collector.

7. The holder of a pass may sell portions of the salt covered by such pass in transit between the Ganjam frontier and the place of destination; but any salt so sold will become amenable to all rules which have been, or which may be, passed by the Lieutenant-Governor of Bengal under section 11, Act VII (B.C.) of 1864, subject to the provisions of the following rules.

8. Every person purchasing more than five seers of salt from a pass-holder shall give immediate notice of his purchase to the officer in charge of the nearest police station, who shall thereupon issue an atrafee rowannah or a charchittee under the ordinary rules for the protection of the salt, with a currency of not more than one month. Every police officer granting such a document shall send a copy of the same to the Collector of the district on the same day. All atrafee rowannahs and charchittees so granted by police officers shall be subject to all the rules current in Bengal in respect of such documents.

9. Salt having arrived at the place of destination, and the currency of the Madras pass, or of any extension thereof, having expired, the salt becomes amenable to all rules passed by the Lieutenant-Governor of Bengal under section 11, Act VII (B.C.) of 1864, and the holder of the salt shall be required, within 24 hours, to apply in writing to the Collector, or to such officer as may be authorised by the Collector to receive such applications, for the necessary document for the protection of the salt under the Bengal rules.

C. E. G.

11/16/18

24th 10th November 1875

Bengal Board
Revenue
Purchasing & Imp
Salt

Rs 4/15/5

Rs 4/4/9 1/2

Rs 4/4/9 1/2

No 323

12/18

From

A. O. Hume, Esquire,
Secretary to the Govt. of India,
Departt. of Rev. Agric. & Comm.

To

The Secretary to the Govt. of Bengal.

Df Simla, the 14th October 1875

9 Salt. Sir,

I am directed to acknowledge the receipt of your letter No 1283 dated the 25th May last, forwarding correspondence on the subject of the admission of Ganjam salt into Orissa, and submitting proposals together with the rules which His Honour suggests should be adopted to carry out the object.

2. In reply I am to express the satisfaction of His Excellency the Governor-General in Council at the manner in which His Honour has accepted the measures suggested in my letter of the 20th August 1874, No 242, and to sanction the adoption of the proposed rules, copies of which will be forwarded to the Government of Madras for communication to the local

Encl. No 3618/75

Recd 4/9/75

yields about 1,200 maunds per working season of 6 months, and in reply to question 9 he says that each person earns Rs. 23 in the season which would be Rs. 92 for the four persons; therefore 1,200 maunds of salt would bring Rs. 92 to the manufacturers. Reply 7 however says that only Rs. 11 is paid for 1,200 maunds. It would be well if this discrepancy could be cleared up.

8. In conclusion I aim to enquire whether the further lowering of the duty on Pooree Kurkutch now proposed would affect the Revenue from imported salt, and with a view to the proper understanding of this point, to request that the Government of India may be informed — whether there is, or is ever likely to be, any practical competition between — Orissa Kurkutch and imported English salt; whether English salt has ever been imported into Orissa, — whether Orissa Kurkutch is consumed in localities — which are also supplied with imported salt, and whether this is likely to be the —

the case if a further reduction^{14/16/8} of duty in favour of Orissa Kurkutch salt is made.

I have &c.
Sd. A. O. S. S. S.
Secretary to the Govt of India.

(True Copy)

Registrar.

15
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No. 175A., dated Cuttack, the 10th March 1875.

From—T. E. RAVENSHAW, Esq., Commissioner of the Orissa Division,
To—The Secretary to the Board of Revenue, Lower Provinces.

WITH reference to your Nos. 344B. of 16th September 1874, and 385 of 8th October 1874, I have the honor to report that, in accordance with the instructions contained in your No. 152B. of 15th May 1874, I issued necessary orders to District Collectors for the preparation of the most exact possible statistics of cost of salt manufactured in Orissa, and in the middle of June I proceeded to Ganjam for the purpose of collecting necessary information and inspecting the system of manufacture obtaining in Madras.

2. Great difficulty and delay occurred in obtaining reliable figures from licensed manufacturers in Orissa; they either kept no regular accounts, or were exceedingly indisposed to give the necessary information; however, I believe I have at last succeeded in overcoming their scruples and in getting together figures that may be relied on.

3. In Ganjam, where manufacture is carried on under direct Government supervision, the Collector was able to afford me prompt and absolutely correct particulars, and I am indebted to Mr. Davidson for the annexed replies to my written questions. I had also an opportunity of visiting the Ganjam salt works and storage platforms.

4. Annexed Statements A, B, and C exhibit the actual cost of manufacture in the Orissa districts.

Licenses Nos. 1, 2, 3, and 4 in Pooree district were for the manufacture of Kurkutch salt, and the average cost per maund was 5 annas $7\frac{7}{16}$ pies, the actual profit to manufacturers averaged 2 annas $0\frac{1}{16}$ pie per maund. All the other licenses, Nos. 5 to 12, in Pooree, Cuttack, and Balasore, were for manufacture of Punga or boiled salt, and show the average cost per maund to be 14 annas $9\frac{1}{2}$ pies, and the average profit per maund 5 annas $6\frac{1}{2}$ pies.

5. In Ganjam the actual cost of Kurkutch manufacture averages 2 annas 4 pies per maund to Government, as per answer to question 23 in schedule D. Thus, the difference in cost between Ganjam Government-manufactured Kurkutch and Pooree licensed-manufactured Kurkutch, is 3 annas $3\frac{2}{16}$ pies per maund, and the difference between cost of Ganjam Kurkutch and Orissa Punga is 12 annas $5\frac{1}{16}$ pies per maund. These differences are enhanced by the fact that Pooree Kurkutch salt costs to consumers at the golah door—

	Rs.	A.	P.
Manufacturers' cost ...	0	5	$7\frac{7}{16}$
Ditto profit...	0	2	$0\frac{1}{16}$
Government duty ...	2	4	0
Total ...	2	11	$7\frac{1}{2}$

Whereas the Ganjam Kurkutch is charged to the consumer at a price which includes cost of manufacture and Government duty—

	Rs.	A.	P.
Actual cost of manufacture ...	0	2	4
Actual incidence of duty ...	2	1	8
Total ...	2	4	0

This is for retail sales only; a further reduction is made to wholesale purchasers of 5 per cent., where a whole kandy of 1,200 maunds is taken.

Taking retail sales only, the difference in price to consumers at golah door in Ganjam and Pooree is 7 annas $7\frac{1}{2}$ pies per maund.

I submit a statement (E) giving answers of District Collectors regarding cost of transport of salt. The average cost of carriage of a maund of salt per mile by an ordinary bullock cart, calculated in the three Orissa District Collector's replies to question 5 comes to $1\frac{1}{2}$ pie per mile. So that the difference in cost of salt, 7 annas $7\frac{1}{2}$ pie per maund, divided by the cost of carriage, $1\frac{1}{2}$ pie per mile, gives a difference of 68 miles carriage, within which Ganjam Government salt competes at an advantage with that manufactured in Pooree under license—that is to say, Pooree locally-manufactured salt must, as matters now stand, inevitably be driven out of the Pooree and Cuttack district markets. As a fact, Ganjam salt is at the present moment underselling Pooree and Cuttack-made salt in the Cuttack bazaars; and unless some immediate relief be given the results must be most prejudicial to the Orissa salt trade and to the trade of the province generally, inasmuch as Ganjam carts seldom return empty, and the produce carried

Cholera for food
Indie R. Govt. Hospital
Sanctioning Rules
for Manufacture of
Salt working for
Cuttack Government
Rs. 499/75
Aug. 11/1875

back is unnaturally diverted from its legitimate channels. The same difference in favour of Ganjam salt sold in Bengal applies also to the supply to the Central Provinces, which must continue to take the cheaper Ganjam article.

7. As regards process of manufacture, the system prevailing in Ganjam is almost precisely similar to that obtaining in Pooree, the only variations being that the beds in Ganjam are a little larger, and the brine is allowed to remain a little longer in the beds before it is led into the final bed for crystalization, and here again longer time is allowed for formation of hard and firm crystals. I observed no difference in the appearance or grain of Pooree or Ganjam Kurkutch salt when freshly manufactured; but after some time of storage the Ganjam stock remains less clear than the Pooree salt and becomes tainted with a dirty brown earthy color. I attribute this to the fact that Ganjam salt is stored in thatched heaps, and is more exposed to dust and dirt than Pooree stocks, which are carefully kept in well-built and thatched golahs. I have observed that Pooree salt, after some time of storage, is apt to crush, and the crystals to break up, whereas the Ganjam crystals stand rough handling better, and retain their size. When on tour this year in the Tributary States I learned that Ganjam salt, owing to its harder crystals, is preferred for purposes of barter; it packs lighter, and is sold by measure rather than weight; and a measure of Pooree salt was found practically to contain more by weight than the same measure of Ganjam salt.

8. The difference in cost of manufacture:—

	As.	P.	
Orissa salt, Kurkutch	5	7 ⁷ / ₈	per maund.
Ganjam salt, Kurkutch	2	4	„
Difference	3	3 ⁷ / ₈	

is due to the following circumstances:—

1st.—In Ganjam labour is cheaper, and Molungees or salt-makers get only Rs. 11 for 1,200 maunds of salt made, or less than one rupee per 100 maunds; whereas in Pooree the rates paid for Molungees' labour is 3 annas per maund, or Rs. 18-12 per 100 maunds.

2nd.—In Ganjam no rent is paid for land, which is Government property, whereas in Pooree the royalty paid by manufacturers to the landowner is Rs. 3 per 100 maunds.

3rd.—Manufacture, storage, and guarding salt is all concentrated and under direct Government supervision in Ganjam, so that establishment cost is reduced to a minimum, whereas in Pooree and Orissa manufacturers have to keep up double establishments, viz., their own agents and Government preventive force to guard manufacture and to take charge of warehouses and keep account of issue and sale.

4th.—There are a variety of other incidental expenses to which Orissa manufacturers are subjected, such as the necessity for keeping an agent at the Collector's head-quarters; interest on the considerable capital and outlay involved in salt manufacture; losses on advances to Molungees; probability of being surcharged for unavoidable wastage exceeding 2½ per cent. on amount stored; losses by excessive floods, rains, and storms which in some localities injure the stock after storage. In Orissa all these risks fall on manufacturers, whereas in Madras they are borne by Government.

9. I have consulted all District Collectors as to the possibility of reducing cost of manufacture under license, without eliciting any practical suggestions. Manufacturers themselves declare that, so far as their business is concerned, they exercise the utmost possible economy. Most of them demur to heavy charges for police preventive guards and for golah and aurung establishments, and ask that these charges be borne by Government; they also urge that labour may be cheapened, and suggest reduction of royalty payable to proprietors of land on which salt is made.

10. I submit herewith a sketch map showing the recently-sanctioned zones of manufacture and graduated scale of duty, and also the boundary between Punga and Kurkutch consuming populations, which runs with the Brahmini river from the hills to the sea. The main seats of manufacture are, for Punga, the coast north of the Brahmini river, and for Kurkutch zone No. 1 only, extending from Ganjam frontier to the Kushbhudhra river; north of the Kushbhudhra the coast country is jungle and swampy, and south of it sandy and open. There is little or no manufacture of salt in zones Nos. 2, 3, and 4, or any immediate prospect of applications for license within these limits.

11. Punga salt manufacture will not, I think, need any special measures, but may be left to find its way as far south of the Brahmini river as it can compete with Pooree and Ganjam Kurkutch. What is immediately required is relief and a fair field of competition between Ganjam and Pooree Kurkutch. This can, I think, be best accomplished by reducing the scale of duty in Pooree zone No. 1, or between Ganjam frontier and the Kushbhudhra river, from Rs. 2-4 to Rs. 2 per maund. This I recommend may be done as soon as possible.

12. I have shown above that the difference in price to purchasers at the golah door in Ganjam and in Pooree is 7 annas 7½ pies per maund, so that even with a reduction for 4 annas duty in Pooree there will still remain a difference of 3 annas 7½ pies per maund in favour of Ganjam salt.

13. The correspondence with the Government of Bengal and the Government of India, received with Board's No. 385B. of 8th October and No. 344B. of 16th September 1874 indicates early removal of restriction on transport and modification of the present cumbersome and elaborate system of protective documents and statistics of consumption. These measures are much to be desired; and if any recommendation to reduce the rate of duty in Pooree from Rs. 2-4 to Rs. 2 per maund be approved, the draft rules for admission of Ganjam salts may be with safety passed. I have made a few necessary additions to Rules 4 and 5; an amended copy is annexed. Until the Bengal system is finally revised, it is absolutely necessary, for preparation of salt returns and statistics of consumption, that Collectors in Orissa be advised of sales of Ganjam salt during transit.

14. As regards proposals asked for in respect to prospective revision of Bengal system, I purpose addressing you in a separate letter.

(D.)

Questions on Salt put by the Commissioner of Cuttack, and Replies.

Questions.

Answers.

1. To whom does the land belong on which salt is made and stored? Is it Government property? If not, is any rent paid, and, if so, at what rate?

1. The land on which salt is made belongs to the ryots and no rent is paid for it, but the ryots are liable to be ousted for misconduct or neglect. That on which it is stored belongs to Government.

2. What is the cost of preparing one set of pans? Is this paid by Government or the manufacturers?

2. It costs the manufacturers Rs. 18 to prepare a set of pans for four men.

3. What process is observed, i.e., how is the land ploughed and prepared?

3. After the supply channels have been cleared, the ryots repair the embankments of the beds and reservoirs, let water into them, plough an ram them, and they are then ready for the reception of sea-water.

4. In what month does the preparation of the land and manufacture commence?

4. The preparation of the land usually commences in January, and the manufacture of salt about the middle of February in Ganjam.

5. Up to what date can manufacture be continued?

5. Up to the rains in June as a rule.

6. What months are most favourable for making salt?

6. March, April, and May.

7. What rate of pay is given to manufacturers? Are they paid by daily wage or by maunds of salt made, and at what rate?

7. They are paid at the rate of Rs. 11 per garee of 1,200 maunds at Ganjam.

8. How many men work one set of beds?

8. From 4 to 8.

9. What are the average earnings of each man per month and per working season?

9. Rs. 3-13-4 per mensem, and Rs. 23 per working season of six months.

10. What is the average yield of each set of beds per mensem, or per day, or per working season?

10. A set of beds for four persons yields about 200 maunds per mensem, 7 maunds per diem, and 200 per working season.

11. Do women and boys work at salt manufacture, and, if so, what is the average daily cooly of each, or the rate per maund?

11. Boys do not work. A few female relatives of the manufacturers do, but they receive no wage.

12. Are any money advances made to manufacturers; if so, in what proportion, at what time, and on what terms, and is any interest charged?

12. No money advances are made to manufacturers.

13. Have manufacturers any proprietary right in the land on which they make salt, or do they change their beds from year to year? In case a manufacturer dies or absconds, how are advances recovered? If advances are not given by Government, do manufacturers get advances from mahajuns, and, if so, at what rates and terms?

Yes; vide answer to question No. 1. They do not change their beds from year to year. In some cases manufacturers borrow money from mahajuns if necessary. The interest charged is at the rate of 4 annas per rupee, or 25 per cent.

Questions.

14. At what times are payments made to manufacturers for the salt? Do they get paid as the salt is made and before weighment, or after weighment?

15. What is the cost to Government of preparing the site on which salt is stored in kandies, including the surrounding hedge and ditch?

16. How many kandies are there in each enclosure?

17. What is the contents of each heap in maunds?

18. What is the cost of thatching each heap, and is this paid by the manufacturer or by Government?

19. What is the percentage of wastage allowed? Is the wastage allowance greater or proportionate to the time the salt has been stored? What is the actual average loss ascertained after weighment of a kandie, i.e., how much per cent. does the loss or wastage vary in exceptionally wet or dry seasons? How long will salt stored in kandies keep in good condition, i.e., how many years?

20. What is the strength and cost of guards employed to watch each place of manufacture, and is the strength in proportion to area or to quantity to be manufactured? What are the different grades of guards, and the pay of each grade per month? For how many months is the guard on manufacture entertained? Are they regular police, or men temporarily engaged?

21. What scale of permanent establishment is kept up at each store depot (platform), and at what cost? Is the guard in proportion to the stock to be guarded?

Answers.

14. Salt is paid for as it is received into store by weighment.

15. Rs. 650 for a platform to contain one hundred heaps of 1,200 maunds each.

16. They vary from 50 to 150, according to the size of the enclosure.

17. Maunds 1,200.

18. Rs. 7-8, paid by Government.

19. Five per cent. in the gross under all circumstances on retail. The actual average loss in this district ascertained after weighment is as near as possible 5 per cent. The loss does not vary very much in exceptionally wet or dry seasons if the heaps are properly protected. Salt stored in kandies will keep for five years.

20. The strength of the guard at the Ganjam manufactory is 87 men: their cost is Rs. 699-8-0 per mensem. They are composed partly of permanent regular police constables and partly of temporary irregular police constables, as per margin. The strength is regulated as well with regard to the area as to the quantity of salt to be manufactured and stock to be guarded. The temporary guard is entertained for five months.

21. The establishment at Ganjam, where there are three platforms, is as follows, viz.—

	Rs.
1 Superintendent	85
1 Assistant Superintendent	20
1 Ditto ditto	15
1 Head Clerk	20
2 Clerks, at Rs. 15 each	30
1 Shroff	15
5 Peons, at Rs. 6 each	30
8 Vettigans, at Rs. 5 each	40
6 Weighers, at Rs. 6 each	36
26	
Total	291

For the last paragraph of question, vide answer to previous question.

Questions.

22. What supervising establishment is kept up and at what cost, i.e., Deputy Collector and Inspectors? What is the extent of the Deputy Collector's and Special Officer's jurisdiction?

23. Give the actual average cost price to Government of every maund of salt, including all expenses of manufacture, storage, and guarding, including special establishment?

24. What protective documents are current to protect salt in transit from golah to place of sale? Give the purport of every sort of protective document or rowannah.

25. If salt is sold under rowannah for local consumption, is the rowannah-holder allowed to take the salt out of the district?

26. Are rowannahs issued returned when salt is sold, and, if so, are the items of sale entered at back?

27. Is there any separate account kept of salt sold for district consumption and salt sold for export?

28. Is there any penalty for selling salt on the road from the salt stores to place of destination entered in rowannah?

29. Similarly, is there any penalty for selling salt sold for export in the district?

30. Give form of rowannah used to protect salt in the district.

31. Ditto to Sumbulpore.

32. Ditto to Bengal.

33. Give the average weight in maunds of salt carried by cart drawn by one pair of buffaloes or bullocks.

34. What is the rate of hire of a cart per day, specifying any inequality in rates in different parts of the district, or at different times of the year?

35. How many miles will a cart travel per day with an average load in the dry and wet seasons?

Answers.

22. One Deputy Collector on Rs. 250 per mensem, with travelling allowance at Rs. 3 per diem, and an establishment, as per margin, at a cost of Rs. 145 per mensem. There are no Inspectors at present. The Deputy Collector's jurisdiction is co-equal with the limits of the district.

23. The actual average cost price to Government of salt made at Ganjam is Rs. 2-4 per maund.

24. Three, viz. :—

(1)—Pass for home consumption.

(2)—Pass for Central Provinces.

(3)—Rowannah for salt taken to Orissa.

Copies are enclosed which will furnish the information asked for in the 2nd paragraph of the question.

25. Yes; he could take it out of the district, but not out of the presidency. Under Act X of 1874 he can take it anywhere now.

26. No; under the system in force in this presidency no such measure is called for.

27. Yes.

28. None within this presidency limits, foreign settlements excepted. Outside those limits the Bengal and Central Provinces preventive system was in operation.

29. No; the extra duty paid on salt sold for export to Orissa ensures its passing out of the district; salt sold for home consumption and for export to the Central Provinces paid an identical duty of Rs. 2 per maund, consequently no penalty was levied on salt sold in the district which had been intended for export to the Central Provinces. It was only after the salt reached the Central Provinces' line of customs that the extra duty was collected.

30. Vide answer to question No. 24.

31. Ditto.

32. Ditto.

33. This varies according to the season of the year; but 12 maunds per buffalo and 10 maunds per bullock cart may be taken as an average load.

34. The average rate of the hire of a cart per diem is a little over Re. 1 throughout the district during the non-cultivating season; during the cultivating season an addition of 3 or 4 annas will be charged.

35. From 16 to 20 miles per diem during the dry, and from 14 to 18 miles during the wet season.

17
16/8

208-4

Questions.

Answers.

36. What is the average cost of carriage of a maund of salt per mile—

- (1)—By boat.
(2)—By cart.
(3)—By bullock.

37. What are the main routes by which salt is carried out of Ganjam, i.e., to Cuttack, to Sumbulpore.

36. None is now sent by boat—

Rs. .87
Rs. 1.37.

37. The main routes to Cuttack runs *via* Rumbha, Burcole, Sonnakalla, Tangy, Jenkia, Koordah, Mendasalo, and Chundia.

Of the two main routes to Sumbulpore, one is *via* Rumbha of Ganjam district, and Burcole, Sonnakalla, Tangy, Jenkia, Koordah, Chandpur, Autgurh and Ungool (or Talehere) of Bengal Provinces, and the other *via* Aska, Ballipadra, Bugada, and Kurcholly of Ganjam district, and Roibanka and Nyagurh* to Kundpara,* Bisipara* (to which place are two alternative routes) either *via* Kontillo* or *via* Mohitama,* Daspullah* (to which the road lies along the southern bank of the Mahanuddy), Sonepur and Sohela, or across the Mahanuddy at Berpara and *via* Narsingpore* and Ungool.*

* Of Tributary Mehals of Bengal.

(Sd.) T. E. RAVENSHAW,
Commissioner.

(Sd.) R. DAVIDSON,
Collector.

J. A. R.

REVENUE DEPARTMENT.

MIS. REVENUE—No. 1283.

CALCUTTA, DATED THE 25TH MAY 1875.
ISSUED THE MAY

FROM H. J. REYNOLDS, Esq.,

Offg. Secretary to the Government of Bengal,

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

SIR,

I AM directed to submit, for the consideration of His Excellency the Governor-General in Council, the following reply to your letter No. 242, dated the 28th August 1874. I am to express the regret of the Lieutenant-Governor that it should not have been found possible to submit this answer on an earlier date. The decision of the question, so far as the Government of Bengal is concerned, has been delayed, first, by the inherent difficulties attending it; secondly, by the departure, on leave, of the Member of the Board of Revenue in charge of the Salt Department; and thirdly, by a misapprehension on the part of the local officers, who were under the impression that it was the wish of the Government of India that the revised draft rules for the admission of Ganjam salt into Orissa should be submitted simultaneously with the proposals for the scheme for the abolition of the rowannah system.

2. The present officiating Member of the Board of Revenue has recorded a Minute on the subject, and has proposed draft rules for the acceptance of the Government of India. He considers that the conclusions at which he has arrived are borne out by the statistics collected by the Commissioner of Orissa regarding the comparative cost of salt manufacture in Orissa and in Ganjam. I am directed by the Lieutenant-Governor to submit, for consideration, copies of these papers, with the covering letter from the Secretary to the Board of Revenue, No. 318B., dated the 27th April, which contains a summary of the proposals which Mr. Dampier recommends for adoption.

3. It will be observed that the rules, as drafted by Mr. Dampier, contain relaxations in several important particulars of the rowannah system heretofore existing in Orissa under the Bengal Act VII of 1864. Mr. Dampier is of opinion that, with these relaxations, it will not be practicable to maintain a proper check upon Orissa salt, as there is no perceptible difference between the appearance of Pooree Kurkuteh and of Ganjam salt, so long as the latter has been freshly manufactured.

4. Sir Richard Temple considers it his duty to lay before the Government of India this expression of opinion on the part of the Board of Revenue, and he would request attention to those paragraphs of the Minute which represent the danger of dispensing with the rule which requires the protective pass to be kept with the salt throughout its transit.

5. At the same time, it appears to the Lieutenant-Governor that even the modified restrictions which Mr. Dampier advocates are inconsistent with the policy which the Government of India has expressed its desire to adopt in

dealing with the salt preventive system. The object of the Bengal rules, as the Commissioner of Orissa graphically expresses it, is to enable the Government to trace the salt into the mouth of the consumer. The draft rules proposed by Mr. Dampier, though they relax some of the precautions which have hitherto been maintained, differ from the Madras system in requiring that the pass shall be given up when the salt has reached its destination, or when it passes out of Orissa, and that sales made in transit shall be notified on the pass, so as to enable the authorities to account for the entire quantity of salt covered by the pass. The Lieutenant-Governor understands it to be the wish of the Government of India that interference with the internal transit of salt should be reduced to a minimum, and should eventually be entirely abandoned, the efforts of Government being confined to the prevention of illicit manufacture of salt in places where such manufacture is practicable, and of illicit removal of salt from places of licensed manufacture. It therefore appears to His Honor that the Government of India cannot consistently accept Mr. Dampier's proposals, and I am accordingly directed to submit a draft of rules framed in accordance with the policy indicated in your letter under reply; and I am to say that if these rules are approved by the Government of India, the Lieutenant-Governor is prepared to accept them, and to use his best efforts to have them carried out in such a manner as to afford to the salt revenue all the security which may be possible under them. But I am to represent that, in the opinion of officers whose experience qualifies them to judge, the adoption of these rules will necessarily involve some danger to the revenue. The risk is of two kinds—first, from illicit Madras salt being smuggled into Orissa, where it will be exempted from further interference; and secondly, from illicit Pooree salt being circulated under the name of Ganjam kurkutch, from which it is in appearance undistinguishable.

6. I am further to request the attention of the Governor-General in Council to the evidence which these papers afford of the advantages enjoyed by dealers in Ganjam salt over the Pooree manufacturers. The causes of the difference in the cost of manufacture are explained in the 8th paragraph of Mr. Ravenshaw's letter No. 175A of the 10th March, and the 5th paragraph of Mr. Dampier's Minute shows how largely the population of the south-western extremity of Pooree depends upon the manufacture of salt as a means of livelihood. In order, in some measure, to remove the existing inequalities, and to preserve the Pooree manufacture from the extinction with which it appears to be threatened, the Lieutenant-Governor proposes, with the approval of the Government of India, to carry into effect the three recommendations suggested in the 3rd paragraph of Mr. Grimley's letter No. 318B of the 27th April.

7. But these measures would by themselves be insufficient, and the Commissioner of Orissa recommends the reduction of the duty on Pooree kurkutch from Rs. 2-4 to Rs. 2 per maund. The Member in charge has remarked that this cannot be done without a change in the law; but the Lieutenant-Governor does not concur in this opinion. If the law authorizes the Government to levy a duty of Rs. 2-4, it would, His Honor thinks, be open to the Executive, without any change in the law, to consent to waive a portion of its rights, and to require that only Rs. 2 shall be paid.

8. The Lieutenant-Governor accordingly desires to recommend, for the favorable consideration of His Excellency the Governor-General in Council, this proposal of the Commissioner for the reduction of the duty. The relief would not very largely affect the revenue, as it would extend only to the kurkutch salt manufactured in Pooree. The effect of the measure would not give the Pooree salt any advantage over the Ganjam manufacture; for it is shown that Pooree kurkutch costs, to consumers at the golah door, 7 annas 7½ pies, exclusive of duty; whereas Ganjam salt costs Rs. 2-4, including the duty. In the immediate neighbourhood of the Madras frontier, the Ganjam salt would still be able to undersell that of Pooree; but taking into consideration the cost of carriage, it appears that the reduction of the duty

would place the two descriptions of salt on an equality at a distance of about 30 miles from the frontier; whereas at present the Ganjam salt enjoys an advantage within a distance of about 68½ miles. Looking to the importance of the salt manufacture to the general trade of Orissa, and especially to the inhabitants of the neighbourhood of the Chilka lake, with whom it forms their principal source of livelihood, the Lieutenant-Governor would strongly advocate the proposed reduction of duty.

9. In conclusion, I am to report that a scheme to provide for the cessation of all interference with the internal transit of salt in Orissa is now under preparation by the Board of Revenue, and that the proposals of the Lieutenant-Governor for carrying these measures into effect shall be submitted to the Government of India with as little delay as possible.

I have the honor to be,

SIR,

Your most obedient servant,

H. J. REYNOLDS,

Offg. Secretary to the Govt. of Bengal.

No. 324

20
16/8

FROM

C. J. LYALL, ESQUIRE,

Under-Secretary to the Government of India,
Department of Revenue, Agriculture
and Commerce,

TO

The Secretary to the
Government of Madras.

Simla, dated 14th October 1875.

Customs & Salt. SIR,

With reference to the correspondence ending with your letter No 301 dated the 25th February last, I am directed to forward for the information of His Excellency the Governor in Council, copy of the papers noted in the margin, showing the rules and the measures which have been sanctioned in order to facilitate the admission of Ganjam Salt into Orissa.

2. I am at the same time to draw attention to my letter dated the 7th June last, No 178, and to request that the information therein asked for, as to the exact cost of the manufacture of salt in Ganjam, may be supplied at as early a date as practicable. A

Letter from Bengal No 324 of the 25th May 1875 & enclosure letter to Bengal No 325 of 14th October 1875

Agree 25th May 1875. 1875
Letter from Bengal
No 324 of the 25th May
1875 forwarded
directly to the Bengal
Government
& as forwarded by the
Govt of Bengal

Dec 4/75
Dec 4/75

Dec 4/75

copy of the rules has been sent direct
to the Collector of Gangan.

I have the honour to be,
Sir,
Your most obedient servant,

Genl. Sir. Galt
Under Secretary to the Govt. of India.

80 4158
Revenue 1875 Sept 20
From The Under Secy to the
Govt. of India
Dy. Secy to Govt. of India

Dates 14: 3 Oct 75
Rev. 20: 3 Oct 75
Mr. 7 9.1 1875
11. 0. 2. 1875
Forwarding for
information copy of papers
showing rules & measures
sanctioned to facilitate ad-
mission of Gangan Salt into
Orissa Frequent's early reply
to previous letter of 7. June last
No 178 enquiring as to the exact
cost of the manufacture of
Salt in Gangan.

In the order
November 1875

175 No 2 303-305
53-56
1603 1610

No 1618

Communicated to the
Board of Revenue for information
& guidance of
14. To the Board of Rev
10 November 1875

230 235 235 235 235 235