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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No.
~~B.P. No.~~

1732

Press
~~Mis.~~

Dated 2-12-1875-196 .

Not to be folded or roughly handled

No. 28. Read the following Extract from the Proceedings of the Government of India in the Department of Revenue, Agriculture, and Commerce, (Customs and Salt,) dated Calcutta 18th November 1875, Nos. 379/381 :—

Read—

Despatch from Her Majesty's Secretary of State for India, No. 8 (Separate Revenue,) dated the 29th July 1875, desiring an inquiry into the merits of the existing system by which the salt revenue is raised in the Madras Presidency under a Government monopoly, and the expediency or otherwise of replacing it by altered arrangements, together with other correspondence on the subject.

OBSERVATIONS.

HIS HONOR the President in Council observes that the question of substituting an excise for the existing monopoly system has already been disposed of as regards the two western districts of Madras. As regards the expediency of effecting a similar change of system in the rest of that Presidency, the information available is too imperfect to permit as yet of any definite conclusion being arrived at.

2. Looking to the serious importance of the whole subject, economically, fiscally,

President.
C. Pritchard, Esq., Commissioner of Customs,
Bombay.

Members.
J. Geoghegan, Esq., Secretary to the Board of
Revenue, Bengal.
H. E. Stokes, Esq., Secretary to the Board of
Revenue, Madras.
R. M. Adam, Esq., Deputy Commissioner,
Inland Customs Service.
Venkasawmy Row, First Assistant, Revenue
Secretariat, Madras.

Secretary.
H. A. Willock, Esq., Acting Senior Assistant,
Vizagapatam.

and socially, His Honor has decided, after communication with the Government of Madras, and with their cordial concurrence, to appoint a Commission to investigate and report thereon. Accordingly, His Honor the President in Council is pleased to nominate the gentlemen noted on the margin to be a Commission for this purpose.

3. The following questions, among others, will more specially engage the attention of the Commission :—

I.—What is the quality and composition of the salt produced at the various works and sold by Government wholesale and by the dealers retail in different parts of the Presidency?

II.—Are there any grounds for supposing that the people would prefer or appreciate a better quality of salt than that now supplied to them? Is it anywhere the practice to redissolve and evaporate the Government salt in view to obtaining a purer article for consumption? Is it anywhere the practice for the wholesale purchasers of, and dealers in, Government salt to adulterate it before allowing it to pass into the consumer's hands? Upon this subject it will be interesting to ascertain if any Bombay salt has been introduced into the Presidency of Madras by land since the opening of the railway.

Proceedings of the Madras Government, Revenue Department,
2nd December 1875.

III.—What is the actual cost to Government of the monopoly salt, including
*i.e., a system under which the licensed manufacturer defray all expenditure which Government incurs to secure itself against any violation or evasion by the manufacturer or his servants of the excise laws and rules.
under cost all expenditure or loss, actual or constructive, on account of or connected with the salt, that would be avoidable were the entire salt-supply furnished under a self-supporting* system of excise, or imported by sea, made to pay duty before leaving bond and left thereafter free from interference?

IV.—What is the actual retail selling price of monopoly salt (adulterated or not, as the case may be) in town and village bazaars in different portions of the Presidency; and if in any locality this very materially exceeds the Government monopoly price. What are the items that compose the excess? The Commission should collect information regarding the distribution of the salt, the cost of carriage to different parts of the Presidency, and the amount of such salt which is exported to other parts of British India and to Native States; and give their opinion as to the average annual consumption of salt per head in the Madras Presidency.

V.—Is the system under which Government now obtains its salt in any respect needlessly costly? What is the average per-centage of wastage first, between the time of manufacture and the taking over the salt by Government, and, second, between this latter and the final sale by Government.

VI.—What is the extent and value for purposes other than salt manufacture of the whole of the land in the Presidency now occupied by open salt-works?

VII.—Are there any, and if so what, practical difficulties attendant on substituting a system of excise for the present monopoly?

VIII.—What would be the probable result,—first, as regards the cost to the consumer, second, as regards the net revenue to Government,—of substituting an excise for the present monopoly?

IX.—The Commission will also examine and report on the cost of manufacturing salt in Pooree and other salt-works in Orissa which border upon the Madras Presidency.

ORDER.—Ordered that a copy of this Resolution be forwarded to the Governments of Madras, Bombay, and Bengal, for information and guidance, and that this Resolution be published for general information.

(True Extract.)

(Signed) A. O. HUME,
Secretary to the Government of India.

No. 379.

To the Government of Madras.

Proceedings of the Madras Government, Revenue Department,
2nd December 1875.

No. 29.

ORDER THEREON, 2nd Dec.

Separate Revenue, No. 3.

Customs and Salt.

H. E. Stokes, Esq.
W. A. Willock, Esq.
T. Venkasawmy Row, First Assistant, Revenue Secretariat.

(True Extract.)

(Signed)

D. F. CARMICHAEL,
Secretary to Government.

1732
75, No. 1,732.
MUNICIPATED to the Board of Revenue to the gentlemen noted in the two of whom are at Madras. Block will be desired to proceed.

To the Board of Revenue.

To H. E. Stokes, Esq.

„ W. A. Willock, Esq.

„ M. R. Ry. T. Venkasawmy Row Garu.

The Accountant General

Exd. F. R. Bantleman.

Govt. of Madras
REVENUE.
THE BOARD OF REVENUE.
 Dated December 2nd.
 C. O. 2nd December 1875, No. 3832.
 No. 2849.

Self-monopoly.—Communicating to the Board of Revenue and to the gentlemen named Resolution of the Government of India appointing a Commission for the consideration of the question of the substitution of a system of salt excise for the Government — in Madras.

Nos. 379-381.

Extract from the Proceedings of the Government of India in the Department of Revenue, Agriculture and Commerce, dated Calcutta, the 18th November 1875.

[CUSTOMS AND SALT.]

READ—

Despatch from Her Majesty's Secretary of State for India, No. 8 (Separate Revenue), dated the 29th July 1875, desiring an enquiry into the merits of the existing system by which the salt revenue is raised in the Madras Presidency under a Government monopoly and the expediency or otherwise of replacing it by altered arrangements, together with other correspondence on the subject.

OBSERVATIONS.

HIS HONOUR the President in Council observes that the question of substituting an excise for the existing monopoly system has already been disposed of as regards the two western districts of Madras. As regards the expediency of effecting a similar change of system in the rest of that presidency, the information available is too imperfect to permit as yet of any definite conclusion being arrived at.

2. Looking to the serious importance of the whole subject, economically, fiscally and socially, His Honour has decided, after communication with the Government of Madras and with their cordial concurrence, to appoint a Commission to investigate and report thereon. Accordingly, His Honour the President in Council is pleased to nominate the gentlemen noted on the margin to be a Commission for this purpose.
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|---|---|
| <i>President.</i>
C. Pritchard, Esq., Commissioner of Customs, Bombay. | His Honour has decided, after communication with the Government of Madras and with their cordial concurrence, to appoint a Commission to investigate and report thereon. Accordingly, His Honour the President in Council is pleased to nominate the gentlemen noted on the margin to be a Commission for this purpose. |
| <i>Members.</i>
J. Geoghegan, Esq., Secretary to the Board of Revenue, Bengal.
H. E. Stokes, Esq., Secretary to the Board of Revenue, Madras.
R. M. Adam, Esq., Deputy Commissioner, Inland Customs Service, Venkasawmy Row, 1st Assistant, Revenue Secretariat, Madras. | |
| <i>Secretary.</i>
H. A. Willock, Esq., Acting Senior Assistant, Vizagapatam. | |

3. The following questions, among others, will more specially engage the attention of the Commission:—

- I.—What is the quality and composition of the salt produced at the various works and sold by Government wholesale and by the dealers retail in different parts of the presidency?
- II.—Are there any grounds for supposing that the people would prefer, or appreciate, a better quality of salt than that now supplied to them? Is it anywhere the practice to re-dissolve and evaporate the Government salt in view to obtaining a purer article for consumption? Is it anywhere the practice for the wholesale purchasers of and dealers in Government salt to adulterate it before allowing it to pass into the consumer's hands? Upon this subject it will be interesting to ascertain if any Bombay salt has been introduced into the Presidency of Madras by land since the opening of the railway.
- III.—What is the actual cost to Government of the monopoly salt, including under cost all expenditure or loss, actual or constructive, on account of or connected with the salt, that would be avoidable were the entire salt supply furnished under a self-supporting* system of excise, or imported by sea, made to pay duty before leaving bond and left thereafter free from interference?
- IV.—What is the actual retail selling price of monopoly salt (adulterated or not, as the case may be) in town and village bazaars in different portions of the presidency; and if in any locality this very materially exceeds the Government monopoly price, what are the items that compose the excess? The Commission should

* *i. e.*, a system under which the licensed manufacturer defrays all expenditure which Government incurs to secure itself against any violation or evasion by the manufacturer or his servants of the excise law and rules.

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collect information regarding the distribution of the salt, the cost of carriage to different parts of the Presidency, and the amount of such salt which is exported to other parts of British India and to Native States; and give their opinion as to the average annual consumption of salt per head in the Madras Presidency.

- V.—Is the system under which Government now obtains its salt in any respect needlessly costly? What is the average percentage of wastage—*first*, between the time of manufacture and the taking over the salt by Government, and *second*, between this latter and the final sale by Government?
- VI.—What is the extent and value for purposes other than salt manufacture of the whole of the land in the presidency now occupied by open salt works?
- VII.—Are there any, and if so what, practical difficulties attendant on substituting a system of excise for the present monopoly?
- VIII.—What would be the probable result—*first*, as regards the cost to the consumer, *second*, as regards the net revenue to Government—of substituting an excise for the present monopoly?
- IX.—The Commission will also examine and report on the cost of manufacturing salt in Pooree and other salt works in Orissa which border upon the Madras Presidency.

ORDER.—Ordered, that a copy of this Resolution be forwarded to the Governments of Madras, Bombay and Bengal, for information and guidance, and that this Resolution be published for general information.

(True Extract.)

R. S. S. S.

Secretary to the Government of India.

No. 379

To
The Government of Madras

1875.

GOVERNMENT OF INDIA.
DEPARTMENT OF REVENUE,
AGRICULTURE AND COMMERCE.

CUSTOMS and SALT.

RESOLUTION.

To

Nos. 379-381.

Dated Calcutta, the 18th November 1875.

SUBJECT.

FORMATION of a Committee for the consideration
of the question of the substitution of a system
of salt excise for the Government monopoly in
Madras.

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GOVERNMENT OF INDIA.
DEPARTMENT OF REVENUE,
AGRICULTURE AND COMMERCE.

CUSTOMS and SALT.

RESOLUTION.

N^o 1732

Communicated to
the Board of Revenue
and to the

gentlemen
noted in the
margin; two of
whom are at Madras. Mr. Willoughby will
be desired to proceed thither. Ld

To

Nos. 379—381.

Dated Calcutta, the 18th November 1875.

Recd 25th —

W. L. Wilson

To the Board of Revenue
2nd Decr 1875
Cc to Mr. Desai
W. L. Willoughby Esq.
Mr. D. F. Willoughby Esq.
To Accountant General Secy 19 Jan 76

SUBJECT.

FORMATION of a Committee for the consideration
of the question of the substitution of a system
of salt excise for the Government monopoly in
Madras.

No 1732 - 2 December 1875

O. S. G. P.—No. 293, R., A. & C.—18-11-75.—70.

With Order