M.R.O. 1—20,002—12-8-65.

(1) Number of Pages 88

(2) Date of repair 3-5-68

(3) Initials of the Referencer 8-5-68

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No. 1834 Press
~~B.P. No.~~ ~~Mis.~~

Dated 22.12.1875 ~~196~~ .

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department,
22nd December 1875.

Read the following :—

No. 229. Proceedings of the Board of Revenue, dated 10th November 1875, No. 3,076.

Read again Board's Proceedings, dated 23rd July 1875, No. 2,059.

Read also the following letter from R. DAVIDSON, Esq., Acting Collector of Ganjam, to H. E. STOKES, Esq., Acting Secretary to the Board of Revenue, dated Berhampore, 26th August 1875, No. 1,848 :—

I HAVE the honor to acknowledge receipt of Board's Proceedings, dated the 23rd ultimo, No. 2,059, and, as directed, I now furnish a statement affording the information called for by the Government of India, and beg to offer the following remarks on the proposals of the Government of Bengal.

2. In paragraph 5 of the letter from the Secretary to the Government of Bengal, to the Secretary to the Government of India, dated 25th May 1875, Miscellaneous Revenue No. 1,283, the Lieutenant-Governor has concisely stated that he "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," and that such is the intention of the Government of India admits of no doubt. But it appears from paragraph 14 of the Orissa Commissioner's letter, dated 10th March, No. 175-A, that nothing practical has as yet been done in the direction indicated, although sixteen months have elapsed since the passing of Act X. of 1874.

[illegible] The Lieutenant-Governor has however submitted, for the approval of the Government of India, a draft of "Rules for the admission of Ganjam salt into Orissa," prepared on the basis of those drafted by the Government of India for temporary adoption, "while the Government of Bengal is maturing such arrangements as will render interference with the internal transit of salt in Orissa altogether needless."

4. In my letter, dated 23rd October 1874, No. 2,222, I dwelt at length on the importance of a definite date being fixed within which the Bengal Government might be required to mature those arrangements, and I suggested the liberal margin of two years from the date on which Act X. of 1874 came into operation, *viz.*, April 1874, being allowed for the purpose. The Board of Revenue and Government approved and strongly supported my recommendation—*vide* paragraph 7, Board's Proceedings, dated 17th November 1874, No. 3,301, and G.O., dated 10th December 1874, No. 1,591.

5. As regards the rules proposed by the Government of Bengal, I beg to remark that the exceptions which I took in my letter, dated 23rd October 1874, No. 2,222, to the model rules then under consideration apply equally to the present ones, the chief objection still continuing to be, the power of detention which it is proposed to confer on the Police, notwithstanding that Mr. Dampier in

paragraph 7 of his minute, dated 27th April 1875, admits that 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."

6. Should however the Government of India not recognize the force of the objections, it only remains for me to acquiesce in the rules, or to suggest that rather than the minds of traders should again be unsettled by the introduction of changes, which they are slow to apprehend, it would be better to leave matters as they are at present, the more especially as existing arrangements are in accordance with the wishes of the Bengal Government and are merely to be in force as a temporary measure for a brief period.

7. I observe that in the latter portion of paragraph 5 of the Bengal Government's letter quoted in paragraph 2 *supra*, the Lieutenant-Governor of Bengal has represented that in the "opinion of officers whose experience qualifies them to judge, the adoption of these rules (as proposed by him) will necessarily involve some danger to the Revenue," first, from the risk of illicit Madras salt being smuggled into Orissa; second, from the risk of illicit Pooree salt being circulated under the name of Ganjam Kurkatch from which it is in appearance undistinguishable.

8. I note that the Lieutenant-Governor has not himself endorsed this opinion, and I respectfully submit that there is not now, and, so far as I am aware, has not been for many years past reason to apprehend "danger to the revenue" from illicit Madras salt being smuggled into Orissa. I am aware of no instance of illicit salt having been so smuggled of late years, and, notwithstanding that, since the passing of Act X. of 1874, Ganjam salt properly protected has been repeatedly stopped and reweighed by the Police in Orissa, I have the satisfaction of being able to state on the authority of the Commissioner of Orissa, and of the Collector and Superintendent of Police of Pooree, that in no instance was any smuggled salt or any variation between the actual quantity found, and that entered in the pass discovered.

9. I instance, as a case in point, the occasion in March last, when Mr. Green, the Superintendent of Police, Pooree, under instructions from the Pooree Revenue authorities, stopped five batches of properly-protected Ganjam salt between the Border and Cuttack, and had the whole quantity of salt tested by reweighment with a pucca maund weight. One batch alone contained fifteen bandies, the other batches were somewhat smaller. This incident is of itself sufficiently indicative of the complete check exercised in Ganjam over the manufacture and issue of Ganjam salt, and of the security which exists for the full realization of the Government duty, before any salt leaves the Government platforms in the district.

10. I may add that when the scheme which is now before Government for further strengthening the salt guards, and patrol system in Ganjam has been finally sanctioned, the effect will be to render salt smuggling next to impossible.

11. I further respectfully submit that there is a very material and obvious distinction between Ganjam and Orissa made salt, as well in the size of the crystal as in the general appearance, quality, and carrying capabilities of the salt.

I forward samples of both Orissa and Ganjam salt, in order that the Board may be able to form their own opinion on the subject. The Orissa samples I myself procured when I visited the Pooree District last June.

12. I am not prepared to dispute the fact that illicit manufacture and smuggling of salt obtain to a large extent in Orissa, and it is not my province to offer any remarks regarding it, but my position is this, that no salt leaves the Ganjam District for Orissa, or elsewhere, without the Government duty having been levied on it, and without all the requirements of the law and rules in force having been complied with in regard to it. The same cannot be said of Orissa salt, and it, therefore, seems to me to be alike inconsistent with, and opposed both to, the interests of Government and the public, to place the two on the same footing. Ganjam salt finds its way into remote parts of the kingdom. It is only in Orissa, however, that it is subjected to a "stringently restrictive system" sanctioned by authority.

13. I now proceed to offer my remarks on the suggestions made by the Orissa Commissioner and supported by the Lieutenant-Governor of Bengal, with regard to the reduction of duty on Orissa salt, from Rupees 2-4-0 to Rupees 2 per maund, and I trust I may be permitted to premise by observing that it seems to me to be premature to moot this question of reduction at all, until effect has been given to the instructions conveyed by the Government of India in their letter, dated 28th August 1874, No. 242, which required the Bengal Government to mature such arrangements in regard to fencing and guarding the place of manufacture and storage and patrolling as to admit of all the present restrictive measures being entirely removed. This has not yet been done—*vide* paragraph 2 *supra*.

14. In the Bengal Government's letters already quoted, as also in Mr. Dampier's minute, particular stress has been laid on two points, in advocating a reduction of duty. They are, first, that the Ganjam salt-dealer enjoys an advantage over the Pooree manufacturers in the matter of carriage alone over a distance of 68½ miles; secondly, that "the population of the south-western extremity of Pooree depends upon the manufacture of salt as a means of livelihood."

15. On the first point, I beg to remark that the whole of the Commissioner's calculations are made with regard to land carriage alone, whereas throughout the year nearly all Orissa salt is conveyed a great part of the way by boat, and during the rains it is taken from the Orissa golahs on the Chilka the whole way to Cuttack by boat, without breaking bulk. The difference of cost between land and water carriage, especially where bulk is not broken, is so material and so universally recognized that it seems matter for regret that it should have been overlooked by the Commissioner in dealing with a point to which so much importance has been attached. I dispute, therefore, the accuracy of the Commissioner's data, in regard to the advantage which he alleges the Ganjam dealer to possess over a Pooree manufacturer in the matter of carriage, and I am not prepared to admit, should he allege it, that the cost of land and water carriage may be the same. I here note the distinction.

Ascertained actual average cost of carriage of 100 maunds of salt from Ganjam to Cuttack by land, at about 12 maunds per bandy, Rupees 45-13-4, or Annas 7-4 per maund.

Ascertained actual average cost of carriage of 100 maunds of salt from Pooree platforms to Cuttack partly by water and partly by land, Rupees 28-4-0 as per margin,* or Annas 4-6 per maund.

	RS.	A.	P.
* Shipping charges	0	12	0
Boat-hire from golah to Bisothalpenta, including landing and loading charges	5	0	0
Bandy-hire from Bisothalpenta to Cuttack	22	8	0
	28	4	0

Ascertained actual average cost of carriage of 100 maunds of salt by boat without breaking bulk, Rupees 23-12-0, or Annas 3-10 per maund as per margin.†

	RS.	A.	P.
† Shipping charges	0	12	0
Boat-hire from golah to Cuttack...	20	0	0
Landing charges at Cuttack	3	0	0
	23	12	0

All Pooree-made salt must go from the golahs to Cuttack either wholly or partly by water, except perhaps a small quantity from Baracoodu and its neighbourhood.

Even supposing Ganjam salt were sent partly by land and partly by water instead of wholly by land, Pooree salt would still retain an advantage over it of Rupees 5-15-0 per 100 maunds, or 11 Pies a maund, owing to the shipping facilities which Pooree traders possess over those at Ganjam as shown in the margin.‡

	RS.	A.	P.
‡ Cart-hire from Ganjam to Rumbah, including shipping charges at Rumbah	4	11	0
Boat-hire from Rumbah to Bisothalpenta	7	0	0
Cart-hire from Bisothalpenta to Cuttack, including loading charges	22	8	0
	34	2	0
Deduct similarly circumstanced carriage of Pooree salt as shown above	28	4	0
Advantage in favor of Pooree salt... or 11 pies per maund; or if taken by boat from Rumbah to Cuttack without breaking bulk, Rupees 34-11-0, viz.:—	5	15	0
Cart-hire from Ganjam to Rumbah, including loading charges ...	4	11	0
Boat-hire from Rumbah to Cuttack	27	0	0
Landing charges	3	0	0
	34	11	0
Advantage in favor of Pooree salt similarly circumstanced, Rs. [illegible], or Annas 1-6 per maund.			

16. As regards the second point, I have no desire to detract either from the sympathy to which the ryots of the south-western extremity of Pooree are entitled, owing to the suffering which they endured in common with others in the trying seasons of 1866 and 1871, or from the meritorious services which the Parikud Rajah rendered in alleviating the distress; but I submit, with due deference, that the said ryots are nevertheless better off than their Ganjam neighbours who had the misfortune to suffer to a greater extent even than they did during the famines of those two years, besides which the sufferers in Ganjam were far more numerous than those in the southern parts of Pooree.

17. It seems to me that undue importance is sought to be attached to the condition in which these few isolated inhabitants of a remote corner of the Pooree District are represented to be. They are as free as any other section of the community to earn an honest livelihood in any manner they may select, and, if they prefer not to do so, I can only consider it to be owing, among other things, to the advantage which they derive from the privilege they enjoy of being permitted to make salt free of duty in quantities not exceeding 5 seers at a time for domestic consumption. It does not appear, therefore, to be of necessity, but from choice that these people depend chiefly upon the manufacture of salt as a means of livelihood. They fish and cultivate like their neighbours.

18. In further illustration of my position that the Pooree salt ryots and other labouring classes are better off than their Ganjam neighbours, I may mention that they are admittedly paid a much higher rate of wage than Ganjam ryots, that an infinitesimally small number are compelled to emigrate from Pooree as compared with this district, and that the price of Pooree paddy is so much below that of Ganjam as to admit of a large export trade in paddy from the Pooree District being carried on with this district. As a matter of fact, I may also mention that I saw sixty families, representing about 300 souls belonging to the Ganjam District, engaged in manufacturing salt in the Pooree District. They had been tempted there by the higher rate of wages.

19. In June 1874, when the Commissioner of Orissa honored me with a visit, and inspected the Ganjam pans, he submitted to me the thirty-seven questions to which my replies are given in the printed enclosure to the Commissioner's letter, dated 10th March 1875, No. 175-A. I requested him to reciprocate the information as regarded his division, and furnished him with a set of questions for the purpose; but as up to June last, owing probably to reasons mentioned in paragraph 2 of his letter I had received no reply, I availed myself of his invitation and of the permission given me by the Board of Revenue to visit the Pooree pans, and, owing to the courtesy of the Commissioner, the Collector of Pooree, and the Superintendent of Police, I was enabled to obtain a full insight into the working of their excise system, and to procure nearly all the information I desired.

20. I propose now to contrast the two systems of manufacture as at present obtaining in the Ganjam and Pooree Districts.

21. In the Ganjam District, where the monopoly is entirely in the hands of Government, the first object sought to be attained is excellence in the quality of the salt which is manufactured on the latest and most approved scientific principles; the quantity, which is practically illimitable, being regulated by the probable demand.

22. Any deterioration in the quality of the salt manufactured would immediately result in a decrease of sales and consequent diminution of the revenue of the district, which averages nearly 16 lakhs of Rupees per annum from salt alone.

23. Consequently it is a matter of paramount importance to the Revenue Officers of the district to maintain the high standard of quality for which Ganjam salt has obtained so widespread a celebrity. The salt-traders discover with wonderful rapidity and accuracy the difference in the quality of the salt stored at the different platforms even in this district, and regulate their demand accordingly, notwithstanding that the price may be same.

24. Government spend on an average about a lakh of Rupees per annum in round numbers, in the shape of salt ryots' hire, pay of establishment, petty repairs to the channels, roads, platforms, &c., but exclusive of police guards. All salt of an inferior quality is invariably rejected and destroyed under the immediate supervision of responsible officers, and this year in Nowpada alone, where nearly five and a-half lakhs of maunds of first-class salt were stored, upwards of two lakhs of maunds were so rejected and destroyed at the manufacturers' cost, rather than allow the standard quality of the salt to deteriorate. Manufacture is carried on year after year in the same authorized localities which have been specially selected and set apart for the exclusive purpose. The utmost vigilance is exercised during the manufacturing season, and the salt, after having been weighed and stored in the platforms, is protected by a deep moat, filled with from 5 to 8 feet water, a strong fence, and a draw-bridge at the only entrance to the platform, besides a strong police guard. It is hardly possible, therefore, for any salt to leave the platforms without its having paid Government duty. The risk also of manufacturing illicit salt, or of appropriating spontaneous salt, is so great owing to the patrol system and vigilance of the regular and irregular police employed for the purpose, that the practice of doing either to any appreciable extent may be said to be well nigh non-existent.

25. Repeated allusion has been made during the course of this correspondence to certain frauds which were committed in this district in 1872.

26. It may be well, therefore, for me to mention distinctly what they were. In 1872 the quantity of salt estimated for had been manufactured before the rains set in, and the pans had not been sufficiently broken up. The consequence was a certain quantity of spontaneous salt formed, and was stolen at a distance of about a hundred miles from the Orissa frontier. There was also a comparatively small quantity of salt manufactured, discovered, and seized near the Orissa frontier, and effectual steps were at once taken to prevent a recurrence of such irregularity. My Salt Deputy Collector has been busily engaged of late with from 300 to 400 coolies in destroying inferior spontaneous salt chiefly at Nowpada, a hundred miles from the Orissa frontier.

27. Mr. Armstrong, the Collector of Pooree, informed me that such a thing as breaking up the pans at the end of the manufacturing season, or when the contract quantity had been made, was unknown in his district. In case, therefore, the Ganjam frauds should be again alluded to, it may be as well that this should be considered. I may further add that in this district persons found in possession of salt which has not paid duty, no matter how small the quantity may be, are rigorously dealt with under the law.

28. I turn now to the Orissa excise system. There a contractor applies to the Collector for permission to manufacture so many maunds at such and such a place of his own selection. Permission having been accorded, the Collector, in consultation with the Superintendent of Police, determines the strength of the police guard to be entertained at the contractor's expense during the manufacturing season, but on no fixed principles. The contractor makes his own arrangements with the ryots, and eventually stores his salt in golahs composed of mud and thatch which are capable of containing on an average about half a lakh of maunds each, and which are placed in charge of two or three peons, the doors of each golah being secured with country-made locks supplied by the contractor.

29. No salt is manufactured with any regard to scientific principles. It is manifestly the interest of the contractors who probably speculate for one year only to obtain their supply of salt, no matter of what quality, as quickly and inexpensively as possible, they feeling pretty well satisfied that sooner or later it will find a market. Assuming absence of fraud after the salt has reached the golahs, Government realized their duty on all salt leaving them, without having to trouble themselves as to the quality of the article. The result necessarily follows that the quality is infinitely inferior to that of Ganjam salt, which is, therefore, eagerly sought for in preference to that of Orissa. But lest it may be thought that I am depreciating the quality of Orissa salt, I may mention what I saw at the Baracooda golah. One of the rules for the sale of Orissa salt is that the contents of one golah at a station must be cleared out before those of another are touched. I found one golah at Baraccoda nearly half full (say, about 30,000 maunds) while sales were being allowed in the adjoining one a few yards distant. On my inquiring the reason why sales had been stopped in the former, I was told by the Superintendent of Police and by those in charge that, owing to the inferior quality of the salt, it was absolutely unsaleable, and that an exception to the general rule had consequently been made in its case. Unless, therefore, this unmarketable and unwholesome article can be thrust on the public by lowering the duty, as has been proposed, it will probably meet the same fate as the 30,000 unsaleable maunds of salt which Mr. Green, the Superintendent of Police, had to cast into the sea in 1873. I state this on his own authority.

30. Leaving out of consideration lands worked by a contractor one year, but abandoned next, there are large salt-producing tracts in Orissa which are not guarded or regularly patrolled, though some of them may be occasionally visited by a policeman from an out-station.

31. It is probably mainly owing to this cause that the practice already referred to of allowing ryots and others to make up to 5 seers of salt free of duty for their own consumption is allowed to prevail.

32. The question may well suggest itself what is the object of permitting so demoralizing, if not illegal, a practice to continue. The answer which Mr. Armstrong, the Collector, naively gave me was, that the temptation to steal or smuggle was so great, that it was considered "inhuman" not to allow parties to make a limited quantity of salt for home consumption. Is it to be wondered at, under such circumstances, that the duty paid for home-consumed salt in Orissa is reduced to a minimum?

33. The continuance of such a practice must necessarily sap the root of any attempt that may be introduced to put down illicit manufacture or smuggling. Yet the proposition of the Bengal Government to reduce the duty on Orissa salt would practically have the effect of protecting this excise system as it exists in Orissa with its attendant evils, and thrusting inferior salt on the body of consumers, at a loss to the Imperial Revenue, besides driving Ganjam salt out of competition.

34. During the official year 1874-75, with the commencement of which Act X. of 1874 came into operation, the effect of the increase of duty at the Ganjam and Itchapur Divisions and of the obstructions thrown in the way of Ganjam traders by the Orissa authorities was to diminish the sales at those two divisions by 90,000 and odd maunds as compared with the previous year. The sales in Orissa increased, but, owing to the reduction of duty, the Imperial Revenue was very slightly benefited.

35. The consequence has been that I was obliged this year to limit the manufacture at the Ganjam and Itchapur pans to a lakh of maunds each, instead of as heretofore to two-and-a-half lakhs at Ganjam and one-and-a-half at Itchapur, and I am afraid that I shall be under the necessity of closing the Itchapur pans next year.

36. I submit, therefore, that owing to the enhanced duty, and the consequent increase in the price of salt in the local market, large masses of our hard-worked and most indigent classes suffer severely, and this too at a time when the district has barely recovered from the shock it sustained during the two famine seasons of 1866 and 1871.

37. During the same period there was a decrease of more than 80,000 maunds in the sales for home consumption at those two salt stations alone.

38. This means in many instances a total deprivation to the poorer classes of one of the most essential requisites for the maintenance of health.

39. It is not for me to offer an expression of opinion as to whether the Lieutenant-Governor or the Bengal Board of Revenue is right in thinking Legislation necessary before a reduction of duty can be made on Orissa salt, but I desire to bring prominently to the notice of the Board what the inevitable result will be if a further reduction of duty is permitted on Orissa salt without a corresponding reduction being made in Ganjam.

40. On an average we send about five lakhs of Rupees worth of good salt per annum through Orissa to Sumbulpore and the neighbouring parts of the Central Provinces. We also send on an average about two lakhs of Rupees worth of salt for consumption in Orissa generally.

41. Government must be prepared to part with certainly five, if not the whole of these seven lakhs of Rupees if the duty in Orissa is reduced without a corresponding reduction being made in Ganjam.

42. Our Ganjam salt will be displaced even in our local markets by Orissa salt of an infinitely inferior quality; the whole community will suffer by the change, while thousands of our salt-manufacturing ryots being deprived of their chief means of livelihood will in all probability emigrate to Burmah, and their absence from this sparsely-populated district would be severely felt.

43. But the proposed reduction of 4 Annas per maund does not by any means represent the complete disadvantage at which we shall be placed if it is conceded, because when I visited the Pooree District in June last, I found that, even then, the Molungees or salt ryots had been required to manufacture at 2 Annas a maund instead of 3 as heretofore; that the royalty paid to the landlord for the use of the land employed for manufacturing purposes had been reduced from Rupees 3 to Rupees 1-8-0 per hundred maunds, and a proposal was under consideration to relieve the contractors of the entire charge for police guards. These three items alone may, I think, be taken, to represent an additional relief to Orissa salt of at least 3 Annas per maund, thereby placing Ganjam salt at a disadvantage of 7 Annas per maund exclusive of the difference of carriage already shown.

44. It may not be out of place here to remark, that to the best of my belief, the Pooree authorities are not at present in a position to avail themselves of the concession which they seek to obtain, even were it granted.

45. At the time of my visit to Pooree, I found that the manufacture had just been commenced in some places, and had not been commenced in others. This was owing to a strike among the Molungees in consequence of the manner in which the reduction of their wages from 3 to 2 Annas a maund already referred to had been effected, but the result has been that, instead of the eight lakhs of maunds contracted for having been manufactured, something considerably under one lakh of maunds has been produced, and in all probability even this limited quantity would not have been obtained, unless the Ganjam ryots already referred to had been imported to break the neck of the strike.

46. Inasmuch then as on the 1st April 1875 the total quantity of Kurkutch salt in store in the Pooree District amounted in all to only 156,240 maunds, and as up to this time, during the current year they have manufactured less than a lakh of maunds, it may be fairly computed, after deducting sales during the interim, that there is not at present much over a lakh and 25,000 maunds in store, taking the average of sales at two-and-a-half lakhs of maunds per annum.

47. Supposing for argument's sake that the duty were reduced by 4 Annas per maund, which would have the effect of shutting out at least five lakhs of Rupees worth of Ganjam salt, how could Pooree at present meet the demand with its lakh and 25,000 maunds? The result would be that we should merely be used as a convenience to supplement their deficiency.

48. The Government of India having already recognized in a measure the prejudicial effects of Act X. of 1874 on the interests of this district have generously made a grant of Rupees 20,000 per annum to be expended in road making in the northern portion of the Ganjam District, where alone the Act is applicable, and where alone throughout the Madras Presidency the price of salt has been raised from the uniform rate of Rupees 2 per maund to Rupees 2-4-0 and Rupees 2-5-0.

49. I trust I have succeeded in demonstrating to the satisfaction of the Board and Government that a reduction in the duty of Orissa salt, without a corresponding one in this district, would be disastrous to the Imperial Salt Revenue of this district and to the interests and well-being of the community in general, but more especially to the trading and salt-manufacturing sections thereof.

50. I further trust that I have succeeded in satisfying the Board and Government that the sound policy to be followed in developing the Orissa salt trade is

that of reform indicated by the Government of India, rather than that suggested by the Government of Bengal, which virtually amounts to creating a market for inferior salt at the expense of the Ganjam trade which it has cost the Board and Government so much money and trouble to promote to its present satisfactory state.

51. The question is a very important one, vitally affecting alike the welfare of the public and the Imperial Salt Revenue of the district. I have only, therefore, further to add that considerable anxiety is felt at present regarding the backward state of the crops of this district owing to the scanty supply of water; that this time last year rice was selling at Rupees 3-9-0 per bag of 164 lbs.; that at the beginning of this year it was selling at Rupees 2-7-0 per bag, whereas to-day its price is Rupees 4-1-0 at Aska, and Rupees 4-8-0 per bag at Itchapur and Parlakimedy.

52. When contrasting the different systems of salt manufacture as obtaining in the Madras Presidency and in Orissa, I made no allusion to imported salt. It may not be out of place, therefore, to invite attention to the subject before closing this letter, and I cannot do better than refer to Hunter's Orissa, where at page 41 the following pertinent remarks will be found: "The only manufacture of Parikud* is salt. There are two processes of making it—one by solar evaporation, the other by boiling in the usual manner. The former dynasties and the British Government found great difficulty in introducing the latter in 1815. As Parikud and the adjoining coast to the south are the chief places where solar salt is now made, the process may be fitly described here. The Hindu reckons salt made by the sun to be more pure than that evaporated by the artifices of man. It alone enters the temples, and throughout the whole of Orissa the respectable classes will not use the other sort. Liverpool salt comes out at very low rates, often indeed as ballast to Calcutta. In the districts to the east of the Hooghly, it has driven the native manufacture out of the market. But the orthodox province of Orissa will have nothing to say to an article *made by the impure hands of the infidel.* The solar salt has taken a firm hold on the religious feelings of the people. Their whole life is one round of observances in meats and drinks and making clean of platters, and the use of solar salt is *an important aid to the salvation of their souls.*"

53. Assuming the above to be a fair representation of the esteem in which solar salt is held by the orthodox Hindu, and I see no reason to doubt its accuracy, it may be well, I think, to reflect on what might be the possible political effect of supplanting in a wholesale manner solar salt by "an article made by the inferior hands of the infidel."

54. I have no desire to attach an undue or fictitious importance to the subject. It should not, however, be left out of consideration in dealing with the matter, for as surely as the general quality of the solar salt deteriorates, the less disposition will be felt to purchase it, and consequently the greater will be the impulse given to the importation of Liverpool or French salt, either as "ballast" or otherwise.

---

* The south-western extremity of Pooree—vide paragraph 18 *supra*.

ENCLOSURE No. 1.

Statement showing the Cost to Government of making one Maund of Salt in the District of Ganjam.

Name of Divisions.	Quantity manufactured on an average of five years.	Salary of the Division Establishment as at present existing per annum.	Proportionate Salary, Allowances, &c., of the Salt Deputy Collector and his Establishment to each Division.	Salary of the Permanent Police Guards per annum.	Salary of the Temporary Police Guards for five months and half.	Kudivaram.	Charges for storing Salt.				Contingencies of Sale, &c.					
							Value of Straw.	Coolies for thatching.	Coir, Rope, Baskets, and Pegs, &c.	Total.	Subirwand.	Coolly for weighing the Salt.	Value of Baskets.	Tot Alms.	Sweeper.	Repairing Machines.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Ganjam	212,667	5,080	1,625	2,360	2,379	19,494	890	267	158	1,315	120	267	45	15	12	60
Ichapur	151,168	2,545	1,625	2,118	1,226	10,348	687	165	100	952	111	165	38	15	12	60
Nowpada	90,142	4,806	1,625	2,778	3,091	15,009	1,125	250	175	1,560	150	250	30	15	12	72
Wombarally	305,726	2,545	1,625	2,118	1,114	16,072	717	215	149	1,081	111	215	43	15	12	60
Total ...	759,703	14,976	6,500	9,374	7,810	60,923	3,419	897	582	4,898	492	897	156	60	48	252

Statement showing the Cost to Government of [illegible] per Maund of Salt in the District of Ganjam.—(Concluded.)

Name of Division.	[illegible]	[illegible]	[illegible]	[illegible]	Total.	[illegible]	Rent of Land occupied by the Pans.† Amount.	Rent of Land occupied by the Pans.† Average of [illegible]	Wastage [illegible]	Interest at 12 per cent. per annum on Capital sunk in Permanent Works* and Plant. Cost of Permanent Works.	Cost of Plant.	Total Cost.	Interest Charges.	Grand Total of all Charges.	Average Cost of one Maund.
	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
	RS.			RS.	RS.	RS.	RS. A.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS. A. P.
Ganjam	25	30		20	625	1,026	239 9	272	616	29,075	1,452	30,527	3,663	38,941	0 2 10½
Itchapur	60	150	60	70	894	1,153	......		418	30,598	1,074	31,672	3,801	21,957	0 3 0
Nowpada	80	150	160	110	978	1,057	......		674	42,816	1,886	44,699	5,363	37,951	0 2 6
Womeravilly	80	160	80	80	724	1,060	......		661	30,960	1,074	32,536	3,886	32,241	0 2 6
Total ...	265	490	300	280	3,050	5,263	......	272	2,361	1,34,188	5,235	1,39,425	16,713	1,38,150	0 2 8

* Such as—

Platforms with draw-bridge.	Ditches.
Channels.	Watch towers.
Offices.	Police huts.
Kotás.	Tanks and wells.
Roads with culverts.	

† At Ganjam alone would the salt pans be utilized for other than manufacturing purposes. At the other stations, the land occupied by the pans would simply become useless waste.

As the Division and Station establishments, including police are fixed, it follows that the cost of manufacture increases in proportion to the decrease in the quantity of salt manufactured, and [illegible] For instance, only [illegible] maunds have been manufactured this year at Ganjam and 36,000 at Itchapur against more than double that quantity last year. Consequently the cost of manufacture at these stations this year is considerably greater than that of last year.

Berhampore,
26th August 1875.

(Signed) R. DAVIDSON,
Acting Collector, Ganjam.

In their Order, dated 6th July 1875, No. 1,010, Government forwarded to the Board a letter from the Government of India communicating certain correspondence with the Bengal Government on the subject of the measures to be adopted in connection with the question of relaxing the stringent rules in force for the regulation of the transit of Ganjam salt through Orissa, and calling for a statement showing the exact cost of the manufacture of salt in Ganjam and the items of which it is composed. It was explained that all charges, which would be avoided under a system of importation, should be taken into account in estimating the cost to Government. The letter above recorded is the Collector's reply.

2. The statement furnished by Mr. Davidson gives particulars of every item of charge and shows that the exact cost to Government of a maund of salt at the several divisions of the Ganjam District is as noted in the margin. It is explained that the cost varies inversely with the quantity manufactured, the salt establishment and police guard being fixed charges.

	RS.	A.	P.
Ganjam	0	2	10½
Itchapur	0	3	0
Nowpada	0	2	6
Womeravilly	0	2	6
Average	0	2	8

Rent on the land occupied by the pans has been taken into account only at Ganjam, where alone the ground could be utilized for purposes other than salt manufacture. The Board have already in their Proceedings, dated 27th September 1875, No. 2,699, considered this question and explained the grounds on which they think that this item should be excluded from the calculation, where the land is unculturable.

3. In two respects Mr. Davidson's statement requires revision :—

1st.—The cost has been calculated on the gross manufacture, wastage being shown as a charge, whereas the wastage should have been first deducted and the cost struck on the net quantity.

2nd.—Interest on the capital sunk in permanent works and plant has been calculated at 12 per cent., which is far too high a rate, after allowing for depreciation by charging the average cost of repairs for five years. The Board think that five per cent. will suffice. The statement has been revised accordingly, and the result is a slight reduction in the cost as shown in the margin. The Board believe that this estimate is approximately correct; information in greater detail has been called for with reference to G. O., dated 23rd July 1875, No. 1,102, and will be submitted in due course.

	RS.	A.	P.
Ganjam	0	2	9
Itchapur	0	2	10
Nowpada	0	2	5
Womeravilly	0	2	4
Average	0	2	7

4. It will be seen that the manufacture has been debited with every item of cost of which Government would be relieved under a system of excise or impor-

tation. The difference in the cost of manufacture, as compared with Orissa salt, is due to the causes stated in paragraph 8 of Mr. Ravenshaw's letter of the 10th March 1875, No. 175-A, and principally to the advantages possessed by the Ganjam manufacturer in regard to rates of labor, the absence of any ground rent, and the greater economy as regards storage and guarding resulting from Government management. It is necessary, however, to correct misapprehension which appears from the correspondence with the Bengal Government to exist on the following points:—

1st.—The rate of "kudivaram" paid to the Ganjam ryots is Rupees 11 per garce of 120 maunds, or Rupees 9-2-8 per 100 maunds, not Rupees 11 per 1,200 maunds as erroneously stated in the answer of the Collector of Ganjam to question 7.

2nd.—The charges on account of preventive establishment, both permanent and temporary, are taken into consideration in calculating the cost to Government of the manufacture.

3rd.—The discount of five per cent. to wholesale purchasers taking a heap of 10 garce, or 1,200 maunds, is not in the nature of a trade discount, but is an allowance to cover wastage: weighment at the time of purchase being dispensed with, some allowance must be granted to secure merchants against loss from wastage since the time of storage, but the reduction is only allowed in respect of whole heaps of 10 garce, and is a fair average as ascertained by experience.

5. The result of the comparative cheapness of Ganjam salt must, no doubt, be that it will displace Pooree and Cuttack made salt, and the Board do not quite understand Mr. Davidson's argument at paragraph 13. He shows that Pooree salt can be carried to Cuttack at a less cost than that at which Ganjam salt can be carried to the same market, but he takes no account of the fact that Pooree salt starts at a disadvantage of 7 Annas and 7½ Pies per maund according to Mr. Ravenshaw's figures, whilst the advantage enjoyed by Pooree salt in the matter of carriage by the cheapest route is only 11 Pies per maund. If Mr. Davidson's figures be correct, Ganjam salt can be sold at Cuttack, a distance of 116 miles from Ganjam, for 6 Annas and 8 Pies per maund less than Pooree salt. However this may be, it is clear that the area within which Ganjam salt can compete with Orissa salt depends on the cost of carriage, and is increased in proportion to the cheapness of carriage.

6. To preserve the Pooree manufacture from the extinction with which it is threatened, it is proposed not only to relieve the manufacture of certain fees and of charges on account of preventive establishments, but also to reduce the duty from Rupees 2-4-0 to Rupees 2, that is, below the duty now paid at Ganjam which is Rupees 2-1-3, taking 3 Annas and 9 Pies as the cost of manufacture. Against this reduction Mr. Davidson protests, and the Board would urge upon Government the necessity of representing strongly to the Government of India the injustice of this measure as regards the people of Ganjam. When the Government of India resolved to remove the preventive line of customs, a sliding scale of duty on salt was adopted in the frontier districts of Bengal and Madras, the rates at Ganjam and Balasore being raised and those in Orissa lowered: it was at the same time promised that all restriction on the transit of salt from Madras into Bengal and the Central Provinces should cease. It was acknowledged that a hardship was inflicted on Ganjam, and a special grant as compensation was added to the Provincial Service Assignment. The natural result of this sliding scale of duty is that the lower-priced salt displaces the higher priced until the difference is adjusted by the extra cost of carriage; thus the Ganjam salt displaces the Pooree salt, and it in its turn drives the higher-priced salt of Northern Orissa further back; thus the inhabitants of the next zone, where the duty is Rupees 2-7-0, have as good a ground of complaint as the people of Pooree. So long, however, as the scale is properly adjusted, no great hardship is inflicted, as the current of the trade is merely diverted, and each zone is compensated in that its salt is able to penetrate further north. It is now, however, proposed to shut Ganjam out of the Cuttack market, at the same time that the enhancement of the duty at Itchapur and Ganjam has placed them at a disadvantage as regards trade towards the south of the district. In justice the duty in Ganjam should be lowered in the same proportion as in Cuttack; this however would not protect the Cuttack manufacturer from competition. But if Ganjam salt is of superior quality and costs less to manufacture, it is not apparent why it should be debarred from deriving the benefit due to its superiority and cheapness. If the circumstances of the Pooree population are such as to demand relief by a reduction of the salt-tax, there is no reason why this relief should be afforded at the expense of Ganjam, and Mr. Davidson contends that the people of Pooree are in reality better off than their Ganjam neighbours, adducing good reasons in support of his assertion.

7. Prompted by this dread of the competition of Ganjam salt, the authorities in Orissa, as soon as the new system was introduced, began to put in force the restrictive rules complained of to check its progress in the Orissa market, and the trade was for a time paralysed. It was stated that these rules had previously been in operation as regards salt produced in Orissa, and it was argued that Ganjam salt could not expect more freedom than was allowed to the former. The modified rules now proposed, and which the Bengal Board of Revenue regard as likely to jeopardize their revenue, are open to the same objections as those urged against the draft rules framed by the Government of India, and are more stringent than the old Madras Rowannah Rules which were swept away more than twelve years ago.

Board's Proceedings, dated 17th November 1874, No. 3,304.

G.O., dated 10th July 1863.

8. The ground for the maintenance of the restrictions in force is stated to be the risk of illicit Madras salt being smuggled into Orissa, and of the circulation of illicit Pooree salt under the name of Ganjam salt, from which it is stated to be in appearance undistinguishable. Mr. Davidson, however, maintains that the arrangements in the Ganjam District are such as to reduce the risk of smuggling to a minimum, and that the two descriptions of salt alluded to are readily distin-

guishable. Without going so far as to say that illicit manufacture of salt is impossible under existing arrangements, the Board would point to the steadily-increasing consumption of duty-paid salt as the best proof that illicit salt is not produced to any great or dangerous extent. The marginal statement exhibits the sales at the several divisions of the Ganjam District for the last ten Faslis.

Statement showing the Sales of Salt at the several Divisions of the Ganjam District for the last ten Faslis.

Faslis.	Ganjam.	Itchapur.	Nowpada.	Womaravilly.	Total.	Salt Revenue for the entire District, including Miscellaneous.
	I. MDS.	I. MDS.	I. MDS.	I. MDS.	I. MDS.	RS.
1275 ...	160,411	122,251	450,625	189,485	922,752	13,85,419
1276 ...	138,879	206,353	397,970	185,580	928,782	15,24,435
1277 ...	96,091	151,614	290,851	248,532	788,048	12,92,136
1278 ...	140,873	138,215	372,985	138,198	790,271	13,11,138
1279 ...	219,350	153,044	296,594	175,950	844,944	16,22,885
1280 ...	221,871	98,472	242,426	195,744	758,513	14,95,968
1281 ...	149,073	125,377	330,144	124,980	728,474	14,31,118
1282 ...	183,493	139,371	253,309	206,412	782,645	15,46,113
1283 ...	170,850	143,604	186,180	269,420	769,605	16,67,230
1284 ...	163,558	111,215	305,582	233,263	813,618	16,90,423

9. The policy of the Madras Government has for years been to do all in its power to render the salt monopoly as little oppressive as possible. It has removed every restriction to free trade on salt from the moment the salt leaves the gate of the Government Stores; it takes every precaution to prevent smuggling and illicit manufacture, but it declines to impose any restriction on the trader. This course has been followed with marked success as evidenced by an increasing consumption and rising revenue. The chief object of the Bengal rules has been as stated by the Commissioner of Orissa "to enable the Government to trace the salt into the mouth of the consumer."

It is for the Government of India to decide which is the more worthy object, but the Board venture to protest against a policy which subjects Madras salt (recently taxed with extra duty to approximate it with that levied in Orissa) to restrictions which, however necessary the system pursued in Bengal may render them, have been abandoned in this Presidency for the last twelve years.

10. The Board trust that Government will represent strongly to the Government of India the injustice of a continuance of the application of restrictive rules to Ganjam salt and of the proposed reduction of duty, and press for the settlement of an early date after which all impediments to the free circulation of Madras salt in and to its transit through Orissa shall cease.

(True Copies and Extract.)

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

No. 230. Proceedings of the Board of Revenue, dated 12th November 1875, No. 3,102.

Read the following letter from R. DAVIDSON, Esq., Acting Collector of Ganjam, to H. E. STOKES, Esq., Acting Secretary to the Board of Revenue, dated Chetterpore, 27th October 1875, No. 2,213:—

I HAVE the honor to enclose copy of the rules which have been approved by the Government of India for the admission of Ganjam salt into Orissa, and which have been forwarded to me direct by the Under-Secretary to Government with his letter, dated 14th instant, No. 322 (copy enclosed).

2. I solicit the instructions of the Board as to the date from which the rules are to take effect.

3. I take the same opportunity to request that the Board will be pleased to address Government with a view to my being kept informed from time to time of the rules which the Lieutenant-Governor may pass under Section 11, Act VII of 1864 (B.C.), with reference to paragraphs 7 and 9 of the rules, as our sales may be very materially affected by them.

ENCLOSURE No. 1.—Copy of Letter from Under-Secretary to Government of India.

ENCLOSURE No. 2.—Copy of Rules for admission of Ganjam Salt into Orissa.

SUBMITTED to Government in continuation of Board's Proceedings, dated 10th November 1875, No. 3,076.

2. The rules approved by the Government of India are identical with the draft rules proposed by the Bengal Government, and forwarded to the Board with G. O., dated 6th July 1875, No. 1,010, to which exception has already been taken on the score of the power of detention conferred on the Police. As the rules were forwarded direct to the Collector with the intimation that they had received the approval of the Government of India, it was clearly intended that immediate effect should be given to them, and the Collector will at once publish them for the information of traders.

3. The Government will be requested to address the Bengal Government on the subject of paragraph 3 of the Collector's letter.

(A true Copy and Extract.)

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

No. 231. Proceedings of the Board of Revenue, dated 20th November 1875, No. 3,165.

Read the following Proceedings of the Madras Government, dated 10th November 1875, No. 1,613, Revenue Department.

ABSTRACT.—*Ganjam Salt.*—Communicating to the Board of Revenue, for information and guidance, letter from the Government of India enclosing papers showing rules and measures sanctioned to facilitate admission of — into Orissa, and inquiring the cost of the manufacture of salt in Ganjam.

COMMUNICATED to the Collector of Ganjam.

2. The Board have already furnished the report alluded to in paragraph 2 of the letter from the Government of India in Proceedings, dated 10th November 1875, No. 3,076. The discrepancy referred to in paragraph 7 of Mr. Hume's letter, dated 14th October 1875, No. 323, is explained at paragraph 4 of the Proceedings quoted above.

(A true Extract.)

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

No. 232. ORDER THEREON, 22nd December 1875, No. 1,334.

Separate Revenue, No. 27.
Salt.

ORDERED that the following letter be despatched to the Government of India :—

(Here enter No. 1,335, dated 22nd December 1875.)

(True Extract.)

(Signed) D. F. CARMICHAEL,
Secretary to Government.

REVENUE DEPARTMENT,
FORT ST. GEORGE,
22nd December 1875.

No. 1,335.

No. 233.
To

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

Separate Revenue, No. 28.
Salt.

From Government of India, dated 7th June 1875, No. 178.
From Government of India, dated 14th October 1875, No. 324.

SIR,—With reference to the correspondence noted in the margin relative to the admission of Ganjam salt into Orissa, I am directed to forward the accompanying Proceedings of this Government in which is printed a report furnished by the Board of Revenue showing in detail the exact cost of the manufacture of salt in Ganjam.

2. The Most Noble the Governor in Council fully concurs with the Board's remarks as to the hardship and impolicy of placing any restrictions on the importation of Ganjam salt, and I am to call attention to the success which has in this Presidency attended the adoption of measures to encourage free trade in salt.

3. The rules submitted with your letter of the 7th June last, No. 178, are, I am to observe, open to the same objections as those already* advanced against the temporary rules proposed by the Government of India in their letter to the Government of Bengal, dated 28th August 1874, No. 242; and I am to express the great regret with which the Most Noble the Governor in Council has learnt from your letter of the 14th October last, No. 324, that they have been sanctioned before this Government had an opportunity of expressing an opinion, and supporting their remarks with the information now submitted, which, it was understood,† His Excellency the Governor-General in Council desired to obtain "before passing orders in the matter."

4. It is observed that the Government of Bengal are desirous of obtaining a further reduction in the duty on Pooree salt; but I am to point out that this measure would have the effect of lowering the duty below that now paid at Ganjam. The hardship involved in the recent increase of duty in the last-named district is admitted by the Government of India, and the Governor in Council feels confident that no addition to the burden will be sanctioned.

5. The discrepancy noticed in paragraph 7 of Mr. Hume's letter of the 14th October 1875, No. 323, to the Government of Bengal is explained by the Board of Revenue in the earliest‡ of the papers now forwarded.

---

* *Vide* this Government letter, dated 19th December 1874, No. 1,592, and enclosure.

† *Vide* your letter, dated 7th June 1875, No. 178.

‡ Proceedings, Board of Revenue, dated 10th November 1875, No. 3,076.

6. **In** conclusion, I am to express a hope that the Governor-General in Council will, in the interest of the people of Ganjam, if not of the Imperial revenues, require the immediate introduction of that "scheme to provide for the cessation of all interference with the internal transit of salt in Orissa," which, it would appear, was under preparation so far back as the month of May last; and I am to request that, if the present rules are to continue in force, early intimation of the further* rules which the Government of Bengal may pass under Section 11, Act VII. of 1864 (Bengal) may be afforded to the Collector of Ganjam.

Vide letter from Bengal, dated 25th May 1875, No. 1,288, paragraph 9.

* *Vide* Rules 7 and 9.

I have the honor to be,
Sir,
Your most obedient servant,
(Signed) D. F. CARMICHAEL,
Secretary to Government.

[illegible] F. O. [illegible]

[illegible] (1875) Department.

Government of Fort St. George

[illegible] No. 1,855
Enclosures
6 spare copies

Progs.
No.

[illegible]

No. 3,076.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 10th November 1875.

Read again Board's Proceedings, dated 23rd July 1875, No. 2,059.

Read also the following letter from R. DAVIDSON, Esq., Acting Collector of Ganjam, to H. E. STOKES, Esq., Acting Secretary to the Board of Revenue, dated Berhampore, 26th August 1875, No. 1,848 :—

I HAVE the honor to acknowledge receipt of Board's Proceedings, dated the 23rd ultimo, No. 2,059, and, as directed, I now furnish a statement affording the information called for by the Government of India, and beg to offer the following remarks on the proposals of the Government of Bengal.

2. In paragraph 5 of the letter from the Secretary to the Government of Bengal, to the Secretary to the Government of India, dated 25th May 1875, Miscellaneous Revenue No. 1,283, the Lieutenant Governor has concisely stated that he "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," and that such is the intention of the Government of India admits of no doubt. But it appears from paragraph 14 of the Orissa Commissioner's letter, dated 10th March, No. 175-A, that nothing practical has as yet been done in the direction indicated, although sixteen months have elapsed since the passing of Act X. of 1874.

3. The Lieutenant-Governor has however submitted, for the approval of the Government of India, a draft of "Rules for the admission of Ganjam salt into Orissa," prepared on the basis of those drafted by the Government of India for temporary adoption, "while the Government of Bengal is maturing such arrangements as will render interference with the internal transit of salt in Orissa altogether needless."

4. In my letter, dated 23rd October 1874, No. 2,222, I dwelt at length on the importance of a definite date being fixed within which the Bengal Government might be required to mature those arrangements, and I suggested the liberal margin of two years from the date on which Act X. of 1874 came into operation, *viz.*, April 1874, being allowed for the purpose. The Board of Revenue and Government approved and strongly supported my recommendation—*vide* paragraph 7, Board's Proceedings, dated 17th November 1874, No. 3,304, and G.O., dated 19th December 1874, No. 1,591.

5. As regards the rules proposed by the Government of Bengal, I beg to remark that the exceptions which I took in my letter, dated 23rd October 1874, No. 2,222, to the model rules then under consideration, apply equally to the present ones, the chief objection still continuing to be, the power of detention which it is proposed to confer on the Police, notwithstanding that Mr. Dampier in

paragraph 7 of his minute, dated 27th April 1875, admits that 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."

6. Should however the Government of India not recognize the force of the objections, it only remains for me to acquiesce in the rules, or to suggest that rather than the minds of traders should again be unsettled by the introduction of changes, which they are slow to apprehend, it would be better to leave matters as they are at present, the more especially as existing arrangements are in accordance with the wishes of the Bengal Government and are merely to be in force as a temporary measure for a brief period.

7. I observe that in the latter portion of paragraph 5 of the Bengal Government's letter quoted in paragraph 2 *supra*, the Lieutenant-Governor of Bengal has represented that in the "opinion of officers whose experience qualifies them to judge, the adoption of these rules (as proposed by him) will necessarily involve some danger to the Revenue," first, from the risk of illicit Madras salt being smuggled into Orissa; second, from the risk of illicit Pooree salt being circulated under the name of Ganjam Kurkutch from which it is in appearance undistinguishable.

8. I note that the Lieutenant-Governor has not himself endorsed this opinion, and I respectfully submit that there is not now, and, so far as I am aware, has not been for many years past, reason to apprehend "danger to the revenue" from illicit Madras salt being smuggled into Orissa. I am aware of no instance of illicit salt having been so smuggled of late years, and, notwithstanding that, since the passing of Act X. of 1874, Ganjam salt properly protected has been repeatedly stopped and reweighed by the Police in Orissa, I have the satisfaction of being able to state on the authority of the Commissioner of Orissa, and of the Collector and Superintendent of Police of Pooree, that in no instance was any smuggled salt or any variation between the actual quantity found, and that entered in the pass discovered.

9. I instance, as a case in point, the occasion in March last, when Mr. Green, the Superintendent of Police, Pooree, under instructions from the Pooree Revenue authorities, stopped five batches of properly protected Ganjam salt between the Border and Cuttack, and had the whole quantity of salt tested by reweighment with a standard weight. One batch alone contained fifteen bundles, the other batches were somewhat smaller. This incident is of itself sufficiently indicative of the complete check exercised in Ganjam over the manufacture and issue of Ganjam salt, and of the security which exists for the full realization of the Government duty, before any salt leaves the Government platforms in the district.

10. I may add that when the scheme which is now before Government for further strengthening the salt guards, and patrol system in Ganjam has been finally sanctioned, the effect will be to render salt smuggling next to impossible.

11. I further respectfully submit that there is a very material and obvious distinction between Ganjam and Orissa made salt, as well in the size of the crystal as in the general appearance, quality, and carrying capabilities of the salt. I forward samples of both Orissa and Ganjam salt, in order that the Board may be able to form their own opinion on the subject. The Orissa samples I myself procured when I visited the Pooree District last June.

12. I am not prepared to dispute the fact that illicit manufacture and smuggling of salt obtain to a large extent in Orissa, and it is not my province to offer any remarks regarding it, but my position is this, that no salt leaves the Ganjam District for Orissa, or elsewhere, without the Government duty having been levied on it, and without all the requirements of the law and rules in force having been complied with in regard to it. The same cannot be said of Orissa salt, and it, therefore, seems to me to be alike inconsistent with, and opposed both to, the interests of Government and the public, to place the two on the same footing. Ganjam salt finds its way into remote parts of the kingdom. It is only in Orissa, however, that it is subjected to a "stringently restrictive system" sanctioned by authority.

13. I now proceed to offer my remarks on the suggestions made by the Orissa Commissioner and supported by the Lieutenant-Governor of Bengal, with regard to the reduction of duty on Orissa salt, from Rupees 2-4-0 to Rupees 2 per maund, and I trust I may be permitted to premise by observing that it seems to me to be premature to moot this question of reduction at all, until effect has been given to the instructions conveyed by the Government of India in their letter, dated 28th August 1874, No. 242, which required the Bengal Government to mature such arrangements in regard to fencing and guarding the place of manufacture and storage and patrolling as to admit of all the present restrictive measures being entirely removed. This has not yet been done—*vide* paragraph 2 *supra*.

14. In the Bengal Government's letters already quoted, as also in Mr. Dampier's minute, particular stress has been laid on two points, in advocating a reduction of duty. They are, first, that the Ganjam salt-dealer enjoys an advantage over the Pooree manufacturers in the matter of carriage alone over a distance of 68½ miles; secondly, that "the population of the south-western extremity of Pooree depends upon the manufacture of salt as a means of livelihood."

15. On the first point, I beg to remark that the whole of the Commissioner's calculations are made with regard to land carriage alone, whereas throughout the year nearly all Orissa salt is conveyed a great part of the way by boat, and during the rains it is taken from the Orissa golahs on the Chilka the whole way to Cuttack by boat, without breaking bulk. The difference of cost between land and water carriage, especially where bulk is not broken, is so material and so universally recognized that it seems matter for regret that it should have been overlooked by the Commissioner in dealing with a point to which so much importance has been attached. I dispute, therefore, the accuracy of the Commissioner's data, in regard to the advantage which he alleges the Ganjam dealer to possess over a Pooree manufacturer in the matter of carriage, and I am not prepared to admit, should he allege it, that the cost of land and water carriage may be the same. I note [illegible] no distinction.

Ascertained actual average cost of carriage of 100 maunds of salt from Ganjam to Cuttack by land, at about 12 maunds per bandy, Rupees 45-13-4, or Annas 7-4 per maund.

Ascertained actual average cost of carriage of 100 maunds of salt from Pooree platforms to Cuttack partly by water and partly by land, Rupees 28-4-0 as per margin,* or Annas 4-6 per maund.

Ascertained actual average cost of carriage of 100 maunds of salt by boat without breaking bulk, Rupees 23-12-0, or Annas 3-10 per maund as per margin.†

All Pooree-made salt must go from the golahs to Cuttack either wholly or partly by water, except perhaps a small quantity from Baracooda and its neighbourhood.

	RS.	A.	P.
* Shipping charges ...	0	12	0
Boat-hire from golah to Bisothiapenta, including landing and loading charges ...	5	0	0
Bandy-hire from Bisothiapenta to Cuttack ...	22	8	0
	28	4	0

	RS.	A.	P.
† Shipping charges ...	0	12	0
Boat-hire from golah to Cuttack ...	20	0	0
Landing charges at Cuttack ...	3	0	0
	23	12	0

Even supposing Ganjam salt were sent partly by land and partly by water instead of wholly by land, Pooree salt would still retain an advantage over it of Rupees 5-15-0 per 100 maunds, or 11 Pie a maund, owing to the shipping facilities which Pooree traders possess over those at Ganjam as shown in the margin.‡

16. As regards the second point, I have no desire to detract either from the sympathy to which the ryots of the south-western extremity of Pooree are entitled, owing to the suffering which they endured in common with others in the trying seasons of 1866 and 1874, or from the meritorious services which the Parikud Rajah rendered in alleviating the distress, but I submit, with due deference, that the said ryots are nevertheless better off than their Ganjam neighbours who had the misfortune to suffer to a greater extent even than they did during the famines of those two years, besides which the sufferers in Ganjam were far more numerous than it was in the southern parts of Pooree.

	RS.	A.	P.
‡ Cart-hire from Ganjam to Rumbah, including shipping charges at Rumbah ...	4	11	0
Boat-hire from Rumbah to Bisothiapenta ...	7	0	0
Cart-hire from Bisothiapenta to Cuttack, including landing charges ...	22	[illegible]	0
	34	3	0
Deduct similarly circumstanced carriage of Pooree salt as shown above ...	28	4	0
Advantage in cost of Pooree salt ...	5	15	0
[illegible] by boat from Rumbah to Cuttack without breaking bulk, Rupees [illegible], viz.—			
Cart-hire from Ganjam to Rumbah, including loading charges ...	4	11	0
Boat-hire from Rumbah to Cuttack ...	27	[illegible]	0
Landing charges ...	3	0	0
	34	11	0
Advantage in favor of Pooree salt similarly circumstanced, Rs. [illegible], or Annas 1-[illegible] per maund.			

17. It seems to me that undue importance is sought to be attached to the condition in which these few isolated inhabitants of a remote corner of the Pooree District are represented to be. They are as free as any other section of the community to earn an honest livelihood in any manner they may select, and, if they prefer not to do so, I can only consider it to be owing, among other things, to the advantage which they derive from the privilege they enjoy of being permitted to make salt free of duty in quantities not exceeding 5 seers at a time for domestic consumption. It does not appear, therefore, to be of necessity, but from choice that these people depend chiefly upon the manufacture of salt as a means of livelihood. They fish and cultivate like their neighbours.

18. In further illustration of my position that the Pooree salt ryots and other labouring classes are better off than their Ganjam neighbours, I may mention that they are admittedly paid a much higher rate of wage than Ganjam ryots, that an infinitesimally small number are compelled to emigrate from Pooree as compared with this district, and that the price of Pooree paddy is so much below that of Ganjam as to admit of a large export trade in paddy from the Pooree District being carried on with this district. As a matter of fact, I may also mention that I saw sixty families, representing about 300 souls belonging to the Ganjam District, engaged in manufacturing salt in the Pooree District. They had been tempted there by the higher rate of wages.

19. In June 1874, when the Commissioner of Orissa honored me with a visit, and inspected the Ganjam pans, he submitted to me the thirty-seven questions to which my replies are given in the printed enclosure to the Commissioner's letter, dated 10th March 1875, No. 175-A. I requested him to reciprocate the information as regarded his division, and furnished him with a set of questions for the purpose; but as up to June last, owing probably to reasons mentioned in paragraph 2 of his letter I had received no reply, I availed myself of his invitation and of the permission given me by the Board of Revenue to visit the Pooree pans, and, owing to the courtesy of the Commissioner, the Collector of Pooree, and the Superintendent of Police, I was enabled to obtain a full insight into the working of their excise system, and to procure nearly all the information I desired.

20. I propose now to contrast the two systems of manufacture as at present obtaining in the Ganjam and Pooree Districts.

21. In the Ganjam District, where the monopoly is entirely in the hands of Government, the first object sought to be attained is excellence in the quality of the salt which is manufactured on the latest and most approved scientific principles; the quantity, which is practically illimitable, being regulated by the probable demand.

22. Any deterioration in the quality of the salt manufactured would immediately result in a decrease of sales and consequent diminution of the revenue of the district, which averages nearly 16 lakhs of Rupees per annum from salt alone.

23. Consequently it is a matter of paramount importance to the Revenue Officers of the district to maintain the high standard of quality for which Ganjam salt has obtained so widespread a celebrity. The salt-traders discover with wonderful rapidity and accuracy the difference in the quality of the salt stored at the different platforms even in this district, and regulate their demand accordingly, notwithstanding that the price may be same.

24. Government spend on an average about a lakh of Rupees per annum in round numbers, in the shape of salt ryots' hire, pay of establishment, petty repairs to the channels, roads, platforms, &c., but exclusive of police guards. All salt of an inferior quality is invariably rejected and destroyed under the immediate supervision of responsible officers, and this year in Nowpada alone, where nearly five and a half lakhs of maunds of first-class salt were stored, upwards of two lakhs of maunds were so rejected and destroyed at the manufacturers' cost, rather than allow the standard quality of the salt to deteriorate. Manufacture is carried on year after year in the same authorized localities which have been specially selected and set apart for the exclusive purpose. The utmost vigilance is exercised during the manufacturing season, and the salt, after having been weighed and stored in the platforms, is protected by a deep moat, filled with from 6 to 8 feet water, a strong fence, and a draw-bridge at the only entrance to the platform, besides a strong police guard. It is hardly possible, therefore, for any salt to leave the platforms without its having paid Government duty. The risk also of manufacturing illicit salt, or of appropriating spontaneous salt, is so great owing to the patrol system and vigilance of the regular and irregular police employed for the purpose, that the practice of doing either to any appreciable extent may be said to be well nigh non-existent.

25. Repeated allusion has been made during the course of this correspondence to certain frauds which were committed in this district in 1872.

26. It may be well, therefore, for me to mention distinctly what they were. In 1872 the quantity of salt contracted for had been manufactured before the rains set in, and the pans had not been sufficiently broken up. The consequence was a certain quantity of spontaneous salt formed, and was stolen at a distance of about a hundred miles from the Orissa frontier. There was also a comparatively small quantity of salt manufactured, discovered, and seized near the Orissa frontier, and effectual steps were at once taken to prevent a recurrence of such irregularity. My Salt Deputy Collector has been busily engaged of late with from 300 to 400 coolies in destroying inferior spontaneous salt chiefly at Nowpada, a hundred miles from the Orissa frontier.

27. Mr. Armstrong, the Collector of Pooree, informed me that such a thing as breaking up the pans at the end of the manufacturing season, or when the contract quantity had been made, was unknown in his district. In case, therefore, the Ganjam frauds be again alluded to, it may be as well that this should be remembered. I may further add that in this district persons found in possession of salt which has not paid duty, no matter how small the quantity may be, are rigorously dealt with under the law.

28. I turn now to the Orissa excise system. There a contractor applies to the Collector for permission to manufacture so many maunds at such and such a place of his own selection. Permission having been accorded, the Collector, in consultation with the Superintendent of Police, determines the strength of the police guard to be entertained at the contractor's expense during the manufacturing season, but on no fixed principles. The contractor makes his own arrangements with the ryots, and eventually stores his salt in golahs composed of mud and thatch which are capable of containing on an average about half a lakh of maunds each, and which are placed in charge of two or three peons, the doors of each golah being secured with country-made locks supplied by the contractor.

29. No salt is manufactured with any regard to scientific principles. It is manifestly the interest of the contractors who probably speculate for one year only to obtain their supply of salt, no matter of what quality, as quickly and inexpensively as possible, they feeling pretty well satisfied that sooner or later it will find a market. Assuming absence of fraud after the salt has reached the golahs, Government realized their duty on all salt leaving them, without having to trouble themselves as to the quality of the article. The result necessarily follows that the quality is infinitely inferior to that of Ganjam salt, which is, therefore, eagerly sought for in preference to that of Orissa. But lest it may be thought that I am depreciating the quality of Orissa salt, I may mention what I saw at the Baracooda golah. One of the rules for the sale of Orissa salt is that the contents of one golah at a station must be cleared out before those of another are touched. I found one golah at Baracooda nearly half full (say, about 30,000 maunds) while sales were being allowed in the adjoining one a few yards distant. On my inquiring the reason why sales had been stopped in the former, I was told by the Superintendent of Police and by those in charge that, owing to the inferior quality of the salt, it was absolutely unsaleable, and that an exception to the general rule had consequently been made in its case. Unless, therefore, this unmarketable and unwholesome article can be thrust on the public by lowering the duty, as has been proposed, it will probably meet the same fate as the 90,000 unsaleable maunds of salt which Mr. Green, the Superintendent of Police, had to cast into the sea in 1873. I state this on his own authority.

30. Leaving out of consideration lands worked by a contractor one year, but abandoned next, there are large salt-producing tracts in Orissa which are not guarded or regularly patrolled, though some of them may be occasionally visited by a policeman from an out-station.

31. It is probably mainly owing to this cause that the practice already referred to of allowing ryots and others to make up to 5 seers of salt free of duty for their own consumption is allowed to prevail.

32. The question may well suggest itself what is the object of permitting so demoralizing, if not illegal, a practice to continue. The answer which Mr. Armstrong, the Collector, naively gave me, was, that the temptation to steal or smuggle was so great that it was considered "inhuman" not to allow parties to make a limited quantity of salt for home consumption. Is it to be wondered at, under such circumstances, that the duty paid for home-consumed salt in Orissa is reduced to a minimum.

33. The continuance of such a practice must necessarily sap the root of any attempt that may be introduced to put down illicit manufacture or smuggling. Yet the proposition of the Bengal Government to reduce the duty on Orissa salt would practically have the effect of protecting the excise system as it exists in Orissa with its attendant evils, and thrusting inferior salt on the body of consumers at a loss to the Imperial Revenue, besides driving Ganjam salt out of competition.

34. During the official year 1874-75, with the commencement of which Act X. of 1874 came into operation, the effect of the increase of duty at the Ganjam and Itchapur Divisions and of the obstructions thrown in the way of Ganjam traders by the Orissa authorities was to diminish the sales at those two divisions by 93,000 and odd maunds as compared with the previous year. The sales in Orissa increased, but, owing to the reduction of duty, the Imperial Revenue was very slightly benefited.

35. The consequence has been that I was obliged this year to limit the manufacture at the Ganjam and Itchapur pans to a lakh of maunds each, instead of as heretofore to two and-a-half lakhs at Ganjam and one and-a-half at Itchapur, and I am afraid that I shall be under the necessity of closing the Itchapur pans next year.

36. I submit, therefore, that owing to the enhanced duty, and the consequent increase in the price of salt in the local market, large masses of our hard-worked and most indigent classes suffer severely, and this too at a time when the district has barely recovered from the shock it sustained during the two famine seasons of 1866 and [illegible].

37. During the same period there was a decrease of more than 30,000 maunds in the sales for home consumption at those two salt stations alone.

38. This means in many instances a total deprivation to the poorer classes of one of the most essential requisites for the maintenance of health.

39. It is not for me to offer an expression of opinion as to whether the Lieutenant-Governor or the Bengal Board of Revenue is right in thinking Legislation necessary before a reduction of duty can be made on Orissa salt, but I desire to bring prominently to the notice of the Board what the inevitable result will be if a further reduction of duty is permitted on Orissa salt without a corresponding reduction being made in Ganjam.

40. On an average we send about five lakhs of Rupees worth of good salt per annum through Orissa to Sumbulpore and the neighbouring parts of the Central Provinces. We also send on an average about two lakhs of Rupees worth of salt for consumption in Orissa generally.

41. Government must be prepared to part with certainly five, if not the whole of these seven lakhs of Rupees if the duty in Orissa is reduced without a corresponding reduction being made in Ganjam.

42. Our Ganjam salt will be displaced even in our local markets by Orissa salt of an infinitely inferior quality; the whole community will suffer by the change, while thousands of our salt-manufacturing ryots being deprived of their chief means of livelihood will in all probability emigrate to Burmah, and their absence from this sparsely-populated district would be severely felt.

43. But the proposed reduction of 4 Annas per maund does not by any means represent the complete disadvantage at which we shall be placed if it is conceded, because when I visited the Pooree District in June last, I found that since then the Molungees or salt ryots had been required to manufacture at 2 Annas a maund instead of 3 as heretofore; that the royalty paid to the landlord for the use of the land employed for manufacturing purposes had been reduced from Rupees 3 to Rupees 1-8-0 per hundred maunds, and a proposal was under consideration to relieve the contractors of the entire charge for police guards. These three items alone may, I think, be taken, to represent an additional relief, to Orissa salt of at least 3 Annas per maund, thereby placing Ganjam salt at a disadvantage of 7 Annas per maund exclusive of the difference of carriage already shown.

44. It may not be out of place here to remark, that to the best of my belief, the Pooree authorities are not at present in a position to avail themselves of the concession which they seek to obtain, even were it granted.

45. At the time of my visit to Pooree, I found that the manufacture had just been commenced in some places, and had not been commenced in others. This was owing to a strike among the Molungees in consequence of the manner in which the reduction of their wages from 3 to 2 Annas a maund already referred to had been effected, but the result has been that, instead of the eight lakhs of maunds contracted for having been manufactured, something considerably under one lakh of maunds has been produced, and in all probability even this limited quantity would not have been obtained, unless the Ganjam ryots already referred to had been imported to break the neck of the strike.

46. Inasmuch then as on the 1st April 1875 the total quantity of Kurkutch salt in store in the Pooree District amounted in all to only 156,240 maunds, and as up to this time, during the current year they have manufactured less than a lakh of maunds, it may be fairly computed, after deducting sales during the interim, that there is not at present much over a lakh and 25,000 maunds in store, taking the average of sales at two and-a-half lakhs of maunds per annum.

47. Supposing for argument's sake that the duty were reduced by 4 Annas per maund, which would have the effect of shutting out at least five lakhs of Rupees worth of Ganjam salt, how could Pooree at present meet the demand with its lakh and 25,000 maunds? The result would be that we should merely be used as a convenience to supplement their deficiency.

48. The Government of India having already recognized in a measure the prejudicial effects of Act X. of 1874 on the interests of this district have generously made a grant of Rupees 20,000 per annum to be expended in road-making in the northern portion of the Ganjam District, where alone the Act is applicable, and where alone throughout the Madras Presidency the price of salt has been raised from the uniform rate of Rupees 2 per maund to Rupees 2-4-0 and Rupees 2-3-0.

49. I trust I have succeeded in demonstrating to the satisfaction of the Board and Government that a reduction in the duty of Orissa salt without a corresponding one in this district, would be disastrous to the Imperial Salt Revenue of this district and to the interests and well-being of the community in general, but more especially to the trading and salt-manufacturing sections thereof.

50. I further trust that I have succeeded in satisfying the Board and Government that the sound policy to be followed in developing the Orissa salt trade is

that of reform indicated by the Government of India, rather than that suggested by the Government of Bengal, which virtually amounts to creating a market for inferior salt at the expense of the Ganjam trade which it has cost the Board and Government so much money and trouble to promote to its present satisfactory state.

51. The question is a very important one, vitally affecting alike the welfare of the public and the Imperial Salt Revenue of the district. I have only, therefore, further to add that considerable anxiety is felt at present regarding the backward state of the crops of this district owing to the scanty supply of water; that this time last year rice was selling at Rupees 3-9-0 per bag of 164 lbs.; that at the beginning of this year it was selling at Rupees 2-7-0 per bag, whereas to-day its price is Rupees 4-1-0 at Aska, and Rupees 4-8-0 per bag at Itchapur and Parlakimedy.

52. When contrasting the different systems of salt manufacture as obtaining in the Madras Presidency and in Orissa, I made no allusion to imported salt. It may not be out of place, therefore, to invite attention to the subject before closing this letter, and I cannot do better than refer to Hunter's Orissa, where at page 41 the following pertinent remarks will be found: "The only manufacture of Parikud* is salt. There are two processes of making it—one by solar evaporation, the other by boiling in the usual manner. The former dynasties and the British Government found great difficulty in introducing the latter in 1815. As Parikud and the adjoining coast to the south are the chief places where solar salt is now made, the process may be fitly described here. The Hindu reckons salt made by the sun to be more pure than that evaporated by the artifices of man. It alone enters the temples, and throughout the whole of Orissa the respectable classes will not eat the other sort. Liverpool salt comes out at very low rates, often indeed as ballast to Calcutta. In the districts to the east of the Hooghly, it has driven the native manufacture out of the market. But the orthodox province of Orissa will have nothing to say to an article *made by the impure hands of the infidel*. The solar salt has taken a strong hold on the religious feelings of the people. Their whole life is one round of observances in meats and drinks and making clean of platters, and the use of solar salt is *an important aid to the salvation of their souls*."

53. Assuming the above to be a fair representation of the esteem in which solar salt is held by the orthodox Hindu, and I see no reason to doubt its accuracy, it may be well, I think, to reflect on what might be the possible political effect of supplanting in a wholesale manner solar salt by "an article made by the inferior hands of the infidel."

54. I have no desire to attach an undue or fictitious importance to the subject; it should not, however, be left out of consideration in dealing with the matter, for as surely as the general quality of the solar salt deteriorates, the less disposition will be felt to purchase it, and consequently the greater will be the impulse given to the importation of Liverpool or French salt, either as "ballast" or otherwise.

---

* The south-western extremity of Pooree—*vide* paragraph 14 *supra*.

ENCLOSURE No. 1.

Statement showing the Cost to Government of making one Maund of Salt in the District of Ganjam.

Name of Divisions.	Quantity manufactured on an average of five years.	Salary of the Division Establishment as at present existing per annum.	Proportionate Salary, Allowance, &c., of the Salt Deputy Collector and the Establishment of each Division.	Salary of the Permanent Police Guards per annum.	Salary of the Temporary Police Guards for five months and half.	Kudivaram.	CHARGES FOR STORING SALT.				CONTINGENCIES OF SALE, &c.					
							Value of Straw.	Coolies for thatching.	Coir, Rope, Baskets, and Tape, &c.	Total.	Sadarward.	Cooly for weighing out Salt.	Value of Baskets.	Tomtom.	Sweeper.	Repairing Machines.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Ganjam	112,667	3,568	1,695	2,450	2,379	19,424	880	267	158	1,315	120	267	45	15	12	50
Itchapur	131,153	2,844	1,625	2,115	1,236	10,218	627	165	160	952	111	165	23	15	12	50
Naupada	140,112	4,926	1,685	2,775	2,091	15,009	1,125	250	175	1,550	160	250	50	15	12	73
Humarally	205,776	3,643	1,595	2,118	1,114	16,072	717	215	149	1,081	111	215	48	15	12	50
Total	589,703	14,976	6,600	9,474	7,310	60,833	3,349	897	593	4,898	492	897	166	60	48	223

Statement showing the Cost to Government of making one Maund of Salt in the District of Ganjam.—(Concluded.)

Name of Division.	Contingencies of Salt, &c.—[illegible]					[illegible]	Rent on Land occupied by the Pans.†		[illegible]	Interest at 12 per cent. per annum on Capital sunk in Permanent Works* and Plant.				Grand Total of all Charges.	Average Cost of one Maund.
	[illegible]	[illegible]	[illegible]	Sundries.	Total.		Acreage.	Amount at [illegible] per Acre.		Cost of Permanent Works.	Cost of Plant.	Total Cost.	Interest thereon.		
	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
	RS.	RS.	RS.	RS.	RS.	RS.	ACS. C.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS. A. P.
Ganjam	40	60	...	60	620	1,050	329 9	973	615	39,078	1,459	40,537	4,863	53,041	0 2 10¼
Itchapur	48	150	60	70	654	1,120	...	...	313	30,598	1,074	31,672	3,801	24,957	0 3 0
Nowpada	60	150	160	112	975	1,887	...	...	974	42,616	1,636	44,696	5,363	37,551	0 2 6
Womeravilly	50	100	50	80	725	1,556	...	...	561	30,966	1,074	32,556	3,856	22,531	0 2 6
Total ...	203	460	266	322	2,091	5,566	...	973	2,464	1,34,180	5,236	1,39,425	16,715	1,38,180	0 2 8

* Such as—

Platforms with draw-bridge.	[illegible]
Channels.	Watch towers.
Offices.	Police huts.
Moats.	Tanks and wells.
Bunds with culverts.	

† At Ganjam alone would the salt pans be utilized for other than manufacturing purposes. At the other stations, the land occupied by the pans would simply become useless waste.

As the Division and Station Establishments, including police are fixed, it follows that the cost of manufacture increases in proportion to the decrease in the quantity of salt manufactured, and vice versa.

For instance, only 43,000 maunds have been manufactured this year at Ganjam and 40,000 at Itchapur against more than double that quantity last year. Consequently the cost of manufacture at these stations this year is considerably greater than that of last year.

(Signed) R. DAVIDSON,
Acting Collector, Ganjam.

BERHAMPORE,
26th August 1875.

In their Order, dated 6th July 1875, No. 1,010, Government forwarded to the Board a letter from the Government of India communicating certain correspondence with the Bengal Government on the subject of the measures to be adopted in connection with the question of relaxing the stringent rules in force for the regulation of the transit of Ganjam salt through Orissa, and calling for a statement showing the exact cost of the manufacture of salt in Ganjam and the items of which it is composed. It was explained that all charges, which would be avoided under a system of importation, should be taken into account in estimating the cost to Government. The letter above recorded is the Collector's reply.

2. The statement furnished by Mr. Davidson gives particulars of every item of charge and shows that the exact cost to Government of a maund of salt at the several divisions of the Ganjam District is as noted in the margin. It is explained that the cost varies inversely with the quantity manufactured, the salt establishment and police guard being fixed charges.

	RS.	A.	P.
Ganjam	0	2	10¼
Itchapur	0	3	0
Nowpada	0	2	6
Womeravilly	0	2	6
Average	0	2	8

Rent on the land occupied by the pans has been taken into account only at Ganjam, where alone the ground could be utilized for purposes other than salt manufacture. The Board have already in their Proceedings, dated 27th September 1875, No. 2,699, considered this question and explained the grounds on which they think that this item should be excluded from the calculation, where the land is unculturable.

3. In two respects Mr. Davidson's statement requires revision:—

1st.—The cost has been calculated on the gross manufacture, wastage being shown as a charge, whereas the wastage should have been first deducted and the cost struck on the net quantity.

2nd.—Interest on the capital sunk in permanent works and plant has been calculated at 12 per cent., which is far too high a rate, after allowing for depreciation by charging the average cost of repairs for five years. The Board think that five per cent. will suffice. The statement has been revised accordingly, and the result is a slight reduction in the cost as shown in the margin. The Board believe that this estimate is approximately correct; information in greater detail has been called for with reference to G. O., dated 23rd July 1875, No. 1,102, and will be submitted in due course.

	RS.	A.	P.
Ganjam	0	2	9
Itchapur	0	2	10
Nowpada	0	2	5
Womeravilly	0	2	4
Average	0	2	7

4. It will be seen that the manufacture has been debited with every item of cost of which Government would be relieved under a system of excise or impor

tation. The difference in the cost of manufacture, as compared with Orissa salt, is due to the causes stated in paragraph 8 of Mr. Ravenshaw's letter of the 10th March 1875, No. 175-A, and principally to the advantages possessed by the Ganjam manufacturer in regard to rates of labor, the absence of any ground rent, and the greater economy as regards storage and guarding resulting from Government management. It is necessary, however, to correct misapprehension which appears from the correspondence with the Bengal Government to exist on the following points:—

1st.—The rate of "kudivaram" paid to the Ganjam ryots is Rupees 11 per garce of 120 maunds, or Rupees 9-2-8 per 100 maunds, not Rupees 11 per 1,200 maunds as erroneously stated in the answer of the Collector of Ganjam to question 7.

2nd.—The charges on account of preventive establishment, both permanent and temporary, are taken into consideration in calculating the cost to Government of the manufacture.

3rd.—The discount of five per cent. to wholesale purchasers taking a heap of 10 garces, or 1,200 maunds, is not in the nature of a trade discount, but is an allowance to cover wastage: weighment at the time of purchase being dispensed with, some allowance must be granted to secure merchants against loss from wastage since the time of storage, but the reduction is only allowed in respect of whole heaps of 10 garces, and is a fair average as ascertained by experience.

4. The result of the comparative cheapness of Ganjam salt must, no doubt, be that it will displace Pooree and Cuttack made salt, and the Board do not quite understand Mr. Davidson's argument at paragraph 15. He shows that Pooree salt can be carried to Cuttack at a less cost than that at which Ganjam salt can be carried to the same market, but he takes no account of the fact that Pooree salt starts at a disadvantage of 7 Annas and 7½ Pies per maund according to Mr. Ravenshaw's figures, whilst the advantage enjoyed by Pooree salt in the matter of carriage by the cheapest route is only 11 Pies per maund. If Mr. Davidson's figures be correct, Ganjam salt can be sold at Cuttack, a distance of 116 miles from Ganjam, for 6 Annas and 8 Pies per maund less than Pooree salt. However this may be, it is clear that the area within which Ganjam salt can compete with Orissa salt depends on the cost of carriage, and is increased in proportion to the cheapness of carriage.

5. To preserve the Pooree manufacture from the extinction with which it is threatened, it is proposed not only to relieve the manufacturers of certain fees and of charges on account of preventive establishments, but also to reduce the duty from Rupees 2-4-0 to Rupees 2, that is, below the duty now paid at Ganjam which is Rupees 2-1-3, taking 8 Annas and 9 Pies as the cost of manufacture. Against this reduction Mr. Davidson protests, and the Board would urge upon Government the necessity of representing strongly to the Government of India the injustice of this measure as regards the people of Ganjam. When the Government of India resolved to remove the preventive line of customs, a sliding scale of duty on salt was adopted in the frontier districts of Bengal and Madras, the rates at Ganjam and Itchapur being raised and those in Orissa lowered: it was at the same time promised that all restriction on the transit of salt from Madras into Bengal and the Central Provinces should cease. It was acknowledged that a hardship was inflicted on Ganjam, and a special grant as compensation was added to the Provincial Service Assignment. The natural result of this sliding scale of duty is that the lower-priced salt displaces the higher priced until the difference is adjusted by the extra cost of carriage; thus the Ganjam salt displaces the Pooree salt, and it in its turn drives the higher-priced salt of Northern Orissa further back; thus the inhabitants of the next zone, where the duty is Rupees 2-7-0, have as good a ground of complaint as the people of Pooree. So long, however, as the scale is properly adjusted, no great hardship is inflicted, as the current of the trade is merely diverted, and each zone is compensated in that its salt is able to penetrate further north. It is now, however, proposed to shut Ganjam out of the Cuttack market, at the same time that the enhancement of the duty at Itchapur and Ganjam has placed them at a disadvantage as regards trade towards the south of the district. In justice the duty in Ganjam should be lowered in the same proportion as in Cuttack; this however would not protect the Cuttack manufacturer from competition. But if Ganjam salt is of superior quality and costs less to manufacture, it is not apparent why it should be debarred from deriving the benefit due to its superiority and cheapness. If the circumstances of the Pooree population are such as to demand relief by a reduction of the salt-tax, there is no reason why this relief should be afforded at the expense of Ganjam, and Mr. Davidson contends that the people of Pooree are in reality better off than their Ganjam neighbours, adducing good reasons in support of his assertion.

7. Prompted by this dread of the competition of Ganjam salt, the authorities in Orissa, as soon as the new system was introduced, began to put in force the restrictive rules complained of to check its progress in the Orissa market, and the trade was for a time paralysed. It was stated that these rules had previously been in operation as regards salt produced in Orissa, and it was argued that Ganjam salt could not expect more freedom than was allowed to the former. The modified rules now proposed, and which the Bengal Board of Revenue regard as likely to jeopardize their revenue, are open to the same objections as those urged against the draft rules framed by the Government of India, and are more stringent than the old Madras Rowannah Rules which were swept away more than twelve years ago.

Board's Proceedings, dated 17th November 1874, No. 3,304.

G.O., dated 10th July 1863.

8. The [illegible] for the maintenance of the restrictions in force is stated to [illegible] being smuggled into Orissa, and of the circulation of illicit Pooree salt under the name of Ganjam salt, from which it is stated to be in appearance undistinguishable. Mr. Davidson, however, maintains that the arrangements in the Ganjam District are such as to reduce the risk of smuggling to a minimum, and that the two descriptions of salt alluded to are readily distin-

guishable. Without going so far as to say that illicit manufacture of salt is impossible under existing arrangements, the Board would point to the steadily-increasing consumption of duty-paid salt as the best proof that illicit salt is not produced to any great or dangerous extent. The marginal statement exhibits the sales at the several divisions of the Ganjam District for the last ten Fuslis.

Statement showing the Sales of Salt at the several Divisions of the Ganjam District for the last ten Fuslis.

Fuslis.	Ganjam.	Itchapur.	Nowpada.	Womeravilly.	Total.	Salt Revenue for the entire District, including Miscellaneous.
	I. MDS.	I. MDS.	I. MDS.	I. MDS.	I. MDS.	RS.
1275 ..	180,411	122,231	456,625	163,485	922,752	13,85,419
1276 ..	88,879	266,353	397,970	183,580	928,782	15,24,435
1277 ..	93,901	151,614	290,851	248,592	788,048	12,94,186
1278 ..	149,378	138,215	372,985	138,698	799,271	13,11,158
1279 ..	219,369	133,044	296,594	175,956	841,944	16,22,685
1280 ..	221,871	98,472	242,426	195,744	758,513	14,95,968
1281 ..	143,973	126,377	330,144	138,980	739,474	14,37,118
1282 ..	133,493	139,371	252,869	256,412	782,645	15,46,113
1283 ..	170,350	143,604	196,286	250,425	760,665	15,67,250
1284 ..	155,558	111,215	305,582	238,263	813,618	16,90,423

9. The policy of the Madras Government has for years been to do all in its power to render the salt monopoly as little oppressive as possible. It has removed every restriction to free trade on salt from the moment the salt leaves the gate of the Government Stores; it takes every precaution to prevent smuggling and illicit manufacture, but it declines to impose any restriction on the trader. This course has been followed with marked success as evidenced by an increasing consumption

Commissioner of Orissa" to enable the Government to trace the salt into the mouth of the consumer."

It is for the Government of India to decide which is the more worthy object, but the Board venture to protest against a policy which subjects Madras salt (recently taxed with extra duty to approximate it with that levied in Orissa) to restrictions which, however necessary the system pursued in Bengal may render them, have been abandoned in this Presidency for the last twelve years.

10. The Board trust that Government will represent strongly to the Government of India the injustice of a continuance of the application of restrictive rules to Ganjam salt and of the proposed reduction of duty, and press for the settlement of an early date after which all impediments to the free circulation of Madras salt in and for its transit through Orissa shall cease.

(True Copies and Extract.)

Acting Sub-Secretary.

To the Acting Secretary to Government, Revenue Department,
with a Statement.

Copy to the Acting Collector of Ganjam, with a Statement.

Exd. & Grubert.

No. 3,102.

Proceedings of the Board of Revenue, dated 12th November 1875.

Read the following letter from R. DAVIDSON, Esq., Acting Collector of Ganjam,
to H. E. STOKES, Esq., Acting Secretary to the Board of Revenue,
dated Chetterpore, 27th October 1875, No. 2,243 :—

I HAVE the honor to enclose copy of the rules which have been approved by the Government of India for the admission of Ganjam salt into Orissa, and which have been forwarded to me direct by the Under Secretary to Government with his letter, dated 14th instant, No. 322 (copy enclosed).

2. I solicit the instructions of the Board as to the date from which the rules are to take effect.

3. I take the same opportunity to request that the Board will be pleased to address Government with a view to my being kept informed from time to time of the rules which the Lieutenant-Governor may pass under Section 11, Act VII. of 1864 (B.C.), with reference to paragraphs 7 and 9 of the rules, as our sales may be very materially affected by them.

ENCLOSURE No. 1.—Copy of Letter from Under Secretary to Government of India.

ENCLOSURE No. 2.—Copy of Rules for admission of Ganjam Salt into Orissa.

SUBMITTED to Government in continuation of Board's Proceedings, dated 10th November 1875, No. 3,076.

2. The rules approved by the Government of India are identical with the draft rules proposed by the Bengal Government, and forwarded to the Board with G.O., dated 6th July 1875, No. 1,010, to which exception has already been taken on the score of the power of detention conferred on the Police. As the rules were forwarded direct to the Collector with the intimation that they had received the approval of the Government of India, it was clearly intended that immediate effect should be given to them, and the Collector will at once publish them for the information of traders.

3. The Government will be requested to address the Bengal Government on the subject of paragraph 3 of the Collector's letter.

(A true Copy and Extract.)

Acting Sub-Secretary.

To the Acting Secretary to Government, Revenue Department,
with two original enclosures, to be returned.
Copy to the Acting Collector of Ganjam.

Exd. W. H. French

[illegible] 53 [illegible] 195 - 195
10 Septr/74 - 110 - 11
19 Decr — — 235 - 36
6 July/75 - 85 - 56
23 do — — 236 - 37
30 do — — — — 1103 [illegible]
7 Novr — — 113 - 14

No. 4409

Revenue 1875. Depts

Board of Revenue,
MADRAS.

PROCEEDINGS, 10TH NOVEMBER 1875, No. 3,076.

Urgent [illegible]

Encl. 1

~~[illegible] 23 December~~
1874

Received 13 Novr /75

NOVEMBER.

No. 3,076.

Transit of Ganjam salt into Orissa.—Submitting to Government Board's views with reference to the proposed relaxation of the stringent rules in force for the regulation of —, and forwarding a statement showing the exact cost of

4405

1875.

Board of Revenue,

MADRAS.

PROCEEDINGS, 12TH NOVEMBER 1875, No. 3,102.

Ext.

Received

NOVEMBER.

No. 3,102.

Admission of Ganjam Salt into Orissa.—Directing the immediate publication of the rules approved by Government of India for — for the information of traders, and requesting Government to address the Bengal Government in view to the Collector being informed from time to time of the rules which that Government may pass on the subject.

No. 3,165.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 20th November 1875.

Read the following Proceedings of the Madras Government, dated 10th November 1875, No. 1,618, Revenue Department :—

ABSTRACT.—*Ganjam Salt.*—Communicating to the Board of Revenue, for information and guidance, letter from the Government of India enclosing papers showing rules and measures sanctioned to facilitate admission of — into Orissa, and inquiring the cost of the manufacture of salt in Ganjam.

COMMUNICATED to the Collector of Ganjam.

2. The Board have already furnished the report alluded to in paragraph 2 of the letter from the Government of India in Proceedings, dated 10th November 1875, No. 3,076. The discrepancy referred to in paragraph 7 of Mr. Hume's letter, dated 14th October 1875, No. 323, is explained at paragraph 4 of the Proceedings quoted above.

(A true Extract.)

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

To the Acting Collector of Ganjam, with copy of one enclosure.
,, the Acting Secretary to Government, Revenue Department,
with seven enclosures returned.

Exd. J. W. Fischer.

1875.

Board of Revenue,

MADRAS.

Proceedings, 20th November 1875, No. 3,165.

Encl.

Received

NOVEMBER.

No. 3,165.

Ganjam Salt.—Communicating to Collector letter from Government of India forwarding papers showing rules and measures sanctioned to facilitate admission of — into Orissa, and informing Government that the report called for on subject of cost of manufacture of salt in the district has already been furnished.

Name of Division.	Quantity manufactured on an average of 5 years.	Wastage.	Remainder.	Salary of the Division Establishment.	Salary, Allowance, &c., of the Deputy Collector.	Salary of the Permanent Police Guards.	Salary of the Temporary Police Guards.	Kudivaram.	Charge for storing Salt.	Contingencies of Sale, &c.	Average Charge of 5 years on account of Repairs to Salt Works.	Rent on land occupied by the Pans.	Interest on the Cost* of Permanent Works and Plant at 5 per cent.	Total Charges.	Average Cost per Maund.
	MAUNDS.	MAUNDS.	MAUNDS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS. A. P.
Ganjam ...	212,667	8,902	203,765	3,588	1,625	2,460	2,379	19,494	1,315	692	1,036	973	1,526	35,088	0 2 9·05
Ichapur	131,168	4,006	127,162	2,844	1,625	2,118	1,226	10,248	952	694	1,136	...	1,584	22,427	0 2 9·86
Nowpada ...	240,142	13,984	226,158	4,896	1,625	2,778	3,091	15,009	1,550	978	1,687	...	2,234	33,848	0 2 4·73
Womeravilly ...	205,726	7,181	198,545	3,648	1,625	2,118	1,114	16,072	1,081	726	1,500	...	1,627	29,511	0 2 4·53
Total ...	789,703	34,073	755,630	14,976	6,500	9,474	7,810	60,823	4,898	3,090	5,359	973	6,971	1,20,874	0 2 6·71

* Based on the actuals for the past ten years, and the estimated cost of all permanent works constructed prior to that period and now in existence.

25

Revenue Department

Proceedings of the Board of Revenue.

Dated 12th March 187

Read the following

No. 2243.

From:

The Acting Collector,
Ganjam.

To

The Secretary to the
Board of Revenue
Madras.

Sir,

I have the honor to enclose copy of the Rules which have been approved by the Government of India for the admission of Ganjam Salt into Orissa and which have been forwarded to me direct by the Under Secretary to Government with his letter, dated 14th Instant No. 322 (Copy enclosed)

Rev. 4407/75
G.O. No 1193 of 22nd [illegible]

2 I solicit the instructions of the Board as to the date from which the Rules are to take effect.

3. I take the same opportunity to request that the Board will be pleased to address Government with a view to my being kept informed from time to time of the Rules which the Lieutenant Governor may pass under Section 11, Act VII of 1864 (B.C.) with reference to paras 7 and 9 of the Rules as our orders will be very materially affected by them.

Chittagong
27th October 1895
I have &c
(Sd) R. [illegible]
Collector

Submitted

Submitted to Government in continuation of Board's Proceedings dated 10th November 1895, No 3076.

2 The Rules approved by the Government of India are identical with the draft rules proposed by the Bengal Government and forwarded to the Board with Government Order dated 6th July 1895 No. 1010 to which exception has already been taken on the score of the power of detention conferred on the Police. As the rules were forwarded direct to the Collector with the intimation that they had received the approval of the Government of India, I am

clearly intended that immediate effect should be given to them and the Collector will at once publish them for the information of traders.

3. The government will be requested to address the Bengal Government on the subject of para 3 of the Collector's letter.

(True copy & Extract)

Asstt Secretary

To The Secretary to Government
Revenue Department,
with 2 original encls.
to be returned

Revenue 1875 Depts

No 4405

Proceedings of the Board of Revenue

Dated 12th Novr 1875
Desp. 12 " "
Recd 12 " "
En 2

S.R. No 1876. 22 December 1874

Subject

Letter from the Collector of Ganjam soliciting instructions as regards the rules relative to the admission of Ganjam Salt into Orissa, approval of any lower Cost of [illegible]

h: 230

2 Dec 75 [illegible] 14 dec

Revenue Department

Proceedings of the Board of Revenue

Dated 20th November 1875.

Read Proceedings of the Madras Government, Revenue Department, dated 10th instant, No 1618, communicating to the Board, for information and guidance, letter from the Government of India enclosing papers showing rules and measures sanctioned to facilitate admission of Ganjam salt into Orissa and inquiring the cost of the manufacture of Salt in Ganjam.

Communicated to the Collector of Ganjam.

2. The Board have already furnished the report alluded to in para 2 of the letter from the Government of India in Proceedings dated

the [illegible]

to Collector

0th November 1875, No 3076. The discrepancy
eferred to in para 7 of Mr. [illegible] letter dated
f October 1875, No 328, is explained at para
h of the Proceedings quoted above.

(True Extract)

Acting Sub Secretary

The Secretary to Government
Revenue Department with
7 Enclosures returned.

Ex selected

Go I 10 Nov/75 Nos 138-39.

Revenue 1875 Deptt

No. 4499 of

Proceedings of the

Board of Revenue

Dated 20 } November 1875
Despd 20
Recd 22

No. 7 S.D. Bd. 1805 – 22 Dec 1875

Ganjam salt – Comg to Collr

letter from Govt of India forwarding papers regarding the measures sanctioned to facilitate admission of [illegible] — into Orissa, & intimating that the report called for on subject of cost of manufacture of salt in the Dist has already been furnished

No. 231

Rules for the admission of Ganjam salt into

1. Salt may be sold at the Ganj
golahs in any quantities wholesale or re
for consumption in Orissa, or for trans
through Orissa to any other place.-

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

3. If the place of destination be
within Orissa, the Collector of Ganja
shall send a copy of the pass then
issued on the day of issue to the Collecto
the district in which the place of destin
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 the period no Bengal rule or law shall affect this salt or the carriers thereof.

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 believing fraud exist endorse the pass, extending its period by not more than the number of days necessary to enable the salt to reach its place of destination or if the officer in charge believes fraud he shall detain the salt and report the case sending a full statement by the pass-holder to the Collector for orders. If after a pass has been once extended a second

application

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 over-stayed the period of grace granted, the Collector may, if he deems it necessary, impose a moderate penalty not exceeding [illegible] per cent on the value of the salt thus delayed in transit.

6 If a pass-holder should 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 therefor for the [illegible] of the salt left and of these [illegible] the [illegible] fixed [illegible] the original [illegible] issued by the Collector [illegible] applications to a Collector for an exchange pass shall be [illegible] recording a statement of the cause [illegible]

case

law prescribes for applications to a Collector.

7 The holder of a pass may sell
portion of the salt covered by such pass
in transit between the [illegible] 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 rule.

8 Every person purchasing more
than five seers of salt from a pass holder
shall give immediate notice of the pur-
chase to the officer in charge of the nearest
police station who shall thereupon
[illegible] a proper rowannah or a [illegible]
under the ordinary rules for the protection
of the salt with a rowannah [illegible]
than 6 months. Every Police officer
granting such a rowannah shall send
a copy of the same to the Collector of the
District and the [illegible] Board will [illegible]
rowannahs and [illegible] so granted

by police officers shall be subject to
the rules current in Bengal in respect
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 officers as may be authorized
the Collector to receive such application
for the necessary documents for the protection
of the salt under the Bengal laws.

(True Copy)

R. C. [illegible]
C. F. Collector
Ganjam

[illegible]
[illegible]
Exm Clerk

No. 3322

87

From

C. J. Lyall Esquire,

Under Secretary to the Govt. of India

Department of Revenue, Agricu

and Commer

To

The Collector of Ganjam

Simla, dated 15 October 1875.

Sir,

Customs & Salt.

I am directed to forward for y
information a copy of the rules which h
been approved by the Government of Ind
for the admission of Ganjam Salt into

I have &c.

(Sd.) C. J. Lyall.

Under Secretary to the

Govt. of India

(True Copy)

[illegible]

Offg. Collector

Ganjam

Copy
[illegible]
Head Clerk

Enclosure in a letter from
the Offg. Collector Ganjam
to the Secretary to the Board
of Revenue [illegible]
dated [illegible] October 1875 No. 2243

2

Rev. 4405 [illegible]
G.O. No. 1834 of 22nd [illegible] 1875

No. [illegible]

[illegible]

Enclosure in a letter from the Ag. Collector Ganjam to the Secretary to the Board of Revenue dated 27th Octr 1875 No 2243

Rev 4403
G.O. No 1834 / 22nd Decr 1875
Salt Abk 8812/75

Complete letter forwarded to the Secretary to the Govt of India.

Revenue Dept.

Memo. for Orders.

Pro. Board of Revenue } Dated 10th, 12th and 20 Novr 1875
admission of Ganjam } Nos. 3076, 3102 & 3165
Salt into Orissa.

See letter in file
5 March 72 No 2454

[illegible]

Early in 1873 the Govt. of India expressed their desire to abolish that portion of the inland customs line which existed "merely to catch a differential duty on British Salt passing from one province to another." They remarked as follows "where the frontiers "of Bengal and "Madras are conter"minous we have at

14

"present on either side "of an artificial line, "similar races under "similar physical con"ditions of existence, "paying respectively "a duty of Rs 1. 13 - " "and Rs 3. 4 - " on the "salt they consume". They therefore asked this Government to consider the trans-Godaveri districts apart from the rest of the Presidency" and to agree to the imposition at the Ganjam works

of

of a duty intermediate between the general Southern Indian rate but not exceeding a maximum of Rs 2-8- and at other works Sout of Ganjam" a graduate duty, bridging over the difference between the adopted for Ganjam and that south of the Godaveri which will be the general Souther Indian rate".

This Southern Indian rate they propose to make Rs 2 in place of Rs 1-13-0.

This

This Government pointed+ out the injustice and dangers of raising the Salt tax in this Presidency, and in the following year, the Govt. of India ⊕ submitted certain modified proposals, namely a decrease of the duty in Orissa and an increase of the selling rate at two of the places of manufacture in Ganjam. This Govt + agreed & an Act × was passed amending the law relating to Salt

+ d. 3rd March 73 No: 246

⊕ see letter 19th July 74 No: 49

× X of 1874

+ letter d. 27th March 74 No: 393

+ From Govt. of India 24th April 1874, No. 124 A

salt and enabling the proposals to be effected, and it was intimated+ that "all interference with the import of salt from the Presidency of Fort Saint George by land into the territories under the Lieutenant-Governor of Bengal will cease to be necessary" and that "there is now no obstacle to the trade in salt

from

from the Coast to any part of the Central Provinces."

3 The Bengal authorities, however, declined to allow Ganjam salt to pass through Orissa except under the rules therein in force, and these were worked in a manner that

had

had not been customary. The Govern+ment of India refused to sanction the enforcement of these rules and suggested certain others "for the regulation of routes and the issue of protective passes" as "the full measure of freedom which it is desired to pro

+ See letter in G.O. 10th Septr 1874, no 1158 to the transit of salt cannot be secured all at once. Various objections to these rules were raised by the Collector of Ganjam and the Board of Revenue, and were submitted to the Govt. of India with the support × of this Govt. Some correspondence then passed between the Govt. of India and the Govt. of Bengal, and the latter suggested certain rules which the former sent on to this Govt. and stated that before

× G.O. 19 Decr. 1874, No. 1591, & letter of same date, No. 1592

before passing rules they wished to be furnished "with a statement showing the exact cost of the manufacture of salt in Ganjam and the items of which it is composed"

See letter in G.O. 6th July/75 No. 1010

This was in July last, but without waiting for the information, the Govt. of India have sanctioned the rules proposed by the Bengal Govt.

4. There are now three Proceedings of the (Madras) Board of Revenue regarding the

(1) Board Pro: 10 Nov 1875 No. 3078 in which they forward the information required as to the cost of Ganjam salt, protest

protest against the
proposed restoration
rules as placing
unnecessary and
except restriction on
transit of Madras
salt and oppose an
further restriction of the
ly or Orissa salt.
ion has been
communicated by the
t of Bengal.
) Board's Pro:
Novr 1878 No 4405
which they support
proposal of the Collector
t he may be kept
ned of the regulation
ist the Zamindar's [illegible]

2

of Bengal has power
to frame. 39

(3) Board's Pro: 20th
Novr 1875 No.
pointing out that the
discrepancy noticed by the
Govt of India has been
explained in the first of
these Proceedings noted
above

5. It is presumed
that the information
submitted as to the cost
of Ganjam salt may be
accepted and forwarded
to the Govt of India; that
it may be intimated
~~that~~ this Govt accepts
the rules as they frame
they are only to be temporary
measures

announced as the Bengal Govt. are maturing "a scheme to provide for the cessation of all interference with the internal transport of salt in Orissa"; that the Board's views opposing a further reduction on Orissa salt may be supported; and that the Govt. of Bengal may be asked to supply the Collector of Ganjam with the information required by him.

See para 9 of Lieut: Governor's letter dated 25th Aug/75 No. 1283

Memo for [illegible]

Admission of Ganjam Salt into Orissa —

6 copies [illegible]

No. 1835 Revenue Department

41

To

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

From Govt. of India
7th June 1875, No 178
do do 14 Oct 1875, No 324

Sir,

With reference to the correspondence noted in the margin relative to the admission of Ganjam Salt into Orissa, I am directed to forward the accompanying Proceedings of this Govt. in which is printed a report furnished by the Board of Revenue showing in detail the exact cost of the manufacture of Salt in Ganjam

2. The Most Noble the Governor

d 14 Dec 75

Governor in Council fully concurs with the Board's remarks as to the hardship and impolicy of placing any restrictions on the importation of Ganjam Salt, and I am to call attention to the success which has in this Presidency attended the adoption of measures to encourage free trade in Salt.

2. The rules submitted with your letter of the 7th June last No 178 are manifestly open to the same objections as those already advanced against the

temporary

temporary rules proposed by the Govt. of India in their letter to the Govt. of Bengal dated 28th August 1874, No 242 and I am to express the great regret with which the Most Noble the Governor in Council has learnt from your letter of the 14th October last No 324 that they have been sanctioned before this Govt. had an opportunity of expressing an opinion and supporting their remarks with the information now submitted which it was understood His Excellency the Governor General in Council desired to obtain

before

* Vide this Govt. letter of 19th Decr. 1874, No 1892 and enclosures

* Vide your letter dated 7th June 1875, No 178

"before passing orders in the matter."

4 It is observed that the Govt. of Bengal are desirous of obtaining a further reduction in the duty on Pooree salt, but I am to point out that this measure would have the effect of lowering the duty below that now paid at Ganjam. The hardship involved in the recent increase of duty in the last named District is admitted by the Govt. of India and the Governor in Council feels confident that

* Pro. Bd. of Revenue
10 Novr. 1875, No. 3076.

43

that no addition to the burden will be sanctione

5 The discrepancy noti in para 7 of Mr. Humes letter of the 14th October 187 No 323 to the Govt. of Beng is explained by the Board of Revenue in the earliest* of the papers now forwarde

6 In conclusion I am to express a hope that the Governor General in Council will, in the interest of the people of Ganjam, if not of the Imperial Revenue require the immediate introduction of that scheme to provide for the cessation of all interference

with

with the internal transit
of salt in Orissa", which
it would appear, was under
preparation so far back
as the month of May
last, and I am to request
that if the present rules
are to continue in force,
early intimation of the
further* rules which the
ovt. of Bengal may pass
under Section 11 Act VII of 1864
Bengal) may be apprised
o the Collector of Ganjam

21d Decr 1875

Vide letter from Bengal
dd 25 May 1875, No 1283,
para 9

*Vide Rules 7 & 9

To
Govt of India

Admission of Grey
Settlement Dept.