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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No.	342	Press
B.P. No.		Mis.
Dated	3.3.1875	196

Not to be folded or roughly handled

302

*Proceedings of the Madras Government, Revenue Department,
3rd March 1875.*

No. 27. Read the following letter from the Hon. F. S. CHAPMAN, Chief Secretary to the Government of Bombay, to the Hon. D. F. CARMICHAEL, Acting Chief Secretary to the Government of Fort St. George, dated Bombay Castle, 8th January 1875, No. 89 :—

I AM directed to acknowledge the receipt of your letters noted in the margin, and to forward, for the information of His Excellency the Governor in Council, the accompanying copies of communications (Nos. 6,560 and 6,856, dated 3rd and 21st December 1874) from the Collector of Salt Revenue and of his Annual Report for 1873-74 therein referred to, in which the several questions connected with the supply of salt to the Malabar and South Canara Districts, and the grant of compensation to the Cochin and Travancore States consequent on the new arrangement regarding the pre-payment of duty on salt exported from Bombay, are discussed.

2. With reference to the proposal contained in your letter of the 21st November last, that the duty may be adjusted by an account payment, I am desired to state that this Government has already given permission to allow salt merchants a month's credit on the deposit of Promissory Notes, but salt can be given them equally well on the production of the necessary documents from a Madras treasury.

3. As regards the objection raised in paragraph 3 of your letter just quoted to the bagging of salt before leaving the works in Bombay, I am to observe that the measure has been found essential to prevent smuggling, and to express the regret of His Excellency the Governor in Council that it cannot be dispensed with. I am also to invite the attention of the Government of Fort St. George to the figures given by Mr. Pritchard as to the prices at which salt from the works near Bombay and those in North Canara can be procured.

4. I am desired to add that, should the Government of Fort St. George desire to take any action on the papers herewith forwarded, this Government will be most happy to co-operate with them, or to render them any information or assistance which it may be in their power to afford.

ENCLOSURE No. 1.

From C. B. PRITCHARD, Esq., Collector of Salt Revenue, to the Chief Secretary to the Government of Bombay, dated Bombay, 3rd December 1874, No. 6,560.

ADVERTING to Government Resolution, No. 6,314, dated the 30th ultimo, I have the honor to point out that the resolution of the Government of Madras to retain the selling price of salt at Rs. 2 per maund in the South Canara and Malabar Districts, notwithstanding the increase in the cost-price of the salt caused by the recent regulations prescribing the pre-payment of full duty and the bagging of salt previous to removal from our works, still further reduces the rate of salt-tax paid by the people of South Canara and Malabar below that paid by consumers resident in the adjacent districts of the Bombay Presidency.

2. The Government are aware that almost the whole of the salt consumed in South Canara and Malabar and in the inland districts which obtain their supplies from those Collectorates is the produce of works in Bombay, and is purchased by the Madras Government from importers who contract to deliver fixed quantities at fixed rates at the different Government warehouses

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3rd March 1875.*

on the coast. The quantities required by the Collectors of South Canara and Malabar during the current season aggregate between eight and nine lakhs maunds, and the price at which this season's contracts have been let varies from Rs. 280 to Rs. 285 per garce of 120 maunds, or from Rs. 2-5-4 to Rs. 2-6-0 per maund. Of this amount, Rs. 1-13-0 is on account of the Bombay excise, and the balance Rs. 0-8-4 to Rs. 0-9-0 represents the actual cost per maund of the salt. If the salt is re-sold at Rs. 2 per maund, the tax realised will be at the rate of Rs. 1-7-0 to Rs. 1-7-4 per maund, which is less by one Anna per maund than the rate heretofore paid by purchasers at the South Canara and Malabar warehouses, and less by 6 Annas a maund than the rate paid by purchasers at salt-works in the Bombay Presidency. The districts of Ratnagiri and North Canara in this Presidency, which lie immediately north of the Madras Districts referred to, like them do not produce sufficient salt for their own consumption, and like them are compelled to import from works near Bombay. But they pay the full rate of salt-tax, Rs. 1-13-0 per maund.

3. I further beg to point out that the rates now paid to the contractors who supply the Government warehouses on the Malabar coast seem to be very high. The following statement shows the actual charges paid by contractors per Anna of 72 Indian maunds for superior salt:—

	RS.	A.	P.
* Price of salt free on board the pattimars, including Dalali, filling and carrying of bags, &c.	8	0	0
† Freight to Malabar coast	8	0	0
‡ Bags, at 6 Pies per maund	2	4	0
Excise duty	130	8	0
Total ..	148	12	0
§ Wastage, at 1 per cent.	1	8	0
Insurance, at 10 Annas per cent	1	0	0
Landing charges, at 9 Pies per maund	3	6	0
Total Cost to Contractor. .	154	10	0
Deduct Duty.	130	8	0
Cost of 72 maunds salt ex-duty	24	2	0

or 5½ Annas per maund.

I have made no allowance for interest on money invested in the purchase of salt, as credit will be allowed for the excise under the rules just sanctioned. Including all contingencies, 6 Annas per maund is a fair estimate of the actual cost per maund of delivering salt into the Government warehouses on the Malabar coast.

4. I further beg to invite attention to the account of the salt-trade with Cochin and Travancore, given in paragraphs 49 and 52 of my Administration Report for 1873-74. It appears from the letter from the Government of Madras, No. 1,135, dated the 4th September last, that that Government contemplates repaying to the Travancore and Cochin States the duty levied in Bombay on the whole of the salt which they import. But, as the quantity of salt annually sold from the Government warehouses in those States averages Indian maunds 571,789, and their population amounts to 1,900,000 only (both these sets of figures have been obtained from the Resident at Travancore), their consumption, if the whole of the salt they sell is consumed within their limits, must average 24½ lbs. per head,—a rate unheard of even in England and other Euro-

* The rate actually paid by Antoni Britto (the principal contractor) for some of the best salt now obtainable at the Ooran Salt-works.

† This is the maximum rate; freights are often down as low as Rs. 5.

‡ The bags cost 5 Annas each, and each will last at least six trips. This we have ascertained by experiment at Kharaghora and other places.

§ Wastage is almost nominal, as salt is weighed after being bagged, and is loaded dry, and full weight is given, and the salt will imbibe moisture and increase in weight on the voyage. A little will, however, stick to the sides of the bags when emptied.

*Proceedings of the Madras Government, Revenue Department,
3rd March 1875.*

pean countries in which large quantities of salt are used in manufactures and agriculture, and in which the selling price of salt is one-eighth of that obtaining in Travancore. It would seem to be desirable that some inquiry should be made as to the reasons of this extraordinary consumption of salt in Travancore and Cochin before final arrangements are made for the adjustment of the duty levied in Bombay on the salt which they take from our works.

5. It also appears from the same letter that the Government of Madras contemplate the continuance to Travancore and Cochin of the 10 per cent. wastage allowance. The wastage allowance was fixed at this high rate at a time when it was the practice to deliver salt by measure, not by weight, at the works in Bombay, which practice was supposed to place exporters at a disadvantage in making delivery at the depôts of the Travancore and Cochin States. But the system has now been altered, and salt is now both delivered to and received from the contractors by weightment. There would, therefore, seem to be no longer reason for continuing the allowance, especially as the wastage on shipments to British ports on the Malabar coast averages but 1 per cent., as shown in paragraph 51 of my Administration Report. I am inclined to think that, as the salt is bagged dry at the works, and the bags are weighed after being filled, and the salt will imbibe moisture on the voyage down the coast, and so become intrinsically heavier, there should ordinarily be no wastage at all in shipments to the Malabar coast.

6. These subjects do not perhaps directly concern the Bombay Salt Department, but, as they affect Imperial revenue, I have deemed it my duty to bring them to the notice of Government for such considerations as they may seem to deserve.

ENCLOSURE No. 2.

From the same officer, dated Bombay, 21st December 1874, No. 6,856.

THE request made by the Government of Madras, that the Government of Bombay will arrange that the duty leviable on Bombay salt exported to the South Canara and Malabar Districts may be adjusted by an account payment, has been anticipated by the orders conveyed in Government Resolutions, No. 5,482, dated the 16th October last, and No. 6,162, dated the 24th November 1874. Contractors can obtain a

* A month will probably afford ample time for a trader to take out permit in Bombay, and ship and deliver a cargo of salt at any port on the Malabar coast. But, if necessary, the currency of the credit can be extended.

month's* credit for the excise duty payable by them on lodging Government securities in this office, or they can arrange for the grant of a credit by the Collectors of South Canara and

Malabar, and obtain permits here on production of documents, showing that the cost-price of such permits has been placed to the credit of the Bombay Salt Department in the accounts of the Government treasuries at Mangalore or Calicut.

2. With reference to the objection to the bagging system stated in the 3rd paragraph of Mr. Secretary Master's letter, the undersigned would observe that the system has been introduced, under the orders of Government, after careful consideration and with full experience of the mode in which trade is conducted at salt-works in this Presidency for the purpose of checking, smuggling, and other irregularities known to exist. The contractors who supply the Madras ports have certainly not hitherto shown themselves superior to the common failing of taking as much salt as they can get irrespective of the quantities which they may have paid for, and it would not be safe to relax ordinary precautions in their favor. The cost entailed by the use of bags ought not to exceed 6 Pies per maund, the rate paid to the contractor who supplies Baragara salt at railway stations in Guzerat.

3. Considerable misapprehension evidently exists in Madras regarding the price paid by contractors for salt at Bombay works. In paragraph 3 of his letter, No. 885, of the 23rd June last, the Collector of South Canara states the price at 3 Annas per maund, and bases his calculations of the relative costs of importation of Bombay, Goa, and other salts on that figure. Both buyer and seller at Bombay salt-works are obliged to declare the price agreed on before permit is granted, so a record is kept of the rate at which salt is sold. The following table shows the

*Proceedings of the Madras Government, Revenue Department,
3rd March 1875.*

quantities of salt exported to the Malabar coast, and the prices paid by contractors from the opening of the season up to the 5th instant:—

Name of Talooka from which Salt was exported.	To British Malabar	To Foreign Malabar.	Total.	Average Price per Maund.		
	IND. MDS.	IND. MDS.	IND. MDS.	RS.	A.	P.
Matoonga	28,140	6,020	33,160	0	1	3
Ooran	2,23,435		2,23,435	0	1	0
Fanvell	37,324		37,224	0	0	5
Total	2,88,899	6,020	2,94,919			

The average price then is about 1 Anna per maund, or one-third of that accepted by Mr. Thomas.

4. In paragraph 3 of this office letter, No. 6,560, dated the 5th instant, figures are given which show the charges incurred by contractors on all accounts for delivering Bombay salt into Government warehouses on the Malabar coast. Those figures represent the charges for *superior* salt, and had special reference to a consignment of exceptionally good quality which Mr. Antoni Britto was then making to Mangalore from the Ooran works. The salt ordinarily exported to Malabar is, however, of the lowest quality, and reducing the cost-price stated in the letter just quoted to the average deduced from the foregoing table, it will be seen that the contractors' expenses do not average more than about 5 Annas per maund. As they receive from 8 Annas and 4 Pies to 9 Annas per maund, there would seem to be reason for believing that their rates are excessive. Contractors are, of course, interested in keeping up high rates, and it must be difficult to check them without accurate knowledge of the cost of the loading, carriage, and landing of the salt, and of the circumstances under which each of these several operations is carried on. If the contractors' system is to be continued, some saving of expense might perhaps result from a more close association of the Collectors of South Canara and Malabar and the Bombay Salt Department in arranging for the supply of Bombay salt to the Government warehouses in those districts.

5. Besides Bombay salt, South Canara also imports from 50,000 to 60,000 Indian maunds from Goa at a cost ranging from 5 Annas to 8 Annas per maund. The Collector is anxious that the importation of Goa salt should be entirely prohibited on account of the smuggling carried on under cover of the trade; but the Board of Revenue does not support his recommendation on the ground of the cheapness of Goa salt, and the preference shown for it by some classes on the coast. Arrangements can, however, be made to supply the above quantity of salt in all respects resembling and equal to Goa salt, or twice as much if required at the rate of 2 Annas per maund from the Sanikutta and Shereali works in North Canara; provided that the "Kudivaram" (or rate paid to manufacturers for salt purchased by Government) in South Canara is not raised to 3 Annas per maund, as proposed in the papers under reference. If the rate is raised at the South Canara works, which are only a few miles distant from Shereali, the salt-makers in North Canara will, of course, raise their prices. But even at 3 Annas per maund, salt can be imported into South Canara more cheaply from the North Canara works than from Goa, as the ordinary price of salt in Goa is 4 Annas per maund and the North Canara works are much nearer. These considerations would seem to meet the objections entertained by the Board of Revenue to the prohibition of the importation of Goa salt. The enforcement of the prohibition would serve to protect the Salt revenue of this Presidency, also as North Canara intervenes between Goa and Mangalore, and its coast offers many temptations to the crews of vessels laden with Goa salt passing along it.

(Signed) C. B. PRITCHARD,
Collector of Salt Revenue.

*Proceedings of the Madras Government, Revenue Department,
3rd March 1875.*

No. 28.

ORDER THEREON, 3rd March 1875, No. 342.

Separate Revenue, No. 7.

Salt.

COMMUNICATED to the Board of Revenue and the Resident in Travancore and Cochin.

2. Adverting to the letter from the Government of Bombay, dated 24th July 1874, No. 3,882, recorded in G. O., 30th October 1874, No. 1,376, the Governor in Council resolves to call upon the Board of Revenue to report on the proposal to do away with the contract system and leave the supply of salt for Malabar and Canara to private enterprise.

3. In the mean time, the observations recorded by the Collector of Salt Revenue in Bombay, with reference to the rates now paid to contractors who supply salt to the west coast districts, the actual cost incurred by contractors, and the cost-price of salt at the Bombay works, will be communicated to the Collectors concerned for their information and guidance in dealing with contractors hereafter.

4. The Board will state their views upon Mr. Pritchard's suggestion that the Collectors should be associated with the Bombay Salt Department in arranging for the supply of salt. It is believed that these officers have not heretofore been backward in seeking for information.

5. The Government of Bombay had been asked* to arrange that the duty which is to be levied at Bombay might be adjusted by an account payment. They now reply by referring to the rules which have lately been passed by them, sanctioning† the grant of credit to salt-traders, adding that "salt can be given them equally well on the production of the necessary documents from Madras treasury." The Board will report in detail, after communicating with the Accountant-General, how the arrangement is to be worked. The duty not being payable by the contractor but by this Government, it will be necessary that he should give substantial security in order that his responsibility for delivery of the full amount of salt included in his indent may be easily enforced (Board's Proceedings, 24th July 1873, No. 1,381, paragraph 6).

(True Extract.)

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

To the Board of Revenue.
" the Resident in Travancore and Cochin.
" the Accountant-General.

Exd. F. R. Bantleman.

Further No 1332/75
 From Govt of Bombay 4/12
 Dated 25/5/75 No 2538

Settlements in Malabar and South Canara.—Com-
 mencing for report letter from the Government
 of Bombay on the question of — and the grant of
 compensation to the Cochin and Travancore States
 consequent on the new arrangement for the pre-
 payment of duty at Bombay.

MARCH
 Nos. 27-38.

GOVT. OF 1875
 REVENUE.
 THE BOARD OF REVENUE.
 Dated March 3rd.
 Recd.
 G.O. 3rd March 1876, No. 242.

No. 89 of 1875.

REVENUE DEPARTMENT.

Bombay Castle, 8th January, 1875.

FROM THE HONORABLE F. S. CHAPMAN,
 Chief Secretary to the Government of Bombay,

TO THE CHIEF SECRETARY TO THE GOVERNMENT
 OF FORT ST. GEORGE.

SIR,—I am directed to acknowledge the receipt of your letters noted in the margin, and to forward, for the information of His Excellency the Governor in Council, the accompanying copies of communications (Nos. 6560 and 6856, dated 3rd and 21st December 1874) from the Collector of Salt Revenue and of his Annual Report for 1873-74 therein referred to, in which the several questions connected with the supply of salt to the Malabar and South Kanara Districts, and the grant of compensation to the Cochin and Travancore States, consequent on the new arrangement regarding the pre-payment of duty on salt exported from Bombay are discussed.

2. With reference to the proposal contained in your letter of the 21st November last, that the duty may be adjusted by an account payment, I am desired to state that this Government has already given permission to allow salt merchants a month's credit on the deposit of Promissory notes, but salt can be given them equally well on the production of the necessary documents from a Madras Treasury.

3. As regards the objection raised in paragraph 3 of your letter just quoted, to the bagging of salt before leaving the works in Bombay, I am to observe that the measure has been found essential to prevent smuggling, and to express the regret of His Excellency the Governor in Council that it cannot be dispensed with. I am also to invite the attention of the Government of Fort St. George to the figures given by Mr. Pritchard as to the prices at which salt from the works near Bombay and those in North Kanara can be procured.

4. I am desired to add that should the Government of Fort St. George desire to take any action on the papers herewith forwarded, this Government will be most happy to co-operate with them, or to render them any information or assistance which it may be in their power to afford.

I have the honor to be,

Sir,

Your most obedient Servant,

[Signature]
 Chief Secretary to Government.

A.C. 5th Dec 1874: 2400/10/10
 No 15 2400/10/10: 2400/10/10
 230/11/10: 2400/10/10: 2400/10/10

Towards with remittance
 copy of certain papers etc.
 - this is the question connected
 with the supply of salt to
 Malabar & Kanara & the
 grant of compensation to
 the (Crown) warehouse that
 concerned on the arrangement
 regarding the supply of salt
 on salt separated from the

No 129
 Revenue 1875 Sept
 The Govt of Bombay
 Revenue Dept
 Dated 8th Jan 1875
 Revd. Sir
 In 2 1875
 S.O. 512. 8th Jan 1875

No. 6560 of 1874.

TO THE CHIEF SECRETARY TO GOVERNMENT, BOMBAY,

Bombay, 3rd December 1874.

SIR,—Adverting to Government Resolution No. 6314, dated the 30th ultimo, I have the honor to point out that the Resolution of the Government of Madras to retain the selling price of salt at Rs. 2 per maund in the South Kanara and Malabar Districts, notwithstanding the increase in the cost price of the salt caused by the recent regulations prescribing the prepayment of full duty and the bagging of salt previous to removal from our works, still further reduces the rate of Salt Tax paid by the people of South Kanara and Malabar below that paid by consumers resident in the adjacent districts of the Bombay Presidency.

2. The Government are aware that almost the whole of the salt consumed in South Kanara and Malabar and in the inland districts which obtain their supplies from those Collectorates is the produce of works in Bombay, and is purchased by the Madras Government from importers, who contract to deliver fixed quantities at fixed rates at the different Government warehouses on the coast. The quantities required by the Collectors of South Kanara and Malabar during the current season aggregate between 8 and 9 lakhs maunds, and the price at which this season's contracts have been let, varies from Rs. 280 to Rs. 255 per garce of 120 maunds, or from Rs. 2-5-4 to Rs. 2-6-0 per maund. Of this amount Rs. 1-13-0 is on account of the Bombay excise, and the balance Rs. 0-8-4 to Rs. 0-9-0 represents the actual cost per maund of the salt. If the salt is re-sold at Rs. 2 per maund, the tax realized will be at the rate of Rs. 1-7-0 to Rs. 1-7-4 per maund, which is less by one anna per maund than the rate heretofore paid by purchasers at the South Kanara and Malabar warehouses, and less by 6 annas a maund than the rate paid by purchasers at Salt Works in the Bombay Presidency. The Districts of Ratnagiri and North Kanara in this Presidency, which lie immediately North of the Madras Districts referred to, like them do not produce sufficient salt for their own consumption, and like them are compelled to import from works near Bombay. But they pay the full rate of Salt Tax Rs. 1-13-0 per maund.

3. I further beg to point out that the rates now paid to the contractors who supply the Government warehouses on the Malabar Coast seem to be very high. The following statement shows the actual charges paid by contractors per anna of 72 Indian maunds for superior salt:—

* Price of salt free on board the Pattimars, including Dalali, filling and carrying of bags, &c., &c.	Rs.	8	0	0
† Freight to Malabar Coast	"	8	0	0
‡ Bags at 6 pies per maund	"	2	4	0
Excise duty	"	130	8	0
Total.....	Rs.	148	12	0
§ Wastage at 1 per cent	"	1	8	0
Insurance at 10 annas per cent	"	1	0	0
Landing charges at 9 pies per maund	"	3	6	0
Total cost to contractor.....	Rs.	154	10	0

* The rate actually paid by Antone Britto (the principal contractor) for some of the best salt now obtainable at the Ooran Salt Works.

† This is the maximum rate; Freights are often down as low as Rs. 5.

‡ The bags cost 5 annas each, and each will last at least six trips. This we have ascertained by experiment at Kharaghora and other places.

§ Wastage is almost nominal as salt is weighed after being bagged, and is loaded dry, and full weight is given, and the salt will imbibe moisture and increase in weight on the voyage. A little will however stick to the sides of the bags when emptied.

Brought forward..... Rs. 154 10 0
Deduct Duty „ 130 8 0
Cost of 72 maunds salt ex-duty Rs. 24 2 0

or 5½ annas per maund.

I have made no allowance for interest on money invested in the purchase of salt, as credit will be allowed for the excise under the rules just sanctioned. Including all contingencies, 6 annas per maund is a fair estimate of the actual cost per maund of delivering salt into the Government warehouses on the Malabar Coast.

4. I further beg to invite attention to the account of the Salt Trade with Cochin and Travancore given in paragraphs 49 and 52 of my Administration Report for 1873-74. It appears from the letter from the Government of Madras, No. 1135, dated the 4th September last, that that Government contemplates re-paying to the Travancore and Cochin States the duty levied in Bombay on the whole of the salt which they import. But as the quantity of salt annually sold from the Government warehouses in those States, averages Indian maunds 5,71,789, and their population amounts to 19,00,000 only (both these sets of figures have been obtained from the Resident at Travancore), their consumption, if the whole of the salt they sell is consumed within their limits, must average 24½ lbs. per head, a rate unheard of even in England and other European countries in which large quantities of salt are used in manufactures and agriculture, and in which the selling price of salt is one-eighth of that obtaining in Travancore. It would seem to be desirable that some inquiry should be made as to the reasons of this extraordinary consumption of salt in Travancore and Cochin before final arrangements are made for the adjustment of the duty levied in Bombay on the salt which they take from our works.

5. It also appears from the same letter that the Government of Madras contemplate the continuance to Travancore and Cochin of the 10 per cent. wastage allowance. The wastage allowance was fixed at this high rate at a time when it was the practice to deliver salt *by measure*, not by weight, at the works in Bombay, which practice was supposed to place exporters at a disadvantage in making delivery at the depôts of the Travancore and Cochin States. But the system has now been altered, and salt is now both delivered to and received from the contractors by weighment. There would therefore seem to be no longer reason for continuing the allowance, especially as the wastage on shipments to British ports on the Malabar Coast averages but 1 per cent., as shown in paragraph 51 of my Administration Report. I am inclined to think that as the salt is bagged dry at the works, and the bags are weighed after being filled, and the salt will imbibe moisture on the voyage down the coast, and so become intrinsically heavier, there should ordinarily be no wastage at all in shipments to the Malabar Coast.

6. These subjects do not perhaps directly concern the Bombay Salt Department, but as they affect Imperial Revenue, I have deemed it my duty to bring them to the notice of Government for such considerations as they may seem to deserve.

I have the honour to be, &c.,

C. B. PRITCHARD,
Collector of Salt Revenue.

No. 6856 of 1874.

Bombay, 21st December 1874.

The request made by the Government of Madras, that the Government of Bombay will arrange that the duty leviable on Bombay salt exported to the South Kanara and Malabar Districts may be adjusted by an account payment, has been anticipated by the orders conveyed in Government Resolutions No. 5482, dated the 16th October last, and No. 6162, dated the 24th November 1874.

* A month will probably afford ample time for a trader to take out permit in Bombay, and ship and deliver a cargo of salt at any port on the Malabar Coast. But if necessary the currency of the credit can be extended.

Contractors can obtain a month's* credit for the excise duty payable by them on lodging Government securities in this Office; or they can arrange for the grant of a credit by the Collectors of South Kanara and Malabar, and obtain permits here on production of documents showing that the cost price of such permits has been placed to the credit

of the Bombay Salt Department in the accounts of the Government Treasuries at Mangalore or Calicut.

2. With reference to the objection to the bagging system stated in the 3rd para. of Mr. Secretary Master's letter, the undersigned would observe that the system has been introduced, under the orders of Government, after careful consideration and with full experience of the mode in which trade is conducted at salt works in this Presidency, for the purpose of checking, smuggling and other irregularities known to exist. The contractors who supply the Madras Ports have certainly not hitherto shown themselves superior to the common failing of taking as much salt as they can get irrespective of the quantities which they may have paid for, and it would not be safe to relax ordinary precautions in their favour. The cost entailed by the use of bags ought not to exceed 6 pies per maund, — the rate paid to the contractor who supplies Baragara salt at Railway Stations in Guzerat.

3. Considerable misapprehension evidently exists in Madras regarding the price paid by contractors for salt at Bombay works. In para. 3 of his letter No. 885, of the 23rd June last, the Collector of South Kanara states the price at 3 annas per maund, and bases his calculations of the relative costs of importation of Bombay, Goa and other salts on that figure. Both buyer and seller at Bombay salt works are obliged to declare the price agreed on before permit is granted, so a record is kept of the rate at which salt is sold. The following table shows the quantities of salt exported to the Malabar Coast, and the prices paid by contractors from the opening of the season up to the 5th instant:—

Name of Talooka from which salt was Exported.	To British Malabar.	To Foreign Malabar.	Total.	Average price per maund.
	Ind. Mds.	Ind. Mds.	Ind. Mds.	Rs. a.
Matoonga	28,140	6,020	33,160	0 1 3
Ooran	2,28,435		2,28,435	0 1 0
Panwell	37,324		37,324	0 0 5
Total	2,88,899	6,020	2,94,919	

The average price then is about one-anna per maund, or one-third of that accepted by Mr. Thomas.

4. In para. 3 of this office letter No. 6560, dated the 5th instant, figures are given which show the charges incurred by contractors on all accounts for delivering Bombay salt into Government warehouses on the Malabar Coast. Those figures represent the charges for superior salt, and had special reference to a consignment of exceptionally good quality which Mr. Antone Britto was then making to Mangalore from the Oorun works. The salt ordinarily exported to Malabar is, however, of the lowest quality, and reducing the cost price stated in the letter just quoted to the average deduced from the foregoing table, it will be seen that the contractors' expenses do not average more than about 5 annas per maund. As they receive from 8 annas and 4 pies to 9 annas per maund, there would seem to be reason for believing that their rates are excessive. Contractors are of course interested in keeping up high rates, and it must be difficult to check them without accurate knowledge of the cost of the loading, carriage and landing of the salt, and of the circumstances under which each of these several operations is carried on. If the contractors' system is to be continued, some saving of expense might perhaps result from a more close association of the Collectors of South Kanara and Malabar and the Bombay Salt Department in arranging for the supply of Bombay salt to the Government warehouses in those districts.

5. Besides Bombay salt, South Kanara also imports from 50,000 to 60,000 Indian maunds from Goa at a cost ranging from 5 annas to 8 annas per maund. The Collector is anxious that the importation of Goa salt should be entirely prohibited, on account of the smuggling carried on under cover of the trade, but the Board of Revenue does not support his recommendation, on the ground of the cheapness of Goa salt, and the preference shown for it by some classes on the Coast. Arrangements can, however, be made to supply the above quantity of salt in all respects resembling and equal to Goa salt, or twice as much if required at the rate of 2 annas per maund from the Sanikutta and Shereali works in North Kanara; provided that the "Kudiyaram" (or rate paid to manufacturers for salt purchased by Government), in South Kanara is not raised to 3 annas per maund, as proposed in the papers under reference. If the rate is raised at the South Kanara Works, which are only a few miles distant from Shereali, the salt-makers in North Kanara will of course raise their prices. But even at 3 annas per maund, salt can be imported into South Kanara more cheaply from the North Kanara Works than from Goa, as the ordinary price of salt in Goa is 4 annas per maund, and the North Kanara works are much nearer. These considerations would seem to meet the objections entertained by the Board of Revenue to the prohibition of the importation of Goa salt. The enforcement of the prohibition would serve to protect the Salt Revenue of this Presidency, also as North Kanara intervenes between Goa and Mangalore, and its coast offers many temptations to the crews of vessels laden with Goa salt passing along it.

C. PRITCHARD,

Collector of Salt Revenue.

Revenue Department.

No. 342

PROCEEDINGS of the MADRAS GOVERNMENT.

Under date the 3rd March 1875.

READ the following Letter from the Govt. of Bombay, Revenue Dept.

For? copy of certain papers relative to the questions connected with the supply of salt to Malabar & Kanara & the grant of compensation to the Cochin & Travancore States consequent on the arrangement regarding the prepayment of duty on salt imported from Bombay.

H. E. 8th January 1875. N^o 89.

Communicated to the Board of Revenue and the Resident in Travancore and Cochin.

Adverting to the letter from the Govt. of Bombay dated 24th July 1874. N^o 3882, recorded in G.O. 30 October 1874. N^o 1376 the Governor in Council resolves to

[Handwritten notes in Tamil script, likely a summary or commentary on the official proceedings.]

to call upon the Board of Revenue to report on the proposal to do away with the contract system and leave the supply of salt for Malabar and Canara to private enterprise.

3. In the meantime the observations recorded by the Collector of Salt Revenue in Bombay with reference to the rates now paid to contractors who supply salt to the West Coast Districts, the actual cost incurred by contractors, and the cost price of salt at the Bombay works will be communicated to the Collectors concerned for their information and guidance in dealing with Contractors hereafter.

4. The Board will state their views upon Mr. Pritchard's suggestion that the Collectors should be associated with the Bombay Salt Department.

* 21st Nov 74 N^o 1445.

* under correspondence recorded in G.O.
26th Jan 75 N^o 140 R.D.

in arranging for the supply of salt. It is believed that these officers have not heretofore been backward in seeking for information.

5. The Gov^t of Bombay had been asked to arrange that the duty which is to be levied at Bombay might be adjusted by an account payment. They now reply by referring to the Rules which have lately been passed by them sanctioning the grant of credit to salt traders and adding that "salt can be given them equally well on the production of the necessary documents from Madras Treasury." The Board will report in detail, after communicating with the Accountant General, how the arrangement is to be worked. The duty not being payable by the contractor but by this Government, it will be

be necessary that he should
give substantial security in
order that his responsibility
for delivery of the full amount
of salt included in his indent
may be easily enforced. (Board's
Op. 24 July 1893 No. 1381 para 6.)

C. M.

- 14. To the Board of Revenue & Customs
- 14. The Resident in Fawcett & Co. Ltd.
- 14. The Accountant General

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Handwritten initials or signature at the bottom left of the page.

50.

Supply of Salt
Malabar & ...

Spent ...

Sept ...

...

AC. to the ... 16: Feb ... 18 Feb ...
C 15: Feb ... R 16: Feb R. C 19/2/75