

(1) Number of Pages.....10
(2) Date of repair.....9/11/62
(3) Initials of the Referencer.....[Signature]

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue

DEPARTMENT

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

957

Press
Mis.

Dated

24/6/1962

196

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*Proceedings of the Madras Government, Revenue Department,
24th June 1875.*

No. 201. Read the following Extract from the Proceedings of the Government of India in the Department of Revenue, Agriculture, and Commerce, (Customs and Salt,) dated Simla, 9th June 1875, Nos. 183—186 :—

Read—

Report on the Administration of the Salt Department of the Bombay Presidency for the year 1873-74.

Read also—

Resolution of the Bombay Government No. 262, dated 16th January 1875, reviewing the Report.

OBSERVATIONS.

There has been a remarkable increase in the revenue derived from salt during the past two years, as is shown by the following figures :—

	RS.
1871-72	63,53,865
1872-73	68,20,099
1873-74	72,96,139

This has been effected without any increase in the rate of duty which is Rs. 1-13-0 per maund, and the results are very satisfactory.

2. Less salt was delivered from the works than in the previous year, the quantities being 56,74,000 maunds against 59,22,000; but the diminution in deliveries was entirely of salt free of duty, namely, exports to Calcutta and the Malabar Coast, &c.

The following figures show that there has been an increase in the quantities which paid full duty :—

	MDL.
1871-72	34,57,305
1872-73	36,74,063
1873-74	39,21,828

3. The decrease in excesses discovered on re-weighment at the places to which salt is exported is satisfactory, as showing greater care in the original weighments.

4. The falling off in collections of duty on imports of foreign salt is attributed to the cheapness and abundance of home-made salt. There were, however, considerable importations, especially by land from Goa. The importations by sea from Goa, Kattywar and Damaun, which are described as a source of danger in consequence of the difficulty of preventing the smuggling, which can easily be carried on along the coast by the clandestine landing of salt from open country craft which can enter into every creek, or transfer their cargoes to the fishing boats which ply their trade off every village, will be checked if the proposed Bill limiting importation to vessels of 300 tons burden and upwards is enacted.

5. The exports of Bombay salt by Railway to Berar and the Central Provinces are steadily increasing, and the true cause of this is no doubt the opening of railway communication and the low freights charged.

6. It is said in paragraph 31, with reference to the recent fall in the price of salt in some districts of the Central Provinces in consequence of the importation of Bombay salt, that the price would be still further reduced and consumption stimu-

1/11/75

lated if certain proposals recently submitted to the Bombay Government were sanctioned; but it is to be observed that the whole system under which the duties are levied on the salt thus imported has been changed,* and the duties themselves lowered, and it is therefore probable that the necessity for considering those proposals no longer exists.

7. The desirability of fostering an export of Baragara salt referred to by Mr. Pritchard in paragraph 32 is evident. It has been ascertained that in 1874, 1,049 tons did go beyond Jubbulpore. It is not probable that much will go to Allahabad with Rajpootana salt brought by rail en route to Cawnpore was very small. In 1873-74, 150 maunds of Baragara salt and in 1874-75 up to the 7th February, 3,720 maunds were taken.

8. The duty on salt taken from Bombay by rail to Nagpore is 8 Annas per maund less than on that taken to Jubbulpore, the distance being about 100 miles shorter. It is possible that Banjaras would carry the salt across from Nagpore to Jubbulpore at a cheaper rate than the difference of duty plus railway freight, in which case the Government would lose 8 Annas per maund. This subject deserves the careful consideration of the Administration of the Central Provinces, and the Commissioner of Inland Customs should also be careful to watch the point where Bombay salt reaches in the markets of Central and Upper India.

9. The increase in the carriage of salt by railway referred to in paragraph 34 is very satisfactory.

10. With regard to Mr. Pritchard's proposition (paragraph 45) to send Baragara salt by the Indore State Railway to Central India, it is to be observed that the mileage duty would be charged on it to Khandwa, the junction station. This would be $3\frac{1}{2}$ Annas per maund to be added to the price (Rs. 2-2-0 per maund) at the Runn and the Railway freight. If on these terms it cannot find a market north of the Inland Customs line, where Karsia salt is comparatively cheap, the proposal to reduce the price, that is the duty, and run the salt through with proper precautions, would be well worthy of consideration.

11. Turning now to the question of the consumption of salt in the Bombay Presidency, it appears from the figures in paragraph 25, that, excluding quantities known to be exported beyond the Presidency, the following quantities have been consumed during the last two years:—

	1872-73	1873-74
Consumption	22,75,379	24,28,602

giving, according to the census of 1872, a consumption per head per annum of 9.7 lbs. in 1872-73 against 10.4 lbs. in 1873-74. Excluding Gujarat, where smuggling is supposed to have decreased the net consumption to 8.66 lbs. in 1872-73 and 8.28 lbs. in 1873-74, the rest of the Presidency consumed per head 10.26 lbs. in 1872-73 and 11.43 lbs. in 1873-74. These figures, however, are probably too high, as a considerable quantity of salt must be exported in addition to that of which returns can be obtained.

12. In paragraph 35 *et seq.* of Mr. Pritchard's report, useful information on the subject of consumption is afforded, and the facts stated show that there is reason to doubt the high rate of consumption supposed to exist in the Madras Presidency where the rate of duty is the same as in Bombay. The consumption in the Bengal Presidency, where the duty is much higher, is believed to be fully about $9\frac{1}{2}$ lbs. per head, and it would, therefore, appear from the figures furnished that a comparatively low rate of duty does not so much affect consumption as has been believed to be the case. In paragraph 44 it is said that the increase of duty which was originally 8 Annas and is now Rs. 1-13-0, has decreased consumption; but it must be remembered that the data on which this conclusion is based is, to a great extent, hypothetical. On the other hand, it is abundantly evident that the consumption of Bombay salt has been increasing recently, although the duty is higher than ever it was before 1869-70.

13. The remarks in paragraphs 49 and 50 in regard to the free salt sent to the Malabar Coast seem to point to the advisability of altering the Government monopoly system in Madras to one of private enterprise, and of reconsidering the arrangements made with Travancore and Cochin. The latter question is at present under consideration, and separate orders on the subject will issue hereafter.

14. With regard to the closing of the coast works north of Bassem and the supply of salt to depôts at stations on the Bombay, Baroda, and Central India Railway from the Runn at a uniform price of Rs. 2-3-0 per maund, it is not said on what authority a uniform price was fixed; but it is observed from paragraph 99 that it more than covered the charges.

15. The carrying of the rail and travay into the heart of the Runn works seems to have been an excellent measure, and to have been attended with the best results.

16. The account of the Runn salt manufacture is very complete.

17. The charges of the department during the year have been very moderate. The receipts from the salt revenue were, as remarked before, Rs. 72,96,139 and the total charges Rs. 7,51,119, giving a per-centage of 9.71. It is also to be noted that a portion of the charges debited against the Department should properly be charged against the Bombay Customs and Opium revenues, as the whole coast guard and frontier preventive service which helps to protect the Customs and Opium revenues is now performed at the cost of the Salt Department alone.

18. The year under review is the second year during which the department has been under the control of the Collector of Salt Revenue, and the revenue collected is the largest ever yet brought to account. It exceeds that of the previous year by Rs. 4,76,040, that of 1871-72 by Rs. 9,42,775, and the average collections of the five years ending 1872-73 by Rs. 8,14,047. These results are very satisfactory and show that the department has been successfully managed by Mr. Pritchard whose report is most valuable and interesting. His Excellency in Council desires that the thanks of the Government of India may be communicated to that officer.

19. In conclusion, the Governor-General in Council hopes that a review of the results of the year 1874-75 will be submitted at an earlier date.

ORDER.—Ordered that a copy of this Resolution, be forwarded to the Government of Bombay for information.

Proceedings of the Madras
24th June

Government, Revenue Department,
1875.

Also, to the Government of Mad
Provinces and the Commissioner of Inl
(Tru

the Chief Commissioner of the Central
Customs.

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

To the Go

184.
ment of Madras.

No. 202.

ORDER THEREON

in June 1875, No. 957.

Separate Revenue, No. 15.

Salt.

COMMUNICATED to the Board of
Revenue for information.

(Tr Extract.)

(Signed) A. MACGREGOR,
Acting Secretary to Government.

Nos. 18 186.

Extract from the Proceedings of the Government of India in the Department of Revenue, Agriculture, and Commerce,--D. Simla, the 9th June 1875.

CUSTOMS SALT.

READ--

Report on the administration of the Department of the Bombay Presidency for the year 1873-74.

Read also--

Resolution of the Bombay Government 262, dated 16th January 1875, reviewing the Report.

OBSERVATIONS.

Tax on salt has been a remarkable increase in the revenue derived from salt during the past two years, as is shown by the following figures:--

	Rs.
1871-72	63,58,865
1872-73	68,20,099
1873-74	72,96,129

This has been effected without any increase in the rate of duty which is satisfactory.

2. Less salt was delivered from the works than in the previous year, the quantities being 56,74,000 maunds against 59,22,000; but the diminution in deliveries was entirely of salt free of duty, namely, exports to Calcutta and the Malabar Coast, &c.

The following figures show that there has been an increase in the quantities which paid full duty:--

	Maunds.
1871-72	35,57,305
1872-73	35,78,093
1873-74	39,21,823

3. The decrease in excesses discovered on re-weighment at the places to which salt is exported is satisfactory, as being greater care in the original weighments.

4. The falling-off in collections of duty on imports of foreign salt is attributed to the cheapness and abundance of home-made salt. There were, however, considerable importations, especially by land from Goo. The importations by sea from Goa, Kattywar and Danamp, which are described as a source of danger in consequence of the difficulty of preventing the smuggling, which can easily be carried on along the coast by the clandestine landing of salt from open country boats which can enter into every creek, or transfer their cargoes to the fishing boats which ply their trade all over the coast, will be checked if the proposed Bill limiting importation to vessels of 500 tons' burden and upwards is enacted.

5. The exports of Bombay salt by Railway to Dorar and the Central Provinces are steadily increasing, and the true cause of this is no doubt the opening of railway communication and the low freights charged.

6. It is said in paragraph 31, with reference to the recent fall in the price of salt in some districts of the Central Provinces in consequence of the importation of Bombay salt, that the price would be still further reduced and consumption stimulated if certain proposals recently submitted to the Bombay Government were sanctioned; but it is to be observed that the whole system under which the duties are levied on the salt thus imported has been changed,* and the duties themselves lowered, and it is therefore probable that the necessity for considering those proposals no longer exists.

7. The desirability of fostering the export of Baragara salt referred to by Mr. Pritchard in paragraph 32 is evident. Not much of it, however, goes beyond Jabulpore. It has been ascertained from the Railway returns that in the first half of 1874, 1,049 tons did go beyond Jabulpore, but very little of this passed Satna. It is not probable that much will go to Allahabad, as it would there have to compete with Rajpootana salt brought by rail also from a much shorter distance. The consignment to Cawnpore was very small. In 1873-74, 150 maunds of Baragara salt from the Ruam were taken to Nagpore, and in 1874-75 up to the 7th February, 3,720 maunds were taken.

8. The duty on salt taken from Bombay by rail to Nagpore is eight annas per maund less than on that taken to Jabulpore, while the railway freight is less, the distance being about 100 miles shorter. It is possible that Benjamins would carry the salt across from Nagpore to Jabulpore at a cheaper rate than the difference of duty *plus* railway freight, in which case the Government would lose eight annas per maund. This subject deserves the careful consideration of the Administration of the Central Provinces, and the Commissioner of Inland Customs should also be careful to watch the point which Bombay salt reaches in the markets of Central and Upper India.

9. The increase in the earnings of salt by railway referred to in paragraph 34 is very satisfactory.

10. With regard to Mr. Pritchard's proposition (paragraph 45) to send Baragara salt by the Indore State Railway into Central India, it is to be observed that the mileage duty would be charged only to Khandwa, the junction station. This would be 25 annas per maund to be added to the price (Rs. 2.2 per maund) at the Ruam, and the Railway freight. If on these terms it cannot find a market north of the Inland Customs line, where Kanara salt is comparatively cheap, the proposal to reduce the price, that is the duty, and run the salt through with proper precautions, would be well worthy of consideration.

11. Turning now to the question of the consumption of salt in the Bombay Presidency, it appears from the figures in paragraph 25 that, excluding quantities known to be exported beyond the Presidency, the following quantities have been consumed during the last two years:—

	Maunds.
1872-73	22,71,378
1873-74	21,28,062

According to the census of 1872, a consumption per head per annum of 27 lbs. in 1872-73 against 19 lbs. in 1873-74. Excluding Calcutta, where statistics are supposed to have decreased the salt consumption to 8.6 lbs. in 1872-73 and 8.28 lbs. in 1873-74, the rest of the Presidency consumed per head, 10.26 lbs. in 1872-73 and 11.43 lbs. in 1873-74. These figures, however, are probably too high, as a considerable quantity of salt must be exported in addition to that of which returns can be obtained.

12. In paragraph 35 *et seq.* of Mr. Pritchard's report, useful information on the subject of consumption is afforded, and the facts stated show that there is reason to expect the high rate of consumption supposed to exist in the Madras Presidency where the rate of duty is the same as in Bombay. The consumption in the Bengal Presidency, where the duty is much higher, is

believed to be fully about 9 lbs. per head, the figures furnished that a comparatively low rate of duty does not so much affect consumption as has been believed to be the case. In paragraph 44 it is said that the increase of duty which was Re. 1-13, has decreased consumption; but data on which this conclusion is based. On the other hand, it is abundantly evident that the consumption of Bombay salt has been increasing recently, although before 1869-70.

13. The remarks in paragraphs 19 and 20 in regard to the free salt sent to the Malabar Coast seem to point to the advisability of altering the Government monopoly system in Madras to one considering the arrangements made with Tanjore and Cochin. The latter question is at present under consideration and will issue hereafter.

14. With regard to the closing of the supply of salt to depôts at stations on the India Railway from the Ruam at a uniform rate, it is not said on what authority a uniform price was fixed; but it is observed from paragraph 99 that it more than covered the charges.

15. The carrying of the rail and works seems to have been an excellent one with the best results.

16. The account of the Ruam salt manufacture is very complete.

17. The charges of the Department have been very moderate. The receipts from the salt were Rs. 72,96,139 and the total charges Rs. 1,119, giving a percentage of 9.73. It is also to be noted that a portion of the charges debited against the Department should properly be charged against the Bombay Customs and Opium Revenue, as the whole coast guard and to protect the Customs and Opium Revenue the Salt Department alone.

18. The year under review is the second year during which the Department has been under the control of the collector of Salt Revenue, and the revenue collected is the largest ever yet of the previous year by Rs. 4,75,040, the average collections of the five years. These results are very satisfactory and interesting. His Excellency in Council may be communicated to the Government of India.

19. In conclusion, the Governor General in Council hopes that a review of the results of the year 1874-75 will be submitted at an earlier date.

Ordered, that a copy of the Government of Bombay for information.

Also, to the Government of Madras, the Chief Commissioner of the Central Provinces and the Commissioner of Inland Customs.

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Resolution be forwarded to the Government of Bombay for information.

Also, to the Government of Madras, the Chief Commissioner of the Central Provinces and the Commissioner of Inland Customs.

(True Extract.)

C. A. B. B. B.

Secretary to the Government of India.

Ed.—P. J. B.

P. J. B.

P. J. B.

1875.
DEPARTMENT OF REVENUE,
AGRICULTURE, AND COMMERCE.

CUSTOMS AND SALT.

RESOLUTION.

Nos. 183—186, dated 9th June 1875.

Recd 22/6/75

N: 957

*Communicated to the
Officer of the Customs for
information.*

24 June/75

S. D. C. R.

Review of the report on the administration of
the Salt Department of the Bombay Presidency
for the year 1873-74.