

(1) Number of Pages.....12
(2) Date of repair.....7.6.69
(3) Initials of the Referencer.....*[Signature]*

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

DEPARTMENT

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

1311

Press
Misr

Dated

21st September

1876
196

Not to be folded or roughly handled

131

*Proceedings of the Madras Government, Revenue Department,
21st September 1876.*

No. 215. From A. O. HUME, Esq., C.B., Secretary to the Government of India, Department of Revenue, Agriculture, and Commerce, (Customs and Salt,) to the Hon. D. F. CARMICHAEL, Secretary to the Government of Madras, Revenue Department, dated Simla, 19th August 1876, No. 218.

I AM directed to acknowledge the receipt of your letter, No. 1,580, dated the 23rd June last, submitting for sanction two projects for the manufacture of salt by Government at Harigoshti in the South Arcot District.

2. In the 2nd paragraph of your letter it is stated that the lesser of the two projects is estimated to cost about Rs. 20,000, and that for this expenditure an annual profit of Rs. 3,00,000 is anticipated. This result, I am to observe, would appear to have been arrived at by calculating the entire sale-price of all the salt that can be manufactured at the new works. But the Governor-General in Council apprehends that the Madras Presidency is already well supplied with salt, and it is believed that it has never been asserted that the people do not get quite as much of that article as they are willing to purchase at the sale-price. It appears, therefore, to be questionable whether the produce of the new works would be consumed over and above the quantity that is at present utilised, and whether it would not merely throw a corresponding amount of the present supply out of the market. The actual profits would, therefore, apparently be only the difference between the price which Government now pays for its salt to contractors and the cost of the salt produced at the new works.

3. The outturn from the lesser project will, it is stated, probably be about 1,600 garce annually. The largest profit that could, if the monopoly system is maintained, reasonably be expected on this quantity would probably be about Rs. 6 per garce, or Rs. 9,600 in all. But if the Excise System is introduced into the Madras Presidency, the salt would sell only at cost-price *plus* duty, and if the salt cost less to make, it would have to be sold at a lower price. The only benefit to be gained by the construction of these new works would, therefore, appear to be that a better and purer salt would be manufactured.

4. For the above reasons, and until the question of the abolition of the monopoly system in Madras has been fully considered and decided on, the Governor-General in Council is inclined to think that no money should in the existing state of the finances, be expended on the opening out of new works for the manufacture of salt. His Excellency in Council will, however, be prepared to consider any further observations that the Government of Madras may wish to make on the subject with reference to the foregoing remarks.

(True Copy.)

(Signed)

D. F. CARMICHAEL,
Secretary to Government.

Exd. F. R. Bantleman.

2/13/11
REVENUE DEPARTMENT,
OOTACAMUND,
21st September 1876.

No. 216.

No. 1,311.

To

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

Separate Revenue, No. 25A.

Customs and Salt.

SIR,—I am directed to reply to your letter, No. 218, of 19th August ultimo, asking for further information regarding the Harigoshti salt-pans in the district of South Arcot.

2. It is observed that the outturn from that portion of the works for which sanction has now been solicited will be 1,600 garce. The Governor in Council remarks that there are several good reasons for believing that this quantity will be absorbed, without throwing out of the market a corresponding amount of the present supply. In the first place, Dr. Ratton promises a very superior article; in the second, we shall be able to sell it at 6 Rupees a garce cheaper than our other salt; and in the third, the admirable situation of the pans, close by the new line of railway to the south and on the banks of the river Vellâr, with access by large boats to the shipping—the bar being always open—is perhaps without an equal in the Presidency, as regards facility of communication and transport.

3. It should be mentioned that, on the success of Dr. Ratton's experiment at Harigoshti being assured, it is proposed, while enlarging the pans at that station to close all, or at least three out of, the four existing ones; it being estimated that Harigoshti on the new system will produce many thousands of maunds above the amount now annually manufactured in the district.

This would result not only in a great reduction of establishment and other current expenditure, but in rendering unnecessary the cost of works which have been considered to be called for in view to placing the existing stations on a satisfactory footing. In the case of one station alone, this cost is estimated at upwards of four lakhs, including roads and bridges to facilitate traffic.

4. In these circumstances, the Governor in Council trusts that the Government of India will no longer hesitate to sanction the proposed outlay.

I have the honor to be,

Sir,

Your most obedient servant,

(S gned) D. F. CARMICHAEL,
Secretary to Government

Encd. F. R. Bantleman.

26-5-88
13-9-10
Agriculture [1876] Department.

Government of Fort St. George.

Dated 21st September 1876. No. 1,311.
Received Enclosures.
5 spare copies.

D. No. Progs.
D. No. No.

Inde/4545/1/1

215/16

Harigoshiti Salt-pans in the South Arcot District.
—Remarking on certain points relating to the —;
and urging the Government of India to sanction
the proposed outlay.



No. 218.
3/11

FROM
A. O. HUME, ESQUIRE, C. B.,
Secretary to the Government of India,
Department of Revenue, Agriculture
and Commerce,

To
The Secretary to the
Government of Madras
Circular, dated 19th August 1876.

Sons & Salt.

SIR,

I am directed to acknowledge
the receipt of your letter No. 1580 dated the 2
June last, submitting for sanction two projects
for the manufacture of Salt by Government
at Harigoshiti in the South Arcot District.

2. In the 2nd paragraph of your letter
it is stated that the leper of the two projects
is estimated to cost about Rs. 20,000 and that
for this expenditure an annual profit of
Rs. 3,00,000 is anticipated. This result, I am
to observe, would appear to have been arrived
at by calculating the entire sale-price of
the salt that can be manufactured at the
new works. But the Governor General informs
apprehends that the Madras Presidency is
already

well supplied with salt and it is because it has never been asserted that the people get quite as much of that article as they are willing to purchase at the sale-price. It appears therefore to be questionable whether the produce of the new works would be consumed and above the quantity that is at present used, and whether it would not merely throw a corresponding amount of the present supply out of the market. The actual profits would therefore apparently be only the difference between the price which Government now pays for its salt to contractors and the cost of the salt produced at the new works.

3. The outturn from the leper project, it is stated, probably be about 1600 garra annually. The largest profit that could if the monopoly system is maintained, reasonably expected on this quantity would probably be about Rs 6 per garra, or Rs 9600 in all. But if the excise system is introduced into the Madras Presidency the salt would sell at cost price plus duty, and if the salt is less to make, it would have to be sold at a lower price. The only benefit to be gained

gained by the construction of these new works would, therefore, appear to be that a better and purer salt would be manufactured.

4. For the above reasons, and until the question of the abolition of the monopoly system in Madras has been fully considered and decided on, the Governor General in Council is inclined to think that no money should be expended on the opening out of new works for the manufacture of salt. His Excellency in Council will however be prepared to consider any further observations that the Government of Madras may wish to make on the subject with reference to the foregoing remarks.

I have the honor to be,
Sir,

Your most obedient servant

W. S. S. S. S.

Secretary to the Govt. of India

success of Dr. Haldane's
experiment at Harfordski
being assured, it is proposed,
while enlarging the piers at that
station, to close all, or at least
three out of the four existing ones;
it being estimated that Harfordski
on the new system will produce many
thousands of mounds above the amount
now annually manufactured in the
district.

This will result not only in a great reduction
of establishment & other current expend-
-iture, but in rendering unnecessary

the ~~extraordinary~~ cost of works which have
been considered to be called for in view
to placing the existing stations on a
durable factory footing. In the case of one
station alone, this cost is estimated
at upwards of four lacs, including
roads & bridges to facilitate traffic.

4. In these circumstances, the G. M. C. trusts that the
Govt. of India will no longer
hesitate to sanction the proposed railway.

P. C. - Sept 12/6.

172
L. G. - I.
C. -

Building -
Harrington's proposal

I would send the letter. I hope
we may be able to resist the
change, except on the western
coast - This work will be very
profitable - & useful.

Inculcated - M.E.
1879

~~Committed~~
1311
Printed from

See 16.11 - seen

I think that the present
change to be made - is not
all that is to be done with the
middle states -
The Union has the
mission will mean much the
same - and the present
state of the church - the
inability to explain the
effect of such a change
is much to be regretted.

1879
has been in