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MADRAS RECORD OFFICE**GOVERNMENT OF MADRAS***Revenue* DEPARTMENT

G.O. No.

223

B.P. No.

Press

Mis.

Dated

15.2.1876 196

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
15th February 1876.*

No. 186. Read the following Endorsement of the Under-Secretary to the Government of India, Department of Revenue, Agriculture, and Commerce, (Customs and Salt), No. 391 :—

Read the following letter from A. O. HUME, Esq., C.B., Secretary to the Government of India, Department of Revenue, Agriculture, and Commerce, (Customs and Salt,) to J. GEOGHEGAN, Esq., H. E. STOKES, Esq., R. M. ADAM, Esq., VENKASAWMY ROW, and H. A. WILLOCK, Esq., dated Calcutta, 20th November 1875, Nos. 384 and 385 and Nos. 388 to 390 :—

I AM directed to forward, for your information and guidance, copy of a Resolution which has been issued directing the formation of a Commission to consider the question of the expediency of substituting a system of Salt excise for the Government Monopoly in the Madras Presidency, and by which you have been nominated by His Honor the President in Council (with the permission of ^{His Excellency the Governor in Council} ^{His Honor the Lieutenant-Governor}) to be a member of the Commission.

2. I am to inform you that His Honor the President in Council desires that the Commission should assemble at Madras on the 15th December next, and that while employed on the Commission you will receive actual travelling expenses and deputation allowance at Rs. 10 a-day, in addition to the whole of your present emoluments.

COPY forwarded to the Government of Madras for information.

(By Order,)

(Signed) C. J. LYALL,
Under-Secy. to the Govt. of India.

No. 187. ORDER THEREON, 15th February 1876, No. 223.

Separate Revenue, No. 16.

Salt.

COMMUNICATED to the Board of
Revenue and to the Accountant-General.

(True Extract.)

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

To the Board of Revenue.
" the Accountant-General.

Exd. F. R. Bentleman.

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

[CUSTOMS AND SALT.]

READ—

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

OBSERVATIONS.

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

2. Looking to the serious importance of the whole subject, economically, fiscally and socially, His Excellency has decided, after communication with the Government of Madras and with their cordial concurrence, to appoint a Commission to investigate and

President.
C. Pritchard, Esq., Commissioner of Customs, Bombay.
Members.
J. Geoghegan, Esq., Secretary to the Board of Revenue, Bengal.
H. E. Stokes, Esq., Secretary to the Board of Revenue, Madras.
R. M. Adam, Esq., Deputy Commissioner, Inland Customs Service.
Venkataswamy Row, Deputy Collector, Madras.
Secretary.
H. A. Willock, Esq., Acting Senior Assistant, Vizagapatam.

report thereon. Accordingly, His Excellency the Governor General in Council is pleased to nominate the gentlemen noted on the margin to be a Commission for this purpose.

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

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

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

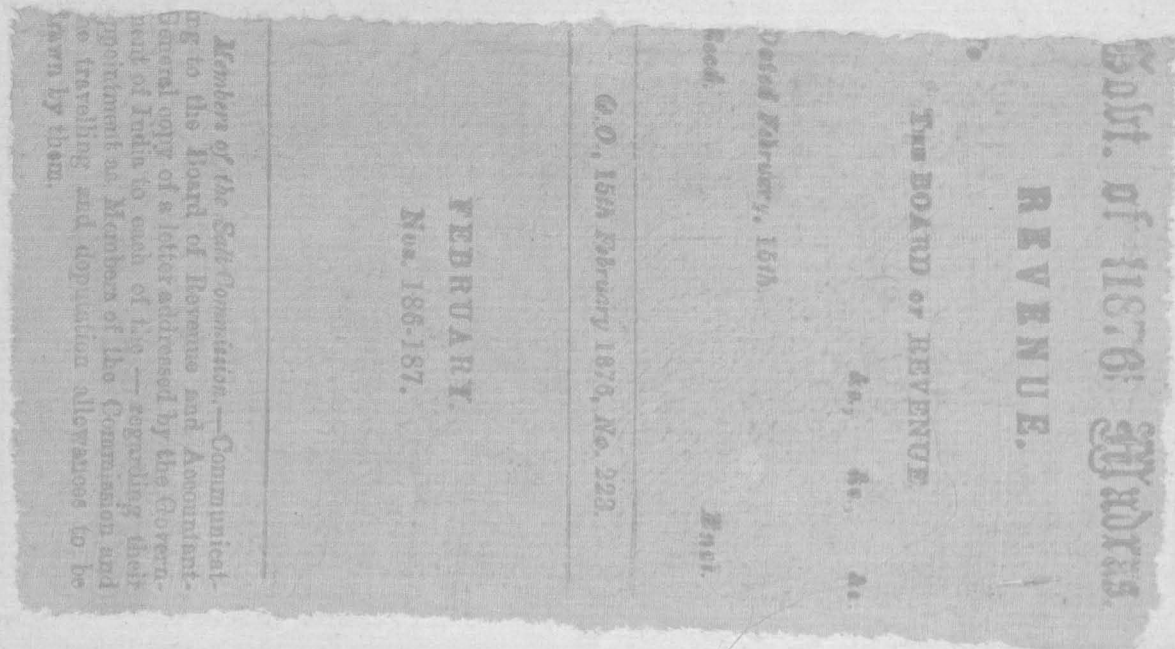
III.—What is the actual cost to Government of the monopoly salt, including under cost all expenditure or loss, actual or constructive,

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

on account of or connected with the salt, that would be avoidable were the entire salt supply furnished under a self-supporting* system of excise, or imported by sea, made to

pay duty before leaving bond and left thereafter free from interference?

IV.—What is the actual retail selling price of monopoly salt (adulterated or not, as the case may be) in town and village bazaars in different portions of the presidency; and if in any locality this very materially exceeds the Government monopoly price, what are the items that compose the excess? The Commission should



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

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

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

(True Extract.)

A. O. HUME,

Secretary to the Government of India.

1875.

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

CUSTOMS and SALT.

RESOLUTION.

To

Nos. 379-381.

Dated Calcutta, the 18th November 1875.

Rw: 4570/75

RD G O no 223
15-2-76

SUBJECT.

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

FROM

A. O. HUME, ESQUIRE, C. B.,

Secretary to the Government of India,
Department of Revenue, Agriculture
and Commerce,

To

J. Geoghegan, Esquire,
H. E. Stokes, Esquire,
R. M. Adam, Esquire

A. A. Willock, Esquire,

Calcutta, dated 20 November 1875.

Customs
and Salt.

SIR,

I am directed to forward for your
information and guidance, copy of a Resolution
which has been issued directing the formation
of a Commission to consider the question
of the expediency of substituting a system
of salt excise for the Government monopoly
in the Madras Presidency, and by which you
have been nominated by His Honour the President
in Council (with the permission of His Excellency
the Governor in Council, ^{His Honour} the Lieutenant Governor) to be a member
of the Commission.

2. I am to inform you that
His Honour the President in Council desires
that the Commission should assemble at
Madras on the 15th December next, and
that while employed on the Commission
you

you will receive actual travelling expenses
and deputation allowance at Rupees 10/- a
day, in addition to the whole of your present
allowments.

I have &c,
(Signed) A.C. Hume

Secretary to me

No. 391

Copy forwarded to the Government
of Madras for information.

By order,

Chas. M. Luth

Under Secretary to the Govt. of India.

D. D.

14- To the Board of Revenue on 16 Feb
of the Accountant General

Rev: 1875: Dept
N. 4570

From

The Under Secy. of India
Dept. of Rev &c

Des/Rev N. 391

Dated 20th } Nov/75
Recd. 26 } Encl

For info, for information,
copy of a letter addressed by the Govt.
of India to each of the officials nominated
to be members of the Commission for considering
the question of the expediency of sub-
stituting the excise for the Govt. salt
monopoly system.

N. 223.

Communicated
to the Board of Revenue
and to the Accountant
General. Ld

15 February 1876