

(1) Number of pages _____

(2) Date of repair _____

(3) Initials of the Referencer _____

TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Rev. DEPARTMENT

G.O. No.	21109	Press.
B.P. No.		Mis.
Dated	31. 7. 1877	197

Not to be folded or roughly handled

Archives 1-5,806-24-2-78.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

31st July 1877. No. 2,409.

Read the following paper:—

No. 568. From G. H. M. BATTEN, Esq., Officiating Secretary to the Government of India, (Department of Revenue, Agriculture, and Commerce—Salt), to C. G. MASTER, Esq., Secretary to the Government of Madras, Revenue Department, dated Simla, 15th June 1877, No. 125.

REFERRING to paragraph 5 of letter, No. 799, dated the 18th May 1875, from the Government of India in the Financial Department, I am desired to communicate the following remarks on the proposals contained in paragraph 33 of your letter, No. 327, dated the 26th February 75.

2. The Governor-General in Council has carefully examined the papers relating to the arrangements made with the States of Travancore and Cochin in 1865, and the conclusion at which he has arrived is that beyond refunding the duty levied in Bombay on salt taken to those States, the Government of India is under no obligation to defray the extra charges to which the States may have been put owing to the change of system which has given rise to the present correspondence.

3. It was agreed in 1865 that both the States should be supplied with salt from Bombay on the same terms as those on which the Madras Government were supplied. It was further agreed that the price of salt in the States should be raised to the Madras Government monopoly price. Recently the British Government found it necessary for the security of their salt revenue to require that all salt exported from Bombay should be bagged, and that either the British duty on the salt should be deposited in advance, to be refunded on arrival in the Madras Presidency, or that security should be given for duty on short deliveries. These restrictions may incidentally have increased the price of the salt exported from Bombay, and the increased cost has had to be defrayed by the Madras Government. The States of Travancore and Cochin must similarly bear such extra charges, so long as they choose to purchase salt from Bombay. The British Government never guaranteed to these States that the cost-price of salt should not be increased.

4. The obvious way of preventing loss of revenue owing to the increased cost of salt is to increase the selling price of salt in the South Canara and Malabar districts. It was agreed in 1865 that the price of salt in the Travancore and Cochin States should be the same as the Madras Government monopoly price. At that time, however, the monopoly price was uniform throughout the Presidency. Now, the monopoly prices vary in different districts, and it is a question how the Travancore and Cochin States as to whether the Malabar prices should be adopted or the Travancore prices. The price might be graduated from north to south. The object to be attained is to fix such prices that British salt may not enter these States except by sea, and that salt may not be brought from them into British territory. His Excellency the Governor-General in Council desires me to request that this subject may receive the early consideration of the Madras Government, and that the conclusions arrived at may be reported to the Government of India.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

31st July 1877. No. 2,409.

Read the following paper:—

No. 568. From G. H. M. BATTEN, Esq., Officiating Secretary to the Government of India, (Department of Revenue, Agriculture, and Commerce—Salt), to C. G. MASTER, Esq., Secretary to the Government of Madras, Revenue Department, dated Simla, 15th June 1877, No. 125.

REFERRING to paragraph 5 of letter, No. 799, dated the 18th May 1875, from the Government of India in the Financial Department, I am desired to communicate the following remarks on the proposals contained in paragraph 33 of your letter, No. 827, dated the 26th February 75.

2. The Governor-General in Council has carefully examined the papers relating to the arrangements made with the States of Travancore and Cochin in 1865, and the conclusion at which he has arrived is that beyond refunding the duty levied in Bombay on salt taken to those States, the Government of India is under no obligation to defray the extra charges to which the States may have been put owing to the change of system which has since taken place.

3. It was agreed in 1865 that both the States should be supplied with salt from Bombay on the same terms as those on which the Madras Government were supplied. It was further agreed that the price of salt in the States should be raised to the Madras Government monopoly price. Recently the British Government found it necessary for the security of their salt revenue to require that all salt exported from Bombay should be bagged, and that either the British duty on the salt should be deposited in advance, to be refunded on arrival in the Madras Presidency, or that security should be given for duty on short deliveries. These restrictions may incidentally have increased the price of the salt exported from Bombay, and the increased cost has had to be defrayed by the Madras Government. The States of Travancore and Cochin must similarly bear such extra charges, so long as they choose to purchase salt from Bombay. The British Government never guaranteed to these States that the cost-price of salt should not be increased.

4. The obvious way of preventing loss of revenue owing to the increased cost of salt is to increase the selling price of salt in the South Canara and Malabar districts. It was agreed in 1865 that the price of salt in the Travancore and Cochin States should be the same as the Madras Government monopoly price. At that time, however, the monopoly price was uniform throughout the Presidency. Now, the monopoly prices vary in different districts, and it is a question how the agreement of 1865 should be carried out. The Travancore and Cochin States as they are, and the Malabar prices should be adopted. At any rate in Cochin, while in Travancore the price might be graduated from north to south. The object to be attained is to fix such prices that British salt may enter these States except by sea, and that salt may not be brought from them into British territory. His Excellency the Governor-General in Council desires me to request that this subject may receive the early consideration of the Madras Government, and that the conclusions arrived at may be reported to the Government of India.

5. With regard to the third proposal of the Madras Government that the quantity of salt to be supplied from Bombay to the States in question shall not be restricted in any way, I am desirous to observe that if the British Government have the means of ascertaining with certainty the quantity of salt exported from Bombay and actually landed in the Cochin and Travancore States so that British duty can be levied on all deficiencies, and if the selling price of salt in these States is fairly fixed and enforced so as to render the export of salt from them to British territory unprofitable, the Government have no object in restricting the quantities to be supplied from Bombay. On this point I am to observe that the recent census shows the population of Travancore to be 2,311,379, being considerably more than was assumed in the calculations of consumption of salt per head. This apparently brings down that consumption to a little more than 16 pounds per annum, which, however, is still high.

6. As the amount of wastage of salt exported from Bombay to Travancore and Cochin under the bagging system has greatly decreased, as pointed out in the 12th paragraph of your letter of the 26th February 1873, the Governor-General in Council desires that the maximum allowance for wastage be reduced to 2 per cent., if this has not already been done.

No. 569.

ORDER THEREON,

1st July 1877, No. 2,409.

Separate Revenue, No. 27.

Salt.

ment of India to be made known to

2. This disposes of the correspondence recorded in G.O., 15th February 1877, to the subsequent reference of August 1877.

3. The Board of Revenue are requested to report on the subjects mooted in paragraph 2 and 5.

COMMUNICATED to the Board of Revenue and the Resident in Travancore and Cochin with reference to G.O., 19th July 1875, No. 1,081. Mr. Sullivan will cause the decision of the Government to be made known to the States.

dence terminating with Mr. Macgregor's letter of 1877, No. 673, though no direct allusion to 1876, occurs in the present communication.

(True Extract.)

(Signed)

C. G. MASTER,
Secretary to Government.

To the Board of Revenue,
and the Resident in Travancore and Cochin.

Exd. T. O'Connor.

No. 125.

FROM

G. H. M. BATTEN, Esq.,

Offg. Secretary to the Government of India,

TO

THE SECRETARY TO THE GOVERNMENT OF MADRAS,
REVENUE DEPARTMENT.

Department of Revenue,
Agriculture and Commerce.

Salt.

SIMLA, the 15th June 1877.

SIR,

REFERRING to paragraph 5 of letter No. 799, dated the 18th May 1875, from the Government of India in the Financial Department, I am desired to communicate the following remarks on the proposals contained in paragraph 33 of your letter No. 327, dated the 26th February 1875.

2. The Governor General in Council has carefully examined the papers relating to the arrangements made with the States of Travancore and Cochin in 1865, and the conclusion at which he has arrived is that beyond refunding the duty levied in Bombay on salt taken to those States, the Government of India is under no obligation to defray the extra charges to which the States may have been put owing to the change of system which gave rise to the present correspondence.

3. It was agreed in 1865 that both States should be supplied with salt from Bombay on the same terms as those on which the Madras Government were supplied. It was further agreed that the price of salt in the States should be raised to the Madras Government monopoly price. Recently the British Government found it necessary for the security of their salt revenue to require that all salt exported from Bombay should be bagged, and that either the British duty on the salt should be deposited in advance, to be refunded on arrival in the Madras Presidency, or that security should be given for duty on short deliveries. These restrictions may incidentally have increased the price of the salt exported from Bombay, and the increased cost has had to be defrayed by the Madras Government. The States of Travancore and Cochin must similarly bear such extra charges, so long as they choose to procure salt from Bombay. The British Government never guaranteed to these States that the cost price of salt should not be increased.

4. The obvious way of preventing a loss of revenue owing to the increased cost of salt is to increase the selling price. Accordingly the price of imported salt in the South Kanara and Malabar districts has been raised to Rs. 2-5 per maund. It was agreed in 1865 that the selling price of salt in the Travancore and Cochin States should be the same as the Madras Government monopoly price. At that time, however, the monopoly price was uniform throughout the Presidency. Now, the monopoly prices vary in different districts, and it is a question how the agreement of 1865 should be carried out by the Travancore and Cochin States as to the selling price of their salt. Apparently the Malabar prices should be adopted at any rate in Cochin, while in Travancore the price might be graduated from Rs. 2-5 per maund in the

REVENUE.

THE BOARD OF REVENUE.

cc. do. do.

Dated July 31st.

Recd.

Encl.

G.O. Dated July 1877, No. 2408.

JULY.

No. 608-503.

Not copied to Travancore and Cochin from
Bombay. Communicated to Board of Revenue
and Resident in Travancore and Cochin the
decision of Government of India that they will not
defray the extra charges to which the States may
be put to carry on the system under
which - it was beyond refunding the duty levied
in Bombay; and requesting Board and the Resi-
dents to report on paragraphs 4 and 5 of Govern-
ment of India letter regarding prevention of loss of
revenue on account of increased cost of salt and
the non-restriction of quantity of salt supplied to
those States.

north to Rs. 2 in the south. The object to be attained is to fix such prices that British salt may not enter these States except by sea, and that salt may not be brought from them into British territory. His Excellency the Governor General in Council desires me to request that this subject may receive the early consideration of the Madras Government, and that the conclusions arrived at may be reported to the Government of India.

5. With regard to the third proposal of the Madras Government that the quantity of salt to be supplied from Bombay to the States in question shall not be restricted in any way, I am desirous to observe that if the British Government have the means of ascertaining with certainty the quantity of salt exported from Bombay and actually landed in the Cochin and Travancore States so that British duty can be levied on all deficiencies, and if the selling price of salt in these States is fairly fixed and enforced so as to render the export of salt from them to British territory unprofitable, the Government have no object in restricting the quantities to be supplied from Bombay. On this point I am to observe that the recent census shews the population of Travancore to be 2,311,379, being considerably more than was assumed in the calculations of consumption of salt per head. This apparently brings down that consumption to a little more than 16 pounds per annum, which, however, is still high.

6. As the amount of wastage of salt exported from Bombay to Travancore and Cochin under the bagging system has greatly decreased, as pointed out in the 12th paragraph of your letter of the 26th February 1873, the Governor General in Council desires that the maximum allowance for wastage be reduced to 2 per cent., if this has not already been done.

I have the honour to be,

SIR,

Your most obedient Servant,

E. M. Batten

Offg. Secretary to the Government of India.

Revenue Department
No 2997
1877.

GOVERNMENT OF INDIA.

DEPARTMENT OF REVENUE,
AGRICULTURE AND COMMERCE.

SALT.

To
THE SECY. TO THE GOVT. OF MADRAS,
REVENUE DEPARTMENT.

No.

Dated Simla, the 5 June 1877.

Recd 21-6-77

SUBJECT.

SALT arrangements with Cochin and Travancore
consequent on the change in the system under
which salt is supplied from Bombay to those
States.