(1) Number of pages_____

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(3) Initials of the Referencer_____

TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Revenue DEPARTMENT

G.O. No. 3289	Press.
B.P. No:	Mis.
Dated 21.11.1877	197 :

Not to be folded or roughly handled

Archives I—5,806—24-2-78.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

21st November 1877, No. 3,289.

Read again the following paper:—

No. 222. 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, 22nd May 1877, No. 99.

* * *

2. With regard to what is called spontaneous or swamp salt, and with reference to the Revenue Proceedings of the Madras Government, dated the 13th July 1875, Nos. 147 and 148, I am to say that the Government of India are not prepared to admit the distinction made by the Government of Madras between this salt and manufactured salt. Whatever may be in point of law the correct view, it appears evident that to allow a reduction of the price of this salt below that fixed by law for manufactured salt must injuriously affect the revenue and tend to subvert the object for which Section 2 of Act XXIV of 1869 and Section 1 of Act X of 1874 were enacted. In regard to this salt, I am to state that, with the permission of His Grace the Governor in Council, one of two courses should be followed. Either Act XI of 1875 should be extended to the local areas in which swamp salt is produced, in which case this salt should be sold at Rs. 1-13-0 per maund *plus* such additional sum as the Government of Madras may fix to cover the cost of storage, transport, sale, and wastage; or (and this will apply whether Act XI of 1875 be so extended or not) if the salt cannot find purchasers at the local price of manufactured salt, it should be destroyed.

(True Copy.)

(Signed) C. G. MASTER,
Secretary to Government.

Read also the following papers:—

No. 223. From C. G. MASTER, Esq., Secretary to the Government of Fort St. George, Revenue Department, to the Secretary to the Government of India, Department of Revenue, Agriculture, and Commerce, dated Fort St. George, 27th August 1877, No. 2,590.

I AM directed to submit the following remarks with reference to paragraph 2 of your letter, dated 22nd May last, No. 99 (Salt).

2. The Government of India do not think it necessary to discuss the question whether the order passed by this Government as to the price at which spontaneous salt may be sold was legal or not; but, on the ground that reduction of the price for spontaneous salt below the price fixed by law for manufactured salt must injuriously affect the revenue, they desire that if the spontaneous article cannot find purchasers at what practically amounts to the monopoly price, it must be destroyed.

3. His Grace the Governor in Council ventures to think that the difficulties attendant on such a measure as the destruction of a substance so readily and continually produced on the tidal swamps upon an area of many hundred square miles of the coast have been under-rated. It would, in fact, be impossible to carry out such a scheme. The natural facilities for the formation of spontaneous salt are described in the report of the Madras Salt Commission (paragraph 256, &c., also appendix A, page viii, &c.), and it is abundantly clear that even with the additional and more efficient arrangements suggested for the prevention of

smuggling, it would be impracticable to enforce so sweeping a proceeding as that contemplated by the Government of India.

4. But even if practicable, this Government, I am to state, look upon the proposed course as impolitic financially and demoralizing in its effects. They join issue on the point that any other arrangement *must* injuriously affect the revenue. It seems clear to them that to prohibit the sale, except at a prohibitive rate, of that which cannot in practice be destroyed or effectually guarded, and is at the same time a necessity of life, must result in the surreptitious use of an article universally in demand. The loss to the revenue cannot, under such circumstances, be small. The salt is sure to get into consumption somehow, and if not sold by Government it will be smuggled by the people. If the public find that the salt is lying idle, there will be a greater determination on their part that it should not be left unutilized. If they cannot have it lawfully, they will get it unlawfully. Hence consumption of licit salt will *pro tanto* be reduced and demoralization be rife.

5. In any case larger preventive establishments will be necessary and, instead of these being a dead weight on the department, they might be usefully employed in adding to State income. It seems to His Grace in Council that the true and economical policy is to utilize the existing natural resources of the country and to devise methods of gathering and improving the quality of the product rather than to incur large cost in attempting to destroy that which is being continually reproduced and which is a necessary of life to man and beast.

6. Pending further consideration of the general question, I am to solicit that the arrangements hitherto in force in this Presidency may be left undisturbed.

No. 224. From G. H. M. BATTEN, 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, 24th October 1877, No. 202.

I AM desired to acknowledge the receipt of your letter, No. 2,590, dated the 27th August 1877, on the subject of the sale by Government of what is called "spontaneous salt" at prices lower than that fixed by Act XXIV of 1869 for "salt manufactured and sold under the orders of the Governor of the Presidency of Fort St. George in Council."

2. His Excellency the Governor-General in Council regrets that he is unable to accept the position taken with reference to this salt by the Madras Government. First as to the legal point, although it may be doubtful whether salt which is produced without any artificial aid from the hand of man can legally be included in the term "manufactured salt," yet the Government of India gather from the report of the Madras Salt Commission that a great deal of what is called "spontaneous salt," which they say runs by insensible gradations into "salt earth" is subjected to artificial processes which may fairly be included in the term "manufacture." For instance in the great Vedaranyam swamp, the formation of the salt is facilitated, if not caused, by "quickly throwing up small banks" to prevent the return of the sea waters. In Vizagapatam, Tanjore, and elsewhere the "salt earth" is lixiviated and the brine produced is boiled. These processes are clearly processes of manufacture. No doubt merely to collect and store salt spontaneously produced by nature is not manufacture, but it appears to the Governor-General in Council impossible to permit of this salt being sold at lower prices than manufactured salt without danger to the revenue.

3. It is stated in your letter under reply that the vast area producing spontaneous salt cannot be effectually guarded, and yet it is contended that a remedy against smuggling is provided by the sale of this salt (which if not guarded can be picked up by any one for almost nothing) at one Rupee ten or eleven Annas per maund (15 per cent. less than the legal price of two Rupees), while this remedy

would be lost if the full legal price were demanded. It appears to the Governor-General in Council that the very fact that the salt will fetch as much as it does is a proof that there are not such extreme facilities for its illicit collection, for it seems improbable that any one would pay one Rupee ten Annas for what he could easily get for almost nothing.

4. The distinct recommendations of the Madras Salt Commission are not to sell any salt below the monopoly price fixed by law, and to strengthen the establishments where necessary to prevent the illicit collection of spontaneous salt. This is in the opinion of the Government of India the proper course and not that now practised of putting into the market a quantity of salt sold deliberately by Government at prices below that fixed by law for manufactured salt. Nor will this prevent His Grace in Council from devising methods of gathering and improving the quality of spontaneous salt and so utilizing the existing natural resources of the country, a policy which has the fullest concurrence of the Government of India. Any suggestions for carrying it into practice will be gladly taken into consideration by His Excellency the Governor-General in Council. Meanwhile, I am to request that the views expressed in my letter, No. 99, dated the 22nd May 1877, may be carried out.

5. In connection with this subject I am directed to state that experiments are now being initiated by the Government of India with the view of utilizing the refuse salt of the Punjab mines by rendering it unfit for human consumption while leaving it still good for the use of cattle. This plan is in force in Germany where the salt tax is equivalent to about Rupees 2-8-0 per maund. If the experiments prove successful it is proposed to sell the salt so treated at little more than cost price, as it will not compete with salt for human consumption. If a similar use could be made of the "spontaneous" and impure salts of the Madras Presidency one frequent objection to the salt tax would be removed, namely, that it deprives the cattle of an article necessary to their life.

No. 225. ORDER THEREON, 21st November 1877, No. 3,289.

Separate Revenue, No. 27.
Salt.

THE foregoing correspondence will be communicated to the Board of Revenue who will act upon the views of the Government of India. They will observe that the instructions contained in G.O., 13th July 1875, No. [illegible], are cancelled.

2. The Governor in Council remarks that the rude aids to formation of swamp salt to which the Government of India allude are either surreptitious or take the article out of the category of spontaneous salt.

3. The introduction of the Salt Excise Act for controlling the disposal of this salt is, in the opinion of His Grace the Governor in Council, out of the question.

4. The Government are prepared to consider any remarks the Board may desire to offer on the subject of paragraph 4 of the Government of India's letter of 24th October.

(True Extract.)

(Signed) C. G. MASTER,
Secretary to Government.

To the Board of Revenue.

Exd. T. D. Ryan.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

27th August 1877, No. 2,590.

Read the following paper :—

No. 400.— 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, 22nd May 1877, No. 99.

In continuation of my letter No. 24, dated the 19th February last, I am directed to state that the Governor-General in Council having had under consideration the general question of the sale of salt by the Madras Government at prices below those fixed by law, namely, Rs. 2 per maund throughout the Presidency with the exception of the districts of Malabar and South Canara and of Ganjam, where higher prices have been so fixed, is of opinion that in the case of salt "manufactured and sold under the orders of the Governor of the Presidency of Fort St. George in Council for consumption within the territories subordinate to that Presidency," any discount allowed either to retail or wholesale purchasers except such as is estimated to cover any actual deficiency in the recorded quantity in heaps sold to wholesale purchasers, is illegal and should at once be disallowed. The report of the Madras Salt Commission shows (paragraphs 203 and 206) that the ordinary discount of 5 per cent. to wholesale purchasers does not represent the actual deficiency. The only way of ascertaining this actual deficiency is by weighing in full all salt sold, whether retail or wholesale, as recommended by the Madras Salt Commission in paragraph 211 of their report. This course should, therefore, with the permission of His Grace the Governor in Council be followed, extra establishments being entertained when necessary. Meanwhile the special discounts referred to in paragraph 210 of the report should at once cease.

2. With regard to what is called spontaneous or swamp salt, and with reference to the Revenue Proceedings of the Madras Government, dated the 15th July 1875, Nos. 147 and 148, I am to say that the Government of India are not prepared to admit the distinction made by the Government of Madras between this salt and manufactured salt. Whatever may be in point of law the correct view, it appears evident that to allow a reduction of the price of this salt below that fixed by law for manufactured salt must injuriously affect the revenue and tend to subvert the object for which Section 2 of Act XXIV of 1869 and Section 1 of Act X of 1874 were enacted. In regard to this salt, I am to state that, with the permission of His Grace the Governor in Council, one of two courses should be followed. Either Act XI of 1875 should be extended to the local areas in which swamp salt is produced, in which case this salt, should be sold at Rs. 1-13-6 per maund *plus* such additional sum as the Government of Madras may fix to cover the cost of storage, transport, sale, and wastage; or (and this will apply whether Act XI of 1875 be so extended or not) if the salt cannot find purchasers at the legal price of manufactured salt, it should be destroyed.

(True Copy.)

(Signed) C. G. MASTER,
Secretary to Government.

Ezd. T. D. Ryan.

REVENUE DEPARTMENT,
FORT ST. GEORGE,
27*th August* 1877.

No. 401.

To

No. 2,500.

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

Separate Revenue, No. 30.
Salt.

SIR,—I am directed to submit the following remarks with reference to paragraph 2 of your letter, dated 22nd May last, No. 99 (Salt).

2. The Government of India do not think it necessary to discuss the question whether the order passed by this Government as to the price at which spontaneous salt may be sold was legal or not; but, on the ground that reduction of the price for spontaneous salt below the price fixed by law for manufactured salt must injuriously affect the revenue, they desire that if the spontaneous article cannot find purchasers at what practically amounts to the monopoly price, it must be destroyed.

3. His Grace the Governor in Council ventures to think that the difficulties attendant on such a measure as the destruction of a substance so readily and continually produced on the tidal swamps upon an area of many hundred square miles of the coast have been under-rated. It would, in fact, be impossible to carry out such a scheme. The natural facilities for the formation of spontaneous salt are described in the report of the Madras Salt Commission (paragraph 206, &c., also appendix A, page viii, &c.,); and it is abundantly clear that even with the additional and more efficient arrangements suggested for the prevention of smuggling, it would be impracticable to enforce so sweeping a proceeding as that contemplated by the Government of India.

4. But even if practicable, this Government, I am to state, look upon the proposed course as impolitic financially and demoralizing in its effects. They join issue on the point that any other arrangement *must* injuriously affect the revenue. It seems clear to them that to prohibit the sale, except at a prohibitive rate, of that which cannot in practice be destroyed or effectually guarded and is at the same time a necessity of life, must result in the surreptitious use of an article universally in demand. The loss to the revenue cannot, under such circumstances, be small. The salt is sure to get into consumption somehow, and if not sold by Government it will be smuggled by the people. If the public find that the salt is lying idle, there will be a greater determination on their part that it should not be left unutilized. If they cannot have it lawfully, they will get it unlawfully. Hence consumption of licit salt will *pro tanto* be reduced and demoralization be rife.

5. In any case larger preventive establishments will be necessary and, instead of those being a dead weight on the department, they might be usefully employed in adding to State income. It seems to His Grace in Council that the true and economical policy is to utilize the existing natural resources of the country and to devise methods of gathering and improving the quality of the product rather than to incur large cost in attempting to destroy that which is being continually reproduced and which is a necessary of life to man and beast.

6. Pending further consideration of the general question, I am to solicit that the arrangements hitherto in force in this Presidency may be left undisturbed.

I have the honor to be,
Sir,
Your most obedient servant,
(Signed) C. G. MASTER,
Secretary to Government.

Extd. T. D. Ryan.

Agriculture (1877) Department.

Government of Fort St. George.

Dated 24th August 1877. No. 2590.
Received 1 Endorsement
5 Spare Copies

Ex. No. Page.

Ex. No. No.

Supplying remarks with reference to Tuticorin
paragraph 2 of letter, dated 23rd May last, [illegible]
relating to spontaneous [illegible]

No. 202.

From

G. H. M. BATTEN, Esquire,

Officiating Secretary to the Government of India,

Department of Revenue, Agriculture

and Commerce.

To

The Secretary to the

Government of Madras.

Salt.

Simla, dated the 24th October 1877.

Sir,

I am desired to acknowledge the receipt of your letter No. 2590 dated the 27th August 1877 on the subject of the sale by Government of what is called 'spontaneous salt' at prices lower than that fixed by Act XXIV of 1859 for 'salt manufactured and sold under the orders of the Governor of the presidency of Fort St. George in Council'.

2. His Excellency the Governor General in Council regrets that he is unable to accept the position taken with reference to this salt by the Madras Government First as to the legal point although it

may

may be doubtful whether salt which is produced without any artificial aid from the hand of man can legally be included in the term "manufactured salt" yet the Government of India gather from the report of the Madras Salt Commission that a great deal of what is called "spontaneous salt which they say "runs by insensible gradations into "salt earth" is subjected to artificial processes which may fairly be included in the term "manufacture". In the great Vedaranyam Swamp the formation of the salt is facilitated if not caused by quickly throwing up small banks to prevent the return of the sea waters. In Vizapatam Tanjore and elsewhere the "salt earth" is lixiviated and the brine produced is boiled. These processes are clearly processes of manufacture. No doubt merely to collect and store salt spontaneously produced by nature

nature is not manufacture, but it appears to the Governor General in Council impossible to permit of this salt being sold at lower prices than manufactured salt without danger to the revenue.

3. It is stated in your letter under reply that the vast area producing spontaneous salt cannot be effectually guarded and yet it is contended that a remedy against smuggling is provided by the sale of this salt (which if not guarded can be picked up by any one for almost nothing) at one rupee ten or eleven annas per maund (17½ per cent less than the legal price of two rupees), while this remedy would be lost if the full legal price were demanded. It appears to the Governor General in Council that the very fact that the salt will fetch as much as it does is a proof that there are not such extreme facilities for its illicit collection for

for it seems improbable that any one would pay one rupee ten annas for what he could easily get for almost nothing.

4. The distinct recommendations of the Madras Salt Commission are not to sell any salt below the monopoly price fixed by law and to strengthen the establishments where necessary to prevent the illicit collection of spontaneous salt. This is in the opinion of the Government of India the proper course and not that now practised of putting into the market a quantity of salt sold deliberately by Government at prices below that fixed by law for manufactured salt. Nor will this prevent His Grace in Council from devising methods of gathering and improving the quality of spontaneous salt and so utilizing the existing natural resources of the

country, a policy which has the fullest concurrence of the Government of India. Any suggestions for carrying it into practice will be gladly taken into consideration by His Excellency the Governor General in Council. —

Meanwhile I am to request that the views expressed in my letter No. 99 dated the 22nd May 1877 may be carried out.

5. In connection with this subject I am directed to state that experiments are now being initiated by the Government of India with the view of utilizing the refuse salt of the Punjab mines by rendering it unfit for human consumption while leaving it still good for the use of cattle. This plan is in force in Germany where the salt tax is equivalent to about Rs. 2-8- per maund. If the experiments prove successful it is proposed to

to sell the salt so treated at little more than cost price, as it will not compete with salt for human consumption. If a similar use could be made of the "spontaneous" and inferior salts of the Madras Presidency one frequent objection to the salt tax would be re= =moved, namely that it deprives the cattle of an article necessary to their health.—

I have the honour to be
Sir,
Your most obedient Servant,

F. M. Hatten
Officiating Secretary to the Govt. of India.

3259/6

(p. 2) August 77 Nos. 400 - 401.

Revenue 1877 Dep^t
No. 4578

From
Gov^t of India
Rev: & Dep^t

Dated 24 Oct.
Rec^d 30 Oct.
No. 202

E 1

Acknowledging receipt of letter No. 2590 of 27 Aug^t 77 on the subject of the sale by Gov^t of Ganjam "salt" at prices lower than that fixed by Act XXIV of 1869 for "salt manufactured and sold" under the orders of the Governor of the Presidency of Fort St. George in Council" & regretting that the Gov^t of India are unable to accept the position taken with reference to this salt by the Madras Government.

G.O. 21-11-77 No. 3285

30/10

Paid

No. 204

E. I. Com^s Rep^d

REVENUE DEPARTMENT.

No. 4578

From Gov^t of India

Dated 24 Oct 1877.

FOR ORDERS.

The Government of India observe from the views expressed in para 2 of their letter d/ 22 May last No 99 and desire that they may be carried out.

Please see previous memo and notes by Hon^ble Members appended & Madras letter 27 August last No 2590.

The instructions contained in G.O. 13 July 1875 No 1056 must I presume be cancelled?

Communicate to the Govt of India the views expressed in para 2 of their letter d/ 22 May last No 99 and desire that they may be carried out.

Please see previous memo and notes by Hon^ble Members appended & Madras letter 27 August last No 2590.

The instructions contained in G.O. 13 July 1875 No 1056 must I presume be cancelled?

No.

Orders are requested with ref: to the previous business as to the method to be adopted in carrying out the orders of the Ct.

Wm

Should extend this Act. Will be inoperative

Ordered pro tempore measure of this character

Wm

Mr Bennett the Secretary is accordingly to the Govt. Agent in doing so Mr Enock that the Govt aids & formation of swamp Salt Wks. the Govt. allude amongst other suggestions of taking the articles out of the category of Customs Salt.

and that this Govt

did not frame any Swamp Salt Act but adopted the Canadian for that Salt

The intention of the Salt Act is controlling the disposal of this Govt. talk of the question in my opinion

Wm

No 4575.

FOR ORDERS.

Sale of 2d Bengal Salt by Calcutta Commissioners

Read Sent by Ark

Copied

Corr

C. I. Home for R. & Jud.

Rec. Dept.

No 3289.

Proceedings of the Madras Government
Under date the 21st November 1877.

Read again Para: 2
of Letter from Govt. of India, dy
22nd May 1877 No 99.

Read also the following
Letter to Govt. of India dy 27th
August 1877 No 2590.

Letter from Govt. of India dy 26th
October 1877 No 302. relating to
the sale by Govt. of Pondicherry
Salt.

1. The foregoing correspondence will be communicated to the Board of Revenue who will act upon the recommendation of the Govt. of India as they may think

will observe that the instructions contained in G.O. 13th July 1875. No. 1056 are cancelled.

2. The Governor in Council remarks that the words aids to formation of swamp salt to which the Board of Inland Revenue allude are either superfluous or take the article out of the category of spontaneous salt.

3. The introduction of the salt excise Act for controlling the disposal of this salt is in the opinion of His Grace the Governor in Council out of the question.

4.

4. The Board will consider, with reference to paragraph 4 of the second letter from the Govt of India, what additional provision is necessary for prevention of illicit evaporation and will consult Distrct Officers as to the possibility of improving the quality of this salt as to render its sale possible on the terms sanctioned.

Rev. & Ag. 14th Feb 82 (No 22 of Revenue & Agriculture 21-11-7).
(No 93-12-7).

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2

will observe that the instructions contained in G.O. 13th July 1875 No 1058 are cancelled.

2. The Governor in Council remarks that the measures to prevention of Swamp salt to which the Govt of India allude are either prosecutions or tasks the attack out of the category of spontaneous salt.

3. The introduction of the salt excise Act for controlling the disposal of this salt is in the opinion of His Grace the Governor in Council out of the question.

4

4. The Board will consider, with reference to paragraph 4 of the second letter from the Govt of India, what additional provision is necessary for prevention of illicit collection and will consult Distrct Officers as to the possibility of so improving the quality of this salt as to render its sale possible on the terms sanctioned.

Mr. S.C. 14th No. 142 of Revenue 21-11-77.
Lr. C. 23-12-77.

50/2

(2) 70

[redacted]