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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

Revenue DEPARTMENT

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Dated 9.8.1878	197 .

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GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

1276/1

9th August 1878, No. 1,276.

Read the following paper :—

No. 135. Proceedings of the Board of Revenue, dated 3rd August 1878, No. 2,161.

Read again Board's Procs., dated 20th June and 16th July, Nos. 1,698 and 1,968.

Read also the following letter from H. W. BLISS, Esq., Commissioner of Salt Revenue, to C. A. GALTON, Esq., Acting Secretary to the Board of Revenue, dated Madras, 31st July 1878, No. 856 :—

I HAVE the honor to state, with reference to the Board's Proceedings, No. 1,968, dated the 16th July 1878, that I quite agree with Mr. Comyn that some of the stock of Government salt at present on hand in the South Canara District should be brought to sale without further delay much in the way that he proposes. I do not, however, altogether agree with him as to details.

Depôt.	Stock.		
	Bombay Salt.	Goa Salt.	Canara Salt.
	IN. MDS.	IN. MDS.	IN. MDS.
Baindur	...	...	8,387
Manjeshwar	2,761	7,009	...
Kasergode	4,367	4,039	1,889
Nileshwar	...	3,650	3,918

2. The first thing to be decided is, How much salt shall be sold? Mr. Comyn proposes to sell 115,000 maunds, or about one-third the stock in hand. I would go further and sell about half except in the case of the four depôts marginally noted, the whole of the small stock at which I would sell off at once so that the depôts may be closed and further expenditure on them be saved.

3. The quantities I would sell would then be as follows :—

Depôt.	Bombay Salt.	Damaun Salt.	Goa Salt.	Canara Salt.	Total.
	IN. MDS.	IN. MDS.	IN. MDS.	IN. MDS.	IN. MDS.
Baindur	...	...	...	8,387	8,387
Harnad	...	...	...	15,000	15,000
Angali	...	...	...	20,000	20,000
Vaderhobli	...	...	...	20,000	20,000
Mabukal	...	2,220	...	5,000	7,220
Malpi	36	...	404	5,000	5,440
Mulki	2,500	...	...	6,000	8,500
Mangalore	40,000	...	15,000	...	55,000
Buntwal	9,000	...	1,500	3,000	13,500
Manjeshwar	2,761	...	7,009	...	9,770
Kasergode	4,367	...	4,039	1,889	10,295
Nileshwar	...	...	3,650	3,918	7,568
Total ...	58,664	2,220	31,602	88,194	180,680

4. There would then still remain in stock 175,368 Indian maunds, or about eight months' consumption at the average former rate of sale shown in paragraph 14 of Mr. Comyn's letter. I think that there can be no doubt that this will be an amply sufficient stock to hold in reserve until the salt supply of the province by private trade is established on a perfectly secure footing. This reserve, if every thing goes on well, should, in my opinion, be sold off in or about September next year, and the Government connection with the provision in South Canara of this article of consumption thus finally terminated.

5. The next point to be considered is the size of the lots and the manner in which the salt should be put up for sale. My original idea when I first thought some months ago of the steps that should be taken for the disposal of these stocks of salt was to call for tenders for minimum parcels of 5 garces each and to sell by auction only what was not sold by tender; and I still consider that this will be the best method of procedure, inasmuch as it will enable me to keep the most important part of the business in my own hands, as I should propose to dispose of the tenders myself. The minimum quantity for which tenders would be received might, however, be reduced to 100 maunds instead of 5 garces (600 maunds), for the reason given by Mr. Comyn, that if the lots are very large, small capitalists will be shut out from competing. I see, I may say, no reason why there should be any confusion in disposing of tenders, and I believe I am right in saying that tenders as a rule bring better prices when transactions are large than auctions. But I have no desire to press my preference for the system of sale by tenders. Mr. Comyn knows the merchants of South Canara and the course of trade there much better than I do; and I therefore readily admit that it is quite as probable that he is right as that I am.

6. It will, however, in my opinion, be in every way better that the sales, so far as they are by auction should all be held in Mangalore itself rather than in the outstations where the salt is stored. Competition will there be keener, the Salt Deputy Collector will be saved trouble, and the whole operation will be under the Collector's eye.

7. At Nileshwar and Manjeshwar private stocks are scanty. It will therefore probably be a great convenience both to the trade and to the public that the sales of the salt there stored should be held as soon as possible. This might be, as Mr. Comyn proposes, in the early part of September. In the latter part of the same month might follow the sales of the stock at all the other stations, except Harnad, Angali and Vaderhobli, the salt stored in which depôts might be kept on hand until December, so as to allow the local manufacturers time to dispose of what they now have on hand of last season's produce before the market is disturbed. For the same reason the sale of these particular stocks should not be notified just at present.

8. Mr. Comyn proposes to fix the upset price at 3 Annas for Goa, 2 Annas for Canara and 6 Annas for Bombay salt exclusive of the duty. If the sales are by tender, I would not publish the upset price even if I fixed it. If they are to be by auction, I think Mr. Comyn's rates are too low. According to the figures he gives the average wholesale prices of the several descriptions of salt for the first six months of the current year have been as under, *ex* duty:—

	RS.	A.	P.
Bombay	0	11	5
Goa	0	7	3
Damaun	0	10	0
Canara	0	5	10

I think therefore that it will not be unreasonable to fix the auction upset prices at Annas 7, 4, 7 and 2½ for these different descriptions respectively. The total stock in the district of Damaun salt being very small, I have fixed its price somewhat higher than I should otherwise have done. It is a better salt than Goa salt.

9. Payment of excise duty at any particular rate should not, I think, be stipulated for. I would simply say at the rate fixed by law on the date on which delivery might be taken.

10. In paragraph 5 of Mr. Comyn's draft notification he provides for credit to wholesale purchasers. Ordinarily speaking, credit is not allowed in the case of transactions amounting to less than Rupees 5,000. I would give no credit in this case to the purchaser of less than 1,000 Indian maunds, but I would allow larger purchasers the usual six months. On the other hand I would charge godown rent at the rate already sanctioned for Malabar (4 Annas per garce per mensem) on all salt not removed in (say) a fortnight from the date of sale or notice of acceptance of tenders. In Baindur, Manjeshwar, Kasergode and Nileshwar Depôts I would stipulate for the removal of the salt within one month, unless the purchaser elects to pay for the cost of the Police guard, &c., for a longer period.

11. I have prepared, with reference to the above remarks and submit herewith for publication, a notification of the terms of sale which I would propose in lieu of those proposed by Mr. Comyn. Whichever notification is approved should be published at once in the *Fort St. George* and *District Gazettes* as time presses. I would also publish a short and inexpensive notification in the local papers referring enquirers to my office for particulars. In my draft notification I have said nothing about the sale by auction of what may not be disposed of by tender, as it would never do to announce publicly that it was proposed to take such an alternative course before the one adopted (if the Board should approve of and decide to adopt it) has been proved to be a failure.

SUBMITTED for the very early orders of Government.

2. The Board accept Mr. Bliss' proposals and consider that tenders should be invited in the first instance. The Draft Notification is approved and sanction is requested for its publication in the *Fort St. George* and *District Gazettes*. The Commissioner can publish a brief advertisement in the local newspapers if the Government sanction the course proposed.

(A true Copy and Extract.)

(Signed) C. A. GALTON,
Acting Secretary.

No. 136. ORDER THEREON, 9th August 1878, No. 1,276.

Separate Revenue, No. 14.
Salt.

HIS GRACE the Governor in Council sanctions the proposals submitted by the Board of Revenue with the following modifications:—

(1.) A minimum price should be fixed and notified.

(2.) The Commissioner should arrange to open the tenders at *Mangalore* instead of Madras.

2. The draft Notification will be returned for alteration and prompt publication as proposed.

(True Extract.)

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

To the Board of Revenue.
„ the Salt Commissioner.

Exd. F. R. Bantleman.

Govt. of [1878] Madras.

REVENUE.

To

The Board of Revenue,

&c., &c., &c.

Dated August 9th.

Printed 10th.

Read.

Encl.

G.O. 8th August 1878, No. 1,326.

AUGUST.

Nos. 135-136.

Government Salt in Store in the South Canara District.—Sanctioning proposals submitted by the Board regarding the disposal of a portion of the — with certain modifications, and returning the draft Notification for alteration and prompt publication.

No. 1,698.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 20th June 1878.

Read the following letter from W. H. COMYN, Esq., Acting Collector of South Canara, to C. A. GALTON, Esq., Acting Secretary to the Board of Revenue, dated Mangalore, 3rd June 1878, No. 995 :—

IN returning the petition of Nerati Mohidin referred to me by Board's endorsement, No. 1,057, dated 29th ultimo, for immediate report, I have the honor to state that the statement of the petitioner that the local supply of private salt is inadequate to meet local wants during the monsoon is quite incorrect, and that there does not seem to be any reason to fear that the merchants will combine so as to force up the price of the article.

2. I beg to enclose, for the Board's information, a statement showing the stock of private salt in Mangalore on the 2nd instant (yesterday). It will be seen that the stock consists of about 13,500 Indian maunds of Goa and Damaun salt, and about 11,000 Indian maunds of Bombay salt, giving a total of nearly 25,000 Indian maunds. Goa and Damaun salt are most in favor in Mangalore and the neighbourhood, while Bombay salt is chiefly preferred above the ghauts, though it is also consumed locally to a certain extent.

3. According to the old accounts the consumption of salt in Mangalore and the neighbourhood amounts to from 2,000 to 2,500 Indian maunds per mensem. Thus if we leave the stock of Bombay salt altogether out of the calculation, we shall at this rate of consumption still have more than a month's supply of the salt in common use at the *close* of the monsoon.

4. Bombay salt is now being sold by the importers at Rs. 3-8-0 to Rs. 3-9-0 and Goa salt at Rupees 3-1-0 to Rupees 3-2-0 per Indian maund. In the bazaars Bombay salt is retailed at 1 Anna 8 Pi[illegible] to 1 A[illegible] Pies, and Go[illegible] [illegible] in January owing to the enhancement of the rate of duty, but since then they have ruled steady. It is probable however that there will be as usual a slight rise in the price during the monsoon. The trade in Bombay salt is chiefly in the hands of Brito Brothers, but they are not likely to raise the price of their salt during the monsoon for local consumption, for the effect of a further increase in its price would be to drive persons ordinarily using Bombay salt to purchase Goa salt instead. At the close of the monsoon and when the ghauts reopen there will be a great demand for Bombay salt from up-country. Brito Brothers will probably hold on for this opportunity and will then raise the price. It may then be advisable to sell off some of our surplus stock of Bombay salt by public auction, but I would not recommend the private sale of Government salt either then or now as desired by the petitioner. The question of the best means of disposing of a portion of our stocks of Government salt is engaging my attention, but on this point I propose to address the Board separately.

5. It is easy enough to see what Nerati Mohidin wants. His object is by raising a cry of scanty stocks to secure at once at the favorable rate of Rupees 3 per maund a large supply of salt for his own purposes and profit instead of waiting until a portion of our stock of Government salt is sold off by public auction when, owing to competition, it is sure to fetch a higher price. He knows perfectly well that the local supply of (private) Goa and Damaun salt is more than sufficient to meet local demands, and though in offering to purchase Government salt at 3 Rupees per maund he does not specify the kind of salt he wants, I have no doubt* he is aiming at Bombay salt, for if he could secure a large quantity of this salt at Rupees 3 per maund, he would be able to undersell the other merchants, and at the same time make a considerable profit. His statement that he applied in the first instance to me but was informed that the salt could not be given without the Board's orders is not true, and his petition to the Board was no doubt made with the deliberate object of deluding them into the

* Since this was written I have seen Nerati Mohidin who states that he wants Bombay salt.

belief that the local supplies were running short and thereby inducing them to sanction what he knew he could not obtain from a local officer acquainted with the facts of the case.

6. The operations of the salt trade under the excise system, the supply of salt both local and otherwise, and its cost to the consumer are matters which I am, and have been, closely watching, and the Board may rely on my duly acquainting them with any special circumstances connected with the subject which it may be desirable to bring to their notice.

ENCLOSURE No 1.

Statement showing the Stock of Salt (Private) on the 2nd June 1878 at Mangalore.

	In Public Warehouses.				In Private Store and Sale-rooms.				Grand Total.
	Bombay.	Damaun.	Goa.	Total.	Bombay.	Damaun.	Goa.	Total.	
	I. M.	I. M.	I. M.	I. M.	I. M.	I. M.	I. M.	I. M.	I. M.
Brito Brothers ...	...	...	...	...	11,000	...	...	11,000	11,000
J. J. Telles ...	...	813	2,064	2,877	...	60	120	180	3,057
Nowroji Bazenji..	...	...	...	...	400	...	...	400	400
N. Pakru Kutty...	...	1,062	3,700	4,762	...	...	100	100	4,862
N. Kalanda ...	...	...	2,059	2,059	...	...	About 60	60	2,119
N. Mohidin ...	...	2,495	850	3,345	...	80	50	130	3,475
Total ...	...	4,370	8,673	13,043	11,400	140	330	11,870	24,913

MANGALORE,
3rd June 1878.

(Signed) W. H. COMYN,
Acting Collector.

THE petitioner will be informed that his application cannot be complied with.

2. The report promised in paragraph 4 should be submitted as soon as possible, and the Collector should state at the same time whether he considers that the immediate advertisement of the sale of a portion of the salt in the Government stores in the first week of September will have the effect of checking the tendency of retail prices to run up during July and August. Proposals should also be submitted with reference to the amount of salt which should then be sold.

(True Copies and Extract.)

(Signed) J. STURROCK,
Acting Sub-Secretary.

To the Collector of South Canara.

Copy to the Commissioner of Salt Revenue.
Endorsement to Petitioner.

Exd. W. J. Lewis.

1876/64

1878.

Board of Revenue,

MADRAS.

PROCEEDINGS, 20TH JUNE 1878, No. 1,698.

Received

JUNE.

No. 1,698.

Salt in Government Stores in South Canara District.—Informing Nerati Mohidin, petitioner, that his application offering to purchase a portion of the — cannot be complied with, and requesting Collector to submit the report promised relative to the disposal of the same.

Read

Ord.

No. 1,968.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 16th July 1878.

Read the following letter from W. H. COMYN, Esq., Collector of South Canara, to C. A. GALTON, Esq., Acting Secretary to the Board of Revenue, dated Mangalore, 5th July 1878, No. 1,224 :—

ADVERTING to the Proceedings of the Board of Revenue, dated 20th June 1878, No. 1,698, I have the honor, as promised in my letter, 3rd June last, No. 995, to submit proposals for the sale of a portion of the stock of Government salt now stored in the several depôts of the district.

2. In the notification published at page 371 of the *Fort St. George Gazette* of the 12th June 1877, Part I (*vide* also Board's Proceedings, 30th May 1877, No. 2,495), it is declared that from and after the 1st November 1877—the date of closing the Government sales—the supply of salt will be left to private trade, and when private trade is thoroughly established, the Government stores will be gradually sold by auction after due notice. The object of this announcement seems to have been to afford the trade full and free scope for development, and at the same time to provide against the possibility of a salt famine in case the trade should fail.

3. The first question then is whether private trade has become sufficiently established to make it expedient to reduce the Government stocks of salt. The interval of eight months which has elapsed since the introduction of the Excise Act in this district is perhaps too short a period to warrant a perfectly safe and definite answer being given. We have, however, the experience of one full fair season to guide us, and regard being had to the results hitherto obtained and to general considerations, there seems to be no reason to fear that the trade, already fairly started, will not become more thoroughly established as time goes on. The trade, though no doubt attended with risks, is on the whole a profitable one; the demand, though subject to fluctuations, is constant, and the sources of supply are practically inexhaustible. With these conditions it is not likely that private enterprise will fail to supply the markets to the fullest extent necessary. At the same time the Government stores now held in the district are so large that it seems that they may be reduced without waiting for a further development of the trade, a sufficient quantity being reserved to meet unforeseen contingencies.

4. The markets are supplied from two sources—imports and local manufacture. The import trade may be divided into two branches :

(1) Goa and Damaun salt which is imported on payment of duty and consumed chiefly in the district, and

(2) Bombay salt which is imported on prepayment of duty and chiefly for inland consumption above the ghauts.

5. The total quantity of salt of all descriptions* imported into the district (including bonded salt, Indian Maunds 20,180) since the commencement of the excise system, *i.e.*, from the 1st November 1877 to the end of May last, was 196,141 Indian Maunds. This supply, exclusive of the quantity manufactured in the district, was more than sufficient to meet the demand for home and inland consumption, 157,325 Indian Maunds having been sold from the beginning of November up to the middle of June last, leaving a balance of 38,816 Indian Maunds for consumption during the monsoon months.

	IN MDS.
Bombay	85,374
Bombay, Outer Ports	9,667
Goa	81,730
Damaun	19,370
Total ...	1,96,141

6. These sales, however, do not represent the demand for that period in an ordinary year. Our sale accounts show that 208,937 Indian Maunds were sold from Government stores during the corresponding period of Fasli 1284 (November 1874—May 1875). The figures of the two following years are purposely not taken, as in those years, owing to large private imports, the Government sales do not afford any guide to the actual demand. The decreased demand of the fasli just passed was no doubt chiefly due to the continuance of scarcity, amounting to famine, above the ghauts in parts of the Mysore Province supplied with salt from this district, while as regards home consumption the demand may have been affected by the prevalence of high prices of food-grains and other articles of daily consumption, and possibly by the extended use of earth salt by the poorer classes owing to the increase in the price of the licit article.

7. Owing to the abovementioned causes the strength of the private import trade in salt under the excise system was not unduly taxed in its infancy; at the same time had the demand been equal to that of an ordinary year, there is no reason to think the resources of private trade would not have been equal to meet it. As it is the trade has provided a surplus sufficient, not only for home and inland consumption until the next importamonsoon months, but to last for tions come in after the opening of the fair season. The trade therefore far from showing signs of languishing is sufficiently active to justify prediction of increased vitality and strength with riper years. It is hoped that the worst time of high prices of food-grains, &c., is over, and with the growth of prosperity among the people and the stringent repression of illicit manufacture, the demand for licit salt will increase, and will, I see no reason to doubt, be met by an adequate supply.

8. It is not therefore *necessary* for the *purpose of supply** to supplement private trade by placing at its disposal stocks of Government salt. There does not however on the score of interference with private trade seem to be any objection to this being done. There is no doubt that if a portion of our stock of salt is put up to auction, it will be readily bought up by local merchants and importers; and in proportion to the quantity sold there will be a temporary diminution of importations which will however be resumed before the supply obtained from the Government sales is exhausted, or in other words as soon as a fresh demand arises. There will be no undue interference with private trade if sufficient notice is given of the proposed Government sales, for the merchants and importers will then have time to decide whether they will import or purchase locally, and will make their arrangements accordingly. The effect of such sales will be merely a temporary change in the source of supply.

9. As said before there will always be a demand for both Bombay and Goa salt. The demand for the former will be constant and steady as this salt is used for inland consumption. The demand for Goa salt is more liable to fluctuation, being affected in proportion to the extent of local manufacture. During the past season the outturn of local manufacture, owing to late commencement and to unfavorable season, was not more than 28,000 Indian Maunds, or about two-fifths of the average yield.† Though the average will be probably reached in future seasons, there is not much proba-

* This is the rule. For exceptions, see paragraph 17.

† 68,756 Indian Maunds.

bility of any material extension of local manufacture, and Goa salt is therefore likely as heretofore to be largely consumed in the district and the trade in this salt to be permanent.

10. Judging from the experience already gained of the working of the trade in Bombay and Goa salt under the excise system, I should say that the trade in Goa salt is the healthier of the two; I mean as regards competition and consequent steadiness in price. The quantity of salt manufactured in Goa is practically unlimited and the article is cheap. The importers are many and the salt is imported into all the chief ports of the district. There is never therefore any likelihood of the trade degenerating into a private monopoly. The same can hardly be said as regards Bombay salt. The trade in this salt, so far as this district is concerned, is likely to remain in the hands of a few large capitalists, petty merchants not being able or willing to conform to the system obtaining at Bombay, whereby prepayment of duty on all salt before removal is compulsory, or to undertake the risks attending transit after expenditure of capital. There are thus but few importers of Bombay salt, and the importations are for the most part confined to the port of Mangalore.

11. Already there are not wanting indications of the tendency above alluded to. The enterprising firm of Brito Brothers are the only importers on a large scale, 61 per cent. of the total quantity having been imported by this firm alone, and they may now be said to hold the greater portion of the trade in Bombay salt (so far as this district is concerned) in their own hands. I do not know what arrangements are being made by other merchants for importing Bombay salt next season, but as far as I can at present judge there does not seem to be any immediate prospect of a healthy and effective, that is a *lasting*, competition springing up. As was done last season, Bombay salt may be again imported by other merchants in comparatively small quantities giving rise to a temporary competition, but these small stocks are soon exhausted, and the result is that large importers with capital and staying power are left in undisputed possession of the field. The price of Bombay salt has recently risen out of proportion to the increase in the price of Goa salt, and the cost of the article to inland consumers is likely to be still further increased. The sale of a considerable quantity of the Government stock of Bombay salt after the monsoon will be sufficiently small to meet the requirements and capabilities of the smaller merchants and ghaut people, will no doubt have the effect of temporarily reducing the price of the article, but the price will again rise should a healthy competition not spring up in the ordinary course of the trade.

12. Before submitting proposals for the sale of a portion of the Government stocks of salt, I will state the quantity and description of which these stocks consist. The total stock of Government salt in the several depots of the district amounts to 356,048 Indian Maunds distributed as follows:—

	IN. MDS.
Kundapur Taluq	*149,926
Udipi Taluq	27,452
Mangalore Taluq (including 27,141 Indian Maunds at the Inland Depot of Buntwal)	151,037
Kassergode Taluq	27,633
Total ...	356,048

And consisting of the following descriptions:—

	IN. MDS.
Bombay Salt	105,719
Goa do.	50,038
Damaun do.	2,220
Canara do. (local manufacture)	198,071
Total ...	356,048

* Of this quantity 1,1,539 Indian Maunds are stored at the three manufacturing divisions and the remaining 8,387 Indian Maunds at the seaport of Baindur.

13. The following statement shows the quantity of each kind of salt as above stored at each depot in the district:—

Depot.	Bombay Salt.	Damaun Salt.	Goa. Salt.	Canara Salt.	Total.
	IN. MDS.	IN. MDS.	IN. MDS.	IN. MDS.	IN. MDS.
1. Baindur	...	...	...	8,387	8,387
2. Harnad	...	...	...	40,393	40,393
3. Angali	...	...	...	51,368	51,368
4. Voderhobli	...	...	...	49,778	49,778
5. Mabukal (Hangarkatta) ...	...	2,220	...	12,663	14,883
6. Malpe	36	...	404	12,129	12,569
7. Mulki	4,996	...	..	12,154	17,150
8. Mangalore	75,019	...	31,727	..	106,746
9. Buntwal	18,540	...	3,209	5,392	27,141
10. Manjeshwar	2,761	...	7,009	...	9,770
11. Kassergode	4,367	...	4,039	1,889	10,295
12. Nileshwar	...	...	3,650	3,918	7,568
Total ...	105,719	2,220	50,038	198,071	356,048

Nos. 2, 3 and 4 are manufacturing stations.
Nos. 1, 5, 6, 7, 8, 10, 11 and 12 are coast sale depots.
No. 9 is an inland sale depot.

14. The Government sales during the five faslis preceding the introduction of the excise system were as follows:—

—	Fasli 1282.	Fasli 1283.	Fasli 1284.	Fasli 1285.	Fasli 1286
	IN. MDS.	IN. MDS.	IN. MDS.	IN. MDS.	IN. MDS.
Kundapur	29,736	27,284	32,787	23,066	18,187
Udipi	17,887	16,309	10,770	4,142	1,765
Mangalore	177,992	182,811	163,527	124,221	72,444
Buntwal	13,894	15,049	28,075	21,541	6,029
Kassergode	22,385	22,193	23,511	15,861	7,737
Total ...	261,894	263,646	258,670	188,831	1,06,162

As however there were large importations of foreign salt on payment of duty during the last two of the above faslis, the figures shown against those faslis do not exhibit the actual demand of the district both for home and inland consumption during that period. The average sales for the preceding three years will fairly represent the normal demand.

They were:—

Kundapur	29,936
Udipi	14,988
Mangalore	174,777
Buntwal	19,006
Kassergode	22,696
Making a total of ... per annum or a monthly average of 21,783 Indian Maunds.	261,403 Indian Maunds

15. According to these figures the present stock of Government salt is equal to about 16 months' consumption. Of this quantity a stock equal to about 6 months' consumption (say 150,000 Indian Maunds) should be held in reserve to meet contingencies, and the remainder, 206,048 Indian Maunds, will be available for disposal. Of this balance a portion might be sold off during the present year and the remainder

at some future time. The best time for disposing of a portion of the stock this year will be after the close of the monsoon when the stocks of private salt will be running short and before they have been replenished by fresh importations. The sales might be continued towards the end of the year.

16. The following table may be useful as showing at a glance the stocks of private salt in the hands of the traders at the various ports in the middle of June, the quantity held by the manufacturers in the Cotaurs of the manufacturing divisions, and the Government sales during the monsoon months of 1875. (This year is chosen, as the sales of the subsequent year do not represent the demand owing to importations of salt on payment of duty):—

Manufacturing Stations.	Ports.	Stocks of Salt with Traders and Merchants.					Sales of Government Salt June—September 1875.	Remarks.
		Bombay.	Goa.	Damaun.	Canara.	Total.		
	Baindur	...	700	...	...	700	243	
	Naikinkatta ...	...	80	...	...	80	...	New port for salt.
	Gangoli	...	1,500	...	...	1,500	...	Do.
	Hangarkatta ...	...	2,350	...	...	2,350	383	
	Malpe	...	600	...	...	600	319	
	Mulki	...	3,027	...	...	3,027	1,891	
	Mangalore	10,020	8,011	4,400	...	22,431	* 18,263	* Including sales at Buntwal.
	Manjeshwar ...	...	600	...	...	600	1,497	
	Kumbla	...	80	...	...	80	...	New port for salt.
	Kassergode ...	265	5,126	2,057	...	† 7,448	+ 4,203	† Including 1,083 Indian Maunds sold at Nileshwar:—
		10,285	22,074	6,457	...	38,816	21,709	June ... ... 225 July ... ... 222 August ... 171 September ... 465 1,083
Harnad ...	.....	...	...	...	3,121	3,121	245	
Angali	.....	...	...	...	10,711	10,711	495	
Voderhobli ...	.....	..	...	...	14,995	14,995	492	
		...	...	...	28,827	28,827	1,232	
	Grand Total...	10,285	22,074	6,457	28,827	67,643	22,941	‡ Exclusive of this quantity there are said to be stocks of salt with traders at Hosdroog near Nileshwar about 200 Indian Maunds.

17. From the above statement it will be seen that the stock of private salt in the district including the outturn of local manufacture is largely in excess of the quantity required for consumption during the monsoon months. The only places where supplies are at present deficient are Manjeshwar and Nileshwar in the Kassergode Taluq. In the former place the stocks are only 600 Indian Maunds against a consumption of 1,407 Indian Maunds during the monsoon months of 1875, but the sales of *July and August* that year were only 572 Indian Maunds. Should the supply at Manjeshwar run short before the end of the monsoon, the deficiency can be met from the stocks in the hands of the merchants at Mangalore, of which place Manjeshwar is within easy distance. It appears however that the stock at Hosdroog near Nileshwar is not sufficient to meet local demands. I can only hear of a stock of about 200 Indian Maunds with the merchants at Hosdroog. The sales in the months June—September inclusive of 1875 at the Government Cotaurs at Nileshwar amounted to 1,083 Indian Maunds, of which 393 Indian Maunds were sold in July and August of that year. From last reports I find that the price of salt at Hosdroog is higher than in any other station of the district, Goa salt selling at the rate of 10 seers for the rupee. I have called for a report as to whether the retail merchants in that part of the country are well supplied with salt, and also whether there is reason to believe that the people are consuming in lieu of the licit article, illicit salt, for the manufacture of which the neighbourhood affords peculiar facilities, and of which they probably have old stocks on hand. Illicit manufacture is being repressed, but it is not possible to say how long clandestine supplies, if there be any, will last, or whether there may not be an actual scarcity of salt in the southernmost part of the district before fresh importations can arrive.

18. I think therefore that a portion of the Government stores at Nileshwar should be disposed of first, say in the first week of September, up to which time I do not anticipate any difficulty, as at a pinch supplies can be obtained from Kassergode where the private stocks are plentiful and low prices prevail. Similarly a portion of the Government stores at Manjeshwar should be sold off as soon as the sales at Nileshwar are completed, or in the second week of September. It will be observed that the stocks of salt at Naikinkatta and Kumbla are very small, but it must be remembered that these are new ports for salt, and the deficiency is not likely to be felt as there are sufficient supplies in the neighbourhood. The price of salt at Naikinkatta is not higher than at Baindur where supplies are abundant, while that at Kumbla is comparatively low, pointing no doubt to the existence of private stocks of illicit salt.

19. I would next sell off a large quantity of Government Bombay salt at Mangalore and Buntwal. The best time for disposing of this salt would be about the middle of September when the ghaut traders begin to come down for supplies. A quantity of Goa salt at these depôts might be disposed of at the same time. A further quantity of Bombay salt at Buntwal might be sold later in the season when the ghaut people came down with coffee, taking salt back on the return journey. In fact it would be advisable, if possible, to sell off all the stock at Buntwal and abolish the Cotaur there altogether. This might, however, be done next year. After the sales at these places are completed, I would dispose of a portion of the stock at Kassergode. The stocks of salt at the northern ports of Mulki, Malpe, Mabukal (Hangarkatta), and Baindur might be reduced by sales to be conducted in October, and, lastly, a considerable portion of the stock of Canara salt in the Cotaurs at the manufacturing stations should be sold in December.

20. Though Bombay salt is generally preferred above the ghauts, Canara salt is consumed in the districts of Mysore adjoining the Kundapur Taluq. The demand will arise soon after the opening of the fair season, and at that time there would be a ready market for Government salt stored at the manufacturing stations, but it is only fair to the manufacturers under the excise system that they should be given the opportunity of supplying the ghaut and inland trade in that part of the country and so reap the fruits of their industry. There is sufficient competition among them to prevent the prices rising to any unusual extent, and the speedy disposal of their stocks of salt will do much to counterbalance the discouragement they have felt in consequence of the reimposition of the assessment on salt-pans, and of the change of system —a circumstance which is always unpalatable to persons imbued with the conservation of South Canara ryots. The manufacturers are for the most part poor and look to a speedy return for the money they have laid out. They are beginning to dispose of the produce of the pans, but at the close of the monsoon will have a large quantity left on their hands which will be available for home and inland consumption. I would not therefore advocate any sale of Government salt at the manufacturing stations until December, by which time the manufacturers will have disposed of their stocks.

21. The Salt Commissioner in a recent letter to me recommended the sale of a large portion of the Government salt at the manufacturing stations, and it is no doubt advisable that the stores should be reduced so as to make room for storage of the salt to be manufactured next season. Owing to causes already explained the outturn of the pans this year fell far short of the average. Nevertheless considerable difficulty was experienced in providing sufficient storage room, and it became necessary to erect temporary Cotaurs. It is probable that on a further trial of the excised system the outturn of the pans will be equal to the average under the monopoly, and greater storage room will be required. It is therefore necessary to reduce the Government stocks at these stations as far as possible.

22. I think that about one-third of our total stocks of salt, or 115,000 Indian Maunds, should be disposed of during the current year, and I would distribute the sales as follows:—

Baindur	1,000	maunds of Canara Salt.	
Harnad	12,000	do.	
Angali	15,000	do.	
Voderhobli	20,000	do.	
Mabukal (Hangarkatta)	5,000	do.	
Malpe	5,000	do.	
Mulki	6,000	do.	
Mangalore	25,000	maunds, *i.e.*, 15,000 Bombay and 10,000 Goa salt.	
Buntwal	15,000	„ „ 12,000 „ 1,000 Goa, and 2,000 Canara salt.	
Manjeshwar	4,000	„ „ 2,000 Bombay and 2,000 Goa.	
Kassergode	4,000	„ „ 1,000 „ and 3,000 „	
Nileshwar	3,000	„ „ 1,500 Goa and 1,500 Canara.	
Total	1,15,000	„ (30,000 Bombay, 17,500 Goa, and 67,500	

The sales would range over a period of four months, *i.e.*, from September to December 1878.

23. The best mode of disposing of this salt would, in my opinion, be by public auction after due notice. The alternative method would be by inviting tenders. Tenders might perhaps be invited for large quantities, say seven-eighths of the whole quantity to be disposed of at each depôt, and the remaining one-eighth might be sold in small lots by public auction, but I doubt if tenders would be made for such large quantities. If any, the tenders would be but few, only large capitalists being likely to come forward, and, owing to want of competition, only low prices would be realized. If tenders are to be invited at all they must be for specified quantities, and if the whole quantity to be disposed of is to be divided into lots and tenders invited for these lots, there will be confusion in disposing of them, while the simplest plan in this case would be to put up such lots to public auction. The notification referred to in paragraph 2 of this letter contemplates sale by public auction, and I think it is advisable to adhere to the terms of this notification as closely as possible. At auction sales fair prices are likely to be realized, and they have the advantage of publicity. As regards price, I would suggest a minimum of 3 Annas a maund for Goa and Canara salt (or it may be advisable to reduce the minimum to 2 Annas for the latter) and 6 Annas for Bombay salt, exclusive of the duty at the present rate of Rupee 2-8-0 per maund. The prices fixed by Government are 5 Annas for Canara and 8 Annas for Goa and Bombay salt, but the merchants import these articles at a cheaper rate. I beg to submit, for approval, a draft notification (Enclosure No. 1) regarding the proposed sales.

24. With reference to paragraphs 2 and 3 of the Board's Proceedings, dated 20th June 1878, No. 1,698, I beg to state that I do not anticipate any appreciable further rise in the retail price of salt during the next two months. As is usual at the commencement of the monsoon the price of salt in common with that of other articles of consumption has risen, but I do not think that it will run up much higher. I beg to enclose a statement (Enclosure No. 2) showing the wholesale and retail prices of salt at the several ports both before and subsequent to the introduction of the excise. From this statement it will be seen that there was a slight rise in the price at some of the ports on the introduction of the excise, and that in January there was a general rise, due to the enhancement of the rate of duty. Prices remained pretty steady with a few fluctuations from January to May when there was a slight rise (owing to the people of the interior of the district laying in stocks for consumption during the monsoon), and this was still further increased at some of the ports, though only to a slight extent in June. The prices at present ruling in Mangalore are very much the same as they were last month. These are the prices on the coast; the retail price of salt in the interior of the district is of course higher. I would certainly recommend the immediate advertisement of the sales proposed above, for, should there be any tendency of retail prices to run up, this advertisement would have the effect of checking it. When the merchants know that they will have an opportunity of purchasing Government salt at tolerably cheap rates, they will endeavor to

dispose of their present stocks as speedily as possible, and will reduce the price in order to effect a ready sale. The speedy advertisement of the sales of Government salt is also advisable on other grounds, viz., in order that merchants and importers may receive early information of the fact, and that there may be no undue interference with private trade. The sales should be advertised as widely as possible, especially in this district and Malabar and in the bordering districts of Mysore and in Coorg.

ENCLOSURE No. 1.

Notice is hereby given that the under mentioned quantities and descriptions of salt forming of the stock in the Government Stores in the South Canara District will be sold by public auction at the places on or about the dates below specified. (The exact dates on which the several portions sales will take place will be notified hereafter) :—

		IN. MDS.		
1.	Nileshwar Salt Depót	1,500	Goa salt	First and second weeks of September 1878.
		1,500	Canara ,,	
	Manjeshwar do.	2,000	Bombay ,,	
		2,000	Goa ,,	
2.	Mangalore do.	15,000	Bombay ,,	Third and fourth weeks of September 1878.
		10,000	Goa ,,	
	Buntwal do.	12,000	Bombay ,,	
		1,000	Goa ,,	
		2,000	Canara ,,	
3.	Kassergode do.	1,000	Bombay ,,	Second week of October 1878.
		3,000	Goa ,,	
4.	Mabukal (Hangarkatta) Salt Depót...	5,000	Canara ,,	Third and fourth weeks of October 1878.
	Malpe Salt Depót	5,000	do. ,,	
	Mulki do.	6,000	do. ,,	
5.	Baindur do.	1,000	do. ,,	First week of December 1878.
6.	Honavar do.	12,000	do. ,,	Second and third weeks of December 1878.
	Coderhobli do.	15,000	do. ,,	
		20,000	do. ,,	

2. The salt will be put up in convenient lots of from 10 to 1,000 Indian Maunds each at the discretion of the officer conducting the sales.

3. The sales will be conducted by the Deputy Collector in charge of the Salt Department in person at the several depóts. The upset price will be 3 Annas for Goa, 2 Annas for Canara, and 6 Annas for Bombay salt, exclusive of the excise duty at Rupees 2-8-0 per Indian Maund.

4. All salt (subject to the exception noted below) to be paid for in full (inclusive of excise duty at the rate of Rupees 2-8-0 per Indian Maund) immediately after the close of the sale and removed from the Government Stores without delay, or as soon as possible.

5. In the case of large purchases a period of one month to three months as specified below will be allowed for the payment of the purchase amount and for the removal of the salt, on condition of the purchasers making a deposit of 10 per cent. of the purchase amount immediately on the close of the sale and furnishing within a fortnight tangible security for the full purchase amount inclusive of excise duty, viz :—

From	500 maunds up to 1,000 maunds	...	One month.
,,	1,000 ,, ,, 3,000 ,,	...	Six weeks.
,,	3,000 ,, ,, 5,000 ,,	...	Two months.
,,	5,000 ,, and upwards	...	Three months.

6. Any purchaser failing to give the required security within a fortnight from the date of the close of the sale will forfeit his deposit amount, and on his failing to pay the full purchase amount and to remove the salt within the period allowed will be liable to pay interest at 12 per cent. per annum on the purchase amount that may be outstanding in addition to such godown rent as the Collector (or Commissioner) may deem fit to charge for the period during which the salt may remain in store.

(Signed) W. H. COMYN,
Collector.

ENCLOSURE No. 2.

Statement showing the Price and Price prevailing in the Market since the introduction of duction of Excise and Price prevailing in the Market since the introduction of Excise and Stock of Saltwith Traders.

April 1878.

PRICE PREVAILING IN THE MARKET EVERY MONTH SINCE INTRODUCTION OF EXCISE.

November 1877.

Ports.	Wholesale per Maund.					Retail per Seer.				
	Bombay.	Goa.	Damaun.	Canara.	Bombay.	Goa.	Damaun.	Canara.	Bombay.	Goa.	Damaun.	Canara.
	50	51	52	53	54	55	56	57	10	11	12	13	14	15	16	17
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
1. Baindur	...	2 0 0	...	3 0 0	...	0 1 4	...	0 1 2	...	2 8 0	...	2 8 0	...	0 1 4	...	0 1 2
2. Nakkihatta	...	3 0 0	...	...	...	0 1 6	...	...	...	3 0 0	...	...	...	0 1 6	...	...
3. Gangoli	...	2 14 0	...	2 14 0	...	0 1 2	...	0 0 11	...	2 14 0	...	2 0 6	...	0 1 2	...	0 0 11
4. Hongerkatta per Mara ...	...	2 14 0	...	...	...	0 1 2	...	...	...	2 14 0	...	...	...	0 1 2	...	...
5. Malpe do. ...	...	2 12 8	...	...	...	0 1 2	...	...	...	2 12 8	...	...	...	0 1 2	...	...
6. Mulki do. ...	...	2 13 0	...	...	...	0 1 2	...	...	...	2 13 0	...	...	...	0 1 2	...	...
7. Mangalore	2 1 0	3 0 0	3 0 0	...	0 1 6	0 1 6	0 1 6	...	2 8 0	3 0 0	2 8 0	...	0 1 4	0 1 6	0 1 4	...
8. Manjeshwar	...	3 0 0	...	...	...	0 1 6	...	...	...	3 0 0	...	...	...	0 1 6	...	...
9. Kumbla	...	3 0 0	...	...	...	0 1 6	...	...	...	3 0 0	...	...	...	0 1 6	...	...
10. Kassergode	3 2 0	2 14 0	...	...	0 1 6	0 1 6	...	...	2 8 0	2 14 0	...	...	0 1 4	0 1 6	...	...

Statement showing the Price of diff[erent] Descriptions of Salt, &c.—(*Continued*).

PRICE PREVAILING IN THE MAR[KET] EVERY MONTH SINCE INTRODUCTION OF EXCISE.—(*Continued*).

Ports.	February 1878. Wholesale per Maund. Bombay.	Goa.	Damaun.	Canara.	Retail per Seer. Bombay.	Goa.	Da[maun].
	34	35	36	37	38	39	
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS.
1. Baindur	..	3 0 0	..	3 0 0	..	0 1 6	
2. Naikinkatta	..	3 0 0	..	..	..	0 1 6	
3. Gangoli	..	3 0 0	..	2 15 0	..	0 1 3	
4. Hangarkatta per Mara.	..	2 12 0	..	2 12 0	..	0 1 3	
5. Malpe do.	..	2 11 0	..	..	..	0 1 2	
6. Mulki do.	..	2 12 0	..	2 12 0	..	0 1 2	
7. Mangalore	3 1 0	2 13 0	3 0 0	..	0 1 6	0 1 4	0
8. Manjeshwar	..	3 0 0	..	..	..	0 1 4	
9. Kumbla	3 1 0	2 6 0	..	..	0 1 4	0 1 0	
10. Kassergode	3 2 0	2 14 0	..	..	0 1 6	0 1 2	

Ports.	January 1878. Retail per Seer. [Da]maun.	Canara.	Wholesale per Maund. Bombay.	Goa.	Damaun.	Canara.	Retail per Seer. Bombay.	Goa.	Damaun.	Canara.
	24	25	26	27	28	29	30	31	32	33
	A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
1. Baindur	..	0 1 4	..	3 0 0	..	3 0 0	..	0 1 6	..	0 1 6
2. Naikinkatta	..	..	..	3 0 0	..	..	..	0 1 6	..	..
3. Gangoli	..	0 1 4	..	2 13 0	..	..	..	0 1 3	..	0 1 3
4. Hangarkatta per Mara.	..	0 0 11	..	2 12 0	..	2 12 0	..	0 1 3	..	0 1 3
5. Malpe do.	..	..	..	2 11 0	..	..	..	0 1 2	..	..
6. Mulki do.	..	0 0 11	..	2 12 0	..	2 12 0	..	0 1 2	..	0 1 2
7. Mangalore	1 4	..	3 2 0	2 12 0	3 0 0	..	0 1 6	0 1 2	0 1 6	..
8. Manjeshwar	..	..	..	3 0 0	..	..	..	0 1 4	..	..
9. Kumbla	..	..	..	2 6 0	..	..	..	0 1 0	..	..
10. Kassergode	..	..	3 2 0	2 14 0	..	..	0 1 6	0 1 2	...	..

STATEMENT showing the Price of different Descriptions of Salt before the intr[oduction of] Excise at the several Sea Ports in the District of South Canara fr[om] ...

...[diff]erent Descriptions of Salt, &c.—(*Continued*).

...EVERY MONTH SINCE INTRODUCTION OF EXCISE—(*Continued*).

Ports.	PRICE BEFORE THE INTRODUCTION OF EXC[ISE]. Wholesale per Maund. Bombay.	Goa.	Damaun.	Canara.	R[etail per Seer]. Bombay.	G[oa].
1	2	3	4	5	6	7
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS.
1. Baindur	..	2 2 0	..	2 2 0	..	0
2. Naikinkatta	..	..	..	..	..	0
3. Gangoli	..	..	..	..	..	
4. Hangarkatta per Mara	..	2 0 0	..	2 0 0	..	0
5. Malpe do.	..	2 0 0	..	..	..	0
6. Mulki do.	..	2 0 0	..	..	..	0
7. Mangalore	2 7 0	2 2 0	2 6 0	..	0 1 4	0
8. Manjeshwar	..	2 3 0	..	..	..	0
9. Kumbla	..	2 6 0	..	..	..	0
10. Kassergode	..	..	..	..	0 1 2	0

Ports.	[Da]maun.	Canara.	March 1878. Wholesale per Maund. Bombay.	Goa.	Damaun.	Canara.	Retail per Seer. Bombay.	Goa.	Damaun.	Canara.
	[4]0	41	42	43	44	45	46	47	48	49
	A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
1. Baindur	..	0 1 6	..	3 0 0	..	3 0 0	..	0 1 6	..	0 1 6
2. Naikinkatta	..	..	..	3 0 0	..	..	..	0 1 6	..	..
3. Gangoli	..	0 1 3	..	3 4 0	..	..	..	0 1 3	..	0 1 3
4. Hangarkatta per Mara	..	0 1 3	..	2 12 0	..	2 12 0	..	0 1 3	..	0 1 3
5. Malpe do.	..	..	..	2 12 0	..	..	..	0 1 2	..	..
6. Mulki do.	..	0 1 2	..	2 12 0	..	..	..	0 1 2	..	..
7. Mangalore	1 6	..	3 0 0	2 12 0	2 15 0	..	0 1 6	0 1 4	0 1 6	..
8. Manjeshwar	..	..	..	3 0 0	..	..	..	0 1 4	..	..
9. Kumbla	..	..	3 2 0	3 0 0	..	..	..	0 1 2	..	..
10. Kassergode	..	..	3 2 0	2 14 0	..	..	0 1 6	0 1 2	..	..

Statement showing the Price of different Descriptions of Salt, &c.—(*Continued*).

Ports.	Price prevailing in the Market every Month since introduction of Excise—(*Continued*).															
	December 1877.								May 1878.							
	Wholesale per Maund.				Retail per Seer.				Wholesale per Maund.				Retail per Seer.			
	Bombay.	Goa.	Damaun.	Canara.	Bombay.	Goa.	Damaun.	Canara.	Bombay.	Goa.	Damaun.	Canara.	Bombay.	Goa.	Damaun.	Canara.
	18	19	20	21	22	25	56	57	58	59	60	61	62	63	64	65.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
1. Baindur	..	2 8 0	..	2 8 0	..	0 1 4	..	0 1 5	..	3 2 0	..	3 2 0	..	0 1 7	..	0 1 7
2. Naikinkatta	..	3 0 0	..	..	..	0 1 6	..	..	..	3 0 0	..	..	..	..	..	..
3. Gangoli	..	2 4 0	..	..	..	0 1 2	..	0 1 3	..	3 4 0	..	..	..	0 1 6	..	..
4. Hangarkatta per Mara	..	2 0 0	..	2 0 0	..	0 0 11	..	0 1 4	..	3 4 0	..	..	..	0 1 4	..	..
5. Malpe do.	..	2 0 0	..	..	..	0 0 11	..	..	..	3 4 0	..	3 4 0	..	0 1 6	..	0 1 4
6. Mulki do.	..	2 2 0	..	2 2 0	..	0 0 11	..	..	..	2 14 0	..	..	..	0 1 3	..	0 1 6
7. Mangalore	2 8 0	2 4 0	2 8 0	..	0 1 4	0 1 0	0 1 6	..	3 8 0	3 0 0	3 6 0	..	0 1 8	0 1 4	0 1 8	..
8. Manjeshwar	..	2 3 0	..	..	..	0 1 0	..	..	..	3 0 0	..	..	..	0 1 4	..	..
9. Kumbla	..	2 6 0	..	..	..	0 1 0	..	..	..	3 0 0	..	..	..	0 1 3	..	..
10. Kassergode	2 8 0	2 4 0	..	..	0 1 4	0 0 11	..	..	3 6 0	2 14 0	..	..	0 1 8	0 1 2	..	..

Statement showing the Price of different Descriptions of Salt, &c.—(*Continued*).

Ports.	Prices prevailing in June 1878.								Stock of Salt with Traders in middle of June.				
	Wholesale per Maund.				Retail per Seer.				Bombay.	Goa.	Damaun.	Canara.	Total.
	Bombay.	Goa.	Damaun.	Canara.	Bombay.	Goa.	Damaun.	Canara.					
	66	67	68	69	70	71	72	73	74	75	76	77	78
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	In. Mds.	In. Mds.	In. Mds.	In. Mds.	In. Mds.
1. Baindur	..	3 4 0	..	..	..	0 1 8	..	..	..	700	..	..	700
2. Naikinkatta	..	3 4 0	..	..	..	0 1 8	..	..	..	80	..	..	80
3. Gangoli	..	3 4 0	..	..	..	0 1 4	..	..	..	1,500	..	..	1,500
4. Hangarkatta per Mara	..	3 10 0	..	..	..	0 1 6	..	..	..	2,350	..	..	2,350
5. Malpe do.	..	3 8 0	..	..	..	0 1 6	..	..	..	600	..	..	600
6. Mulki do.	..	3 4 0	..	..	..	0 1 5	..	..	..	3,027	..	..	3,027
7. Mangalore	3 9 0	3 1 0	3 7 0	..	0 1 8	0 1 4	0 1 8	..	10,020	8,011	4,400	..	22,431
8. Manjeshwar	..	3 1 0	..	..	..	0 1 6	..	..	..	600	..	..	600
9. Kumbla	..	3 0 0	..	..	..	0 1 4	..	..	..	80	..	..	80
10. Kassergode	3 6 0	2 14 0	..	..	0 1 6	0 1 2	..	..	265	5,126	2,057	..	7,448
Prices at Mangalore July 1878	3 9 0	2 15 0	3 4 0	..	0 1 8	0 1 4	0 1 8	..	..	..	..	..	..
	3 10 9	3 1 0	3 6 0	..									
Total	..	..	..	..	..	..	..	..	16,285	22,074	6,457	..	38,816

Mangalore,
5th July 1878.

(Signed) W. H. COMYN,
Collector.

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REFERRED for the remarks of the Commissioner of Salt Revenue.

(True Copies and Extract.)

(Signed) C. A. GALTON,
Acting Secretary.

To the Commissioner of Salt Revenue.
Copy to the Collector of South Canara.

Exd. W. H. French.

1878.

Board of Revenue,
MADRAS.

PROCEEDINGS, 16TH JULY 1878, No. 1,968.

Encl.

Received

JULY.

No. 1,968.

Government Salt — stored in the several depots of South Canara District.—Referring for the remarks of Commissioner of Salt Revenue letter from Collector submitting proposals for the sale of a portion of the stock of —.

Revenue Department.

No. 1968

Proceedings of the Board of Revenue
Dated 8th August 1878

Read again Board's Prs. of 20th June & 16th July
Nos. 1690 & 1968.

Read also the following

No. 856.

From. H. W. Bliss Esquire
Commr. of Salt Revenue.

To. C. A. Galton Esquire
Actg. Secretary to the Board of Revenue

Sir,

I have the honor to state with reference to the Board's Proceedings No. 1968 of the 16th July 1878 that I quite agree with Mr. Comyn that some of the stock of Government Salt at present on hand in the South Canara District should be brought to sale without further delay much in the way that he proposes. I do not however, altogether agree with him as to details.

2. The first thing to be decided is, how much Salt shall be Sold? Mr. Comyn proposes to sell 15000 maunds or about one third the Stock in hand. I would go further

further and sell about
half except in the case of
the 4 depots marginally
noted the whole of the
small stock at which I
would sell off at once

Depot	Stock		
	Bombay Salt	Goa Salt	Canara Salt
	Md.	Md.	Md.
Baindur	—	—	8387
Manjeshwar	2761	7009	—
Kasergode	4367	4039	1889
Nileshwar	—	3650	3918

so that the depots may be closed & further
expenditure on them be saved.

3. The quantities I would sell would
then be as follows:—

Depot	Bombay Salt	Dharwar Salt	Goa Salt	Canara Salt	Total.
	Md.	Md.	Md.	Md.	Md.
Baindur	—	—	—	8387	8387
Honnad	—	—	—	15000	15000
Angali	—	—	—	20000	20000
Vaderhobli	—	—	—	20000	20000
Mabukal	—	2220	—	5000	7220
Malpi	36	—	4044	5000	5440
Malki	2500	—	—	6000	8500
Mangalore	40000	—	15000	—	55000
Bantwal	9000	—	1500	3000	13500
Manjeshwar	2761	—	7009	—	9770
Kasergode	4367	—	4039	1889	10295
Nileshwar	—	—	3650	3918	7568
Total.	58664	2220	31602	88394	180880.

4. There would then still remain in stock 175368
Indian maunds or about 8 months' consumption at
the average former rate of sale shewn in para
14 of Mr. Comyns letter. I think that there can
be no doubt that this will be an amply sufficient
stock to hold in reserve until the Salt supply
of the Province by private trade is established
on a perfectly secure footing. This reserve, if
every thing goes on well, should in my opinion
be sold off in or about September next year
& the Government connection with the provi-
sion in South Canara of this article of
consumption thus finally terminated.

5. The next point to be considered
is the size of the lots and the manner in
which the Salt should be put up for sale.
My original idea when I first thought some
months ago, of the steps that should be
taken for the disposal of these stocks of
Salt, was to call for tenders for minimum
parcels of 5 garces each, and to sell by

auction

auction only what was not sold by tender;
and I still consider that this will be the
best method of procedure, in as much as it
will enable me to keep the most important
part of the business in my own hand, as I
should propose to dispose of the tenders myself.
The minimum quantity for which tenders
would be received might however be
reduced to 100 maunds instead of 5 garces
(600 maunds), for the reason given by Mr. Conyn,
that if the lots are very large small capi-
talists will be shut out from competing.
I see, I may say, no reason why there should
be any confusion in disposing of tenders, and
I believe I am right in saying that tenders
as a rule bring better prices when transactions
are large than auctions. But I have no desire

to

1276

to press my preference for the system
of sale by tenders. Mr Conyn knows the
merchants of South Canara and the course
of trade there much better than I do; and
I therefore readily admit that it is quite
as probable that he is right as that
I am.

6. It will, however, in my opinion, be
in every way better that the sales, so
far as they are by auction should all
be held in Mangalore itself rather than
in the out-stations where the Salt is
stored. Competition will there be keener,
the Salt Deputy Collector will be saved
trouble, and the whole operation will be
under the Collector's eye.

7. At Nileshwar and Manjeshwar
private stocks are scanty. It will therefore
probably be a great convenience both to the
Trade and to the Public that the sales
of the Salt there stored should be held
as soon as possible. This might be, as Mr

Conyn

Comyn proposes, in the early part of September. In the latter part of the same month might follow the sales of the stock at all the other stations, except Karwad, Angali and Vaderhobli the Salt stored in which depôts might be kept on hand until December, so as to allow the local manufacturers time to dispose of what they now have on hand of last seasons produce before the market is disturbed. For the same reason the sale of these particular stocks should not be notified just at present.

8. Mr Comyn proposes to fix the upset price at 3 annas for Goa, 2 annas for Canara and 6 annas for Bombay Salt exclusive of the duty. If the sales are by tender I would not publish the upset price even if I fixed it. If they are to be by auction, I think Mr Comyn's rates are too low. According to the figures he gives the average wholesale prices of the several descriptions of Salt for the first six months of the current year have been as under, ex duty:—

	Annas	Pies
Bombay	11	5
Goa	7	3
Damaun	10	0
Canara	5	10

I think therefore that it will not be unreasonable to fix the auction upset prices at annas 7, 4, 7 and 2/2 for these different descriptions respectively. As the total stock in the District of Damaun Salt being very small I have fixed its price somewhat higher than I should otherwise have done. It is a better Salt than Goa Salt.

9. Payment of excise duty at any particular rate should not I think be stipulated for. I would simply say at the rate fixed by law on the date on which delivery might be taken.

10. In para 5 of Mr Comyn's draft notification

notification he provides for credit to wholesale purchasers. Ordinarily speaking credit is not allowed in the case of transactions amounting to less than Rupees 5,000. I would give no credit in this case to the purchaser of less than 1,000 Indian maunds; but I would allow larger purchasers the usual six months. On the other hand I would charge godown rent at the rate already sanctioned for Malabar (4 annas per garce per annum) on all Salt not removed in (say) a fortnight from the date of sale or notice of acceptance of tenders. In Baindur, Manjeshwar, Kasergode and Nileshwar depôts I would stipulate for the removal of the Salt within one month, unless the purchaser elects to pay for the cost of the Police Guard &c for a longer period.

11. I have prepared with reference to the above remarks and submit herewith for publication a Notification of the terms of sale which I would propose in lieu of those proposed by the Comptr. Whichever Notification is approved should be published at once in the Fort Saint George and District Gazettes, as time presses. I would also publish a short and inexpensive Notification in the local papers referring enquirers to my office for particulars. In my draft Notification I have said nothing about the sale by auction of what may not be disposed of by tender, as it would never do to announce publicly that it was proposed to take such an alternative course before the one adopted (if the Board should approve and decide to adopt it) has been proved to be a failure.

I have &c

Salt Commrs office
Madras
31st July 1878

(Signed) H. W. Bliss
Commissioner of Salt Revenue

Submitted for the early orders of

1276/2+17

of Government

2. The Board accept Mr Bliss' proposals and consider that tenders should be invited in the first instance. The Draft Notification is approved and sanction is requested for its publication in the Fort Saint George and District Gazettes. The Commissioner can publish a brief advertisement in the local newspapers if the Govt sanction the course proposed.

(True Copy & Extract)

C. J. Clayton
Ag Secretary.

To

The Secretary to Govt R.D.
with Draft Notification the
returned; and copies of Board's
Pro: d/ 20 June /78 Nos 1698 and 16
July /78 Nos 1968.

Rev. Dept.

No 1276

Proceedings of the Madras Government.
Under date the 9 August 1878

Read the following Proceedings of the Board of Revenue dated 3rd August 1878 No 2161, regarding the disposal of a portion of the Govt salt in store in the South Canara District.

His Grace the Governor in Council sanctions the proposals submitted by the Board of Revenue with the following modifications.

(1) A minimum price should be fixed and notified

(2) The Commissioner should arrange to open the

tenders

x I presume it is intended to leave it to Mr Bliss to fix the upset price?

WL
9/8

Revenue 1878 Dept
No 3390
Proceedings of the
Board of Revenue
Dated 3rd August 1878.
Recd 5 — " 27
Reg. 5
SO No 1276 - 9th August 1878

Submitting for the very early orders of Govt letter from the Salt Commr regarding the disposal of a portion of the Government Salt in Store in the South Canara District.

No orders
Ack

No 1355

tenders at Mangalore instead of Madras.

2. The draft Notification will be returned for alteration and prompt publication as proposed.

[illegible]

[illegible]

1276/8/19

98

Disposal of Salt in Store at South Barracks

Immediate

Ditto 126

8-78
5-78.

REVENUE DEPARTMENT.

No. 3390.

1236
3-20

From Board of Revenue
Dated 3rd August 1878.

FOR ORDERS.

Nr. Sanction
But tell the Com-
miss: to fix a mi-
nimum price –
It is no use
inviting tenders or
to leave the tenderers
to guess at what will
be taken
- & arrangements

I concur with L. H.
If possible I think Mr.
Bliss sh[oul]d arrange
to open the tenders at
Mangalore rather than at
Madras. J. H.

[illegible]

1276
21

FOR ORDERS

C 5-8-78 RC 8-8-78
R 6-8-78 R 9-8-78
R 6-8-78
R. 8-8-78

8-8-78
9-8-78.