Archives I—10,006—16-8-77.

(1) Number of pages 52

(2) Date of repair 19.12.84

(3) Initials of the Referencer _____ _____

TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

DEPARTMENT

G.O. No. / B.P. No.	2028	Press. / ~~Mis.~~
Dated	17-12-1878	197 .

Not to be folded or roughly handled

GP

2028

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

17th December 1878, No. 2,028.

Read the following papers :—

No. 192. Proceedings of the Board of Revenue, dated 7th October 1878, No. 2,729.

Read the following letter from J. C. HANNYNGTON, Esq., Acting Resident in Travancore and Cochin, to C. G. MASTER, Esq., Acting Chief Secretary to Government, Fort St. George, dated Trevandram, 23rd September 1878, No. 86 :—

THE Diwan of Travancore addressed me on the 9th ultimo requesting to be informed if the Travancore Circar would be allowed as hitherto to take in Tinnevelly salt free of duty.

2. On reference to the Tinnevelly Salt Department, I was informed that the export of salt to Travancore free of duty was not authorized, and that it would be sold at Rupees 2-11-0 per Indian maund.

3. I now forward, for the consideration of Government, copy of a letter* from the Diwan urging that the Circar may be permitted to import Tinnevelly salt on the same terms as Bombay salt is now imported.

* No. 4,003—R. 1,283, dated 16th instant.

4. The Diwan points out that, owing to the failure in salt manufacture this year in the State, either Tinnevelly salt will have to be purchased at full price at great loss to the Sircar or a larger amount of Bombay salt will have to be imported at the risk of a falling off in sales owing to the difference in quality between that salt and that to which the people are accustomed, and also at the risk of an increase of smuggling of salt from Tinnevelly.

5. I cannot myself see any objection to comply with the request, provided the quantity of Tinnevelly salt is sufficient to meet the extra demand in addition to home requirements.

ENCLOSURE No. 1.

From N. NANOO PILLAY, Diwan of Travancore, to J. C. HANNYNGTON, Esq., Acting Resident of Travancore and Cochin, dated Trevandram, 16th September 1878, No. 4,003—R. 1,283.

I HAVE the honor to acknowledge your letter, No. 728, dated 21st ultimo, informing me that the Tinnevelly Salt Deputy Collector has no authority to issue salt to Travancore, except on payment of full value.

2. Though Tinnevelly salt is not specially mentioned in the Interportal Convention, I beg you will be pleased to consider whether in the spirit of that convention His Highness' Government should not be allowed to import that salt on the same terms as Bombay salt.

3. The omission to mention Tinnevelly salt in the Interportal Treaty arose from two causes :—

(1.) Till the treaty was concluded, there was hardly occasion to import that salt, as even if our supply of Rajakamangalam and Thamaracolum salt failed, there was inferior black salt made throughout Central Travancore which could make up the deficiency. This manufacture was interdicted since the publication of the convention.

(2.) The terms on which the Tinnevelly authorities allowed the export of that salt by sea at the time the convention was entered into were such that we could obtain that salt without any special arrangement being made between the two Governments, and these terms continued, and we obtained salt under them till recently when the new salt law came into force.

4. Our home manufacture upon which the whole of the South and a good portion of Central Travancore depends for its supply of salt is almost a failure this year. To meet the deficiency we have before us only one of two alternatives, either to purchase Tinnevelly salt at full value and sell it at the same price (ourselves bearing the transport charges), which would reduce our revenue to a very considerable extent and put back contemplated improvements, especially on irrigation, or contract for a larger supply of Bombay salt, with the prospect of a falling off in sales to be expected from the introduction of a new kind of salt into portions of the country hitherto utterly unaccustomed to its use, and where under the circumstances the inducement to smuggle in Tinnevelly salt would be immense.

5. In consideration of these circumstances, I beg you will be pleased to make a representation to the Madras Government with a view to obtain the sanction of His Grace in Council to our obtaining Tinnevelly salt on the same terms as hitherto.

(True Copy.)

(Signed) J. C. HANNYNGTON,
Acting Resident.

No. 1,753.

TRANSFEERED to the Revenue Department.

OOTACAMUND,
27th September 1878.

(Signed) C. G. MASTER,
Acting Chief Secretary.

REFERRED for the remarks of the Board of Revenue after reference to the Commissioner of Salt Revenue.

OOTACAMUND,
30th September 1878.

(Signed) L. A. CAMPBELL,
Under Secretary to Government.

REFERRED to the Commissioner of Salt Revenue for report.

(True Copies and Extract.)

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

No. 193. Proceedings of the Board of Revenue, dated 30th October 1878, No. 2,906.

Read the following letters :—

From H. W. BLISS, Esq., Commissioner of Salt Revenue, to C. A. GALTON, Esq., Acting Secretary to the Board of Revenue, dated Mangalore, 15th October 1878, No. 1,406.

IN reply to the Board's Proceedings, No. 2,729, dated 7th October 1878, I have the honor to report that the whole stock of salt at Viziapatti (about 26,000 maunds at the date of the last account I have with me on circuit, September 1st) is available for sale to the Travancore Government, and that I shall be exceedingly glad if they will take it as it will enable me to close the station at once, of course with the permission of the Board and Government.

2. As the Board are aware the Salt Commission expressed the opinion (*vide* their report, paragraph 153, last sentence, page 47,) that it could hardly be necessary to keep up both the small stations of Kuttanguli and Viziapatti, which lie close together and are under one Superintendent. I have consulted the local officers upon this, and their opinions are as follows.

3. The Salt Deputy Collector says —

"*Kuttanguli and Viziapatti.*—These two small divisions are situated at the southern extremity of our coast line at 3 miles' distance from each other. They are placed in charge of one Superintendent. They have, therefore, all the disadvantages of a division of labor,

while they possess none of its advantages. Viziapatti is the smallest of the two and is in danger of being often destroyed by floods, as the river running close by brings down immense freshes during rainy seasons. I therefore beg to recommend that Viziapatti should be abolished and Kuttanguli retained. This may also be extended in order to make supply meet the demand."

4. The Collector says —

"I agree with the Deputy Collector in thinking that Viziapatti should certainly be closed and manufacture concentrated at Kuttanguli. I am personally acquainted with both stations, and am satisfied that his account of them is reasonable."

5. The statistics of the sales at these two stations are as follows :—

——	Average of Faslis 1275—79 inclusive.	Average of Faslis 1280—84 inclusive.	Fasli 1285.	Fasli 1286.	Fasli 1287.	First two months of Fasli 1288.
	I. M.	I. M.	I. M.	I. M.	I. M.	I. M.
Kuttanguli	11,163	18,638	25,345	24,054	23,019	3,689
Viziapatti	3,434	15,267	9,238	8,121	3,363	263

6. Kuttanguli and Viziapatti were both closed in 1862 and re-opened in 1866. From that time the former has obviously been most in public favor and has now almost entirely supplanted the latter. The sales of the two together are, it will be seen, less of late than five or six years ago. I imagine this is because rail-borne salt finds its way now into the neighbourhood of Tenkasi, a portion of the supply of which no doubt at one time came from these divisions, and may still do so to a limited extent.

7. The Kudivaram rate of the Viziapatti (as of all Tinnevelly) is 1 Anna 5 Pies per maund. But allowing for wastage, the figures of which I have not with me here the salt sold there in Fasli 1287 must have cost about 1½ Annas per maund. Of the cost price of 3 Annas per maund, therefore, there was left half to meet charges of establishment, works, &c. Now 3,363 maunds at 1½ Annas = Rupees 315-4-6. I have not available with me a separate statement of the cost of the Viziapatti establishment or of works there, but the Kuttanguli and Viziapatti establishments together cost Rupees 1,788 per annum, besides works, contingencies and Police which will come to at least Rupees 1,800 more. Together therefore they must cost about Rupees 3,600. If one-quarter only of this is debitable to Viziapatti, that station must have been carried on at a loss of at least 50 per cent. last year, and as the sales are still sinking the loss must continue to increase.

8. I think therefore the Board and Government will agree with me that a good case has been made out for abolishing Viziapatti.

9. The increase of cultivation at Kuttanguli which is recommended by the local officers is a matter to be considered separately.

10. The Travancore Diwan does not say how much salt he wants, but if he wants more than Viziapatti can supply, I recommend its supply from Tuticorin and Sevandakolum, half from each. The former is more convenient for transport by water, but I cannot spare much salt from these without running the risk of having none to sell to exporters on the present ordinary terms of pre-payment of the full duty ; and I do not wish to run any such risk, for it could not fail further to discourage exporters and to tend to prevent a revival of the trade with Calcutta. There are however ample supplies at Sevandakolum.

11. In these remarks I have not alluded to the fact that it is in my humble opinion undoubtedly illegal (according to Act XVIII of 1877) to sell salt less duty as requested by the Government of Travancore, because I presume that Government took the question of legality into consideration before making the reference to which I now do myself the honor to reply. But the illegality can be surmounted in the simplest possible way. I cannot sell salt at less than the full legal price (Rupees 2-11-0

per maund); but the Government, in the Political Department, can of course make a grant to the Travancore Government of such part of that price as represents the amount of the duty at Rupees 2-8-0 per maund on the quantity of salt supplied. I respectfully request that this course may be adopted. It is, of course, only out of consideration for a friendly State, and consequence of the Convention of 1865, that the question of supplying the Travancore Government at less than the legal selling rate of salt has arisen. The Madras Salt Department has no inducement to supply the Travancore Government with salt at less than Rupees 2-11-0 per maund; rather the contrary, as the Diwan points out. If therefore from political reasons such as I have adverted to the Government determine that that State should be treated in a manner different to any other purchaser of salt at the stores of this department, it is the Political Department which should bear the charges of the concession. Of course, it is merely a matter of account to which department the charge is made, but there is, I think, a principle involved which logically necessitates the adoption of the course I respectfully recommend.

From H. W. BLISS, Esq., Commissioner of Salt Revenue, to C. A. GALTON, Esq., Acting Secretary to the Board of Revenue, dated Cannanore, 17th October 1878, No. 1,407.

IN continuation of my letter, No. 1,406, dated 15th October 1878, on the subject of the supply of Tinnevelly salt to Travancore, I have the honor to state that it has just occurred to me that if the Government of that State require more salt than Viziapatti can supply it will be best in our interests that they should be supplied from the Malabar Depôts (of course at cost price, Rupees 2-13-0 per maund). The stock there is as follows:—

	IN MDS.
Calicut	1,028
Beypore	38,261
Ponani	1,173
Total ...	40,462

2. The prime cost of such a supply to the Travancore Government will of course in this way exceed the prime cost of a supply direct from Tuticorin or Sevandakolum but as the cost of shipment and of freight will probably be much less they will on the whole not be losers.

3. I recommend therefore that there be offered them—

(1.) All the salt there is at Viziapatti.

(2.) As much more as they want from the depôts abovementioned.

If they require still more they must have it from Tuticorin or Sevandakolum as before stated.

4. No doubt if the offer is put in this way they will be glad to accept it, and it will be a great advantage for this Government to have so good a chance of selling the Tinnevelly salt in Malabar, for which the late attempted sale shows there is there no demand. It may of course be objected that if this arrangement is made we shall be making a convenience of the Travancore Government. This is quite true, but it is only reasonable that when they come to us *in forma pauperis* we should supply them in the way which is most convenient to ourselves. Now we want to get rid of the Malabar stock, and we are not particularly anxious to reduce the Tinnevelly stock which is at no more than the proper level for a district on which so much depends (viz., about two years' supply). I cannot but think therefore that my present proposal is a perfectly fair one and in no way one to be complained of by the Government of Travancore.

SUBMITTED to Government with re[illegible]
Resident in Travancore and Cochin, date[illegible]

2. The Commissioner of Salt Reve[illegible]
ernment with salt from Viziapatti in Ti[illegible]
as the sales do not justify its being ma[illegible]
are available at Viziapatti, and if more[illegible]
should be supplied from the Malabar d[illegible]
salt are stored, the recent attempt to di[illegible]
the reduction of the Tinnevelly stock[illegible]
of the Tinnevelly salt stored in Malaba[illegible]
on the East Coast, but the Travancore[illegible]
therefore not be averse to take it notw[illegible]
the salt.

3. The Board approve Mr. Bliss'[illegible]
as suggested in the concluding paragra[illegible]

(True Copie[illegible]

No. 194. ORDER THEREON, 17t[illegible]

Separate Revenue, No. 25.
Salt.

can be conveniently spared, on the sau[illegible]
Bombay. If adequate security is fu[illegible]
duty need be levied in the first instan[illegible]
all short deliveries in Travancore and[illegible]

2. Mr. Bliss' proposal to abo[illegible]
the existing stock is approved and sa[illegible]

(Tr[illegible]xtract.)

(Signed) L. A. CAMPBELL,
Under Secretary to Government.

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

Rcd. W. H. Fremnh.

[illegible]ment on letter from the
1878, No. 86.

[illegible]pply the Travancore Gov-
[illegible]se that station altogether
[illegible]any longer. About 26,000 maunds
[illegible]s required Mr. Bliss suggests that it
where 40,462 maunds of Tinnevelly
this salt having proved a failure, and
[illegible]being considered advisable. The price
Annas higher than the monopoly price
[illegible]ernment will save in carriage and may
[illegible]nding the difference in the cost price of

[illegible]sals; refund of the duty may be adjusted
the first letter.

Extract.)

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

[illegible]ber 1878, No. 2,028.

HIS GRACE the Governor in Council
[illegible]rves that it is immaterial whether the
[illegible]ancore Sirkar obtains salt from Bom-
[illegible]or Madras depôts, and sanctions the
[illegible]ply required from any depôt where it
[illegible]is as in the case of salt supplie[illegible] from
[illegible]on account of the salt exported, no
[illegible]yment of duty will be required on
[illegible]n the whole quantity.

[illegible]Viziapatti station after disposing of
[illegible]1.

[illegible]xtract.)

(Signed) L. A. CAMPBELL,
Under Secretary to Government.

Fwd to Govt 2529/77
710/82.

Govt. of [1878] Madras.

REVENUE.

To

The BOARD OF REVENUE,

&c. &c.

Dated December 18th.

Received 21st.

Read

DECEMBER.

Nos. 192—194.

Salt for Travancore Sirkar.—Shortcoming the supply of,— from any depot where it can be conveniently spared, on the same terms as in the case of salt supplied from Bombay; and approving the conduct of the Varadari station in the Tinnevelly District after dressing of the existing stock.

Ver 748/79

2028/A

No. 2,729.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 7th October 1878.

Read the following letter from J. C. HANNYNGTON, Esq., Acting Resident in Travancore and Cochin, to C. G. MASTER, Esq., Acting Chief Secretary to Government, Fort St. George, dated Trevandram, 23rd September 1878, No. 86 :—

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3. I now forward, for the consideration of Government, copy of a letter* from the Diwan urging that the Circar may be permitted to import Tinnevelly salt on the same terms as Bombay salt is now imported.

* No. 4,003—R. 1,283, dated 16th instant.

4. The Diwan points out that, owing to the failure in salt manufacture this year in the State, either Tinnevelly salt will have to be purchased at full price at great loss to the Sircar or a larger amount of Bombay salt will have to be imported at the risk of a falling off in sales owing to the difference in quality between that salt and that to which the people are accustomed, and also at the risk of an increase of smuggling of salt from Tinnevelly.

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ENCLOSURE No. 1.

From N. NANOO PILLAY, Diwan of Travancore, to J. C. HANNYNGTON, Esq , Acting Resident of Travancore and Cochin, dated Trevandram, 16th September 1878, No. 4,003—R. 1,283.

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(True Copy.)

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(Signed) L. A. CAMPBELL,
Under Secretary to Government.

REFERRED to the Commissioner of Salt Revenue for report.

(True Copies and Extract.)

C. A. Galton
Acting Secretary.

To the Commissioner of Salt Revenue.
Copy to the Secretary to Government, Revenue Department.

Exd. A. Grubert.

Received 1878.
Board of Revenue,
MADRAS.

To

THE COMMR. OF SALT REVENUE.

Dated October 7th.

Printed 11th.

Received

PROCEEDINGS, 7TH OCTOBER 1878, No. 2,729.

OCTOBER.
No. 2,729.

Tinnevelly Salt.—Referring to Commissioner of Salt Revenue for report letter from Acting Resident in Travancore and Cochin forwarding one from the Diwan of Travancore urging that the Travancore Sircar may be permitted to import — on the same terms as Bombay salt is now imported.

2028/5

No. 2,906.

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2. As the Board are aware the Salt Commission expressed the opinion (*vide* their report, paragraph 153, last sentence, page 47,) that it could hardly be necessary to keep up both the small stations of Kuttanguli and Viziapatti, which lie close together and are under one Superintendent. I have consulted the local officers upon this, and their opinions are as follows.

3. The Salt Deputy Collector says —

"*Kuttanguli and Viziapatti.*—These two small divisions are situated at the southern extremity of our coast line at 3 miles' distance from each other. They are placed in charge of one Superintendent. They have, therefore, all the disadvantages of a division of labor, while they possess none of its advantages. Viziapatti is the smallest of the two and is in danger of being often destroyed by floods, as the river running close by brings down immense freshes during rainy seasons. I therefore beg to recommend that Viziapatti should be abolished and Kuttanguli retained. This may also be extended in order to make supply meet the demand."

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"I agree with the Deputy Collector in thinking that Viziapatti should certainly be closed and manufacture concentrated at Kuttanguli. I am personally acquainted with both stations, and am satisfied that his account of them is reasonable."

5. The statistics of the sales at these two stations are as follows :—

—	Average of Faslis 1275—79 inclusive.	Average of Faslis 1280—84 inclusive.	Fasli 1285.	Fasli 1286.	Fasli 1287.	First two months of Fasli 1288.
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Viziapatti	3,434	15,267	9,238	8,121	3,363	263

6. Kuttanguli and Viziapatti were both closed in 1862 and re-opened in 1866. From that time the former has obviously been most in public favor and has now almost entirely supplanted the latter. The sales of the two together are, it will be seen, less of late than five or six years ago. I imagine this is because rail-borne salt finds its way now into the neighbourhood of Tenkasi, a portion of the supply of which no doubt at one time came from these divisions, and may still do so to a limited extent.

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11. In these remarks I have not alluded to the fact that it is in my humble opinion undoubtedly illegal (according to Act XVIII of 1877) to sell salt less duty as requested by the Government of Travancore, because I presume that Government took the question of legality into consideration before making the reference to which I now do myself the honor to reply. But the illegality can be surmounted in the simplest possible way. I cannot sell salt at less than the full legal price (Rupees 2-11-0 per maund); but the Government, in the Political Department, can of course make a grant to the Travancore Government of such part of that price as represents the amount of the duty at Rupees 2-8-0 per maund on the quantity of salt supplied. I respectfully request that this course may be adopted. It is, of course, only out of consideration for a friendly State, and in consequence of the Convention of 1865, that the question of supplying the Travancore Government at less than the legal selling rate of salt has arisen. The Madras Salt Department has no inducement to supply the Travancore Government with salt at less than Rupees 2-11-0 per maund; rather the contrary, as the Diwan points out. If therefore from political reasons such as I have adverted to the Government determine that that State should be treated in a manner different to any other purchaser of salt at the stores of this department, it is the Political Department which should bear the charges of the concession. Of course, it is merely a matter of account to which department the charge is made, but there is, I think, a principle involved which logically necessitates the adoption of the course I respectfully recommend.

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4. No doubt if the offer is put in this way they will be glad to accept it, and it will be a great advantage for this Government to have so good a chance of selling the Tinnevelly salt in Malabar, for which the late attempted sale shows there is there no demand. It may of course be objected that if this arrangement is made we shall be making a convenience of the Travancore Government. This is quite true, but it is only reasonable that when they come to us *in forma pauperis* we should supply them in the way which is most convenient to ourselves. Now we want to get rid of the Malabar stock, and we are not particularly anxious to reduce the Tinnevelly stock which is at no more than the proper level for a district on which so much depends (viz., about two years' supply). I cannot but think therefore that my present proposal is a perfectly fair one and in no way one to be complained of by the Government of Travancore.

Submitted to Government with reference to endorsement on letter from the Resident in Travancore and Cochin, dated 23rd September 1878, No. 86.

2. The Commissioner of Salt Revenue proposes to supply the Travancore Government with salt from Viziapatti in Tinnevelly, and to close that station altogether as the sales do not justify its being maintained any longer. About 26,000 maunds are available at Viziapatti, and if more salt is required Mr. Bliss suggests that it should be supplied from the Malabar depôts, where 40,462 maunds of Tinnevelly salt are stored, the recent attempt to dispose of this salt having proved a failure, and the reduction of the Tinnevelly stock not being considered advisable. The price of the Tinnevelly salt stored in Malabar is 2 Annas higher than the monopoly price on the East Coast, but the Travancore Government will save in carriage and may therefore not be averse to take it notwithstanding the difference in the cost price of the salt.

3. The Board approve Mr. Bliss' proposals; refund of the duty may be adjusted as suggested in the concluding paragraph of the first letter.

(True Copies and Extract.)

Acting Secretary.

To the Secretary to Government, Revenue Department.
" Commissioner of Salt Revenue.

Exd. W. J. Lewis.

No. 86.

2028/7

RESIDENT'S OFFICE,
Trevandrum
25 September 1878.

From

J. C. Hannyngton Esqre

Aq: RESIDENT in Travancore and Cochin,

To

C. G. Master Esqre

Aq. CHIEF SECRETARY TO GOVERNMENT,

FORT ST. GEORGE.

SIR,

The Diwan of Travancore addressed me on the 9th Ultimo requesting to be informed if the Travancore Sirkar would be allowed as hitherto to take in Tinnevelly Salt free of duty

2. On reference to the Tinnevelly Salt Department, I was informed that the export of Salt to Travancore free of duty was not authorised and that it would be sold at Rs 2-11- per Indian Maund.

3. I now forward for the consideration of Government copy of a letter from the Diwan urging that the Sirkar may be permitted to import Tinnevelly Salt on the same terms as Bombay Salt is now imported.

The

No 4013 dated 16 Instant

No 4780
1878.

Board of Revenue,
MADRAS.

To

THE SECRETARY TO GOVT.,
REVENUE DEPARTMENT,
&c., &c., &c.

Dated October 30th.
Printed November 11th.
Received

PROCEEDINGS, 30TH OCTOBER 1878, No. 2,906.

Despatches
OCTOBER.
No. 2,906.
Rect 2028-7/8 December 1878

Salt.—Submitting to Government letter from Commissioner of Salt Revenue, proposing to supply the Travancore Government with — from Vizapatti in Tinnevelly District and to close that station altogether, and suggesting that if more salt is required it should be supplied from the Malabar Depôts.

No 193

4. The Dewan points out that, owing to the failure in Salt manufacture this year in the State, either Tinnevelly Salt will have to be purchased at full price at great loss to the Sirkar or a larger amount of Bombay Salt will have to be imported at the risk of a falling off in sales owing to the difference in quality between that Salt and that to which the people are accustomed, and also at the risk of an increase of smuggling of Salt from Tinnevelly.

5. I cannot myself see any objection to comply with the request, provided the quantity of Tinnevelly Salt is sufficient to meet the extra demand in addition to home requirements.

I have the honor to be,
Sir,
Your most Obedient Servant,

Ag: Resident.

T. S.
Encl.

No. 4003
R 1283

Huzzoor Cutcherry
Trevandrum, 16th September 1878.

To

J. C. Hannyngton, Esquire
Acting British Resident
of Travancore.

Sir,

I have the honor to acknowledge your letter No. 728 dated 21st Ultimo informing me that the Tinnevelly Salt Deputy Collector has no authority to issue salt to Travancore, except on payment of full value.

2. Though Tinnevelly salt is not specially mentioned in the Interportal Convention, I beg you will be pleased to consider whether in the spirit of that convention His Highness's Government should not be allowed to import that salt on the same terms as Bombay salt.

3. The omission to mention Tinnevelly Salt in the Interportal Treaty arose from two causes.
(1) Till the Treaty was concluded, there was hardly occasion to import that salt

Remarks 1878 : Dec. Ft
No. 4310.

Political Department.
From
The Resident in Travancore & Cochin,
To
The Chief Secretary to Govt.

Fort St. George.
Dated 23 September 1878
Received 27 —
No. 76.
Enclosure.

No. 1753.

Transferred to the Revenue Department.

Memorandum
27 September 1878
to the Revenue Department.

Chief Secretary

Received 2nd Oct. 1878
Central Record Branch

Secretary

salt, as even if our supply of Rajakamun-
galum and Thamaracolum salt failed,
there was inferior black salt made
throughout central Travancore which
could make up the deficiency. Thisma-
nufacture was interdicted since the
publication of the convention.-

(2) The terms on which the Tinnevelly
authorities, allowed the export of that
salt by sea at the time the convention
was entered into, were such that we could
obtain that salt without any special
arrangement being made between the
two Governments and these terms con-
tinued, and we obtained salt under
them till recently when the new salt
law came into force.-

4. Our home manufacture upon
which the whole of the South and a good
portion of central Travancore depends
for its supply of salt, is almost a
failure this year. To meet the deficiency we
have before us only one of two alternatives,-
either to purchase Tinnevelly salt at full
value, and sell it at the same price,
ourselves bearing the transport charges),
which would reduce our revenue to a very
considerable

2029/10

considerable extent and put back contemplated
improvements, especially on irrigation; or con-
tract for a larger supply of Bombay salt
with the prospect of a falling off in sales to
be expected from the introduction of a new
kind of salt into portions of the country
hitherto utterly unaccustomed to its use;
and where under the circumstances the in-
ducement to smuggle in Tinnevelly salt
would be immense.-

5. In consideration of these circum-
stances, I beg you will be pleased to make
a representation to the Madras Government
with a view to obtain the sanction of
His Grace in Council to our obtaining
Tinnevelly salt on the same terms as
hitherto.-

I have &c.

(Signed) R. Rama Pillay
Dewan

(True Copy)

Asst. for
Ag: Resident.

T. S.
Sm. D. L.

Correspondence Departt. 41

Office of the Commissioner of Salt Revenue on Circuit Tanjore Dated 17 October 1878.

No. 1407. Dept/11

From

F. W. Bliss Esqr
Commissioner of Salt Revenue

To

C. A. Galton Esqr
Actg Secretary to the
Board of Revenue

Sir,

In continuation of my letter No 1406 dated 15 October 1878 on the subject of the supply of Trincomalee salt to Travancore, I have the honor to state that it has just occurred to me that if the Government of that State require more salt than Vizianagram can supply it will be best, in our interests, that they should be supplied from the Coimbatore depots (of course at cost price, Rupees 2-13-0 per maund). The stock there is as follows:—

	Indian Candies.
Calicut	1,128.
Beypore	38,261
Ponany	1,173
Total	40,462

2. The prime cost of such a supply to—

Enclosed is a letter from the Rt. Resident in Travancore & Cochin to the Chief Secretary to Government, Fort St. George No dated 23 October 1878.

From the Dewan of Travancore to the Chief Secretary to Government in Fort St. George No 1393 dated 16 Sept 1878.

(Received 20 Oct 1878.)

Requesting to make a representation to the Madras Government for Vizianagram salt to Travancore, as Tuticorin salt is not procurable, and the Travancore Government are bound to buy salt only from the Madras Government.

Rd Pol. 534/78

to the Travancore Government will of course in this way exceed the prime cost of a supply direct from Tuticorin or Levandakolam but as the cost of shipment and of freight will probably be much less they will on the whole not be losers.

3. I recommend therefore that there be offered them

1st. all the salt there is at Periapatti

2d. as much more as they want from the depots above mentioned.

If they require still more they must have it from Tuticorin or Levandakolam as before stated.

4. No doubt if the offer is put in this way, they will be glad to accept it, and it will be a great advantage for this Government to have so good a chance of selling the Tinnevelly salt in Travancore, for

2028/17

for which the late attempted sale shows there is there no demand. It may of course be objected that if this arrangement is made we shall be making a concession of the Travancore Government. This is quite true, but it is only reasonable that when they come to us in formâ pauperis we should supply them in the way which is most convenient to ourselves. Now we want to get rid of the Madura stock, and we are not particularly anxious to reduce the Tinnevelly stock which is at no more than the proper level for a district on which so much depends (Viz. about 2 years supply). But I cannot think therefore that any present proposal is a perfectly fair one and in no way one to be complained of by the Government of Travancore.

I have &c.
(sgd) H. W. Bliss
Comr. of Salt Revenue
(True Copy)

(sgd) Humphrys
Asst Secretary

(sgd) [illegible]
Secretary

Correspondence dispt
No 1406

Office of the Comrs of Salt Revenue
on circuit, Mangalore
Dated 15 October 1878.

Vol 28/13

From,

H. W. Blair Esqre
Commissioner of Salt Revenue

To

C. A. Galton Esqre
Ag Secretary to the
Board of Revenue
Madras

Sir,

In reply to the Board's Proceedings No 2729 dated October 7, 1878, I have the honor to report that the whole stock of salt at Veyapatti (about 26000 maunds at the date of the last account I have with me on circuit, 1st September) is available for sale to the Travancore Government and that I shall be exceedingly glad if they will take it as it will enable me to close the station at once, of course with the permission of the Board and Government.

2. As the Board are aware the Salt Commission expressed the opinion (vide their Report para 153, last sentence, page 47) that it could hardly be necessary to keep up both the

Enclosure in Board's Proceedings dated 15th October 1878 to the Secretary to Government R. D. No. 1406 dated 30th October 1878 & 12 Folios

No 4150/5

Copy of Letter from the Commissioners of Salt Revenue, dated 17 October 1878 & 12 Folios

the small stations of Kuttangudi and Vizia-
-patti, which lie close together and are under
one Superintendent. I have consulted the
local officers upon this and their opinions
are as follows:—

3. The Salt Deputy Collector says:—

"Kuttangudi and Viziapatti. These two small
divisions are situated at the Southern extre-
-mity of our Coast-Line at 3 miles distance
from each other. They are placed in charge
of one Superintendent. They have, therefore, all
the disadvantages of a division of labour, while
they possess none of its advantages. Vizia-
-patti is the smallest of the two and is
in danger of being often destroyed by floods,
as the river running closely brings down
immense freshes during rainy seasons. I,
therefore, beg to recommend that Vizapatti
should be abolished and Kuttangudi
retained. This may also be extended
in order to make supply meet the demand."

4. The Collector says:—

"I agree with the Deputy Collector in
thinking that Vizapatti should certainly be
closed and manufacture concentrated
at Kuttangudi. I am personally acquainted with
both stations and am satisfied that his account
of them is reasonable." VP/14

5. The Statistics of the sales at these two
stations are as follows:—

	Average of Faslies 1275–9 inclusive	Average of Faslies 1280–4 inclusive	Fasly 1285	Fasly 1286	Fasly 1287	First 3 months of Fasly 1288.
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
Kuttangudi	11,163	18,638	25,345	21,054	23,019	3,689
Vizapatti	3,434	15,267	9,238	8,121	3,363	263.

6. Kuttangudi and Vizapatti were both closed
in 1862 and reopened in 1866. From that time
the former has obviously been most in public
favor and has now almost entirely sup-
-planted the latter. The sales of the two to-
-gether are, it will be seen, less of late than
5 or 6 years ago. I imagine this is because
rail-borne salt finds its way now into
the neighbourhood of Tenkasi a portion of
the supply of which no doubt at one time
came from these Divisions, and may
still do so to a limited extent.

7. The Kudivaram pate of the
Vizapatti (as of all Tinnevelly) is 1 a 6 5 per
maund. But allowing for wastage,
the

the figures of which I have not with me here, the Salt sold there in Jaely 1787 must have cost about 1½ annas per maund. Of the cost price of 3 annas per maund, therefore, there was left half to meet charges of establishment, works &c. Now 3368 maunds at 1½ annas = Rupees 315-4-6. I have not available with me a separate statement of the cost of the Vizjapatti establishment or of works there, but the Kuttangulu and Vizjapatti establishments together cost Rs. 1788 per annum besides works, contingencies and Police which will come to at least Rupees 1800 more. Together therefore they must cost about Rupees 3600. If one quarter only of this is debitable to Vizjapatti, that Station must have been carried on at a loss of at least 50 per cent last year, and as the sales are still sinking

the

b

228/17

the Loss must continue to increase.

8. I think therefore the Board & Government will agree with me that a good case has been made out for abolishing Vizjapatti.

9. The increase of Cultivation at Kuttangulu which is recommended by the local officers is a matter to be considered sepa-rately.

10. The Travancore Dewan does not say how much Salt he wants but if he wants more than Vizjapatti can supply I recom-mend its supply from Tuticorin and Sevandakolum, half from each. The former is more convenient for transport by water but I cannot spare much Salt from there without running the risk of having none to sell to exporters on the present ordinary terms of prepayment of the full duty and I do not wish to run any such risk, for it could not fail further to discourage exporters & to tend to prevent a revival of the trade with Calcutta. There are how-ever ample supplies at Sevandakolum

11. In these remarks I have not alluded to the fact that it is in my humble opinion undoubtedly illegal (according

b

to Act XVIII of 1877) to sell salt less duty as requested by the Government of Travancore because I presume that Govt took the question of legality into consideration before making the reference to which I now do myself the honor to reply. But the "illegality" can be surmounted in the simplest possible way. I cannot sell Salt at less than the full legal price (Rs 2-11-0 per maund): but the Govt, in the Political Departt, can of course make a grand to the Travancore Govt of such part of that price as represents the amount of the duty at Rs 2½ per maund on the quantity of Salt supplied. I respectfully request that this Course may be adopted. It is, of Course, only out of consideration for a friendly state, and in consequence of the Convention of 1865 that the question of supplying the Travancore Government at less than the legal selling rate of Salt has arisen. The Madras Salt Department has no inducement to supply the Travancore Govt with Salt at less than Rs 2-11-0 per maund -

rather

29/12

rather the contrary, as the Dewan points out. If therefore from political reasons such as I have adverted to, the Government determine that that State should be treated in a manner different to any other purchaser of Salt at the Stores of this Department, it is Political Department which I should bear the charges of the concession. Of course, it is merely a matter of account to which Department the charge is made, but there is, I think, a principle involved which logically necessitates the adoption of the Course I respectfully recommend

I have &c

(Sd) R. Dunnar or

for Commr of Salt Revenue.

/True Copy/

A.S. Secretary

Ed. Maclean

Secretary

Enclosure in Board's
Proceedings of the
Secretary to Govt. Rev.
Dept. dated 30th Oct.
2906.

Revenue Department

No 2906

2928/17

Proceedings of the Board of Revenue.

Dated 30th October 1878.

Read letters from the Commissioner of Salt Revenue dated 15th & 17th October 1878, Nos 1406 & 1407 respectively.

Submitted to Government with reference to endorsement on letter from the Resident in Travancore & Cochin dated 23d September 1878 No 86.

2. The Commissioner of Salt Revenue proposes to supply the Travancore Government with salt from Vijiapatti in Tinnevelly and to close that Station altogether as the sales do not justify its being maintained any longer. About 26000 Maunds are available at Vijiapatti and if more salt is required Mr Bliss suggests that it should be supplied from the Malabar depôts, where 40462 Maunds of Tinnevelly salt are stored the recent attempt to dispose of this salt having proved

proved a failure and the reduction of the Tinnevelly stock not being considered advisable. The price of the Tinnevelly Salt stored in Malabar is two annas higher than the monopoly price on the East Coast, but the Travancore Government will save in carriage and may therefore not be averse to take it notwithstanding the difference in the cost price of the Salt.

3. The Board approve Mr Bliss' proposals; refund of the duty may be adjusted as suggested in the concluding paragraph of the first letter.

(True Extract)

A/g Secretary

To The Secretary to Government
Revenue Department
with copies of 2 letters -

ndGn. Locker
CP Ramasamy Pillay

Rev Dept.

Memo

Board's Proceedings, dated 7th and 30th October 1878 Nos 2729 and 2906.

1. In his letter recorded in Board's Proceedings 7th October 1878 No. 2729. the Diwan of Travancore asks as a favor that Sirumelly salt may be supplied to that State on the same terms as Bombay Salt viz at cost price without any duty.

2. Clause 14 of the Interportal Convention of 1865 is general viz "The Cochin and Travancore States will import British "Indian salt on the same "terms on which it is im- "ported into British Indian "ports." There is no restriction as

Proceedings of the Board of Revenue

No 4,780
Revenue 1878 D

Read 30th October 1878.
Do 1 November "
Do 2.

G.O. 17 December 1878
No 2028

Submitting for Government approval of the Commissioner of Salt Revenue & Customs the Travancore Government's wish to obtain salt from Sirumelly in Tinnevelly & to close the station altogether -

Printed at page 113 of the Salt Commission Report with a very complete Register -

Diwan visits on 30th Sept 16
Resident pours 1 Oct 23
Board convey 1 Oct 7
Diwan
Circulates to Members 26
Consult

as to locality from which such salt was to be obtained though the correspondence which passed prior to the issue of the notification shows that allusion was particularly made to Bombay & its exports to the Malabar & Canara Districts.

3. Moreover the practice has been to obtain salt from time to time from Tuticorin. On such occasions no difficulties were raised because salt was then sold at cost price for export anywhere.

4. If it be granted that Travancore may claim salt duty free under the convention the question arises as to the effect of Act XVIII of 1877 under Section 10 of which full duty is now levied without exception on all salt exported from the Madras Presy.

5. The Govt of India have explained clearly enough the course which is to be followed under this section and in the same letter have incidentally alluded to the obligations to the States.

Our

G.O. 16th July 1865 No 339.
Letter to Govt. ditto - No 340.
G.O 25 April 1865 No 845.
G.O 23 May 1865 No 1101.

Vide G.O. 30th August 1876 No 1191 also para 216 of Salt Commission Report.

Vide paras 6 of letter d/23rd May 1878 No 445 in G.O. 19th Oct 1878 No 1692.

20 28/20

6 On the latter point they mention the view of the Salt Commission that Travancore should be put on the same footing as British Indian ports in respect of a refund of duty should such be paid on export; and on the former they declare that salt exported from Madras ports to any part of Madras or Bombay would be entitled to be credited free of any further duty; if sent to Burmah to a refund

refund of Rs. 2-5-0
per maund; if it is
taken "out of British
"India the whole duty
"might be refunded
"on the authorities in
"Madras being satisfied
"that it had been landed.
"No allowance for wastage
"should be made,
"duty being refunded
"only on the quantity
"actually landed."
7. This is almost
identical with the
arrangement made
with Bombay except
that there no duty
is actually levied
but any wastage
reported on arrival
has to be paid for
in full. "The quan-
"tity of salt shipped
"for

G.O. 11th Dec/77 No 3374

2028/21

"for Travancore and
"Cochin is stated
"in the export Cer-
"tificates granted
"at Bombay and
"each consignment
"on arrival is weighed
"and full duty
"levied on any
"deficiency, no al-
"lowance whatever
"being made for
"wastage. A Certi-
"ficate to this effect
"is then transmitted
"to the Collector of
"Salt Revenue at
"Bombay."
8. As the States
are not in "British
India" proper the
arrangement pre-
scribed by the
Govt

Govt of India may it is submitted be followed, or the plan now in force with Bombay, as may be thought best.

9. If the duty is collected and then refunded, Mr. Bliss is anxious that the Political Dept should bear the cost the Salt Dept being credited with the full duty. The Board agree with him. This seems a matter which may be left to the Accountant General to settle.

As

From Govt of India dd 15 June/77 No 125
Para 3 (in Fy C. 31 July /77 No 2409)

10. As to the place whence salt can best be supplied it seems obvious that Travancore must take what can be best spared whatever the cost price may be would have to be paid notwithstanding it may be higher than the rate paid at Bombay because "the British Govt "never guaranteed "to them, States that "the cost price of salt "should not be "increased"

11. The Govt of India have not yet been enquired

of

if all Salt Exported was duly passed and an affirmative reply having been sent it will be desirable should orders be passed in accordance with this note to report the transaction for their information

Cccc

† ... G.O. dated 16th November 1834

The matter is very simple but the principle of the Salt Duty turns on the last Clause in the, Thereof by the Salt Commrs.

To levy a duty on Salt consumed in India. not on Salt Exported for consumption elsewhere.

The G.I. letter is

Ed Hall

Rec: 19 Oct. 75 No. 1692.

Plainly enough this part of Govt. proposes to refund duty paid on Salt Exported. upon being satisfied that Salt has been duly passed & shipped. under Regulations. Provision for refund of duty on Salt Exported is made in Act XI. 1836 for the Bengal Presidency. but the Legislature has not made similar provision in the Acts for the Bombay & Madras Presidencies. In either case there must be either pay.t or security for payt of duty on the Salt Exported. actual payt on all Salt passed for

Vol 88/23

No 4825

Memo

Supply of Imp. newelly Salt to Travancore

Revenue is also an Object of the highest importance at that season as Inland Boating is impracticable as for is required on all Coast Deliveries. It will be the case but already been made on all. Even the Stations - for for that Reduction is to be stipulated for in the case of Coast Delivery. The system is thus established in force in the case of Salary Establishments Remit is given. Quarterly periodically adjusted. The for Market is shown to the Board. Nothing of the sort to be done in the case of Coast Delivery to Travancore. Copy of the Letter to Travancore. Copy of the Letter

C. 21 Nov 58. Rd 2 Dec 58.

No 2028 P 8/Rev. Dept

Proceedings of the Madras Government

Under date the 17th Dec 1858

Read the following Proceedings of the Board of Revenue dated 4th and 30th October 1858 Nos 2929 and 2906 respectively.

—

His Grace the Governor in Council observes that it is material whether the Travancore Government obtains Salt from the Bombay or Madras depôts and sanctions the supply required from any depôt where it can be most conveniently spared

S.D.

Grant 1 + 3. as ask
Rest is recited.

spared, on the same terms as in the case of salt supplied from Bombay. If adequate security is furnished to produced account for the salt exported, no duty need be levied in the first instance but payment of duty will be required on all short deliveries in transmission and of cash price on the whole quantity.

2. The refund (as it may be called) is clearly chargeable against salt, not against Political duty is levied on salt consumed in British India, not on what is exported for consumption elsewhere. The Govt of India in their letter dated 23rd May 1878 No 145 (Salt) paragraph 6, so plainly recognize this, but prepayment or security for payment, subject to refund, is necessary to guard against fraud. In the

the case of Travancore and Cochin duty at the British rate is levied on all salt consumed in those territories to guard against reimportation by land into British India.

3 Mr Bliss's proposal to abolish the Vizapatte station after disposing of the existing stock is approved and sanctioned.

4 Copy of these Pros will be forwarded to the Govt of India for information.

Mr

2nd Copy to the Board of Rev dec 18 dec
4th Copy under to
4 the Resident in Travancore and Cochin by Jan y
2 the Sec to Commissioners

100
6

G.O.

Supply of Salt to
Travancore Sirkar

Hon'ble Sir Charles Trevelyan
Governor