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MADRAS RECORD OFFICE

Government of Madras

DEPARTMENT

G.O. No. / ~~B.P. No.~~	1401-02 Revenue	Press / Mis.
Dated	21-9-1881	~~195~~

Not to be folded or roughly handled

Subject:- Salt- Passing orders on papers relating to the system of Govt. monopoly- and to the obstacles which impede the introduction of the excise System.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

21st September 1881, Nos. 1401-1402.

READ AGAIN—

G.Os., dated 11th March 1881, No. 429, and 23rd idem, No. 499.

Read also the following papers :—

No. 266. Proceedings of the Board of Revenue, dated 11th April 1881, No. 634.

Read the following letter from H. W. BLISS, Esq., Commissioner of Salt Revenue, Madras, to the Secretary to the Board of Revenue, Madras, dated 24th March 1881, No. 2678 :—

I HAVE the honor to submit the report called for in the Board's Proceedings, No. 459, dated 18th March 1881.

2. As the Board remark, the Government of India have at different times passed different orders as to the charges to be imposed on private manufacturers in the event of the introduction of the excise system. In the former case they ruled that the cost of Monopoly Salt (*i.e.*, of manufacture) should "include all expenditure or loss, actual or constructive, on account of or connected with the salt, that would be avoidable were the entire salt supply furnished under a self-supporting* system of excise, or imported by sea, made to pay duty before leaving bond and left thereafter free from interference." In the latter (that of South Canara) they stated that "for all *ordinary* expenditure incurred in collecting and protecting the Salt Excise Revenue, the Government should recoup itself, not from any cess levied in addition to such revenue, but from that revenue alone."

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

3. In making my calculations of the cost of salt, I have been guided by the principles enunciated in the order last above quoted, partly because it is the latest in date ; partly because it is in actual operation in this Presidency ; and partly because I am unable to conceive it practically possible to collect an enormous revenue on the principles of the first order, *i.e.*, without incurring any expenditure whatever in doing so. The last order is also that which regulates the charges imposed on excise manufacturers in Bombay, Sultanpur and Orissa, save that in the latter case the Government make the manufacturers pay for so much of the cost of guarding as exceeds two per cent. on the revenue realized. Even the Orissa manufacturers can, however, escape this liability by concentrating their works, so that the cost of guarding may not exceed two per cent. on the revenue.

4. While on the subject of these orders I may point out that, if the excise manufacturers are to be charged with all the expenses of guarding and of realizing the revenue, they must recoup themselves by charging the consumer a higher price for their salt. *Pro tanto*, that is, the rate of duty will be raised so far as the consumer is concerned. He will not stop to enquire why he has to pay more. It will be sufficient for him that he has to pay more. And even to the Government the effect will be the same as that of an increase of duty, for the net revenue, which is practically the only thing of importance to the Finances, will be enhanced by the expedient of throwing the charges on the consumer through the agency of the manufacturer. In order, also, to place excise manufacturers and importers on an equal footing in

such a case, the latter must be charged with a fair proportion of the cost of keeping up the Sea Customs establishments and with their share of the expense of those internal Preventive Forces which are a necessity to the Salt Revenue of India, however levied. I do not think that this idea would commend itself to the Salt Chamber of Commerce, but it is nevertheless a perfectly fair one.

5. The items which on these principles I excluded from the calculations of the cost of salt were as under in the last two years :—

	1878-79.	1879-80.
	RS.	RS.
Permanent Establishment	2,61,348	2,79,920
Temporary do.	3,959	6,268
Boat do.	202	138
Police do.	2,39,387	2,35,152
Travelling allowances	15,911	18,479
Office and Revenue Contingencies	76,248	27,769
Rewards for the detection of offences against the Salt Laws	1,449	18,091
Petty construction and repairs	42,460	29,485
Total Revenue charge...	*6,0,964	6,15,302

* Omitting the exceptional item of Famine Batta—Rs. 19,372.

6. If they are to be included, they must be corrected by the deduction of charges incurred on the West Coast, as salt is manufactured on the East Coast only. The totals will then stand as follows :—

1878-79.	1879-80.
RS.	RS
5,78,902	5,34,246

7. The above figures are, however, exclusive of expenditure on salt works by the Public Works Department. If this is added, they will stand thus : —

1878-79	1879-80.
RS.	RS.
6,21,914	5,52,190

8. The cost of the manufacture of salt comes out as under per maund according as these charges are wholly or partially added :—

	1878-79.			1879-80.		
	RS.	A.	P.	RS.	A.	P.
1. As before calculated	0	2	1·9	0	2	3·4
2. Adding half of the above charges as desired by the Board	0	2	10·6	0	3	4·9
3. Adding the whole of the above charges...	0	3	7·3	0	4	6·4

9. The above charges do not include interest on the entire capital cost of works constructed for revenue and general purposes. I could work this out, but it would take a week or two; and I am anxious to reply to this reference before I proceed on furlough on the 31st instant. I trust, therefore, the omission may be excused. It cannot make a difference of more than a fraction of a pie per maund.

10. Put the case how one may, therefore, the cost of salt manufactured here is so much less than that of imported salt, which Mr. Falk himself told me the other day cannot be taken at less than twelve annas per maund, all charges of freight, landing, &c., included, that competition between the two is practically impossible, if the conditions are such as to favor neither at the expense of the other.

11. The truth, however, is that the calculations (Nos. ii and iii) above made are in many ways most unfair to the locally-manufactured article. They include in its cost such items as the pay of the Commissioner and of the Deputy and Assistant Commissioners and of their offices, the cost of the Preventive Police maintained in certain districts to watch salt swamps and to prevent the manufacture and use of earth-salt, and rewards granted for detection of offences against the Salt Laws. None

of these could, under any possible system which I can imagine, be thrown on the excise manufacturers. Excluding them, we get the following results :—

	1878-79.			1879-80.		
	RS.	A.	P.	RS.	A.	P.
i. Adding half the other charges which I have classed as Revenue charges in my Administration Reports	0	2	8·9	0	3	1·1
ii. Adding all the other charges which I have classed as Revenue charges in my Administration Reports	0	3	3·8	0	3	10·8

12. As regards the causes which have deterred persons from coming forward to manufacture salt on the excise system in Chingleput, I find it difficult to add to the full reports I have already submitted on the subject. The state of the case is shortly as follows :

There is no land in the district available for new salt works. The only way in which the excise system can be introduced, therefore, is by the conversion of existing monopoly factories into excise factories. It is too hazardous an operation at once thus to convert all the Chingleput Factories, upon which a population of fifteen or sixteen millions of people depend for their supplies of salt and which yield a revenue of about forty lakhs of rupees per annum. No single factory can be so converted, because the law, as it stands, is such as to render it impossible for the excise and monopoly systems to co-exist in one tract of country, for the existence of the one necessarily excludes that of the other. When the law is altered, monopoly factories may be converted into excise factories one by one, and the latter system thus be gradually introduced. Up to the present time, various causes have hindered the amendment of the law. A limited amendment thereof is likely soon to take place, but will not operate in this particular direction, the postponement of a complete reform of the entire Salt Law having appeared advisable until some experience was gained of the working of the department under the reorganization scheme now about to be carried out. It was proposed to make a beginning in the mean time at Negapatam or Tuticorin, but Government negatived this proposal. The experiment cannot be tried this year at either place—at Negapatam because manufacture on the monopoly system has already begun, nor at Tuticorin (Levingepuram) because the platforms there are so full that there is no room to store more salt in sufficient quantities to make it worth the while of the manufacturers to work their pans this year. But there is no reason at all why the excise system should not be tried at Negapatam or Tuticorin, or at both places, next year.

13. The remarks of the Government of India as to the extension of the Earth-Salt Act of 1878 to the Chingleput District having possibly operated to discourage private individuals from coming forward to manufacture salt on the excise system, appear to be based on a misapprehension. The Act is one to restrain illicit manufacture. It is very imperfect, and to a great extent fails to produce the intended effect. But, so far as it has any effect, it operates in the opposite direction from that supposed, and encourages the private licit manufacture of salt by stimulating the demand for the produce.

14. The question of the stocks in hand in the Chingleput District is very fully dealt with in the reports on the subject of excise which I have already submitted, and which are summarized in paragraphs 177—185 of my Administration Report for 1879-80. The state of the stocks is such as fully to have allowed of a commencement of excise manufacture in the current season, had not the causes above stated (in paragraph 12) prevented it.

15. The only reason I can give for the failure of private individuals in the Vizagapatam District to take advantage of the opportunity to manufacture salt on the excise system, which was afforded by the recent opening of new pans in the Karasa and Balacheruvu Factories, is that the last few seasons in that district have been so continuously bad for salt manufacture that the business has become entirely discredited as a means of livelihood. The Deputy Commissioner took a great deal

of trouble about the matter, but no capitalist would undertake the enterprise, though there were one or two who went into the matter and at one time seemed likely to take it up.

SUBMITTED for the orders of Government in continuation of Board's Proceedings, dated 18th March 1881, No. 459.

2. As already observed, the expenditure in connection with the manufacture of Monopoly Salt cannot be apportioned between manufacture and revenue until the Government of India decide what charges are to be imposed on private manufacturers under an excise system. Mr. Bliss has, however, worked out the cost of East Coast salt on the assumption that all the items formerly excluded would be debited to the Excise manufacturer, and shows that even so imported salt could not possibly compete with the locally-manufactured article. The Board concur, however, with Mr. Bliss in considering that the items specified in paragraph 11 are not fairly debitable to manufacture under any system, and the result of excluding them is that the sum which is now added to the duty as representing the cost of manufacture approximates to the actual charges on an average of the last two years if a moiety of the items referred to in paragraph 3 of the letter from the Government of India be taken into account, and the Board do not consider that a higher proportion could fairly be thrown on the private manufacturer. The cost is considerably higher in 1879-80 than in 1878-79 owing to the smaller outturn. The Board consider that the price fixed for monopoly salt has not unduly operated to prevent importation or private manufacture. The experiment of an excise system cannot be tried in Chingleput for some time to come, but there is no reason why steps should not be taken to introduce it at Tuticorin and Negapatam next year.

(A true Copy and Extract.)

(Signed) E. GIBSON,
Acting Secretary.

Proceedings of the Board of Revenue, dated 23rd August 1881, No. 1861.

Read—the following letter from W. A. HAPPELL, Esq., Officiating Commissioner of Salt Revenue, to the Secretary to the Board of Revenue, dated Madras, 5th August 1881, No. 6302:—

WITH reference to the Official Memorandum from Government, No. 280, dated 30th July 1881, communicated with the Board's Miscellaneous Proceedings, No. 7394, dated 2nd August 1881, I have the honor to forward, herewith, a statement (A) showing the details of the marginally-noted items of charges specified in paragraph 5 of Mr. Bliss' letter printed with the Board's Proceedings, No. 634, dated 11th April 1881.

Permanent Establishment.
Temporary do.
Boat do.
Travelling Allowances.
Office and Revenue Contingencies.
Rewards.
Petty Construction and Repairs.

2. The sums shown under Office and Revenue Contingencies do not include contingent expenditure connected with the manufacture, storage, and sale of salt. The amount shown under Petty Construction and Repair Works in paragraph 5 of Mr. Bliss' letter relates to works required for the protection of the revenue or for the convenience of the public generally, and does not include works for the manufacture and storage of salt.

3. The Inspector-General of Police has been requested to state what portion of the Salt Police charges of 1878-79 and 1879-80 was on account of the Treasury guards as distinguished from the Salt guards and other preventive establishments. The information will be furnished as soon as a reply is received from that officer.

4. A separate statement (B) is enclosed for reference, showing the items classified under manufacturing charges as distinguished from charges required for the protection of the revenue.

ENCLOSURES.

A.—Detailed Statement of Salt Charges for 1878-79 and 1879-80.

Particulars of Items.	1878-79.	1879-80.	Particulars of Items.	1878-79.	1879-80.
Permanent Establishment.	RS.	RS.		RS.	RS.
Salary of the Commissioner ..	23,109	26,236	Assistant Commissioners and their establishment	10,096	9,697
,, ,, Deputy Commissioners.	..	13,290	Total of Travelling Allowances..	15,911	18,479
,, ,, Assistant Commissioners	44,989	44,090	*Office and Revenue Contingencies.*		
,, ,, Personal Assistant ..	3,968	6,592	1. Service Postage	3,396	3,262
,, ,, Commissioner's Establishment	10,652	14,782	2. Service Telegrams	807	1,079
,, ,, Deputy Commissioner's Establishment ..	..	2,604	3. Scales and Weights	58	..
,, ,, Superintendents ..	71,511	53,835	4. Destroying spontaneous salt ..	17,415	1,149
,, ,, Assistant Superintendents		15,564	Cost of exporting salt ..		..
,, Clerks	1,07,119	54,743	5. Freight charges	17,842	200
,, Menials		48,184	6. Medical charges	..	112
Total of Permanent Establishment.	2,61,348	2,79,920	7. Examination of heaps	..	1,934
Temporary Establishment, including Preventive Inspectors and their establishment for checking sales	3,959	6,268	8. Conveying salt to French Government	..	5,415
Boat Establishment	202	138	9. Conveying salt to Fish-curing yard	..	246
Travelling Allowances.			10. Registering Security Bonds ..	..	111
Commissioner and his establishment	5,815	5,214	11. Water-pandal charges	..	735
Deputy Commissioners and their establishment	..	3,568	12. Boat-hire	..	49
			13. Remuneration to Railway Clerks for preparing Salt traffic accounts	..	850
			14. Remittance charges	..	1,415
			15. Other Miscellaneous Contingencies, including those admissible without detailed audit..	36,730	11,212
			Total of Office and Revenue Contingencies	76,248	27,769
			Rewards	1,449	18,091

PETTY Construction and Repair Charges for 1878-79 and 1879-80.

Items.	1878-79.	1879-80.	Items.	1878-79.	1879-80.
Petty Construction and Repair Works or Works for Revenue and General Purposes.	RS.	RS.		RS.	RS.
Roads including compensation. { New Works ..	1,779	2,324	Repairs. { Protective works, such as hedges, guard-houses, &c. ..	8,199	4,460
Repairs	8,044	7,756	Office and Police Lines ..	10,896	5,005
New Works. { Protective works, such as hedges, guard-houses, &c. ..	4,229	2,358	Boats	95	328
Offices and Police Lines ..	2,552	216	Other works for public convenience	1,716	2,754
Boats	973	1,312	Sundry works	695	347
Works for public convenience..	3,057	2,445	Total works for Revenue and General purposes	42,460	29,485
Sundry works	61	150			
Compensation for land.. ..	164	..			

B.—Statement showing the Manufacturing Charges.

Items.	1878-79.	1879-80.	Items.	1878-79.	1879-80.
Petty Construction and Repair Works or Works for manufacture and Storage of Salt.	RS.	RS.	Repairs. { Store-sheds and Gollahs ..	RS. 6,243	RS. 2,578
			Sundry works	306	36
New Works. { Compensation for land	1,587	..	Total of Petty Construction and Repairs for manufacture and storage	87,510	40,527
Irrigation channels (Brine supply) including opening bars..	2,876	4,584	Purchase of Salt Manufacturer's share	6,72,782	3,88,745
Platforms and drying grounds..	45,826	11,560	Conveying and storing salt	1,40,077	93,540
Protective works (for the protection of pans from floods, of platforms, &c.)	..	601	Cost and Repair of salt-weighing machines	20,878	27,221
Store-sheds and Gollahs ..	1,196	149	Gathering spontaneous salt	..	1,541
Repairs. { Irrigation channels (Brine supply), &c	20,653	13,422	Miscellaneous Contingencies relating to the manufacture, storage, and sale of salt	6,829	5,881
Platforms and drying grounds..	2,243	1,486			
Protective works	6,580	6,111			

Read—the following letter from W. A. HAPPELL, Esq., Officiating Commissioner of Salt Revenue, to the Secretary to the Board of Revenue, dated Madras, 12th August 1881, No. 6402 :—

IN continuation of this Office letter, No. 6,302, dated 5th August 1881, I have the honor to state that accurate information regarding the cost of the Salt Treasury guards as distinguished from other Salt guards and preventive establishments is not available in the office of the Inspector-General of Police. He has furnished me, however, with a statement showing the approximate strength of the guards maintained at the several Salt Treasuries, from which it would appear that the cost cannot have exceeded Rs 13,800, including 5 per cent. for clothing and contingencies, in each of the years 1878-79 and 1879-80. The total cost of the Salt Police force in those years amounted to Rs. 2,39,387 and 2,35,152 respectively.

Resolution—

SUBMITTED to Government with reference to Official Memorandum, dated 30th July 1881, No. 280.

(True Copies and Extract.)

(Signed) E. GIBSON,
Acting Secretary.

No. 268. ORDER THEREON, 21st September 1881, No. 1401.

Separate Revenue, No. 23.
Salt.

As it appears that the amendment and consolidation of the Salt Laws which Mr. Bliss has in hand are not likely to be completed for some considerable time, it is obvious that the excise system cannot be worked at present side by side with the monopoly. The question for consideration now is, in the circumstances described by the Commissioner, where else than in the Chingleput District it can be introduced in *supersession* of the present system of monopoly, with the least risk of a failure of supply to a large population. Of the two localities which have been suggested, viz., Negapatam and Tuticorin, the latter seems to Government, from the large stock of salt available as reserve, to be the most eligible, and arrangements will accordingly be made for allowing the introduction of the excise system in that division at the beginning of the next manufacturing season.

2. Ordered that the following letter be despatched to the Government of India in reply to their letter embodied in the first of the Government orders read above.

(True Extract.)

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

To the Board of Revenue.

No. 269. To the Secretary to the Government of India, Department of Finance and Commerce, dated Ootacamund, 21st September 1881, No, 1402.

Separate Revenue, No. 24.
Salt.

SIR,—I am directed to forward the following reply to your Office letter, dated 24th February last, No. 843, in reference to the correspondence which has passed on the subject of the complaint made by the Salt Chamber of Commerce against the continuance of the system of Government monopoly in this Presidency.

2. The two questions raised in the letter under acknowledgment are—

(1). Whether in regulating the price at which the Government salt is sold, every item of expenditure consequent on the monopoly system is included?

(2). What are the obstacles that hinder the introduction of the excise system into the Chingleput District?

3. On the first question the Government of India remark that the Salt Commissioner in his Administration Report for 1878-79 has excluded "the whole cost of establishments, travelling allowances, office contingencies, &c.," and hence it is inferred that, in their opinion, a portion of the establishment charges should be included, though it does not appear what portion.

4. The principle on which the cost of Salt as distinguished from Revenue charges is to be determined is indicated with sufficient precision in the Salt Act,* 1877, which provides that the Madras Government shall fix as part of the price at which salt is to be sold under the monopoly "such sum or sums as it may deem sufficient to cover the cost of importation, purchase, manufacture, storage, transport, sale and wastage." This principle is in accordance also with a prior ruling,† and indeed the latest, so far as this Government are aware, of the Government of India, which lays down that "for all ordinary expenditure incurred in collecting and protecting the salt excise revenue, the Government should recoup itself not from any cess levied in addition to such revenue, but from the revenue alone." Of course this principle applies equally to a system of monopoly, and it is clear therefore that the cost of all establishments necessary for the collection of the revenue with all incidental charges, as well as that of all preventive agency, should go to the debit of the revenue, and that the expenditure incurred for the provision and sale of salt should alone be regarded as the cost of the article.

* XVIII.

† Resolution, dated 16th March 1877, Nos. 49—51, paragraph 9, in G.O., 9th May following, No. 1677.

5. As, however, the same agency is employed in both the collection of the revenue and the superintendence of manufacture and sale of salt, and as the cost of establishment under each head is not separately ascertainable, an apportionment of the aggregate cost between the two must, in the nature of the case, be arbitrary.

6. Under a system of excise, a preventive establishment is quite as indispensable as under the present Government monopoly, and the question therefore is what proportion of other establishment charges would be saved under the excise system. The efficient working of the department requires that a large and expensive establishment should be maintained, as indeed it is in Northern India and Bombay, and it does not appear that in Bombay, where a system similar to that which it is proposed to introduce into this Presidency is in force, any charge, save a small cess of 3 pies per maund to cover certain local charges, is levied in addition to duty.

7. If, however, one *half* of the whole cost of establishments, office contingencies, &c., other than preventive agency, be taken into the account, the cost of salt per maund for 1879-80 would be as follows:—

	RS.	RS.
Permanent establishment including Commissioner, Deputy and Assistant Commissioners, as shown in the Acting Salt Commissioner's statement marked A	2,79,920	
Travelling allowances	18,479	
Office and Revenue Contingencies as shown in the Acting Salt Commissioner's statement marked A, excepting items 4, 5, 7, 8, 9, and 13, of which 4, 8, 9, and 13 were for purposes unconnected with the cost of monopoly salt and 5 and 7 wholly debitable thereto	17,975	
Boat establishment	138	
Petty Construction and Repairs for Revenue and General purposes	29,485	
Total ...	3,45,997	
One half of do. ...		1,72,998

	RS.	RS.
Cost of manufacture and storage with incidental charges as shown in the table appended to paragraph 138 of the Salt Administration Report for 1879-80	5,62,533	
Add items 5 and 7 excluded from the Acting Salt Commissioner's statement of Revenue Contingencies	2,134	
Interest, taking the period of storage of the salt as eighteen months, at 4 per cent. per annum on the cost of salt	33,883	
		5,98,600
Total Cost ...		7,71,598

	MDS.
Quantity of salt made and stored less wastage	3929·562
	As. Pies.
Rate of cost per maund	3 1·7

8. Thus the cost including every item that could possibly be with any reason debited to provision of salt would have been but a trifle over 3 annas—the sum which, added to duty, makes up the present monopoly price, and this in a year in which the outturn of salt was small and the expenditure on establishments high compared with previous years. The Honorable the Governor in Council has no doubt that in past years the State realized in addition to the prescribed duty more than what it paid for working the monopoly.

9. But even including the *whole* cost of establishments and all other charges excepting only those of the preventive service, the rate per maund comes to only Annas 3 Pies 10, which is less than one-third of the cost of the imported salt which, it is understood, is 12 annas per maund. The imported salt, it is to be observed, pays nothing on account of revenue or preventive charges. Its natural advantages enable the indigenous salt to hold its own against the imported article, and the Madras monopoly system, as it is worked, gives no undue advantage so as to enable the former to put the imported salt out of competition.

10. As regards the second question asked in the letter under acknowledgment, viz., what obstacles impede the substitution of a system of excise in place of the existing monopoly in the Chingleput District, they are fully explained in Mr. Bliss's reports embodied in the Proceedings* of this Government marginally noted, as also in his Administration Report for 1879-80, paragraphs 177—185, to which attention is solicited, and may be here briefly summarised as follows:—

* Dated 20th October 1880, No. 1366.
Dated 3rd December 1880, No. 1627, forwarded to the Government of India with letter of the same date, No. 1628.

(1) the total absence of applicants for licenses to open new factories under excise;
(2) the impossibility, under existing law, of the manufacture of salt under excise and monopoly being carried on side by side in existing factories; and
(3) the extreme uncertainty, in case the monopoly manufacture is closed, of the existing pans being fully or to any considerable extent worked under excise, and the magnitude of the risk involved in a total failure of supply to 15 or 16 millions of population.

11. In the letter under acknowledgment, reference is made to an observation in Mr. Plowden's report (1856) regarding a statement by the Collector of Chingleput, that permission to make salt was eagerly contended for. This, however, is a mistake. The statement alluded to was made by the Collector of *Guntúr* (*vide* Mr. Plowden's report, page 98, paragraph 636, also paragraphs 621 and 629), and had no reference to manufacture under a system of excise. What was eagerly contended for was the privilege under the monopoly system of manufacturing for Government, with a certain immediate market for the whole stock produced and

the minimum of expenditure, none of the charges which would unavoidably have to be borne by an excise manufacturer except the bare cost of the labor of manufacture having to be incurred. Under excise, the manufacturer has to incur the cost of the storage and watching (in part) of his property as well as interest on capital sunk until his stock is sold, with wastage in the interval.

12. The remarks in the letter under reply as to individuals being possibly deterred by the Earth-Salt Act of 1878 from undertaking the manufacture of salt under excise are based apparently on a misapprehension. The Act only operates to restrain illicit manufacture, the suppression of which is as essential to the successful working of an excise system as it is to the monopoly.

13. As the Salt Commissioner reported that the amendment and consolidation of the entire Salt Law which he has in hand would alone permit of the excise and monopoly systems working *side by side*, this Government considered that the introduction of the former into the Chingleput District must be deferred until that legislative measure had been enacted; but as from Mr. Bliss's subsequent report it appears that some considerable time must elapse before the Consolidated Bill can be submitted, the Honorable the Governor in Council has decided to sanction the introduction of the excise system in the Tuticorin Salt Division where, from the large stock of salt now available as a reserve, a failure of private supply would not entail a salt famine, and the Board of Revenue have been instructed to make the requisite arrangements with effect from the beginning of the next manufacturing season.

I have the honor to be,
Sir,
Your most obedient servant,

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

Exd. W. H. French.

45 Copies.

Govt. of (1881) Madras.

REVENUE.

To

THE BOARD OF REVENUE.

Dated September 21st.

Printed October 7th.

Read. *Encl.*

G.O., 21st September 1881, Nos. 1401-1402.

SEPTEMBER.

Nos. 266—269.

SUBJECT.

Salt.—Passing orders on papers relating t the system of Government monopoly — and t the obstacles which impede the introduction of the excise system.