Revenue Department

Minutes of Consultations

14th September 1858

Bank Nos: 53 and 54

Order N° 1245 of 13th September 1858

No. 53. Read the following Extract from the Proceedings of the Board of Revenue, dated 19th August 1858, No. 3168.

In Cons. 19*th August* 1858. Read letter from the Collector of Canara, dated 27th July 1858.

(Here enter No.—.)

Bd's. Pro. 22nd June 1858, *No.* 2167.
E. M. C. 15*th in Cons. 27th July* 1858. Resolved that the above letter be submitted to Government, with reference to the correspondence noted in the margin.

The following abstract shows the Salt transactions of the Canara District for the Quarter ending 30th June last, in comparison with those of the corresponding Quarter of 1857 :—

	1857. Indian Maunds.	1858. Indian Maunds.
Balance in Store on 1st April...	2,33,208	1,54,594
Receipts to 30th June...	4,13,366	3,59,172
Total Stock...	6,46,574	5,13,766
Deduct Sales to 30th June...	1,44,296	1,55,913
	5,02,278	3,57,853
Deduct Wastage...	24,091	20,758
Balance in Store on 1st July...	4,78,187	3,37,095
Decrease in 1858...	1,41,092	

The transactions of the two Fuslies 1266, A.D. 1856-57 and 1267, A. D. 1857-58 are shewn below.

	Fusly 1266. Indian Maunds.	Fusly 1267. Indian Maunds.
Balance on 1st July...	6,22,727	4,78,187
Receipts...	4,41,210	3,96,212
Total Stock...	10,63,937	8,74,399
Sales.....	4,80,698	4,60,050
	5,83,239	4,14,349
Wastage...	1,05,052	77,254
Balance on 1st July...	4,78,187	3,37,095

2. From the above it will be seen, that there has been a falling off in the sales of the whole year to the extent of Indian Maunds 20,648, the value of which, owing to larger sales in Fusly 1266 of the high priced Salt of Bombay, was Rupees 30,064. This decrease will be duly noticed in the Board's General Settlement Report, and it is sufficient to remark here, that the sales in Fusly 1266 were unusually large, and exceeded those of Fusly 1265 by Rupees 93,063.

3. The important questions for consideration on this occasion, are the extent of private imports and the small stock of Salt on hand.

4. The imports by sea in Fusly 1267, were only Indian Maunds 7234 against Indian Maunds 21,139 in the previous year. This falling off is probably owing to exceptional causes, viz., the scarcity of Salt in Bombay and Goa and the high rates of freight which prevailed during a part of the year. The Board do not think any argument can be drawn from this decrease, adverse to the supposition that hereafter with the reduced rate of duty about to be allowed, larger private importations will be made, but it shows clearly that Government cannot withhold their supplies without great risk, so far at least as the southern part of the district is concerned.

5. The imports by land from Goa, at the exceptional duty of 12 annas per Indian Maund, were very nearly equalled by those of the previous year, notwithstanding the disturbed state of the frontier and the scarcity of Salt in Goa.

	Fusly 1266.		*Fusly* 1267.	
	Ind. Mds.	*Rs.*	*Ind. Mds.*	*Rs.*
Imports by Sea.....	21,139	18,497	7,234	6,329
Do. by Land... ...	44,700	33,528	44,512	33,386
	65,839	52,025	51,746	39,715
Decrease.....			14,093	12,310
Add decrease in Govt. Sales.....				30,064
Total decrease of Fusly 1267.....				*Rs.* 42,374

6. The marginal abstract, shews the Customs duty levied on the quantity imported, in each of the two last Fuslies.

7. Including Customs duty, with the Sales of Government Salt, the total decrease of the year will be seen to be Rupees 42,374.

8. The subject of pressing importance, however, is the supply of Salt for the current year.

Indian Maunds,	4,60,050
Indian Maunds,	77,254
	5,37,304
	3,37,095
	2,00,209

9. The stock on hand on the 1st July last, was only Indian Maunds 3,37,095 while the sales of the past Fusly, were Indian Maunds 4,60,050 and the wastage Indian Maunds 77,254. The stock now remaining would therefore have been insufficient for the requirements of Fusly 1267, by no less than Indian Maunds 2,00,209.

10. The Collector considers it necessary that early measures should be adopted to import Indian Maunds 3,60,000, part of which should be delivered at the depôts of S. Canara by the end of October or commencement of November.

11. Mr. Fisher apprehends that from the heavy rains already experienced in Canara, the manufacture both of Bombay and Goa will be smaller this season than usual, and he therefore anticipates that he must endeavour to obtain supplies from the Eastern Coast. The Board will have no difficulty in furnishing all the salt required from this Coast, but it remains to be seen, whether freight can be procured on any reasonable terms. The last supply from Bombay cost Rupees 53* per Garce which, deducting the export price of salt on the Eastern Coast, viz., Rs. 15, would leave a margin of Rs. 38 for the freight of 120 Indian Maunds, or less than Rs. 32 per 100 Indian Maunds. The most favorable rate, however, recently offered for the conveyance of salt to Calcutta was Rupees 30, and the Board apprehend that much higher terms would be demanded for freight to Canara. From Tinnevelly the rates would probably be lower, but a sufficiency of shipping could scarcely be expected there. On the other hand, the salt of the Southern Districts costs less than that of Madras, and there would be a larger margin for freight. The Board apprehend however, that it will be cheaper and safer to procure the supply as hitherto from Bombay and Goa, and they would recommend that the Collector be authorized to apply to the Bombay authorities for as much as he may not see reasonable prospect of procuring from Goa. It is possible also, that a supply might be obtained from Scinde.

**Note.—This rate is unusually high, but the Collector's anticipations of an unfavourable season in Bombay, renders it unlikely that the price will be much lower this year.*

Bd's. Pro. 22nd July 1858, *No.* 2757.

12. The Board can also, if Government desire it, advertise for Tenders from Madras and the Southern Ports for the conveyance of Indian Maunds 1,00,000 (equivalent to rather more than 3,600 tons) to be delivered at Mangalore and Cundapoor within the first fortnight of November. In the event of the Collector being unable to obtain a sufficiency from Bombay and Goa, the balance must of necessity be sent from this coast.

13. If Salt can be shipped to Canara from the Eastern Coast as cheaply as it has hitherto in ordinary years been procured from Bombay, (which the Board greatly doubt) it would of course be preferable to obtain it from Madras, and leave the former trade to private Merchants, who would thus be relieved from all Government competition in the Salt and freight markets of Bombay. The experiment would thus have a fairer trial, than it has yet received, so far at least as Bombay Salt is concerned, and at the same time the risk of an insufficient supply, (which past experience predicates) would be obviated. The charge for Goa Salt is so much less, that the Board cannot recommend that Government should, for the sake of a similar experiment abandon its importations from thence, and make good the deficiency by the more expensive process of procuring Salt from Bombay and the Eastern Coast.

Fort Saint George, Revenue Consultation of 14*th September* 1858.

14. It would have been more convenient if the Collector had reserved the question of Antony Naik's contract for a separate communication.

15. This person contracted to supply 1,800 Garce of Goa Salt within the month of February 1858—whereas he has only supplied 772 Garce, 389 Maunds, the deficiency being Garce 1,027, of which Garce 478 have been procured by the Collector from Bombay, and by private purchases at enhanced rates and by transfers from the Government stores.

16. The Board have perused the deed of contract, and see no reason to doubt the Contractor's liability to make good the additional expense incurred by Government in purchasing salt in consequence of his default. This is expressly stipulated in para. 3 of the deed, besides the penalty of a fine of 5 Rs. per Garce, for any deficiency not made good, and Rupees 50 per Garce on the indefinite condition of "inconvenience" being caused by his failures.

17. The Board however, are not disposed to deal hardly with the Contractor, if, as seems to have been the case, the failure of the manufacture in Goa, was the cause of his failure to perform his contract. For all losses caused by any negligence or want of exertion on his part, he should be strictly made accountable, but it would be unjust to hold him resposible for consequences which he could neither foresee nor prevent. To whatever extent his deficiencies have been occasioned by circumstances beyond his control, and which he could not reasonably be expected to foresee and provide against, the loss must be borne by Government as a matter of equity, and such a course will not be productive of loss in the end, for Contractors will either hold back or enhance their rates, when they discover that no consideration will be shewn to them for unavoidable lapses.

18. The Board request the Collector to re-consider the matter, and propose an early adjustment of it on this principle. They consider that the Contractor is not liable for the extra charge, of Rupees 3 per Garce, incurred in consequence of the merchants objecting to the equivalent of 424 Mercals per Garce.

19. The contract lapsed apparently in March last, and its formal cancelment now would be of no avail. The Collector will of course receive no further supplies under it, and the Board request that in his report on the subject, he will state whether any quantities were received after the contract expired.

(A true Extract.)

(Signed) J. D. SIM, *Secretary.*

No. 54. ORDER THEREON, No. 1245; dated 13th September 1858.

1. The Proceedings recorded above contain a review by the Board of Revenue of the Salt trade in Canara for the quarter ending 30th June last. The only subject on which the orders of Government are urgently required is, respecting the measures to be taken for the supply of Salt for the current year. The Collector considers that 3,60,000 Indian Maunds should be at once imported, part of which should be delivered at the Depôts of South Canara by the end of October or commencement of November. Mr. Fisher apprehends that the manufacture both of Bombay and Goa will be smaller this season than usual, and he therefore anticipates that a supply must be obtained from the Eastern Coast. The Board observe that any amount that may be required can be furnished for consumption in Canara, but they expect that freight will be very expensive from the Eastern Coast; though from Tinnevelly the rates would be lower, a sufficiency of shipping could, they are of opinion, scarcely be obtained there. Under these circumstances, the Board think that it would be cheaper and safer to procure the supply as hitherto from Bombay and Goa; and they recommend that the Collector be authorized to apply to the Bombay authorities for such as he may not see reasonable prospect of procuring from Goa. They also propose to advertise for tenders from Madras and the Southern Ports for the conveyance of Indian Maunds 1,00,000 to be delivered at Mangalore within the first fortnight in November.

2. The Government are of opinion that the Collector of Canara should be at once authorized to procure as much of the 3,60,000 Indian Maunds as he cannot obtain from Goa,

from Bombay and Scind. If on learning the result of his applications to the Bombay and Goa authorities, Mr. Fisher is of opinion that the demands of the year are not likely to be fully met, timely notice should be given, that the Board may be enabled to make arrangements for completing the supply from the Eastern Coast. Meanwhile if there is any chance of the quantity in hand proving insufficient efforts must be made to ship salt from Tinnevelly.

3. In the 14th and following paras. of their Proceedings the Board discuss the case of a contractor, who having engaged to supply 1,800 G. of Goa Salt within the month of February 1858 only supplied G. 772, M. 389; the deficiency being caused according to the contractor by the failure of the manufacture in Goa. The Board consider that it would be "unjust" to hold the contractor responsible "for consequences which he could neither foresee nor prevent:" and "to whatever extent his deficiencies have been occasioned by circumstances beyond his control, "the loss must be borne by Government as a matter of equity."

4. The Government are unable to take the same view of the matter as the Board have done They would deprecate any interference whatever with the internal concerns of contractors. If this is done in one case, in every instance of default hereafter, the trouble of enquiring into extenuating circumstances, which will always be urged by the defaulter, will be entailed on the authorities. The Government consider that though it may occasion hardship in individual cases the performance of contracts should be rigidly enforced. Experience has shewn that a lax system in this respect has been productive of great inconvenience and loss. It is only in very rare and peculiar instances that concessions should be made by Government, and if in the present case the man be really poor and did indeed use his best exertions to procure the salt some concession may be made, but as a matter of grace and favor, not of equity.

(Signed) T. PYCROFT,
Chief Secretary.

4 to 12 am at, my own opinion was that at

August 5th 1858

My dear Pycroft

I brought up with me the enclosed Paper on the 'vexata quæstio' of supply of salt to Malabar, with a capital précis drawn up at my request by Norman, with view of placing the whole matter before Lord Harris for his opinion. My own views on the subject are those of the Bd of Revenue, but the matter was forced through by Bourdillon, & every remonstrance made from time to time by the Board overridden. I have made it my rule to avoid taking advantage of my position by deprecating & trying to get an adverse opinion of Govt to Bourdillon's pet schemes, & I was in this account I wished to give Lord Harris a thorough view of the case, but since the 22d July he has not been in a state of health

to investigate a paper like this. whatever of importance are to appear, & would be is still less so. I hinted the matter generally to him yesterday, & found that though he admitted Bourdillon's principle (and so do I) to be theoretically correct, namely that it is not the business of Govt to fund Malabar on Salt, he fears that neither private trade or home manufacture had been introduced, & that if the present rider to discontinue all exports from Bombay were carried out (31st Jany 1859 is last date) there would be a general distress. I told him I would not when he were to argue all the pros & cons, but merely intimate to you his general view in order that the matter might be despoiled of by the two Hon members of Council. I told him that instead of reducing the rate of duty from 14 to 12 annas, my own opinion was that it would be better to extend the date for Govt purposes another year. My reasons were first that Bourdillon had set his heart (& almost his reputation) on a 14 anna duty, & I would rather wait till he returned, & then in my place & the Board fairly discuss that question, than get the rule abrogated behind her back, & secondly that I had serious doubts even if the duty were reduced, private trade would suffice for the wants of the District. I considered that Govt might avoid again battling the question with the B's (till B's return) by simply extending the order of 24th Nov 1857. He seemed to assent to this, & I think it may be acted upon if the two Members think fit.

I think it is clear that no man was better fitted to introduce the new system than Robertson, & he fully entered into it. He is now obliged to confess it is a failure — see [illegible] & Pres Letter — last part of para 6 — para 9 & 12.

In para 14 the Records has decided preference to a continued cultivation of the manufacture, but I don't think Govt could consent to this after their very strong opinions on the subject. & especially since the Govt of India have directed the excise to commence in Canara & Malabar. Govt however have asked the Bd of Rev will do to begin in Malabar with excise, & they certainly will say no. I can't think why the Govt of India named the Distrct- Canara were consulted because Mr Malby was the great advocate of excise

It is all very well to assert that the principle is correct, but are Govt prepared for a general disturbance by enforcing that principle? This is the simple question now.

I think para 21, & the Collrs cautious and expedient man like Robinson should go for something at all events if Govt are not disposed to decide as to the abandonment of their principle, I think the best way out of it is to make a postponement for one year. When Boudillon returns he can give the whole subject his consideration - Yours sincerely

W H Barlow

Secy

Mem.

These papers were received by me from Government yesterday and I must return them at once - Have questions to be considered appear to be these -

1st Shall I continue to import Malabar for another year at least?

2dly Shall the import duty on all kinds be private trade be reduced from 4 to 12 annas

an Indian Tribunal?—

3d. Should the Louisiana Manufacture be continued—

This appears to be the first and most essential of these points, it is quite clear that if it continues to come at any rate sufficient salt will not be imported into Malabar by the private trader to supply the consumption — and the Coast Manufacture will be — Unless there for the Govt to do continue this duty for such year at least there must be a duty

of salt in Bengal — I presume that the Govt would hardly be prepared to risk the excitement for as a mild tax / that might likely be occasioned among such a population as that of Malabar and at such a period as the present

J.P

9-7-58

an Indian Journal?

TELEGRAPHIC DESPATCH.

Under the authority of the Government of India conveyed in a letter dated 30th April 1858, No. 692, the Chief Secretary to Government directs the transmission of the annexed message to Calicut.

Chief Secretary to Government.

Fort St. George,
8 Sept 1858.

From

/

MONTHLY OFFICE No. SERV. MES. TO BE SENT BY ELEC, TEL.

WORDS CHARGED FOR Rs. Recvd, for trans.—Date Time.

From *Madras* To *Calicut*

From *Chief Secretary* To *Collector of Malabar*

WORDS SERVICE REPETITION PRICE.

The period for discontinuing im-
portation of Bombay Salt on account
of Government has been extended
till January thirty first one thousand
eight hundred and sixty. Make
immediate arrangements accordingly.

Signld. by to

Rept. recd. by

Comcd. Finsd.

Station at

at

Inspector in Charge.

MONTHLY OFFICE No. SERVICE MESSAGE TO BE SENT BY ELECTRIC TELEGRAPH.

WORDS CHARGED FOR Rs. Received for transmission—Date Time.

From To

From To

WORDS SERVICE REPETITION PRICE.

Time Commenced Time Finished

Signalled by to Station at

Repetition received by at

Inspector in Charge.

From the Board of Revenue dt 19 Aug/58

—

It appears to me that the only thing
necessary in replying to these proceed-
ings is to authorize the Collector
of Canara to apply to the Bombay
authorities to remit as much
salt as he may require & be able
to obtain from you. It seems
certain that taking salt from
Bombay from this Coast would be far
more Expensive plan
for. Two orders are required

but it seems very doubtful whether enough can be got from Bombay especially as Malabar will be supplied

in the defaulting contractor case, vh. is discussed in pp 14-19; but perhaps it may be advisable D deprecate the system of meddling with the internal concerns of contractors which the Govt seem D advocate. If this is done in one case, in every instance of default hereafter, there will be entailed on the Local authorities the trouble of enquiring into 1000 extenuating circumstances which will be urged by the defaulter and in this case how impossible D settle exactly the

quantum of responsibility which rests with the contractor, and the extent of the consequences which he could neither foresee nor prevent. I trust that though it may occasion hardship in individual cases the Govt should invariably enforce the performance of contracts. Experience has shewn that a lax system in this respect has been productive of the greatest inconvenience. W.H.

101

R. D.

No 1245

Extract from the Minutes of Consultation
Under date the 13th September/58.

Read the following Extract from
the Proceedings of the Board of
Revenue

/Here enter 19 August 1858 No 3168/

1. The Proceedings recorded above contain a review by the Board of Revenue of the Salt trade in Canara for the quarter ending 30 June last. The only subject on which the orders of Govt are urgently required is, respecting the measures to be taken for the supply of salt for the current year. The Coll^r considers that 3,60,000 Indian Maunds should be at once imported

[illegible] contractor case

This [illegible] ed
[illegible] Talk in Canara
[illegible] dues before [illegible] Expiring as it
does on the [illegible] of [illegible] anticipated
deficit [illegible] Pulabar [illegible] agent early orders
are [illegible] I doubt whether enough
salt [illegible] & [illegible] before [illegible] cease to
[illegible] needed [illegible] & Canara Coast.

[illegible] the Board proper
[illegible] to [illegible] it [illegible] is a most
reasonable.

JP

We must authorize the Bd to get
salt from Bengal & Canada at once.
If they find there is any chance
of the quantity on hand there proves
insufficient efforts must be made to ship
from Liverpool.

I do not agree with the Bd. about the
Contractor. If the man is poor that used
his best Exertions to fulfil his engagements.
Some concession may be made, but sparingly.
as an act of grace, not of right. HG

part of which should be
delivered at the depôt of
S. Canara by the end of
October a commencement
of November. Mr Fisher
apprehends that the manu-
facture both of Bombay &
Goa will be smaller this
season than usual, and
he therefore anticipates that
a supply must be obtained
from the E. Coast. He Rd. observe
that any amount that may
be required can be furnished
for consumption in Canara,
but they expect that freight
will be very expensive from
the Eastern Coast; though
from Tinnevelly the rates
would be lower, a sufficiency
of shipping could they hire off

opinion
scarcely be obtained there.
Under these circumstances,
the Board think that it
would be cheaper and safer
to procure the supply as hitherto
from Bombay and Goa;
and they recommend that
the Collector be authorized,
should by the Bombay au-
thorities for such as he may
not see reasonable prospect
of procuring from Goa. They
also propose Advertising
for tenders from the Northern Ports
and the Southern Ports
for the conveyance of 3
Md. 100.000 to be delivered
at Mangalore within the
1st fortnight in November.

2. The Govt are of opinion
that the Collector Canara

should be at once authorized
to procure as much of the
3.60.000 S. Md. as he can
not obtain from Goa,
~~Mana~~ from Bombay and
Scind. If on learning the
result of his applications
to the Bombay & Goa auth-
orities, Mr Fisher is of opinion
that the demands of the
year are not likely to be
fully met, timely notice
should be given, that
the Board may be enabled
to make arrangements for
completing the supply from
the Eastern Coast. Meanwhile
if there is any chance of the
quantity in hand proving
insufficient effort must be
made to ship salt from Tuticorin.

3. In the 14th and following
paras: of their proceedings
the Board discuss the case
of Contractor, who having
engaged to supply 1800
G. of Goa salt within the
month of February 1838
only supplied 772.389;
the deficiency being caused
according to the Contractor
by the failure of the crop
in Goa. The Bd con-
sider that it would be
"unjust" to hold the Contractor
responsible "for consequences
which he could neither
foresee nor prevent": & "to
"whatever extent his defici-
"encies have been occasi-
"oned by circumstances
"beyond his control, the
"loss must be borne by Govt
"as a matter of Equity."

4. The Govt are unable to take the same view of the ~~case~~ matter as the Board have done. They would deprecate any interference whatever with the internal concerns of Contractors. If this is done in one case, in every instance of default hereafter, the Govt enquiry into & determining circumstances which will always be urged by the defaulter, will be detailed on the authorities; And in the present case it may be observed that it is scarcely possible to settle exactly the quantum of responsibility which rests with the Contractor, and the extent of the "consequences" which he "could neither foresee nor prevent". The Govt consider that though it may occasion hardship in individual cases the performance of contracts should ~~invariably~~ be rigidly enforced. Experience has shewn that a lax system in this respect has been productive of great inconvenience and loss. It is only in very rare and peculiar ~~cases~~ instances that exceptions shd be made by Govt; and then only as a matter of grace, not of Equity: and must further be taken that when such exceptions are made, the lapse of the contractor is not condoned in the eye of the law; & he should be subjected to the loss occasioned by the contractor's default, and at the same

3 Copies to the Bd of Revenue Dated 14th with Orders

I presume this will be done by Govt
It will be necessary to pursue the
same course in future
Sale down as agents.
for master and of agents
to favor

time he deprived of the power
act, & to subscribe any penal
of and him.

M.H
Sept 16

10 Sept. 811

Copy in a Letter to England
of 11th September 61 No. 109.

Dy cons 20 - July 58 no 19-20

Revenue 1858 Dept.
Dto. Cons: 14th Sept.

No 1245.

Extract Mins of Cons.

D 13th Sept. 58.

Extract Board of Revs.
17th Dec. 58 & No. 1905 Min.
18 Jany 59.
15-16-1

Referring to the probable requirement of a large quantity of Salt in Canara, are of opinion that supplies should be procured for Bombay & Gua as usual. If the Coll's demands cannot be fully met in those quarters, arrangements should be made for sending on supplies from the East Coast Canal.

Extract of Mins 17 July 61 CR 1800.

No. 5364.