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Revenue Department

Minutes of Consultation

6th July 1858

Back nos 15 & 16

Order no 928 of 6th July 1858

6 sheet

பாதுகாப்பு பிரிவு

செப்பனிடுபவர் பெயர் : M. நாகலிங்கம்

செப்பனிடுவதற்காக எடுத்துக்-
கொள்ளப்பட்ட நாள். 07/08

25/8/08

சரிபார்க்கும்
முதல் முறையாள
கையொப்பம்

19/8/08

சரிபார்க்கும்
2ம் முறையாள
கையொப்பம்

ஆராய்ந்து
உதவியாளர்
கையொப்பம்

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Fort Saint George, Revenue Consultation of 6th July 1858.

No. 15. Read the following.

GOVERNMENT OF INDIA—HOME DEPARTMENT,

SEPARATE REVENUE CONSULTATION.

4th June 1858.

No. 4.—RESOLUTION,

The 31st May 1858, *No.* 939.

Read again the Despatch from the Honorable the Court of Directors, No. 3 of 1853, dated the 5th October, and the papers recorded on the Consultations noted on the margin, relating to the appointment of a Commission of Enquiry on Salt, and the delay in the completion of the Report by Mr. Plowden, the Commissioner.

Separate Rev. Cons.		*16th Dec.* 1853,	*Nos.*	1 *to* 3.
,,	,,	*27th Jan.* 1854,	,,	3 *to* 5.
,,	,,	*17th Feb.* 1854,	,,	1 *and* 2.
,,	,,	*22nd Jan.* 1855,	,,	4 *to* 6.
,,	,,	*13th July.* 1855,	,,	6 *to* 8.
,,	,,	*3rd Aug.* 1855,	,,	1 *and* 2.
,,	,,	*16th Nov.* 1855,	,,	5 *to* 9.
,,	,,	*7th Dec.* 1855,	,,	1.
,,	,,	*14th Dec.* 1855,	,,	9 *and* 10.
,,	,,	*5th Jan.* 1856,	,,	1 *to* 3.
,,	,,	*28th May* 1856,	,,	2.
,,	,,	*11th April* 1856,	,,	6 *to* 9.
,,	,,	*18th April* 1856,	,,	5.
,,	,,	*16th May* 1856,	,,	5.
,,	,,	*23rd May* 1856,	,,	7.
,,	,,	*30th May* 1856,	,,	8.
,,	,,	*6th June* 1856,	,,	2 *and* 3.
,,	,,	*13th June* 1856,	,,	5 *and* 6.
,,	,,	*3rd Oct.* 1856,	,,	8 *to* 11.

Read the Report of the Salt Commissioner, dated the 24th May 1856.

In the passage of the last India Bill through the House of Commons in 1853, a Clause was introduced declaring the manufacture and sale of Salt in Bengal by, or on account, or under the control of the East India Company to be illegal, and enacting that such manufacture and sale should be free, subject only to an Excise duty. The Clause was expunged in the House of Lords, and did not become law, but the Honorable the Court of Directors, with reference thereto, called upon the Government of India to give its opinion upon the question of substituting "a system of Excise for the existing Agency system," and desired that with that view an enquiry might be made either "by the Board of Revenue, or by a Committee of competent Officers." The Honorable Court desired that if it should be found impossible to render the manufacture of Salt absolutely free under Excise Regulations, it might be considered whether a modified system of Excise by granting licenses to private persons to make Salt at stated localities could not be substituted. The Hon'ble Court expressed a strong desire to get rid of the manufacturing system if possible, though they thought it could not be done at once. They desired also that the enquiry should extend to Madras. Finally, the Court expressed themselves favorable to a further reduction of duty in Bengal.

For the reasons stated in the Minute of the Governor General, dated the 8th December 1853, it was determined to entrust the enquiry not to the Board of Revenue, nor to a Committee, but to a single Officer, and Mr. Plowden, then Officiating Secretary in the Home Department, was selected for the duty. He was desired to report fully on the various questions connected with the manufacture of, and tax upon Salt, regarding which the Hon'ble Court desired information, and "more especially upon the feasibility of substituting for present arrangements a system of Excise upon the manufacture of Salt in the Presidencies of Bengal and Madras." He was desired to furnish his report without delay, and told that if he considered it necessary he might proceed to Madras and Bombay, there to enquire personally into the several systems pursued under those Governments.

Mr. Plowden was unable to enter upon his enquiry before the 16th February 1854, and he was then desired to proceed to Madras and Bombay to collect all needful information during the favorable season, so that his Report might be ready to be laid before Parliament before the close of the Session of 1854.

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It is unnecessary here to refer to the delay which occurred in the preparation and submission of the Report. It was sent to England in an incomplete state, but with the whole of the Appendixes, and was in that state laid before Parliament in 1856. It has since been completed and printed here, and laid before the Governor General in Council for consideration and orders.

The President in Council has the greatest satisfaction in recording his opinion, that Mr. Plowden's Report is a most valuable public document, and a complete repertory of what is worth recording of all that has ever been done or written about Salt in all parts of India. In the words of the Governor General's Minute of the 24th September 1856, "It has been very ably "as well as laboriously executed; of its great and lasting utility to the Government, there can "be no question; it has so far as I am able to judge, exhausted its subject, and although overlaid "in some parts with unnecessary illustrations, it appears to me that the main part of the labor "expended upon it has been given to the pith of the subject."

The Excise system.—Mr. Plowden's remarks and conclusions upon the subject of the practicability of substituting in Bengal a system of Excise for the existing Agency system are contained in Section II. of the Bengal portion, comprised in paragraphs 747 to 791 of his Report. He is of opinion that it is practicable to substitute an Excise system in Bengal for the Agency system, but that it must be done gradually, and that the Government has already done and is still doing all that can safely be done towards this object without risking a dearth of Salt. He considers that the only system of Excise applicable to Bengal is that modified system, alluded to by the Honorable Court, under which licenses are granted to individuals to make Salt at stated localities and under the check of Officers of Excise.

In regard to Madras, Mr. Plowden recommends that a system of Excise on the Bombay plan should be gradually substituted for the monopoly throughout the Presidency, and that it should be immediately introduced in Malabar, Canara, and the Madras Collectorate. His observations on this part of the subject are contained in Section II. of the Madras portion, comprised in paragraphs 610 to 639 of his Report.

Reduction of Duty.—The question of further reducing the Duty in Bengal, Mr. Plowden has discussed in Section IV. of the Bengal portion, comprised in paragraphs 822 to 851 of his Report. The total reduction of Duty since 1844, (when the duty first began to be reduced,) has been from three Rupees four annas to two Rupees eight annas a Maund, being more than 23 per cent., but the increase in consumption since 1844 has been from 55½ to 64½ lacs of Maunds, or a little more than 16 per cent. The falling off in net revenue during the same period has been from 159 lacs to 145½ lacs of Rupees, or about 9 per cent.

Mr. Plowden does not consider that this tax presses severely on the poor, or that if it be further reduced a corresponding increase of consumption will take place for many years: but (apart from financial considerations) he recommends further reduction, and he thinks that the reduction should not be less than eight annas a maund "at a leap," the Duty of eight annas on Western Salt passing the North-Western Provinces Customs Line at Allahabad being repealed at the same time. This step would involve an immediate loss of Revenue to the extent of 36 lacs of Rupees a year, and it would require an increased consumption of 18 lacs of Maunds, or about 28 per Cent. on the present consumption, to make good the loss. Such an increase, judging from past experience, is not to be looked for in any reasonable period.

The Right Hon'ble the Governor General, on leaving the Presidency for the North-Western Provinces in January last, referred the consideration of Mr. Plowden's Report to the Hon'ble the President in Council, with the remark that the question of reducing the Duty on Bengal Salt was one which could not be entertained now. In deference to his Lordship's opinion, the President in Council does not propose to consider that point.

The President in Council proceeds to dispose of the other matters embraced in Mr. Plowden's Report.

His Honor in Council directs that the Government of Bengal be called upon, with reference to the remarks contained in the 757th and following paragraphs of the 2d Section of Mr. Plowden's Report, for a full report on the progress of the Excise experiment in Bengal. His Honor in Council would be glad to see that experiment encouraged and its success promoted by every proper means.

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His Honor in Council also desires to recommend all the minor reform in the administration of the Department, as recommended by Mr. Plowden, to the early and careful consideration of the Bengal Government.

The Madras Government will be requested to give its attention to those Sections of the Report which relate to that Presidency, and to take early steps for gradually substituting the Bombay system of Excise for the present system of manufacture throughout the Presidency, commencing at once with Malabar, Canara, and the Madras Collectorate. His Honor in Council also recommends the minor improvements, as suggested by Mr. Plowden, to the early and careful attention of the Madras Government.

In like manner, the President in Council desires to recommend to the Bombay Government the improvements proposed by Mr. Plowden in the administration of the Salt Department in that Presidency.

The President in Council further directs that the attention of the Government of the North-Western Provinces may be drawn to that portion of the Report which relates to those Provinces.

Those portions of the Report which relate to the Punjab, Pegu, and the Tenasserim Provinces, will be considered in the Foreign Department.

Copies of Mr. Plowden's Report have been already communicated to the Several Local Governments and Departments.

Ordered, that copies of this Resolution be communicated for information and guidance to the Governments of Fort St. George, Bombay, Bengal, and the North-Western Provinces, and to the Foreign Department.

Ordered also, that a copy of this Resolution be sent to the Financial Department, for information and record.

(Signed) CECIL BEADON,
Secretary to the Government of India.

No. 16. ORDER THEREON, No. 928; dated 6th July 1858.

Ordered that the above Resolution of the Government of India be forwarded to the Board of Revenue, and that they be requested to give their attention to those Sections of Mr. Plowden's Report which relate to this Presidency, and to take early steps for gradually substituting the Bombay system of excise for the present system of manufacture throughout the Presidency. The Board will be pleased to state if they consider Malabar and Canara to be the proper districts to commence upon with the change.

(Signed) T. PYCROFT,
Chief Secretary.

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Rev. Dept.

No. 928

Extract from the Minutes of Consultation
Under date the 6th July 1858

Read the following
letter from the Secretary to
the Government of India

(Forwarded 4th June 1858
No 939.)

Ordered that the
above Resolution of the
Government of India be
forwarded to the Board
of Revenue and that they
be requested to give their
attention to those sections
of Mr Cleveland's Report
which relate to this Pre-
sidency and to take early
steps for gradually sub-
stituting the Bombay
system of Excise for the
present

present system of Manu-
facture throughout the
Presidency. The Board
will be pleased to state
if they consider Malabar
and Canara to be the
proper districts to commence
upon with the change.

W. H.

1801 Copies to the Bd of Rev. & Dep. Sy. Gs.

Copy sent to Secretary
of 18th May 1859. No 15

Revenue 1858 Dept. R
Cons: 6th July.
No 928.

Extract Mins of Cons.
Dy 6th July 58.

Pro: of the Bd of Rev. D/30th
July 58 C No 1238 in Cons. 21st
Sept 58

Forwarding to the Board
of Revenue a Resolution of the
Government of India and re-
questing their attention to those
sections of Mr Flowden's Report
upon the manufacture of Salt
which relate to this Presidency
in order to early steps being
taken for gradually substituting
the Bombay System of supervision
for the present system of manu-
facture of Salt throughout this
Presidency

No 15 & 16.

928