

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 456	Press ~~Mis.~~
Dated 25 - 2 - 1867	

Not to be folded or roughly handled

[illegible]

From the Deputy Commissioner of Customs, Southern Division, to the Commissioner of Customs, dated Tanna, 6th June 1866, No. 792.

1. In returning these papers, accompaniments of your endorsement of the 1st instant, No. 1,322, to hand yesterday, I have the honor to offer the following remarks.
2. The entire gist, as it appears to me, of the Travancore Dewan's complaint is, that the Durbar of his Court is put to extra expense by the introduction of the rules regarding "wastage."
3. That the Bombay and Madras Governments should suffer loss in the matter, seems to be of no moment whatever in the judgment of this functionary, as if it were not enough that this Government supplies the Travancore State, at a serious loss of revenue, with large quantities of salt at a nominal rate of duty, it should incur still further liabilities, in the opinion of the complainant, in the shape of allowance for wastage, illicit making away with some of the articles, and so forth. As well might the *purchaser* of the salt expect the *seller* to make good all losses and deficiencies in connection with the contingencies of transit from point to point, as for the Travancore Sircar to look to Government for the remission prayed for.
4. In the fourth paragraph of his letter, the Dewan enumerates a long list of causes from which the salt suffers, ere it reaches the Rajah's stores, as if Government had anything to do with that. Suppose, for the sake of argument, the salt never reached its destination at all, what then? Would the British Government be expected to make it good? The principle is the same in both cases as regards the non-liability of the latter.
5. Salt to Cochin, as you are aware, is removed from our works, at a quarter of an Anna per Indian Maund, in the shape of excise duty, in addition to which Government is asked to bear its share of the loss that may be sustained *in transit*. Private individuals purchase large quantities of the article upon which they pay the full excise, Rupees 1-8-0 per maund, for the purpose of taking it hundreds of miles into the interior, and yet these latter never dream of asking Government to reimburse them for losses, after the transaction is closed. The two cases, are, I defer, strictly analogous. If assistance is not to be thought of in the one instance, why, it may well be asked, should it be expected in the other?
6. Again, it is stated by the Dewan (paragraphs 4 and 5, letter dated the 11th November 1865,) that boats are unwilling to take salt to Cochin, under existing restrictions, in consequence of which the return traffic, in the shape of oil and other commodities, is left without carriage, to the sore detriment of trade. May not the *reverse*, however, be a true state of the case, that since no return traffic, as heretofore, is available, owing to steamers offering greater facilities as to time, &c., in taking away the staple exports, native boats do not now care to go to Cochin with salt, there being so little hope of their having a return cargo, as in former times. It is a fact, of which I am personally cognizant, that oil, &c., are now sent up to Vingorla, Bombay, &c., by steam-ships, instead of by native craft, as formerly.
7. Again, it should be borne in mind that the nominal excise dues on exports of salt to the Travancore and Cochin States have been reduced twenty-five per cent. by Government Resolution, in the Revenue Department, of the 5th June 1865, No. 2,537, so that the Durbar has still less cause to complain than ever. The rate was formerly one Anna, now it is but three Pies. The Dewan has lost sight of this fact.
8. Once more, the system pursued under the Madras Government, in its salt transactions with the ports under its Presidency, of receiving salt by *weight*, which had been delivered at the Bombay works by *measure*, having been found to favor the importer to the extent of from twelve to twenty-two per cent., and that, notwithstanding this large gain by weighment, the actual deliveries at the Malabar ports were found to be generally below the quantity shipped at Bombay by phurrah, and sometimes even under the further margin of ten per cent. allowed for wastage, this Government was, for the above reasons, induced to assimilate its practice with that of the sister Presidency, by which a further justification is forthcoming for the recent changes which have been introduced, at the same time leaving less cause than ever for the complaint now brought against the measure.

9. It is also to be borne in mind that the ports of Calcutta, Penang, Singapore, &c., are treated *exactly in the same way* as those of the Western Coast.

10. It is stated in the Dewan's letter of the 1st November 1865, paragraph 3, that the quantity of salt received at the stores of Alleppy must *inevitably* be less than that delivered out of store at Bombay. I beg to state that very recently the out-turn on the coast has, in several instances, been *plus* the certified quantity; and with this significant notandum, that it is *since* the withdrawal of the ten per cent. allowance for wastage that this has occurred.

11. At paragraph 13 it is stated by the Dewan, that the rules founded on the special peculiarities of the Malabar system do not apply to Travancore. I must confess that I cannot discern in what respect they differ. As the Dewan has not indicated the point or points of dissimilarity, it is to be presumed that none of any importance really exist.

12. The Dewan winds up his letter in, what I cannot help calling, a very illogical way (*vide his "P. S.,"*) by complaining that the Travancore Treasury has to make good to the contractor all deficiencies charged for by the British Government; in other words, that the latter endeavours to guard its own interests in the same way that the Travancore Sircar seeks, as in the present instance, more particularly to protect its own—truly there seems to be no marvel in carrying out such a procedure by whomsoever it may be practiced.

No. 341. From the Resident in Travancore and Cochin, to the Chief Secretary to Government, Fort Saint George, dated Trevandrum, 11th December 1866, No. 77.

1. Referring to the Order of Government, No. 677, dated the 20th March last, I have the honor to bring to the notice of His Excellency the Right Honorable the Governor in Council, that the Travancore Sircar has represented to me that the ten per cent. allowance for wastage on salt exported from Bombay to Travancore has been refused to the Alleppy merchants by the Bombay authorities, on the ground that they had no instructions to refund the same.

2. The Commercial Agent at Alleppy states that effect has not been given by the Bombay Government, even in a single instance, to the arrangements regarding the allowance for wastage.

3. The quantity of salt received from the salt pans at Bombay	Mds.
during 1865-66 is	1,11,096
And delivered at Alleppy and Morrunbum	1,06,491

About 4½ per cent.

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upon which a penalty of Rupees 6,908
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Rupee and eight Annas per maund.

4. I request that His Excellency
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Bombay Government to issue instructions to repay to the Travancore Sircar the amount of penalties that may have been levied, for wastage in excess of ten per cent., upon the merchants who have exported salt to Travancore from the time this arrangement was first sanctioned, and to definitely order the re-payment of such penalties to the Sircar, without the necessity of troubling the Government with further references from time to time on the subject.

No. 342. ORDER THEREON, 25th February 1867, No. 456.

Separate Revenue, No. 12.
Salt.

1. In view to the protection of the British revenue from salt on the Western Coast, it was made part of the late agreement with the Cochin and Travancore Sirkars, placing their ports in the position of British territory, that their selling price for salt under their State monopolies should be raised to an equality with that in the Madras territory, and as the necessary complement of this arrangement, salt for the Sirkars' monopolies was to be passed at Bombay for export by sea on the same terms as in the case of salt for Canara and Malabar, viz., a charge of three Pice per Indian Maund to cover local expenses, no duty being levied.
2. The arrangement was sanctioned by the Supreme Government, and came into force from 1st June 1865.
3. It had been the practice with the Bombay Government to levy duty on all short deliveries of salt in Canara and Malabar out of the exported quantity, less an allowance for unavoidable wastage, but this allowance for wastage was found to lead to much abuse, and in June 1865, this Government recommended, and the Bombay Government agreed, that duty should be levied on *all* short deliveries, leaving the contractor to re-coup himself for the loss on unavoidable wastage in transit by raising his price to the Government.
4. In November 1865, the Resident at Travancore pointed out to Government that the effect of this rule was to place the Sirkars at a serious disadvantage, inasmuch as that while the British Government is re-imbursed by the full duty on the short delivery for the higher charge by the contractors for the salt supplied, the Sirkars suffer the loss in the enhanced price without any such compensating return, and it was suggested that if the Government were not disposed to re-consider the rule in question, an allowance should be made to the Sirkars of the amount of duty levied on the per-centage of loss allowed as unavoidable wastage.
5. The Government declined to relax the rule, but admitting the reasonableness of the claim to the duty levied on the unavoidable wastage, they called on the Board of Revenue to report what per-centage of loss might properly be allowed on this account, and, on the Resident, to state how the allowance could be most conveniently adjusted.
6. Mr. Newill replied that either the amount could be remitted from Bombay, or the adjustment could be made in the payment of the subsidy, and the Board of Revenue recommended that ten per cent. should be allowed for unavoidable loss by wastage and dryage (referring to the correspondence in Extract Minutes Consultation, dated 2nd September 1863, No. 1,003, Revenue Department, for the grounds on which they adopted this rate).
7. By an oversight in the Government Office in disposing of these papers, application was made to the Bombay Government to do what this Government had previously declared it would be most impolitic to do, viz., to relax the rule charging duty on all short deliveries, and to continue the former allowance for

Proceedings of Government, 16th February 1865, No. 339, Revenue Department.

From Government of India, dated 8th April 1865, No. 2,001, Financial Department.

wastage of ten per cent. in shipments of salt by contractors for the Travancore and Cochin Sirkars, and this the Government of Bombay now decline to do.

8. The Government of Bombay has forwarded to this Government copies of certain reports on the subject made by their Customs Officers objecting to the allowance claimed, and to the mode of giving it; but on the first point the arguments are adduced in ignorance of the facts of the case, and are beside the mark, and on the second point this Government, as already stated, fully recognize the objection, and only by an oversight was any relaxation of the rule requested.

9. It remains, however, to settle the question of the compensation to the Sirkars, and the Government proceed to consider this point.

10. In 1853 an extended series of experiments was made to ascertain the difference between the weight of salt as shipped at Bombay and landed in Malabar, and the result shewed that the contents of the Bombay Measure, which was constructed to contain 82½ lbs., or 1 Indian Maund, as settled by experiment in Bombay, weighed 93 lbs. as delivered in Malabar, and 88 lbs. when dried by fire, shewing a difference of seven per cent. due to pulverization, and a further difference of ten per cent. due to moisture.

11. It was considered at the time what compensation should be allowed to the contractors to cover this difference, and ultimately, at the recommendation of the Revenue Board, this Government approved of the allowance of ten per cent. to cover loss of weight and loss of bulk, which had been sanctioned by the Bombay Government. There can be no doubt that the causes which operated to produce this loss in salt landed in Malabar from Bombay, must have still more marked effect in the longer voyages to the Cochin and Travancore ports, and the necessity of an allowance to place the Sirkars in regard to this matter on an equality with the British Government, is self-evident.

12. In his letter dated 8th November 1865, the Resident gave a statement shewing that the wastage on the salt imported from Bombay into Travancore, in the five years from 1858-59 to 1861-65, had averaged 9½ per cent.

13. In his letter of 11th December 1866, recorded in these Proceedings, he shews that on the deliveries at Aleppy and Morrunbum in 1865-66, there was a loss of about four and a quarter per cent., entailing a penalty of Rupees 6,908, in the shape of duty levied on the short delivery at the rate of Rupees 1-8-0 per maund.

14. The Government do not consider that this one result is sufficient to invalidate the conclusion arrived at after the more extended and careful series of experiments in 1853, and the later average of five years, and the case is, moreover, one in which the Sirkars' claim should be treated with the utmost liberality, as the matter seriously affects their trade, and they have adopted at considerable risk to their own revenues, a measure which was pressed on them by the British Government for the protection of its own revenue from an important source very liable to be easily disturbed and injuriously influenced.

15. On mature consideration, the Government remain of opinion that an allowance should be made to the Sirkars on account of the duty levied on all short deliveries of salt from Bombay under the Sirkars' contracts within a maximum of ten per cent., to have effect from 1st June 1865; and to obviate any complication in the accounts of the Bombay Customs revenues, they consider that this allowance

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**6 Proceedings of the Madras Government, Revenue Department,
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may best be adjusted in the payment of the subsidy by the Sirkars to the British Government.

16. The Accountant General will be requested to state whether, with reference to paragraph 5 of the Proceedings of this Government, dated 16th February 1865, No. 339, Revenue Department, communicated to the Government of India in letter of the same date, and the reply of the Supreme Government, dated 8th April 1865, No. 2,001, Financial Department, authorizing the adoption of the arrangements recommended by this Government, which included the question of the salt supply, he is prepared to accept the present decision of this Government on this point, which is essential to give effect to those recommendations, or whether he requires the further sanction of the Supreme Government for the adjustment on payment of the subsidy.

(True Extract.)

(Signed) W. HUDLESTON,
Secretary to Government.

To the Resident in Travancore and Cochin.
 „ the Accountant General.
 „ the Revenue Board.

Exd. S. T. Augustin.

**Proceedings of the Madras Government, Revenue Department,
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Read the following papers :—

No. 340. From the Chief Secretary to the Government of Bombay, Revenue Department, to the Secretary to the Government of Madras, dated Bombay Castle, 30th November 1866, No. 4,454.

I am directed by His Excellency the Governor in Council to acknowledge the receipt of your letter No. 775, dated the 4th April last, with enclosures, and, in

reply, to forward herewith copy of a Report* by the Acting Commissioner of Customs and of its accompaniment, and

* No. 2,528, dated 6th October 1866.

to remark that the general withholding of the reduction of ten per cent. for wastage of salt was made at the request of the Government† of Madras, and that this Government are not disposed to make

any special exception in the case of salt consigned to Travancore and Cochin; but they are willing that the matter should be referred to the Government of India, with whom the general subject of the mode in which the excise on exported salt should be collected is now under consideration.

REPORT BY THE ACTING COMMISSIONER OF CUSTOMS.

No. 2,528.

REVENUE DEPARTMENT,
 Bombay Office of Commissioner of Customs,
 6th October 1866.

1. With reference to the above, the undersigned has the honor to forward the following remarks recorded by Mr. Bellasis on the subject, together with copy of a report from the Deputy Commissioner, Southern Division.

“The Commissioner of Customs has the honor to state, that he read the correspondence between the Resident at Travancore and Cochin and the Madras Government, on the subject of allowing ten per cent. for wastage on all salt imported in those States.

2. “His Excellency in Council is aware that this very allowance was, at the instance of the Madras Government, after mature consideration, abolished, and in that measure the Commissioner of Customs fully concurred as there was no doubt that much of the deficient quantity, which is alleged to have been caused by wastage, &c., was due to smuggling and other illicit transactions, in transit, on the part of traders.

3. “The Commissioner of Customs quite concurs in the view taken by the Madras Government, in considering that the abolition of this allowance has had a salutary and good effect, and it appears to the Commissioner of Customs that what is good for Malabar should be extended to Travancore and Cochin; it is the making exceptions to a general practice which gives rise to smuggling, and there is no doubt that if the door be again opened, salt exported for those foreign States will find its way into Malabar and other British ports. For nothing is easier than for the Tindal and owners of a Pattimar to get up a story that they experienced stress of weather, and had to throw the cargo overboard, or to state that the vessel had sunk in some insignificant place, and was, with great difficulty recovered, and to support these statements by a declaration at the nearest port; the truth generally being that they run into some intermediate port and dispose of a part or the whole of their cargo.

“Salt, like every other kind of goods, is liable to wastage, and merchants dealing in the article must take their risk.”

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8. The Government of Bombay has forwarded to this Government copies of certain reports on the subject made by their Customs Officers objecting to the allowance claimed, and to the mode of giving it; but on the first point the arguments are adduced in ignorance of the facts of the case, and are beside the mark, and on the second point this Government, as already stated, fully recognize the objection, and only by an oversight was any relaxation of the rule requested.

9. It remains, however, to settle the question of the compensation to the Sirkars, and the Government proceed to consider this point.

10. In 1853 an extended series of experiments was made to ascertain the difference between the weight of salt as shipped at Bombay and landed in Malabar, and the result shewed that the contents of the Bombay Measure, which was constructed to contain 82½ lbs., or 1 Indian Maund, as settled by experiment in Bombay, weighed 98 lbs. as delivered in Malabar, and 88 lbs. when dried by fire, shewing a difference of seven per cent. due to pulverization, and a further difference of ten per cent. due to moisture.

11. It was considered at the time what compensation should be allowed to the contractors to cover this difference, and ultimately, at the recommendation of the Revenue Board, this Government approved of the allowance of ten per cent. to cover loss of weight and loss of bulk, which had been sanctioned by the Bombay Government. There can be no doubt that the causes which operated to produce this loss in salt landed in Malabar from Bombay, must have still more marked effect in the longer voyages to the Cochin and Travancore ports, and the necessity of an allowance to place the Sirkars in regard to this matter on an equality with the British Government, is self-evident.

12. In his letter dated 8th November 1865, the Resident gave a statement shewing that the wastage on the salt imported from Bombay into Travancore, in the five years from 1858-59 to 1864-65, had averaged 9½ per cent.

13. In his letter of 11th December 1866, recorded in these Proceedings, he shews that on the deliveries at Aleppy and Morrunbum in 1865-66, there was a loss of about four and a quarter per cent., entailing a penalty of Rupees 6,908, in the shape of duty levied on the short delivery at the rate of Rupees 1-8-0 per maund.

14. The Government do not consider that this one result is sufficient to invalidate the conclusion arrived at after the more extended and careful series of experiments in 1853, and the later average of five years, and the case is, moreover, one in which the Sirkars' claim should be treated with the utmost liberality, as the matter seriously affects their trade, and they have adopted at considerable risk to their own revenues, a measure which was pressed on them by the British Government for the protection of its own revenue from an important source very liable to be easily disturbed and injuriously influenced.

15. On mature consideration, the Government remain of opinion that an allowance should be made to the Sirkars on account of the duty levied on all short deliveries of salt from Bombay under the Sirkars' contracts within a maximum of ten per cent., to have effect from 1st June 1865; and to obviate any complication in the accounts of the Bombay Customs revenues, they consider that this allowance

may best be adjusted in the payment of the subsidy by the Sirkars to the British Government.

16. The Accountant General will be requested to state whether, with reference to paragraph 5 of the Proceedings of this Government, dated 16th February 1865, No. 339, Revenue Department, communicated to the Government of India in letter of the same date, and the reply of the Supreme Government, dated 8th April 1865, No. 2,001, Financial Department, authorizing the adoption of the arrangements recommended by this Government, which included the question of the salt supply, he is prepared to accept the present decision of this Government on this point, which is essential to give effect to those recommendations, or whether he requires the further sanction of the Supreme Government for the adjustment on payment of the subsidy.

(True Extract.)

(Signed) W. HUDLESTON,
Secretary to Government.

To the Resident in Travancore and Cochin.
,, the Accountant General.
,, the Revenue Board.

For Orders.

The rule lately in-
tro duced of charging full
Duty on all salt deliveries
had better be adhered
to and the allowance
for waste be settled
in account with the
Travancore put. Direct.
I am not clear that
they are entitled to
such allowance; and
that balance of advantage

from the interpretal
arrangements is much
in their favor. But 10 per cent
is too much. Mr. Merrill
should think the period
statements of the actual
rate of ^{interest} was large - and then how
the salt is received ^{in Washington} where the
by measure was 2 or 3 per cent, as
this affects the question ma-
terially - In one instance
he shows that the rate
was only $4\frac{1}{4}$ per cent.
L.S.

we need, which is now nearly
the real bearing of the matter.
Mr. Faynes' letter is very useful to
the purpose. Some points are
difficult - one especially to ascertain
the

man now writing on salt-shipping from Boston
- by 6-7 or 8 a.m. and Cochran was in charge
do I see how it can be expected of them.
The fact of what is stated with present company.
On the other hand, I am admitted - \$0.17 per 55 lbs.
which has to be I think. But in furtherance

April 1867
 From the Chief Secretary to the Govt. of Bombay
 to the Revenue Department
 regarding the 10% allowance for wastage of salt
 exported from Bombay to Travancore & Cochin
 but they are willing that the matter should be referred to the
 Govt. of India for their consideration
 I can see no objection to this
 I am, Sir, very respectfully,
 Your obedient servant,
 J. B.

Revenue 1866-67
 Pro of Govt. for Feb 1867
 No. 4343

From the Chief Secretary to the Govt. of Bombay

Dated 30th Nov.
 Received 6th Decr. 1866

No. 4451

S.O. No 456-25 July 67

Forwarding copies of papers and stating that the general withholding of the reduction of 10 percent for wastage of salt was made at the request of the Madras Govt. and that that Govt. are not disposed to make any special exception in the case of salt consigned to Travancore & Cochin, but they are willing that the matter should be referred to Govt. of India.

No. 346

Revenue Department
 No. 456

Proceedings of the Madras Government
 Under date the 25th February 1867

Recd the following Papers.

From the Chief Secretary to the Govt. of Bombay

Forwarding copies of papers and stating that the general withholding of the reduction of 10 percent for wastage of salt was made at the request of the Madras Govt. and that that Govt. are not disposed to make any special exception in the case of salt consigned to Travancore & Cochin, but they are willing that the matter should be referred to Govt. of India.

(Here enter 30th Novr 1866 No. 4454)

From the Resident of Travancore & Cochin

Bringing to the notice of Govt. that the 10% allowance for wastage on salt exported from Bombay has been refused to the Allepy Merchants by the Bombay Govt.

(Here enter 11th Decr 1866 No. 77)

J.P.
 W.M.

In view to the protection of the British revenue from salt on the Western coast, it was made part of the agreement with the Cochin and Travancore States that their selling prices for salt under their State monopolies should be raised.

raised to an equality with
that in the Malabar territory -
and as the necessary comple-
ment of this arrangement, Salt
for the Sirkars' Monopolies were
to be passed at Bombay for Export
by Sea on the same terms as in
the case of Salt for Canara and
Malabar - viz a charge of 3 Pice
per Indian Maund to cover local
expenses, no duty being levied -

The arrangement was sanc-
tioned by the Sup: Govt and came
into force from 1st June 1865 -

It had been the practice with
the Bombay Govt to levy duty on all
short deliveries of Salt in Canara and
Malabar out of the exported quantity less
an allowance for unavoidable wastage -
but this allowance for wastage was
found to lead to much abuse, and in June
1865 this Govt recommended, and the Bombay
Govt agreed, that duty should be levied on
all short deliveries leaving the contractor
to ^{re-comp} himself for the loss on unavoidable
wastage in transit by raising his price to the Govt.

In Nov^r 1865 the Resident at Travancore
came pointed out to Govt that the effect of this
rule was to place the Sirkars at a serious
disadvantage

Lt. of Govt. 16. Feb. 65.
No. 339. S.D.

From Govt. of P. & F. 16. Feb. 65.
No. 2001. S.D.

disadvantage, in as-
much as that while
the British Govt is re-
imbursed by the full
duty on the short deli-
very for the higher ex-
change by the contractors
for the Salt supplied, the
Sirkars suffer the loss
in the substance, price
without any such com-
pensating return - and
it was suggested that
if the Govt were not to
dispose to reconsider
the rule in question, an
allowance should be
made to the Sirkars of the
amount of duty levied on
the percentage of loss ab-
solute as unavoidable
wastage -

The Govt declines
to relax the rule - but ad-
mitting the reasonable-
ness of the claim to the
duty levied on the un-
avoidable wastage call-
ed on the Board of Revenue
to

to report what percentage
of loss might properly
be allowed on this ac-
count - & on the President
to state how the allowance
could be most conveni-
ently adjusted -

Mr. Newill replied
that either the amount
could be deducted from
Bombay or the adjustment
could be made in the
payment of the subsidy -
and the Board of Revenue
recommended that 10 %
should be allowed for
unavoidable loss by
wastage and drayage
(Referring to the correspond-
ence in L.M.C. dated
22 September 1863 No 1003,
P.S. for the grounds
on which they adopted
this rate) -

By an ~~unfortunate~~
oversight in the Govt
office in disposing of these
papers, application was
made to the Bombay Govt
to

to do what the Govt
had previously declared
it would be most im-
politic to do, viz to
relax the rule charging
duty on all short deliv-
eries and to continue the
former allowance for
wastage of 10 per cent
in shipments of salt
by Contractors for the Tra-
vancore and Cochin
Sirkars, and this the Govt
of Bombay now decline to
do -

The Govt of Bombay
has forwarded to this Govt
copies of certain reports
on the subject made by
their Customs officers -
objecting to the allowance
claimed - and to the mode
of giving it - but on the
first point the argu-
ments are adduced, in
ignorance of the facts
of the case & are beside
the mark, and on the
second point this Govt
as

as already stated, fully
recognise the objection,
and only by an oversight
was any relaxation of
the rule requested.

It remains however
to settle the question of the
compensation to the Sir-
kars, & the Govt proceed to
consider this point.

In 1853 an extensive
series of experiments was
made to ascertain the dif-
ference between the weight
of salt as shipped at Bom-
bay, and landed in Malabar,
& the result showed that the
contents of the Bombay mea-
sure which was constructed
to contain 82 $\frac{1}{2}$ lbs or one
Bengal Maund as settled
by experiment in Bombay,
weighed 98 lbs as delivered
in Malabar, and 88 lbs when
dried by fire, showing a
difference of 7 per cent due
to pulverisation - and a
further difference of 10%
due to moisture.

It was considered
at the time what com-
pensation should be
allowed

12/2
allowed to the
contractors to en-
cover this dif-
ference - and
ultimately at
the recommend-
ation of the
Revenue Board,
this Government
approved

approved of
the allowance
of 10 per cent
to cover loss of
weight and
loss of bulk
which had
been sanctioned
by the Bombay
Govt.

Government. There can
be no doubt that the
causes which operated to
produce this loss in salt
landed in Malabar from
Bombay - must have still
more marked effect in the
longer voyages to the Cochin
and Travancore ports - and
the necessity of an allowance
to place the Sirkars in re-
gard to this matter on an
equality with the British
Government, is self evident.

In his letter dated
8th November 1865, the President
gave a statement showing
that the wastage on the
salt imported from Bombay
into Travancore in the 5 years
from 1858/59 to 1861/65
had

had averaged $9\frac{1}{3}$ per cent.

In his letter of 11th

December 1866 recorded in these proceedings he shows that on the deliveries at Alip. py. and Morumbum in 1865/66. there was a loss of about $4\frac{1}{4}$ per cent. entailing a penalty of Rs. 6,908- in the shape of duty levied on the short delivery at the rate of Rs. 1-8- per maund.

The Government do not consider that this ^{our} last result is sufficient to invalidate the conclusion arrived at after the more extended and careful series of experiments in 1853- and the later average of 5 years and the case is

moreover

moreover one in which the Sirkars' claim should be treated with the utmost liberality - ^{as} the matter ~~being~~ ^{being} ~~which~~ seriously affecting their trade and they having adopted it at considerable risk to their own revenues, a measure which was pressed on them by the British Government for the protection of its own revenue from an important source ~~very~~ ^{being} liable to be easily disturbed and injuriously influenced.

On mature consideration, the Government remain of opinion that an allowance should be made to the Sirkars on account of the duty levied on all short deliveries of salt from

Bombay

Bombay under the Sirkar's
contracts within a maximum
of 10 per cent, to have effect
from 1st June 1865; and to
obviate any complication
in the accounts of the Bombay
Customs revenues, they con-
sider that this ^{allowance} may best
be made by ~~an~~ adjustment
in the payment of the subsidy
by the Sirkar to the British
Government.

The Accountant
General will be requested
to state whether, with re-
ference to para 5 of the
Proceedings of this Govern-
ment dated 16th February
1865 No. 339, Rev. Departt.,
communicated to the Govt.
of India in letter of the
same

5/ same date- and the reply of
the Supreme Government dated
8th April 1865. No. 2001, Finan-
cial Department authorising
the adoption of the arrange-
ments recommended by this
Government which included
the question of the salt sup-
ply; he is prepared to ac-
cept the present decision
of this Government on this
point which is essential
to give effect to those re-
commendations- or whether
he requires the further sanc-
tion of the Supreme Govern-
ment for the adjustment
on payment of the subsidy.

Resident Travancore Kochin
to Accountant General
Revenue Board.

L.B.

W. H. C. L.

Revenue 1867 Dept.
Pro of Govt for Feb'y

No 456.

Pro of the Madras Govt.
Dy 25th February/67

From the Accountant Genl
Dy 7th March/67 C^A 610

Passing orders
on the subject of
granting an allowance
for all short deliveries
of Salt imported into
Travancore & Cochin

No 340 @ 342