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MISCELLANEOUS SERIES.

G.O., No. 578

Confidential No 16

Dated 8th Feb 1899

[Despatch Abstract.]

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
	27		10-1-99				

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
	CTB-2180		1899 = 487				

Revenue (1899) Department.

CURRENT No. 931
Confidential No 22

V. V. V.

From
The Secretary to the Commissioner of
Salt, Abkari & Separate Revenue,
M. A. D. N. A. S.

Order

Reference No. 118

Dated 3rd February 1899.

Received 6th do

Registered 6th do

Enclosures

Spare copies

SUBJECT.

Requesting the favour of further
consideration and instructions regarding
the application of the Oriental Salt
Company to be allowed to take up 1000
acres of land at Naupada for salt manu-
facture.

BACK PAPERS.

G.O.	No.	Department.	Date.
	27 10-1-99		

FURTHER PAPERS.

G.O.	No.	Department.	Date.
	CO-2/90/99		

Reference No 118, dated 3rd February 1899.

In replying the above should be quoted.

3,000
5-5-98.



Refer to the following Proceedings of the Board of Revenue
(Separate Revenue.)

Read Government Order Press No.27, Revenue, dated 10th January 1899.

Reference:-

Referring to Government Order No.27 Revenue, dated 10th January 1899, in which Government states that the application of the Oriental Salt Company to be allowed to take up 1000 acres of land at Naupada for salt manufacture may be complied with, the Board requests the favour of further consideration and instructions.

2. The Government has stated no terms in its own behalf on which it considers that the 1000 acres of land should be given, except the right of Government to purchase any quantity of the Company's untreated salt at 3 annas per maund. The Board believes that it cannot be the intention of Government to allow the Company the exclusive right to this large block which, it may be remarked, is the best land in the neighbourhood of Naupada favourable for an extension of the factory, without imposing further details or conditions, e.g. the period within which it should be brought under cultivation and circumstances that might entail reversion to Government. The present market value of the land for purposes of salt manufacture is also of some importance. The Board also does not clearly understand on what terms it is to take over untreated salt at 3 annas. The cost of Government salt in the neighbouring factories is around 2 annas; and the Oriental Salt Company ought certainly to be able to produce under that figure from

the

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The intended magnitude of their operations and the appliances they will ^{bring} to bear in reduction of manual labour; and the Board proposed 2 annas in its Proceedings Mis No. 3640, dated 13th September 1898, as the rate at which salt should be taken over from licensees permitted to manufacture under the modified Excise system, meaning thereby two annas for salt in store of the class ordinarily produced in the factory. It is presumed that it is Government's intention that three annas should be given for stored salt, of proper quality and not that the Company should claim Kudivaram at that rate for salt on the drying grounds; but the Board would continue most respectfully to reiterate its own opinion that three annas is too high a price to pay since it is the ordinary or average price at which Government expects to sell its own salt at the present day and gives some profit over cost price, and the difference of one anna will be simply a present to the Oriental Salt Company enabling it to increase the price of its treated salt by that amount. The Board believes that if Government stand firm the Company will accept the two anna rate.

3. In submitting the Company's application the Board asked for an indication of policy and for time to consider this particular matter after receipt of such indication. Government has given the indication of policy asked for but has at the same time disposed finally of the application. Government lays down two conditions under which a Company, working in the way the Oriental Salt Company is working, should be encouraged to extend its business, the first that there is room for such extension and that it will not ruin other factories and the second that Government should be able to retain its control over the market. The Board respectfully ventures to submit that these conditions are not fulfilled in the present instance. That the extensions of the Company's factories, accompanied by the opening of the East Coast Railway, will undoubtedly ruin other factories on the coast if the Company are not strictly controlled is clearly shown in Mr. Willock's note on

c. no 6420 of 98
(dis our file) put
up with another
current salt taken

No. 214
Application

No. 214
Application

under G.O. 485
29.7.98.

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note on the probable effect of the East Coast Railway on the Salt traffic, dated 20th January 1898, to which the Board would invite special attention in connection with this proposal. The Company's own letters show that it intends to encroach on the markets supplied by other factories, and Mr. Willock's note shows that the ruin of at least four of them, one of which has recently reverted to Government, will, if Maupada and Karasta, the Company's factories, are allowed to secure a complete control of the market, be only a matter of time. And the Board believes that it will be impossible to control the Company, once it has secured a hold of the market with its sifted salt, by selling untreated salt at a price which, under the terms of the Government Order, cannot be less than three annas and at that rate will yield no profit but only duty. The Deputy Commissioner, Mr. Merriman, has studied the question of the proper control of the Company's coming monopoly very closely and the Board intended, had the proposal been returned to it for consideration before final report, (as it requested), to have consulted him in the matter and submitted his views. It believes that he had under consideration, among other methods of control, the taking up of a portion of this very thousand acres as an extension. That control the Board would rather effect by the two anna price stated: but, as in its opinion the whole question is one of supreme importance to the future of the Salt administration and the good of the people, it would very respectfully beg permission now to call for his report and to submit his views and its own upon the matter before final orders issue.

4. Some delay has occurred in submitting these remarks which arises from tappal going astray while the Commissioner was on tour.

(True & back)

C. J. Altham
Acting Secretary.

5.2.99.

To The Secretary to Government, Revenue Department.

Shun

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1 1,000-7-9-98.

REVENUE DEPARTMENT.

C. No. 931

From The Board of Revenue (S.R.)
No. 118 Dated 3.2.99.

-189-

FOR ORDERS.

To Secy

final sentence of para 3 of
current

x the notes connected
with this C.P. are in circulation
now

The Board recommends
that before giving effect to G.O.
27 d/ 10.1.99 on the application of
the Oriental Salt Company
for land at Naupada, it may
be permitted to call for a
report from Mr. Merriam
and to submit its views on the
matter. It considers that the
conditions laid down by Govt
are not satisfied in the present
case, that the price of ^{ordinary} salt to be
purchased from the company
should not be higher than two
annas a maund and that
certain conditions should be
imposed on the company as to
to the time within which the
land should be brought under
cultivation and as to the
circumstances in which it

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1 1,000-7-9-92.

REVENUE DEPARTMENT.

C. No. 931

From The Board of Revenue (S.R.)

No. 118 Dated 3.2.99.

189

FOR ORDERS.

To Secy.

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with this C.P. are in circulation
now

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the present to Govt. This may be allowed.

Line: This may be ^{allowed} ~~then may be~~ allowed.

Boe Board asked for orders on the
13 question of policy. The orders
ov were issued, and it was informed
ec that the Company's application
o "may be complied with." This is
not, however, a final disposal
of the matter as understood by the
hard and it is within the its competence
to defer the grant of the application
and further consider the matter.

6-2-99

H.M.

Yes: all that for. purported
to do was to ~~to~~ indicate
the general policy, & to
intimate that so far as
that policy was concerned
there was no objection to
Messrs. Macmillan getting the
1000 acres applied for.
But the carrying out
specifically of the arrangement
was left to them & they are
free to address Govt. in
regard thereto or with reference
to details about which they are at a loss.

Certainly. The Bd. need
not have been in doubt
on the subject. The Govt.
was communicated to the
Bd. alone.

MR

6.2.99

To Secretary

Please

draft below.

8/24/99

KD
7-2-99

Fair the draft

8/27/99

To Secretary

Fair copy is

submitted below.

KD
7-2-99

done

11/8/99

Read

B.P. Ref No. 118 dt 3-2-99

(C.D. No. 931 of 99)

E.g. mis. No. 578 dt 8th Feb 1900
Court No. 16

By E.g. No. 27 dt

10-1-99, the Govt intended to do no more than to indicate its general policy in matter referred to and to intimate the so far as that policy was affected, there was no objection to the grant of the extent of land applied for by the Oriental Salt Company. It did not intend to remove from the consideration of the Board the mode in which that policy should be adapted to the particular case or the arrangement of the details. The

and are free to
address the Govt
in the manner
indicated in para
of their Progs read
above.

Intd G.S. 7
7/2/99.

at the Board (SR).

ser/28/2/99

Government (1899) of Madras.
REVENUE.

CONFIDENTIAL.

Recd.

Regd.

1899.

Enclosures

Spare copies

G.O., Mis. No. 578 (Confdl. No. 16), 8th Feb. 1899.

FEBRUARY.

Explaining the scope of G.O., No. 27, Revenue, dated 10th January 1899, in regard to the
grant of land to the Oriental Salt Company at Naupada.

CONFIDENTIAL.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—the following Reference of the Board of Revenue (Separate Revenue), No. 118, dated 3rd February 1899:—

Read—G.O., No. 27, Revenue, dated 10th January 1899.

Reference—No. 118, dated 3rd February 1899.

Referring to G.O., No. 27, Revenue, dated 10th January 1899, in which Government states that the application of the Oriental Salt Company to be allowed to take up 1,000 acres of land at Naupada for salt manufacture may be complied with, the Board requests the favour of further consideration and instructions.

2. The Government has stated no terms in its own behalf on which it considers that the 1,000 acres of land should be given, except the right of Government to purchase any quantity of the Company's untreated salt at 3 annas per maund. The Board believes that it cannot be the intention of Government to allow the Company the exclusive right to this large block which, it may be remarked, is the best land in the neighbourhood of Naupada favourable for an extension of the factory, without imposing further details or conditions, *e.g.*, the period within which it should be brought under cultivation and circumstances that might entail reversion to Government. The present market value of the land for purposes of salt manufacture is also of some importance. The Board also does not clearly understand on what terms it is to take over untreated salt at 3 annas. The cost of Government salt in the neighbouring factories around is 2 annas; and the Oriental Salt Company ought certainly to be able to produce under that figure from bear in reduction of manual labour; and the appliances they will bring to ings, Mis. No. 3640, dated 13th September 1898, as the rate at which salt should be taken over from licensees permitted to manufacture under the modified Excise system, meaning thereby 2 annas for salt *in store* of the class ordinarily produced in the factory. It is presumed that it is Government's intention that 3 annas should be given for stored salt of proper quality and not that the Company should claim kudivaram at that rate for salt on the drying grounds; but the Board would continue most respectfully to reiterate its own opinion that 3 annas is too high a price to pay since it is the ordinary or average price at which Government expects to sell its own salt at the present day and gives some profit over cost price, and the difference of one anna will be simply a present to the Oriental Salt Company enabling it to increase the price of its treated salt by that amount. The Board believes that if Government stand firm the Company will accept the two-anna rate.

3. In submitting the Company's application the Board asked for an indication of policy and for time to consider this particular matter after receipt of such indication. Government has given the indication of policy asked for, but has at the same time disposed finally of the application. Government lays down two

conditions under which a Company, working in the way the Oriental Salt Company is working, should be encouraged to extend its business, the first that there is room for such extension and that it will not ruin other factories, and the second that Government should be able to retain its control over the market. The Board respectfully ventures to submit that these conditions are not fulfilled in the present instance. That the extensions of the Company's factories, accompanied by the opening of the East Coast Railway, will undoubtedly ruin other factories on the coast if the Company are not strictly controlled is clearly shown in Mr. Willock's note on the probable effect of the East Coast Railway on the salt traffic, dated 28th January 1898, to which the Board would invite special attention in connection with this proposal. The Company's own letters show that it intends to encroach on the markets supplied by other factories, and Mr. Willock's note shows that the ruin of at least four of them, one of which has recently reverted to Government, will, if Naupada and Karasa, the Company's factories, are allowed to secure a complete control of the market, be only a matter of time. And the Board believes that it will be impossible to control the Company, once it has secured a hold of the market with its sifted salt, by selling untreated salt at a price which, under the terms of the Government order, cannot be less than 3 annas and at that rate will yield no profit but only duty. The Deputy Commissioner, Mr. Merriman, has studied the question of the proper control of the Company's coming monopoly very closely and the Board intended, had the proposal been returned to it for consideration before final report (as it requested), to have consulted him in the matter and submitted his views. It believes that he had under consideration, among other methods of control, the taking up of a portion of this very thousand acres as an extension. That control the Board would rather effect by the two-anna price stated; but, as in its opinion the whole question is one of supreme importance to the future of the salt administration and the good of the people, it would very respectfully beg permission now to call for his report and to submit his views and its own upon the matter before final orders issue.

4. Some delay has occurred in submitting these remarks which arises from tappal going astray while the Commissioner was on tour.

(True Extract.)

(Signed) C. G. TODHUNTER,
Acting Secretary.

To the Secretary to Government, Revenue Department.

ORDER—MIS. No. 578 (Confdl. No. 16), Revenue, dated 8th February 1899.

By G.O., No. 27, dated 10th January 1899, the Government intended to do no more than to indicate its general policy in the matter referred to it and to intimate that, so far as that policy was affected, there was no objection to the grant of the extent of land applied for by the Oriental Salt Company. It did not intend to remove from the consideration of the Board the mode in which that policy should be adapted to the particular case or the arrangement of the details. The Board are free to address the Government in the manner indicated in paragraph 3 of their Proceedings read above.

(True Extract.)

(Signed) G. S. FORBES,
Secretary to Government.

To the Board of Revenue (Separate Revenue).

Exd. J. Henrious.

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READ AGAIN G.O. No. _____ DATED _____
189 ,

ORDER No. _____

ENCLOSURES TO O. No. _____

ORDER OF GOVERNMENT A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH
IN ORIGINAL.

S.S.—

- A = Copy in full.
- B = Not to be copied.
- P = Copy abstract only.
- Q = Copy heading only.

6-16
55/12/18
CONFIDENTIAL.

Madras.
Government (1899) of Madras.
REVENUE.

CONFIDENTIAL.

Recd.

Key

1899.

Enclosures

Spare copies

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Secretary to Government.

To the Board of Revenue (Separate Revenue).

Government {1899} of Madras.
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CONFIDENTIAL.

Recd.

Regd.

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C. G. TODHUNTER,
Acting Secretary.

To the Secretary to Government, Revenue Department.

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(True Extract.)

(Signed)

G. S. FORBES,
Secretary to Government.

To the Board of Revenue (Separate Revenue).

Government {1899} of Madras.
REVENUE.

CONFIDENTIAL.

Recd.

Regd.

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To the Board of Revenue (Separate Revenue).

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Exd. J. Henrious.

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(True Extract.)

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Acting Secretary.

To the Secretary to Government, Revenue Department.

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(True Extract.)

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Secretary to Government.

To the Board of Revenue (Separate Revenue).

Ed. J. Henrious.

CONFIDENTIAL.

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Secretary to Government.

To the Board of Revenue (Separate Revenue).

Ed. J. Henricus.

Government {1899} of Madras.
REVENUE.

CONFIDENTIAL.

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REVENUE.

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Government (1899) of Madras. REVENUE.

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2 Mis. No. 578 (CONFDL. No. 16), REVENUE, 8TH FEBRUARY 1899.

CONFIDENTIAL.

GOVERNMENT OF MADRAS.

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To the Board of Revenue (Separate Revenue).

Government {1899} of Madras.
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Exd. J. Henious.

Government of Madras.
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Government {1899} of Madras.
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To the Secretary to Government, Revenue Department.

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By G.O., No. 27, dated 10th January 1899, the Government intended to do no more than to indicate its general policy in the matter referred to it and to intimate that, so far as that policy was affected, there was no objection to the grant of the extent of land applied for by the Oriental Salt Company. It did not intend to remove from the consideration of the Board the mode in which that policy should be adapted to the particular case or the arrangement of the details. The Board are free to address the Government in the manner indicated in paragraph 3 of their Proceedings read above.

(True Extract.)

(Signed) G. S. FORBES,
Secretary to Government.

To the Board of Revenue (Separate Revenue).

Government (1899) of Madras.
REVENUE.

CONFIDENTIAL.

Recd.

Enclosures

Regd.

1899.

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G.O., Mis. No. 578 (Confdl. No. 16), 8th Feb. 1899.

FEBRUARY.

Explaining the scope of G.O., No. 27, Revenue, dated 10th January 1899, in regard to the grant of land to the Oriental Salt Company at Naupada.

CONFIDENTIAL.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—the following Reference of the Board of Revenue (Separate Revenue), No. 118, dated 3rd February 1899:—

Read—G.O., No. 27, Revenue, dated 10th January 1899.

Reference—No. 118, dated 3rd February 1899.

Referring to G.O., No. 27, Revenue, dated 10th January 1899, in which Government states that the application of the Oriental Salt Company to be allowed to take up 1,000 acres of land at Naupada for salt manufacture may be complied with, the Board requests the favour of further consideration and instructions.

2. The Government has stated no terms in its own behalf on which it considers that the 1,000 acres of land should be given, except the right of Government to purchase any quantity of the Company's untreated salt at 3 annas per maund. The Board believes that it cannot be the intention of Government to allow the Company the exclusive right to this large block which, it may be remarked, is the best land in the neighbourhood of Naupada favourable for an extension of the factory, without imposing further details or conditions, *e.g.*, the period within which it should be brought under cultivation and circumstances that might entail reversion to Government. The present market value of the land for purposes of salt manufacture is also of some importance. The Board also does not clearly understand on what terms it is to take over untreated salt at 3 annas. The cost of Government salt in the neighbouring factories around is 2 annas; and the Oriental Salt Company ought certainly to be able to produce under that figure from the intended magnitude of their operations and the appliances they will bring to bear in reduction of manual labour; and the Board proposed 2 annas in its Proceedings, Mis. No. 3640, dated 13th September 1898, as the rate at which salt should be taken over from licensees permitted to manufacture under the modified Excise system, meaning thereby 2 annas for salt *in store* of the class ordinarily produced in the factory. It is presumed that it is Government's intention that 3 annas should be given for stored salt of proper quality and not that the Company should claim kudivaram at that rate for salt on the drying grounds; but the Board would continue most respectfully to reiterate its own opinion that 3 annas is too high a price to pay since it is the ordinary or average price at which Government expects to sell its own salt at the present day and gives some profit over cost price, and the difference of one anna will be simply a present to the Oriental Salt Company enabling it to increase the price of its treated salt by that amount. The Board believes that if Government stand firm the Company will accept the two-anna rate.

3. In submitting the Company's application the Board asked for an indication of policy and for time to consider this particular matter after receipt of such indication. Government has given the indication of policy asked for, but has at the same time disposed finally of the application. Government lays down two

conditions under which a Company, working in the way the Oriental Salt Company is working, should be encouraged to extend its business, the first that there is room for such extension and that it will not ruin other factories, and the second that Government should be able to retain its control over the market. The Board respectfully ventures to submit that these conditions are not fulfilled in the present instance. That the extensions of the Company's factories, accompanied by the opening of the East Coast Railway, will undoubtedly ruin other factories on the coast if the Company are not strictly controlled is clearly shown in Mr. Willock's note on the probable effect of the East Coast Railway on the salt traffic, dated 28th January 1898, to which the Board would invite special attention in connection with this proposal. The Company's own letters show that it intends to encroach on the markets supplied by other factories, and Mr. Willock's note shows that the ruin of at least four of them, one of which has recently reverted to Government, will, if Naupada and Karasa, the Company's factories, are allowed to secure a complete control of the market, be only a matter of time. And the Board believes that it will be impossible to control the Company, once it has secured a hold of the market with its sifted salt, by selling untreated salt at a price which, under the terms of the Government order, cannot be less than 3 annas and at that rate will yield no profit but only duty. The Deputy Commissioner, Mr. Merriman, has studied the question of the proper control of the Company's coming monopoly very closely and the Board intended, had the proposal been returned to it for consideration and before final report (as it requested), to have consulted him in the matter and submitted his views. It believes that he had under consideration, among other methods of control, the taking up of a portion of this very thousand acres as an extension. That control the Board would rather effect by the two-anna price stated; but, as in its opinion the whole question is one of supreme importance to the future of the salt administration and the good of the people, it would very respectfully beg permission now to call for his report and to submit his views and its own upon the matter before final orders issue.

4. Some delay has occurred in submitting these remarks which arises from tappal going astray while the Commissioner was on tour.

(True Extract.)

(Signed) C. G. TODHUNTER,
Acting Secretary.

To the Secretary to Government, Revenue Department.

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(True Extract.)

(Signed) G. S. FORBES,
Secretary to Government.

To the Board of Revenue (Separate Revenue).

Exd. J. Henricus.

Government (1899) of Madras.
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To the Board of Revenue (Separate Revenue).

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